



**Atlas Money Market Fund**

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**Atlas Liquid Fund**

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**Atlas Sovereign Fund**

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**Atlas Income Fund**

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**Atlas Stock Market Fund**

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**ANNUAL REPORT**

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**30 June 2022**

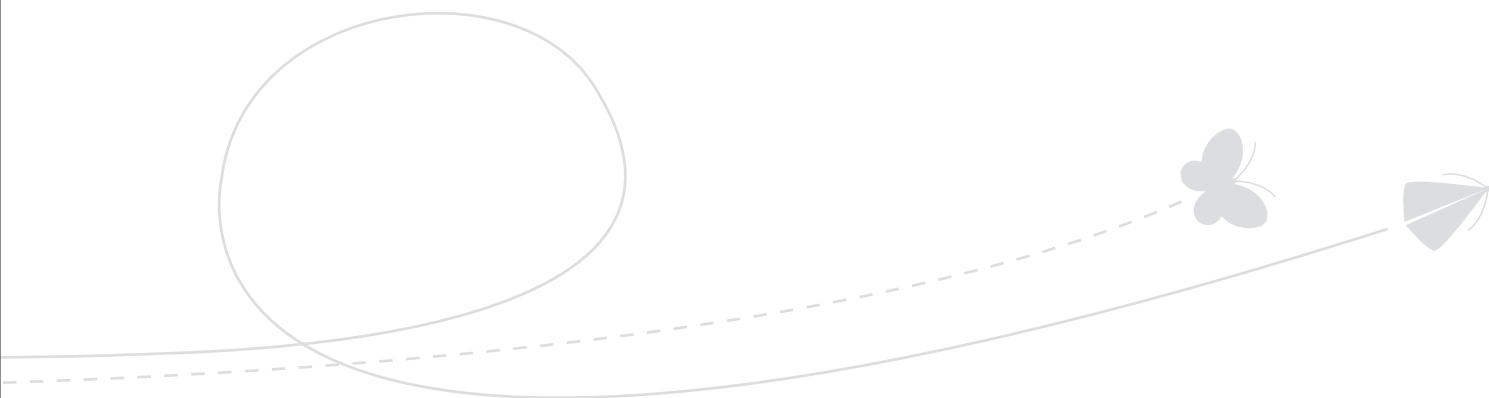
**Atlas  
funds**  
*Nurturing your investments*



Managed By

**Atlas Asset Management**

Rated AM2+ by PACRA  
(as of December 24, 2021)



# 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.

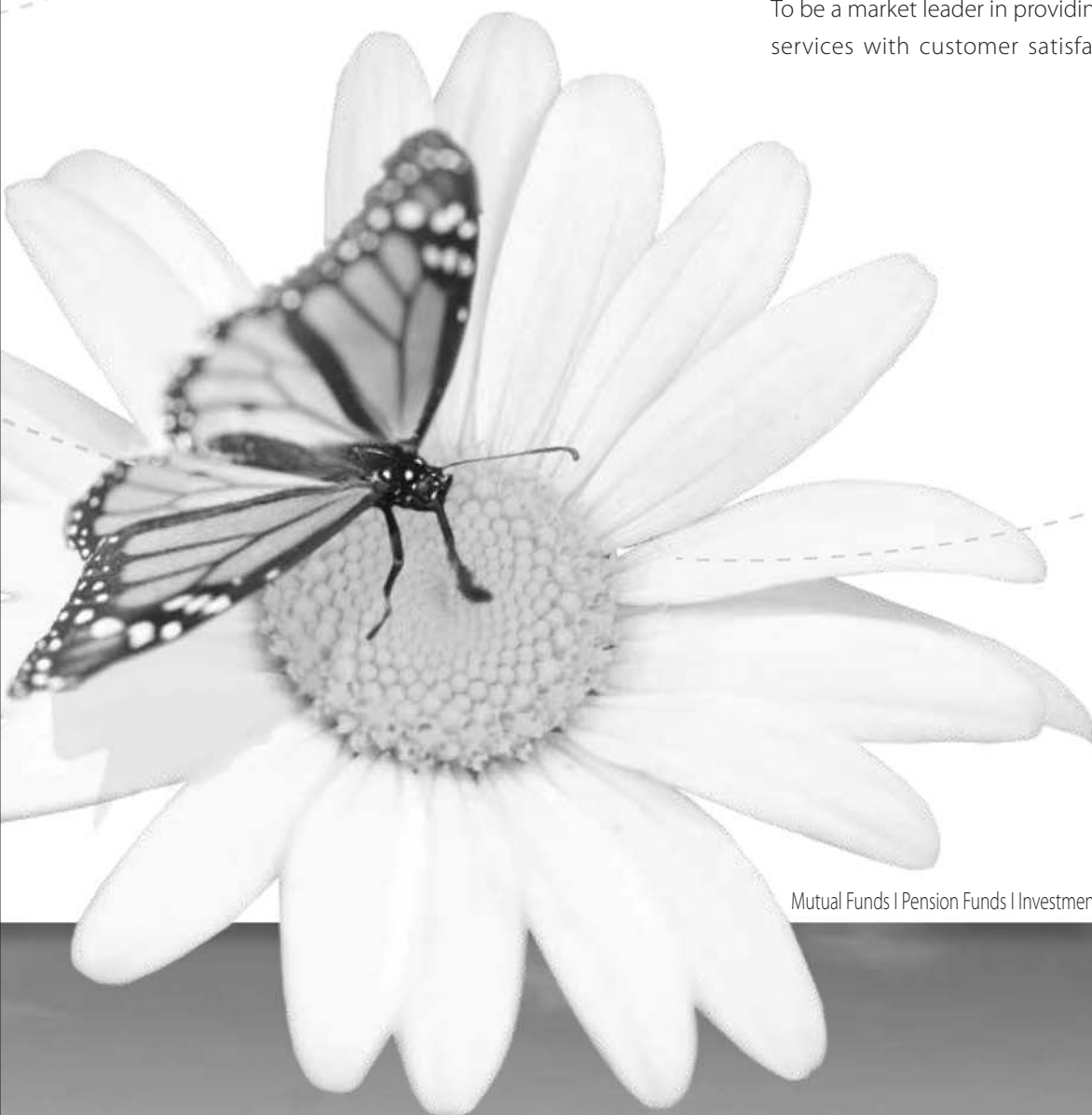
AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

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



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# Organisation

## Management Company

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Atlas Asset Management Limited

## Board of Directors of the Management Company

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<b>Chairman</b>	Mr. Iftikhar H. Shirazi (Non-Executive Director)
<b>Directors</b>	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)
<b>Chief Executive Officer</b>	Mr. Muhammad Abdul Samad (Executive Director)
<b>Company Secretary</b>	Ms Zainab Kazim

## Board Committees

### Audit Committee

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

### Human Resource & Remuneration Committee

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

## Investment Committee

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

## Management Committee

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

## Risk Management Committee

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<b>Chairman</b>	Mr. Muhammad Abdul Samad
<b>Members</b>	Mr. Khalid Mahmood
<b>Secretary</b>	Mr. Shaikh Owais Ahmed

## Chief Financial Officer

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Ms Qurrat-ul-Ain Jafari

## Chief Internal Auditor

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Mr. M. Uzair Uddin Siddiqui

## Registered Office

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Ground Floor, Federation House Sharae Firdousi,  
Clifton, Karachi - 75600  
Tel: (92-21) 111-MUTUAL (6-888-25)  
(92-21) 35379501-04  
Fax: (92-21) 35379280  
Email: info@atlasfunds.com.pk  
Website: www.atlasfunds.com.pk

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## Board of Directors of the Management Company

### Mr. Iftikhar H. Shirazi

Chairman

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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 31 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, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and Karachi Chamber of Commerce & Industry (KCCI). He is also serving on the Board of Governors of the Forman Christian College, Ghulam Ishaq Institute of Engineering Science and Technology and British Overseas School Association. He was also a member of the Aga Khan Resource Development Committee and FPCCI Executive Committee. 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 (formerly College of Notre Dame), USA.

### Mr. Fahim Ali Khan

Director

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Mr. Fahim Ali Khan is a Law graduate from Karachi University. He has also attended General Management Program at Harvard University, USA, Financial Management Program at Stanford University, USA and Board of Director's Program at Insead University, France.

He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently his other directorships include Atlas Insurance Limited, Atlas Engineering (Private) Limited, Atlas Power Limited, Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Energy (Private) Limited, Atlas Autos (Private) Limited, Atlas Metal (Private) Limited, Zehrf Pakistan New Energy Company Limited and Atlas Foundation.

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

### Mr. M. Habib-ur-Rahman

Director

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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

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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.

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## Board of Directors of the Management Company

### Mr. Ali H. Shirazi

Director

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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 Group Director Financial Services and President / Chief Executive of Atlas Battery Limited. He is on the Board of Atlas Asset Management Limited, Atlas Insurance Limited, National Management Foundation (sponsoring body of LUMS), National Foods Limited, Cherat Packaging Limited, Pakistan Cables Limited and Pakistan Society for Training and Development (President). 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

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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

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Mr. Muhammad Abdul Samad has over two decades 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. He also served as a Director on the Board of Mutual Funds Association of Pakistan (MUFAP) and currently, he is serving as Chairman of its Taxation Committee. He is also an Independent Director on the Board of Institute of Financial Markets of Pakistan (IFMP).



Give your  
**SAVINGS** the  
**ATLAS ASSET**  
**BENEFIT!**

Growth | Returns | Tax Savings

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# Chairman's Review

It is my pleasure to present you the Annual Reports of Atlas Money Market Fund (AMF), Atlas Liquid Fund (ALF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the financial year ended June 30, 2022.

## THE ECONOMY

The economic growth witnessed a strong rebound in FY22 accelerating by 5.97% as local consumption started to pick up sharply due to softening of covid led economic restrictions. In the latter half of FY22, the growth in demand coincided with global supply disruptions stemming from Russia-Ukraine conflict and covid induced lockdowns of key Chinese sea ports that escalated international commodity prices leading to unprecedented rise in domestic inflation and current account deficit. During FY22, current account deficit increased many folds to US \$17.41 billion compared to US \$2.82 billion in FY21, largely on the back of 55.70% increase in FY22 trade deficit. The Import bill for FY22 increased significantly by 42.21% to US \$80.18 billion due to high food/energy related international commodity prices. Exports for FY22 increased by 25.64% to stand at US \$31.79 billion, respectively. Worker's Remittances of US \$31.24 billion were recorded in FY22 that increased 6.1% YoY, compared to US \$29.45 billion in FY21.

The domestic headline inflation averaged at 12.15% in FY22 compared to 8.90% in FY21. Headline inflation increased significantly for month of June 2022, rising to 14-year high of 21.3% due to removal of domestic energy subsidies, rising commodity prices and depreciation of PKR as central banks around the world resorted to aggressive monetary tightening to curtail demand and external imbalances. As a result of inflated import bill, the total liquid foreign exchange reserves declined by 36.32% YoY to US \$15.54 billion as of June 30, 2022 (SBP's share stood at US \$9.82 billion) on the back deficit payments. Meanwhile, the FBR tax collection grew strongly by 29.10% during FY22 to stand at Rs. 6,126 billion due to high custom duties from imports as well as wider tax base. In order to moderate demand, curtail inflation and reduce external/currency risks, State Bank of Pakistan (SBP) cumulatively increased policy rate by 800 bps from 7.0% in FY21 to currently 15.0%. The timely policy measures by SBP, in concert with fiscal measures taken by government in FY23 budget have resulted in achieving a staff level agreement with the IMF that will likely reinforce economic stability amid a challenging global environment.

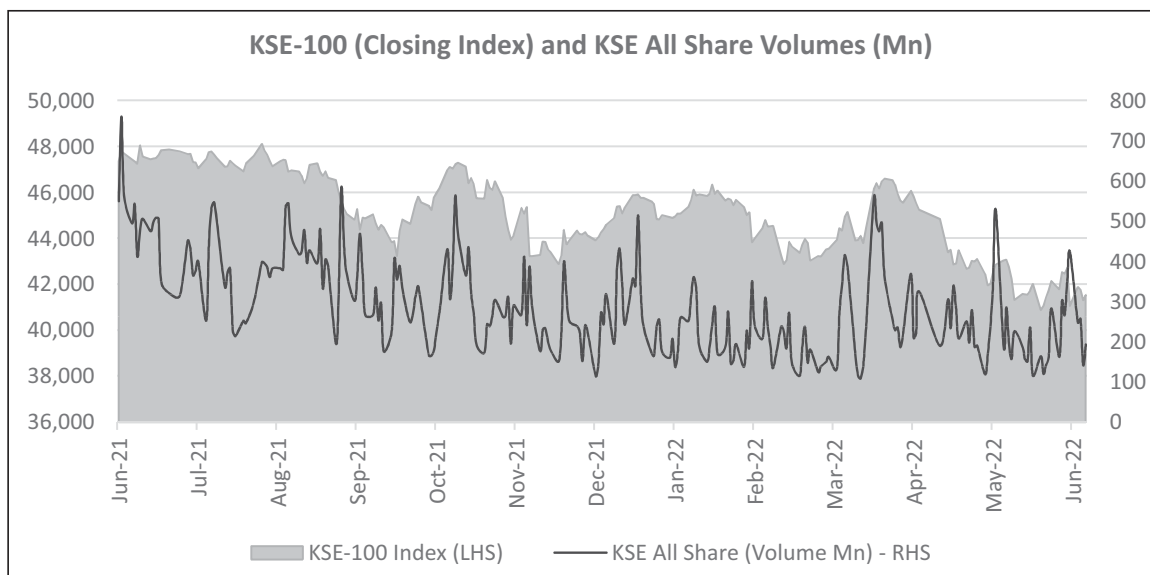
## THE MONEY MARKET

The Monetary Policy Committee of SBP has increased policy rate by 800 bps to 15.0% with the objective of moderating demand to a sustainable pace and reduce external pressures. The Consumer Price Index (CPI) Inflation averaged at 12.15% during FY22 compared to 8.90% in FY21. The increase in FY22 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants' regarding the impact of ongoing commodity super cycle on domestic inflation. Going forward, the impact of international commodity prices on domestic inflation will remain major determinant towards any change in monetary policy stance.

The growth in money supply (M2) witnessed an increase of 10.42% during FY22 that is Rs. 2,533 billion against an expansion of 16.21% (Rs. 3,390 billion) in FY21. Net Foreign Assets (NFA) decreased by Rs. 1,442 billion during FY22 compared to an increase of Rs. 1,241 billion in FY21. Net Domestic Asset (NDA) of banking system declined by Rs. 3,975 billion during FY22 against an increase of Rs. 2,149 billion during FY21.

## THE STOCK MARKET

The KSE-100 index declined 12.28% from 47,356.02 points as on June 30, 2021, to 41,540.83 points as on June 30, 2022. The daily average volume during FY22 declined by 44.70% to 292 million shares compared to daily average of 528 million shares traded in FY21. Net outflow of US \$298 was recorded by Foreign Portfolio Investors during FY22 compared to net outflow of US \$387 million in FY21. On local investors' front, Individuals, Banks, Companies and Other Organizations were net buyers of US \$157 million, US \$115 million, US \$111 million, and US \$60 million. Mutual Funds, Broker Proprietary Trading and Insurance Companies remained net sellers of US \$128 million, US \$20 million, and US \$1 million, respectively.



During FY22, new listings on the stock exchange were Citi Pharma Limited, Pakistan Aluminum Beverage Cans Limited, Airlink Communication Limited, Octopus Digital Limited, and Adamjee Life Assurance Company Limited. The amounts raised through IPO by these companies were Rs. 2,326 million, Rs. 4,600 million, Rs. 6,435 million, Rs. 1,110 million and Rs. 700 million, respectively. Whereas, during FY21, 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 these companies were Rs. 800 million, Rs. 802 million, Rs. 3,840 million, Rs. 2,632 million and Rs. 2,175 million, respectively.

The outlay of Budget FY23 stood at Rs. 9.5 trillion (up 12% compared to FY22 Budget). The government's FY23 budget aims at restricting fiscal slippage by increasing overall revenue collection and reducing subsidies for the resumption of IMF program. The government targets a sharp reduction in fiscal deficit from an expected 7.1% of GDP in FY22 to 4.9% of GDP in FY23 on the back of increasing FBR tax collection by 17% along with 52% increase in non-tax revenues. Achieving revenue targets is entrusted with expanding the tax base, streamlining collection process, formalizing the economy, revising tax rate of targeted sectors, and imposing super tax on high earning companies.

