



Atlas Money Market Fund

Atlas Sovereign Fund

Atlas Income Fund

Atlas Stock Market Fund

ANNUAL REPORT

30 June 2021

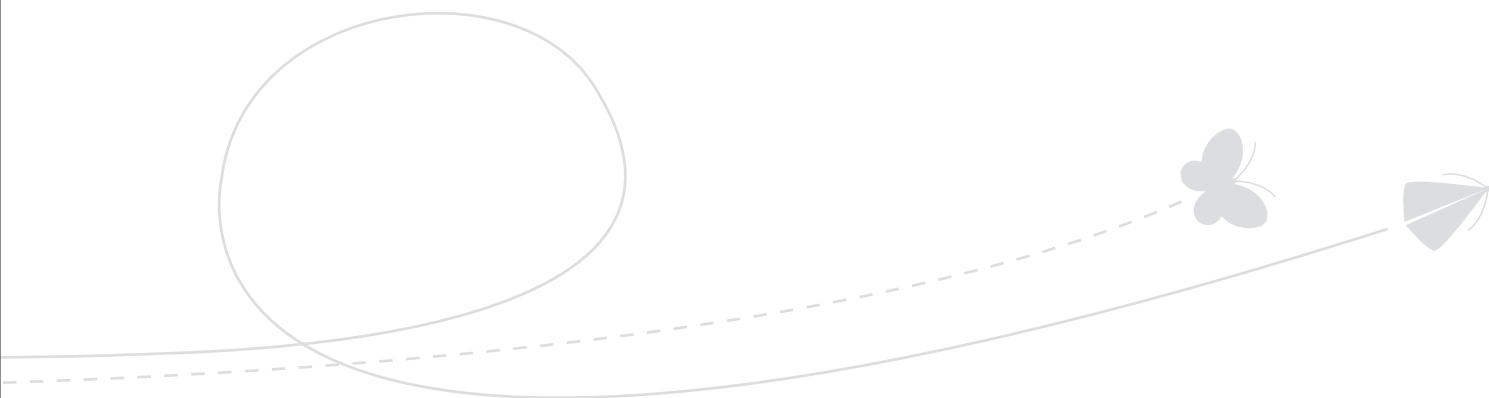
**Atlas
funds**
Nurturing your investments



Managed By

Atlas Asset Management

Rated AM2+ by PACRA
(as of December 24, 2020)



MANAGING TO THE CORE!

Even the most seemingly diminutive of creatures, hold for us an education. 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.

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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



Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20th August, 2002 as an unlisted public limited company. AAML as a Non-Banking Finance Company (NBFC) is licensed & regulated by Securities & Exchange Commission of Pakistan to perform Asset Management and Investment Advisory Services as per the NBFC (Establishment and Regulations) Rules, 2003 & NBFC and Notified Entities Regulations, 2008 and as a Pension Fund Manager to manage voluntary pension funds (under Voluntary Pension System Rules, 2005). SECP also issued licenses to the Company to carry out REIT Management Services, Private Equity and Venture Capital Fund Management Services, under rule 5 of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003. AAML manages assets on behalf of retirement funds, welfare organizations, insurance companies, multinationals, NBFCs and individuals.

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 | Pension Funds | Investment Advisory Services | Private Equity | REIT

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

Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Iftikhar H. Shirazi (Non-Executive Director)
Directors	Mr. Tariq Amin (Independent Director) Ms Zehra Naqvi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director) Mr. M. Habib-ur-Rahman (Non-Executive Director)
Chief Executive Officer	Mr. Muhammad Abdul Samad (Executive Director)
Company Secretary	Ms Zainab Kazim

Board Committees

Audit Committee

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

Human Resource & Remuneration Committee

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

Investment Committee

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

Management Committee

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

Risk Management Committee

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

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

Board of Directors of the Management Company

Mr. Iftikhar H. Shirazi

Chairman

Mr. Iftikhar H. Shirazi graduated with a Bachelor of Science in Finance from Notre Dame De Namur University (formerly College of Notre Dame), USA, and completed his OPM from Harvard Business School, USA. He has over 30 years of corporate management experience, more particularly in the financial and trading sectors. He has to his credit, work experience at Bank of Tokyo-Mitsubishi, Yamaichi Securities, and Toyota Tsusho Corporation.

He is currently Chairman of Shirazi Investments (Pvt) Limited, Atlas Asset Management Limited, Atlas Insurance Limited, Shirazi Trading Company (Private) Limited, Atlas Foundation and Atlas Information Technology Resource Centre. He is also a member of the SAARC Chamber of Commerce & Industry, Karachi Chamber of Commerce & Industry (KCCI) and Pakistan Japan Business Forum. He is also serving on the Board of the Forman Christian College, Ghulam Ishaq Khan Institute of Engineering Science and Technology, British Overseas Association and Employers Federation of Pakistan. He was also a member of the Aga Khan Resource Development Committee and life member of Federation of Pakistan Chambers of Commerce & Industry (FPCCI). He has also served the Management Association of Pakistan as their Vice President.

He also enjoys membership of several other prestigious associations that include, Harvard Club of New York and Pakistan, Young Presidents Organization, Aitchison College Old Boys Association, Government College of Commerce & Economics Old Students Association and English Speaking Union. He was also President of International Club, Notre Dame De Namur University (formerly College of Notre Dame), USA.

Mr. Fahim Ali Khan

Director

Mr. Fahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, U.S.A., Financial Management Program at Stanford University, U.S.A. and General Management Program at Insead University, France. He joined the Atlas Group in 1967 and has served in different positions. He has over 50 years of experience in General Management, Finance, Investment and Taxation.

He is currently Group Director Financial Affairs and Legal Matters. His other directorships include Atlas Insurance Limited, Atlas Asset Management Limited, Atlas Engineering (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Atlas Power Limited, Atlas Energy Limited, Zhenfa Pakistan New Energy Company Limited, Shirazi Trading Company (Private) Limited, Shirazi Investments (Private) Limited, and Atlas Foundation.

Earlier, he has also served on Atlas Honda Limited and Atlas Battery Limited boards and has been C.E.O of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management and former Atlas Investment Bank Limited.

Mr. M. Habib-ur-Rahman

Director

Mr. M. Habib-ur-Rahman is a fellow of the Institute of Chartered Accountants in England & Wales. He has attended management level programme (PMD) at Harvard Business School.

Mr. Habib-ur-Rahman has a long association with Mutual Fund Industry. He held the position of General Manager Finance & Investment with National Investment Trust Limited. He was NIT nominee director on the Board of Karachi Stock Exchange and various listed companies. He worked for NIT for eleven years from 1971 to 1981 and then left NIT to join motorcycle industry, Atlas Honda Limited, where he worked for fourteen years initially as Director Finance and then as Resident Director in-charge Finance, Administration and Production. In 1995 he returned to mutual funds industry. He played an instrumental role in setting ABAMCO Limited that was the first asset management company in the private sector in Pakistan. ABAMCO was initially established as a joint venture among a leading brokerage house in Pakistan, IFC and an asset management company in US. Mr. Habib-ur-Rahman was its chief executive from 1995 to 2003. He was the Chief Executive Officer of Atlas Asset Management Limited from March 2004 till March 2018. He is a founding member and past Chairman/ Director of the Mutual Funds Association of Pakistan (MUFAP). The foundation of MUFAP was laid in 1995. Mr. Habib ur Rahman was Securities and Exchange Commission of Pakistan (SECP) nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003. He was a member of SECP Advisory Group on Capital Markets, member of the SECP Enquiry Committee (appointed in 2001) on management of Exposure Rules by KSE/ LSE and member of the SECP Committee (appointed in 2013) to review the 2008 financial crisis in capital market in Pakistan. Presently he also holds directorships in Atlas Insurance Limited & Atlas Foundation.

Mr. Tariq Amin

Independent 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 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.

Board of Directors of the Management Company

Mr. Ali H. Shirazi

Director

Mr. Ali H. Shirazi graduated with a BA 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 member of the Group Executive Committee, responsible for Group's financial services. He is on the Board of Atlas Asset Management Limited, Atlas Foundation, Atlas Insurance Limited, Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Techlogix International Limited, National Management Foundation (sponsoring body of LUMS) and Cherat Packaging Limited. Previously he has also served on the Board of National Clearing Company of Pakistan Limited (NCCPL).

He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.

Ms Zehra Naqvi

Independent Director

Ms. Zehra Naqvi was the Chief Executive Officer of Chubb Insurance Pakistan, (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware, USA) from September 2005 to September 2017.

She has over 35 years of work experience in the insurance sector. Prior to joining Chubb and its predecessor companies (CIGNA and ACE) in 1990, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and with Adamjee Insurance Company in Pakistan.

Ms. Naqvi holds a B.Sc. Degree, and an MBA Degree from the Institute of Business Administration, Karachi University. She is a Chartered Insurer from the Chartered Insurance Institute, UK and is a Certified Director from Institute of Chartered Accountants of Pakistan.

She has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan, the Executive Committee of The American Business Council and the Managing Committee of the Overseas Investors Chamber of Commerce & Industry.

Ms. Naqvi has represented the Insurance Association of Pakistan, on the Council of Pakistan Insurance Institute and was Chairperson of the Institute for the term of 2016. She has been a visiting faculty member at the Institute.

Ms. Naqvi has served as an Independent Director on the Board of Abbott Laboratories (Pakistan) Limited. She presently serves as a Non-Executive Director on the Board of Chubb Insurance Pakistan Limited, as an Independent Director on the Boards of Attock Petroleum Limited and IGI Life Insurance Limited.

Mr. Muhammad Abdul Samad

Chief Executive Officer

Mr. Muhammad Abdul Samad has a vast experience of local investment management industry. He joined Atlas Asset Management Limited in November 2005, and has held C-suite positions for over a decade, including the Chief Investment Officer and Chief Operating Officer positions. He is a 'Certified Director' and also attended Advanced Management Program at INSEAD Fontainebleau, France on nomination by the Atlas Group. He has a significant Board experience, where he has served as a director on the board of nineteen listed companies, including Atlas Battery Limited, Lucky Cement, Berger Paints, Mirpurkhas Sugar, amongst others. Currently, he is serving as a Director on the Board of Mutual Funds Association of Pakistan and also Chairman of its Accounts & Taxation Committee.

Give your
SAVINGS the
ATLAS ASSET
BENEFIT!

Growth | Returns | Tax Savings



Chairman's Review

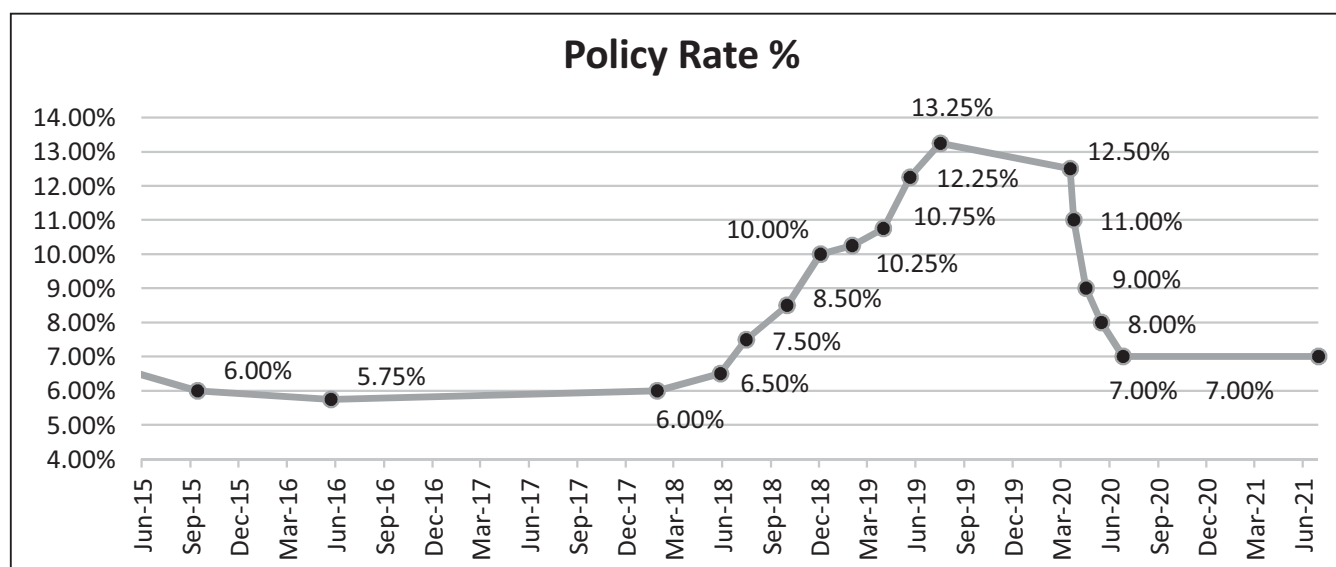
It is my pleasure to present you the Annual Reports of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the financial year ended June 30, 2021.

THE ECONOMY

After witnessing unprecedented challenges in past two years on account of COVID outbreak and macroeconomic stabilization, the economy made sharp recovery in FY21 by posting GDP growth of 3.94% compared to a negative growth of 0.47% in FY20. Economy progressed towards sustainable growth on the back of government's implementation of Rs. 1,240 billion economic stimulus package, SBP's accommodative monetary policy, targeted financial support to public/industries, and ongoing IMF program. During FY21, CAD reduced by 58.37% to US \$1.85 billion compared to US \$4.45 billion in FY20, largely on the back of 26.98% increase in FY21 Worker's Remittances of US \$29.37 billion compared to US \$23.13 billion in FY20. During FY21, Imports and Exports increased by 26.60% and 18.28% to stand at US \$56.41 billion and US \$25.30 billion, respectively. Total liquid Foreign Exchange Reserves increased by 29.18% YoY to US \$24.40 billion as of June 30, 2021 (SBP's share stood at US \$17.30 billion) primarily due to decline in CAD, stark growth in Worker's Remittances, inflows from Multilateral and Bilateral lenders for budgetary support and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 8.90% in FY21, within SBP's projected range of 7.00% to 9.00%. The State Bank maintained policy rate at 7.00% throughout FY21 in order to help economy regain growth momentum and ensure liquidity support to households and businesses.

THE MONEY MARKET

SBP maintained policy rate at 7.00% with objective to stimulate economy and boost investor/consumer confidence, given the enforcement of sporadic lockdowns due to third and fourth wave of pandemic. Going forward, change in monetary policy stance may be witnessed if demand side pressures emerge. The Consumer Price Index (CPI) Inflation averaged at 8.90% during FY21 compared to 10.74% in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation.



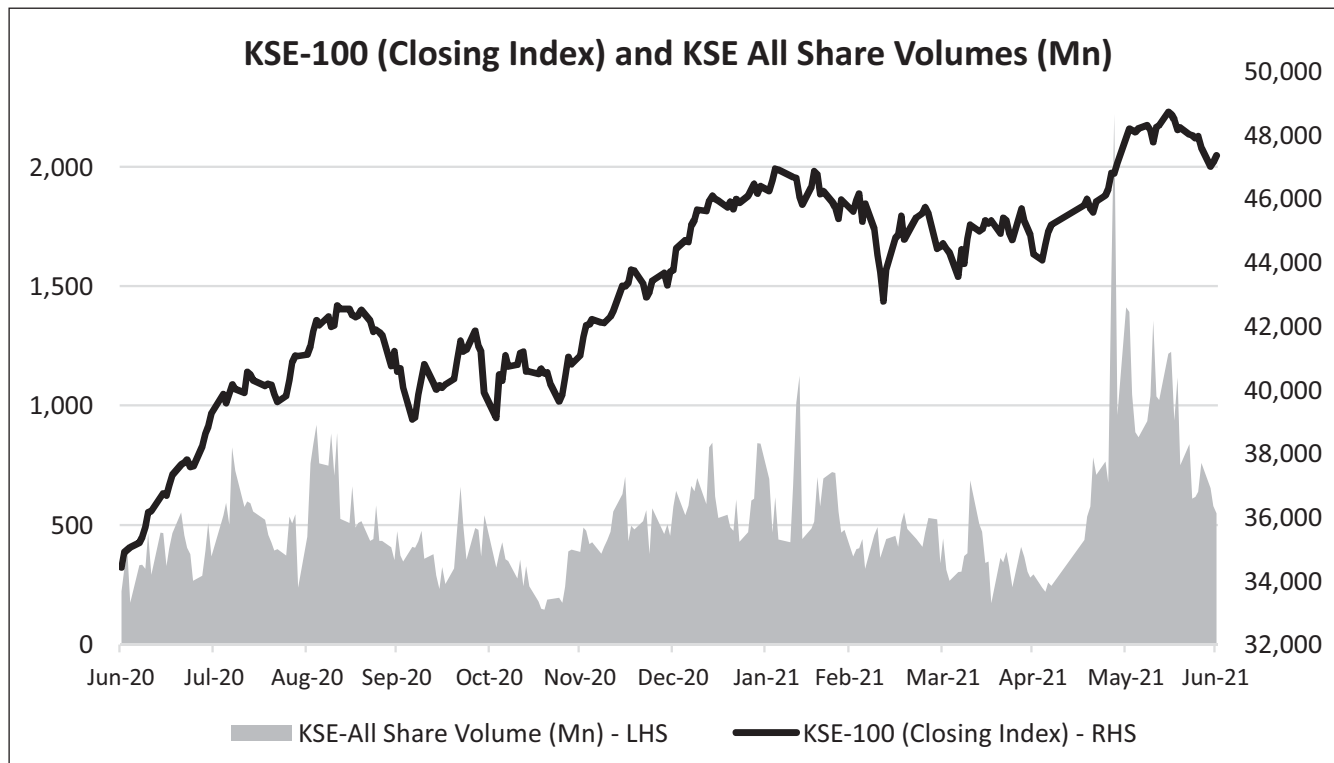
The growth in money supply (M2) witnessed an increase of 13.68% during FY21 that is Rs. 2,859 billion against an expansion of 15.74% (Rs. 2,801 billion) in FY20. Net Foreign Assets (NFA) increased by Rs. 1,008 billion during FY21 compared to an increase of Rs. 991 billion in FY20.

Net Domestic Asset (NDA) of banking system declined by 12.61% or Rs. 1,851 billion during FY21 against a decline of 31.60% or Rs. 2,118 billion during FY20. Credit to private sector increased by Rs. 595 billion in FY21 due to high working capital requirement of corporate sector and a surge in consumer financing.

THE STOCK MARKET

The KSE-100 index increased 37.58% from 34,421.92 points as on June 30, 2020 to 47,356.02 points as on June 30, 2021. The daily average volume during FY21 increased by 168.80% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow

of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.



During FY21, sectors that outperformed benchmark KSE-100 index were Technology & Communication, Refinery, Engineering, Cement, Textile Composite and Automobile Assembler that posted 196.4%, 161.1%, 98.1%, 74.9%, 54.9% and 47.2% returns, respectively. Sectors that underperformed KSE-100 index were Power Generation & Distribution Companies, Chemical, Oil & Gas Marketing Companies, Commercial Banks, Fertilizer and Oil & Gas Exploration Companies that posted 32.3%, 29.2%, 22.8%, 21.8%, 7.1% and -1.0% returns, respectively.

During the year, new listings on the stock exchange were The Organic Meat Company Limited, TPL Trakker Limited, Agha Steel Industries Limited, Panther Tyres Limited and Service Global Footwear Limited. The amounts raised through IPO by aforementioned companies were Rs. 800 million, Rs. 802 million, Rs. 3,840 million and Rs. 2,632 million and Rs. 2,175 million, respectively. During FY20, no new listings were made on the stock exchange.

The government's FY22 budget is focused on achieving inclusive and sustainable growth. Key budgetary measures include increased development expenditure as well as reduced regulatory duties, custom duties, FED and sales tax on import of raw materials and capital goods. These measures will directly benefit construction and allied industries, as well as export-oriented industries. The FY22 target for growth is set at 4.8% and is focused on striking a balance between COVID related expenditure, controlling fiscal deficit, keeping primary balance at sustainable level, successful continuation of IMF program and keeping development expenditure at sufficient level to support economic activity. The government has budgeted FY22 tax collection (FBR) at Rs. 5,829 billion and expects to achieve it by broadening tax base, strengthening administrative controls and incentivizing economic activity.

MUTUAL FUND INDUSTRY

The assets under management (AUMs) for the mutual funds industry increased by 37.02% to Rs. 1,058.12 billion as at June 30, 2021 from Rs. 772.23 billion as at June 30, 2020. In FY21, Money Market funds (both Conventional and Shariah Compliant) dominated in terms of AUMs representing 44.16% of total mutual fund industry AUMs (Rs. 467.27 billion) followed by Income funds (both Conventional and Shariah Compliant) representing 23.17% of total mutual fund industry AUMs (Rs. 245.20 billion) and Equity Funds representing 22.34% of total mutual fund industry AUMs (Rs. 236.41 billion). The AUM of VPS increased by

27.37% from Rs. 30.74 billion as on June 30, 2020 to Rs. 39.15 billion as on June 30, 2021. The share of Shariah Compliant VPS stood at Rs. 26.20 billion or 66.93% of total VPS.

MUTUAL FUND TAXATION

SINDH WORKER'S WELFARE FUND (SWWF)

Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board (SRB) has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant precaution mutual funds made provision in respect of SWWF as recommended by MUFAP from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statements of the Funds.

FEDERAL EXCISE DUTY (FED)

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

WITHHOLDING TAX

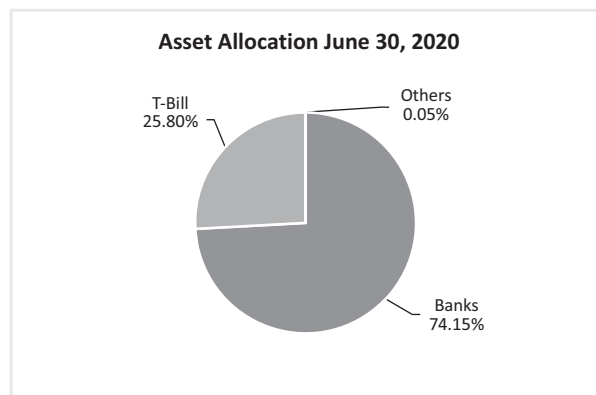
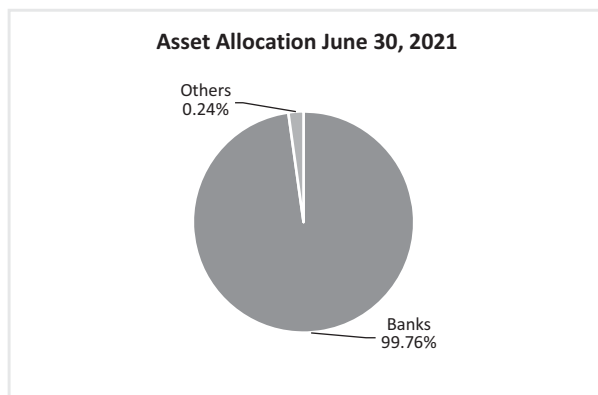
After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual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

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner Audit (AC) in case of Atlas Income Fund & other Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income and commented that the distribution by the Fund fell short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision, later subject matter was taken in Tribunal, which is pending adjudication. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 6.86% to Rs. 505.88 as on June 30, 2021. 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 stood at 6.71%. The AMF total exposure in Banks/Cash and Others stood at 99.76% and 0.24%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 24.23 billion, with 47.89 million units outstanding as of June 30, 2021.

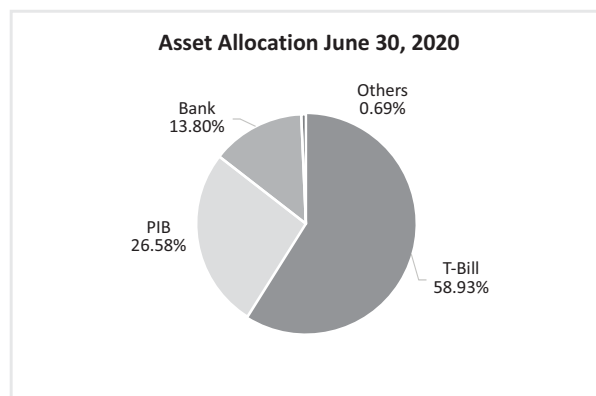
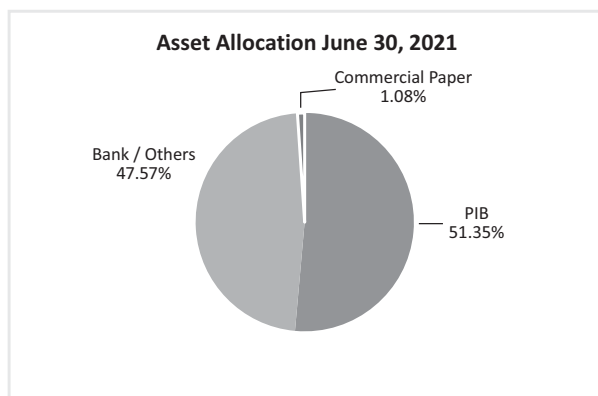


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 32.99 per unit for the period ended June 30, 2021 (6.60% on the face value of Rs. 500 per unit).

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 91,874,642 (Rs. 1.92 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 up till June 30, 2021 (Rs. 0.43 per unit).

FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 6.16% to Rs. 101.12 as on June 30, 2021. The benchmark average six months PKRV rate stood at 7.29% during the period under review. The ASF total exposure in Pakistan Investment Bonds, Banks/Others and Commercial Paper stood at 51.35%, 47.57% and 1.08%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns with medium risk. The Net Assets of the Fund stood at Rs. 2.23 billion, with 22.01 million units outstanding as of June 30, 2021.

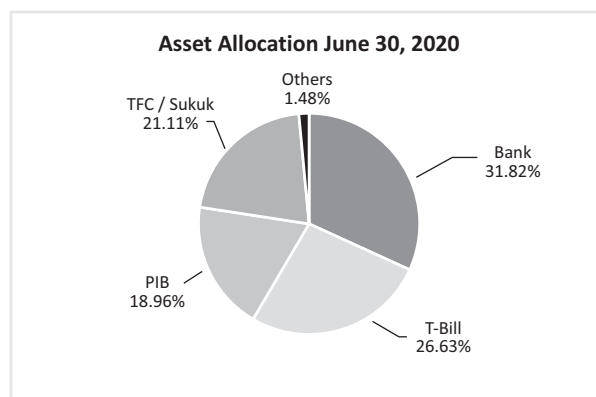
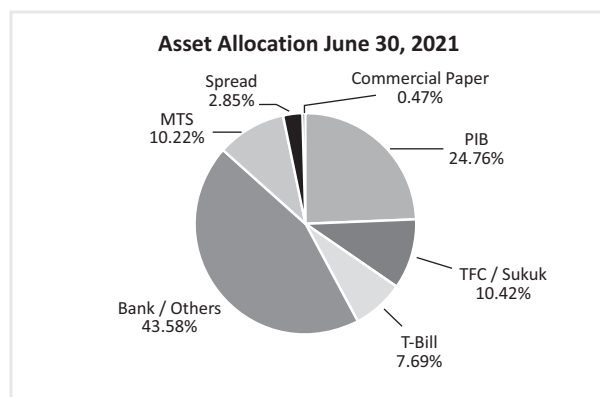


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 6.04 per unit for the period ended June 30, 2021 (6.04% on the face value of Rs. 100 per unit).

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 12,565,416 (Rs. 0.57 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 905,341 up till June 30, 2021 (Rs. 0.04 per unit).

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 6.99% to Rs. 522.56 as on June 30, 2021. The benchmark average six months KIBOR rate stood at 7.43% during the period under review. AIF total exposure in Bank/Others, Pakistan Investment Bonds, TFC/Sukuk, MTS, Treasury Bills, Spread Transactions and Commercial Papers stood at 43.58%, 24.76%, 10.42%, 10.22%, 7.69%, 2.85% and 0.47% respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 4.99 billion with 9.55 million units outstanding as of June 30, 2021.

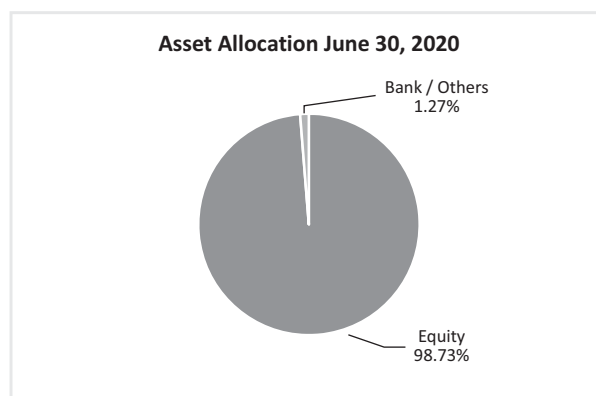
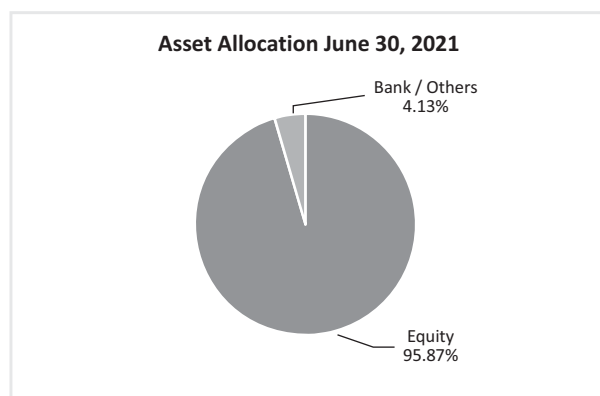


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 33.25 per unit for the period ended June 30, 2021 (6.65% on the face value of Rs. 500 per unit).

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to 44,638,021 (Rs. 4.68 per unit). The Scheme has held provision for FED liability that amounted to Rs. 23,582,971 up till June 30, 2021 (Rs. 2.47 per unit).

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 41.87% to Rs. 688.08 as on June 30, 2021. The benchmark KSE-100 index increased by 37.58% during the same period. The KSE-100 index increased from 34,421.92 points as on June 30, 2020 to 47,356.02 points as on June 30, 2021. The ASMF equity portfolio exposure stood at 95.87% that mainly comprised of Commercial Banks, Cement, Oil & Gas Exploration and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects of earnings growth. The Net Assets of the Fund stood at Rs. 9.86 billion, with 14.33 million units outstanding as of June 30, 2021.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Stock Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs. 46.00 per unit for the period ended June 30, 2021 (9.20% on the face value of Rs. 500 per unit).

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 105,137,220 (Rs. 7.34 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,301,988 up till June 30, 2021 (Rs. 1.42 per unit).

RATINGS

- **Asset Manager Rating**

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

- **Fund Stability Rating - AMF**

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

- **Fund Stability Rating - ASF**

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

- **Fund Stability Rating - AIF**

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

FUTURE OUTLOOK

In FY22, economic growth is expected to pick up further from 3.94% (FY21) to 4.0% - 5.0% range taking support from measures announced in FY22 budget, accommodative monetary conditions, disbursements under SBP's TERF facility for investment and other refinance facilities. Downside risks to growth stems from resurgence of COVID cases associated with new strains of the virus both globally and domestically. Imports are expected to grow on the back of domestic recovery and rebound in global commodity prices whereby market-based flexible exchange rate system, strong inflows from Worker's Remittances, improving outlook for Exports and appropriate macroeconomic policies will likely contain the Current Account Deficit in a sustainable range of 2.0% - 3.0% of GDP in FY22. Foreign Exchange Reserves will likely continue to improve in FY22 due to adequate availability of external financing and IMF's new SDR allocation of US \$2.80 billion. Inflation is expected to range between 7.0% - 9.0% in FY22. The Monetary Policy Committee expects policy stance to remain accommodative in near term. In case of emergence of demand-led inflationary pressures or current account vulnerabilities, adjustments in policy rate will be made in order to achieve mildly positive real interest rates. Going forward, government's focus towards widening tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, safeguarding jobs and addressing social needs.

روشن شَرِ ریشہ سے ہے خانہء فرہاد!

Hard work always pays rich tribute

ACKNOWLEDGEMENT

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

Karachi: 6 September 2021

Iftikhar H. Shirazi
Chairman

DIRECTORS' REPORT

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) take pleasure in presenting the Annual Reports along with the audited financial statements and Auditors' Reports thereon of AMF, ASF, AIF and ASMF for the year ended 30 June 2021.