## MUTUAL FUND INDUSTRY

The assets under management (AUMs) for the mutual funds industry increased by 18.79% to Rs. 1,255.70 billion as of June 30, 2022, from Rs. 1,057.09 billion as of June 30, 2021. In FY22, Money Market funds (both Conventional and Shariah Compliant) dominated in terms of AUMs representing 53.48% of total mutual fund industry AUMs (Rs. 671.53 billion) followed by Income funds (both Conventional and Shariah Compliant) representing 24.00% of total mutual fund industry AUMs (Rs. 301.42 billion) and Equity Funds representing 14.32% of total mutual fund industry AUMs (Rs. 179.81 billion). The AUM of VPS increased by 7.32% from Rs. 38.12 billion as on June 30, 2021, to Rs. 40.92 billion as on June 30, 2022. The share of Shariah Compliant VPS stood at Rs. 26.76 billion or 65.41% 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

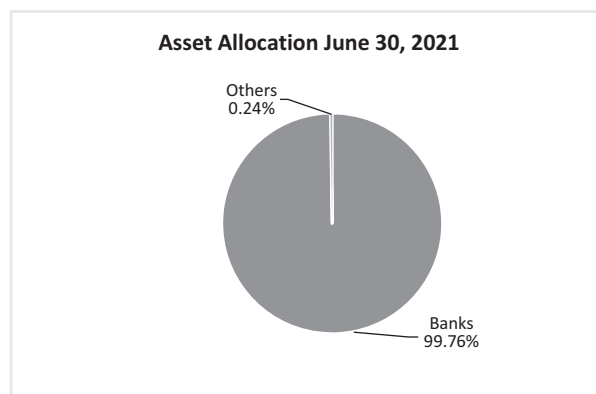
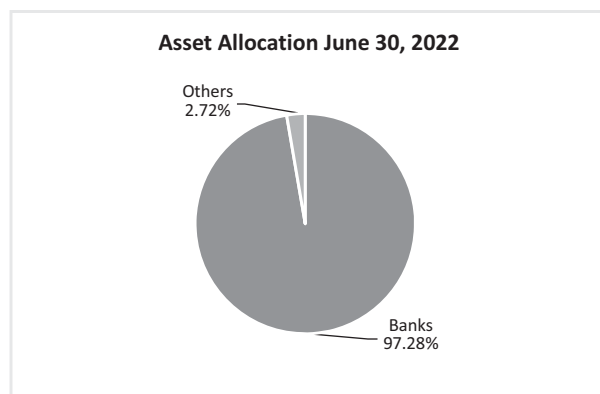
mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation 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.

## FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 10.64% to Rs. 507.51 as on June 30, 2022. 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 9.30%. The AMF total exposure in Bank Balances and Others stood at 97.28% and 2.72%, 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. 18.30 billion, with 36.06 million units outstanding as of June 30, 2022.



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 49.80 per unit for the period ended June 30, 2022 (9.96% on the face value of Rs. 500 per unit).

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AMF amounting to Rs. 91.87 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AMF by 0.39%. This is one-off event and is not likely to be repeated in the future. The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 up till June 30, 2022 (Rs. 0.57 per unit).

## FUND OPERATIONS - ALF

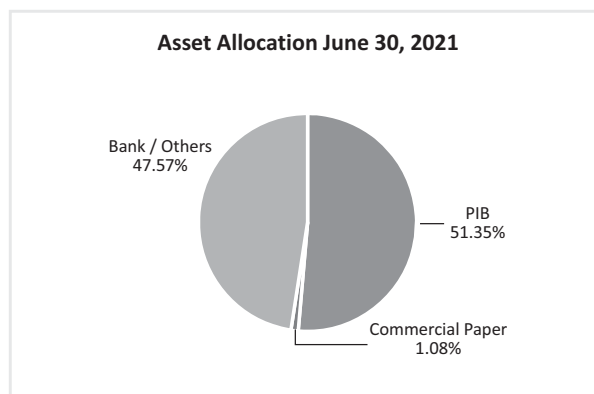
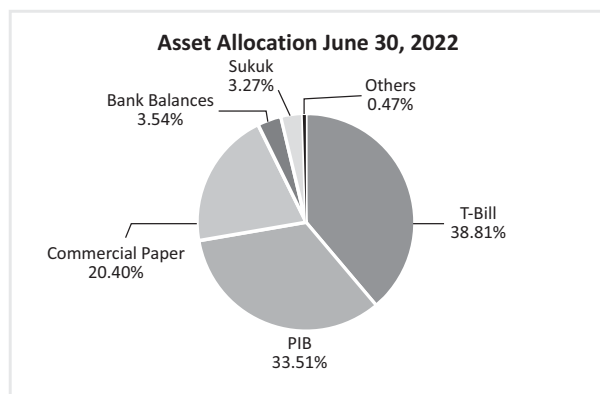
The Atlas Liquid Fund was launched on November 23, 2021, via initial offer at Rs. 500 per unit. The ALF provided 11.36% annualized return as on June 30, 2022. The ALF total exposure in Bank Balances, Sukuks and Others are 90.97%, 8.70% and 0.33%, respectively. ALF presents a good investment opportunity for investors to earn attractive returns (with a periodic payout) while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 3.44 billion, with 6.88 million units outstanding as of June 30, 2022.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Liquid Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 32.90 per unit for the period ended June 30, 2022 (6.58% on the face value of Rs. 500 per unit).



## FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 7.30% to Rs. 101.26 as on June 30, 2022. The benchmark average six months PKRV rate stood at 10.69% during the period under review. The ASF total exposure in Treasury Bills, Pakistan Investment Bonds, Commercial Paper, Bank Balances, Sukuks and Others stood at 38.81%, 33.51%, 20.40%, 3.54%, 3.27% and 0.47%, 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. 1.21 billion, with 11.99 million units outstanding as of June 30, 2022.

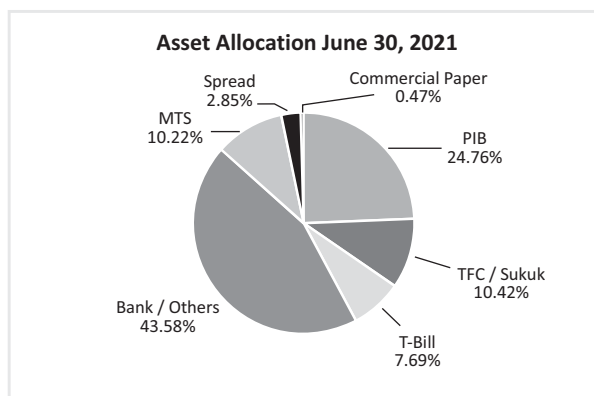
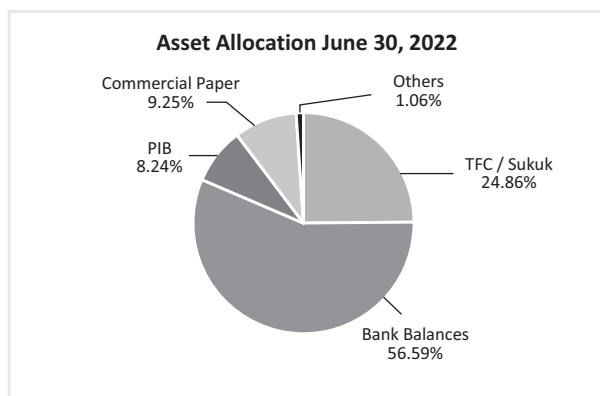


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 7.24 per unit for the period ended June 30, 2022 (7.24% on the face value of Rs. 100 per unit).

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASF amounting to Rs. 12.57 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASF by 0.50%. This is one-off event and is not likely to be repeated in the future. The Scheme has also held provision for FED liability that amounted to Rs. 905,341 up till June 30, 2022 (Rs. 0.08 per unit).

## FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 8.43% to Rs. 523.46 as on June 30, 2022. The benchmark average six months KIBOR rate stood at 10.87% during the period under review. AIF total exposure in Bank Balances, Term Finance Certificates/Sukuk, Commercial Papers, Pakistan Investment Bonds and Others stood at 56.59%, 24.86%, 9.25%, 8.24% and 1.06% 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. 2.67 billion with 5.09 million units outstanding as of June 30, 2022.

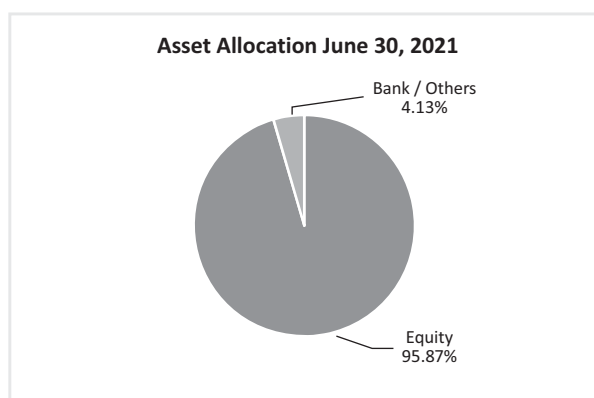
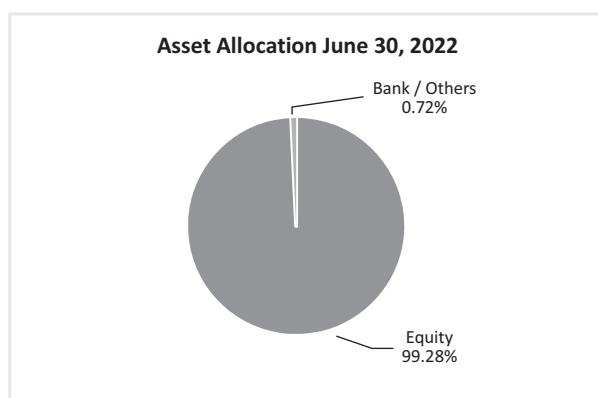


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 43.10 per unit for the period ended June 30, 2022 (8.62% on the face value of Rs. 500 per unit).

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AIF amounting to Rs. 44.64 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIF by 0.81%. This is one-off event and is not likely to be repeated in the future. The Scheme has held provision for FED liability that amounted to Rs. 23,582,971 up till June 30, 2022 (Rs. 4.63 per unit).

## FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 13.73% to Rs. 593.60 as on June 30, 2022. KSE-100 index declined 12.28% from 47,356.02 points as on June 30, 2021, to 41,540.83 points as on June 30, 2022. The ASMF equity portfolio exposure stood at 99.28% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Fertilizer and Cement 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. 9.08 billion, with 15.29 million units outstanding as of Jun 30, 2022.



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 Nil profit distribution.

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASMF amounting to Rs. 105.14 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASMF by 1.03%. This is one-off event and is not likely to be repeated in the future. The Scheme has held provision for FED liability that amounted to Rs. 20,301,987 up till June 30, 2022 (Rs. 1.33 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 - ALF

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

### • Fund Stability Rating - 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.



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- **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 FY23, growth is expected to moderate in the range of 3% to 4% (as per SBP), on the back of monetary tightening and fiscal consolidation that will assist in reducing demand-side pressures on inflation. However, downside risks to growth may stem from further escalation in global commodity prices emanating from supply side disruptions. The SBP expects inflation to likely remain elevated during FY23 in range of 18% to 20% before falling sharply in range of 5% to 7% by the end of FY24, driven by tight policies, normalization of global commodity prices, and beneficial base effects. Imports are expected to reduce on the back of moderation in demand whereby market-based flexible exchange rate system and strong inflows from Worker's Remittances will likely contain the Current Account Deficit around 3.0% of GDP in FY23. The recent staff level agreement with IMF is expected to catalyze important funding from external sources that will suffice Pakistan's external financing needs, build reserves, and curtail pressures on PKR. Going forward, government's focus towards averting fiscal slippage, provision of targeted assistance to vulnerable segment of society, measures to conserve energy, and policies to reinforce import substitution shall be instrumental in achieving economic and financial stability.

بے محنت پھیم کوئی جو ہر نہیں کھلتا

Determination and Hard Work are the key to Success.

#### **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: 8 September 2022

**Iftikhar H. Shirazi**  
Chairman

## DIRECTORS' REPORT

The Board of Directors of Atlas Asset Management Limited (AAML), the Management Company of Atlas Money Market Fund (AMF), Atlas Liquid Fund (ALF), 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, ALF, ASF, AIF and ASMF for the year ended 30 June 2022.

### EARNINGS PER UNIT, NET ASSETS AND SALES/REDEMPTIONS SUMMARY

Earnings per unit, net assets, and summary of sales / redemption of units of AMF, ALF, ASF, AIF and ASMF for the year ended 30 June 2022 and 30 June, 2021 are as follows:

	AMF		ALF	ASF		AIF		ASMF	
	2022	2021	2022	2022	2021	2022	2021	2022	2021
Earnings/(loss) per unit - Rupees	54.15	25.07	22.62	11.74	5.81	70.40	29.83	(94.84)	207.05
Return (YTD) %	10.64%	6.86%	11.36%	7.30%	6.16%	8.43%	6.99%	-13.73%	41.87%
Net assets - Rupees million	18,300.89	24,228.83	3,441.11	1,214.24	2,225.31	2,665.84	4,988.43	9,076.52	9,862.47
Sales - Rupees million	37,255.33	38,921.33	5,189.31	771.33	813.90	3,327.68	5,055.41	2,824.07	6,020.27
Sales - in units	73,120,932	76,773,148	10,378,616	7,438,717	7,901,729	6,149,124	9,410,509	4,245,038	9,010,475
Redemptions - Rupees million	43,252.60	24,722.67	1,748.20	1,840.38	672.86	5,798.82	3,758.12	2,159.80	5,332.24
Redemptions - in units	84,955,273	48,732,687	3,496,405	17,454,104	6,530,676	10,602,560	7,015,950	3,287,728	7,917,985
Units outstanding at year end	36,060,359	47,894,700	6,882,212	11,991,300	22,006,687	5,092,694	9,546,130	15,290,637	14,333,327

### 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.

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AGF amounting to Rs.668,356 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. Since Atlas Gold Fund is a revoked Fund, therefore the said provision of Rs.668,356/- has been paid along with post revocation profit of Rs.719,612/- up till September 30, 2021 to the unit holder.

However, there is a claim for refund of tax amounting to Rs.0.33 million and also there is provision in the books for Federal Excise Duty amounting to Rs.1.32 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. 49.80 per unit (2021: Rs.32.99 per unit) for the FY 2021-22. The total payout for the year works out to 9.96% (2021: 6.60%) on the face value of Rs.500 per unit.

### INCOME DISTRIBUTION - ALF

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Liquid Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 32.90 per unit for the period ended June 30, 2022 (6.58% 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,

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approved an interim distribution of Rs. 7.24 per unit (2021: Rs. 6.04 per unit) for the FY 2021-22. The total payout for the year works out to 7.24% (2021: 6.04%) 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. 43.10 per unit (2021: Rs. 33.25 per unit) for the FY 2021-22. The total payout for the year works out to 8.62% (2021: 6.65%) 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. Nil per unit (2021: 46.00) for the FY 2021-22. The total payout for the year works out to 0% (2021: 9.20%) on the face value of Rs.500 per unit. Nil distribution was due to losses on account of the decrease in KSE 100-Index that stood at 47,356.02 points at June 30, 2021 and at 41,540.83 points as on June 30, 2022 reflecting a decrease of 12.28% during the year under review.

#### **CHAIRMAN'S REVIEW**

The review included in the Annual Report of AMF, ALF, 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, ALF, 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, ALF, ASF, AIF and ASMF are annexed on pages 23,61, 94, 129 and 176 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 23, 24, 24, 26, 23 respectively, to the financial statements of AMF, ALF, 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. Ifthikhar 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 2021-22. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 27, 28, 28, 30 and 27 respectively to the financial statements of AMF, ALF, 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	2
3	Mr. M. Abdul Samad	Chief Executive Officer	2

- **Investment Committee** - fifty one 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	16
2	Mr. M. Abdul Samad	Chief Executive Officer	43
3	Mr. Khalid Mahmood (executive management)	Chief Investment Officer Member IC	48
4	Mr. M. Umar Khan (executive management)	Head of Portfolio Management Member IC	45
5	Mr. Fawad Javaid (executive management)	Head of Fixed Income Member IC	51
6	Mr. Faran-ul-Haq (executive management)	Head of Equities Secretary IC	51

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## **RATINGS UPDATE**

### **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2021: AM2+ (AM Two Plus)] on 24th December 2021. 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 18 April 2022. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

### **FUND STABILITY RATING - ALF**

PACRA has assigned a stability rating of "AA (f)" (Double A fund rating) to the Fund on 29 June 2022. 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 15 April 2022. 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 15 April 2022. 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 06, 2022, recommended the re-appointment and appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, being eligible, as auditors of Atlas Sovereign Fund, Atlas Income Fund and Atlas Stock Market Fund, for the financial year ending 30 June 2023 respectively, and the re-appointment of M/s. EY Ford Rhodes, Chartered Accountants, Karachi, being eligible, as auditors of the Atlas Money Market Fund and Atlas Liquid Fund, for the financial year ending 30 June 2023.

## **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: 8 September 2022

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# Atlas Money Market Fund

## Corporate Information

### Trustee

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

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

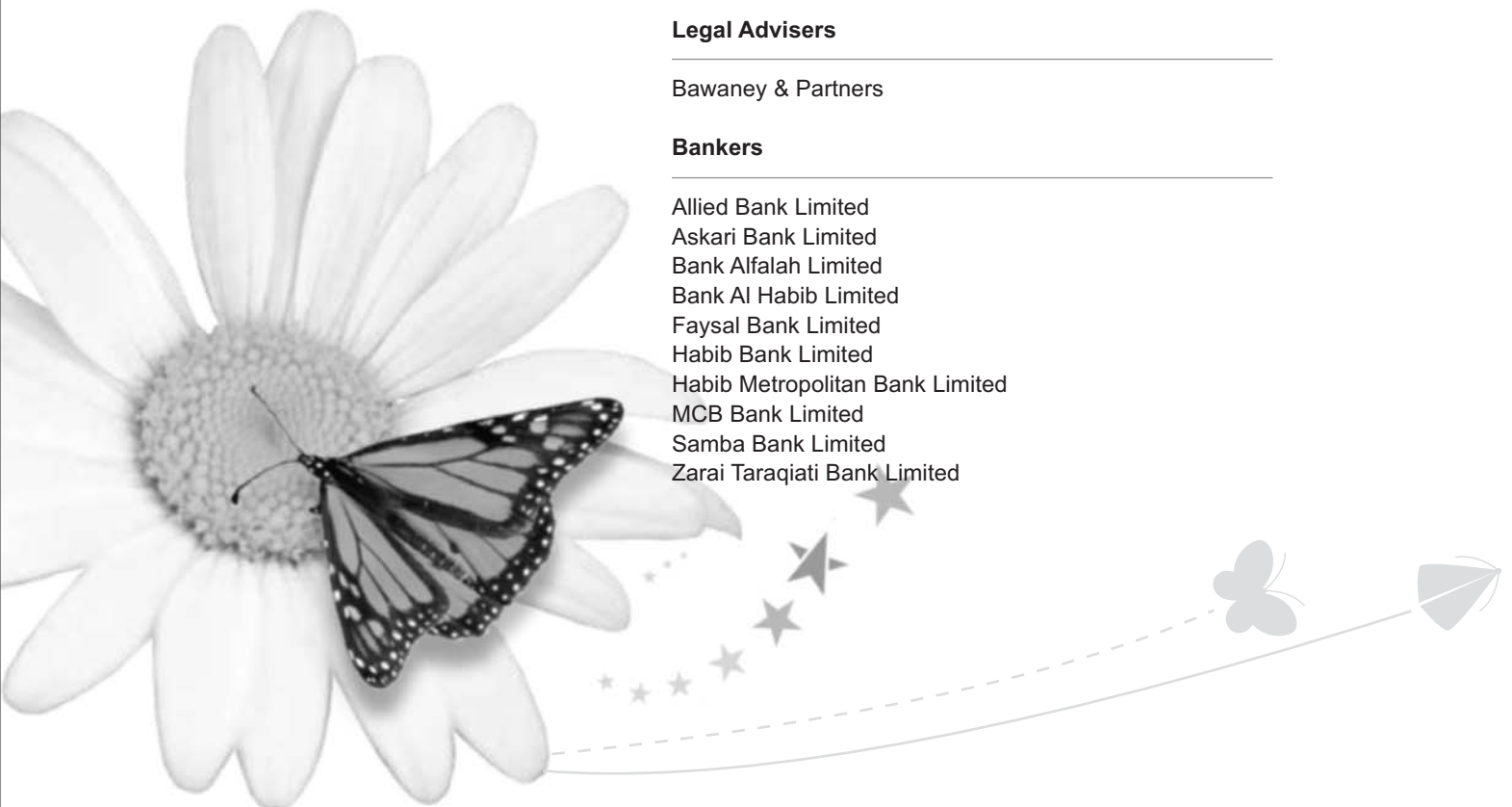
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Bawaney & Partners

### Bankers

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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



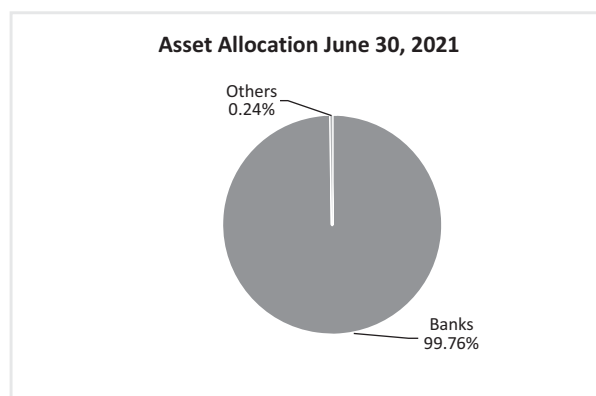
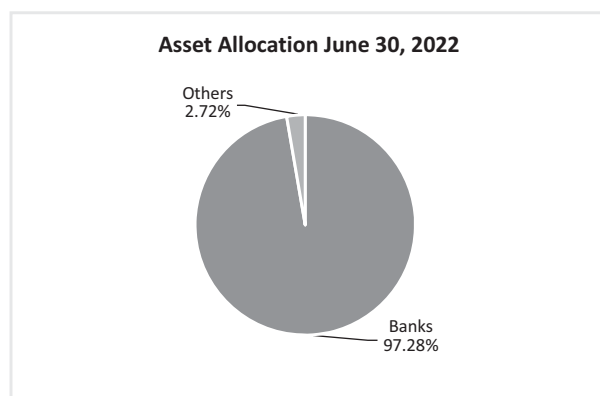
## Fund Manager's Report

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 Monetary Policy Committee of SBP has increased policy rate by 800 bps to 15.0% with the objective of moderating demand to a sustainable pace and reduce external pressures. The Consumer Price Index (CPI) Inflation averaged at 12.15% during FY22 compared to 8.90% in FY21. The increase in FY22 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants' regarding the impact of ongoing commodity super cycle on domestic inflation. Going forward, the impact of international commodity prices on domestic inflation will remain major determinant towards any change in monetary policy stance.

The Net Asset Value per unit of Atlas Money Market Fund increased by 10.64% to Rs. 507.51 as on June 30, 2022. 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 9.30%. The AMF total exposure in Bank Balances and Others stood at 97.28% and 2.72%, 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. 18.30 billion, with 36.06 million units outstanding as of June 30, 2022.



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 49.80 per unit for the period ended June 30, 2022 (9.96% 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	1173	2,489,111,437	13.60%
Associated Companies / Directors	15	8,836,486,738	48.28%
Insurance Companies	1	3,163,114	0.02%
Banks / DFIs	1	1,165,891,447	6.37%
Retirement Funds	33	982,328,027	5.37%
Others	45	4,823,907,772	26.36%
<b>Total</b>	<b>1268</b>	<b>18,300,888,535</b>	<b>100.00%</b>

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During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AMF amounting to Rs. 91.87 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AMF by 0.39%. This is one-off event and is not likely to be repeated in the future. The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 up till June 30, 2022 (Rs. 0.57 per unit).

The Total Expense Ratio (TER) of the Fund is 0.25% including Government levy and SECP Fee of 0.05%.

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

Karachi: 8 September 2022

**Fawad Javaid**  
Head of Fixed Income



## PERFORMANCE SINCE INCEPTION

	2022	2021	2020	2019	2018	2017
Net assets (Rs. in '000)	18,300,889	24,228,825	10,031,480	10,239,504	13,160,883	4,629,482
Number of units in issue	36,060,359	47,894,699	19,854,239	20,351,995	24,859,132	9,224,702
Net asset value per unit (Rs.)	507.51	505.88	505.26	503.12	529.42	501.86
Net income (Rs. in '000)	1,952,799	1,200,552	1,393,183	1,225,892	549,628	77,403
Earnings per unit (Rs.)	54.15	25.07	70.17	60.23	22.11	8.39
Annual return of the Fund (%)	10.64	6.86	12.81	8.87	5.49	6.14
Offer price ** (Rs.)	507.51	505.88	505.26	503.12	529.42	501.86
Redemption price ** (Rs.)	507.51	505.88	505.26	503.12	529.42	501.86
Highest offer price (Rs.)	513.74	508.90	509.79	523.51	529.33	530.81
Lowest offer price (Rs.)	506.04	505.36	503.31	502.60	502.63	501.18
Highest repurchase price per unit (Rs.)	513.74	508.90	509.79	523.51	529.33	530.81
Lowest repurchase price per unit (Rs.)	506.04	505.36	503.31	502.60	502.63	501.18
Weighted average portfolio (No. of days)	0.97	38.69	26.80	1.00	1.01	0.97

	2016	2015	2014	2013	2012	2011	2010*
Net assets (Rs. in '000)	3,269,852	3,699,654	6,049,597	3,821,637	4,532,025	3,316,616	1,410,417
Number of units in issue	6,525,388	7,345,095	12,038,054	7,607,048	9,015,663	6,415,479	2,746,118
Net asset value per unit (Rs.)	501.10	503.69	502.54	502.38	502.68	516.97	513.60
Net income (Rs. in '000)	56,325	97,766	496,778	348,581	467,312	283,224	62,542
Earnings per unit (Rs.)	8.63	13.31	41.27	45.82	51.83	44.15	22.77
Annual return of the Fund (%)	6.02	8.59	8.29	9.02	11.33	11.64	10.16
Offer price ** (Rs.)	501.10	503.69	502.54	502.19	502.54	516.97	513.60
Redemption price ** (Rs.)	501.10	503.69	502.54	502.19	502.54	516.97	513.60
Highest offer price (Rs.)	533.67	544.97	506.35	508.59	508.12	517.25	513.60
Lowest offer price (Rs.)	500.76	503.60	501.14	502.07	502.27	501.41	502.07
Highest repurchase price per unit (Rs.)	533.67	544.97	506.35	508.59	508.12	517.25	513.60
Lowest repurchase price per unit (Rs.)	500.76	503.60	501.14	502.07	502.27	501.41	502.07
Weighted average portfolio (No. of days)	9.30	6.95	47.49	44.61	55.12	78.82	50.81

\* Date of Launch: 20 January 2010

\*\*Relates to announced prices

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

## DISTRIBUTION HISTORY

Distribution detail	2022	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	2.85	2.10	4.25	20.00	-	30.00	33.00	42.00
First Interim distribution as a % of Ex-NAV of units	0.56	0.42	0.84	3.98	-	5.99	6.55	8.36
Date of distribution	30-Jul-21	24-Jul-20	26-Jul-19	18-Jan-19	-	20-Jun-17	24-Jun-16	29-Jun-15
Second Interim distribution cash dividend (Rs.)	4.85	2.50	4.85	4.50	-	-	-	-
Second Interim distribution as a % of Ex-NAV of units	0.96	0.49	0.96	0.90	-	-	-	-
Date of distribution	27-Aug-21	28-Aug-20	23-Aug-19	15-Feb-19	-	-	-	-
Third Interim distribution cash dividend (Rs.)	2.75	2.60	4.90	3.75	-	-	-	-
Third Interim distribution as a % of Ex-NAV of units	0.54	0.51	0.97	0.75	-	-	-	-
Date of distribution	24-Sep-21	25-Sep-20	20-Sep-19	15-Mar-19	-	-	-	-
Fourth Interim distribution cash dividend (Rs.)	2.95	2.60	6.30	3.90	-	-	-	-
Fourth Interim distribution as a % of Ex-NAV of units	0.58	0.51	1.25	0.78	-	-	-	-
Date of distribution	22-Oct-21	23-Oct-20	25-Oct-19	15-Apr-19	-	-	-	-
Fifth Interim distribution cash dividend (Rs.)	2.95	3.10	4.80	4.25	-	-	-	-
Fifth Interim distribution as a % of Ex-NAV of units	0.58	0.61	0.95	0.85	-	-	-	-
Date of distribution	19-Nov-21	27-Nov-20	22-Nov-19	15-May-19	-	-	-	-
Sixth Interim distribution cash dividend (Rs.)	4.50	2.50	6.20	6.15	-	-	-	-
Sixth Interim distribution as a % of Ex-NAV of units	0.89	0.49	1.23	1.22	-	-	-	-
Date of distribution	24-Dec-21	24-Dec-20	27-Dec-19	27-Jun-19	-	-	-	-
Seventh Interim distribution cash dividend (Rs.)	4.00	3.40	5.00	-	-	-	-	-
Seventh Interim distribution as a % of Ex-NAV of units	0.79	0.67	0.99	-	-	-	-	-
Date of distribution	21-Jan-22	29-Jan-21	24-Jan-20	-	-	-	-	-
Eighth Interim distribution cash dividend (Rs.)	3.20	2.50	4.75	-	-	-	-	-
Eighth Interim distribution as a % of Ex-NAV of units	0.63	0.49	0.94	-	-	-	-	-
Date of distribution	18-Feb-22	26-Feb-21	21-Feb-20	-	-	-	-	-
Ninth Interim distribution cash dividend (Rs.)	4.75	2.65	6.40	-	-	-	-	-
Ninth Interim distribution as a % of Ex-NAV of units	0.94	0.52	1.27	-	-	-	-	-
Date of distribution	25-Mar-22	26-Mar-21	27-Mar-20	-	-	-	-	-
Tenth Interim distribution cash dividend (Rs.)	4.35	2.70	5.00	-	-	-	-	-
Tenth Interim distribution as a % of Ex-NAV of units	0.86	0.53	0.99	-	-	-	-	-
Date of distribution	22-Apr-22	23-Apr-21	24-Apr-20	-	-	-	-	-
Eleventh Interim distribution cash dividend (Rs.)	4.85	2.70	2.60	-	-	-	-	-
Eleventh Interim distribution as a % of Ex-NAV of units	0.96	0.53	0.52	-	-	-	-	-
Date of distribution	20-May-22	21-May-21	29-May-20	-	-	-	-	-
Twelveth Interim distribution cash dividend (Rs.)	7.80	3.64	3.95	-	-	-	-	-
Twelveth Interim distribution as a % of Ex-NAV of units	1.54	0.72	0.79	-	-	-	-	-
Date of distribution	24-Jun-22	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%

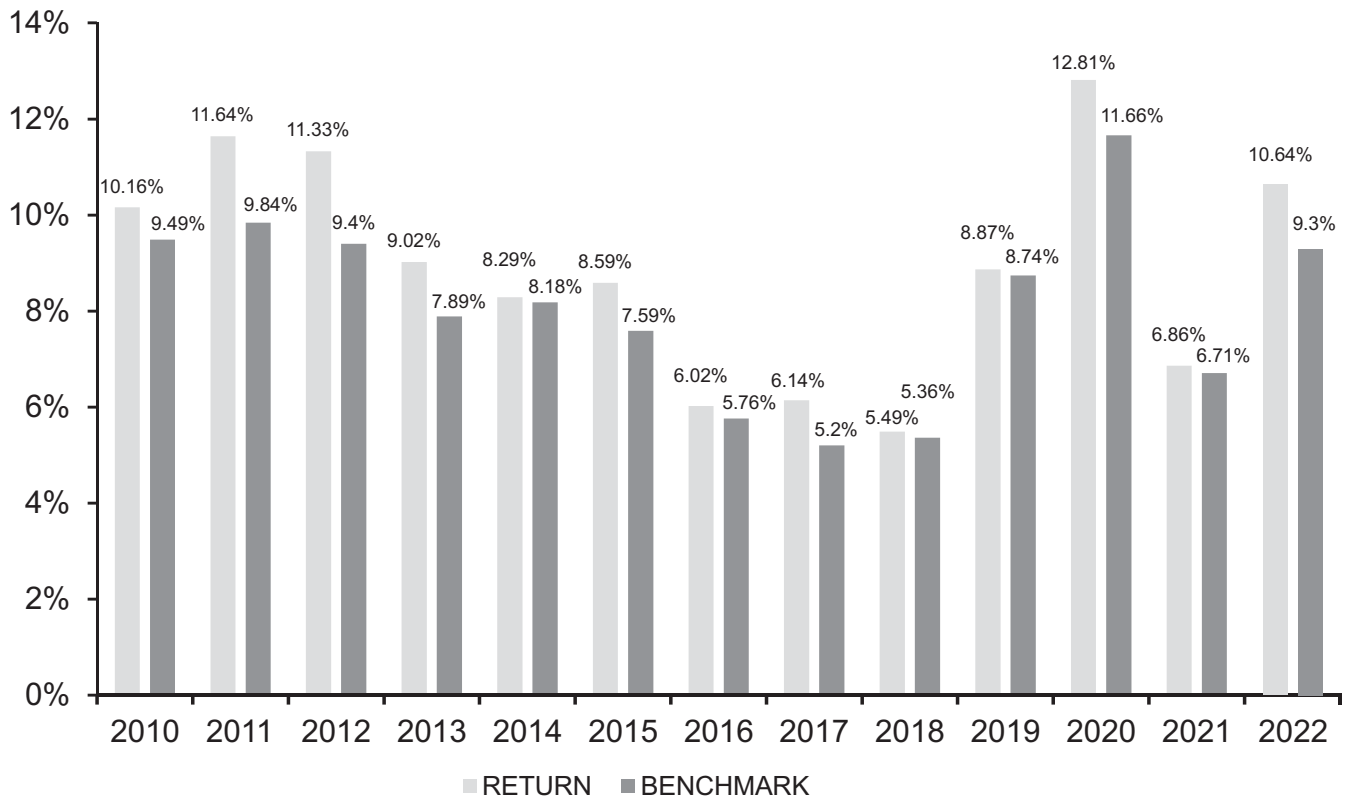
Quarterly Distribution	2011	2010*
First quarter Interim distribution (Bonus)	11.50	11.00
First quarter Interim distribution as a % of opening Ex-NAV of units	2.30%	2.20%
Date of distribution - Interim	12 October 2010	6 April 2010
Second quarter Interim distribution (Bonus)	13.75	-
Second quarter Interim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