EARNINGS PER UNIT, NET ASSETS AND SALES/REDEMPTIONS SUMMARY

Earnings per unit, net assets, and summary of sales / redemption of units of AMF, ASF, AIF and ASMF for the year ended 30 June 2021 and 30 June, 2020 are as follows:

	AMF		ASF		AIF		ASMF	
	2021	2020	2021	2020	2021	2020	2021	2020
Earnings / (loss) per unit – Rupees	25.07	70.17	5.81	18.95	29.83	69.87	207.05	21.23
Return (YTD)	6.86%	12.81%	6.16%	18.08%	6.99%	16.26%	41.87%	4.62%
Net assets – Rupees million	24,228.83	10,031.47	2,225.31	2,083.47	4,988.43	3,715.45	9,862.47	6,841.67
Sales – Rupees million	38,921.33	26,365.03	813.90	2,502.39	5,055.41	2,405.97	6,020.27	2,704.28
Sales – in units	76,773,148	52,089,215	7,901,729	23,140,077	9,410,509	4,273,077	9,010,475	5,185,957
Redemptions – Rupees million	24,722.67	26,629.05	672.86	2,791.00	3,758.12	1,667.40	5,332.24	1,048.00
Redemptions – in units	48,732,687	52,586,971	6,530,676	25,440,547	7,015,950	2,942,432	7,917,985	1,954,669
Units outstanding at year end	47,894,700	19,854,239	22,006,687	20,635,634	9,546,130	7,151,571	14,333,327	3,240,837

REVOCATION OF ATLAS GOLD FUND

AGF has been revoked on November 3, 2017 and is no longer offered to investors. An amount of Rs.210.29 million has been paid to investors against final settlement. However, there is a claim for refund of tax amounting to Rs.0.33 million and also there are provisions in the books for Federal Excise Duty and Sindh Workers' Welfare Fund amounting to Rs.2.19 million that has been made as an abundant precaution. Once these issues are resolved a further payment will be made to unit holders.

INCOME DISTRIBUTION - AMF

The Investment Committee of the Management Company of AMF, under the authority delegated to them by the Board of Directors, approved an aggregate interim distribution of Rs. 32.99 per unit (2020: Rs.59.00 per unit) for the FY 2020-21. The total payout for the year works out to 6.60% (2020: 11.80%) on the face value of Rs.500 per unit.

INCOME DISTRIBUTION - ASF

The Investment Committee of the Management Company of ASF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 6.04 per unit (2020: Rs. 17.50 per unit) for the FY 2020-21. The total payout for the year works out to 6.04% (2020: 17.50%) on the face value of Rs.100 per unit.

INCOME DISTRIBUTION - AIF

The Investment Committee of the Management Company of AIF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 33.25 per unit (2020: Rs. 77.50 per unit) for the FY 2020-21. The total payout for the year works out to 6.65% (2020: 15.50%) on the face value of Rs.500 per unit.

INCOME DISTRIBUTION - ASMF

The Investment Committee of the Management Company of ASMF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 46.00 per unit (2020: 10.50) for the FY 2020-21. The total payout for the year works out to 9.20% (2020: 2.10) on the face value of Rs.500 per unit.

CHAIRMAN'S REVIEW

The review included in the Annual Report of AMF, ASF, AIF and ASMF 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.

STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors states for AMF, ASF, AIF and ASMF 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 there from 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.
- Statutory payments, taxes, levies properly disclosed in the Financial Statements.
- Summaries of key financial data/ performance tables of AMF, ASF, AIF and ASMF are annexed on pages 22, 61, 97 and 143 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 22, 23, 26 and 24 respectively, to the financial statements of AMF, ASF, AIF and ASMF.

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY AND COMMITTEES THEREOF

During the period, the Board of Directors of AAML included: Mr. Iftikhar H. Shirazi, Chairman, Mr. Frahim Ali Khan, Director, Mr. M. Habib-ur-Rahman, Director, Mr. Tariq Amin, Independent Director, Mr. Ali H. Shirazi, Director, Ms. Zehra Naqvi, Independent Director and Mr. Muhammad Abdul Samad, Chief Executive Officer.

i. The current total number of Directors is 7 as follows:

- Male: 6
- Female: 1

ii. The current composition of the Board is as follows:

- Independent Directors: 2*
- Non-Executive Directors: 4
- Executive Directors: 1
- Female Director: 1 (*Independent Director)

Six Board Meetings were held and attended during FY 2020-21. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 26, 27, 30 and 28 respectively to the financial statements of AMF, ASF AIF and ASMF.

Committees of the Board comprise the Audit 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. Frahim Ali Khan	Non-Executive Director	4
3	Mr. M. Habib -ur-Rahman	Non-Executive Director	4

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

Serial no.	Name of Director	Status	Meetings attended
1	Ms. Zehra Naqvi	Independent Director	2
1	Mr. Frahim Ali Khan	Non-Executive Director	2
2	Mr. Ali H. Shirazi	Non-Executive Director	1
3	Mr. M. Abdul Samad	Chief Executive Officer	2

- **Investment Committee** - fifty two 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	21
2	Mr. M. Abdul Samad	Chief Executive Officer	47
3	Mr. Khalid Mahmood (executive management)	Chief Investment Officer Member IC	50
5	Mr. M. Umar Khan (executive management)	Head of Portfolio Management Member IC	52
6	Mr. Fawad Javaid (executive management)	Head of Fixed Income Member IC	52
7	Mr. Faran-ul-Haq (executive management)	Head of Equities Secretary IC	50

RATINGS UPDATE

ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

FUND STABILITY RATING - AMF

PACRA maintained the stability rating of "AA + (f)" (Double A Plus; fund rating) to the Fund on 16 April 2021. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

FUND STABILITY RATING - ASF

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund on 16 April 2021. 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 maintained the stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund on 16 April 2021. 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 September 01, 2021, recommended the re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, being eligible, as auditors of Atlas Sovereign Fund, for the financial year ending 30 June 2022, and the re-appointment of M/s. EY Ford Rhodes, Chartered Accountants, Karachi, being eligible, as auditors of the Atlas Money Market Fund, Atlas Income Fund and Atlas Stock Market Fund, respectively for the financial year ending 30 June 2022.

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

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Director

Karachi: 6 September 2021

Atlas Money Market Fund

Corporate Information

Trustee

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

Auditors

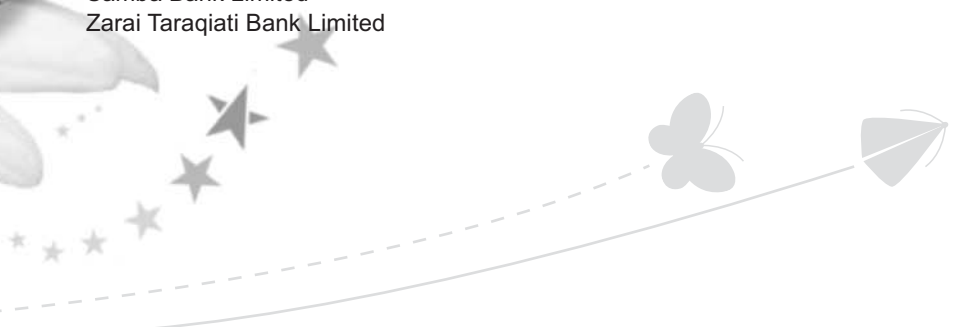
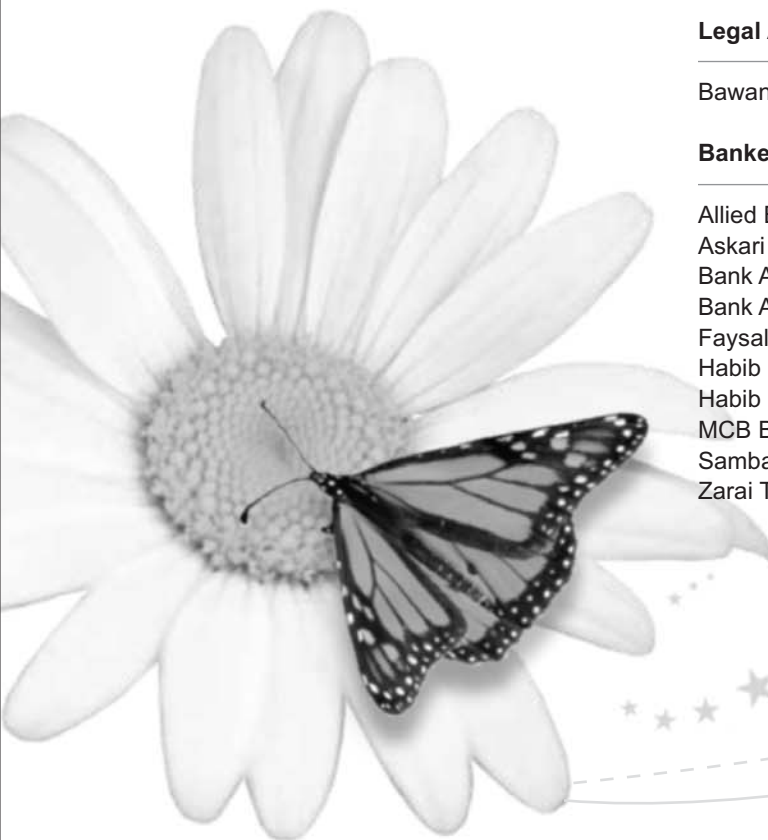
EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

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



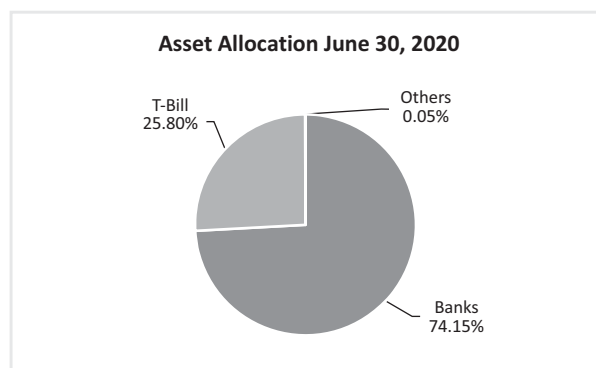
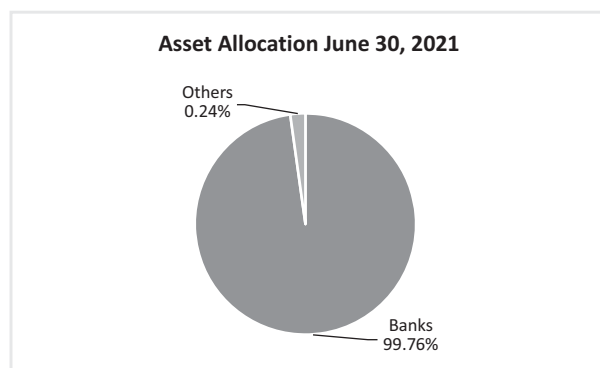
Fund Manager's Report

Atlas Money Market Fund (AMF) is an Open-ended Money Market Fund. The investment objective of AMF is to provide its unit-holders attractive returns from a portfolio of very 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 is 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% 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) Inflation averaged at 8.9% during FY21 compared to 10.7% in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation. During FY21, SBP maintained policy rate at 7.00% with an aim to stimulate economy and boost investor & consumer confidence, given the enforcement of sporadic lockdowns due to the third & fourth wave of the pandemic. Going forward, accommodation witnessed in monetary policy may be reduced if economy reaches full potential and demand side pressures emerge.

The Net Asset Value per unit of Atlas Money Market Fund increased by 6.86% to Rs. 505.88 as on June 30, 2021. 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 stood at 6.71%. The AMF total exposure in Banks/Cash and Others stood at 99.76% and 0.24%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 24.23 billion, with 47.89 million units outstanding as of June 30, 2021.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 32.99 per unit for the period ended June 30, 2021 (6.60% 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.)	Percentage (%)
Individuals	904	1,493,508,608	6.16%
Associated Companies / Directors	15	7,991,919,846	32.99%
Insurance Companies	1	27,420,272	0.11%
Banks / DFIs	1	1,069,290,350	4.41%
Retirement Funds	29	839,730,630	3.47%
Others	30	12,806,955,646	52.86%
Total	980	24,228,825,352	100.00%

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 91,874,642 (Rs. 1.92 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 up till June 30, 2021 (Rs. 0.43 per unit).

The Total Expense Ratio (TER) of the Fund is 0.65% including Government levy, SWWF and SECP Fee of 0.20%.

During the year under review, the Investment Committee held fifty-two meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Karachi: 6 September 2021

Fawad Javaid
Head of Fixed Income

PERFORMANCE SINCE INCEPTION

	2021	2020	2019	2018	2017	2016
Net assets (Rs. in '000)	24,228,825	10,031,480	10,239,504	13,160,883	4,629,482	3,269,852
Number of units in issue	47,894,699	19,854,239	20,351,995	24,859,132	9,224,702	6,525,388
Net asset value per unit (Rs.)	505.88	505.26	503.12	529.42	501.86	501.10
Net income (Rs. in '000)	1,200,552	1,393,183	1,225,892	549,628	77,403	56,325
Earnings per unit (Rs.)	25.07	70.17	60.23	22.11	8.39	8.63
Annual return of the Fund (%)	6.86	12.81	8.87	5.49	6.14	6.02
Offer price ** (Rs.)	505.88	505.26	503.12	529.42	501.86	501.10
Redemption price ** (Rs.)	505.88	505.26	503.12	529.42	501.86	501.10
Highest offer price (Rs.)	508.90	509.79	523.51	529.33	530.81	533.67
Lowest offer price (Rs.)	505.36	503.31	502.60	502.63	501.18	500.76
Highest repurchase price per unit (Rs.)	508.90	509.79	523.51	529.33	530.81	533.67
Lowest repurchase price per unit (Rs.)	505.36	503.31	502.60	502.63	501.18	500.76
Weighted average portfolio (No. of days)	38.69	26.80	1.00	1.01	0.97	9.30

	2015	2014	2013	2012	2011	2010*
Net assets (Rs. in '000)	3,699,654	6,049,597	3,821,637	4,532,025	3,316,616	1,410,417
Number of units in issue	7,345,095	12,038,054	7,607,048	9,015,663	6,415,479	2,746,118
Net asset value per unit (Rs.)	503.69	502.54	502.38	502.68	516.97	513.60
Net income (Rs. in '000)	97,766	496,778	348,581	467,312	283,224	62,542
Earnings per unit (Rs.)	13.31	41.27	45.82	51.83	44.15	22.77
Annual return of the Fund (%)	8.59	8.29	9.02	11.33	11.64	10.16
Offer price ** (Rs.)	503.69	502.54	502.19	502.54	516.97	513.60
Redemption price ** (Rs.)	503.69	502.54	502.19	502.54	516.97	513.60
Highest offer price (Rs.)	544.97	506.35	508.59	508.12	517.25	513.60
Lowest offer price (Rs.)	503.60	501.14	502.07	502.27	501.41	502.07
Highest repurchase price per unit (Rs.)	544.97	506.35	508.59	508.12	517.25	513.60
Lowest repurchase price per unit (Rs.)	503.60	501.14	502.07	502.27	501.41	502.07
Weighted average portfolio (No. of days)	6.95	47.49	44.61	55.12	78.82	50.81

* Date of Launch: 20 January 2010

**Relates to announced prices

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

DISTRIBUTION HISTORY

Distribution detail	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	2.10	4.25	20.00	-	30.00	33.00	42.00
First Interim distribution as a % of Ex-NAV of units	0.42	0.84	3.98	-	5.99	6.55	8.36
Date of distribution	24-Jul-20	26-Jul-19	18-Jan-19	-	20-Jun-17	24-Jun-16	29-Jun-15
Second Interim distribution cash dividend (Rs.)	2.50	4.85	4.50	-	-	-	-
Second Interim distribution as a % of Ex-NAV of units	0.49	0.96	0.90	-	-	-	-
Date of distribution	28-Aug-20	23-Aug-19	15-Feb-19	-	-	-	-
Third Interim distribution cash dividend (Rs.)	2.60	4.90	3.75	-	-	-	-
Third Interim distribution as a % of Ex-NAV of units	0.51	0.97	0.75	-	-	-	-
Date of distribution	25-Sep-20	20-Sep-19	15-Mar-19	-	-	-	-
Fourth Interim distribution cash dividend (Rs.)	2.60	6.30	3.90	-	-	-	-
Fourth Interim distribution as a % of Ex-NAV of units	0.51	1.25	0.78	-	-	-	-
Date of distribution	23-Oct-20	25-Oct-19	15-Apr-19	-	-	-	-
Fifth Interim distribution cash dividend (Rs.)	3.10	4.80	4.25	-	-	-	-
Fifth Interim distribution as a % of Ex-NAV of units	0.61	0.95	0.85	-	-	-	-
Date of distribution	27-Nov-20	22-Nov-19	15-May-19	-	-	-	-
Sixth Interim distribution cash dividend (Rs.)	2.50	6.20	6.15	-	-	-	-
Sixth Interim distribution as a % of Ex-NAV of units	0.49	1.23	1.22	-	-	-	-
Date of distribution	24-Dec-20	27-Dec-19	27-Jun-19	-	-	-	-
Seventh Interim distribution cash dividend (Rs.)	3.40	5.00	-	-	-	-	-
Seventh Interim distribution as a % of Ex-NAV of units	0.67	0.99	-	-	-	-	-
Date of distribution	29-Jan-21	24-Jan-20	-	-	-	-	-
Eighth Interim distribution cash dividend (Rs.)	2.50	4.75	-	-	-	-	-
Eighth Interim distribution as a % of Ex-NAV of units	0.49	0.94	-	-	-	-	-
Date of distribution	26-Feb-21	21-Feb-20	-	-	-	-	-
Nineth Interim distribution cash dividend (Rs.)	2.65	6.40	-	-	-	-	-
Nineth Interim distribution as a % of Ex-NAV of units	0.52	1.27	-	-	-	-	-
Date of distribution	26-Mar-21	27-Mar-20	-	-	-	-	-
Tenth Interim distribution cash dividend (Rs.)	2.70	5.00	-	-	-	-	-
Tenth Interim distribution as a % of Ex-NAV of units	0.53	0.99	-	-	-	-	-
Date of distribution	23-Apr-21	24-Apr-20	-	-	-	-	-
Eleventh Interim distribution cash dividend (Rs.)	2.70	2.60	-	-	-	-	-
Eleventh Interim distribution as a % of Ex-NAV of units	0.53	0.52	-	-	-	-	-
Date of distribution	21-May-21	29-May-20	-	-	-	-	-
Twelveth Interim distribution cash dividend (Rs.)	3.64	3.95	-	-	-	-	-
Twelveth Interim distribution as a % of Ex-NAV of units	0.72	0.79	-	-	-	-	-
Date of distribution	25-Jun-21	26-Jun-20	-	-	-	-	-
Final distribution cash dividend (Rs.)	-	-	-	27	-	-	-
Final distribution as a % of Ex-NAV of units	-	-	-	5.38	-	-	-
Date of distribution	-	-	-	6-Jul-18	-	-	-

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

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

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

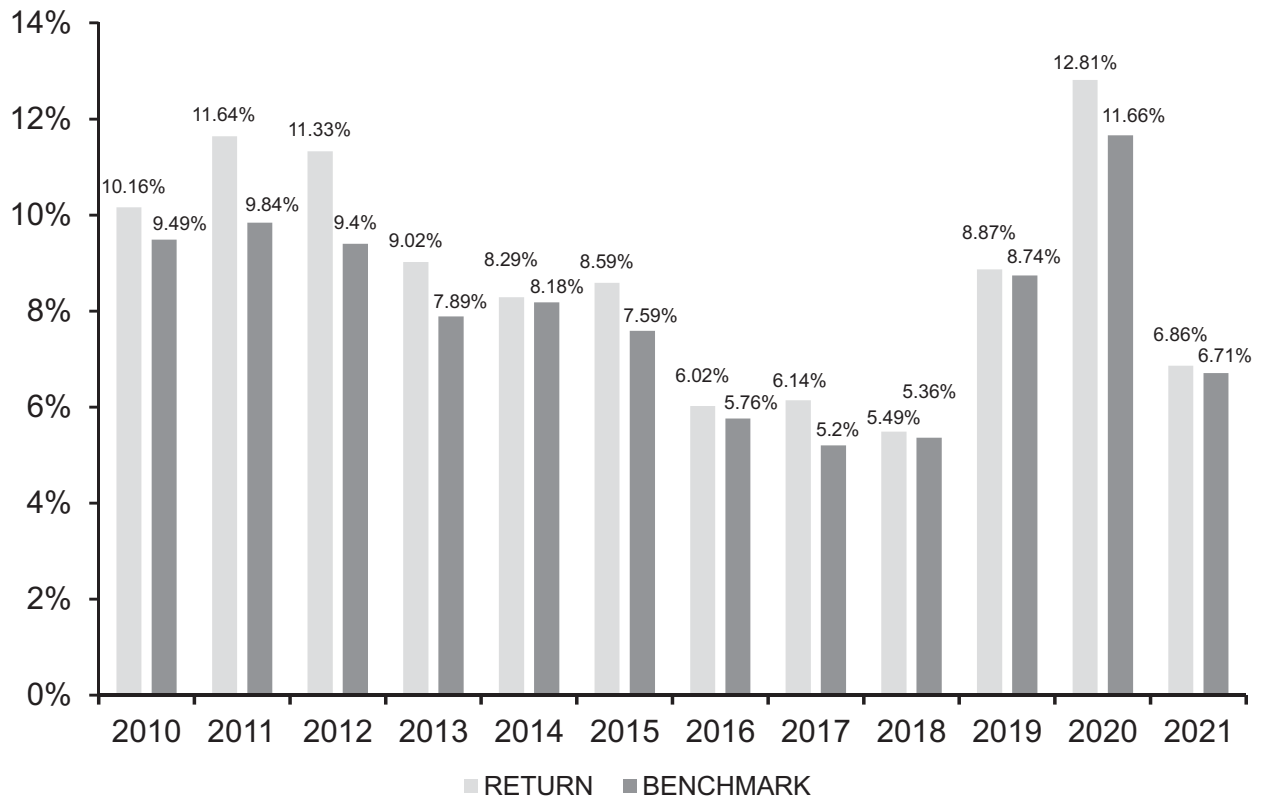
Quarterly Distribution	2011	2010*
First quarter Interim distribution (Bonus)	11.50	11.00
First quarter Interim distribution as a % of opening Ex-NAV of units	2.30%	2.20%
Date of distribution - Interim	12 October 2010	6 April 2010
Second quarter Interim distribution (Bonus)	13.75	-
Second quarter Interim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

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

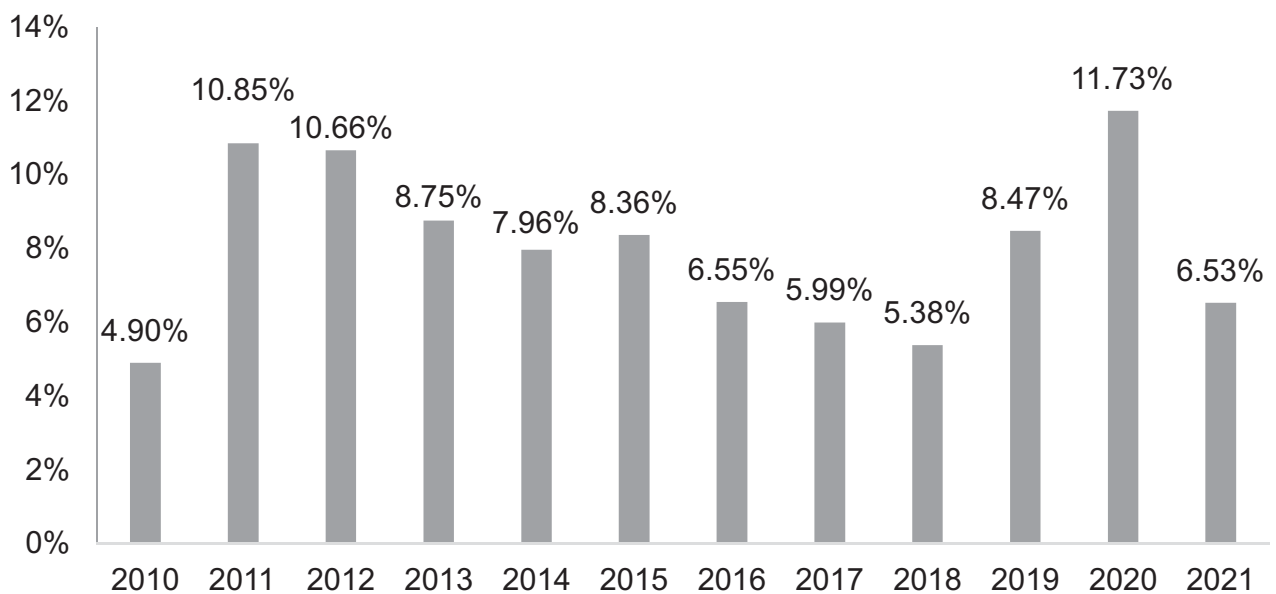
* Date of Launch: 20 January 2010.

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

Yearly Performance (Annualized)



Payout History (% on opening Ex - NAV)



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, 2021 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: 30 September 2021

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Atlas Money Market Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Atlas - Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2021, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Investments in debt instruments	
<p>The investment of the Fund and the bank balances represent significant portion of the total assets of the Fund during the year and / or as at the year end. The bank balances as at year end represents 99.8% of total assets of the Fund.</p> <p>In view of the above, we have considered this area as a key audit matter.</p> <p>For disclosure refer to note 4 and 5 to the financial statements.</p>	<p>We performed a combination of audit procedures focusing on the existence of the bank balances as at the year end and acquisition and disposal of investment including related income/ gains that arose during the year. Our key procedure included the following:</p> <ul style="list-style-type: none">• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.• We performed substantive audit procedures on year-end balance maintained with the banks including review of banks' statements, bank reconciliations and obtaining confirmations for bank balances.

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> • We performed verification of acquisition and disposal of investments on sample basis. • We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the bank balances and investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

-
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Arslan Khalid.

Karachi: 20 September 2021

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021

		2021	2020
	Note	Rupees	
Assets			
Cash and bank balances	4	24,359,094,276	7,522,447,993
Investments	5	-	2,617,567,408
Profit receivable on bank balances		54,608,057	1,373,040
Other receivables	6	3,685,722	3,683,919
Total assets		24,417,388,055	10,145,072,360
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	30,378,679	28,444,987
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	1,443,603	635,959
Payable to the Securities and Exchange Commission of Pakistan	9	3,602,024	2,295,677
Payable against redemption of units		31,822,945	16,431
Unclaimed dividend		-	25,152
Accrued expenses and other liabilities	10	121,315,452	82,173,939
Total liabilities		188,562,703	113,592,145
NET ASSETS		24,228,825,352	10,031,480,215
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		24,228,825,352	10,031,480,215
CONTINGENCIES AND COMMITMENTS	11		
NUMBER OF UNITS IN ISSUE		47,894,700	19,854,239
NET ASSET VALUE PER UNIT		505.8769	505.2563

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Income			
Profit on savings and term deposits		470,330,802	528,717,785
Interest on letter of placements		21,420,549	-
Income from government securities		817,600,676	929,808,706
Capital gain on sale of investments - net		8,412,358	35,355,555
Net unrealized gain on remeasurement of investments classified as financial assets at fair value through profit or loss'		-	11,642,714
		8,412,358	46,998,269
Total income		1,317,764,385	1,505,524,760
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	51,941,616	48,479,295
Sindh Sales Tax on remuneration of the Management Company	7.2	6,752,410	6,302,308
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	11,706,580	7,461,029
Sindh Sales Tax on remuneration of the Trustee	8.2	1,521,855	969,934
Annual fees to the Securities and Exchange Commission of Pakistan	9.1	3,602,024	2,295,701
Accounting and operational charges	12	15,459,790	16,763,643
Auditors' remuneration	13	619,920	681,329
Annual rating fee		521,150	473,979
Annual listing fee		30,138	27,500
Securities transaction cost		185,906	161,983
Printing charges		125,914	15,084
Legal and professional charges		136,560	128,529
Bank charges		107,254	149,047
Provision for Sindh Workers' Welfare Fund	10.1	24,501,065	28,432,308
Total expenses		117,212,182	112,341,669
Net income for the year before taxation		1,200,552,203	1,393,183,091
Taxation	15	-	-
Net income for the year after taxation		1,200,552,203	1,393,183,091
Earnings per unit	16		
Allocation of net income for the period:			
- Net income for the period after taxation		1,200,552,203	1,393,183,091
- Income already paid on units redeemed		(92,386,001)	(154,154,234)
		1,108,166,202	1,239,028,857
Accounting income available for distribution:			
- Relating to capital gains		8,412,358	46,998,263
- Excluding capital gains		1,099,753,844	1,192,030,594
		1,108,166,202	1,239,028,857

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
Net income for the year after taxation	1,200,552,203	1,393,183,091
Other comprehensive income	-	-
Total comprehensive income for the year	1,200,552,203	1,393,183,091

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2021

	30 June 2021			30 June 2020		
	Capital Value	Undistributed income Rupees	Net Assets	Capital Value	Undistributed income Rupees	Net Assets
Capital value	9,951,851,809	79,628,406	10,031,480,215	10,204,508,746	34,995,001	10,239,503,747
Net assets at the beginning of the period (Units outstanding: 19,854,239) (Rs. 505.2600 per unit)	9,951,851,809	79,628,406	10,031,480,215	10,204,508,746	34,995,001	10,239,503,747
Issue of 76,773,148 units (2020: 52,089,215)						
- Capital value (at net asset value per unit at the beginning of the period)	38,790,078,478	-	38,790,078,478	26,201,957,457	-	26,201,957,457
- Element of income	131,248,057	-	131,248,057	163,070,850	-	163,070,850
Total proceeds on issuance of units	38,921,326,535	-	38,921,326,535	26,365,028,307	-	26,365,028,307
Redemption of 48,732,687 (2020: 52,586,971) units						
- Capital value (at net asset value per unit at the beginning of the period)	(24,622,472,947)	-	(24,622,472,947)	(26,311,326,554)	(154,154,234)	(26,465,480,788)
- Element of income	(7,807,125)	(92,386,001)	(100,193,126)	(163,070,137)	-	(163,070,137)
Total payments on redemption of units	(24,630,280,072)	(92,386,001)	(24,722,666,073)	(26,474,896,691)	(154,154,234)	(26,629,050,925)
Total comprehensive income for the period	-	1,200,552,203	1,200,552,203	-	1,393,183,091	1,393,183,091
Refund of capital	(121,877,635)	-	(121,877,635)	(142,788,553)	-	(142,788,553)
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020 (2020: Rs. 4.25 per unit declared on 26 July 2019)	-	(49,826,182)	(49,826,182)	-	(90,150,581)	(90,150,581)
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020 (2020: Rs. 4.85 per unit declared on 23 August 2019)	-	(73,589,308)	(73,589,308)	-	(93,826,792)	(93,826,792)
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020 (2020: Rs. 4.90 per unit declared on 20 September 2019)	-	(85,292,026)	(85,292,026)	-	(91,424,999)	(91,424,999)
Fourth interim distribution of Rs. 2.60 per unit declared on 23 October 2020 (2020: Rs. 6.30 per unit declared on 25 October 2019)	-	(82,163,479)	(82,163,479)	-	(113,012,086)	(113,012,086)
Fifth interim distribution of Rs. 3.10 per unit declared on 27 November 2020 (2020: Rs. 4.80 per unit declared on 22 November 2019)	-	(98,682,874)	(98,682,874)	-	(96,145,088)	(96,145,088)
Sixth interim distribution of Rs. 2.50 per unit declared on 24 December 2020 (2020: Rs. 6.20 per unit declared on 27 December 2019)	-	(79,162,120)	(79,162,120)	-	(126,915,944)	(126,915,944)
Seventh interim distribution of Rs. 3.40 per unit declared on 29 January 2021 (2020: Rs. 5.00 per unit declared on 24 January 2020)	-	(98,252,235)	(98,252,235)	-	(98,720,119)	(98,720,119)
Eighth interim distribution of Rs. 2.50 per unit declared on 26 February 2021 (2020: Rs. 4.75 per unit declared on 21 February 2020)	-	(85,897,723)	(85,897,723)	-	(83,877,996)	(83,877,996)
Ninth interim distribution of Rs. 2.65 per unit declared on 26 March 2021 (2020: 6.40 per unit declared on 27 March 2020)	-	(93,521,054)	(93,521,054)	-	(158,227,469)	(158,227,469)
Tenth interim distribution of Rs. 2.70 per unit declared on 23 April 2021 (2020: 5.00 per unit declared on 24 April 2020)	-	(79,540,223)	(79,540,223)	-	(129,878,104)	(129,878,104)
Eleventh interim distribution of Rs. 2.70 declared on 21 May, 2021 (2020: 2.60 per unit declared on 29 May 2020)	-	(93,830,643)	(93,830,643)	-	(45,653,206)	(45,653,206)
Twelfth interim distribution of Rs. 3.64 per unit declared on 25 June 2021 (2020: 3.95 per unit declared on 26 June 2020)	-	(160,232,026)	(160,232,026)	-	(66,563,068)	(66,563,068)
Net assets at end of the period (Units outstanding: 47,894,700) (Rs. 505.8770 per unit)	24,121,020,637	107,804,715	24,228,825,352	9,951,851,809	79,628,406	10,031,480,215
Undistributed income brought forward						
- Realised income	-	79,628,406	-	-	34,995,001	-
- Unrealised income	-	-	-	-	-	-
	-	79,628,406	-	-	34,995,001	-
Accounting income available for distribution:						
- Relating to capital gains	-	8,412,358	-	-	46,998,269	-
- Excluding capital gains	-	1,099,753,844	-	-	1,192,030,588	-
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	-	(49,826,182)	-	-	(90,150,581)	-
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	-	(73,589,308)	-	-	(93,826,792)	-
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	-	(85,292,026)	-	-	(91,424,999)	-
Fourth interim distribution of Rs. 2.60 per unit declared on 23 October 2020	-	(82,163,479)	-	-	(113,012,086)	-
Fifth interim distribution of Rs. 3.10 per unit declared on 27 November 2020	-	(98,682,874)	-	-	(96,145,088)	-
Sixth interim distribution of Rs. 2.50 per unit declared on 24 December 2020	-	(79,162,120)	-	-	(126,915,944)	-
Seventh interim distribution of Rs. 3.40 per unit declared on 29 January 2021	-	(98,252,235)	-	-	(98,720,119)	-
Eighth interim distribution of Rs. 2.50 per unit declared on 26 February 2021	-	(85,897,723)	-	-	(83,877,996)	-
Ninth interim distribution of Rs. 2.65 per unit declared on 26 March 2021	-	(93,521,054)	-	-	(158,227,469)	-
Tenth interim distribution of Rs. 2.70 per unit declared on 23 April 2021	-	(79,540,223)	-	-	(129,878,104)	-
Eleventh interim distribution of Rs. 2.70 declared on 21 May, 2021	-	(93,830,643)	-	-	(45,653,206)	-
Twelfth interim distribution of Rs. 3.64 per unit declared on 25 June 2021	-	(160,232,026)	-	-	(66,563,068)	-
Undistributed income carried forward	-	107,804,715	-	-	79,628,406	-
Undistributed income carried forward						
- Realised income	-	107,804,715	-	-	21,477,608	-
- Unrealised income	-	-	-	-	58,150,798	-
	-	107,804,715	-	-	79,628,406	-

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
Note ----- Rupees -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	1,200,552,203	1,393,183,091
Adjustments for:		
Profit on savings and term deposits	(470,330,802)	(528,717,785)
Income from government securities	(817,600,676)	(929,808,706)
Interest on letter of placements	(21,420,549)	-
Capital (gain) / loss on sale of investments - net	(8,412,358)	(35,355,555)
Net unrealized (gain) on remeasurement of investments classified as financial assets at fair value through profit or loss'	-	(11,642,714)
Provision for Sindh Workers' Welfare Fund	24,501,065	28,432,308
	(1,293,263,320)	(1,477,092,452)
(Increase) / Decrease in assets		
Other receivables	(1,803)	2,416,154
Increase / (Decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	1,933,692	(921,362)
Payable to the Central Depository Company of Pakistan Limited - Trustee	807,644	(221,228)
Payable to the Securities and Exchange Commission of Pakistan	1,306,347	(8,643,029)
Unclaimed dividend	(25,152)	(5,369,763)
Accrued expenses and other liabilities	14,640,448	(5,182,822)
	18,662,979	(20,338,204)
	(74,049,941)	(101,831,411)
Interest received	438,516,334	534,993,546
Investments made during the year	(149,742,375,000)	(114,015,467,454)
Investments sold / matured during the year	153,185,955,442	112,366,688,470
	3,882,096,776	(1,113,785,438)
Net cash generated from / (used in) operating activities	3,808,046,835	(1,215,616,849)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	38,921,326,535	26,365,028,307
Net payments against redemption of units	(24,690,859,559)	(26,629,050,925)
Refund of capital	(121,877,635)	(142,788,553)
Cash payout against distributions	(1,079,989,893)	(1,194,395,452)
Net cash generated from/ (used in) financing activities	13,028,599,448	(1,601,206,623)
Net increase/ (decrease) in cash and cash equivalents	16,836,646,283	(2,816,823,472)
Cash and cash equivalents at the beginning of the year	7,522,447,993	10,339,271,465
Cash and cash equivalents at the end of the year	24,359,094,276	7,522,447,993

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplement dated 23 May 2017. The offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019, 1 April 2020 and 21 December 2020 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company Limited (CDC) as the Trustees of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- "The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed."

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

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

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:

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

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.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009
IFRS 17 - Insurance Contracts	01 January 2023

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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, and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund, taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 10.1, 6.1 and 7.3 respectively.

2.5 Accounting convention

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

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 as below. These policies have been applied consistently to all years and are set out below:

3.1 Financial instruments

a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

b) Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

c) Subsequent Measurement

Debt instruments at fair value through profit or loss

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Debt instruments at Amortised Cost

"Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio."

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss. The Fund has not used this classification for its investment portfolio.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

d) Derecognition

"A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

e) Reclassification of financial assets and liabilities

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

f) Impairment of financial assets

"The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters."

g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Determination of fair value

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3.2 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.

3.3 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.

3.4 Issue and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the 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 as processing fee.

3.5 Distributions to unit holders

Distribution to unit holders is recognised upon declaring 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 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.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

3.7 Revenue recognition

- 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised appreciation / (loss) in the value 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.

3.8 Expenses

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

3.9 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders.

3.10 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 year end.

3.11 Earnings per unit

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

		2021	2020
4 CASH AND BANK BALANCES	Note	Rupees	
Balances with banks in savings accounts	4.1	24,356,653,257	7,458,580,094
Cheques in hand	4.2	2,441,019	63,867,899
		24,359,094,276	7,522,447,993

4.1 The rate of return on these accounts ranges between 5.50% and 7.95% (2020: 6.00% to 12.5%) per annum.

4.2 This denotes cheques received against issue of units which were deposited and cleared in the bank account subsequent to the year end by 10 July 2021 (30 June 2020: 03 July 2020).

		2021	2020
5 INVESTMENTS	Note	Rupees	
At fair value through profit or loss			
Investments in government securities			
- Market Treasury Bills	5.1	-	2,617,567,408

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.1 Government Securities - Market Treasury Bills

Particulars	Face value				Amortised cost as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of	
	As at 01 July 2020	Purchased during the year	Sold / matured during the year	As at 30 June 2021			total investment	net assets
	----- (Rupees) -----						----- (Percentage) -----	
3 Months	125,000,000	108,915,915,000	109,040,915,000	-	-	-	-	-
6 Months	1,950,000,000	23,545,000,000	25,495,000,000	-	-	-	-	-
12 Months	592,780,000	17,281,460,000	17,874,240,000	-	-	-	-	-
30 June 2021	2,667,780,000	149,742,375,000	152,410,155,000	-	-	-	-	-
30 June 2020					2,605,924,677	2,617,567,408	100.00	26.10

5.2 The cost of investments as on 30 June 2021 is Nil (30 June 2020: 2,559,416,610).

6 OTHER RECEIVABLES	Note	2021	2020
		----- Rupees -----	-----
Tax recoverable	6.1	<u>3,685,722</u>	<u>3,683,919</u>

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 and 150. However, withholding tax on profit on debt 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 withholder. The tax withheld as at June 30, 2021 amounts to Rs. 3.686 million (2020: Rs 3.684 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 January 28, 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 amount of withholding tax deducted on profit on debt has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the Tax recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been lower by Rs. 0.08 per unit (30 June 2020: Rs. 0.18 per unit).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (Related party)	Note	2021	2020
		Rupees	
Remuneration of the Management Company	7.1	4,913,531	3,030,437
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,758,922	3,514,120
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable	12	1,277,724	1,471,928
		30,378,679	28,444,987

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 2.5% per annum of average annual net assets, within allowed expense in the offering document. The management company has charged its remuneration at the rate of 0.35% per annum of the average annual net assets till 02 December 2020 and with effect from 03 December 2020 charged the remuneration at the rate of 0.25% of the average annual net assets of the Fund (2020: 0.45% per annum of the average annual net assets till 31 March 2020 and with effect from 01 April 2020 charged the remuneration at the rate of 0.35 % of the average annual net assets of the Fund.)The fee is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs. 6,752,410 (2020: Rs. 6,302,308) 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. 6,507,608 (2020: Rs 6,467,651) was paid to the Management Company which acts as a collecting agent.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2020: 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 2021 would have been higher by Re. 0.43 (30 June 2020: Rs. 1.03) per unit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		2021	2020
	Note	Rupees	
Trustee fee	8.1	1,277,526	562,796
Sindh Sales Tax on trustee fee	8.2	166,077	73,163
		1,443,603	635,959

8.1 With effect from 28 June 2019, the trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.065% p.a. of Net Assets.

8.2 During the year ended 30 June 2021, an amount of Rs. 1,521,855 (2020: Rs 969,934) 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. 1,428,941 (2020: Rs 995,385) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		2021	2020
	Note	Rupees	
Annual fee payable	9.1	3,602,024	2,295,677

9.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs. Previously, the rate of annual fee applicable to the money market scheme was 0.075% of net assets.

10 ACCRUED EXPENSES AND OTHER LIABILITIES		2021	2020
	Note	Rupees	
Auditors' remuneration payable		491,697	500,850
Printing charges payable		59,929	-
Withholding tax payable		23,790,606	10,043,989
Capital gain tax payable		2,610,406	4,217,082
Provision for Sindh Workers' Welfare Fund	10.1	91,874,642	67,373,577
Zakat payable		12,533	38,441
Dividend payable		2,475,639	-
		121,315,452	82,173,939

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of the Fund as at June 30, 2021, would have been higher by Rs. 1.92 per unit (2020: Re 3.39 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2021 and 30 June 2020.

12 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.12% of the average annual net assets of the Fund for the period from 01 July 2020 to 30 November 2020 and 0.065% of the average annual net assets of the Fund from 01 December 2020 onwards (2020: 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 onwards)

13 AUDITORS' REMUNERATION

	2021	2020
	----- Rupees -----	
Annual audit fee	383,500	345,000
Half yearly review of condensed interim financial information	191,500	175,000
Other Certifications	60,500	105,000
Out of pocket expenses	40,000	40,000
Sindh Sales Tax on services	54,040	53,200
Prior year adjustment	(109,620)	(36,871)
	619,920	681,329

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 0.65% (2020: 0.98%) which includes 0.20% (2020: 0.33%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15 TAXATION

- 15.1** 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

required to distribute not less than 90% of the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

16 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.

17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** 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.
- 17.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, sales load and other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.4** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2021	2020
	----- Rupees -----	
Atlas Asset Management Limited - Management Company		
Remuneration of the Management Company	51,941,616	48,479,295
Remuneration paid	50,058,522	49,751,173
Sindh Sales Tax on remuneration of the Management Company	6,752,410	6,302,308
Accounting and operational charges	15,459,790	16,763,643
Issue of 520,914 (2020: 453,120) units	263,873,618	228,939,004
Redemption of 419,220 (2020: 276,931) units	212,500,000	140,000,304
Dividend declared	7,540,598	4,998,119
Outstanding 277,956 (2020: 176,189) units - at net asset value	140,611,520	89,020,759
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	11,706,580	7,461,029
Sindh Sales Tax on remuneration of the Trustee	1,521,855	969,934
Remuneration paid	10,991,850	8,023,825
Atlas Foundation (Group Company)		
Issue of 53,439 (2020: 93,763) units	27,037,804	47,480,402
Dividend declared	7,744,770	15,342,573
Redemption of 125,309 (2020: 46,463) units	63,500,000	23,500,000
Outstanding 187,943 (2020: 259,800) units - at net asset value	95,076,605	131,265,678

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
Atlas Battery Limited		
Issue of 1,009,197 (2020: 30) units	510,688,710	14,986
Redemption of 1,009,197 (2020: 4,157) units	511,616,721	2,100,381
Dividend declared	11,648,152	17,543
Atlas Fund of Funds (Fund under common management)		
Issue of units 526,300 (2020: 484,666) units	266,330,000	244,620,000
Redemption of 526,300 (2020: 484,666) units	267,414,658	246,443,660
Atlas Group of Companies, M.S.G.Fund		
Issue of 210,718 (2020: 318,585) units	106,763,179	161,166,274
Redemption of 57,296 (2020: 414,794) units	29,000,000	210,000,000
Dividend declared	7,218,946	5,752,355
Outstanding 117,461 (2020: 117,461) units - at net asset value	137,039,523	59,347,713
Atlas Honda Limited (Group Company)		
Issue of 9,968,810 (2020: 2,691,828) units	5,052,336,640	1,360,191,713
Redemption of 2,572,997 (2020: 4,750,794) units	800,000,000	2,406,000,000
Dividend declared	279,396,384	309,066,830
Outstanding 11,492,146 (2020: 4,096,035) units - at net asset value	5,813,611,193	2,069,545,461
Atlas Insurance Limited (Group Company)		
Issue of 261,289 (2020: 2,799,425) units	132,371,693	1,413,099,944
Dividend declared	2,374,310	31,824,679
Redemption of 479,618 (2020: 2,582,615) units	242,710,940	1,308,913,495
Outstanding Nil (2020: 216,810) units - at net asset value	-	109,544,551
Atlas Engineering Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 113 (2020: 17,666) units	56,894	8,934,496
Redemption of 5,876 (2020: 11,902) units	2,982,267	6,000,000
Dividend declared	56,894	402,774
Outstanding Nil (2020: 5,763) units - at net asset value	-	2,911,927
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 8,486 (2020: 132,666) units	4,288,293	66,913,478
Redemption of 59,218 (2020: 118,699) units	30,000,000	60,000,000
Dividend declared	4,288,293	6,713,864
Outstanding 106,509 (2020: 157,231) units - at net asset value	53,880,443	79,441,919
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 1,015 (2020: 2,290) units	512,813	1,153,212
Redemption of 1,972 (2020: 6,907) units	1,000,000	3,500,000
Dividend declared	512,813	1,381,802
Outstanding 16,101 (2020: 17,056) units - at net asset value	8,145,124	8,617,857
Honda Atlas Cars (Pakistan) Limited (Group Company)		
Issue of Nil (2020: 2,825) units	-	1,423,583
Redemption of Nil (2020: 2,825) units	-	(1,436,692)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
Batools Benefit Trust		
Issue of 85,336 (2020: 43,234) units	43,261,820	21,811,260
Redemption of 27,561 (2020: Nil) units	13,971,961	-
Dividend declared	3,667,468	2,063,407
Outstanding 113,073 (2020: 55,295) units - at net asset value	57,201,019	27,938,122
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 6,957 (2020: 8,704) units	3,523,419	4,395,277
Redemption of 44,187 (2020: 25,883) units	22,380,261	13,100,000
Dividend declared	515,248	2,851,223
Outstanding Nil (2020: 37,227) units - at net asset value	-	18,809,076
Shirazi Investments (Private) Limited		
Issue of Nil (2020: 983,554) units	-	495,199,640
Redemption of 394,861 (2020: 534,337) units	200,000,000	270,000,000
Dividend declared	40,691,399	74,488,879
Outstanding 1,049,122 (2020: 1,443,983) units - at net asset value	530,726,585	729,580,878
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 9,935 (2020: Nil) units	5,021,222	-
Redemption of 9,935 (2020: Nil) units	5,045,592	-
Dividend declared	23,405	-
Atlas Die Casting (Private) Limited (Group Company)		
Issue of 3 (2020: 80,004) units	1,475	40,547,455
Dividend declared	1,799	177,796
Redemption of 3 (2020: 79,951) units	-	40,303,317
Outstanding 56 (2019: Nil) units - at net asset value	28,329	26,851
Atlas Autos Limited		
Issue of 1,263,209 (2020: Nil) units	641,622,687	-
Dividend declared	9,708,564	-
Redemption of 444,824 (2020: Nil) units	225,000,000	-
Outstanding 818,385 (2020: Nil) units	414,002,196	-
Atlas Energy Limited		
Issue of 22,004 (2020: Nil) units	11,132,788	-
Dividend declared	153,554	-
Redemption of 5,914 (2020: Nil) units	3,000,000	-
Outstanding 16,090 (2020: Nil) units	8,139,747	-
Atlas Engineering Limited		
Issue of 767,785 (2020: Nil) units	389,544,918	-
Dividend declared	-	-
Outstanding 767,785 (2020: Nil) units	388,404,793	-
Atlas Metals (Private) Limited		
Issue of 152,948 (2020: Nil) units	77,457,821	-
Dividend declared	2,690,185	-
Outstanding 152,948 (2020: Nil) units	77,372,860	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	Rupees	
Honda Atlas Cars (Pak.) Ltd. - Emp. Prov. Fund		
Issue of 300,646 (2020: Nil) units	152,188,321	-
Dividend declared	1,944,137	-
Redemption of 151,218 (2020: Nil) units	76,489,006	-
Outstanding 149,428 (2020: Nil) units	75,592,173	-
Honda Atlas Cars (Pakistan) Ltd.- Emp. Gratuity. Fund		
Issue of 102,626 (2020: Nil) units	52,015,587	-
Dividend declared	1,852,798	-
Outstanding 102,626 (2020: Nil) units	51,916,133	-
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
Issue of 27,570,037 (2020: Nil) units	13,980,354,181	-
Dividend declared	248,621,776	-
Redemption of 16,423,349 (2020: Nil) units	8,329,391,822	-
Outstanding 11,146,688 (2020: Nil) units - at net asset value	5,638,851,971	-
Directors and their close family members and key management personnel of the Management Company		
Issue of 883,480 (2020: 1,000,715) units	447,045,668	506,414,337
Redemption of 512,307 (2020: 461,671) units	259,932,984	233,687,680
Dividend declared	23,597,652	19,417,863
Outstanding 1,324,489 (2020: 798,559) units - at net asset value	670,028,547	403,476,734

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

*The holding during the current period is less than 10%

18 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2021		
	At amortised cost	At fair value through profit or loss	At fair value through OCI
	(Rupees)		
Financial assets			
Cash and bank balances	24,359,094,276	-	-
Investments	-	-	-
Profit receivable on bank balances	54,608,057	-	-
	24,413,702,333	-	-
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	30,378,679	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,443,603	-	-
Payable against redemption of units	31,822,945	-	-
Unclaimed dividend	-	-	-
Accrued expenses and other liabilities	3,039,798	-	-
	66,685,025	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	As at 30 June 2020			Total
	At Amortised Cost	At fair value through profit or loss	At Fair Value through OCI	
	(Rupees)			
Financial assets				
Cash and bank balances	7,522,447,993	-	-	7,522,447,993
Investments	-	2,617,567,408	-	2,617,567,408
Profit receivable on bank balances	1,373,040	-	-	1,373,040
	7,523,821,033	2,617,567,408	-	10,141,388,441
Financial liabilities				
Payable to Atlas Asset Management Limited - Management Company	28,444,987	-	-	28,444,987
Payable to the Central Depository Company of Pakistan Limited - Trustee	635,959	-	-	635,959
Payable against redemption of units	16,431	-	-	16,431
Unclaimed dividend	25,152	-	-	25,152
Accrued expenses and other liabilities	539,291	-	-	539,291
	29,661,820	-	-	29,661,820

19 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.

"During the year another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation."

19.1 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(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 2021, the Fund is exposed to such risk in respect of balances with other 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 2021, 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 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 243,566,533 (2020: Rs 74,585,801).

b) Sensitivity analysis for fixed rate instruments

The sensitivity analysis for fixed rate instrument is not performed as the Fund do not hold investments in fixed interest rate instrument as at 30 June 2021. There will be no impact on net assets of the future movements in fixed interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2021 and 30 June 2020 can be determined as follows:

----- As at 30 June 2021 -----						
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	5.50% - 7.95%	24,356,653,257	-	-	2,441,019	24,359,094,276
Investments		-	-	-	-	-
Profit receivable on bank balances		54,608,057	-	-	-	54,608,057
		24,411,261,314	-	-	2,441,019	24,413,702,333
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	30,378,679	30,378,679
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,443,603	1,443,603
Payable against redemption of units		-	-	-	31,822,945	31,822,945
Unclaimed dividend		-	-	-	-	-
Accrued expenses and other liabilities		3,039,798	-	-	3,039,798	6,079,596
		3,039,798	-	-	66,685,025	69,724,823
On-balance sheet gap (a)		24,408,221,516	-	-	(64,244,006)	24,343,977,510
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		24,408,221,516	-	-		
Cumulative interest rate sensitivity gap		24,408,221,516	24,408,221,516	24,408,221,516		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

----- As at 30 June 2020 -----						
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	6.00% - 12.50%	7,458,580,094	-	-	63,867,899	7,522,447,993
Investments		2,617,567,408	-	-	-	2,617,567,408
Profit receivable on bank balances		1,373,040	-	-	-	1,373,040
		10,077,520,542	-	-	63,867,899	10,141,388,441
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	28,444,987	28,444,987
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	635,959	635,959
Payable against redemption of units		-	-	-	16,431	16,431
Unclaimed dividend		-	-	-	25,152	25,152
Accrued expenses and other liabilities		-	-	-	539,291	539,291
		-	-	-	29,661,820	29,661,820
On-balance sheet gap (a)		10,077,520,542	-	-	34,206,079	10,111,726,621
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		10,077,520,542	-	-		
Cumulative interest rate sensitivity gap		10,077,520,542	10,077,520,542	10,077,520,542		

(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 2021 which expose it to price risk.

19.2 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 -----				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- Rupees -----				
Financial assets					
Cash and bank balances	24,359,094,276	-	-	-	24,359,094,276
Investments	-	-	-	-	-
Profit receivable on bank deposits	54,608,057	-	-	-	54,608,057
	24,413,702,333	-	-	-	24,413,702,333
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	30,378,679	-	-	-	30,378,679
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,443,603	-	-	-	1,443,603
Payable against redemption of units	31,822,945	-	-	-	31,822,945
Unclaimed dividend	-	-	-	-	-
Accrued expenses and other liabilities	-	6,079,596	-	-	6,079,596
	63,645,227	6,079,596	-	-	69,724,823
Net assets / (liabilities)	24,350,057,106	(6,079,596)	-	-	24,343,977,510

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	As at 30 June 2020				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Financial assets					
Cash and bank balances	7,522,447,993	-	-	-	7,522,447,993
Investments	2,617,567,408	-	-	-	2,617,567,408
Profit receivable on bank deposits	1,373,040	-	-	-	1,373,040
	10,141,388,441	-	-	-	10,141,388,441
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	28,444,987	-	-	-	28,444,987
Payable to the Central Depository Company of Pakistan Limited - Trustee	635,959	-	-	-	635,959
Payable against redemption of units	16,431	-	-	-	16,431
Unclaimed dividend	25,152	-	-	-	25,152
Accrued expenses and other liabilities	-	539,291	-	-	539,291
	29,122,529	539,291	-	-	29,661,820
Net assets / (liabilities)	10,112,265,912	(539,291)	-	-	10,111,726,621

19.3 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 and profit receivable on bank deposits. 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 2021, 0% (2020: 26.09%) of Fund's net assets are invested in government securities. Furthermore, the Fund's maximum exposure to credit risk as of 30 June 2021 amounts to Nil (2020: Rs. 7,523,821,033).

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. As at 30 June 2021, the Fund did not hold investments in government guaranteed securities. Banks with which the Fund has maintained balances are rated as follows:

Rating	2021	2020
AA+	16.79	6.39
AAA	83.21	93.61
	100.00	100.00

20 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

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

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

As at June 30 2021, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique. The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

21 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 16, 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.

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.

22 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2021			30 June 2020		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	904	1,493,508,608	6.16%	788	1,379,293,092	13.75%
Associated Companies / Directors	15	7,991,919,846	32.99%	11	3,419,789,104	34.09%
Insurance Companies	1	27,420,272	0.11%	1	10,207,776	0.10%
Banks / DFIs	1	1,069,290,350	4.41%	1	511,276,893	5.10%
Retirement Funds	29	839,730,630	3.47%	26	602,303,300	6.00%
Others	30	12,806,955,646	52.86%	31	4,108,610,050	40.96%
	980	24,228,825,352	100.00%	858	10,031,480,215	100.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

23 LIST OF TOP BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	58.77	Pearl Securities Limited	50.30
Pearl Securities Limited	35.57	Arif Habib Limited	44.45
JS Global Capital Limited	5.66	Optimus Capital Management (Private)	5.24
	100.00		100.00

24 MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 Years

25 NAME AND QUALIFICATION OF THE FUND MANAGER

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

26 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:

Name of Director	Meeting held on					
	06 July 2020	10 Sep 2020	26 Oct 2020	25 Feb 2021	29 Apr 2021	25 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Frahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P	P
Ms Zainab Kazim (Company Secretary)	P	L	L	P	P	P

P Present
L Leave of absence

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

27 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2020. 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)" (Double A Plus) [2020: "AA+ (f)"] on 16 April 2021.

28 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.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 6 September 2021.

30 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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

Corporate Information

Trustee

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

Auditors

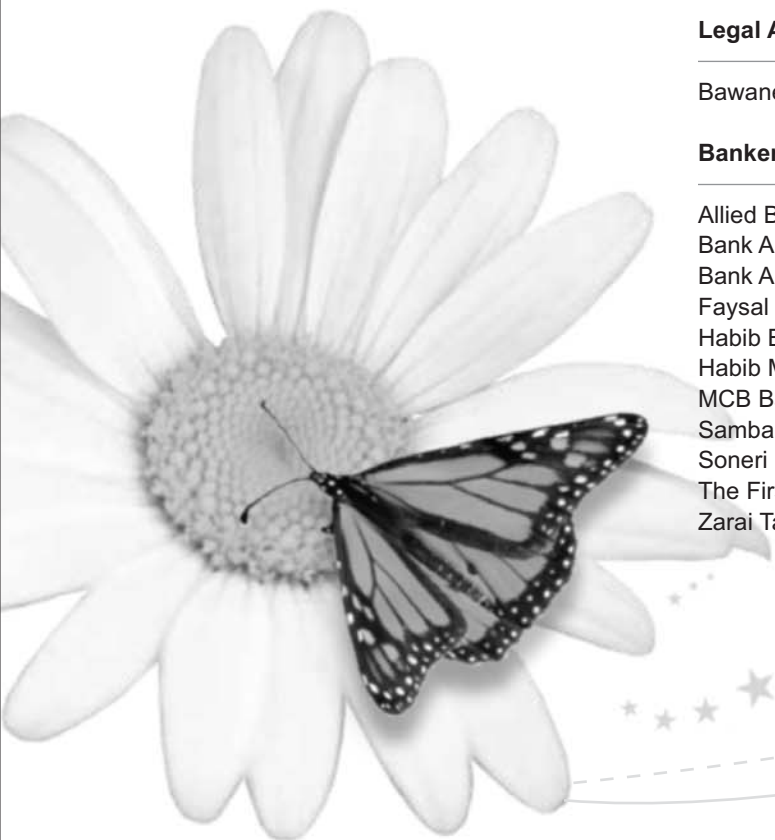
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
The First Micro Finance Bank Limited
Zarai Taraqiat Bank Limited



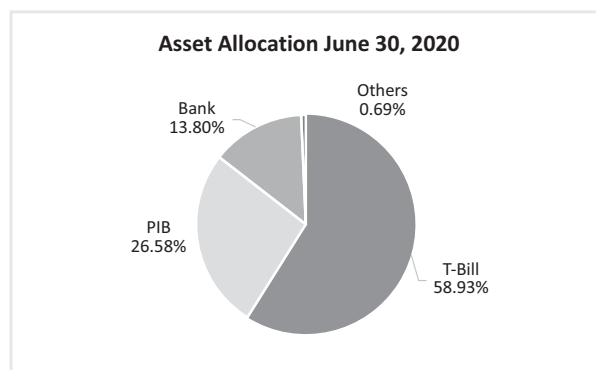
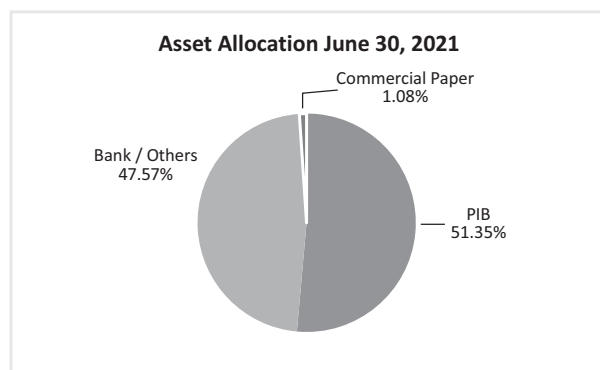
Fund Manager's Report

Atlas Sovereign Fund (ASF) is an Open-ended Income Fund. The objective of ASF is to provide unit holders competitive returns with medium risk and high liquidity by investing in Government Securities and Debt 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 Sovereign Fund performance benchmark is average Six Months PKRV rates.

The Consumer Price Index (CPI) Inflation averaged at 8.9% during FY21 compared to 10.7% in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation. During FY21, SBP maintained policy rate at 7.00% with an aim to stimulate economy and boost investor & consumer confidence, given the enforcement of sporadic lockdowns due to the third & fourth wave of the pandemic. Going forward, accommodation witnessed in monetary policy may be reduced if economy reaches full potential and demand side pressures emerge.

The Net Asset Value per unit of Atlas Sovereign Fund increased by 6.16% to Rs. 101.12 as on June 30, 2021. The benchmark average six months PKRV rate stood at 7.29% during the period under review. The ASF total exposure in Pakistan Investment Bonds, Banks/Others and Commercial Paper stood at 51.35%, 47.57% and 1.08%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns with medium risk. The Net Assets of the Fund stood at Rs. 2.23 billion, with 22.01 million units outstanding as of June 30, 2021.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 6.04 per unit for the period ended June 30, 2021 (6.04% on the face value of Rs. 100 per unit).

Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individual	98	117,542,660	5.28%
Associated companies / Directors	9	1,629,105,689	73.21%
Other Corporates	2	23,159,502	1.04%
Retirement Funds	7	455,505,182	20.47%
Total	116	2,225,313,033	100.00%

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 12,565,416 (Rs. 0.57 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 905,341 up till June 30, 2021 (Rs. 0.04 per unit).

The Total Expense Ratio (TER) of the Fund is 1.17% including expenses representing Government levy, SWWF and SECP Fee of 0.24%.