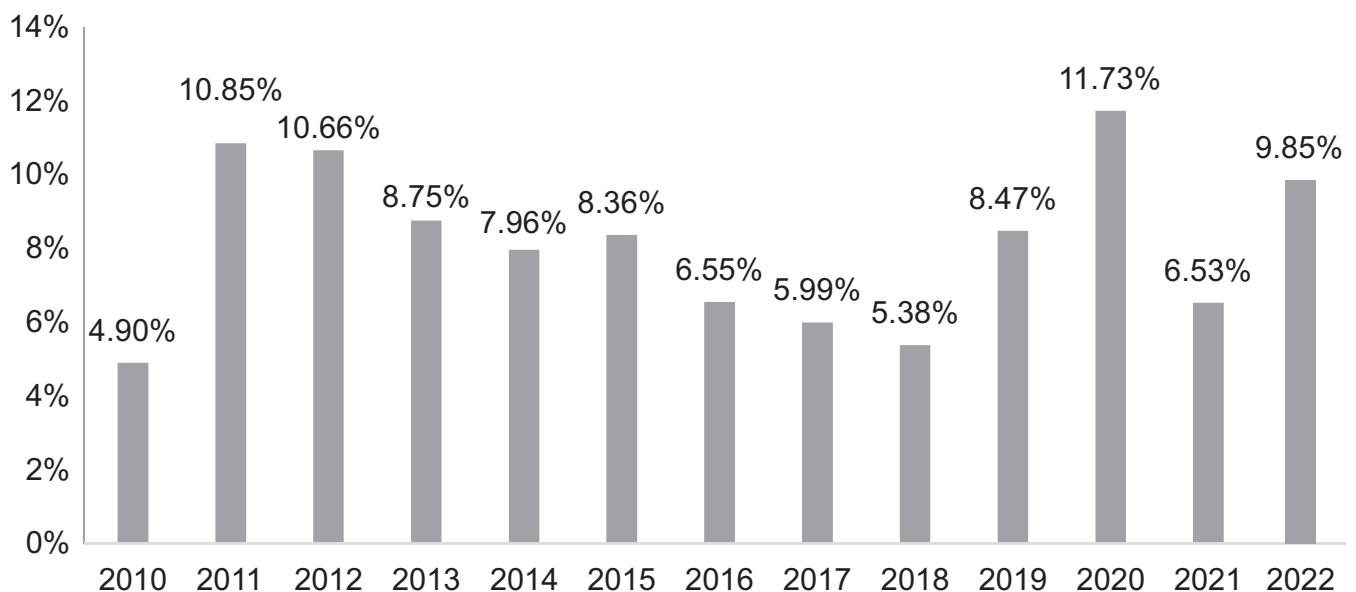
\* Date of Launch: 20 January 2010.

**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)



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# 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, 2022 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: 28 September 2022

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

# INDEPENDENT AUDITORS' 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 2022, 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 2022, 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
<b>Investments in debt instruments</b>	
<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 100% 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"><li>• 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.</li><li>• 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.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We performed verification of acquisition and disposal of investments on sample basis.</li> <li>• 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.</li> <li>• 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.</li> </ul>

### 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 Arslan Khalid.

Karachi: 15 September 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**



# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2022

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Assets</b>			
Bank balances	4	18,330,696,373	24,359,094,276
Investments	5	-	-
Profit receivable on bank balances		36,346,038	54,608,057
Other receivables	6	10,199,092	3,685,722
<b>Total assets</b>		<b>18,377,241,503</b>	<b>24,417,388,055</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	26,703,267	30,378,679
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	866,807	1,443,603
Payable to the Securities and Exchange Commission of Pakistan	9	3,934,148	3,602,024
Payable against redemption of units		127,557	31,822,945
Accrued expenses and other liabilities	10	44,721,189	121,315,452
<b>Total liabilities</b>		<b>76,352,968</b>	<b>188,562,703</b>
<b>NET ASSETS</b>		<b>18,300,888,535</b>	<b>24,228,825,352</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>18,300,888,535</b>	<b>24,228,825,352</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>36,060,359</b>	<b>47,894,700</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>507.5071</b>	<b>505.8769</b>

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 2022

		2022	2021
	Note	Rupees	
<b>Income</b>			
Profit on bank balances	4.1	1,041,260,094	470,330,802
Interest on letter of placements		122,792,740	21,420,549
Income from government securities		717,309,652	817,600,676
Gain on sale of Government securities - Market Treasury Bills	5.1	28,749,793	8,412,358
<b>Total income</b>		<b>1,910,112,279</b>	<b>1,317,764,385</b>
<b>Expenses</b>			
Remuneration of the Management Company	7.1	26,702,763	51,941,616
Sindh Sales Tax on remuneration of the Management Company	7.2	3,471,359	6,752,410
Remuneration of the Trustee	8.1	11,423,085	11,706,580
Sindh Sales Tax on remuneration of the Trustee	8.2	1,485,001	1,521,855
Annual fees to the Securities and Exchange Commission of Pakistan	9.1	3,934,173	3,602,024
Accounting and operational charges	13	-	15,459,790
Auditors' remuneration	14	729,540	619,920
Annual rating fee		573,039	521,150
Annual listing fee		27,500	30,138
Transaction charges	11	366,291	185,906
Printing charges		59,874	125,914
Legal and professional charges		306,279	136,560
Bank charges		109,260	107,254
(Reversal) / provision for Sindh Workers' Welfare Fund	10.1	(91,874,642)	24,501,065
<b>Total expenses</b>		<b>(42,686,478)</b>	<b>117,212,182</b>
<b>Net income for the year before taxation</b>		<b>1,952,798,757</b>	<b>1,200,552,203</b>
<b>Taxation</b>	16	-	-
<b>Net income for the year after taxation</b>		<b>1,952,798,757</b>	<b>1,200,552,203</b>
<b>Allocation of net income for the year:</b>			
- Net income for the period after taxation		1,952,798,757	1,200,552,203
- Income already paid on units redeemed		(274,823,089)	(92,386,001)
		<b>1,677,975,668</b>	<b>1,108,166,202</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		24,704,697	8,412,358
- Excluding capital gains		1,653,270,971	1,099,753,844
		<b>1,677,975,668</b>	<b>1,108,166,202</b>

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 2022

	2022	2021
	----- Rupees -----	
<b>Net income for the year after taxation</b>	<b>1,952,798,757</b>	<b>1,200,552,203</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,952,798,757</b>	<b>1,200,552,203</b>

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 2022

	30 June 2022			30 June 2021		
	Capital Value	Undistributed income	Net Assets	Capital Value	Undistributed income	Net Assets
	Rupees			Rupees		
Capital value	24,121,020,637	107,804,715	24,228,825,352	9,951,851,809	79,628,406	10,031,480,215
<b>Net assets at the beginning of the year (Units outstanding: 47,894,700) (Rs. 505.8769 per unit)</b>	<b>24,121,020,637</b>	<b>107,804,715</b>	<b>24,228,825,352</b>	<b>9,951,851,809</b>	<b>79,628,406</b>	<b>10,031,480,215</b>
Issue of 73,120,932 units (2021: 76,773,148)						
- Capital value (at net asset value per unit at the beginning of the year)	36,990,189,427	-	36,990,189,427	38,790,078,478	-	38,790,078,478
- Element of income	265,139,654	-	265,139,654	131,248,057	-	131,248,057
Total proceeds on issuance of units	37,255,329,081	-	37,255,329,081	38,921,326,535	-	38,921,326,535
Redemption of 84,955,273 (2021: 48,732,687) units						
- Capital value (at net asset value per unit at the beginning of the year)	(42,976,910,096)	-	(42,976,910,096)	(24,622,472,947)	-	(24,622,472,947)
Element of income	(862,118)	(274,823,089)	(275,685,207)	(7,807,125)	(92,386,001)	(100,193,126)
Total payments on redemption of units	(42,977,772,214)	(274,823,089)	(43,252,595,303)	(24,630,280,072)	(92,386,001)	(24,722,666,073)
Total comprehensive income for the year	-	1,952,798,757	1,952,798,757	-	1,200,552,203	1,200,552,203
Refund of capital	(226,658,921)	-	(226,658,921)	(121,877,635)	-	(121,877,635)
First interim distribution of Rs. 2.85 per unit declared on 30 July 2021 (2021: Rs. 2.10 per unit declared on 24 July 2020)	-	(117,249,323)	(117,249,323)	-	(49,826,182)	(49,826,182)
Second interim distribution of Rs. 4.85 per unit declared on 27 August 2021 (2021: Rs. 2.50 per unit declared on 28 August 2020)	-	(218,841,445)	(218,841,445)	-	(73,589,308)	(73,589,308)
Third interim distribution of Rs. 2.75 per unit declared on 24 September 2021 (2021: Rs. 2.60 per unit declared on 25 September 2020)	-	(127,890,778)	(127,890,778)	-	(85,292,026)	(85,292,026)
Fourth interim distribution of Rs. 2.95 per unit declared on 22 October 2021 (2021: Rs. 2.60 per unit declared on 23 October 2020)	-	(128,784,806)	(128,784,806)	-	(82,163,479)	(82,163,479)
Fifth interim distribution of Rs. 2.95 per unit declared on 19 November 2021 (2021: Rs. 3.10 per unit declared on 27 November 2020)	-	(98,110,626)	(98,110,626)	-	(98,682,874)	(98,682,874)
Sixth interim distribution of Rs. 4.50 per unit declared on 24 December 2021 (2021: Rs. 2.50 per unit declared on 24 December 2020)	-	(138,944,296)	(138,944,296)	-	(79,162,120)	(79,162,120)
Seventh interim distribution of Rs. 4.00 per unit declared on 21 January 2022 (2021: Rs. 3.40 per unit declared on 29 January 2021)	-	(174,476,395)	(174,476,395)	-	(98,252,235)	(98,252,235)
Eighth interim distribution of Rs. 3.20 per unit declared on 18 February 2022 (2021: Rs. 2.50 per unit declared on 26 February 2021)	-	(80,791,837)	(80,791,837)	-	(85,897,723)	(85,897,723)
Ninth interim distribution of Rs. 4.75 per unit declared on 25 March 2022 (2021: Rs. 2.65 per unit declared on 26 March 2021)	-	(121,208,659)	(121,208,659)	-	(93,521,054)	(93,521,054)
Tenth interim distribution of Rs. 4.35 per unit declared on 21 April 2022 (2021: Rs. 2.70 per unit declared on 23 April 2021)	-	(97,974,034)	(97,974,034)	-	(79,540,223)	(79,540,223)
Eleventh interim distribution of Rs. 4.85 declared on 20 May, 2022 (2021: Rs. 2.70 declared on 21 May, 2021)	-	(127,506,115)	(127,506,114)	-	(93,830,643)	(93,830,643)
Twelfth interim distribution of Rs. 7.80 per unit declared on 24 June 2022 (2021: Rs. 3.64 per unit declared on 25 June 2021)	-	(225,032,114)	(225,032,115)	-	(160,232,026)	(160,232,026)
<b>Net assets at end of the year (Units outstanding: 36,060,359) (Rs. 507.5071 per unit)</b>	<b>18,171,918,583</b>	<b>128,969,955</b>	<b>18,300,888,535</b>	<b>24,121,020,637</b>	<b>107,804,715</b>	<b>24,228,825,352</b>
<b>Undistributed income brought forward</b>						
- Realised income		107,804,715			79,628,406	
<b>Accounting income available for distribution:</b>						
- Relating to capital gains		24,704,697			8,412,358	
- Excluding capital gains		1,653,270,971			1,099,753,844	
Cash Dividend		(1,656,810,428)			(1,079,989,893)	
<b>Undistributed income carried forward</b>						
- Realised income		128,969,955			107,804,715	
- Unrealised income		-			-	
		<b>128,969,955</b>			<b>107,804,715</b>	

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 2022

	2022	2021
Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year after taxation	1,952,798,757	1,200,552,203
<b>Adjustments for:</b>		
Profit on bank balances	(1,041,260,094)	(470,330,802)
Income from government securities	(717,309,652)	(817,600,676)
Interest on letter of placements	(122,792,740)	(21,420,549)
Capital gain on sale of investments - net	(28,749,793)	(8,412,358)
(Reversal) / provision for Sindh Workers' Welfare Fund	(91,874,642)	24,501,065
	<b>(2,001,986,921)</b>	<b>(1,293,263,320)</b>
<b>(Increase) in assets</b>		
Other receivables	(6,513,370)	(1,803)
<b>Increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(3,675,412)	1,933,692
Payable to the Central Depository Company of Pakistan Limited - Trustee	(576,796)	807,644
Payable to the Securities and Exchange Commission of Pakistan	332,124	1,306,347
Unclaimed dividend	-	(25,152)
Accrued expenses and other liabilities	15,280,379	14,640,448
	<b>11,360,295</b>	<b>18,662,979</b>
Interest received	1,182,314,850	438,516,334
Investments made during the year	(257,792,455,000)	(149,742,375,000)
Investments sold / matured during the year	258,538,514,445	153,185,955,442
	<b>1,928,374,295</b>	<b>3,882,096,776</b>
<b>Net cash generated from operating activities</b>	<b>1,884,033,056</b>	<b>3,808,046,835</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	37,255,329,081	38,921,326,535
Payments against redemption of units	(43,284,290,691)	(24,690,859,559)
Refund of capital	(226,658,921)	(121,877,635)
Cash Dividend	(1,656,810,428)	(1,079,989,893)
<b>Net cash (used in) / generated from financing activities</b>	<b>(7,912,430,959)</b>	<b>13,028,599,448</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(6,028,397,903)</b>	<b>16,836,646,283</b>
Cash and cash equivalents at the beginning of the year	24,359,094,276	7,522,447,993
4	<b>18,330,696,373</b>	<b>24,359,094,276</b>

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 and Offering Document has been revised various times during 2015 to 2022 with its last amendment in 26 July 2021 and 6 June 2022, respectively. Further the Trust Deed has been registered under the Sindh Trust Act as disclosed in note 1.5. 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 the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 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 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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, 2021 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	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

## 2.4 Critical accounting estimates and judgments

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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 6.1 and 7.3 respectively.

### 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except certain investments are required to be 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:

- 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.



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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 assets to identify whether they meet the SPPI criteria.

'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 minimize 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 FVTPL.

### **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**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

#### **Debt instruments at FVOCI**

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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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. The Fund has not used this classification for its investment portfolio.

### **Financial liabilities**

#### **Financial liabilities measured at amortised cost**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### **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) Regular way contracts**

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

#### **g) Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### h) 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.

### i) Determination of fair value

The fair value of financial assets are determined as follows:

#### i) Debt securities (other than Government securities)

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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### ii) Debt securities (Government securities)

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

#### iii) Equity securities

The equity securities are valued on the basis of closing quoted market prices available at the 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 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.5 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.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

### 3.6 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.

### 3.7 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.

### 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Mark up 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.

### 3.9 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.

### 3.10 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 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 the year end.

## 3.12 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.

		2022	2021
	Note	Rupees	
<b>4 BANK BALANCES</b>			
In local currency			
Profit and loss sharing account	4.1	17,877,118,873	24,356,653,257
Cheques in hand	4.2	453,577,500	2,441,019
		<b>18,330,696,373</b>	<b>24,359,094,276</b>

4.1 The rate of return on these accounts during the year ranges between 5.5% to 16.45% (30 June 2021: 5.5% to 7.95%) per annum. The profit rates effective at the year end on these accounts ranges between 12.25% to 16.45% (30 June 2021: 7.75% and 7.95%) 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 07 July 2022 (30 June 2021: 10 July 2021).