During the year under review, the Investment Committee held fifty-two meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Karachi: 6 September 2021

Fawad Javaid
Head of Fixed Income

PERFORMANCE SINCE INCEPTION

	2021	2020	2019	2018	2017	2016	2015
Net Assets (Rs. in '000)	2,225,313	2,083,472	2,301,237	358,197	250,510	746,960	604,907
Number of units in issue	22,006,687	20,635,634	22,936,104	3,411,400	2,287,658	7,461,205	5,898,379
Net assets value per unit (Rs.)	101.12	100.96	100.33	105.00	109.50	100.11	102.55
Net income (Rs. in 000)	127,799	391,074	45,984	14,631	21,473	12,781	15,854
Earnings per unit (Rs.)	5.81	18.95	2.00	4.29	9.39	1.71	2.69
Annual return of the fund (%)	6.16	18.08	7.71	5.00	9.39	5.79	8.32
Offer Price ** (Rs.)	101.12	100.95	100.33	105.00	109.54	100.11	102.55
Redemption Price ** (Rs.)	101.12	100.95	100.33	105.00	109.54	100.11	102.55
Highest offer Price (Rs.)	107.01	118.07	104.33	104.97	109.54	105.76	104.61
Lowest offer Price (Rs.)	100.99	100.49	100.27	100.14	100.25	100.02	100.12
Highest repurchase price per unit (Rs.)	107.01	118.07	104.33	104.97	109.54	105.76	104.61
Lowest repurchase price per unit (Rs.)	100.99	100.49	100.27	100.14	100.25	100.02	100.12
Weighted average portfolio (No. of days)	662.37	336.54	218.17	2.82	0.98	10.83	1.72

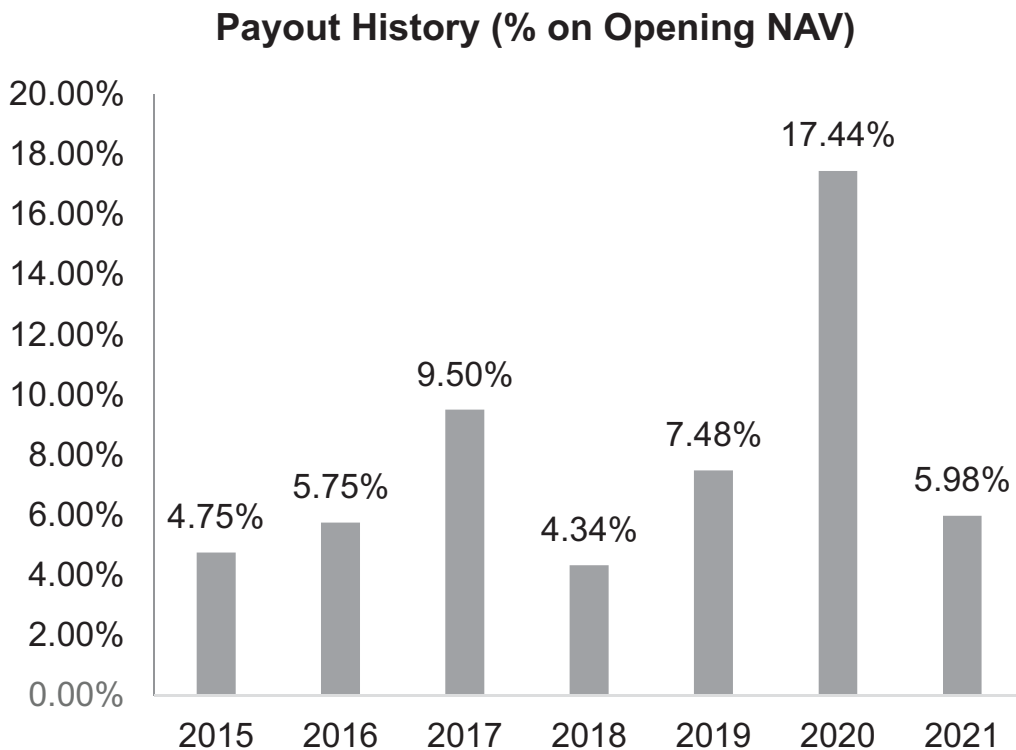
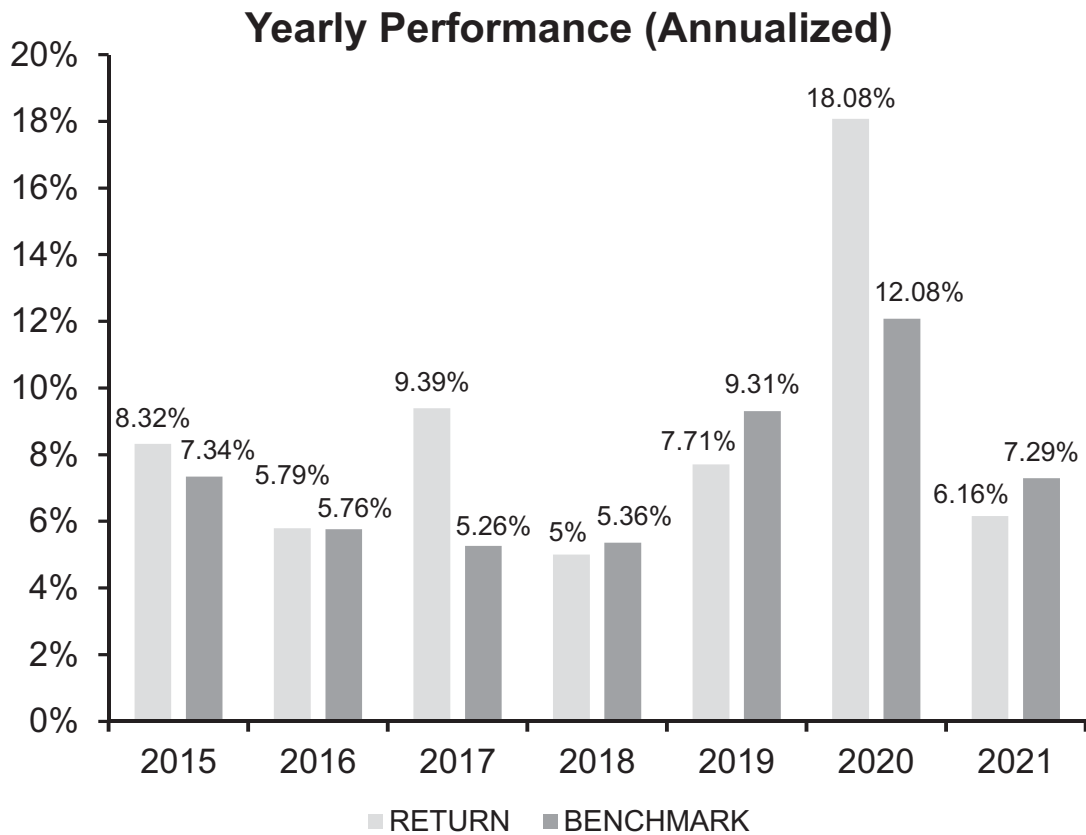
For the Period From 24 November 2014 to 30 June 2015 (Date of Launch: 01 December 2014)

**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

Distribution details	2021	2020	2019	2018	2017	2016	2015
First Inteim Distribution - Cash Dividend (Rs.)	6.04	17.50	4.00	-	-	5.75	2.25
First Inteim Distribution as a % of opening NAV	5.98	17.44	3.99	-	-	5.75	2.25
Distribution date	25-Jun-20	26-Jun-20	18-Jan-19	-	-	24-Jun-16	8-Jun-15
Second Inteim Distribution - Cash Dividend (Rs.)	-	-	3.50	-	-	-	-
Second Inteim Distribution as a % of opening NAV	-	-	3.49	-	-	-	-
Distribution date	-	-	27-Jun-19	-	-	-	-
Final Distribution - Cash Dividend (Rs.)	-	-	-	4.75	9.50	-	2.50
Final Distribution as a % of opening NAV	-	-	-	4.75	9.49	-	2.50
Distribution date	-	-	-	6-Jul-18	7-Jul-17	-	7-Jul-15



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 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, 2021 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: 30 September 2021

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Atlas Sovereign Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Atlas Sovereign Fund** ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
Investments and bank balances constitute the most significant component of the NAV. Investments of the Fund as at June 30, 2021 amounted to Rs. 1,187.198 million and balances with banks aggregated to Rs. 1,054.508 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2021 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2021 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

-
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirement

Based on our audit, we further report that 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.

The engagement partner on the audit resulting in this independent auditor's report is Salman Hussain.

Karachi: 16 September 2021

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021

	Note	2021 ----- Rupees -----	2020
Assets			
Bank balances	4	1,054,508,016	301,477,720
Investments	5	1,187,198,151	1,867,851,534
Mark-up receivable	6	19,723,378	14,446,366
Deposits and other receivable	7	3,197,602	479,185
Total assets		2,264,627,147	2,184,254,805
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	2,767,104	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	135,046	139,491
Payable to the Securities and Exchange Commission of Pakistan	10	431,255	495,192
Redemption payable		1,611,019	-
Accrued expenses and other liabilities	11	34,369,690	96,487,696
Total liabilities		39,314,114	100,783,232
NET ASSETS		2,225,313,033	2,083,471,573
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,225,313,033	2,083,471,573
CONTINGENCIES AND COMMITMENTS	12		
NUMBER OF UNITS IN ISSUE		22,006,687	20,635,634
NET ASSET VALUE PER UNIT		101.1199	100.9600

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	Rupees	Rupees
Income			
Interest Income	13	171,078,212	290,837,766
Capital (loss) / gain on sale of investments - net		(13,174,684)	64,303,878
Net unrealized (loss) / gain on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(4,948,255)	75,891,034
		(18,122,939)	140,194,912
Total income		152,955,273	431,032,678
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	14,139,342	22,252,623
Sindh sales tax on remuneration of the Management Company	8.2	1,838,114	2,892,841
Accounting and operational charges	8.4	3,661,982	3,544,224
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	1,400,166	1,609,396
Sindh sales tax on Remuneration of Trustee		182,022	209,221
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	431,255	495,192
Auditors' remuneration	15	273,240	359,446
Annual rating fee		402,633	366,235
Annual listing fee		30,138	27,500
Securities transaction cost		2,834	33,969
Printing charges		13,929	28,809
Legal and professional charges		136,560	128,529
Bank charges		35,436	29,277
Provision for Sindh Workers' Welfare Fund	11.1	2,608,153	7,981,108
Total expenses		25,155,804	39,958,370
Net income for the year before taxation		127,799,469	391,074,308
Taxation	16	-	-
Net income for the year after taxation		127,799,469	391,074,308
Earnings per unit	17		
Allocation of net income for the year:			
Net income for the year after taxation		127,799,469	391,074,308
Income already paid on units redeemed		(4,570,766)	(170,717,628)
		123,228,703	220,356,680
Accounting income available for distribution:			
-Relating to capital gains		-	140,194,912
-Excluding capital gains		123,228,703	80,161,768
		123,228,703	220,356,680

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	Rupees	
Net income for the year after taxation	127,799,469	391,074,308
Other comprehensive income	-	-
Total comprehensive income for the year	127,799,469	391,074,308

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2021

	30 June 2021			30 June 2020		
	Capital Value	Undistributed income	Net Assets	Capital Value	Undistributed income	Net Assets
	Rupees			Rupees		
Net assets at the beginning of the year	2,073,891,942	9,579,631	2,083,471,573	2,298,220,458	3,016,233	2,301,236,691
Units Outstanding: 20,635,634 (2020: 20,936,104)						
Issuance of 7,901,729 units (2020: 23,140,077 units)						
- Capital value (at net asset value per unit at the beginning of the year)	797,758,560	-	797,758,560	2,321,643,925	-	2,321,643,925
- Element of income	16,145,395	-	16,145,395	180,748,638	-	180,748,638
Total proceeds on issuance of units	813,903,955	-	813,903,955	2,502,392,563	-	2,502,392,563
Redemption of 6,530,676 units (2020: 25,440,547 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(659,337,049)	-	(659,337,049)	(2,552,450,127)	-	(2,552,450,127)
- Element of loss	(8,953,708)	(4,570,766)	(13,524,474)	(67,831,814)	(170,717,628)	(238,549,442)
Total payment on redemption of units	(668,290,757)	(4,570,766)	(672,861,523)	(2,620,281,941)	(170,717,628)	(2,790,999,569)
Total comprehensive income for the year	-	127,799,469	127,799,469	-	391,074,308	391,074,308
Refund of Capital	(7,180,565)	-	(7,180,565)	(106,439,138)	-	(106,439,138)
Cash dividend declared for the year ended 30 June 2021 at the rate of Rs. 6.04 per unit 25 June 2021 (2020: Rs. 17.5 per unit 26 June 2020)	-	(119,819,876)	(119,819,876)	-	(213,793,282)	(213,793,282)
	(7,180,565)	7,979,593	799,028	(106,439,138)	177,281,026	70,841,888
	2,212,324,575	12,988,458	2,225,313,033	2,073,891,942	9,579,631	2,083,471,573
Net assets at end of the year						
Units Outstanding: 22,006,687 (2020: 20,634,635)						
Undistributed income brought forward						
- Realised income	-	-	-	-	4,865,277	-
- Unrealised Income / (loss)	-	9,579,631	-	-	(1,849,044)	-
	-	9,579,631	-	-	3,016,233	-
Accounting income available for distribution:						
- Relating to capital gains	-	-	-	-	140,194,912	-
- Excluding capital gains	-	123,228,703	-	-	80,161,768	-
	-	123,228,703	-	-	220,356,680	-
Distributions during the year:						
Cash dividend declared for the year ended 30 June 2021 at the rate of Rs. 6.04 per unit 25 June 2021 (2020: Rs. 17.5 per unit 26 June 2020)	-	(119,819,876)	-	-	(213,793,282)	-
	-	(119,819,876)	-	-	(213,793,282)	-
Undistributed income carried forward	-	12,988,458	-	-	9,579,631	-
Undistributed income carried forward						
- Realised income	-	4,528,613	-	-	-	-
- Unrealised Income	-	8,459,845	-	-	9,579,631	-
	-	12,988,458	-	-	9,579,631	-
Net assets value per unit at beginning of the year			100.96			100.33
Net assets value per unit at end of the year			101.12			100.96

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 ----- Rupees -----	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		127,799,469	391,074,308
Adjustments for:			
Interest income		(171,078,212)	(290,837,766)
Capital loss / (gain) on sale of investments - net		13,174,684	(64,303,878)
Net unrealized loss / (gain) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		4,948,255	(75,891,034)
Provision for Sindh Workers' Welfare Fund		2,608,153	7,981,108
		(150,347,120)	(423,051,570)
Decrease / (Increase) in assets			
Investments		721,954,952	(1,033,906,683)
Profit received on investments and bank balances		106,376,692	116,026,999
Deposits and other receivable		(2,718,417)	(9,775)
		825,613,227	(917,889,459)
(Decrease) / Increase in liabilities			
Payable to Atlas Asset Management Limited - Management Company		(893,749)	1,806,170
Payable to the Central Depository Company of Pakistan Limited - Trustee		(4,445)	(116,423)
Payable to the Securities and Exchange Commission of Pakistan		(63,937)	64,770
Redemption Payable		1,611,019	-
Accrued expenses and other liabilities		(64,726,159)	71,997,655
		(64,077,271)	73,752,172
Net cash generated from / (used in) operating activities		738,988,305	(876,114,549)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		813,903,955	2,502,392,563
Amount paid against redemption of units		(672,861,523)	(2,790,999,569)
Refund of Capital		(7,180,565)	(106,439,138)
Cash payout against distribution		(119,819,876)	(213,793,282)
Net cash generated from / (used in) financing activities		14,041,991	(608,839,426)
Net increase / (decrease) in cash and cash equivalents		753,030,296	(1,484,953,975)
Cash and cash equivalents at the beginning of the year		301,477,720	1,786,431,695
Cash and cash equivalents at the end of the year	4	1,054,508,016	301,477,720
The annexed notes from 1 to 30 form an integral part of these financial statements.			

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated May 23, 2017 and September 3, 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated March 24, 2015, August 3, 2015, June 23, 2016, October 13, 2016, June 2, 2017, April 18, 2018, August 20, 2018, October 2, 2019, October 30, 2019 and April 1, 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund was launched as a money market scheme. Effective from January 2, 2019 the Funds' category was changed to Income Scheme with approval of the SECP. The Fund is listed on Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis from December 1, 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide unit holders competitive returns by investing in a portfolio of medium risk securities including investments in Government securities and debt instruments. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company had submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 BASIS OF PREPERATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- "Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed."

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

There are certain new standards, interpretations and amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on 1 July 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financials statements.

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

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	1 January 2023
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	1 January 2023

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after 1 July 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and, therefore, have not been detailed in these financials statements.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires 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 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 of 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.

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

3.1 Financial assets

3.1.1 Classification and subsequent measurement

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified based on the business model of the entity as:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVPL).

IFRS 9 also provides an option for securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income from equity securities classified under FVPL is recognised in the Income Statement. The subsequent movement in the fair value of equity securities under FVPL is routed through the Income Statement.

The Fund can only invest in equity securities for the purpose of spread transactions.

3.1.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3.1.2.1 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.

3.1.3 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.

3.1.4 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.

3.1.5 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.

3.1.6 Derivatives

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

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

3.3 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.

3.4 Issue and redemption of units

Units issued are recorded at the offer price determined by the management company for the applications received

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

3.5 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 and commercial papers 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 is recognised on an accrual basis.

3.6 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee and annual fee of 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.8 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income by the year end in order to avail this tax exemption. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

3.9 Distribution to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Investment 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 Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 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.

3.11 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

3.12 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.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

		2021	2020
4	Note	Rupees	Rupees
BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	1,054,508,016	301,477,720
		1,054,508,016	301,477,720

4.1 The rate of return on these balances range from 5.50% to 8.25% per annum (June 30, 2020: 6.50% to 8.80% per annum).

		2021	2020
5	Note	Rupees	Rupees
INVESTMENTS			
At fair value through profit or loss			
Government Securities			
Market Treasury Bills	5.1	-	1,287,200,883
Pakistan Investment Bonds	5.2	1,162,799,909	580,650,651
Commercial Paper	5.3	24,398,242	-
		1,187,198,151	1,867,851,534

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.1 Market Treasury Bills - At fair value through profit or loss

Market treasury bills	As at 01 July 2020	Acquired during the year	Sold / matured during the year	As at 30 June 2021	Carrying value	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets
Face value (Rupees)					(Rupees)		% age	
03 Months - T-bills	-	3,277,500,000	3,277,500,000	-	-	-	-	-
06 Months - T-bills	175,000,000	1,070,000,000	1,245,000,000	-	-	-	-	-
12 Months - T-bills	1,143,045,000	570,000,000	1,713,045,000	-	-	-	-	-
June 30, 2021	1,318,045,000	4,917,500,000	6,235,545,000	-	-	-	-	-
June 30, 2020					1,271,027,821	1,287,200,883	68.91	61.78

5.1.1 The cost of investments as on June 30, 2020 was Rs. 1,198,569,569.

5.1.2 Market Treasury Bills outstanding as at June 30, 2020 carried purchase yields ranging from 7.48% to 14.19% per annum and had maturities between August 27, 2020 and March 11, 2021.

5.2 Pakistan Investment Bonds - At fair value through profit or loss

Pakistan investment bonds	As at 01 July 2020	Acquired during the year	Sold	As at 30 June 2021	Carrying value	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets
Face value (Rupees)					(Rupees)		% age	
3 Years PIB - fixed rate	470,500,000	50,000,000	325,000,000	195,500,000	198,615,700	195,546,743	16.47	8.79
3 Years PIB - floating rate	-	175,000,000	-	175,000,000	175,623,995	175,210,000	14.76	7.87
5 Years PIB - fixed rate	90,000,000	755,000,000	335,000,000	510,000,000	510,280,649	509,893,181	42.95	22.91
5 Years PIB - floating rate	-	162,500,000	-	162,500,000	163,194,645	162,678,750	13.70	7.31
10 Years PIB - fixed rate	-	50,000,000	-	50,000,000	44,543,800	44,223,735	3.73	1.99
10 Years PIB - floating rate	-	75,000,000	-	75,000,000	75,489,375	75,247,500	6.34	3.38
June 30, 2021	560,500,000	1,267,500,000	660,000,000	1,168,000,000	1,167,748,164	1,162,799,909	97.94	52.25
June 30, 2020					520,932,679	580,650,651	31.09	

5.2.1 The cost of investments as on June 30, 2021 is Rs. 1,154,340,064 (June 30, 2020: Rs. 520,932,679).

5.2.2 These Pakistan Investment Bonds carry purchase yields ranging from 8.12% to 9.78% (June 30, 2020: 11.52% to 14.59%) per annum and will mature between September 19, 2022 and December 10, 2030 (June 30, 2020: September 19, 2022 and September 19, 2024).

5.3 Commercial Papers

Name of the security	As at 01 July 2020	Acquired during the year	Sold / matured during the year	As at 30 June 2021	Carrying value	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets
Face value (Rupees)					(Rupees)		% age	
K-Electric ICP-18 (A-1+, JCR-VIS)	-	25,000,000	-	25,000,000	24,398,242	24,398,242	2.06	1.10
June 30, 2021	-	25,000,000	-	25,000,000	24,398,242	24,398,242	2.06	1.10
June 30, 2020					-	-	-	

5.3.1 The cost of investment as on June 30, 2021 is Rs. 23,998,900 (June 30, 2020: Rs Nil).

5.3.2 The Commercial Paper carries profit of 8.32% per annum and will mature on October 19, 2021.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	----- Rupees -----	----- Rupees -----
5.4 Unrealised (loss) / gain on re-measurement of investments classified as financial asset at fair value through profit or loss - net			
Market value of investments	5.1, 5.2 & 5.3	1,187,198,151	1,867,851,534
Less: carrying value of investments	5.1, 5.2 & 5.3	1,192,146,406	1,791,960,500
		(4,948,255)	75,891,034
6 MARK-UP RECEIVABLE			
Mark-up receivable on:			
Bank balances		538,566	62,997
Pakistan Investment Bonds		19,184,812	14,383,369
		19,723,378	14,446,366
7 DEPOSITS AND OTHER RECEIVABLE			
Deposit with Central Depository Company of Pakistan Limited (CDCPL)		202,825	-
Deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	-
Other receivables	7.1	494,777	479,185
		3,197,602	479,185
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.		
In this connection, a petition has been filed in the Supreme Court of Pakistan by the Fund 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 June 30, 2021 has been shown as other receivables 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	2021	2020
		----- Rupees -----	----- Rupees -----
Remuneration of the Management Company	8.1	1,248,121	2,036,614
Sindh sales tax payable on remuneration of the Management Company	8.2	297,284	396,036
Federal excise duty payable on remuneration of the Management Company	8.3	905,341	905,341
Accounting and operational charges payable	8.4	316,358	322,862
		2,767,104	3,660,853
8.1	The management company has charged remuneration at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.60% of average daily net assets and maximum fee of 1.00% of average daily net assets. The aforementioned limits were revised and are effective since July 1, 2020. Previously, the management fee was being charged at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.45% of average daily net assets and maximum fee of 0.80% of average daily net assets.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The amount of the remuneration is being paid on monthly basis in arrears.

- 8.2** During the year, an amount of Rs. 1,838,114 (2020: Rs. 2,892,841) was charged on account of sales tax on remuneration of the Management Company levied through Sindh sales tax on Services Act, 2011 and an amount of Rs. 1,936,866 (2020: Rs. 2,671,084) 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) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to 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 provision not been made, the NAV per unit of the Fund would have been higher by Rs 0.04 (June 30, 2020: Rs 0.04) per unit.

- 8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company has charged expenses at the rate 0.17% of the average daily net assets of the Fund for the year. The aforementioned rate was revised in the prior period and is effective since March 05, 2020. Previously, the management company has charged expenses at the rate of 0.1% of the average daily net assets of the Fund for the period from July 1, 2019 to September 30, 2019 and at the rate of 0.15% of the average daily net assets of the Fund from October 1, 2019 till March 04, 2020.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

	Note	2021 ----- Rupees -----	2020
Trustee fee	9.1	119,509	123,443
Sindh sales tax on trustee fee		15,537	16,048
		135,046	139,491

- 9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.065% (June 30, 2020: 0.065%) of average daily net assets of the Fund during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
Annual fee payable	10.1	<u>431,255</u>	<u>495,192</u>

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the SRO No. 685(I) / 2019 dated June 28, 2019 issued by SECP, the Fund has charged SECP fee at the rate of 0.02% (June 30, 2020: 0.02%) of average daily net assets of the Fund during the year.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
Transaction charges payable		1,204	1,204
Auditors' remuneration payable		259,740	252,450
Printing charges payable		2,071	8,025
Withholding tax payable		16,760,259	31,010,400
Capital Gain Tax Payable		1,830	511,711
Dividend payable		4,768,186	54,735,658
Provision for Sindh Workers' Welfare Fund	11.1	12,565,416	9,957,264
Other payables		10,984	10,984
		<u>34,369,690</u>	<u>96,487,696</u>

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

12 CONTINGENCIES AND COMMITMENTS

There were no material contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
13 INTEREST INCOME		
Profit and loss sharing accounts	16,872,215	26,394,655
Government securities - Market Treasury Bills	59,424,508	182,147,241
Government securities - Pakistan Investment Bonds	94,382,147	82,295,870
Commercial papers	399,342	-
	171,078,212	290,837,766

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 1.17% (June 30, 2020: 1.61%) which includes 0.21% (June 30, 2020: 0.45%) on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "income scheme".

	2021	2020
	----- Rupees -----	
15 AUDITORS' REMUNERATION		
Annual audit fee	165,000	123,750
Half yearly review of condensed interim financial information	82,500	68,750
Certification charges	-	55,000
Code of Corporate Governance	-	50,000
Out of pocket expenses	27,000	25,000
Sindh sales tax on services	19,800	25,800
Prior year adjustment	(21,060)	11,146
	273,240	359,446

16 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 during the year ended June 30, 2021 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 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.

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

18.1 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 entity in which the Management Company, its CISs or their connected persons have material interest, 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 18.2** Transactions with connected persons are executed on an arm's length basis and 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.
- 18.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 18.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

	2021	2020
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	14,139,342	22,252,623
Remuneration paid	14,927,835	20,546,813
Sindh sales tax on remuneration of the Management Company	1,838,114	2,892,841
Redemption of Nil (2020: 416,133) units	-	44,051,586
Accounting and operational charges	3,661,982	3,544,224
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,400,166	1,609,396
Sindh sales tax payable on remuneration of the Trustee	182,022	209,221
Remuneration paid	1,404,100	1,712,426
Atlas Foundation (Group Company)		
Issue of 108,965 (2020: 248,631) units	11,054,719	25,944,499
Cash dividend	5,602,613	13,385,013
Redemption of Nil (2020: 272,776) units	-	31,000,000
Outstanding 937,187 (2020: 828,222) units at - net asset value	94,768,256	83,617,293
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 13,400 (2020: 23,760) units	1,360,000	2,413,064
Cash dividend	-	1,588,864
Redemption of 121,616 (2020: 30,374) units	12,616,863	3,400,000
Outstanding Nil (2020: 108,216) units at - net asset value	-	10,925,487
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 33,063 (2020: 81,925) units	3,338,258	8,238,411
Redemption of Nil (2020: 733,666) units	-	80,000,000
Cash dividend	3,338,258	8,238,411
Outstanding 585,755 (2020: 552,692) units - at net asset value	59,231,487	55,799,784
Atlas Honda Limited (Group Company)		
Issue of 569,416 (2020: 8,647,971) units	57,542,228	940,984,082
Redemption of Nil (2020: 5,497,023) units	-	600,000,000
Cash dividend	61,747,752	84,507,414
Outstanding 10,751,988 (2020: 10,182,572) units at - net asset value	1,087,239,951	1,028,032,469

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
Shirazi Investments (Private) Limited (Group Company)		
Issue of 51,059 (2020: Nil) units	5,207,306	-
Cash dividend	17,821,688	50,904,638
Redemption of Nil (2020: 4,586,315) units	-	500,000,000
Outstanding 2,959,895 (2020: 2,908,836) units at - net asset value	299,304,286	293,676,083
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 238,229 (2020: 510,060) units	24,115,338	54,952,324
Cash dividend	5,050,006	11,406,359
Redemption of 343,763 (2020: 163,837) units	35,000,000	18,000,000
Outstanding 897,575 (2020: 1,003,109) units - at net asset value	90,762,694	101,273,885
Atlas Insurance Limited (Group Company)		
Issue of 986,539 (2020: 9,622,116) units	100,000,000	1,025,733,909
Cash dividend	-	4,321,757
Redemption of 1,813,622 (2020: 8,794,993) units	184,784,214	973,458,719
Outstanding Nil (2020: 827,123) units - at net asset value	-	83,506,338
Atlas Metals (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 509,042 (2020: Nil) units	52,104,395	-
Cash dividend	1,643,578	-
Outstanding 509,042 (2020: Nil) units - at net asset value	51,474,276	-
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 723,875 (2020: Nil) units	75,000,000	-
Redemption of 723,875 (2020: Nil) units	75,952,040	-
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 1,988,000 (2020: Nil) units	206,329,748	-
Cash dividend	5,691,660	-
Outstanding 1,988,000 (2020: Nil) units - at net asset value	201,026,361	-
Batool's Benefit Trust		
Issue of 190,986 (2020: Nil) units	19,458,527	-
Cash dividend	917,921	-
Outstanding 190,986 (2020: Nil) units - at net asset value	19,312,485	-
Directors and their close family members and key management Personnel and executive of the Management Company		
Issue of 94,277 (2020: 297,765) units	9,530,449	30,537,685
Redemption of Nil (2020: 3,224,757) units	-	350,391,371
Cash dividend	9,834,923	10,392,471
Outstanding 814,723 (2020: 720,446) units at - net asset value	82,384,708	72,736,228

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

18.6 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.

19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2021		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	1,054,508,016	-	1,054,508,016
Investments	-	1,187,198,151	1,187,198,151
Mark-up receivable	19,723,378	-	19,723,378
Deposits	2,702,825	-	2,702,825
	1,076,934,219	1,187,198,151	2,264,132,370

	As at June 30, 2021		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	2,767,104	2,767,104
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	135,046	135,046
Redemption Payable	-	1,611,019	1,611,019
Accrued expenses and other liabilities	-	5,042,185	5,042,185
	-	9,555,354	9,555,354

	As at June 30, 2020		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	301,477,720	-	301,477,720
Investments	-	1,867,851,534	1,867,851,534
Mark-up receivable	14,446,366	-	14,446,366
	315,924,086	1,867,851,534	2,183,775,620

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	As at June 30, 2020		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	3,660,853	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	139,491	139,491
Accrued expenses and other liabilities	-	55,008,321	55,008,321
	-	58,808,665	58,808,665

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 fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. As of June 30, 2021, the Fund is exposed to such risk in respect of its investments and 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 and Pakistan Investments bond which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 14.676 million (2020: Rs. 3.014 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Pakistan investment bonds which exposes the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 7.741 million (2020: Rs. 18.679 million).

The composition of the fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of the future movements in interest rates.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 June 30, 2021 can be determined as follows:

----- As at June 30, 2021 -----					
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	5.50% - 8.25%	1,054,508,016	-	-	1,054,508,016
Investments	8.12% - 9.78%	24,398,242	413,136,250	749,663,659	1,187,198,151
Mark-up receivable		-	-	-	19,723,378
Deposits		-	-	-	2,702,825
		1,078,906,258	413,136,250	749,663,659	22,426,203
					2,264,132,370
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company					
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,767,104
Redemption Payable		-	-	-	135,046
Accrued expenses and other liabilities		-	-	-	1,611,019
		-	-	-	5,042,185
		-	-	-	9,555,354
		1,078,906,258	413,136,250	749,663,659	12,870,849
Total interest rate sensitivity gap					2,254,577,016

----- As at June 30, 2020-----					
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	6.50% - 8.50%	301,477,720	-	-	301,477,720
Investments	7.48% - 14.19%	221,388,932	1,065,811,951	580,650,651	1,867,851,534
Mark-up receivable		-	-	-	14,446,366
		522,866,652	1,065,811,951	580,650,651	14,446,366
					2,183,775,620
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	-	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	139,491
Accrued expenses and other liabilities		-	-	-	55,008,321
		-	-	-	58,808,665
		522,866,652	1,065,811,951	580,650,651	(44,362,299)
Total interest rate sensitivity gap					2,124,966,955

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(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.

(iii) 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.

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.

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 summarises 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 June 30, 2021 -----				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 10 years	Total
	----- Rupees -----				
Financial assets					
Bank balances	1,054,508,016	-	-	-	1,054,508,016
Investments	-	24,398,242	-	1,162,799,909	1,187,198,151
Mark-up receivable	19,723,378	-	-	-	19,723,378
Deposits	-	-	-	2,702,825	2,702,825
	1,074,231,394	24,398,242	-	1,165,502,734	2,264,132,370
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	2,767,104	-	-	-	2,767,104
Payable to the Central Depository Company of Pakistan Limited - Trustee	135,046	-	-	-	135,046
Redemption Payable	1,611,019	-	-	-	1,611,019
Accrued expenses and other liabilities	5,042,185	-	-	-	5,042,185
	9,555,354	-	-	-	9,555,354
Net assets	1,064,676,040	24,398,242	-	1,165,502,734	2,254,577,016

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	----- As at June 30, 2020 -----				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 10 years	Total
	----- Rupees -----				
Financial assets					
Bank balances	301,477,720	-	-	-	301,477,720
Investments	-	221,388,932	1,065,811,951	580,650,651	1,867,851,534
Mark-up receivable	14,446,366	-	-	-	14,446,366
	315,924,086	221,388,932	1,065,811,951	580,650,651	2,183,775,620
Financial liabilities					
Payable to Atlas Asset Management Limited - Management Company	3,660,853	-	-	-	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee	139,491	-	-	-	139,491
Accrued expenses and other liabilities	55,008,321	-	-	-	55,008,321
	58,808,665	-	-	-	58,808,665
Net assets	257,115,421	221,388,932	1,065,811,951	580,650,651	2,124,966,955

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 and interest accrued. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. As of 30 June 2021, 53.12% (2020: 90.34%) of Fund's net assets are invested in government securities. The Fund's maximum exposure to credit risk (excluding government securities and their related outstanding mark-up) as of June 30, 2021 amounts to Rs. 1,082,147,649 (2020: Rs. 301,540,717).

20.4.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements with banks. The credit rating profile of banks is as follows:

Ratings of amounts placed with banks	% of financial assets exposed to credit risk	
	2021	2020
AAA	9.81	91.23
AA+	71.19	8.73
AA	0.01	0.04
A+	18.97	-
AA-	0.02	-
	100.00	100.00

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets except for government securities held and their related outstanding mark-up. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

21 FAIR VALUE MEASUREMENT

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

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

Financial assets which are tradeable in an open market are revalued at 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.

21.1 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 June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS

	As as June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
Market Treasury Bills	-	-	-	-
Pakistan Investment Bonds	-	1,162,799,909	-	1,162,799,909
Commercial Paper*	-	24,398,242	-	24,398,242
	-	1,187,198,151	-	1,187,198,151

- * The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

ASSETS

	As as June 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
Market Treasury Bills	-	1,287,200,883	-	1,287,200,883
Pakistan Investment Bonds	-	580,650,651	-	580,650,651
	-	1,867,851,534	-	1,867,851,534

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22 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 20, 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.

23 UNIT HOLDING PATTERN OF THE FUND

Category	2021			2020		
	Number of unit	Amount (Rupees)	Percentage of total	Number of unit	Amount (Rupees)	Percentage of total
Individuals	98	117,542,660	5.28	89	216,058,163	10.37
Associated Companies /						
Directors	9	1,629,105,689	73.21	7	1,561,415,195	74.94
Other Corporates	2	23,159,502	1.04	3	30,525,507	1.47
Retirement Funds	7	455,505,182	20.47	8	275,472,708	13.22
	116	2,225,313,033	100.00	107	2,083,471,573	100.00

24 LIST OF BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Pvt) Ltd	100%	Arif Habib Limited	54.66%
		Invest Capital Markets Limited	45.34%
	100%		100%

25 MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	10 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

26 NAME AND QUALIFICATION OF FUND MANAGER

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

27 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 attendance of its members are given below:

Particulars	Meeting held on					
	Jul 06, 2020	Sep 10, 2020	Oct 26, 2020	Feb 25, 2021	Apr 29, 2021	Jun 25, 2021
Directors:						
Mr. Iftikhar H. Shirazi	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tariq Amin	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Frahim Ali Khan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali H. Shirazi	Yes	Yes	Yes	Yes	Yes	Yes
Mr. M. Habib-ur-Rahman	Yes	Yes	Yes	Yes	Yes	Yes
Ms Zehra Naqvi	Yes	Yes	Yes	Yes	Yes	Yes
Mr. M. Abdul Samad	Yes	Yes	Yes	Yes	Yes	Yes
Key executives:						
Ms Qurrat-ul-ain Jafari	No	Yes	Yes	Yes	Yes	Yes
Ms Zainab Kazim	Yes	No	No	Yes	Yes	Yes

28 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (2020: AM2+) on December 24, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Moreover, PACRA has updated the stability rating of the Fund to "AA- (f)" [2020: "AA (f)"] on 16 April 2021.

29 GENERAL

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

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

29.3 The COVID - 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided certain time bound relaxations to CISs operating in Pakistan in order to provide temporary relaxation against covid pandemic. All of the relaxations provided have expired prior to June 30, 2021.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 6 September 2021.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
The First Micro Finance Bank Limited
Zarai Taraqati Bank Limited



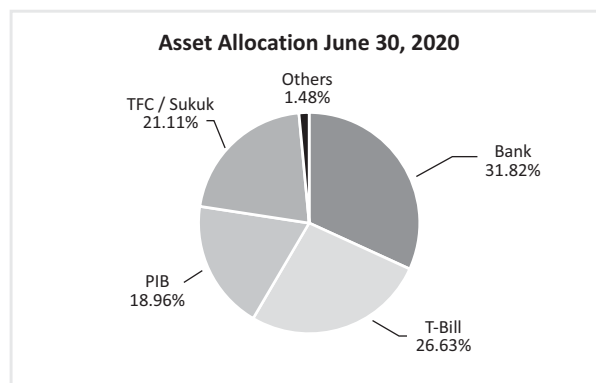
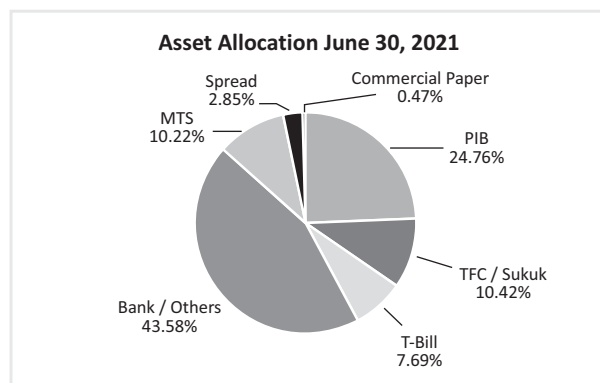
Fund Manager's Report

Atlas Income Fund (AIF) is an Open-ended Income Fund. The objective of AIF is to achieve a good rate of current income (with medium risk) and provide investors with liquidity as well as 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) Inflation averaged at 8.9% during FY21 compared to 10.7% in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation. During FY21, SBP maintained policy rate at 7.00% with an aim to stimulate economy and boost investor & consumer confidence, given the enforcement of sporadic lockdowns due to the third & fourth wave of the pandemic. Going forward, accommodation witnessed in monetary policy may be reduced if economy reaches full potential and demand side pressures emerge.

The Net Asset Value per unit of Atlas Income Fund increased by 6.99% to Rs. 522.56 as on June 30, 2021. The benchmark average six months KIBOR rate stood at 7.43% during the period under review. AIF total exposure in Bank/Others, Pakistan Investment Bonds, TFC/Sukuk, MTS, Treasury Bills, Spread Transactions and Commercial Papers stood at 43.58%, 24.76%, 10.42%, 10.22%, 7.69%, 2.85% and 0.47% respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 4.99 billion with 9.55 million units outstanding as of June 30, 2021.



The Investment Committee 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 aggregated interim distribution of Rs 33.25 per unit for the period ended June 30, 2021 (6.65% on the face value of Rs. 500 per unit).

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

(Rupees '000)

Non-compliant Investments	Value of Investment before Provision	Provision Held	Value of Investment After Provision	% of Net Assets	Suspended Markup (fully provided)
Agritech Limited-Sukuk	15,225	(15,225)	-	-	22,340.96
Agritech Limited-PPTFC	29,976	(29,976)	-	-	42,648.82
Agritech Limited-TFC-IV	7,494	(7,494)	-	-	10,926.46
Agritech Limited-TFC II	11,015	(11,015)	-	-	-
Azgard Nine Limited TFC	7,872	(7,872)	-	-	9,078.45
Azgard Nine Limited - V	5,375	(5,375)	-	-	-
Telecard Limited	4,669	(4,669)	-	-	2,001.84
Total	81,626	81,626	-	-	86,996.54

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	2017-18	2018-19	2019-20	2020-21
Atlas Bachat Plan	85%	15%	3.38%	3.41%	14.5%	12.2%
Atlas Bachat Balanced Plan	50%	50%	0.04%	-5.75%	10.4%	24.4%
Atlas Bachat Growth Plan	15%	85%	-3.31%	-14.91%	6.37%	36.6%

Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	386	658,837,976	13.21%
Associated Companies / Directors	12	3,724,353,571	74.66%
Retirement Funds	20	445,114,087	8.92%
Insurance Companies	1	1,988,604	0.04%
Others	12	158,136,620	3.17%
Total	431	4,988,430,858	100.00%

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to 44,638,021 (Rs. 4.68 per unit). The Scheme has held provision for FED liability that amounted to Rs. 23,582,971 up till June 30, 2021 (Rs. 2.47 per unit).

The Total Expense Ratio (TER) of the Fund is 1.79% including expenses representing Government levy, SWWF and SECP Fee of 0.29%.

During the year under review, the Investment Committee held fifty-two meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Karachi: 6 September 2021

Fawad Javaid
Head of Fixed Income

PERFORMANCE SINCE INCEPTION

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net assets (Rs. in '000)	4,990,461	3,715,448	2,988,495	6,736,308	12,550,927	7,808,327	5,576,232	3,896,867	1,939,998
Number of units in issue	9,550,014	7,151,571	5,820,926	12,545,428	24,501,811	15,273,112	10,928,688	7,734,075	3,851,364
Net asset value per unit (Rs.)	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.86	503.72
Net income (Rs. in '000)	284,786	499,956	292,891	460,808	213,245	444,672	168,149	184,945	139,186
Earnings per unit (Rs.)	29.82	69.91	50.32	36.73	8.70	29.11	15.39	23.91	36.14
Annual return of the Fund (%)	7.43	16.26	7.33	4.82	5.48	8.02	10.19	8.45	9.58
Offer price ** (Rs.)	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.80	508.56
Redemption price ** (Rs.)	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.86	503.52
Highest offer price (Rs.)	555.23	596.65	531.63	536.86	538.50	550.09	565.53	518.68	523.74
Lowest offer price (Rs.)	520.39	514.18	513.06	513.00	510.39	510.77	504.10	502.10	507.30
Highest repurchase price per unit (Rs.)	555.23	596.65	531.63	536.86	538.50	550.09	565.53	518.11	518.55
Lowest repurchase price per unit (Rs.)	520.39	514.18	513.06	513.00	510.39	510.77	504.10	502.10	502.28
Weighted average portfolio (No. of days)	554.78	612.86	774.82	652.86	417.19	845.19	98.20	329.65	59.05

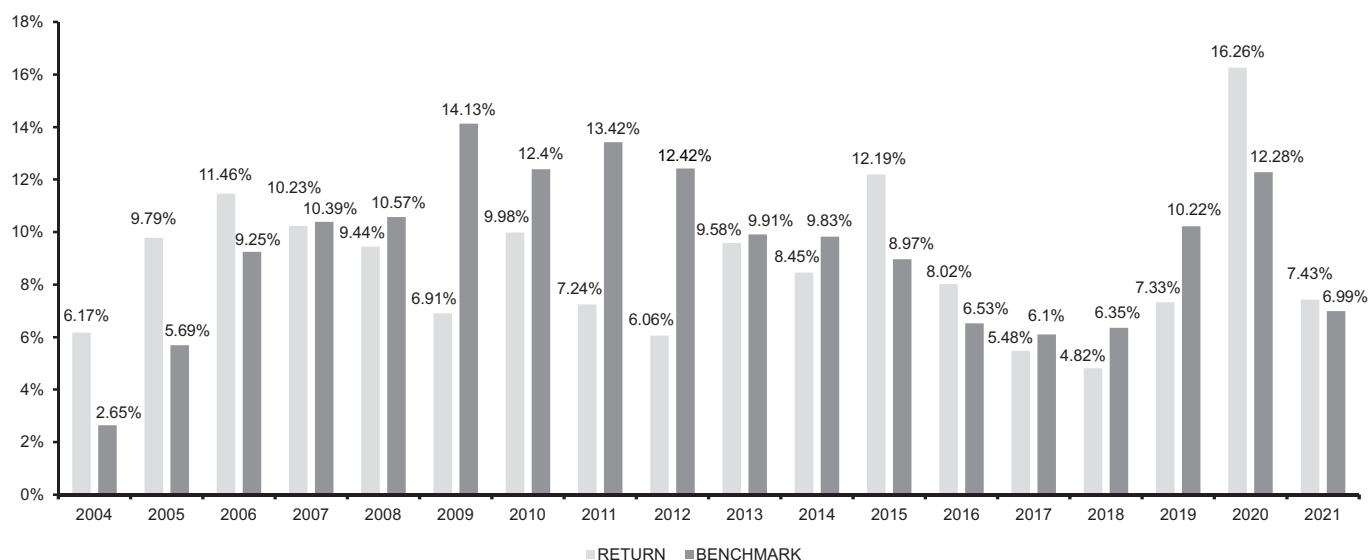
	2012	2011	2010	2009	2008	2007	2006	2005	2004*
Net assets (Rs. in '000)	931,487	786,935	1,282,287	1,748,265	4,150,406	3,853,940	2,675,604	1,153,856	371,324
Number of units in issue	1,855,552	1,530,383	2,509,323	3,403,895	7,930,536	6,988,480	4,796,790	2,101,528	742,343
Net asset value per unit (Rs.)	502.00	514.21	511.01	513.61	523.34	551.47	557.79	549.06	500.21
Net income (Rs. in '000)	53,314	63,171	161,118	154,107	433,326	357,866	276,820	103,093	13,941
Earnings per unit (Rs.)	28.73	41.28	64.21	45.27	54.64	51.21	57.71	49.06	18.78
Annual return of the Fund (%)	6.06	7.24	9.98	6.91	9.44	10.23	11.46	9.79	6.17
Offer price ** (Rs.)	507.02	519.35	516.04	518.75	533.81	557.60	566.65	554.55	505.21
Redemption price ** (Rs.)	502.00	514.21	510.93	513.61	523.34	546.67	555.54	549.06	500.21
Highest offer price (Rs.)	535.51	524.74	525.88	528.18	547.01	557.60	566.79	556.84	529.24
Lowest offer price (Rs.)	483.57	500.55	507.89	474.68	513.92	513.33	511.77	510.90	520.91
Highest repurchase price per unit (Rs.)	530.21	519.54	520.67	517.82	536.28	546.67	555.54	545.92	518.86
Lowest repurchase price per unit (Rs.)	478.78	495.59	501.32	466.39	503.84	503.26	500.45	500.88	510.70
Weighted average portfolio (No. of days)	87.24	67.57	70.58	58.63	76.47	26.19	47.17	21.47	33.70

Date of Launch: 22 March 2004.

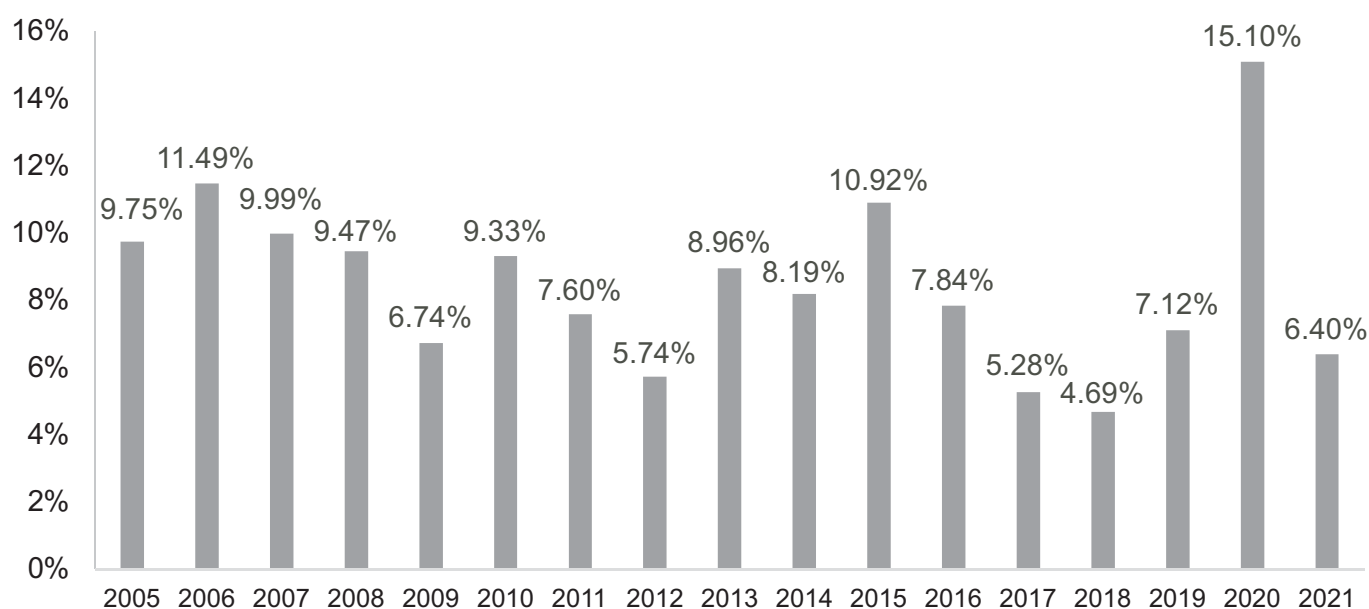
* For the period from 15 September 2003 to 30 June 2004.

** Relates to announced prices.

Yearly Performance (Annualized)



Payout History (% on opening Ex - NAV)



DISTRIBUTION HISTORY

Distribution detail	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	28.80	77.50	18.00	-	27.00	40.00	55.00
First Interim distribution as a % of Ex-NAV of units	5.54	15.10	3.51	-	5.28	7.84	10.92
Date of distribution - Interim	25-Jun-21	26-Jun-20	18-Jan-19	-	20-Jun-17	24-Jun-16	29-Jun-15
Second Interim distribution cash dividend (Rs.)	4.45	-	18.50	-	-	-	-
Second Interim distribution as a % of Ex-NAV of units	0.86	-	3.61	-	-	-	-
Date of distribution - Interim	30-Jun-21	-	27-Jun-19	-	-	-	-
Final distribution cash dividend (Rs.)	-	-	-	24	-	-	-
Final distribution as a % of Ex-NAV of units	-	-	-	4.69	-	-	-
Date of distribution	-	-	-	6-Jul-18	-	-	-

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

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

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

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, 2021 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: 30 September 2021

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Atlas Income Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Atlas Income Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2021, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Investments in Debt Instruments	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2021, the investments held by the Fund comprised of debt investments which represent significant portion of the total assets of the Fund as at the year end.</p> <p>In view of the above, we have considered this area as a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of debt investments. Our key procedure included the following:</p> <ul style="list-style-type: none">• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.• We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and valuations on the basis of prices determined by Mutual Funds Association of Pakistan (MUFAP).• We assessed the Fund's compliance with the requirements of

Key audit matter	How our audit addressed the key audit matter
	<p>Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of debt investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</p> <ul style="list-style-type: none"> We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the debt investments portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

-
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Arslan Khalid.

Karachi: 20 September 2021

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021

	Note	2021 Rupees	2020
Assets			
Cash and bank balances	4	2,146,464,962	1,318,246,149
Investments	5	2,383,532,812	2,762,821,946
Receivable against Margin Trading System		527,223,489	-
Interest / profit accrued	6	45,277,174	49,575,012
Deposits, prepayment and other receivables	7	56,721,155	11,555,833
Total assets		5,159,219,592	4,142,198,940
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	32,526,165	31,165,608
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	353,377	265,807
Payable to the Securities and Exchange Commission of Pakistan	10	853,312	665,764
Payable against purchase of investment		18,957,296	-
Payable against redemption of units	11	1,374,017	114,638
Unclaimed dividend		32,852,713	291,511,586
Accrued expenses and other liabilities	12	83,871,854	103,021,494
Total liabilities		170,788,733	426,744,897
NET ASSETS		4,988,430,858	3,715,454,043
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,988,430,858	3,715,454,043
CONTINGENCIES AND COMMITMENTS	13		
NUMBER OF UNITS IN ISSUE		9,546,130	7,151,571
NET ASSET VALUE PER UNIT		522.5605	519.5300

The annexed notes from 1 to 33 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Income			
Interest income	14	338,419,573	409,606,059
Gain / (loss) from investments at fair value through P&L			
Capital gain on sale of investments - net		20,915,797	51,496,412
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		2,064,550	93,971,904
		22,980,347	145,468,316
Total income		361,399,920	555,074,375
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	42,665,757	30,545,740
Sindh Sales Tax on remuneration of the Management Company	8.2	5,546,548	3,970,946
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	3,199,932	2,496,711
Sindh Sales Tax on remuneration of the Trustee	9.2	415,991	324,572
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	853,312	665,764
Securities transaction cost	15	7,776,686	725,612
Auditors' remuneration	16	652,088	745,135
Accounting and operational charges	17	7,253,179	4,851,038
Annual rating fee		523,030	475,702
Annual listing fee		30,106	27,500
Printing charges		25,769	17,938
Legal and professional charges		1,807,320	302,429
Bank charges		50,889	80,128
Provision for Sindh Workers' Welfare Fund	12.1	5,814,127	10,196,903
Total expenses		76,614,734	55,426,118
Net income for the year before taxation		284,785,186	499,648,257
Taxation	19	-	-
Net income for the year after taxation		284,785,186	499,648,257
Earnings per unit	20		
Allocation of net income for the year:			
Net income for the year after taxation		284,785,186	499,648,257
Income already paid on units redeemed		(13,861,520)	(12,697,145)
		270,923,666	486,951,112
Accounting income available for distribution:			
- Relating to capital gains		22,980,347	145,468,316
- Excluding capital gains		247,943,318	341,482,796
		270,923,666	486,951,112

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
Net income for the year after taxation	284,785,186	499,648,257
Other comprehensive income for the year	-	-
Total comprehensive income for the year	284,785,186	499,648,257

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2021

	2021		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	3,527,040,519	-	3,527,040,519
Undistributed income brought forward			
- Realised income	-	104,252,481	104,252,481
- Unrealised income	-	84,161,043	84,161,043
Net assets at the beginning of the year (Units outstanding: 7,151,571) (Rs. 519.5300 per unit)	3,527,040,519	188,413,524	3,715,454,043
Issue of 9,410,509 units	5,055,409,880	-	5,055,409,880
Redemption of 7,015,950 units	(3,744,255,571)	(13,861,520)	(3,758,117,091)
Total comprehensive income for the year	-	284,785,186	284,785,186
Refund of capital	(64,369,228)	-	(64,369,228)
Cash distribution for year the ended 30 June 2021 at Rs. 28.8 per unit declared on 25 June 2021	-	(205,758,085)	(205,758,085)
Cash distribution for year the ended 30 June 2021 at Rs. 4.45 per unit declared on 30 June 2021	-	(38,973,846)	(38,973,846)
Net assets at end of the year (Units outstanding: 9,546,130) (Rs. 522.5605 per unit)	4,773,825,599	214,605,259	4,988,430,858
Undistributed income carried forward			
- Realised income	-	185,109,189	-
- Unrealised income	-	29,496,070	-
	-	214,605,259	-
	2020		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	2,848,807,829	-	2,848,807,829
Undistributed income brought forward			
- Realised income	-	154,356,101	154,356,101
- Unrealised loss	-	(14,668,787)	(14,668,787)
Net assets at the beginning of the year (Units outstanding: 5,820,926) (Rs. 513.41 per unit)	2,848,807,829	139,687,314	2,988,495,143
Issue of 4,273,077 units	2,405,968,468	-	2,405,968,468
Redemption of 2,942,432 units	(1,654,704,708)	(12,697,145)	(1,667,401,853)
Total comprehensive income for the year	-	499,648,257	499,648,257
Refund of capital	(73,031,069)	-	(73,031,069)
Cash distribution for year the ended 30 June 2020 at Rs. 77.50 per unit declared on 26 June 2020	-	(438,224,902)	(438,224,902)
Net assets at end of the year (Units outstanding: 7,151,571) (Rs. 519.53 per unit)	3,527,040,520	188,413,524	3,715,454,043
Undistributed income carried forward			
- Realised income	-	104,252,481	-
- Unrealised loss	-	84,161,043	-
	-	188,413,524	-

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	284,785,186	499,648,257
Adjustments for:		
Interest / profit income	(338,419,573)	(409,606,059)
Capital gain on sale of investments - net	(20,915,797)	(51,496,412)
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(2,064,550)	(93,971,904)
Provision for Sindh Workers' Welfare Fund	5,814,127	10,196,903
	(355,585,793)	(544,877,472)
(Increase)/ (decrease) in assets		
Receivable against Margin Trading System	(527,223,489)	4,041,602
Deposits, prepayment and other receivables	(45,165,322)	(182,974)
	(572,388,811)	3,858,628
(Decrease) / Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	1,360,557	1,446,190
Payable to the Central Depository Company of Pakistan Limited - Trustee	87,570	(68,839)
Payable to the Securities and Exchange Commission of Pakistan	187,548	(2,550,347)
Payable against purchase of investment	18,957,296	-
Unclaimed dividend	(258,658,873)	229,943,332
Accrued expenses and other liabilities	(24,963,766)	47,706,831
	(263,029,669)	276,477,167
	(906,219,087)	235,106,580
Interest received	342,717,411	286,799,229
Investments - net	402,269,481	(856,692,076)
Net cash used in operating activities	(161,232,196)	(334,786,267)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	5,055,409,880	2,405,968,468
Net payments against redemption of units	(3,756,857,712)	(1,667,878,188)
Refund of capital	(64,369,228)	(73,031,069)
Dividend distribution	(244,731,931)	(438,224,902)
Net cash generated from financing activities	989,451,009	226,834,309
Net increase/ (decrease) in cash and cash equivalents	828,218,813	(107,951,958)
Cash and cash equivalents at the beginning of the year	1,318,246,149	1,426,198,107
Cash and cash equivalents at the end of the year	2,146,464,962	1,318,246,149

The annexed notes from 1 to 33 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 was revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteen and Fourteen Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016, 02 June 2017, 02 October 2019, 30 October 2019 and 01 April 2020 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs) / sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

"These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:"

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

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

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 or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

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	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 January 2009
IFRS 17 - Insurance Contracts	01 January 2023

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires 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 that are believed to be reasonable under

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

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, and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund, taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 10.1, 6.1 and 7.3 respectively.

2.5 Accounting convention

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

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.

3.1 Financial instruments

a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

b) Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

c) Subsequent Measurement

Debt instruments at fair value through profit or loss

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss..

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Debt instruments at Amortised Cost

"Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost . Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio."

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

d) Derecognition

"A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

e) Reclassification of financial assets and liabilities

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

f) Impairment of financial assets

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Determination of fair value

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated October 24, 2012.

The equity securities are valued on the basis of closing quoted market prices available at Pakistan Stock Exchange (PSX).

3.2 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.

3.3 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events,

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

3.4 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the 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 distribution company and the management company as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company / distributors 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 Distributions to unit holders

Distribution to unit holders is recognised upon declaring 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 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.

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

"The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year."

3.7 Revenue recognition

- Income from investments in term finance certificates / sukuks and government securities is recognised on an accrual basis using effective interest method at the rate of return implicit in the instrument.
- Interest income on bank balances, term deposits and MTS transactions is recognised on an accrual basis.
- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised appreciation / (loss) in the value 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.

3.8 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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% exposure is automatically released at expiry of every 15th day from the day of contract.

3.9 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.

3.10 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

3.11 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 year end.

3.12 Earnings per unit

Earnings 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.

4	CASH AND BANK BALANCES	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
	In local currency			
	- Profit and loss sharing accounts	4.1	2,145,467,153	1,188,844,960
	- Current account		5,000	5,000
	- Cheques in hand	4.2	992,808	129,396,189
			2,146,464,962	1,318,246,149

4.1 The rate of return on these accounts ranges between 5.5% to 7.95% (2020: 6.00% to 7.80%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequent to the year end by 28 July 2021 (2020: 08 July 2020).

5	INVESTMENTS	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
	At fair value through profit or loss			
	Term finance certificates - listed	5.1 & 5.7	37,058,292	324,639,911
	Term finance certificates - unlisted	5.2 & 5.7	298,812,248	185,418,554
	Sukuk certificates	5.3 & 5.7	201,665,984	364,308,040
	Government securities - Market Treasury Bills	5.4	396,979,395	1,103,202,480
	Government securities - Pakistan Investment Bonds	5.5	1,277,512,883	785,252,961
	Islamic commercial paper	5.6	24,398,246	-
	Investment in ordinary shares	5.8	143,201,863	-
	Investment in Future contracts		3,903,900	-
			2,383,532,812	2,762,821,946

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.1 Term finance certificates - listed

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

Name of Investee Company	Note	As at 01 July 2020	Purchased during the year	Disposed / matured during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of total issue size
			Number of certificates		Rupees		% age			
BANKS										
Habib Bank Limited Tier - II (face value of Rs 100,000 per certificate)		2,945	-	2,945	-	-	-	-	-	-
Soneri Bank Limited		7,428	-	-	7,428	36,825,928	37,058,292	1.55	0.74	1.24
TELECOMMUNICATION										
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-	-	-	-
Total - 30 June 2021						36,825,928	37,058,292	1.55	0.74	1.24
Total - 30 June 2020						325,351,311	527,021,722	11.75	8.74	4.18

5.1.1 The terms and conditions of listed term finance certificates outstanding as at 30 June 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
BANKS					
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%

5.2 Term finance certificates - unlisted

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

Name of Investee Company	Note	As at 01 July 2020	Purchased during the year	Disposed / matured during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of total issue size
<div>-----Number of certificates-----Rupees-----% age-----</div>										
BANKS										
Askari Bank Limited - V		20,000	-	20,000	-	-	-	-	-	-
Bank AL Habib Limited		20,000	-	20,000	-	-	-	-	-	-
The Bank of Punjab Limited - TFC (Face Value Rs. 99,840)		-	527	-	527	49,974,779	53,141,148	2.23	1.07	2.11
Askari Bank Limited - TFC VII (Face Value Rs. 1,000,000)		-	150	-	150	150,075,000	150,671,100	6.32	3.02	2.50
Samba Bank Limited TFC (Face Value Rs. 100,000)		-	95	-	95	95,000,000	95,000,000	3.99	1.90	0.19
						295,049,779	298,812,248	12.54	5.99	4.80
CHEMICALS										
Agritech Limited- I	5.7.1	2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - II	5.7.1	8,000	-	-	8,000	-	-	-	-	-
Agritech Limited- IV	5.7.1	2,203	-	-	2,203	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited - V	5.7.1	1,075	-	-	1,075	-	-	-	-	-
Total - 30 June 2021						295,049,779	298,812,248	12.54	5.99	4.80
Total - 30 June 2020						196,372,744	185,418,554	6.71	4.99	5.00

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 30 June 2021 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
BANKS					
Askari Bank Limited - TFC VII	AA	10 years	Quarterly	Mar 2030	3 month KIBOR + 1.20%
Samba Bank Limited - TFC	AA-	10 years	Quarterly	Mar 2031	6 month KIBOR + 1.35%
The Bank of Punjab Limited - TFC	AA	10 years	Semi-annually	Dec 2026	6 month KIBOR + 1.00%
CHEMICALS					
AgriTech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6 month KIBOR + 1.75%
AgriTech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6 month 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

5.3 Sukuk certificates

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

Name of Investee Company	Note	As at 01 July 2020	Purchased during the year	Disposed / matured during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Market value as a percentage of total issue size
----- Number of certificates ----- Rupees ----- % age -----										
CHEMICALS										
AgriTech Limited (note 5.7.1)		4,060	-	-	4,060	-	-	-	-	-
BANKS										
Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certificate)		47	-	-	47	48,175,000	48,674,234	2.04	0.98	0.67
FERTILIZERS										
Dawood Hercules Corporation Limited Sukuk 2 - Listed (Face Value Rs. 80,000)		2,000	-	2,000	-	-	-	-	-	-
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited - Listed (Face value of Rs. 100,000)		1,500	-	-	1,500	153,217,200	152,991,750	6.42	3.07	2.50
Total - 30 June 2021						201,392,200	201,665,984	8.46	4.04	3.17
Total - 30 June 2020						356,678,872	246,598,872	15.15	8.25	4.00

5.3.1 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
Meezan Bank Limited Tier - II	AA	10 years	Semi -annually	Sept 2026	6 month KIBOR + 0.50%
The Hub Power Company Limited	AA+	4 Years	Quarterly	August 2023	3 month KIBOR + 1.90%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2020	Purchased during the year	Disposed / Matured during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	Face value (Rupees)				Rupees		Percentage	
3 months	-	8,666,285,000	8,266,285,000	400,000,000	396,954,566	396,979,395	16.66	7.96
6 months	300,000,000	1,926,500,000	2,226,500,000	-	-	-	-	-
12 months	835,000,000	1,641,500,000	2,476,500,000	-	-	-	-	-
Total - 30 June 2021	1,135,000,000	12,234,285,000	12,969,285,000	400,000,000	396,954,566	396,979,395	16.66	7.96
Total - 30 June 2020					1,088,005,268	1,103,202,480	39.93	29.69

- 5.4.1** Market treasury bills carry purchase yield of 7.33% to 7.34% per annum (2020:13.30%) per annum and will mature between 29 July 2021 to 12 August 2021 (2020: 24 July 2020). The cost of these investments as on 30 June 2021 is Rs. 393,356,100 (2020: Rs. 1,045,141,985).

5.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2020	Purchased during the year	Disposed / Matured during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	Face value (Rupees)				Rupees		Percentage	
3 Years	684,000,000	250,000,000	445,000,000	489,000,000	490,263,485	485,323,464	20.36	9.73
5 Years	75,000,000	880,000,000	315,000,000	640,000,000	627,946,005	628,494,291	26.37	12.60
10 Years	-	175,000,000	-	175,000,000	164,576,975	163,695,129	6.87	3.28
Total as at 30 June 2021	759,000,000	1,305,000,000	760,000,000	1,304,000,000	1,282,786,465	1,277,512,883	53.60	25.61
Total - 30 June 2020					613,806,990	607,712,573	37.34	20.34

- 5.5.1** Pakistan Investment Bonds carry purchase yield of 2021 7.8300% to 9.7764% (2020: 11.52% to 12.65%) per annum and will mature on 10 Dec 2030 (2020: between 12 July 2021 and 19 Sept 2024). The cost of these investments is Rs. 1,259,749,272 (2020: Rs.702,513,897).

5.6 Commercial Papers

(Certificates having a face value of Rs. 100,000 each unless stated otherwise)

Name of investee company	As at 01 July 2020	Purchased during the year	Disposed / Matured during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
	Number of Certificates				Rupees		Percentage	
K-Electric Islamic commercial paper (ICP-18)	-	25	-	25	24,398,246	24,398,246	1.02	0.49
Total as at 30 June 2021	-	25	-	25	24,398,246	24,398,246	1.02	0.49

- 5.6.1** The nominal value of these commercial papers is Rs. 1,000,000 per certificate with 8.41% expected profit rate.