		2022	2021
	Note	Rupees	
<b>5 INVESTMENTS</b>			
At fair value through profit or loss			
Investments in government securities			
- Market Treasury Bills	5.1	-	-

## 5.1 Government Securities - Market Treasury Bills

Particulars	Face value				Amortised cost as at 30 June 2022	Market value as at 30 June 2022	Market value as a percentage of	
	As at 01 July 2021	Purchased during the year	Sold / matured during the year	As at 30 June 2022			total investment	net assets
							(Rupees)	(Percentage)
3 Months	-	127,698,645,000	127,698,645,000	-	-	-	-	-
6 Months	-	128,093,810,000	128,093,810,000	-	-	-	-	-
12 Months	-	2,000,000,000	2,000,000,000	-	-	-	-	-
<b>30 June 2022</b>	<b>-</b>	<b>257,792,455,000</b>	<b>257,792,455,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
30 June 2021					-	-	-	-

5.1.1 During the year, the gain on sale of these securities amounted to Rs. 28,749,793. (2021: 8,412,358)

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	Rupees	Rupees
<b>6 OTHER RECEIVABLES</b>			
Tax recoverable	6.1	10,199,092	3,685,722

- 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 withholders. The tax withheld as at June 30, 2022 amounts to Rs. 10.207 million (2021: Rs 3.686 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, 2022 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 2022 would have been lower by Rs. 0.28 per unit (30 June 2021: Rs. 0.08 per unit).

		2022	2021
	Note	Rupees	Rupees
<b>7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (Related party)</b>			
Remuneration of the Management Company	7.1	2,789,208	4,913,531
Sindh Sales Tax on remuneration of the Management Company	7.2	3,485,557	3,758,922
Federal Excise Duty on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable	13	-	1,277,724
		<b>26,703,267</b>	<b>30,378,679</b>

- 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 0.1% per annum of the average net assets from 01 July 2021 to 30 November 2021, 0.16% from 01 December 2021 to 30 April 2022 and 0.20% from 01 May 2022 to 30 June 2022 (2021: 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). The fee is payable to the Management Company monthly in arrears.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7.2 Sindh Sales Tax has been charged at 13% (30 June 2021:13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 3,471,359 (2021: Rs. 6,752,410). Furthermore, an amount of Rs. 3,744,724 (2021: Rs 6,507,608) 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 2021: 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 2022 would have been higher by Rs. 0.57 (30 June 2021: Rs. 0.43) per unit.

		2022	2021
8	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	Rupees
	Remuneration of the Trustee	8.1	767,067
	Sindh Sales Tax on remuneration of the Trustee	8.2	99,740
			<b>866,807</b>
			<b>1,277,526</b>
			<b>166,077</b>
			<b>1,443,603</b>

8.1 The trustee is entitled to monthly remuneration for services rendered to the fund at a rate of 0.065% from 01 July 2021 to 30 September 2021 and 0.055% from 01 October 2021 to 30 June 2022 per annum (2021: 0.065% per annum) of Net Assets.

8.2 Sindh Sales Tax has been charged at 13% (30 June 2021:13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 1,485,001 (2021: Rs 1,521,855) charged during the year. Furthermore, an amount of Rs. 1,551,338 (2021: Rs 1,428,941) was paid to the Trustee which acts as a collecting agent.

		2022	2021
9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	Rupees
	Annual fee payable	9.1	3,934,148
			<b>3,602,024</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

- 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.

		2022	2021
10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Rupees	
Auditors' remuneration payable		453,087	491,697
Annual listing fee payable		-	59,929
Withholding tax payable		32,701,985	23,790,606
Capital gain tax payable		1,986,523	2,610,406
Provision for Sindh Workers' Welfare Fund	10.1	-	91,874,642
Zakat payable		1,065,797	12,533
Dividend payable		8,508,091	2,475,639
Transaction charges payable		5,706	-
		<b>44,721,189</b>	<b>121,315,452</b>

- 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.

During the year ended June 30, 2022, 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.

## 11 TRANSACTION CHARGES

This represents brokerage, federal excise duty and settlement charges.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2022 (30 June 2021 Nil).

## 13 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.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The Management Company did not charge accounting and operational expense during the year (2021: 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).

	2022	2021
	----- Rupees -----	
<b>14 AUDITORS' REMUNERATION</b>		
Annual audit fee	383,500	383,500
Half yearly review of condensed interim financial information	191,500	191,500
Other Certifications	60,500	60,500
Out of pocket expenses	40,000	40,000
Sindh Sales Tax on services	54,040	54,040
Prior year adjustment	-	(109,620)
	<b>729,540</b>	<b>619,920</b>

### 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 0.25% (2021: 0.65%) which includes 0.05% (2021: 0.20%) 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% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

### 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders. Due to loss, distribution is not required during the year ended 30 June 2022, accordingly, no provision for taxation has been made in these financial statements during the year.

### 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 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.

**18.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**18.4** 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:

	2022	2021
	----- Rupees -----	
<b>Atlas Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	26,702,763	51,941,616
Remuneration paid	28,827,086	50,058,522
Sindh Sales Tax on remuneration of the Management Company	3,471,359	6,752,410
Accounting and operational charges	-	15,459,790
Issue of 304,458 (2021: 520,914) units	155,022,813	263,873,618
Redemption of 540,332 (2021: 419,220) units	274,870,564	212,500,000
Dividend declared	1,133,141	7,540,598
Outstanding 42,082 (2021: 277,956) units - at net asset value	21,357,005	140,611,520
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	11,423,085	11,706,580
Sindh Sales Tax on remuneration of the Trustee	1,485,001	1,521,855
Remuneration paid	11,933,544	10,991,850
<b>Atlas Foundation (Group Company)</b>		
Issue of 7,437 (2021: 53,439) units	3,765,449	27,037,804
Dividend declared	4,826,658	7,744,770
Redemption of 144,508 (2021: 125,309) units	73,500,000	63,500,000
Outstanding 50,872 (2021: 187,943) units - at net asset value	25,818,048	95,076,605
<b>Atlas Battery Limited</b>		
Issue of 854 (2021: 1,009,197) units	432,324	510,688,710
Redemption of 854 (2021: 1,009,197) units	434,569	511,616,721
Dividend declared	4,836	11,648,152
<b>Atlas Fund of Funds (Fund under common management)</b>		
Issue of Nil (2021: 526,300) units	-	266,330,000
Redemption of Nil (2021: 526,300) units	-	267,414,658
<b>Atlas Group of Companies, M.S.G.Fund</b>		
Issue of 492,923 (2021: 210,718) units	250,421,095	106,763,179
Redemption of 744,808 (2021: 57,296) units	377,964,236	29,000,000
Dividend declared	2,921,372	7,218,946
Outstanding 19,010 (2021: 117,461) units - at net asset value	9,647,680	137,039,523
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 9,375,449 (2021: 9,968,810) units	4,772,934,316	5,052,336,640
Redemption of 9,163,496 (2021: 2,572,997) units	4,659,000,000	800,000,000
Dividend declared	651,368,380	279,396,384
Outstanding 11,704,099 (2021: 11,492,146) units - at net asset value	5,939,913,337	5,813,611,193

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- Rupees -----	
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of Nil (2021: 261,289) units	-	132,371,693
Dividend declared	-	2,374,310
Redemption of Nil 2021:479,618) units	-	242,710,940
<b>Atlas Engineering Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of Nil (2021:113) units	-	56,894
Redemption of Nil (2021:5,876) units	-	2,982,267
Dividend declared	-	56,894
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 10,162 (2021:8,486 ) units	5,145,562	4,288,293
Redemption of 9,868 (2021:59,218 ) units	5,000,000	30,000,000
Dividend declared	5,145,562	4,288,293
Outstanding 106,803 (2021:106,509) units - at net asset value	54,203,032	53,880,443
<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 32,868 (2021: 1,015) units	16,726,328	512,813
Redemption of Nil (2021: 1,972) units	-	1,000,000
Dividend declared	1,226,328	512,813
Outstanding 48,969 (2021: 16,101) units - at net asset value	24,852,110	8,145,124
<b>Batools Benefit Trust</b>		
Issue of 47,908 (2021: 85,336) units	24,387,719	43,261,820
Redemption of 61,361 (2021: 27,561) units	31,200,000	13,971,961
Dividend declared	5,188,065	3,667,468
Outstanding 99,620 (2021: 113,073) units - at net asset value	50,557,807	57,201,019
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 28,855 (2021: 6,957) units	14,667,495	3,523,419
Redemption of 7,254 (2021: 44,187) units	3,700,000	22,380,261
Dividend declared	367,495	515,248
Outstanding 21,600 (2021: Nil) units - at net asset value	10,962,407	-
<b>Shirazi Investments (Private) Limited</b>		
Issue of 19,463 (2021:Nil) units	9,859,087	-
Redemption of 1,068,585 (2021: 394,861) units	542,363,330	200,000,000
Dividend declared	9,601,668	40,691,399
Outstanding Nil (2021: 1,049,122) units - at net asset value	-	530,726,585

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- Rupees -----	
<b>Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 10,157 (2021: 9,935) units	5,154,077	5,021,222
Redemption of 1,953 (2021: 9,935) units	1,000,000	5,045,592
Dividend declared	154,076	23,405
Outstanding 8,204 (2021: 1,049,122) units - at net asset value	4,163,558	-
<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
Issue of 4 (2021:3) units	2,016	1,475
Dividend declared	3,389	1,799
Redemption of Nil (2021:3) units	-	-
Outstanding 60 (2021:56) units - at net asset value	30,450	28,329
<b>Atlas Autos Limited</b>		
Issue of 1,820,587 (2021:1,263,209) units	925,738,391	641,622,687
Dividend declared	-	9,708,564
Redemption of Nil (2021: 444,824) units	-	225,000,000
Outstanding 2,638,972 (2021:818,385) units - at net asset value	1,339,296,842	414,002,196
<b>Atlas Energy Limited</b>		
Issue of 37,030 (2021:22,004) units	18,823,979	11,132,788
Dividend declared	-	153,554
Redemption of 45,552 (2021: 5,914) units	23,150,497	3,000,000
Outstanding 7,569 (2021: 16,090) units - at net asset value	3,841,304	8,139,747
<b>Atlas Engineering Limited</b>		
Issue of 303,118 (2021:767,785) units	154,188,257	389,544,918
Redemption of 266,124 (2021: Nil) units	135,000,000	-
Dividend declared	-	-
Outstanding 804,778 (2021: 767,785) units - at net asset value	408,430,733	388,404,793
<b>Atlas Metals (Private) Limited</b>		
Issue of 530,704 (2021:152,948) units	270,104,370	77,457,821
Redemption of 180,659 (2021: Nil) units	92,100,000	-
Dividend declared	14,353,542	2,690,185
Outstanding 502,993 (2021: 152,948) units - at net asset value	255,272,504	77,372,860
<b>Honda Atlas Cars (Pak.) Ltd. - Employee Provident Fund</b>		
Issue of 4,890 (2021: 300,646) units	2,474,460	152,188,321
Dividend declared	2,474,460	1,944,137
Redemption of 154,318 (2021: 151,218) units	78,621,649	76,489,006
Outstanding Nil (2021: 102,626) units	-	75,592,173

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- Rupees -----	
<b>Honda Atlas Cars (Pakistan) Ltd.- Employee Gratuity Fund</b>		
Issue of 111,725 (2021: 102,626) units	57,026,540	52,015,587
Dividend declared	7,026,540	1,852,798
Redemption of 154,318 (2021: Nil) units	-	-
Outstanding 214,351 (2021: 102,626) units - at net asset value	108,784,401	51,916,133
<b>MCFSL Trustee Atlas Fund of Funds</b>		
Issue of 288,758 (2021: Nil) units	146,300,000	-
Dividend declared	-	-
Redemption of 286,786 (2021: Nil) units	146,130,837	-
Outstanding 1,972 (2021: Nil) units - at net asset value	1,000,890	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 1,573,748 (2021: 883,480) units	803,869,120	447,045,668
Redemption of 457,043 (2021: 512,307) units	232,162,481	259,932,984
Dividend declared	68,582,973	23,597,652
Outstanding 2,280,978 (2021: 1,324,489) units - at net asset value	1,157,612,292	670,028,547

**18.5** 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%.

### 19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2022		
	At amortised cost	At fair value through profit or loss	At fair value through OCI
	----- (Rupees) -----		
<b>Financial assets</b>			
Bank balances	18,330,696,373	-	-
Investments	-	-	-
Profit receivable on bank balances	36,346,038	-	-
	<b>18,367,042,411</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>			
Payable to the Management Company	26,703,267	-	-
Payable to the Trustee	866,807	-	-
Payable against redemption of units	127,557	-	-
Unclaimed dividend	-	-	-
Accrued expenses and other liabilities	10,032,681	-	-
	<b>37,730,312</b>	<b>-</b>	<b>-</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	As at 30 June 2021			Total
	At amortised cost	At fair value through profit or loss	At fair value through OCI	
	(Rupees)			
<b>Financial assets</b>				
Bank balances	24,359,094,276	-	-	24,359,094,276
Investments	-	-	-	-
Profit receivable on bank balances	54,608,057	-	-	54,608,057
	<b>24,413,702,333</b>	<b>-</b>	<b>-</b>	<b>24,413,702,333</b>
<b>Financial liabilities</b>				
Payable to the Management Company	30,378,679	-	-	30,378,679
Payable to the 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
	<b>66,685,025</b>	<b>-</b>	<b>-</b>	<b>66,685,025</b>

## 20 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.

### 20.1 Market risk

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

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

#### (i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. As of 30 June 2022, 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 2022, 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 2022, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 178,771,382 (2021: Rs 243,566,533).

#### 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 2022. There will be no impact on net assets of the future movements in fixed interest rates.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2022 and 30 June 2021 can be determined as follows:

----- As at 30 June 2022 -----						
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) -----						
<b>Financial assets</b>						
Bank balances	5.50% to 16.45%	17,877,118,873	-	-	453,577,500	18,330,696,373
Investments		-	-	-	-	-
Profit receivable on bank balances		36,346,038	-	-	-	36,346,038
		<b>17,913,464,911</b>	<b>-</b>	<b>-</b>	<b>453,577,500</b>	<b>18,367,042,411</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited Management Company		-	-	-	26,703,267	26,703,267
Payable to the Central Depository Company of Pakistan Limited - Trustee		866,807	-	-	-	866,807
Payable against redemption of units		-	-	-	127,557	127,557
Unclaimed dividend		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	8,966,884	8,966,884
		<b>866,807</b>	<b>-</b>	<b>-</b>	<b>35,797,708</b>	<b>36,664,515</b>
<b>On-balance sheet gap (a)</b>		<b>17,912,598,104</b>	<b>-</b>	<b>-</b>	<b>417,779,792</b>	<b>18,330,377,896</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a + b)</b>		<b>17,912,598,104</b>	<b>-</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>17,912,598,104</b>	<b>17,912,598,104</b>	<b>17,912,598,104</b>		

----- 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) -----						
<b>Financial assets</b>						
Bank balances	5.50% and 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
		<b>24,411,261,314</b>	<b>-</b>	<b>-</b>	<b>2,441,019</b>	<b>24,413,702,333</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited						
- Management Company		-	-	-	30,378,679	30,378,679
Payable to the Central Depository Company of						
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
		<b>3,039,798</b>	<b>-</b>	<b>-</b>	<b>66,685,025</b>	<b>69,724,823</b>
<b>On-balance sheet gap (a)</b>		<b>24,408,221,516</b>	<b>-</b>	<b>-</b>	<b>(64,244,006)</b>	<b>24,343,977,510</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a + b)</b>		<b>24,408,221,516</b>	<b>-</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>24,408,221,516</b>	<b>24,408,221,516</b>	<b>24,408,221,516</b>		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## (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 2022 which expose it to price risk

## 20.2 Liquidity risk

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

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

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

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

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

	As at 30 June 2022				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
<b>Financial assets</b>					
Bank balances	18,330,696,373	-	-	-	18,330,696,373
Investments	-	-	-	-	-
Profit receivable on bank deposits	36,346,038	-	-	-	36,346,038
	<b>18,367,042,411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,367,042,411</b>
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company	-	-	26,703,267	-	26,703,267
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	866,807	-	866,807
Payable against redemption of units	127,557	-	-	-	127,557
Accrued expenses and other liabilities	-	8,966,884	-	-	8,966,884
	<b>127,557</b>	<b>8,966,884</b>	<b>27,570,074</b>	<b>-</b>	<b>36,664,515</b>
<b>Net assets / (liabilities)</b>	<b>18,366,914,854</b>	<b>(8,966,884)</b>	<b>(27,570,074)</b>	<b>-</b>	<b>18,330,377,896</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	As at 30 June 2021				
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
<b>Financial assets</b>					
Bank balances	24,359,094,276	-	-	-	24,359,094,276
Investments	-	-	-	-	-
Profit receivable on bank deposits	54,608,057	-	-	-	54,608,057
	<b>24,413,702,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,413,702,333</b>
<b>Financial liabilities</b>					
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
	<b>63,645,227</b>	<b>6,079,596</b>	<b>-</b>	<b>-</b>	<b>69,724,823</b>
<b>Net assets / (liabilities)</b>	<b>24,350,057,106</b>	<b>(6,079,596)</b>	<b>-</b>	<b>-</b>	<b>24,343,977,510</b>

## 20.3 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 2022, 0% (2021: 0%) of Fund's net assets are invested in government securities. Furthermore, the Fund's maximum exposure to credit risk as of 30 June 2022 amounts to Nil (2021: Nil).