- 5.6.2** The securities are valued on the basis of amortization on its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non trade debt securities with residual maturity of up to six months.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.7 Particulars of non-compliant investments

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

Non-compliant investment	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
		-----Rupees-----			-----% age-----	
Listed						
Telecard Limited	Term finance certificate	4,668,990	4,668,990	-	-	-
Azgard Nine Limited	Term finance certificate	8,134,594	8,134,594	-	-	-
		12,803,584	12,803,584	-	-	-
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	-	-	-
		81,888,584	81,888,584	-	-	-
Total - 30 June 2021						
Total - 30 June 2020		81,625,501	81,625,501	-	-	-

- 5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 81.63 million (30 June 2020: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.
- 5.7.3 During the FY 2012-13, the Fund received zero coupon term finance certificates of Azgard Nine Limited having face value of Rs. 5,375,000. These TFCs were received against outstanding mark-up of Azgard Nine Limited's TFCs payable as of 31 March 2012.
- 5.7.4 Atlas Income Fund (AIF) has opted for Option C (of 'Creditors' Scheme of Arrangement as approved by Lahore High Court (LHC) was implemented from April 29, 2021), which is no waiver of principal or mark-up amount amongst other options available i.e. Option A (waiver of principal and mark-up amount) and Option B (no waiver of principal and but waiver of mark-up amount). AIF hold TFC of Rs.13,509,594 (fully provided for) at face value out of which TFC valuing Rs. 5,375,000 are Zero Coupon TFCs received through conversion of overdue mark-up up till March 31, 2012. Furthermore, accrued mark-up as at April 29, 2021 stands at Rs.8,479,650. Therefore, total accrued mark-up till April 29, 2021 stands at Rs. 13,854,650 that is to be converted into zero coupon PPTFC having maturity on the 10th anniversary as per the arrangement. Following are the details of the option selected by AIF.

Settlement of Accrued Markup and Zero Coupon PPTFC: This amount will be converted into New Zero Coupon PPTFC with one-time bullet payment by ANL on the 10th anniversary

Description	Amount
Outstanding Markup	8,479,650
Zero Coupon PPTFC	5,375,000
Payment received	(4,650)
New Zero Coupon PPTFC	13,850,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Settlement of Principal Amount: Principal portion will be converted into Sub PPTFC with repayment period of 10 years while remaining amount will be paid against the sale of Muzaffargah Unit, both accruing markup at 5 percent.

Description	Amount
Outstanding Principal	8,134,594
Payment Received by AIF post settlement of Markup for option A & B creditors and Principal amount for option A creditors from cash proceeds of right issue and sale of Ferozepur	(154,858)
Payment against sale of Muzaffargah Unit (within 2 years)	(1,735,255)
Payment to be made by ANL on future date from internal sources	(204,480)
Issuance of Sub PPTFC	6,040,000

The instrument will continue to remain non-performing as per the provisioning policy for non-performing exposure of collective investment scheme dated February 12, 2013 which states that "The terms and conditions of rescheduled/restructured debt security are fully met for a period of at least one year"

5.8 Listed 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	As at 01 July 2020	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2021	Carrying Cost	Market Value	Market Value as a Percentage of total investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
	Number of shares					Rupees		% age		
Banks										
United Bank Limited	-	500	-	500	-	-	-	-	-	-
	-	500	-	500	-	-	-	-	-	-
Textile Composite										
Nishat (Chunian) Limited	-	1,107,500	-	1,107,500	-	-	-	-	-	-
Nishat Mills Limited	-	80,500	-	80,500	-	-	-	-	-	-
	-	1,188,000	-	1,188,000	-	-	-	-	-	-
Cement										
D.G. Khan Cement Company Limited	-	475,000	-	142,500	332,500	41,418,925	39,208,400	1.64	0.79	0.08
Fauji Cement Company Limited	-	11,477,500	-	11,350,500	127,000	2,914,968	2,921,000	0.12	0.06	0.01
Maple Leaf Cement Factory Limited	-	2,139,500	-	712,500	1,427,000	67,640,831	67,040,460	2.81	1.34	0.13
Pioneer Cement Limited	-	5,000	-	5,000	-	-	-	-	-	-
	-	14,097,000	-	12,210,500	1,886,500	111,974,724	109,169,860	4.58	2.19	
Power Generation & Distribution										
The Hub Power Company Limited	-	461,000	-	461,000	-	-	-	-	-	-
	-	461,000	-	461,000	-	-	-	-	-	-
Oil & Gas Marketing Companies										
Sui Northern Gas Pipelines Limited	-	127,000	-	10,000	117,000	5,717,395	5,683,860	0.24	0.11	0.02
	-	127,000	-	10,000	117,000	5,717,395	5,683,860	0.24	0.11	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2021	Carrying Cost	Market Value	Market Value as a Percentage of total investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held
	Number of shares				Rupees		% age			
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	-	197,000	-	197,000	-	-	-	-	-	-
Pakistan Petroleum Limited	-	7,500	-	-	7,500	642,749	651,213	0.03	0.01	0.00
	-	204,500	-	197,000	7,500	642,749	651,213	0.03	0.01	
Engineering										
International Steels Limited	-	58,000	-	58,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Ltd	-	92,500	-	2,500	90,000	9,765,000	9,396,000	0.39	0.19	0.03
	-	150,500	-	60,500	90,000	9,765,000	9,396,000	0.39	0.19	
Automobile Assembler										
Pak Suzuki Motor Company Limited	-	31,000	-	31,000	-	-	-	-	-	-
	-	31,000	-	31,000	-	-	-	-	-	
Transport										
Pakistan International Bulk Terminal Limited	-	5,185,000	-	4,446,500	738,500	5,958,285	8,404,130	0.35	0.17	0.04
	-	5,185,000	-	4,446,500	738,500	5,958,285	8,404,130	0.35	0.17	
Technology & Communications										
Pakistan Telecommunication Company Ltd.	-	200,000	-	-	200,000	2,431,925	2,368,000	0.10	0.05	0.01
	-	200,000	-	-	200,000	2,431,925	2,368,000	0.10	0.05	
Fertilizer										
Engro Fertilizers Limited	-	100,000	-	-	100,000	7,051,000	7,027,000	0.29	0.14	0.01
Fauji Fertilizer Bin Qasim Limited	-	9,871,000	-	9,871,000	-	-	-	-	-	-
	-	9,971,000	-	9,871,000	100,000	7,051,000	7,027,000	0.29	0.14	
Chemicals										
Engro Polymer & Chemicals Limited	-	3,107,500	-	3,107,500	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	279,500	-	247,000	32,500	520,000	501,800	0.02	0.01	0.00
	-	3,387,000	-	3,354,500	32,500	520,000	501,800	0.02	0.01	
Foods & Personal Care Products										
Unity Foods Limited	-	41,671,000	-	41,671,000	-	-	-	-	-	-
	-	41,671,000	-	41,671,000	-	-	-	-	-	
Total as at 30 June 2021						144,061,078	143,201,863	6.01	2.87	
Total as at 30 June 2020						-	-	-	-	

5.9 The cost of listed equity securities as at 30 June 2021 is Rs. 144,061,078 (30 June 2020: Nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	Rupees	Rupees
6 INTEREST / PROFIT ACCRUED			
Interest / profit accrued on:			
Savings and term deposits		11,784,176	358,431
Margin Trading System		1,445,307	-
Term finance certificates		4,998,463	24,582,029
Sukuk certificates		2,866,548	5,084,306
Pakistan investment bonds		24,182,681	19,550,246
		45,277,174	49,575,012

7 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	2,750,000
Margin Deposit - Futures		47,681,770	-
Prepaid annual fee to the NCCPL		-	101,582
Other receivables	7.1	6,189,385	8,604,251
		56,721,155	11,555,833

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, 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 as at 30 June 2021 amounts to Rs. 3.02 million and Rs. 3.17 million (2020: Rs 3.02 million and Rs 5.58 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 Funds managed by the Company 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 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 2020 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

		2021	2020
	Note	Rupees	Rupees
Remuneration of the Management Company	8.1	4,169,613	3,123,029
Sindh sales tax payable on remuneration of the Management Company	8.2	4,064,748	3,928,692
Federal excise duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable	17	708,833	530,916
		32,526,165	31,165,608

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 8.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company set the maximum limit of 2% of average annual net assets, within allowed expense ratio. The management charged management fee at the rate of 1% (2020: With effect from 10 December 2020 the Management Company decided to revise the management fee from 0.8% to 0.1%. Previously the Management Company was entitled to an amount not exceeding 1.5% of the average annual net assets per annum and therefore charged 0.8% of the average annual net assets per annum.) The fee is payable to the Management Company monthly in arrears.
- 8.2** During the year, an amount of Rs. 5,546,548 (2020: Rs. 3,970,946) 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. 5,410,493 (2020: Rs.3,835,699) 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 were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 8.2 above) which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On 04 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 previous 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 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2020: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been higher by Rs. 2.47 per unit (30 June 2020: Rs. 3.30 per unit).

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

	Note	2021 Rupees	2020 Rupees
Trustee fee payable	9.1	312,722	234,227
Sindh sales tax payable on trustee fee	9.2	40,654	30,450
Settlement charges payable		-	1,000
Sindh sales tax payable on settlement charges		-	130
		353,377	265,807

- 9.1** The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated 27 June 2019 issued by CDC. However, during the year ended 30 June 2020, the trustee fee was charged in the same manner.
- 9.2** During the year, an amount of Rs. 415,989 (2020: Rs. 324,572) 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. 405,785 (2020: Rs.331,971) was paid to the Trustee which acts as a collecting agent.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	2021	2020
Note	Rupees	
Annual fee payable	10.1 853,312	665,764

10.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs. Previously, the rate of annual fee in same manner.

11 PAYABLE AGAINST REDEMPTION OF UNITS

This represents payable against units redeemed to the unit holders based on their request for cash payout managed by the Management Company.

	2021	2020
Note	Rupees	
12 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	488,258	499,646
NCCPL charges payable	147,733	61,366
Printing charges payable	4,263	5,294
Brokerage payable	3,631,447	84,374
Zakat payable	5,167	1,649
Withholding tax payable	34,002,269	62,697,926
Capital gain tax payable	220,353	513,001
Provision for Sindh Workers' Welfare Fund	12.1 44,638,021	38,823,895
Legal and professional charges payable	400,000	-
Other payable	334,343	334,343
	83,871,854	103,021,494

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been higher by Rs. 4.68 per unit (30 June 2020: Rs. 5.43 per unit).

13 CONTINGENCIES AND COMMITMENTS

- 13.1.1** On October 26, 2018, a show cause notice under section 161 (1A) of the Income Tax Ordinance, 2001 was issued to the taxpayer in respect of monitoring of withholding taxes paid/deducted under various sections of the Income Tax Ordinance, 2001 for tax year 2017 along with reconciliation under rule 44(4) of the Income Tax Rules, 2002.

The Fund had filed an appeal before the Commissioner (Appeals) against the order contending that the Fund had duly deducted and deposited the tax from payments liable to withholding tax and accordingly there was no cause available to the department to pass recovery order for alleged default in withholding tax. It was further explained that the reply furnished including reconciliation of tax deduction on payment of expenses was not duly considered and instead an artificial default was made out by applying incorrect withholding rate on expenses recorded in profit and loss account which included accrual of expenses yet to be paid after year end.

The Commissioner (Appeals) has passed appellate order and upheld the action of Deputy Commissioner Inland Revenue (DCIR) in computing default of withholding tax on amounts inclusive of accruals yet to be paid instead of actual payment as required under section 158 of the Ordinance. He, however, has accepted the Fund's contention that the DCIR had worked out the default by applying incorrect withholding rates. Therefore, he has directed the DCIR to rework the alleged default. The Commissioner (Appeals) has further acknowledged the tax advisor's argument that default was erroneously computed without excluding dividends which were exempted from withholding tax. The DCIR has been directed to rework the default, if any, in respect of payment of dividend.

Furthermore, the Commissioner (Appeals) has not given specific findings on non-consideration of reconciliation of expenses furnished under rule 44(4) and non-application of withholding provisions on reimbursement of certain expenses to the Management Company. However, he remanded back the matter of non-deduction of tax on payments of securities transaction cost which were subject to separate withholding of tax under section 233A by Pakistan Stock Exchange Limited. He has also set aside the default surcharge and penalty for re-adjudication by the tax officer. The effect to the appellate order of the Commissioner (Appeals) is pending.

An appeal has been filed before the Appellate Tribunal against the appellate order of the Commissioner (Appeals) which is pending for hearing. Based on consultation with the tax advisor, the Management Company of the fund is confident that the matter will be decided favorably and hence, no provision is considered necessary in the financial statements.

- 13.1.2** There were no commitments outstanding as at 30 June 2021 and on 30 June 2020.

14 INTEREST / PROFIT INCOME	Note	2021	2020
		Rupees	Rupees
Interest / profit on:			
Savings and term deposits		36,080,867	51,575,101
Margin Trading System		37,954,118	1,154,244
Term Finance Certificates	14.1	49,030,681	98,934,655
Sukuk certificates		26,341,577	51,569,314
Islamic Commercial Paper		399,705	51,569,314
Government Securities - Market Treasury Bills		102,694,838	133,166,524
Government Securities - Pakistan Investment Bonds		85,917,788	73,206,221
		338,419,573	461,175,373

- 14.1** This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (30 June 2020: Nil). Furthermore, in accordance with the requirements specified by the SECP, mark-up on non-performing securities amounting to Rs. 62.65 million (2020: Rs. 62.65 million) based on outstanding principal has not been recognised during the period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

15 SECURITIES TRANSACTION COST

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

16 AUDITORS' REMUNERATION

	2021	2020
	----- Rupees -----	
Audit fee	390,900	354,200
Half yearly review of condensed interim financial information	195,400	177,100
Certification charges	60,500	55,000
Code of Corporate Governance	-	50,000
Out of pocket expenses	30,000	30,000
Sindh sales tax on services	54,144	53,304
Prior year adjustment	(78,856)	25,531
	652,088	745,135

17 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate 0.17% of the average annual net assets of the Fund (2020: 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 onwards) for allocation of such expenses to the Fund.

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2021 is 1.79% (30 June 2020: 1.67%) which includes 0.29% (30 June 2020: 0.45%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

19 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 paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

20 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.

21 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 21.1 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 21.2** 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.
- 21.3** 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.
- 21.4** 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:

	2021	2020
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	42,665,757	30,545,740
Remuneration paid	41,619,173	29,505,379
Sindh Sales Tax on remuneration of the Management Company	5,546,548	3,970,946
Accounting and operational charges billed	7,253,179	4,851,038
Issue of Nil (2020: 11,304) units	-	5,865,296
Dividend declared	3,336,127	6,899,984
Outstanding 100,335 (2020: 100,335) units - at net asset value	52,430,926	52,126,862
Central Depository Company of Pakistan Limited (Trustee)		
Trustee Fee	3,199,932	2,496,711
Sindh Sales Tax on remuneration of Trustee Fee	415,991	324,572
Trustee Fee paid	3,121,436	2,553,631
Settlement charges	-	33,983
Sindh Sales Tax on settlement charges	-	4,418
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 67,402 (2020: 43,458) units	35,133,941	23,735,589
Redemption of 53,763 (2020: 23,074) units	29,329,726	12,000,000
Dividend declared	17,835,312	38,908,113
Outstanding 536,572 (2020: 522,933) units - at net asset value	280,391,373	271,679,336
Atlas Honda Limited (Group Company)		
Issue of 30,502 (2020: 413,663) units	16,040,908	236,155,284
Dividend declared	18,870,483	14,928,829
Outstanding 594,525 (2020: 564,023) units - at net asset value	310,675,541	293,026,919
Atlas Insurance Limited (Group company)		
Issue of 5,331 (2020: 984,558) units	2,803,329	545,386,735
Redemption of Nil (2020: 885,988) units	-	488,994,657
Dividend declared	3,297,830	795,138
Outstanding 103,900.00 (2020: 98,569) units - at net asset value	54,294,061	51,209,765
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 60,647 (2020: 1849) units	32,036,817	959,750
Redemption of 5,814 (2020: 34,313) units	3,036,000	18,673,393
Dividend declared	2,257,233	1,128,316
Outstanding 71,241 (2020: 16,408) units - at net asset value	37,227,920	8,524,427

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
Shirazi Investments (Private) Limited (Group company)		
Issue of 3,880 (2020: 2,052) units	2,022,044	1,089,846
Dividend declared	130,527,271	303,895,415
Outstanding 3,925,643 (2020: 3,921,763) units - at net asset value	2,051,385,734	2,037,473,329
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of Nil 1,633 (2020:67,449) units	858,602	39,548,046
Redemption of 41,816 (2020: Nil) units	23,000,000	-
Dividend declared	858,548	-
Outstanding 27,266 (2020:67,449) units - at net asset value	14,248,124	35,041,818
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)		
Issue of Nil (2020:19,795) units	-	-
Dividend declared	5,102,561	10,271,881
Outstanding 162,038 (2020: 152,336) units - at net asset value	84,674,812	79,142,868
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of Group Company)		
Issue of 51,588 (2020: Nil) units	27,123,540	-
Dividend declared	1,623,540	-
Outstanding 51,558 (2020: Nil) units - at net asset value	26,941,964	-
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of Group Company)		
Issue of 1,970 (2020: 4,259) units	1,035,813	2,210,271
Redemption of 1,855 (2020: Nil) units	1,000,000	-
Dividend declared	1,035,748	2,210,271
Outstanding 2021 32,894 (2020: 32,779) units - at net asset value	17,188,871	17,029,710
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)		
Issue of 241,813 (2020: 4,810) units	128,780,169	2,495,727
Dividend declared	8,779,631	2,495,727
Outstanding Units 278,826 (2020: 37,012) units - at net asset value	145,703,317	19,229,093
Atlas Metals (Private) Limited		
Issue of 98,414 (2020: Nil) units	52,378,787	-
Dividend declared	2,592,771	-
Outstanding 98,441 (2020: Nil) units - at net asset value	51,441,626	-
Atlas Autos (Private) Limited		
Issue of 1,660,096 (2020: Nil) units	897,112,103	-
Redemption of 90,506 (2020: Nil) units	50,000,000	-
Dividend declared	49,558,463	-
Outstanding 1,569,589 (2020: Nil) units - at net asset value	820,205,472	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	Rupees	
Atlas Energy Limited		
Issue of 10,095 (2020: Nil) units	5,827,107	-
Dividend declared	337,358	-
Outstanding 10,695 (2020: Nil) units - at net asset value	5,588,874	-
Directors and their close family members and key management personnel and executive of the Management Company		
Issue of 45,410 (2020: 96,784) units	23,961,246	40,079,942
Redemption of 48,440 (2020: 27,803) units	25,943,742	252,845
Dividend declared	15,802,875	6,644,566
Outstanding 488,479 (2020: 154,935) units - at net asset value	255,259,992	80,493,240

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

22 FINANCIAL INSTRUMENTS BY CATEGORY

	2021		
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income
	Rupees		
Financial assets			
Cash and bank balances	2,146,464,962	-	-
Investments	-	2,383,532,812	-
Receivable against Margin Trading System	527,223,489	-	-
Interest / profit accrued	45,277,174	-	-
Deposits and other receivables	2,850,000	-	-
	2,721,815,625	2,383,532,812	-
			5,105,348,437
	2021		
	At fair value through profit or loss	Other financial liabilities	Total
	Rupees		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	32,526,165	32,526,165
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	353,377	353,377
Payable against redemption of units	-	1,374,017	1,374,017
Unclaimed dividend	-	32,852,713	32,852,713
Accrued expenses and other liabilities	-	4,606,045	4,606,045
	-	71,712,316	71,712,316
	2020		
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income
	Rupees		
Financial assets			
Cash and bank balances	1,318,246,149	-	-
Investments	-	2,762,821,946	-
Interest / profit accrued	49,575,012	-	-
Deposits and other receivables	2,850,000	-	-
	1,370,671,161	2,762,821,946	-
			4,133,493,107

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2020		
	At fair value through profit or loss	Other financial liabilities	Total
	Rupees		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	31,165,608	31,165,608
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	265,807	265,807
Payable against redemption of units	-	114,638	114,638
Unclaimed dividend	-	291,511,586	291,511,586
Accrued expenses and other liabilities	-	985,023	985,023
	-	324,042,662	324,042,662

23 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.

During the year another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

23.1 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.

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 as a result of changes in market interest rates. As of 30 June 2021, 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 sukuk 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. 26.830 million (2020: Rs. 21.140 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2021, the Fund holds market treasury bills, Pakistan investment bonds and Islamic Commercial Papers 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 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. 16.98 million (2020: Rs. 18.940 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. 16.98 million (2020: Rs. 18.940 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 2021 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 2021 can be determined as follows:

----- 2021 -----						
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	5.5% to 7.95%	2,146,459,962	-	-	5,000	2,146,464,962
Investments		-	-	-	-	-
Receivable against Margin Trading System		-	-	-	527,223,489	527,223,489
Interest / profit accrued		-	-	-	45,277,174	45,277,174
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		2,146,459,962	-	-	575,355,663	2,721,815,625
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	32,526,165	32,526,165
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	353,377	353,377
Payable against redemptions of units		-	-	-	1,374,017	1,374,017
Unclaimed dividend		-	-	-	32,852,713	32,852,713
Accrued expenses and other liabilities		-	-	-	4,606,045	4,606,045
		-	-	-	71,712,316	71,712,316
On-balance sheet gap (a)		2,146,459,962	-	-	503,643,347	2,650,103,309
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		2,146,459,962	-	-		
Cumulative interest rate sensitivity gap		2,146,459,962	2,146,459,962	2,146,459,962		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

----- 2020 -----						
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	6.00% - 7.80%	1,318,241,149	-	-	5,000	1,318,246,149
Investments	7.48% - 14.86%	292,752,325	810,450,155	1,659,619,466	-	2,762,821,946
Interest / profit accrued		-	-	-	49,575,012	49,575,012
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		1,610,993,474	810,450,155	1,659,619,466	52,430,012	4,133,493,107
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	31,165,608	31,165,608
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	265,807	265,807
Payable against redemptions of units		-	-	-	114,638	114,638
Unclaimed dividend		-	-	-	291,511,586	291,511,586
Accrued expenses and other liabilities		-	-	-	985,023	985,023
		-	-	-	324,042,662	324,042,662
On-balance sheet gap (a)		1,610,993,474	810,450,155	1,659,619,466	(271,612,650)	3,809,450,445
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		1,610,993,474	810,450,155	1,659,619,466		
Cumulative interest rate sensitivity		1,610,993,474	2,421,443,629	4,081,063,095		

(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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

23.2 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 summarises 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:

	2021						
	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	2,146,464,962	-	-	-	-	-	2,146,464,962
Investments	-	-	-	1,022,859,988	628,494,291	-	1,651,354,279
Receivable against Margin Trading System	527,223,489	-	-	-	-	-	527,223,489
Interest / profit accrued	11,784,176	32,047,692	-	-	-	-	43,831,867
Deposits and other receivables	-	-	-	-	-	2,850,000	2,850,000
	2,685,472,627	32,047,692	-	1,022,859,988	628,494,291	2,850,000	4,371,724,597
Financial liabilities							
Payable to Atlas Asset Management Limited - Management Company	32,526,165	-	-	-	-	-	32,526,165
Payable to Central Depository Company of Pakistan Limited - Trustee	353,377	-	-	-	-	-	353,377
Payable against redemption of units	1,374,017	-	-	-	-	-	1,374,017
Unclaimed dividend	32,852,713	-	-	-	-	-	32,852,713
Accrued expenses and other liabilities	3,779,181	826,864	-	-	-	-	4,606,045
	70,885,452	826,864	-	-	-	-	71,712,316
Net assets / (liabilities)	2,614,587,174	31,220,828	-	1,022,859,988	628,494,291	2,850,000	4,300,012,281

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2020						
	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 balances	1,318,246,149	-	-	-	-	1,318,246,149
Investments	-	292,752,325	810,450,155	1,580,700,930	78,918,536	2,762,821,946
Receivable against Margin Trading System	-	-	-	-	-	-
Interest / profit accrued	358,431	49,216,851	-	-	-	49,575,282
Deposits and other receivables	-	-	-	-	-	2,850,000
	1,318,604,580	341,969,176	810,450,155	1,580,700,930	78,918,536	2,850,000
						4,133,493,377
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company	31,165,608	-	-	-	-	31,165,608
Payable to Central Depository Company of Pakistan Limited - Trustee	265,807	-	-	-	-	265,807
Payable against redemption of units	114,638	-	-	-	-	114,638
Unclaimed dividend	291,511,586	-	-	-	-	291,511,586
Accrued expenses and other liabilities	145,740	839,283	-	-	-	985,023
	323,203,379	839,283	-	-	-	-
						324,042,662
Net assets / (liabilities)	995,401,201	341,129,893	810,450,155	1,580,700,930	78,918,536	2,850,000
						3,809,450,715

23.3 Credit risk

23.3.1 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:

	2021	2020
	Rupees	
Bank balances and term deposits	2,146,464,962	1,318,246,149
Investments in debt instruments	537,536,524	874,366,505
Receivable against Margin Trading System	527,223,489	-
Interest / profit accrued	43,831,867	49,575,012
Deposits and other receivables	2,850,000	2,850,000
	3,257,906,843	2,245,037,666

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 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 2021

23.3.2 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	
	2021	2020
AAA	3.80	68.21
AA+	70.64	10.78
AA	7.60	14.68
AA-	3.54	4.55
A+	14.43	1.79
	100.00	100.00

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

23.3.3 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	
	2021	2020
Banks	71.54	63.84
Inv. Banks / Investment Cos. / Securities Cos.	-	18.63
Power Generation & Distribution	28.46	17.52
	100.00	100.00

24 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

Fair value hierarchy

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

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

As at 30 June 2021 and 30 June 2020, the Fund held the following financial instruments measured at fair values:

	Level 1	Level 2	Level 3
	Rupees		
2021			
At fair value through profit or loss	-	2,383,532,812	-
At fair value through other comprehensive income	-	-	-
	-	2,383,532,812	-
2020			
At fair value through profit or loss	-	2,762,821,946	-
Available-for-sale	-	-	-
	-	2,762,821,946	-

25 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 24, 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

26 UNIT HOLDING PATTERN OF THE FUND

Category	2021			2020		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	386	658,837,976	13.21%	348	669,136,803	18.01%
Associated Companies / Directors	12	3,724,353,571	74.66%	9	2,758,952,448	74.26%
Retirement Funds	20	445,114,087	8.92%	13	231,786,190	6.24%
Insurance Companies	1	1,988,604	0.04%	3	19,005,779	0.51%
Others	12	158,136,620	3.17%	11	36,572,823	0.98%
	431	4,988,430,858	100.00%	384	3,715,454,043	100.00%

27 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Topline Securities Limited	57.75	Arif Habib Limited	9.99
Alfalah CLSA Securities (Private) Limited	17.24	JS Global Capital Limited	90.01
Al Habib Capital Markets (Private) Limited	14.08		
Insight Securities (Private) Limited	3.35		
Pearl Securities Limited	3.01		
Shajar Capital Pakistan (Pvt.) Ltd.	2.92		
AKD Securities Limited	1.64		
EFG Hermes Pakistan Limited	0.01		
	100.00		100.00

28 MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 Years

29 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Sovereign Fund Alas Money Market Fund Atlas Islamic Income Fund Atlas Islamic Money Market Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

30 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:

Name of Director	Meeting held on					
	06 July 2020	10 Sep 2020	26 Oct 2020	25 Feb 2021	29 Apr 2021	25 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Frahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	L	L	P	P	P

P Present

L Leave of absence

31 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2020: "AA- (f)" (Double A minus)] on 16 April 2021.

32 GENERAL

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

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

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 6 September 2021.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

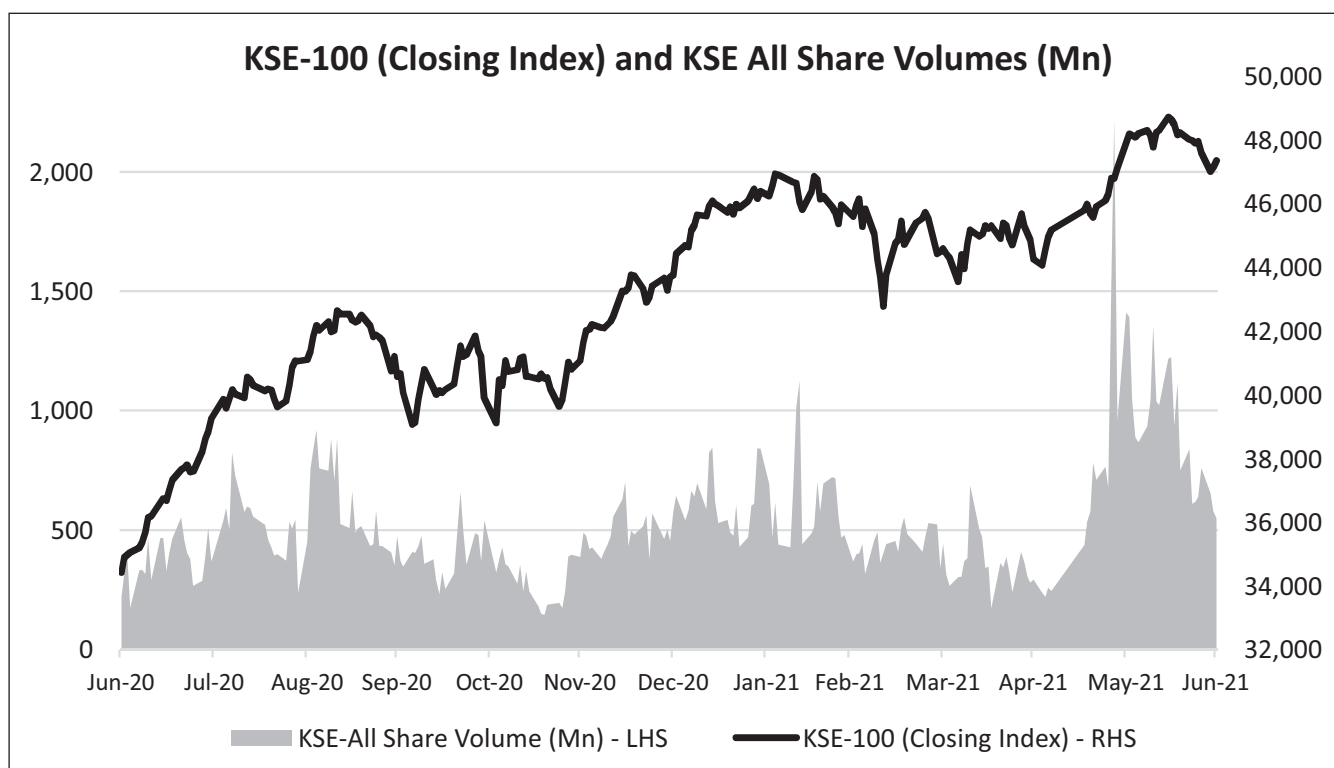
Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited



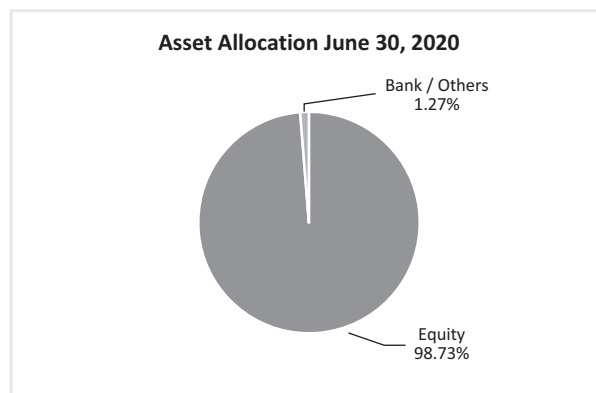
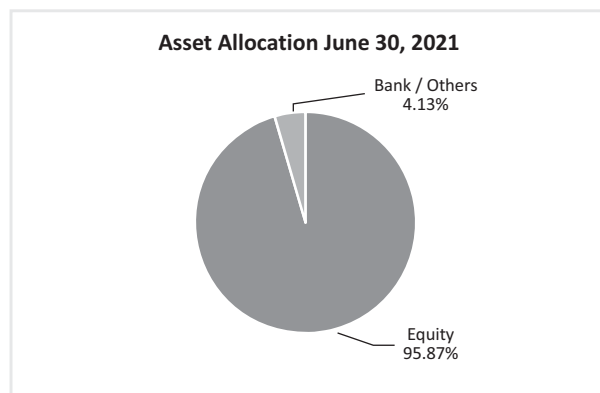
Fund Manager's Report

Atlas Stock Market Fund (ASMF) is an open-ended equity fund. The Fund has a high-risk rating and aims to provide unit holders with appreciation in the value of amount invested, modest income, liquidity and the facility to join or leave the fund at their convenience. ASMF investment strategy emphasizes on medium to long-term investment views and involves the application of relative value analysis of various industry sectors. The KSE-100 Index serves as the performance benchmark of Atlas Stock Market Fund.

The KSE-100 index increased 37.6% from 34,421.92 points as on June 30, 2020 to 47,356.02 points as on June 30, 2021. The daily average volume during FY21 increased by 168.8% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively. During FY21, sectors that outperformed benchmark KSE-100 index were Technology & Communication, Refinery, Engineering, Cement, Textile Composite and Automobile Assembler that posted 196.4%, 161.1%, 98.1%, 74.9%, 54.9% and 47.2% returns, respectively. Sectors that underperformed KSE-100 index were Power Generation & Distribution Companies, Chemical, Oil & Gas Marketing Companies, Commercial Banks, Fertilizer and Oil & Gas Exploration Companies that posted 32.3%, 29.2%, 22.8%, 21.8%, 7.1% and -1.0% returns, respectively.



The Net Asset Value per unit of Atlas Stock Market Fund increased by 41.87% to Rs. 688.08 as on June 30, 2021. The benchmark KSE-100 index increased by 37.58% during the same period. The KSE-100 index increased from 34,421.92 points as on June 30, 2020 to 47,356.02 points as on June 30, 2021. The ASMF equity portfolio exposure stood at 95.87% that mainly comprised of Commercial Banks, Cement, Oil & Gas Exploration and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects of earnings growth. The Net Assets of the Fund stood at Rs. 9.86 billion, with 14.33 million units outstanding as of June 30, 2021.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Stock Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs. 46.00 per unit for the period ended June 30, 2021 (9.20% on the face value of Rs. 500 per unit).

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	2017-18	2018-19	2019-20	2020-21
Atlas Bachat Plan	85%	15%	3.38%	3.41%	14.5%	12.2%
Atlas Bachat Balanced Plan	50%	50%	0.04%	-5.75%	10.4%	24.4%
Atlas Bachat Growth Plan	15%	85%	-3.31%	-14.91%	6.37%	36.6%

Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	518	1,105,622,063	11.21%
Associated Companies / Directors	11	4,466,274,840	45.29%
Insurance Companies	7	287,928,588	2.92%
Retirement Funds	24	3,662,614,986	37.14%
Others	6	340,029,101	3.45%
Total	566	9,862,469,578	100%

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 105,137,220 (Rs. 7.34 per unit). The Scheme has held provision for FED liability that amounted to Rs. 20,301,988 up till June 30, 2021 (Rs. 1.42 per unit).

The Total Expense Ratio (TER) of the Fund is 3.96% including expenses representing Government levy, SWWF and SECP Fee of 1.05%.

During the year under review, the Investment Committee held fifty-two meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Karachi: 6 September 2021

Faran-UI-Haq
Head of Equities

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

Summary of actual proxies voted by Atlas Stock Market Fund

ASMF	Resolution	For	Against	Abstain
Number	317	317	-	-
%	100%	100%	-	-

Note: The Proxy voting policy of the Atlas Stock Market Fund (ASMF) 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

	2021	2020	2019	2018	2017	2016	2015	2014
Net assets (Rs. in '000)	9,862,470	6,841,670	5,044,438	5,375,332	5,527,676	4,017,187	3,304,662	1,049,717
Number of units in issue	14,333,327	13,240,837	10,009,549	8,657,936	8,289,668	7,979,640	6,257,738	2,379,851
Net asset value per unit (Rs.)	688.08	516.71	503.96	620.86	666.82	503.43	528.09	441.08
Net income / (loss) (Rs. in '000)	2,967,720	281,056	(1,171,613)	(255,744)	1,395,859	202,191	544,472	254,583
Earnings / (loss) per unit (Rs.)	207.05	21.23	(117.05)	(29.54)	168.39	25.34	87.01	106.97
Annual return of the Fund (%)	41.87	4.62	(18.83)	(4.75)	33.74	5.05	19.73	30.09
Offer price ** (Rs.)	703.63	528.39	515.35	620.86	666.82	503.43	528.09	441.08
Redemption price ** (Rs.)	688.08	516.71	503.96	620.86	666.82	503.43	528.09	441.08
Distribution Per Unit (Rs.)	46.00	10.50	-	-	15.00	5.00	50.00	75.00
Distribution as a % of opening Ex- NAV of units	8.90	2.08	-	-	3.00	1.05	11.34	18.86
Date of distribution	25-Jun-21	30-Jun-20	-	-	7-Jul-17	11-Jul-16	7-Jul-15	24-Jun-14
Highest offer price (Rs.)	777.15	662.80	651.76	670.30	741.32	519.23	536.44	523.17
Lowest offer price (Rs.)	544.90	412.35	506.30	545.53	519.17	420.92	420.61	423.67
Highest repurchase price per unit (Rs.)	759.97	648.15	645.99	670.30	741.32	519.23	536.44	523.17
Lowest repurchase price per unit (Rs.)	532.85	403.24	495.11	545.53	519.17	420.92	420.61	418.01

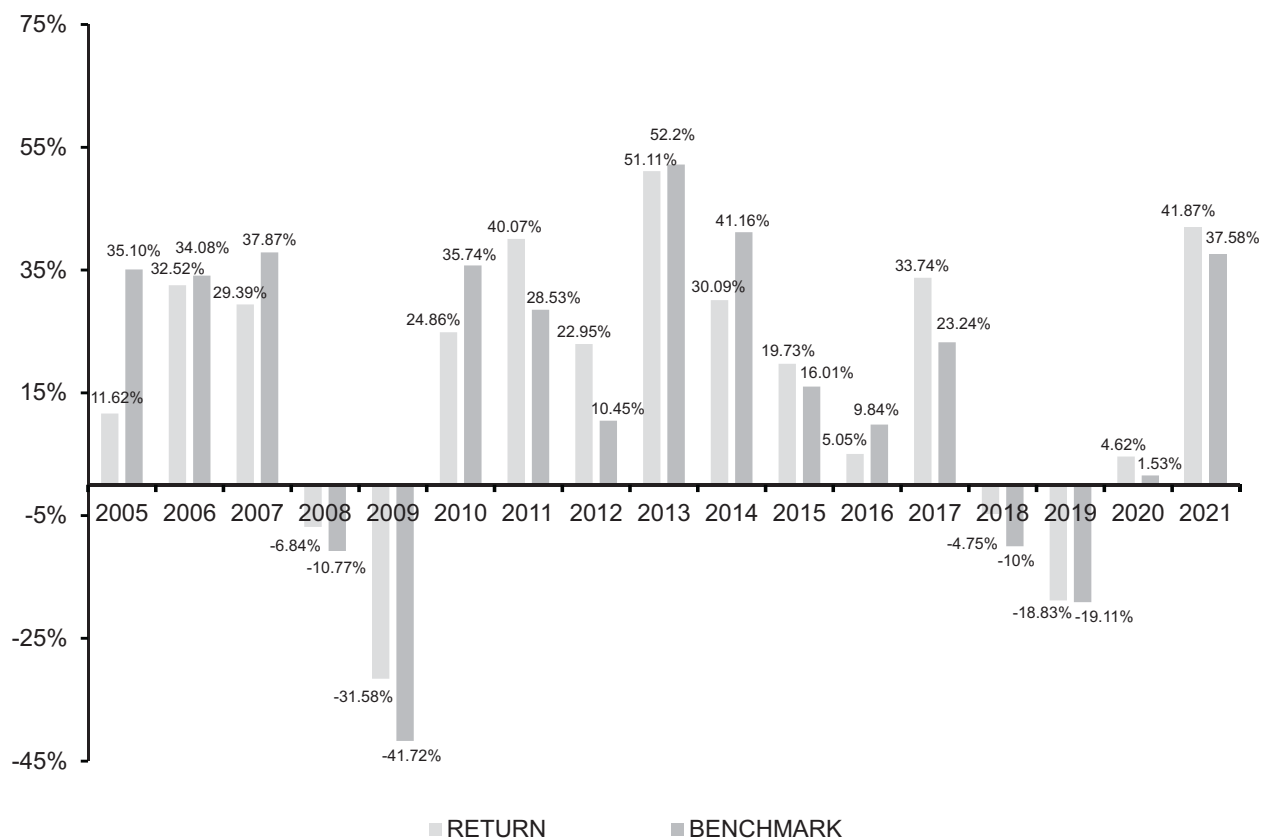
	2013	2012	2011	2010	2009	2008	2007	2006	2005*
Net assets (Rs. in '000)	1,035,727	710,617	650,259	645,129	689,228	1,320,643	1,522,066	1,534,739	918,413
Number of units in issue	1,981,235	1,729,144	1,463,694	1,458,982	1,946,267	2,379,248	2,187,372	2,315,580	1,632,318
Net asset value per unit (Rs.)	522.77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

* For the period from 24 August 2004 to 30 June 2005 (Date of Launch: 23 November 2004)

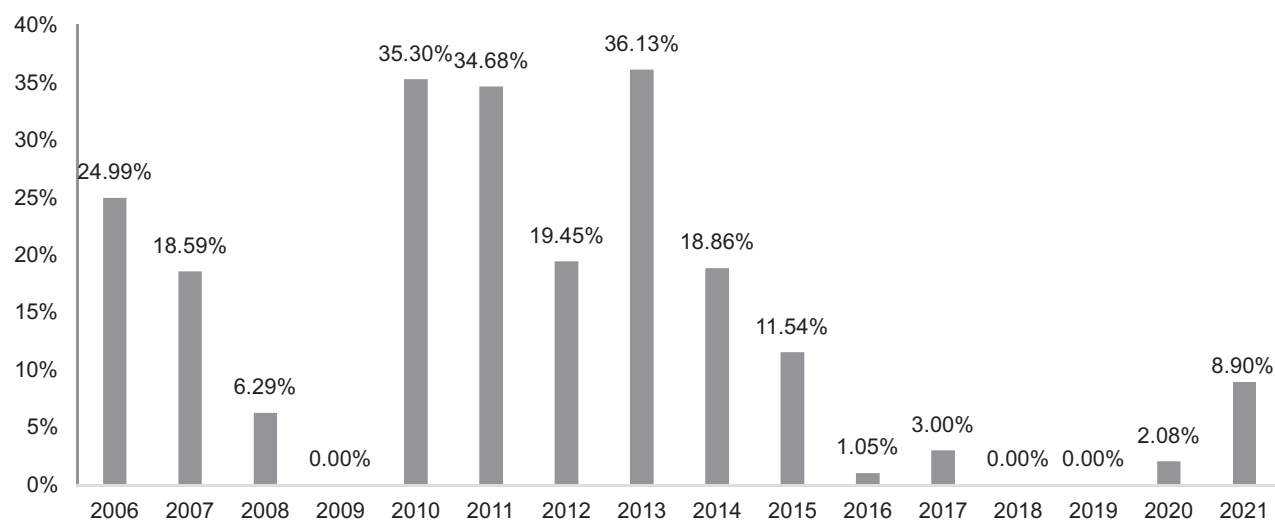
** Relates to announced prices.

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

Yearly Performance



Payout History (% on opening Ex - NAV)



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, 2021 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: 30 September 2021

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Atlas Stock Market Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Atlas Stock Market Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2021, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
1. Equity investments	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2021, the investments held by the Fund comprised of listed shares which represent significant portion of the total assets of the Fund as at the year end.</p> <p>In view of the above, we have considered this area as a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none">• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.• We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement, related reconciliations and re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at 30 June 2021.• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities

Key audit matter	How our audit addressed the key audit matter
	<p>Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</p> <ul style="list-style-type: none"> We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

-
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Arslan Khalid.

Karachi: 20 September 2021

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021

	Note	2021 Rupees	2020
ASSETS			
Cash and bank balances	4	311,116,752	75,706,293
Investments	5	9,840,526,442	6,990,442,843
Profit receivable on bank balances		914,389	413,904
Receivable against sale of investments		98,787,808	-
Advances, deposits and other receivables	6	13,529,987	13,529,987
Total assets		10,264,875,378	7,080,093,027
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	48,685,188	39,612,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	1,046,330	736,735
Payable to the Securities and Exchange Commission of Pakistan	9	1,804,473	1,245,447
Payable against redemption of units	10	114,849	132,732,432
Unclaimed dividend		401,732	401,733
Accrued expenses and other liabilities	11	350,353,228	63,694,863
Total liabilities		402,405,800	238,423,488
NET ASSETS		9,862,469,578	6,841,669,539
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		9,862,469,578	6,841,669,539
CONTINGENCIES AND COMMITMENTS	12		
NUMBER OF UNITS IN ISSUE		14,333,327	13,240,837
NET ASSET VALUE PER UNIT		688.0795	516.7098

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	Rupees	
INCOME			
Profit on bank balances		8,726,017	14,646,439
Dividend income		496,984,575	310,696,067
Capital gain on sale of investments - net		1,353,182,307	273,277,831
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		1,466,596,668	(122,783,414)
		2,819,778,975	150,494,417
Total income		3,325,489,567	475,836,923
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	216,539,759	138,196,041
Sindh sales tax on remuneration of the Management Company	7.2	28,150,169	17,965,485
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	10,022,490	7,227,237
Sindh sales tax on remuneration of the Trustee	8.2	1,302,924	939,541
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	1,804,498	1,245,447
Accounting and operational charges	13	22,415,453	9,161,322
Auditors' remuneration	15	542,045	701,026
Annual listing fee		30,138	27,500
Legal and professional charges		211,560	195,500
Securities transaction cost	16	16,016,268	13,266,052
Printing charges		50,111	23,502
Bank charges		118,261	96,285
Provision for Sindh Workers' Welfare Fund	11.1	60,565,719	5,735,840
Total expenses		357,769,394	194,780,778
Net income for the year before taxation		2,967,720,173	281,056,145
Taxation	17	-	-
Net income for the year after taxation		2,967,720,173	281,056,145
Earnings per unit	18		
Allocation of net income for the year:			
- Net income for the year after taxation		2,967,720,173	281,056,145
- Income already paid on units redeemed		(510,989,329)	(9,335,468)
		2,456,730,844	271,720,677
Accounting income / (loss) available for distribution:			
- Relating to capital gains		2,819,778,975	273,277,831
- Excluding capital gains		(363,048,131)	(1,557,154)
		2,456,730,844	271,720,677

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021 ----- Rupees -----	2020 -----
Net income for the year after taxation	2,967,720,173	281,056,145
Other comprehensive income	-	-
Total comprehensive income for the year	2,967,720,173	281,056,145

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2021

	Capital Value	30 June 2021 Undistributed income	Net Assets
	Rupees		
Capital value	6,499,701,211	-	6,499,701,211
Undistributed income brought forward			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
Net assets at the beginning of the year (Units outstanding: 13,240,837) (Rs. 516.7100 per unit)	6,499,701,211	341,968,328	6,841,669,539
Issue of 9,010,475 units	6,020,267,464	-	6,020,267,464
Redemption of 7,917,985 units	(4,821,246,823)	(510,989,329)	(5,332,236,152)
Refund of capital	(141,588,490)	-	(141,588,490)
Cash dividend declared @ Rs. 46 per unit declared on 25 June 2021	-	(493,362,956)	(493,362,956)
Total comprehensive income for the year	-	2,967,720,173	2,967,720,173
Net assets at end of the year (Units outstanding: 14,333,327) (Rs. 688.0795 per unit)	7,557,133,362	2,305,336,216	9,862,469,578
Undistributed income carried forward			
- Realised income	-	1,331,130,189	-
- Unrealised income	-	974,206,027	-
	-	2,305,336,216	-
	Capital Value	30 June 2020 Undistributed income	Net Assets
	Rupees		
Capital value	4,841,549,792	-	4,841,549,792
Undistributed income brought forward			
- Realised income	-	1,073,009,596	1,073,009,596
- Unrealised loss	-	(870,121,506)	(870,121,506)
Net assets at beginning of the year (Unit outstanding: 10,009,549) (Rs. 503.96 per unit)	4,841,549,792	202,888,090	5,044,437,882
Issue of 5,185,957 units	2,704,284,267	-	2,704,284,267
Redemption of 1,954,669 units	(1,038,661,296)	(9,335,468)	(1,047,996,764)
Refund of capital	(7,471,552)	-	(7,471,552)
Cash dividend declared @ Rs. 10.50 per unit declared on 30 June 2020	-	(132,640,439)	(132,640,439)
Total comprehensive income for the year	-	281,056,145	281,056,145
Net assets at end of the year (unit outstanding: 13,240,837) (Rs. 516.71 per unit)	6,499,701,211	341,968,328	6,841,669,539
Undistributed income carried forward			
- Realised income	-	909,302,970	-
- Unrealised loss	-	(567,334,642)	-
	-	341,968,328	-

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	2,967,720,173	281,056,145
Adjustments for:		
Profit on bank balances	(8,726,017)	(14,646,439)
Dividend income	(496,984,575)	(310,696,067)
Capital gain on sale of investments - net	(1,353,182,307)	(273,277,832)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,466,596,668)	122,783,414
Provision for Sindh Workers' Welfare Fund	60,565,719	5,735,840
	(3,264,923,848)	(470,101,084)
(Increase) / decrease in assets		
Receivable against sale of investments	(98,787,808)	53,064,695
	(98,787,808)	53,064,695
Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	9,072,910	5,791,994
Payable to the Central Depository Company of Pakistan Limited - Trustee	309,595	135,357
Payable to the Securities and Exchange Commission of Pakistan	559,026	(4,190,177)
Accrued expenses and other liabilities	226,092,646	17,202,136
	236,034,176	18,939,310
Profit received on bank balances	8,225,532	14,520,187
Dividend received	496,984,575	312,799,205
Investments made during the year	(7,243,085,842)	(5,901,324,847)
Investments sold during the year	7,212,781,218	4,048,661,584
	474,905,483	(1,525,343,871)
Net cash generated from / (used in)' operating activities	314,948,175	(1,642,384,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	6,020,267,464	2,704,284,267
Net payments against redemption of units	(5,464,853,735)	(1,112,099,378)
Refund of capital	(141,588,490)	(7,471,552)
Cash payout against distribution	(493,362,956)	(132,640,439)
Net cash (used in) / generated from financing activities	(79,537,717)	1,452,072,898
Net increase/ (decrease) in cash and cash equivalents	235,410,459	(190,311,907)
Cash and cash equivalents at the beginning of the year	75,706,293	266,018,200
Cash and cash equivalents at the end of the year	311,116,752	75,706,293

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteen and Fourteen Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 06 March 2008, 04 December 2009, 14 October 2013, 24 March 2015, 03 August 2015, 29 September 2016, 02 June 2017, 25 May 2018, 5 September 2019, 25 November 2019 and 01 April 2020 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company had submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

"These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:"

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

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

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 or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

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	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009
IFRS 17 - Insurance Contracts	01 January 2023

2.4 Critical accounting estimates and judgements

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund, taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 11.1, 6.1 and 7.3 respectively

2.5 Accounting convention

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

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 as below. These policies have been applied consistently to all years and are set out below:

3.1 Financial instruments

a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

b) Classification

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

Debt Instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

c) Subsequent Measurement

Financial assets (equity and debt instruments) at fair value through profit or loss

Financial assets (both equity and debt) at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Debt instruments at Amortised Cost

Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio.

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss. The Fund has not used this classification for its investment portfolio.

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. The Fund has not used this classification for its investment portfolio.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

d) Derecognition

"A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

e) Reclassification of financial assets and liabilities

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

f) Impairment of financial assets

"The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters."

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Determination of fair value

The equity securities are valued on the basis of closing quoted market prices available at Pakistan Stock Exchange (PSX)

3.2 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.

3.3 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.

3.4 Issue and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the 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 as processing fee.

3.5 Distribution to unit holders

Distribution to unit holders is recognised upon declaring 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 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.

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

"The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year."

3.7 Revenue recognition

- 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.
- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised appreciation / (loss) in the value 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.

3.8 Expenses

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

3.9 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders.

3.10 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 year end.

3.11 Earnings per unit

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

		2021	2020
	Note	Rupees	Rupees
4 CASH AND BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	278,461,795	74,051,293
- Current account		5,000	5,000
- Cheque in hand	4.2	32,649,957	1,650,000
		311,116,752	75,706,293
4.1	The rate of return on these accounts ranges between 5.5% and 7.80% (30 June 2020: 6.00% and 6.50%) per annum.		
4.2	These cheques were received against issue of units which were cleared subsequent to the year end by 2nd to 6th July (2020: 06 July 2020).		
5 INVESTMENTS			
At fair value through profit or loss			
Investments in listed equity securities	5.1	9,840,526,442	6,990,442,843

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.1 At fair value through profit or loss - Listed 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	As at 01 July 2020	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2021	Carrying cost	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets	Paid up capital of investee company held
Note	Number of shares				Rupees		% age			
Banks										
Bank Alfalah Limited	3,307,500	4,012,631	-	7,320,131	-	-	-	-	-	-
Bank Al Habib Limited	5,975,175	1,664,175	-	4,333,058	3,306,292	195,885,507	231,837,195	2.36	2.35	0.30
BankIslami Pakistan Limited	8,284,250	-	-	8,284,250	-	-	-	-	-	-
The Bank Of Punjab	5,174,500	-	-	5,174,500	-	-	-	-	-	-
Faysal Bank Limited	5,100,943	1,700,000	-	5,806,000	994,943	15,244,391	16,884,183	0.17	0.17	0.07
Habib Bank Limited	3,633,600	1,453,800	-	382,000	4,705,400	499,734,655	575,799,798	5.85	5.84	0.32
Habib Metropolitan Bank Limited	4,211,500	1,602,000	-	100,000	5,713,500	174,696,560	231,968,100	2.36	2.35	0.55
MCB Bank Limited	415,300	1,053,115	-	682,500	785,915	135,846,715	125,612,794	1.28	1.27	0.07
Meezan Bank Limited	3,161,135	1,581,200	200,063	1,364,500	3,577,898	270,521,603	412,925,208	4.20	4.19	0.25
United Bank Limited	2,078,325	3,215,138	-	335,000	4,958,463	557,600,337	605,924,179	6.16	6.14	0.41
	41,342,228	16,282,059	200,063	33,781,939	24,042,411	1,849,529,767	2,200,951,457	22.37	22.32	
Insurance										
Adamjee Insurance Company Limited	1,576,500	785,500	-	1,692,000	670,000	30,614,172	27,784,900	0.28	0.28	0.19
EFU Life Assurance Limited	-	173,700	-	173,700	-	-	-	-	-	-
IGI Holdings Limited	-	263,900	-	-	263,900	49,475,343	51,080,484	0.52	0.52	0.19
Jubilee Life Insurance Company Limited	-	143,300	-	48,100	95,200	35,517,131	31,868,200	0.32	0.32	0.11
Pakistan Reinsurance Company Limited	1,028,500	150,000	-	-	1,178,500	28,170,840	28,672,905	0.29	0.29	0.39
	2,605,000	1,516,400	-	1,913,800	2,207,600	143,777,486	139,406,489	1.42	1.41	
Textile Composite										
Gul Ahmed Textile Mills Limited	1,850,000	1,575,000	203,000	2,410,000	1,218,000	52,352,180	61,789,140	0.63	0.63	0.24
Interloop Limited	3,000	1,919,000	-	804,500	1,117,500	78,267,799	78,258,525	0.80	0.79	0.13
Kohinoor Textile Mills Limited	1,507,500	931,000	-	1,132,500	1,306,000	56,542,285	98,211,200	1.00	1.00	0.44
Nishat (Chunian) Limited	869,500	-	-	869,500	-	-	-	-	-	-
Nishat Mills Limited	650,000	2,075,500	-	754,000	1,971,500	184,868,252	183,940,950	1.87	1.87	0.56
	4,880,000	6,500,500	203,000	5,970,500	5,613,000	372,030,516	422,199,815	4.29	4.28	
Cement										
Attock Cement Pakistan Limited	388,600	273,500	-	231,000	431,100	59,360,667	77,520,402	0.79	0.79	0.31
Cherat Cement Company Limited	1,309,400	474,600	-	1,186,100	597,900	75,164,264	106,055,502	1.08	1.08	0.31
D.G. Khan Cement Company Limited	987,500	1,070,000	-	392,500	1,665,000	181,228,251	196,336,800	2.00	1.99	0.38
Fauji Cement Company Limited	30,500	8,183,500	-	300,000	7,914,000	173,906,975	182,022,000	1.85	1.85	0.57
Kohat Cement Company Limited	551,500	383,600	-	252,100	683,000	122,981,948	141,032,670	1.43	1.43	0.34
Lucky Cement Limited	740,500	172,000	-	175,500	737,000	383,446,511	636,355,280	6.47	6.45	0.23
Maple Leaf Cement Factory Limited	45,000	1,770,000	-	725,000	1,090,000	50,302,698	51,208,200	0.52	0.52	0.10
Pioneer Cement Limited	3,609,000	-	-	3,419,000	190,000	11,977,600	24,903,300	0.25	0.25	0.08
	7,662,000	12,327,200	-	6,681,200	13,308,000	1,058,368,913	1,415,434,154	14.38	14.35	
Refinery										
Attock Refinery Limited	-	625,000	-	339,500	285,500	65,508,116	73,216,475	0.74	0.74	0.27
Byco Petroleum Pakistan Limited	-	2,500,000	-	2,500,000	-	-	-	-	-	-
National Refinery Limited	-	65,500	-	17,500	48,000	26,437,284	25,113,120	0.26	0.25	0.06
	-	3,190,500	-	2,857,000	333,500	91,945,400	98,329,595	1.00	1.00	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2021	Carrying cost	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets	Paid up capital of investee company held
Note	Number of shares				Rupees		% age			
Power Generation & Distribution										
The Hub Power Company Limited	6,148,820	1,518,488	-	1,443,500	6,223,808	464,565,510	495,850,783	5.04	5.03	0.48
Kot Addu Power Company Limited	-	3,208,500	-	1,873,500	1,335,000	55,655,030	59,207,250	0.60	0.60	0.15
K-Electric Limited (face value Rs. 3.5 per share)	6,750,000	2,750,000	-	-	9,500,000	32,406,501	39,710,000	0.40	0.40	0.03
Lalpir Power Limited	2,950,000	5,014,000	-	500,000	7,464,000	106,216,845	133,307,040	1.35	1.35	1.97
Nishat Chunian Power Limited	619,000	-	-	619,000	-	-	-	-	-	-
Pakgen Power Limited	4,208,500	250,000	-	1,210,500	3,248,000	41,274,156	80,095,680	0.81	0.81	0.87
	20,676,320	12,740,988	-	5,646,500	27,770,808	700,118,042	808,170,753	8.21	8.19	
Oil & Gas Marketing Companies										
Hi-Tech Lubricants Limited	2,000	1,051,000	-	1,053,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	1,169,153	739,024	-	475,000	1,433,177	255,633,418	321,389,942	3.27	3.26	0.31
Shell Pakistan Limited	264,700	-	-	264,700	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,565,200	4,528,100	-	4,019,202	2,074,098	86,988,213	100,759,681	1.02	1.02	0.33
	3,001,053	6,318,124	-	5,811,902	3,507,275	342,621,631	422,149,623	4.29	4.28	
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	353,669	10,000	-	98,620	265,049	331,385,898	404,038,045	4.11	4.10	0.20
Oil & Gas Development Company Limited	3,003,100	2,727,000	-	812,000	4,918,100	522,365,287	467,367,043	4.75	4.74	0.11
Pakistan Oilfields Limited	533,020	59,000	-	336,000	256,020	91,191,445	100,836,037	1.02	1.02	0.09
Pakistan Petroleum Limited	2,148,602	1,314,000	-	695,000	2,767,602	251,152,419	240,310,882	2.44	2.44	0.10
	6,038,391	4,110,000	-	1,941,620	8,206,771	1,196,095,049	1,212,552,007	12.32	12.29	
Engineering										
Aisha Steel Mills Limited	-	8,400,000	-	8,400,000	-	-	-	-	-	-
Agha Steel Industries Limited	-	3,163,867	-	3,163,867	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	-	405,000	-	-	405,000	35,969,364	34,011,900	0.35	0.34	0.52
International Industries Limited	300,000	635,000	-	466,000	469,000	104,445,667	98,968,380	1.01	1.00	0.36
International Steels Limited	-	1,440,000	-	946,000	494,000	48,431,062	46,144,540	0.47	0.47	0.11
Mughal Iron And Steel Industries Ltd	213	605,000	52,834	14,000	644,047	55,783,905	61,722,637	0.63	0.63	0.22
	300,213	14,648,867	52,834	12,989,867	2,012,047	244,629,998	240,847,457	2.45	2.44	
Automobile Assembler										
Indus Motor Company Limited	71,060	6,400	-	21,260	56,200	57,151,930	70,482,668	0.72	0.71	0.07
Millat Tractors Limited	84,850	-	10,000	4,850	90,000	56,492,800	97,164,900	0.99	0.99	0.16
Pak Suzuki Motor Company Limited	-	391,600	-	176,600	215,000	66,837,514	76,419,600	0.78	0.77	0.26
	155,910	398,000	10,000	202,710	361,200	180,482,245	244,067,168	2.48	2.47	
Automobile Parts & Accessories										
Panther Tyres Limited	-	1,056,863	-	31,500	1,025,363	68,021,704	70,883,344	0.72	0.72	0.73
Thal Limited (face value Rs. 5 per share)	248,000	147,700	-	-	395,700	144,435,853	167,294,046	1.70	1.70	0.49
	248,000	1,204,563	-	31,500	1,421,063	212,457,557	238,177,390	2.42	2.41	
Cables & Electrical Goods										
Pak Elektron Limited	-	2,788,000	-	2,788,000	-	-	-	-	-	-
TPL Corp Limited	-	1,198,500	-	1,198,500	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	611,500	-	611,500	-	-	-	-	-	-
	-	4,598,000	-	4,598,000	-	-	-	-	-	
Transport										
Pakistan International Bulk Terminal Limited	4,897,500	4,000,000	-	1,497,500	7,400,000	80,010,735	84,212,000	0.86	0.85	0.41
	4,897,500	4,000,000	-	1,497,500	7,400,000	80,010,735	84,212,000	0.86	0.85	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2021	Carrying cost	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets	Paid up capital of investee company held	
Note	Number of shares				Rupees		% age				
Technology & Communications											
Avanceon Limited	-	1,470,500	-	1,470,500	-	-	-	-	-	-	
Pakistan Telecommunication Company Ltd.	-	5,276,000	-	50,000	5,226,000	51,765,582	61,875,840	0.63	0.63	0.14	
Systems Limited	1,627,050	500	44,000	1,219,850	451,700	75,432,325	253,051,374	2.57	2.57	0.33	
TRG Pakistan Limited - Class 'A'	-	6,310,000	-	5,445,000	865,000	107,074,259	143,875,450	1.46	1.46	0.16	
	1,627,050	13,057,000	44,000	8,185,350	6,542,700	234,272,166	458,802,664	4.66	4.65		
Fertilizer											
Engro Fertilizers Limited	5.3	3,163,500	2,455,000	-	2,465,000	3,153,500	209,916,321	221,596,445	2.25	2.25	0.24
Engro Corporation Limited		1,126,700	1,035,001	-	617,000	1,544,701	464,198,709	455,084,362	4.62	4.61	0.27
Fauji Fertilizer Bin Qasim Limited		1,520,500	1,700,000	581,340	1,520,500	2,281,340	46,120,995	44,897,000	0.46	0.46	0.18
Fauji Fertilizer Company Limited		1,146,000	447,800	-	638,800	955,000	103,929,749	101,325,500	1.03	1.03	0.08
		6,956,700	5,637,801	581,340	5,241,300	7,934,541	824,165,774	822,903,307	8.36	8.34	
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited		129,200	113,500	-	129,200	113,500	87,584,287	89,932,860	0.91	0.91	0.12
AGP Limited		523,000	423,400	-	946,400	-	-	-	-	-	
Ferozsons Laboratories Limited		-	42,000	-	26,300	15,700	5,261,733	5,539,274	0.06	0.06	0.04
Glaxosmithkline Pakistan Limited		362,000	411,000	-	562,200	210,800	38,195,161	34,923,236	0.35	0.35	0.07
Highnoon Laboratories Limited		132,320	104,650	22,572	-	259,542	131,018,668	155,725,200	1.58	1.58	0.68
The Searle Company Limited		706,914	277,395	69,529	851,954	201,884	43,792,478	48,905,399	0.50	0.50	0.08
		1,853,434	1,371,945	92,101	2,516,054	801,426	305,852,326	335,025,969	3.40	3.40	
Chemicals											
Archroma Pakistan Limited		113,450	-	-	113,450	-	-	-	-	-	
Berger Paints Pakistan Limited		-	489,000	-	489,000	-	-	-	-	-	
Engro Polymer & Chemicals Limited		5,340,000	1,356,500	-	4,268,000	2,428,500	87,465,710	114,722,340	1.17	1.16	0.27
ICI Pakistan Limited		72,000	40,000	-	72,000	40,000	30,037,586	34,752,000	0.35	0.35	0.04
Lotte Chemical Pakistan Limited		5,500,000	500,000	-	6,000,000	-	-	-	-	-	
Sitara Chemical Industries Limited		-	167,100	-	167,100	-	-	-	-	-	
		11,025,450	2,552,600	-	11,109,550	2,468,500	117,503,295	149,474,340	1.52	1.52	
Paper & Board											
Packages Limited		57,200	182,800	-	32,000	208,000	87,160,675	113,401,600	1.15	1.15	0.23
		57,200	182,800	-	32,000	208,000	87,160,675	113,401,600	1.15	1.15	
Leather & Tanneries											
Bata Pakistan Limited		59,600	4,100	-	28,260	35,440	48,194,804	60,758,336	0.62	0.62	0.47
Service Global Footwear Limited		-	915,837	-	-	915,837	51,907,553	52,962,854	0.54	0.54	0.45
Service Industries Limited		80,475	15,500	136,211	111,350	120,836	40,354,552	71,006,859	0.72	0.72	0.26
		140,075	935,437	136,211	139,610	1,072,113	140,456,909	184,728,048	1.88	1.87	
Foods & Personal Care Products											
National Foods Limited		72,200	-	350	72,550	-	-	-	-	-	
At-Tahur Limited		2,462,500	1,675,000	246,250	450,000	3,933,750	65,044,005	91,656,375	0.93	0.93	2.22
Shezan International Limited		-	76,000	-	-	76,000	25,370,184	25,183,360	0.26	0.26	0.87
Treet Corporation Limited		-	2,000,000	-	843,500	1,156,500	39,281,488	57,235,185	0.58	0.58	0.66
Unity Foods Limited		53,000	7,550,000	-	6,771,200	831,800	23,573,345	37,031,736	0.38	0.38	0.08
		2,587,700	11,301,000	246,600	8,137,250	5,998,050	153,269,022	211,106,656	2.15	2.14	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2021	Carrying cost	Market value	Market value as a percentage of total investment	Market value as a percentage of net assets	Paid up capital of investee company held
	Number of shares			Rupees				% age		
Glass & Ceramics										
Shabbir Tiles & Ceramics Limited (face value Rs. 5 per share)	-	2,751,500	-	1,594,500	1,157,000	39,182,268	38,585,950	0.39	0.39	0.35
Tariq Glass Industries Ltd	230,250	-	-	230,250	-	-	-	-	-	-
	230,250	2,751,500	-	1,824,750	1,157,000	39,182,268	38,585,950	0.39	0.39	
Miscellaneous										
Synthetic Products Enterprises Limited	900,000	-	-	900,000	-	-	-	-	-	-
TPP Properties Limited	-	4,357,000	-	4,357,000	-	-	-	-	-	-
Tri-Pack Films Limited	-	16,500	-	16,500	-	-	-	-	-	-
	900,000	4,373,500	-	5,273,500	-	-	-	-	-	-
Total as at 30 June 2021						8,373,929,774	9,840,526,442	100.00	99.78	
Total as at 30 June 2020						7,113,226,257	6,990,442,843			

5.2 The cost of listed equity securities as at 30 June 2021 is Rs. 8,866,320,415 (30 June 2020: Rs. 7,557,777,485).

5.3 The below 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 23 October 2007 issued by the SECP:

Name of Investee Company	Number of shares		Market value	
	2021	2020	2021	2020
			Rupees	
Pakistan Petroleum Limited	297,000	297,000	25,788,510	25,773,660
Habib Bank Limited	60,000	60,000	7,342,200	5,812,200
Engro Fertilizers Limited	425,000	425,000	29,864,750	25,619,000
United Bank Limited	170,000	100,000	20,774,000	10,336,000
Oil & Gas Development Company Ltd	100,000	-	9,503,000	-
	1,052,000	882,000	93,272,460	67,540,860

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	2021	2020
		Rupees	
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
Other receivable	6.1	10,929,987	10,929,987
		13,529,987	13,529,987

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 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Revenue (CIR) is not produced before him by the withholders. The amount of tax withheld on dividend and profit on bank deposits aggregates to Rs.10.269 million (30 June 2020: Rs. 10.269 million) and Rs. 0.661 million (30 June 2020: Rs. 0.661 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 Funds managed by the Company 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 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 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the tax recoverable not been recorded in these financial statements, the net asset value of the Fund as at 30 June 2021 would have been lower by Rs. 0.76 per unit (30 June 2020: Rs. 0.82 per unit).