### 20.3.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates. The credit risk associated with government securities is limited as these are guaranteed by the Federal Government. As at 30 June 2022, the Fund did not hold investments in government guaranteed securities. Banks with which the Fund has maintained balances are rated as follows:

Rating	2022 %	2021 %
AA+	6.07	6.39
AAA	93.93	93.61
	<b>100.00</b>	<b>100.00</b>

## 20.4 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
Opening balance as at July 01, 2021	-	31,822,945	31,822,945
Receivable against issuance of units	37,255,329,081	-	37,255,329,081
Payable against redemption of units	-	43,252,595,303	43,252,595,303
	37,255,329,081	43,252,595,303	80,507,924,384
Amount received on issuance of units	(37,255,329,081)	-	(37,255,329,081)
Amount paid on redemption of units	-	(43,284,290,691)	(43,284,290,691)
	(37,255,329,081)	(43,284,290,691)	(80,539,619,772)
<b>Closing balance as at June 30, 2022</b>	<b>-</b>	<b>127,557</b>	<b>127,557</b>

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 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).

There were no Investments held as at the year end 30 June 2022 by the Fund. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 22 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 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 23 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2022			30 June 2021		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	1173	2,489,111,437	13.60%	904	1,493,508,608	8.16%
Associated Companies / Directors	15	8,836,486,738	48.28%	15	7,991,919,846	43.67%
Insurance Companies	1	3,163,114	0.02%	1	27,420,272	0.15%
Banks / DFIs	1	1,165,891,447	6.37%	1	1,069,290,350	5.84%
Retirement Funds	33	982,328,027	5.37%	29	839,730,630	4.59%
Others	45	4,823,907,772	26.36%	30	12,806,955,646	69.98%
	<b>1268</b>	<b>18,300,888,535</b>	<b>100.00%</b>	<b>980</b>	<b>24,228,825,352</b>	<b>100.00%</b>

## 24 LIST OF TOP BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	64.01	Arif Habib Limited	58.77
Optimus Markets (Private) Limited	23.21	Pearl Securities Limited	35.57
Pearl Securities Limited	11.27	JS Global Capital Limited	5.66
BIPL Securities Limited	1.51		
	<b>100.00</b>		<b>100.00</b>

## 25 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	18.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	22 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	18 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	14 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 Years

## 26 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 Atlas Liquid Fund

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 the attendance of its members are given below:

Name of Director	Meeting held on					
	02 July 2021	06 Sep 2021	28 Oct 2021	21 Feb 2022	28 Apr 2022	24 June 2022
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	L	L	P	P	L
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)	P	P	P	P	P	P
Ms Zainab Kazim (Company Secretary)	P	P	P	P	P	P

P Present

L Leave of absence

## 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+ (AM Two Plus) [2021: AM2+ (AM Two Plus)] on 24 December 2021. 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) [2021: "AA+ (f)"] on 18 April 2022.

## 29 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.

## 30 GENERAL

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

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 08 September 2022.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Liquid Fund

## Corporate Information

### Trustee

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

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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Bank Alfalah Limited



## Fund Manager's Report

Atlas Liquid Fund (ALF) is an Open-ended Money Market Fund. The investment objective of ALF 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 Liquid 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 Monetary Policy Committee of SBP has increased policy rate by 800 bps to 15.0% with the objective of moderating demand to a sustainable pace and reduce external pressures. The Consumer Price Index (CPI) Inflation averaged at 12.15% during FY22 compared to 8.90% in FY21. The increase in FY22 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants' regarding the impact of ongoing commodity super cycle on domestic inflation. Going forward, the impact of international commodity prices on domestic inflation will remain major determinant towards any change in monetary policy stance.

The Atlas Liquid Fund was launched on November 23, 2021, via initial offer at Rs. 500 per unit. The ALF provided 11.36% annualized return as on June 30, 2022. The ALF total exposure in Bank Balances, Sukuks and Others are 90.97%, 8.70% and 0.33%, respectively. ALF presents a good investment opportunity for investors to earn attractive returns (with a periodic payout) while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 3.44 billion, with 6.88 million units outstanding as of June 30, 2022.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Liquid Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 32.90 per unit for the period ended June 30, 2022 (6.58% 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	12	5,917,628	0.17%
Associated Companies	3	3,261,221,644	94.77%
Directors	3	46,008,241	1.34%
Retirement Funds	3	102,696,424	2.98%
Others	1	25,261,892	0.73%
<b>Total</b>	<b>22</b>	<b>3,441,105,828</b>	<b>100.00%</b>

The Total Expense Ratio (TER) of the Fund is 0.21% including Government levy and SECP Fee of 0.03%.

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

Karachi: 8 September 2022

**Fawad Javaid**  
Head of Fixed Income

## PERFORMANCE SINCE INCEPTION

	2022
Net assets (Rs. in '000)	3,441,106
Number of units in issue	6,882,212
Net asset value per unit (Rs.)	500.00
Net income / (loss) (Rs. in '000)	155,687
Earnings / (loss) per unit (Rs.)	22.62
Annual return of the Fund (%)	11.36
Offer price ** (Rs.)	500.00
Redemption price ** (Rs.)	499.90
Distribution Per Unit (Rs.)	32.90
Distribution as a % of opening Ex- NAV of units	6.58
Date of distribution	Various
Highest offer price (Rs.)	500.00
Lowest offer price (Rs.)	499.90
Highest repurchase price per unit (Rs.)	500.00
Lowest repurchase price per unit (Rs.)	499.90

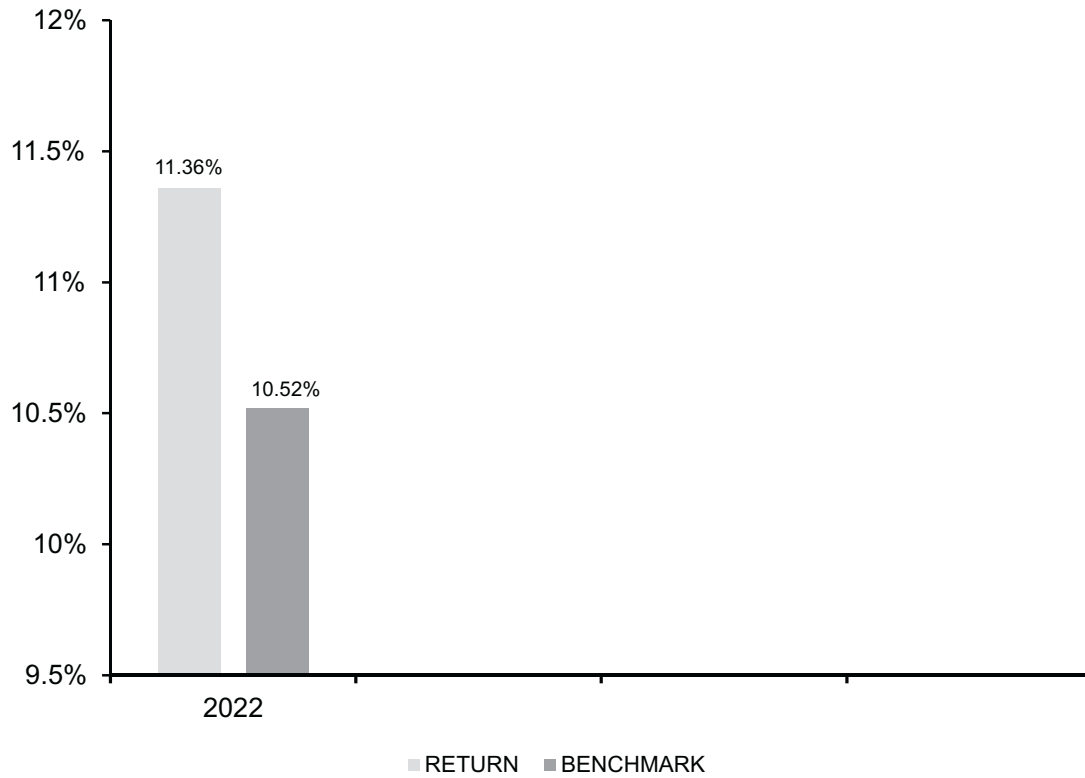
\* For the period from 23 November 2021 to 30 June 2022 (Date of Launch: 23 November 2021)

\*\* Relates to announced prices.

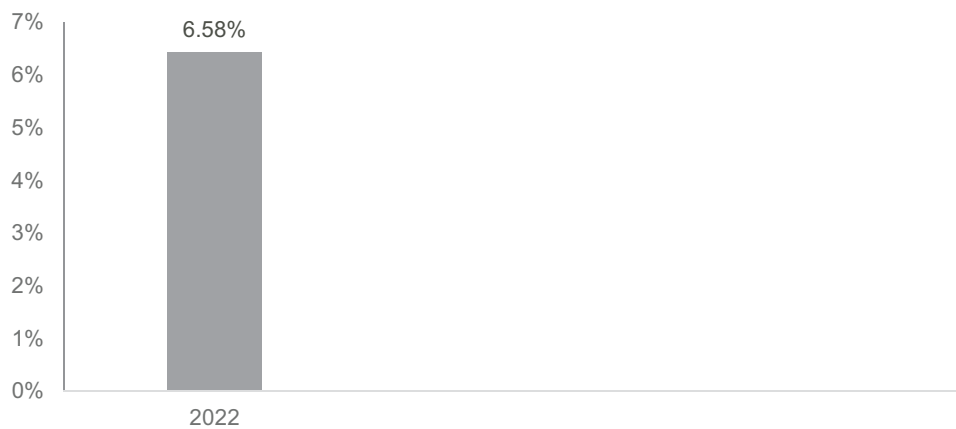
**Note:** Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.

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## Yearly Performance (Annualized)



## Payout History (% on Opening NAV)





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## 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, 2022 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: 28 September 2022

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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# INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the financial statements of **Atlas Liquid Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2022, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the period 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 2022, and of its financial performance and its cash flows for the period 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
<b>Investments in debt instruments and bank balances</b>	
<p>The investment of the Fund and the bank balances represent significant portion of the total assets of the Fund during the period and / or as at the period end. The bank balances as at period end represents 91% 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 period end and acquisition and disposal of investment including related income / gains that arose during the period. Our key procedure included the following:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• We performed substantive audit procedures on period-end balance maintained with the banks including review of banks' statements, bank reconciliations and obtaining confirmations for bank balances.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We performed verification of acquisition and disposal of investments on sample basis.</li> <li>• 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.</li> <li>• 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.</li> </ul>

#### 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 Arslan Khalid.

Karachi: 20 September 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2022

	Note	30 June 2022 ----- Rupees -----
<b>Assets</b>		
Bank balances	4	3,135,310,549
Investments	5	300,000,000
Markup accrued	6	9,159,966
Preliminary and floatation cost	7	530,262
Other receivables	8	1,685,408
<b>Total assets</b>		<b>3,446,686,185</b>
<b>Liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	9	1,247,837
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	176,911
Payable to the Securities and Exchange Commission of Pakistan	11	267,413
Accrued expenses and other liabilities	13	3,888,196
<b>Total liabilities</b>		<b>5,580,357</b>
<b>NET ASSETS</b>		<b>3,441,105,828</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,441,105,828</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14	
		<b>Number of units</b>
<b>NUMBER OF UNITS IN ISSUE - GROWTH UNITS</b>	1.5	<b>6,882,212</b>
		<b>----- Rupees -----</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>500</b>

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 PERIOD FROM 23 NOVEMBER 2021 TO 30 JUNE 2022

		From 23 November 2021 To 30 June 2022
	Note	----- Rupees -----
<b>Income</b>		
Markup income	16	145,081,420
Gain on sale of Government securities - Market Treasury Bills	5.1	15,234,088
<b>Total income</b>		<b>160,315,508</b>
<b>Expenses</b>		
Remuneration of the Management Company	9.1	2,346,287
Sindh Sales Tax on remuneration of the Management Company	9.2	305,017
Remuneration of the Trustee	10.1	735,385
Sindh Sales Tax on remuneration of the Trustee	10.2	95,600
Annual fee - Securities and Exchange Commission of Pakistan	11.1	267,413
Auditor's remuneration	12	323,999
Transaction charges	15	10,193
Amortization of preliminary expenses and floatation costs	7	72,307
Annual Listing fee		107,500
Annual Rating fee		228,259
Legal and professional charges		108,919
Printing charges		9,000
Bank charges		18,175
<b>Total expenses</b>		<b>4,628,054</b>
<b>Net income for the period before taxation</b>		<b>155,687,454</b>
<b>Taxation</b>	18	-
<b>Net income for the period after taxation</b>		<b>155,687,454</b>
<b>Allocation of net income for the period:</b>		
- Net income for the period after taxation		155,687,454
- Income already paid on units redeemed		-
		<b>155,687,454</b>
<b>Accounting income available for distribution:</b>		
- Relating to capital gains		15,234,088
- Excluding capital gains		140,453,366
		<b>155,687,454</b>

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

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## STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 30 JUNE 2022

From 23  
November 2021  
To 30 June 2022  
----- Rupees -----

Net income for the period after taxation

155,687,454

Other comprehensive income for the period

-

Total comprehensive income for the period

155,687,454

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 PERIOD FROM 23 NOVEMBER 2021 TO 30 JUNE 2022

	Note	From 23 November 2021 To 30 June 2022		
		Capital value	Undistributed income	Net assets
			Rupees	
Issue of 10,378,616 units *		5,189,308,192	-	5,189,308,192
Redemption of 3,496,405 units		(1,748,202,364)	-	(1,748,202,364)
Total comprehensive income for the period		-	155,687,454	155,687,454
Cash Dividend *	1.6	-	(155,687,454)	(155,687,454)
<b>Net assets at end of the period (Units outstanding: 6,882,212) (Rs. 500.00 per unit)</b>		<b>3,441,105,828</b>	<b>-</b>	<b>3,441,105,828</b>
<b>Undistributed income carried forward</b>				
- Realised income		-	-	-
- Unrealised income		-	-	-
		-	-	-

\* During the period all the units issued by the Fund are Growth units and dividend on these units have been reinvested on daily basis. (Please refer note 1.5)

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 PERIOD FROM 23 NOVEMBER 2021 TO 30 JUNE 2022

From 23  
November 2021  
To 30 June 2022  
  
Note ----- Rupees -----

## CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period after taxation

155,687,454

### Adjustments for:

Markup income

(145,081,420)

Gain on sale of Government securities - Market Treasury Bills

(15,234,088)

Amortization of preliminary expenses and floatation costs

72,307

**(160,243,201)**

### (Increase) in assets

Other receivables

(1,685,408)

**(1,685,408)**

### Increase in liabilities

Payable to Atlas Asset Management Company - Management Company

1,247,837

Payable to Central Depository Company of Pakistan Limited - Trustee

176,911

Payable to the Securities and Exchange Commission of Pakistan

267,413

Accrued expenses and other liabilities

3,285,627

**4,977,788**

Interest received

135,921,454

Investments - net

(284,765,912)

### Net cash used in operating activities

**(150,107,825)**

## CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance of units

5,189,308,192

Cash dividend

(155,687,454)

Payments against redemption of units

(1,748,202,364)

### Net cash generated from financing activities

**3,285,418,374**

### Net increase in cash and cash equivalents

**3,135,310,549**

Cash and cash equivalents at the beginning of the period

-

### Cash and cash equivalents at the end of the period

4

**3,135,310,549**

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 23 NOVEMBER 2021 TO 30 JUNE 2022

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Liquid Fund (the Fund) is an open-ended Fund constituted under a trust deed registered dated 30 July 2021 under the Sindh Trust Act, 2020 entered into between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Offering Document has been revised through the First and Second Supplements dated 14 April 2022 and 19 April 2022 respectively with the approval of SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of the Fund and registered as a notified entity on 06 September 2021. SECP has approved this Offering Document on 07 September 2021.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. 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 since 23 November 2021, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 The objective of Atlas Liquid Fund (ALF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of money market instruments.
- 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 As per the offering document of the Fund, an investor shall, at the time of opening an account, select the types of units in which the investor wishes to invest, i.e. Growth Unit and/or Income Unit. Furthermore, at the time of dividend distribution the unit holders receive additional units or cash dividend against Growth unit and Income unit, respectively. During the period all the units issued by the Fund are Growth units and dividend has been reinvested on daily basis.
- 1.6 As per the offering document of the Fund, the Management Company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the period, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

## 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 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 2022

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, 2021 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:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 period in which the estimate is revised if the revision affects only that period, 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 taxes recoverable as disclosed in note 8.1.

### 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain investments are required to be 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 significant accounting policies adopted 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.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

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 criteria.

'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 FVTPL.

### **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. Given the objectives of the Fund, all investments have been classified as FVTPL.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 amortized cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

### **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. The Fund has not used this classification for its investment portfolio.

### **Financial liabilities**

#### **Financial liabilities measured at amortised cost**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### **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.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### f) Regular way contracts

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

### g) Impairment of financial assets

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

### h) 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.

### i) Determination of fair value

#### a) Debt securities (other than Government securities)

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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### b) Debt securities (Government securities)

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

#### c) Equity securities

The equity securities are valued on the basis of closing quoted market prices available at the 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3.4 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.5 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 previous business day, plus the allowable sales load, transaction cost 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 previous business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

### 3.6 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 period 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.

### 3.7 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 period.

### 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Markup income on bank balances, placements and deposits is recognised on effective yield basis.
- Gains or losses on sale of investments are included in the Income Statement in the period 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.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 3.9 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.

## 3.10 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 90% of the accounting income for the period as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the period, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

## 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 the period end.

## 3.12 Earnings per unit

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

## 3.13 Preliminary expenses and floatation costs

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from November 23, 2021 in accordance with the Trust Deed and the NBFC Regulations.

		2022
4	BANK BALANCES	Note ----- Rupees -----
	In local currency	
	- Profit and loss sharing accounts	4.1 <u><u>3,135,310,549</u></u>
4.1	The rate of return on these accounts during the period ranges between 8.25% to 16.4% per annum. The profit rates effective at the period end on these accounts ranges between 10.75% to 16.4% per annum.	

		2022
5	INVESTMENTS	Note ----- Rupees -----
	At fair value through profit or loss	
	Government securities - Market Treasury Bills	5.1 -
	Sukuk certificates	5.2 <u><u>300,000,000</u></u>
		<u><u>300,000,000</u></u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 5.1 Government securities - Market Treasury Bills

Instrument	Opening	Acquired during the period	Sold / matured during the period	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	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	-	33,013,000,000	33,013,000,000	-	-	-	-	-
06 Months - T-bills	-	24,578,900,000	24,578,900,000	-	-	-	-	-
<b>Total as at June 30, 2022</b>	<b>-</b>	<b>57,591,900,000</b>	<b>57,591,900,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

5.1.1 During the period, the gain on sale of these securities amounted to Rs. 15,234,089

## 5.2 Sukuk certificates

Name of Investee Company	As at 01 July 2021	Purchased during the year	Disposed during the year	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
		Number of sukuk certificates		Rupees		Percentage		
K-Electric Supply Company Limited - Short Term Sukuk - 5	-	150	-	150	150,000,000	150,000,000	50	4.36
Lucky Electric Power Company Limited - Short Term Sukuk - 1	-	150	-	150	150,000,000	150,000,000	50	4.36
<b>Total as at June 30, 2022</b>					<b>300,000,000</b>	<b>300,000,000</b>	<b>100</b>	<b>8.72</b>

5.2.1 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
K-Electric Supply Company Limited - Short Term Sukuk - 5	AA	06 Months	Bullet Payment	Oct 2022	6 Month KIBOR +0.95%
Lucky Electric Power Company Limited - Short Term Sukuk - 1	AA	06 Months	Bullet Payment	Oct 2022	6 Month KIBOR +1.20%

		2022
		Note ----- Rupees -----
<b>6 MARKUP ACCRUED</b>		
Profit and loss sharing account		2,240
Sukuk Certificate		9,157,726
		<b>9,159,966</b>
<b>7 PRELIMINARY AND FLOATATION COST</b>		
Floating cost		602,569
Less: Amortisation for the period		(72,307)
		<b>530,262</b>
<b>8 OTHER RECEIVABLES</b>		
Tax recoverable	8.1	1,685,408
		<b>1,685,408</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

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 favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the banks has been shown as other receivable as at 30 June 2022 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 2022 would have been lower by Rs. 0.24 per unit.

		2022
		Note ----- Rupees -----
<b>9 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED</b>		
<b>- Management Company (Related Party)</b>		
Remuneration of the Management Company	9.1	571,210
Sindh Sales Tax on remuneration of the Management Company	9.2	74,058
Preliminary expenses and flotation cost	9.3	602,569
		<b>1,247,837</b>
9.1	As per the section 61 of the NBFC Regulations, 2008, 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 limit. The Management Company has charged management fee at the rate of 0.16% from 23 November 2021 to 30 April 2022 and 0.2% from 01 May 2022 to 30 June 2022 per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.	
9.2	Sindh Sales Tax has been charged at 13% on remuneration of the management company levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 305,017 charged during the period. Furthermore, an amount of Rs. 230,958 has been paid to the Management Company which acts as the collecting agent.	
9.3	Formation cost represents expenditure incurred incurred in connection with the establishment and registration of the Fund.	
		2022
<b>10 PAYABLE TO CENTRAL DEPOSITORY COMPANY</b>		Note ----- Rupees -----
<b>OF PAKISTAN - TRUSTEE</b>		
Remuneration of the Trustee	10.1	156,559
Sindh Sales Tax on remuneration of the Trustee	10.2	20,352
		<b>176,911</b>
10.1	The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.055% p.a. of average Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC.	
10.2	Sindh Sales Tax has been charged at 13% on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount an amount of Rs. 95,600 was charged during the period. Furthermore, an amount of Rs. 75,247 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 2022

		2022
	Note	----- Rupees -----
<b>11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
Annual fees payable	11.1	<b>267,413</b>
11.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee equal to 0.02% of the average annual net assets of the Fund to the Securities and Exchange Commission of Pakistan (SECP).		
<b>12 AUDITORS' REMUNERATION</b>		2022 ----- Rupees -----
Annual fee		100,000
Half Yearly		50,000
Certification charges		120,000
Out of Pocket		30,000
Sindh sales tax on services		24,000
		<b>324,000</b>
<b>13 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable		188,999
Withholding tax payable		3,699,197
		<b>3,888,196</b>
<b>14 CONTINGENCIES AND COMMITMENTS</b>		
There were no other contingencies and commitments outstanding as at 30 June 2022.		
<b>15 TRANSACTION CHARGES</b>		
This represents brokerage, federal excise duty and settlement charges.		
<b>16 MARKUP INCOME</b>		2022 Note ----- Rupees -----
Markup income on:		
Profit on deposits with banks	4.1	52,403,776
Interest income on investments		90,925,727
Term deposit receipts		1,751,917
		<b>145,081,420</b>
<b>17 TOTAL EXPENSE RATIO</b>		
The Total Expense Ratio (TER) of the Fund as at 30 June 2022 is 0.21% which includes 0.03% representing government levies on the Fund such as provision for sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.		
<b>18 TAXATION</b>		
The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income earned by the Fund during the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

## 19 EARNINGS PER UNIT

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

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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. It also includes staff retirement benefit funds of the above connected person / related parties.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.

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.

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

	2022 ----- Rupees -----
<b>20.1 Transactions during the period</b>	
<b>Atlas Asset Management Limited (Management Company)</b>	
Remuneration for the period	2,346,287
Sindh sales tax on remuneration of the Management Company	305,017
Remuneration paid	1,775,077
Formation cost	602,569
Issue of 200,214 units	100,106,835
Redemption of 200,214 units	100,106,835
Dividend entitlement	1,378,489
<b>Central Depository Company of Pakistan Limited</b>	
Remuneration of the Trustee	735,385
Sindh Sales Tax on remuneration of the Trustee	95,600
Remuneration paid	578,826
<b>Atlas Group of Companies - Management Staff Gratuity Fund</b>	
Issue of 206,231 units	103,115,495
Redemption of 206,231 units	103,115,495
Dividend Entitlement	135,876
<b>Atlas Honda Limited - Employee Provident Fund</b>	
Issue of 133,377 units	66,688,260
Dividend Entitlement	3,426,425
Outstanding 133,377 units - at net asset value	66,688,500
<b>Atlas Honda Limited</b>	
Issue of 8,254,231 units	4,127,115,449
Redemption of 2,198,937 units	1,100,001,063
Dividend Entitlement	140,861,494
Outstanding 6,055,294 units - at net asset value	3,027,647,000

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 ----- Rupees -----
<b>M/S. Shirazi Investments (Private Limited) - Employee Provident Fund</b>	
Issue of 20,629 units	10,314,569
Dividend Entitlement	314,569
Outstanding 20,629 - at net asset value	10,314,500
<b>Atlas Metals (Private) Limited</b>	
Issue of 262,840 units	131,419,952
Dividend Entitlement	1,769,476
Outstanding 262,840 units - at net asset value	131,420,000
<b>Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund</b>	
Issue of 51,299 units	25,649,564
Dividend Entitlement	649,564
Outstanding 51,299 units - at net asset value	25,649,500
<b>Directors and their close family members and key management personnel of the Management Company</b>	
Issue of 91,456 units	45,727,874
Dividend Entitlement	896,690
Outstanding 91,456 units - at net asset value	45,728,000

## 21. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2022			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	----- (Rupees) -----			
<b>Financial assets</b>				
Bank balances	3,135,310,549	-	-	3,135,310,549
Investments	-	300,000,000	-	300,000,000
Markup accrued	9,159,966	-	-	9,159,966
	<b>3,144,470,515</b>	<b>300,000,000</b>	<b>-</b>	<b>3,444,470,515</b>

	As at 30 June 2022		
	At fair value through profit or loss	At amortised Cost	Total
	----- (Rupees) -----		
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	1,247,837	1,247,837
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	176,911	176,911
Accrued expenses and other liabilities	-	188,999	188,999
	<b>-</b>	<b>1,613,747</b>	<b>1,613,747</b>

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- 22.1** 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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 may be exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

### 22.2 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 profit rates, foreign exchange rates and equity prices.

#### (i) Profit rate risk

Profit rate risk is the risk that the Fund's income will fluctuate due to changes in the market profit rates. As of 30 June 2022, the Fund is exposed to such risk in respect of bank balances and investments. 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 sukuks which exposes the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2022, with all other variables held constant, the net income for the period and net assets would have been higher / lower by Rs. 34,353,106.

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 2022 is not necessarily indicative of the impact on the Fund's net assets of the future movements in profit rates.

Yield / profit 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 profit rate sensitivity related to financial assets and financial liabilities as at 30 June 2022 can be determined as follows:

As at 30 June 2022					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	(Rupees)				
<b>Financial Assets</b>					
Bank balances	8.25% to 16.4%	3,135,310,549	-	-	3,135,310,549
Investments		-	300,000,000	-	300,000,000
Markup accrued		9,159,966	-	-	9,159,966
		3,144,470,515	300,000,000	-	3,444,470,515
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	1,247,837	1,247,837
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	176,911	176,911
Accrued expenses and other liabilities		-	-	188,999	188,999
		-	-	1,613,747	1,613,747
<b>On-balance sheet gap (a)</b>		3,144,470,515	300,000,000	(1,613,747)	3,442,856,768
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		3,144,470,515	300,000,000	-	-
<b>Cumulative interest rate sensitivity gap</b>		3,144,470,515	3,444,470,515	3,444,470,515	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## (ii) Foreign currency risk

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

## (iii) Equity price risk

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of 30 June 2022.

## 22.3 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 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 required to be obtained by the Fund during the current year.

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

The table below 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, 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 2022 -----						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Assets</b>						
Bank balances	3,135,310,549	-	-	-	-	3,135,310,549
Investments	-	-	300,000,000	-	-	300,000,000
Markup accrued	9,159,966	-	-	-	-	9,159,966
	<b>3,144,470,515</b>	<b>-</b>	<b>300,000,000</b>	<b>-</b>	<b>-</b>	<b>3,444,470,515</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	1,247,837	-	-	-	-	1,247,837
Payable to the Central Depository Company of Pakistan Limited - Trustee	176,911	-	-	-	-	176,911
Accrued expenses and other liabilities	188,999	-	-	-	-	188,999
	<b>1,613,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,613,747</b>
<b>Net assets/ (liabilities)</b>	<b>3,142,856,768</b>	<b>-</b>	<b>300,000,000</b>	<b>-</b>	<b>-</b>	<b>3,442,856,768</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 22.4 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 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. Furthermore, the Fund's maximum exposure to credit risk as of 30 June 2022 amounts to Rs. 3,444,470,519.

## 22.5 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks. The credit rating profile of above mentioned is as follows:

Ratings of amounts placed with banks	% of financial assets exposed to credit risk
AA+	0.24
AAA	99.76
	100.00

## 22.6 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
	(Rupees in '000)		
Opening balance as at July 01, 2021	-	-	-
Receivable against issuance of units	5,189,308,192	-	5,189,308,192
Payable against redemption of units	-	(1,748,202,364)	(1,748,202,364)
	5,189,308,192	(1,748,202,364)	3,441,105,828
Amount received on issuance of units	(5,189,308,192)	-	(5,189,308,192)
Amount paid on redemption of units	-	1,748,202,364	1,748,202,364
	(5,189,308,192)	1,748,202,364	(3,441,105,828)
<b>Closing balance as at June 30, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 22.7 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 22.8 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30 2022, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the 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 during the current year.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 24 UNIT HOLDING PATTERN OF THE FUND

Category	2022		
	Number of unit holders	Rupees	% of total
Associated Companies	3	3,261,221,644	94.77%
Individual	12	5,917,628	0.17%
Others	1	25,261,892	0.73%
Directors	3	46,008,241	1.34%
Retirement Funds	3	102,696,424	2.98%
	<b>22</b>	<b>3,441,105,828</b>	<b>100.00%</b>

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

2022	
Name of broker	Percentage of commission paid
Pearl Securities Limited	93.10
Arif Habib Limited	6.90
	<b>100.00</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 26 THE 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	18.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	22 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	18 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	14 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	11 Years

## 27 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 Islamic Income Fund Atlas Income Fund Atlas Money Market Fund Atlas Sovereign Fund Atlas Liquid Fund

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Director	Meeting held on					
	02 July 2021	06 Sep 2021	28 Oct 2021	21 Feb 2022	28 Apr 2022	24 June 2022
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	L	L	P	P	L
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)	P	P	P	P	P	P
Ms Zainab Kazim (Company Secretary)	P	P	P	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) [2021: AM2+ (AM Two Plus)] on 24 December 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Moreover, PACRA has initially maintained the stability rating of the Fund at "AA(f)" on 29 June 2022.

### 30. GENERAL

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

**30.2** This is the first year of operations of the Fund, hence there is no comparative information to report in these financial statements.

### 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 08 September 2022.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Sovereign Fund

## Corporate Information

### Trustee

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

### Auditors

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A. F. Ferguson & Co.  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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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



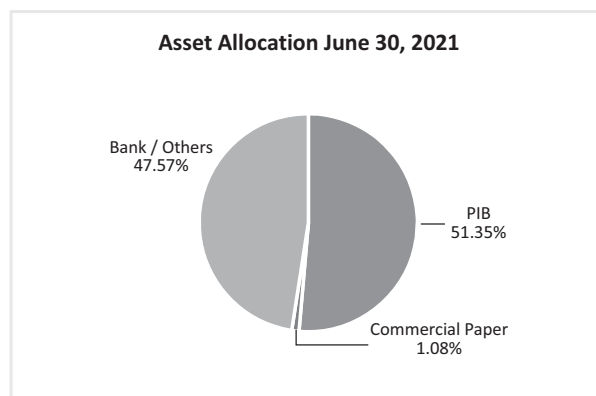
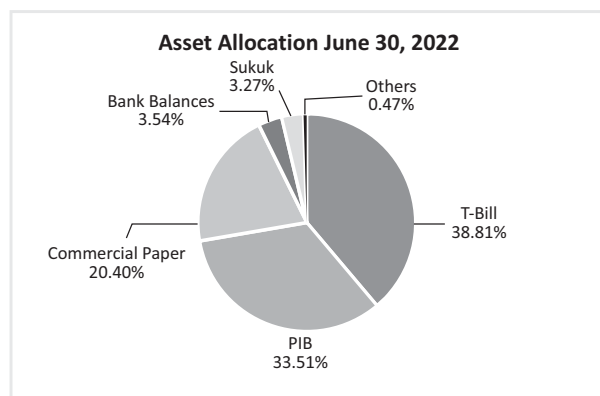
## Fund Manager's Report

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 Monetary Policy Committee of SBP has increased policy rate by 800 bps to 15.0% with the objective of moderating demand to a sustainable pace and reduce external pressures. The Consumer Price Index (CPI) Inflation averaged at 12.15% during FY22 compared to 8.90% in FY21. The increase in FY22 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants' regarding the impact of ongoing commodity super cycle on domestic inflation. Going forward, the impact of international commodity prices on domestic inflation will remain major determinant towards any change in monetary policy stance.

The Net Asset Value per unit of Atlas Sovereign Fund increased by 7.30% to Rs. 101.26 as on June 30, 2022. The benchmark average six months PKRV rate stood at 10.69% during the period under review. The ASF total exposure in Treasury Bills, Pakistan Investment Bonds, Commercial Paper, Bank Balances, Sukuks and Others stood at 38.81%, 33.51%, 20.40%, 3.54%, 3.27% and 0.47%, 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. 1.21 billion, with 11.99 million units outstanding as of June 30, 2022.