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2021	2020
		Rupees	
Remuneration of the Management Company	7.1	20,250,329	13,608,253
Sindh sales tax payable on remuneration of the Management Company	7.2	5,601,589	4,738,119
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges	13	2,531,282	963,918
		48,685,188	39,612,278

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.4% per annum of the average annual net assets. Previously, the management was charging the fee at the rate of 2.0% till December 2019, afterwards the rate was increased to 2.4% per annum for rest of the year ending June 2020. The fee is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs. 28,150,169 (2020: Rs. 17,965,485) 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. 27,286,699 (2020: Rs. 17,358,618) has been paid to the Management Company which acts as a collecting agent.

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

On 04 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2020: Rs 20.302 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been higher by Rs. 1.42 (30 June 2020: Rs 1.53) per unit.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
Trustee fee payable	8.1	925,955	648,978
Sindh sales tax on trustee fee		120,374	84,367
Settlement charges payable		-	3,000
Sindh sales tax on settlement charges		-	390
		1,046,330	736,735

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

On net assets:	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

8.2 During the year, an amount of Rs. 1,302,924 (2020: Rs. 939,541) 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. 1,266,917 (2020: Rs. 923,969) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2021 ----- Rupees -----	2020 ----- Rupees -----
Annual fee payable	9.1	1,804,473	1,245,447

9.1 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 0.02% of the average annual net assets of the Fund as annual fee.

10 PAYABLE AGAINST REDEMPTION OF UNITS

This represents payable against units redeemed to the unit holders based on their request for cash payout, managed by the Management Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2021	2020
		----- Rupees -----	-----
Auditors' remuneration payable		457,002	481,582
Printing charges payable		8,736	-
NCCPL charges payable		25,000	25,000
Transaction charges payable	16	10,051,896	2,919,420
Withholding and capital gain tax payable		50,110,148	15,621,799
Zakat payable		83,816	48,075
Sale Load Payable		68,090	27,614
Other payable		66,820	-
Dividend payable		184,344,500	-
Provision for Sindh Workers' Welfare Fund	11.1	105,137,220	44,571,486
		350,353,228	63,694,976

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

Had the provision for SWWF not been recorded in these financial statements, the net asset value of the Fund as at 30 June 2021 would have been higher by Rs. 7.34 per unit (30 June 2020: Rs. 3.37 per unit).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2021 and 30 June 2020.

13 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company has charged expenses at the rate of 0.17% of the average annual net assets of the fund for the period from 01 July 2020 to 02 December 2020 and 0.3% of the average annual net assets of the fund for the period from 03 December 2020 to 30 June 2021 (2020: 0.1% of the average annual net assets of the Fund for the period from

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 to 30 June 2020) for allocation of such expenses to the Fund.

14 TOTAL EXPENSE RATIO

'The Total Expense Ratio (TER) of the Fund as at 30 June 2021 is 3.96% (30 June 2020: 3.13%) which includes 1.05% (30 June 2020: 0.46%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

15 AUDITORS' REMUNERATION

	2021	2020
	----- Rupees -----	
Annual audit fee	348,825	308,550
Half yearly review of condensed interim financial information	174,500	154,275
Certification charges	60,500	60,500
Code of Corporate Governance	-	50,000
Out of pocket expenses	40,000	77,835
Sindh sales tax on services	49,906	49,866
Prior year adjustment	(131,686)	-
	542,045	701,026

16 SECURITIES TRANSACTION COST

This represents brokerage, federal excise duty and settlement charges.

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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** 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.
- 19.2** 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 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:

	2021	2020
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	216,539,759	138,196,041
Remuneration paid	209,897,683	133,527,830
Sindh Sales Tax on remuneration of the Management Company	28,150,169	17,965,485
Accounting and Operational Charges	22,415,453	9,161,322
Issue of 36,033 (2020: 151,360) units	20,438,462	81,670,898
Redemption of 151,059 (2020: 93,695) units	98,000,000	60,000,000
Dividend declared	3,846,646	1,730,962
Outstanding 91,534 (2020: 206,561) units - at net asset value	62,982,893	106,731,932
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	10,022,490	7,227,237
Sindh Sales Tax on remuneration of the Trustee	1,302,924	939,541
Remuneration paid	9,745,513	7,107,452
Settlement charges	544,123	409,933
Sindh Sales Tax on settlement charges	70,736	53,291
Atlas Battery Limited (Group Company)		
Redemption of Nil (2020: 5) units	-	2,347
Atlas Honda Limited (Group Company)		
Issue of 1,568 units (2020: 1,628) units	1,103,231	785,399
Dividend declared	1,297,919	291,207
Outstanding 29,783 (2020: 28,216) units - at net asset value	20,493,072	14,579,293
Atlas Insurance Limited (Group Company)		
Issue of 223,565 (2020: 113,329) units	141,982,233	60,994,200
Redemption of 49,863 (2020: Nil) units	35,000,000	-
Dividend declared	12,420,148	1,169,647
Outstanding 287,031 (2020: 113,329) units - at net asset value	197,499,863	58,558,370
Atlas Foundation (Group Company)		
Issue of 25,380 (2020: Nil) units	15,095,826	-
Dividend declared	41,073,305	9,125,294
Outstanding 894,455 (2020: 869,076) units - at net asset value	615,456,149	449,060,074
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Issue of 212 (2020: 4,662) units	149,467	2,273,179
Redemption of 23,299 (2020: Nil) units	16,246,299	-
Dividend declared	149,467	253,524
Outstanding 3,462 (2020: 26,549) units - at net asset value	2,382,131	13,717,921

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	Rupees	
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 17,159 (2020: 41,754) units	12,059,118	21,381,155
Redemption of 19,161 (2020: 24,389) units	12,470,000	14,500,000
Dividend declared	5,709,118	1,282,877
Outstanding 132,224 (2020: 134,226) units - at net asset value	90,980,624	69,355,779
Atlas Honda Limited - Non Management Staff Gratuity Fund		
Issue of 1,272 (2020: 445) units	894,893	228,807
Redemption of 2,782 (2020: Nil) units	2,000,000	-
Dividend declared	894,893	228,807
Outstanding 20,725 (2020: 22,236) units - at net asset value	14,261,052	11,489,720
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Issue of 5,583 (2020: 1,998) units	3,929,070	1,026,869
Redemption of 14,380 (2020: Nil) units	10,000,000	-
Dividend declared	3,929,070	1,026,868
Outstanding 90,998 (2020: 99,795) units - at net asset value	62,613,838	51,565,041
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 100,625 (2020: 641) units	65,727,936	329,638
Dividend declared	5,727,936	329,638
Outstanding 132,660 (2020: 32,035) units - at net asset value	91,280,656	16,553,033
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2020: 190,953) units	-	90,000,000
Redemption of 900,747 (2020: Nil)	600,000,000	-
Dividend declared	176,144,046	49,664,639
Outstanding 3,829,218 (2020: 4,729,966) units - at net asset value	2,634,806,675	2,444,020,517
Atlas Metals (Pvt.) Limited (Group Company)		
Issue of 61,896 (2020: Nil) units	42,672,539	-
Dividend declared	2,672,539	-
Outstanding 61,896 (2020: Nil) units - at net asset value	42,589,708	-
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 11,876 (2020: 190,953) units	8,357,395	-
Dividend declared	9,832,229	2,206,007
Outstanding 225,620 (2020: 213,744) units - at net asset value	155,244,767	110,443,716
Directors and their close family members and key management personnel and executive of the Management Company		
Issue of 737,630 (2020: 731,708) units	525,084,005	387,447,549
Redemption of 45,443 (2020: 2,271) units	31,721,096	1,179,369
Dividend declared	92,118,956	8,956,956
Outstanding 2,117,293 (2020: 1,232,151) units - at net asset value	1,456,866,235	636,664,632

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

20 FINANCIAL INSTRUMENTS BY CATEGORY

----- As at 30 June 2021 -----			
At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			

Financial assets

Cash and bank balances	311,116,752	-	-	311,116,752
Investments	-	9,840,526,442	-	9,840,526,442
Profit receivable on bank balances	914,389	-	-	914,389
Receivable against sale of investments	98,787,808	-	-	98,787,808
Advances, deposits and other receivables	2,600,000	-	-	2,600,000
	413,418,949	9,840,526,442	-	10,253,945,391

----- As at 30 June 2021 -----			
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			

Financial liabilities

Payable to Atlas Asset Management Limited - Management Company	-	48,685,188	48,685,188
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	1,046,330	1,046,330
Payable against redemption of units	-	114,849	114,849
Unclaimed dividend	-	401,732	401,732
Accrued expenses and other liabilities	-	10,610,724	10,610,724
	-	60,858,823	60,858,823

----- As at 30 June 2020 -----			
Loans and receivables	At fair value through profit or loss	Available for sale	Total
----- (Rupees) -----			

Financial assets

Cash and bank balances	75,706,293	-	-	75,706,293
Investments	-	6,990,442,843	-	6,990,442,843
Profit receivable on bank balances	413,904	-	-	413,904
Receivable against sale of investment	-	-	-	-
Advances, deposits and other receivables	2,600,000	-	-	2,600,000
	78,720,197	6,990,442,843	-	7,069,163,040

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	----- As at 30 June 2020 -----		
	At fair value through profit or loss	Other financial liabilities	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	39,612,278	39,612,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	736,735	736,735
Payable against purchase of investments	-	-	-
Payable against redemption of units	-	132,732,432	132,732,432
Unclaimed dividend	-	401,733	401,733
Accrued expenses and other liabilities	-	3,453,616	3,453,616
	-	176,936,794	176,936,794

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

During the year another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

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 fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. As of 30 June 2021, the Fund is exposed to interest rate risk on its balances held with banks. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which exposes the Fund to cash flow interest rate risk. In case of 100 basis points increase in market interest rates as at 30 June 2021, with all other variables held constant, the net

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

income for the year and net assets would have been higher by Rs. 2,784,618 (2020: Rs. 740,513). In case of 100 basis points decrease in market interest rates as at 30 June 2021, with all other variables held constant, the net income for the year and net assets would have been lower by Rs. 2,784,618 (2020: Rs.740,513).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

As stated above out of the total financial assets of Rs. 10,294,829,839 (2020: Rs. 7,069,908,167), assets aggregating to Rs. 278,461,795 (2020: Rs. 74,051,293) are subject to yield / interest rate risk. These represent bank balances having effective yield of 5.5% and 7.80% (2020: 6.00% to 6.5%).

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2020 is not necessarily indicative of the impact on the Fund's net assets of the future movement in profit rates.

(ii) Foreign currency risk

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

(iii) 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 2021, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 492,026,322 (2020: Rs. 349,522,142) 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 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 Index.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year. In addition, as required by SECP, the Fund has arranged committed credit lines from a financial institution equivalent to 10% of net assets of the Fund.

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 summarises 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 2021-----					
	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	311,116,752	-	-	-	-	311,116,752
Investments	-	-	-	-	9,840,526,442	9,840,526,442
Profit receivable on bank balances	914,389	-	-	-	-	914,389
Receivable against sale of investments	98,787,808	-	-	-	-	98,787,808
Advances, deposits and other receivables	-	-	-	-	2,600,000	2,600,000
	410,818,949	-	-	-	9,843,126,442	10,253,945,391
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company	48,685,188	-	-	-	-	48,685,188
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,046,330	-	-	-	-	1,046,330
Payable against redemption of units	114,849	-	-	-	-	114,849
Unclaimed dividend	401,732	-	-	-	-	401,732
Accrued expenses and other liabilities	10,076,896	533,827	-	-	-	10,610,724
	60,324,995	533,827	-	-	-	60,858,823
Net assets / (liabilities)	350,493,953	(533,827)	-	-	9,843,126,442	10,193,086,568

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

-----As at 30 June 2020-----						
	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	75,706,293	-	-	-	-	75,706,293
Investments	-	-	-	-	6,990,442,843	6,990,442,843
Profit receivable on bank balances	413,904	-	-	-	-	413,904
Advances, deposits and other receivables	-	-	-	-	2,600,000	2,600,000
	76,120,197	-	-	-	6,993,042,843	7,069,163,040
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company	39,612,278	-	-	-	-	39,612,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	736,735	-	-	-	-	736,735
Payable against redemption of units	132,732,432	-	-	-	-	132,732,432
Unclaimed dividend	401,733	-	-	-	-	401,733
Accrued expenses and other liabilities	2,944,420	509,196	-	-	-	3,453,616
	176,427,598	509,196	-	-	-	176,936,794
Net assets / (liabilities)	(100,307,401)	(509,196)	-	-	6,993,042,843	6,892,226,246

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, 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 2021 amounts to Rs. 314,785,421 (2020: Rs. 78,720,197).

21.3.1 Credit quality of financial assets

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

Ratings of amounts placed with banks	% of financial assets exposed to credit risk	
	2021	2020
AA+	99.01	95.40
AAA	0.99	4.60
	100.00	100.00

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 is the carrying amount of the financial assets. Investments in equity securities, however, are not exposed to credit risk.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

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.

22 FAIR VALUE MEASUREMENTS

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 significantly different from book value.

22.1 Fair value hierarchy

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

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

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

23 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 a 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

24 UNIT HOLDING PATTERN OF THE FUND

Category	2021			2020		
	Number of unit holders	Amount (Rupees)	% of total	Number of unit holders	Amount (Rupees)	% of total
Individuals	518	1,105,622,063	11.21	503	578,765,269	8.46
Associated Companies / Directors	11	4,466,274,840	45.29	10	3,605,838,314	52.70
Insurance Companies	7	287,928,588	2.92	5	130,366,510	1.91
Retirement Funds	24	3,662,614,986	37.14	24	2,409,678,700	35.22
Others	6	340,029,101	3.45	6	117,020,746	1.71
	566	9,862,469,578	100.00	548	6,841,669,539	100.00

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

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Pvt.) Limited	7.77	Optimus Capital Management (Pvt.) Limited	8.39
Alfalah CLSA Securities (Private) Limited	7.46	Alfalah CLSA Securities (Private) Limited	7.71
Topline Securities Limited	6.06	Topline Securities Limited	6.59
Shajar Capital Pakistan (Pvt.) Ltd.	4.71	AKD Securities Limited	6.28
Alfa Adhi Securities (Pvt) Ltd.	4.38	Pearl Securities Limited	5.95
Adam Securities Limited	4.34	Shajar Capital Pakistan (Pvt.) Ltd.	5.35
JS Global Capital Limited	4.29	Habib Metropolitan Financial Services Limited	4.76
AKD Securities Limited	4.21	JS Global Capital Limited	4.65
Summit Capital (Private) Limited	4.05	Next Capital Limited	4.14
Next Capital Limited	3.96	Intermarket Securities Limited	4.11

26 MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	Atlas Islamic Stock Fund Atlas Islamic Fund of Funds Atlas Islamic Dedicated Stock Fund

28 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Director	Meeting held on					
	06 July 2020	10 Sep 2020	26 Oct 2020	25 Feb 2021	29 Apr 2021	25 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Frahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	L	L	P	P	P

P Present

L Leave of absence

29 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2020: AM2+ (AM Two Plus)] on 24 December 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

30 GENERAL

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

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 6 September 2021.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

توثیق

مئنجمنٹ کمپنی کے بورڈ آف ڈائریکٹران، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی قابل قدر حمایت، مدد اور رہنمائی کا شکریہ ادا کرتے ہیں۔ مئنجمنٹ کمپنی کے ملازمین اور ٹرسٹی کا ان کی لگن اور محنت کیلئے، اور مئنجمنٹ کمپنی پر پونٹ ہولڈرز کے اعتماد کا بھی بورڈ شکریہ ادا کرتا ہے۔

از طرف اور منجانب بورڈ

فراہیم علی خان
ڈائریکٹر

کراچی ۶: ستمبر، ۲۰۲۱ء

محمد عبدالصمد
چیف ایگزیکٹو آفیسر

• انویسٹمنٹ کمپنی - اکیا ون میٹنگز منعقد ہوئیں دوران سال اور شریک کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۲۱
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۴۷
۳	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر رکن آئی سی	۵۰
۴	جناب ایم عمران خان (ایگزیکٹو مینجمنٹ)	ہیڈ آف پورٹ فولیو مینجمنٹ - رکن آئی سی	۵۲
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف فکسڈ انکم - رکن آئی سی	۵۲
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف اکیویٹیز - سیکریٹری آئی سی	۵۰

تازہ ترین درجہ بندی:

اثاثہ جات نیچر کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پیکرا) نے مینجمنٹ کمپنی کی ایسٹ نیچر درجہ بندی اے ایم ۲+ (اے ایم ٹو پلس) ترتیب دی ہے۔

(۲۰۲۰ء: اے ایم ۲+ (اے ایم ٹو پلس)) تاریخ ۲۴ دسمبر ۲۰۲۰ء کو یہ درجہ بندی کمپنی کی تجربہ کار ٹیم، منظم سرمایہ کاری نظام اور ہم آہنگ معیاری نظام اور طریقہ کار کی عکاسی کرتی ہے۔

مستحکم درجہ بندی برائے اے ایم ایف

پیکرا نے مورخہ ۱۶ اپریل ۲۰۲۱ء کو استحکام فنڈ کیلئے (ڈبل اے پلس فنڈ ریٹنگ "اے اے + (ایف)" درجہ بندی تشکیل دی ہے۔ فنڈ کی یہ درجہ بندی ریٹرن میں مناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

مستحکم درجہ بندی برائے اے ایس ایف

پیکرا نے تاریخ ۱۶ اپریل ۲۰۲۱ء کو درجہ بندی برائے استحکام فنڈ تشکیل دی ہے "اے اے (ایف)" (ڈبل اے مائنس فنڈ ریٹنگ) فنڈ کی یہ درجہ بندی ریٹرن میں مناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

مستحکم درجہ بندی برائے اے آئی ایف

پیکرا نے مورخہ ۱۶ اپریل ۲۰۲۱ء کو استحکام فنڈ کیلئے (ڈبل اے مائنس فنڈ ریٹنگ "اے اے - (ایف)" درجہ بندی تشکیل دی ہے۔ فنڈ کی یہ درجہ بندی ریٹرن میں مناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

آڈیٹرز

بورڈ آف ڈائریکٹران کی آڈٹ کمپنی نے اپنی میٹنگ منعقدہ ۱ ستمبر ۲۰۲۱ء میں میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، کراچی کو اٹلس سویرن فنڈ اور اٹلس کا بطور اہل آڈیٹرز برائے اختتام سال ۳۰ جون ۲۰۲۲ء دوبارہ تقرری تجویز کیا۔ اور میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس، کراچی کو بالترتیب اٹلس مٹی مارکیٹ فنڈ، اٹلس انکم فنڈ اور اٹلس اسٹاک مارکیٹ فنڈ کیلئے دوبارہ بطور اہل آڈیٹرز مالیاتی سال ۳۰ جون ۲۰۲۲ کے لیے دوبارہ تقرری کی۔

مئنجمنٹ کمپنی اور کمیٹی کے بورڈ آف ڈائریکٹران

اس عرصے کے دوران، اے اے ایم ایل کے بورڈ آف ڈائریکٹرز میں شامل ہیں۔ جناب افتخار ایچ شیرازی، چیئر مین، مسٹر فراہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ زہرا نقوی، آزاد ڈائریکٹر اور مسٹر محمد عبدالصمد، چیف ایگزیکٹو آفیسر۔

☆ ڈائریکٹرز کی موجودہ کل تعداد درج ذیل ہیں۔

مرد: ۶

عورت: ۱

☆ بورڈ کی موجودہ تشکیل مندرجہ ذیل ہیں۔

آزاد ڈائریکٹر: ۲*

غیر ایگزیکٹو ڈائریکٹر: ۴

ایگزیکٹو ڈائریکٹر: ۱

خواتین ڈائریکٹر: ۱ (* آزاد ڈائریکٹر)

۲۰۲۱-۲۰ سالہ مالیاتی سال کے دوران چھ بورڈ میٹنگ منعقد کی گئیں اور اس میں شرکت کی گئی۔ میٹنگز کی تاریخیں اور شریک ہونے والے ڈائریکٹران کی تفصیلات، جیسا کہ این بی ایف سی کے قواعد و ضوابط ۲۰۰۸ء کے تحت درکار ہے۔ اے اے ایم ایف، اے ایس ایف، اے آئی ایف اور اے ایس ایم ایف کی مالیاتی تفصیلات کے نوٹس ۲۶، ۲۷، ۲۸ اور ۲۹ میں بالترتیب منسلک ہیں۔

بورڈ کی کمیٹیوں میں شامل ہیں آڈٹ کمیٹی، ہیومن ریسورس اینڈ ری مینوریشن کمیٹی، اور انویسٹمنٹ کمیٹی (جس میں ایگزیکٹو مئنجمنٹ کے افراد شامل ہیں جیسا کہ این بی ایف سی قواعد ۲۰۰۸ء میں درکار ہے)۔ ان میٹنگز میں ڈائریکٹران نے شرکت کی جس کی تفصیل درج ذیل ہے:

● آڈٹ کمیٹی (اے سی)۔ چار اے سی میٹنگز دوران سال منعقد کی گئیں، اور درج ذیل شرکت کی گئی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب طارق امین	آزاد ڈائریکٹر	۴
۲	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۴
۳	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۴

● ہیومن ریسورس اینڈ ری مینوریشن کمیٹی (ایچ آراینڈ آری)۔ ایک میٹنگ منعقد ہوئی دوران سال اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	محترمہ زہرا نقوی	آزاد ڈائریکٹر	۲
۲	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۲
۳	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱
۴	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۲

تقسیم آمدنی۔ اے آئی ایف نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۱ء کیلئے ۳۳.۲۵ روپے فی یونٹ (۲۰۲۰:۲۰۵۰) ۷۷ روپے فی یونٹ (پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۶.۶۵ فیصد (۲۰۲۰ء: عبوری منافع ۱۵.۵۰ فیصد)

تقسیم آمدنی۔ اے ایس ایم ایف نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۱ء کیلئے ۳۶.۰۰ روپے فی یونٹ (۲۰۲۰:۲۰۵۰) ۱۰.۵۰ روپے فی یونٹ (پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۹.۲۰ فیصد (۲۰۲۰ء: عبوری منافع ۲.۱۰ فیصد)

چیز مین کا جائزہ: اے ایم ایف، اے ایس ایف، اے آئی ایف، اور اے ایس ایم ایف کی سالانہ رپورٹ میں شامل جائزہ منجملہ طور پر اس سال کے فنڈز کی کارکردگی اور اسکے آئندہ لائحہ عمل سے متعلق ہے۔ ڈائریکٹران اس جائزے کے مندرجات کی توثیق 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 لاینفک ہے۔ جولائی ۲۰۱۲ء 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 دیب سائٹ پر دستیاب ہے۔

بورڈ کے ڈائریکٹران کی جانب سے توثیق نامہ
بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ (اے ایم ایف)، (اے ایس ایف)، (اے آئی ایف) اور (اے ایس ایم ایف) کہ:

☆ منتظم 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 فراست کا استعمال کیا جا رہا ہے۔

☆ گوشواروں کی تیاری میں وہ بین الاقوامی معیارات جو پاکستان میں لاگو ہوتے ہیں، کو مد نظر رکھا گیا ہے اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔

☆ اندرونی نظم و ضبط کا نظام مؤثر نگرانی میں مستحکم بنیادوں پر نافذ ہے۔

☆ فنڈز کے مستقبل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔

☆ مالی اعداد و شمار میں قانونی ادائیگی، ٹیکس، محصولات کا صحیح انکشاف کیا گیا ہے۔

☆ اہم مالیاتی اعداد و شمار / کارکردگی کے چارٹ، (اے ایم ایف)، (اے ایس ایف)، (اے آئی ایف)، اور (اے ایس ایم ایف) کی سالانہ رپورٹس کے صفحات ۲۲، ۶۱، ۹۷ اور ۱۳۳ 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 ایم ایف)، (اے ایس ایف)، (اے آئی ایف)، اور (اے ایس ایم ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۳، ۲۳، ۲۳ اور ۲۳ میں دیا گیا ہے۔

ڈائریکٹرز رپورٹ:

اٹلس ایسیٹ مینجمنٹ لمیٹڈ (اے اے ایم ایل) کے بورڈ آف ڈائریکٹرز، منتظم برائے اٹلس منی مارکیٹ فنڈ (اے ایم ایف)، اٹلس سودین فنڈ (اے ایس ایف)، اٹلس انکم فنڈ (اے آئی ایف) اور اٹلس اسٹاک مارکیٹ فنڈ (اے ایس ایم ایف)، مذکورہ فنڈز کی سالانہ رپورٹ، آڈٹ شدہ مالیاتی نتائج برائے اختتام سال ۳۰ جون ۲۰۲۱ء کے ہمراہ پیش کرتے ہوئے دلی مسرت محسوس کرتے ہیں۔

آمدنی فیونٹ، مجموعی اثاثہ جات اور خلاصہ فروخت / تلافی

آمدنی فیونٹ، مجموعی اثاثہ جات، اور اے ایم ایف، اے ایس ایف، اے آئی ایف، اور اے ایس ایم ایف کا خلاصہ فروخت / تلافی برائے اختتام سال ۳۰ جون ۲۰۲۱ء اور ۳۰ جون ۲۰۲۰ء درج ذیل ہے۔

تفصیلات		اے ایم ایف		اے ایس ایف		اے آئی ایف		اے ایس ایم ایف	
		۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء
آمدنی (نقصان) فیونٹ - روپے		۲۵.۰۷	۷۰.۱۷	۵.۸۱	۱۸.۹۵	۲۹.۸۳	۶۹.۸۷	۲۰۷.۰۵	۲۱.۲۳
ریٹرن (وائی ٹی ڈی)		۶.۸۶ فیصد	۱۲.۸۱ فیصد	۶.۱۶ فیصد	۱۸.۰۸ فیصد	۶.۹۹ فیصد	۱۶.۲۶ فیصد	۳۱.۸۷ فیصد	۲.۶۲ فیصد
مجموعی اثاثہ جات - ملین روپے		۲۳,۲۲۸.۸۳	۱۰,۰۳۱.۴۸	۲,۲۲۵.۳۱	۲,۰۸۳.۴۷	۲,۹۸۸.۴۳	۳,۷۱۵.۴۵	۹,۸۶۲.۴۷	۶,۸۴۱.۶۷
فروخت - ملین روپے		۳۸,۹۲۱.۳۳	۲۶,۳۶۵.۰۳	۸۱۳.۹۰	۲,۵۰۲.۳۹	۵,۰۵۵.۴۱	۲,۴۰۵.۹۷	۶,۰۲۰.۲۷	۲,۷۰۴.۲۸
فروخت - پٹش میں		۷۶,۷۷۳,۱۴۸	۵۲,۰۸۹,۲۱۵	۷,۹۰۱,۷۲۹	۲۳,۱۴۰,۰۷۷	۹,۴۱۰,۵۰۹	۳,۷۷۳,۰۷۷	۹,۰۱۰,۴۷۵	۵,۱۸۵,۹۵۷
ریڈیمشن - ملین روپے		۲۴,۷۲۲.۶۷	۲۶,۶۲۹.۰۵	۶۷۲.۸۶	۲,۷۹۰.۹۹	۳,۷۵۸.۱۲	۱,۶۶۷.۴۰	۵,۳۳۲.۲۳	۱,۰۴۷.۹۹
ریڈیمشن - پٹش میں		۲۸,۷۳۲,۶۸۷	۵۲,۵۸۶,۹۷۱	۶,۵۳۰,۶۷۶	۲۵,۴۳۰,۵۴۷	۷,۰۱۵,۹۵۰	۲,۹۴۲,۴۳۲	۷,۹۱۷,۹۸۵	۱,۹۵۴,۶۶۹
پٹش بقایا جات اختتام سال پر		۴۷,۸۹۳,۷۰۰	۱۹,۸۵۴,۲۳۹	۲۲,۰۰۶,۶۸۷	۲۰,۶۳۵,۶۳۳	۹,۵۳۶,۱۳۰	۷,۱۵۱,۵۷۱	۱۳,۳۳۳,۳۲۷	۱۳,۲۴۰,۸۳۷

اٹلس گولڈ فنڈ کی منسوخی

اے جی ایف ۳ نومبر ۲۰۲۱ء کو منسوخ کر دیا گیا اور سرمایہ داروں کو اس میں مزید سرمایہ لگانے کی پیشکش نہیں کی جاتی۔ سرمایہ داروں کو ۲۱۰.۲۹ ملین کی رقم حتمی ادائیگی کی جا چکی ہے۔ تاہم، ۳۳.۰۳ ملین روپے ٹیکس کے ریفرنڈم کلیم ہیں اور فیڈرل ایکسائز ڈیوٹی اور سندھ ورکرز ویلفیئر فنڈ کی مد میں ۱۹.۱۹ ملین روپے ہیں جسکی بہت زیادہ تھنڈا پٹش بندی کی گئی ہے۔ ایک باریہ مسائل حل ہو جائیں تو یونٹ ہولڈرز کو مزید ادائیگی کی جائے گی۔

تقسیم آمدنی - اے ایم ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایم ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۱ء کیلئے ۳۲.۹۹ روپے فیونٹ (۲۰۲۰: ۵۹.۰۰ روپے فیونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰ روپے فیونٹ کی اصل قیمت پر ۶.۶۰ فیصد (۲۰۲۰: عبوری منافع ۱۱.۸۰ فیصد)

تقسیم آمدن - اے ایس ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایس ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۱ء کیلئے ۶.۰۴ روپے فیونٹ (۲۰۲۰: ۱۷.۵۰ روپے فیونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۱۰ روپے فیونٹ کی اصل قیمت پر ۶.۰۴ فیصد (۲۰۲۰: عبوری منافع ۱۷.۵۰ فیصد)



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