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 7.24 per unit for the period ended June 30, 2022 (7.24% 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	126	61,394,575	5.06%
Associated companies / Directors	7	828,059,959	68.20%
Other Corporates	3	7,745,253	0.64%
Retirement Funds	5	317,044,347	26.11%
<b>Total</b>	<b>141</b>	<b>1,214,244,134</b>	<b>100%</b>

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During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASF amounting to Rs. 12.57 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASF by 0.50%. This is one-off event and is not likely to be repeated in the future. The Scheme has also held provision for FED liability that amounted to Rs. 905,341 up till June 30, 2022 (Rs. 0.08 per unit).

The Total Expense Ratio (TER) of the Fund is 0.91% including expenses representing Government levy, SWWF and SECP Fee of 0.09%.

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

Karachi: 8 September 2022

**Fawad Javaid**  
Head of Fixed Income

## PERFORMANCE SINCE INCEPTION

	2022	2021	2020	2019	2018	2017	2016	2015
Net Assets (Rs. in '000)	1,214,244	2,225,313	2,083,472	2,301,237	358,197	250,510	746,960	604,907
Number of units in issue	11,991,300	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.)	101.26	101.12	100.96	100.33	105.00	109.50	100.11	102.55
Net income (Rs. in 000)	140,735	127,799	391,074	45,984	14,631	21,473	12,781	15,854
Earnings per unit (Rs.)	11.74	5.81	18.95	2.00	4.29	9.39	1.71	2.69
Annual return of the fund (%)	7.30	6.16	18.08	7.71	5.00	9.39	5.79	8.32
Offer Price ** (Rs.)	101.26	101.12	100.95	100.33	105.00	109.54	100.11	102.55
Redemption Price ** (Rs.)	101.26	101.12	100.95	100.33	105.00	109.54	100.11	102.55
Highest offer Price (Rs.)	108.36	107.01	118.07	104.33	104.97	109.54	105.76	104.61
Lowest offer Price (Rs.)	101.24	100.99	100.49	100.27	100.14	100.25	100.02	100.12
Highest repurchase price per unit (Rs.)	108.36	107.01	118.07	104.33	104.97	109.54	105.76	104.61
Lowest repurchase price per unit (Rs.)	101.24	100.99	100.49	100.27	100.14	100.25	100.02	100.12
Weighted average portfolio (No. of days)	493.19	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)

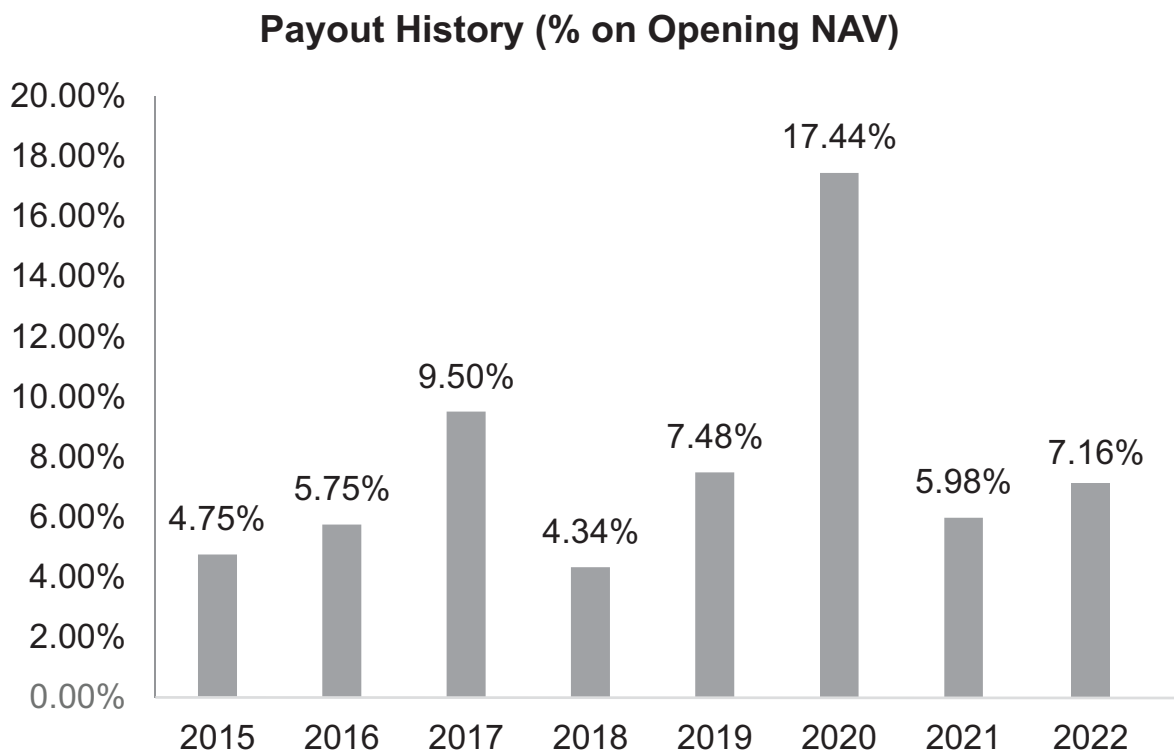
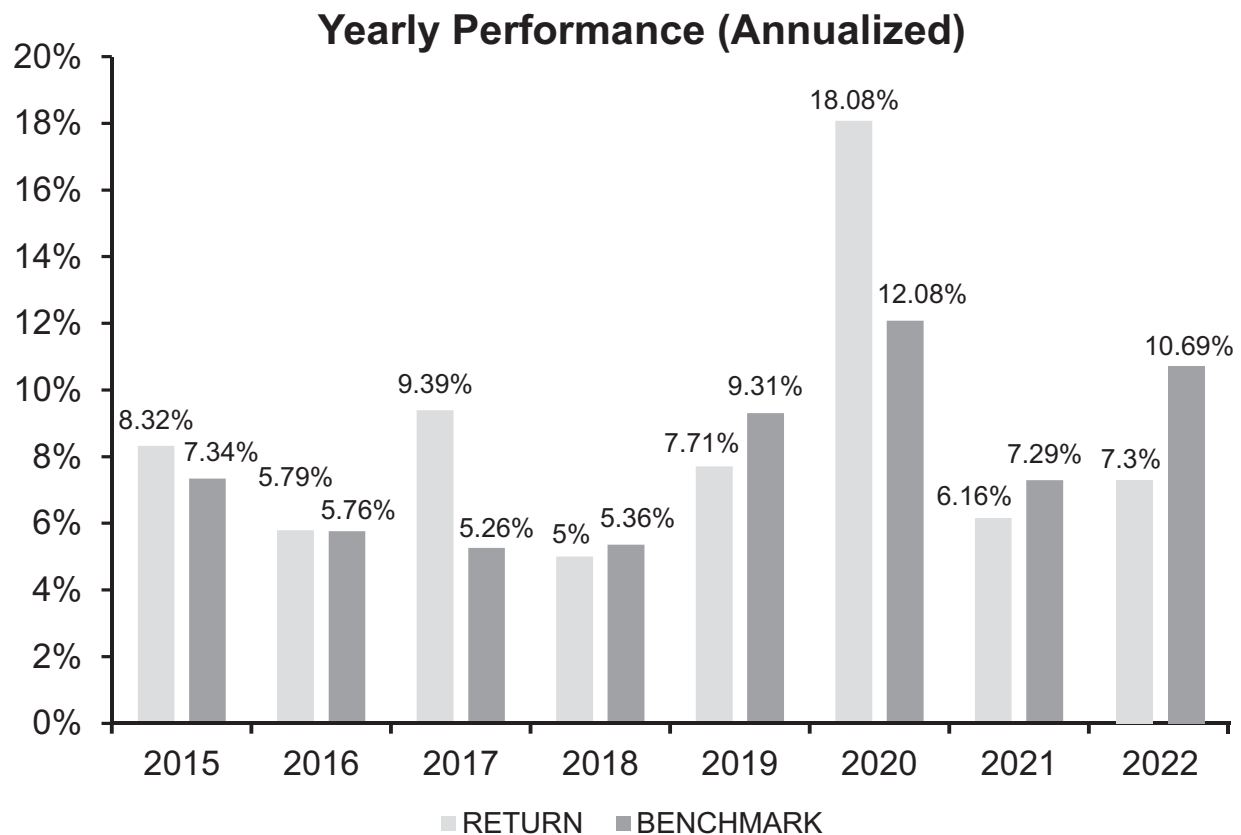
\*\*Relates to announced prices

**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	2022	2021	2020	2019	2018	2017	2016	2015
First Inteim Distribution - Cash Dividend (Rs.)	7.24	6.04	17.50	4.00	-	-	5.75	2.25
First Inteim Distribution as a % of opening NAV	7.16	5.98	17.44	3.99	-	-	5.75	2.25
Distribution date	27-Jun-22	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





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# 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, 2022 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: 28 September 2022

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

# INDEPENDENT AUDITORS' 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, 2022, 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, 2022, 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 the 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 /01- 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. 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
<b>Net Asset Value (NAV)</b> (Refer notes 4 and 5 to the financial statements)	
Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2022 amounted to Rs 1,180.947 million and balances with banks aggregated to Rs 43,499 million.  The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2022 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"><li>• Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2022 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li><li>• Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li></ul>

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## 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.

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- 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 Requirements**

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: 14 September 2022

**A. F. Ferguson & Co.**  
Chartered Accountants

**Engagement Partner: Salman Hussain**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2022

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Assets</b>			
Bank balances	4	43,498,607	1,054,508,016
Investments	5	1,180,947,418	1,187,198,151
Mark-up receivable	6	2,866,030	19,723,378
Deposits and other receivable	7	3,097,602	3,197,602
<b>Total assets</b>		<b>1,230,409,657</b>	<b>2,264,627,147</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	2,051,778	2,767,104
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	63,397	135,046
Payable to the Securities and Exchange Commission of Pakistan	10	404,149	431,255
Redemption payable		37,827	1,611,019
Accrued expenses and other liabilities	11	13,608,372	34,369,690
<b>Total liabilities</b>		<b>16,165,523</b>	<b>39,314,114</b>
<b>NET ASSETS</b>		<b>1,214,244,134</b>	<b>2,225,313,033</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,214,244,134</b>	<b>2,225,313,033</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>11,991,300</b>	<b>22,006,687</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>101.2604</b>	<b>101.1199</b>

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 JUNE 30, 2022

		2022	2021
	Note	----- Rupees -----	
<b>Income</b>			
Interest earned	13	192,012,699	171,078,212
Loss on sale of investments - net		(44,706,434)	(13,174,684)
Unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	(650,987)	(4,948,255)
		(45,357,421)	(18,122,939)
<b>Total income</b>		146,655,278	152,955,273
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	10,459,417	14,139,342
Sindh sales tax on remuneration of the Management Company	8.2	1,359,726	1,838,114
Accounting and operational charges	8.4	3,644,787	3,661,982
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	1,172,444	1,400,166
Sindh sales tax on Remuneration of Trustee		152,597	182,022
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	404,614	431,255
Auditors' remuneration	15	365,040	273,240
Annual rating fee		442,669	402,633
Annual listing fee		27,500	30,138
Securities transaction cost		261,530	2,834
Printing charges		61,275	13,929
Legal and professional charges		97,958	136,560
Bank charges		35,882	35,436
<b>Total expenses</b>		18,485,439	22,547,651
<b>Net income from operating activities</b>		128,169,839	130,407,622
Reversal of provision / (provision) for Sindh Workers' Welfare Fund	11.1	12,565,416	(2,608,153)
<b>Net income for the year before taxation</b>		140,735,255	127,799,469
<b>Taxation</b>	16	-	-
<b>Net income for the year after taxation</b>		140,735,255	127,799,469
<b>Earnings per unit</b>	17		
<b>Allocation of net income for the year:</b>			
Net income for the year after taxation		140,735,255	127,799,469
Income already paid on units redeemed		(69,266,673)	(4,570,766)
		71,468,582	123,228,703
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		-	-
-Excluding capital gains		71,468,582	123,228,703
		71,468,582	123,228,703

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 JUNE 30, 2022

	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Net income for the year after taxation</b>	140,735,255	127,799,469
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>140,735,255</u>	<u>127,799,469</u>

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

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(Management Company)**

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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 JUNE 30, 2022

	June 30, 2022			June 30, 2021		
	Capital Value	Undistributed income	Net Assets	Capital Value	Undistributed income	Net Assets
	Rupees			Rupees		
<b>Net assets at the beginning of the year</b>	2,212,324,575	12,988,458	2,225,313,033	2,073,891,942	9,579,631	2,083,471,573
Issuance of 7,438,717 units (2021: 7,901,729 units)						
- Capital value (at net asset value per unit at the beginning of the year)	752,202,290	-	752,202,290	797,758,560	-	797,758,560
- Element of income	19,087,079	-	19,087,079	16,145,395	-	16,145,395
Total proceeds on issuance of units	771,289,369	-	771,289,369	813,903,955	-	813,903,955
Redemption of 17,454,104 units (2021: 6,530,676 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(1,764,957,208)	-	(1,764,957,208)	(659,337,049)	-	(659,337,049)
- Element of loss	(6,159,326)	(69,266,673)	(75,425,999)	(8,953,708)	(4,570,766)	(13,524,474)
Total payment on redemption of units	(1,771,116,534)	(69,266,673)	(1,840,383,207)	(668,290,757)	(4,570,766)	(672,861,523)
Total comprehensive income for the year	-	140,735,255	140,735,255	-	127,799,469	127,799,469
Refund of Capital	(12,919,358)	-	(12,919,358)	(7,180,565)	-	(7,180,565)
Cash dividend declared for the year ended June 30, 2022 at the rate of Rs. 7.24 per unit June 27, 2022 (2021: Rs. 6.04 per unit June 25, 2021)	-	(69,790,958)	(69,790,958)	-	(119,819,876)	(119,819,876)
	(12,919,358)	70,944,297	58,024,939	(7,180,565)	7,979,593	799,028
<b>Net assets at end of the year</b>	<b>1,199,578,052</b>	<b>14,666,082</b>	<b>1,214,244,134</b>	<b>2,212,324,575</b>	<b>12,988,458</b>	<b>2,225,313,033</b>
Undistributed income brought forward						
- Realised income		4,528,613			-	
- Unrealised Income / (loss)		8,459,845			9,579,631	
		<u>12,988,458</u>			<u>9,579,631</u>	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		71,468,582			123,228,703	
		<u>71,468,582</u>			<u>123,228,703</u>	
<b>Distributions during the year:</b>						
Cash dividend declared for the year ended June 30, 2022 at the rate of Rs. 7.24 per unit June 27, 2022 (2021: Rs. 6.04 per unit June 25, 2021)		(69,790,958)			(119,819,876)	
Undistributed income carried forward		<u>14,666,082</u>			<u>12,988,458</u>	
Undistributed income carried						
- Realised income		12,993,417			4,528,613	
- Unrealised Income		1,672,665			8,459,845	
		<u>14,666,082</u>			<u>12,988,458</u>	
<b>Net assets value per unit at beginning of the year</b>			101.1199			100.9600
<b>Net assets value per unit at end of the year</b>			<u>101.2604</u>			<u>101.1199</u>

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 JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		140,735,255	127,799,469
<b>Adjustments for:</b>			
Interest income		(192,012,699)	(171,078,212)
Loss on sale of investments - net		44,706,434	13,174,684
Unrealized loss on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	650,987	4,948,255
(Reversal of provision) / provision for Sindh Workers' Welfare Fund	11.1	(12,565,416)	2,608,153
		(159,220,694)	(150,347,120)
<b>Decrease / (increase) in assets</b>			
Investments		438,355,690	721,954,952
Deposits and other receivable		100,000	(2,718,417)
		438,455,690	719,236,535
<b>(Decrease) / increase in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		(715,326)	(893,749)
Payable to the Central Depository Company of Pakistan Limited - Trustee		(71,649)	(4,445)
Payable to the Securities and Exchange Commission of Pakistan		(27,106)	(63,937)
Redemption Payable		(1,573,192)	1,611,019
Accrued expenses and other liabilities		(8,195,902)	(64,726,159)
		(10,583,175)	(64,077,271)
Profit received on investments and bank balances		208,870,047	106,376,692
<b>Net cash generated from operating activities</b>		618,257,123	738,988,305
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received against issuance of units		771,289,369	813,903,955
Amount paid against redemption of units		(1,840,383,207)	(672,861,523)
Refund of capital		(12,919,358)	(7,180,565)
Cash dividend		(69,790,958)	(119,819,876)
<b>Net cash (used in) / generated from financing activities</b>		(1,151,804,154)	14,041,991
<b>Net (decrease) / increase in cash and cash equivalents</b>		(533,547,031)	753,030,296
Cash and cash equivalents at the beginning of the year		1,054,508,016	301,477,720
<b>Cash and cash equivalents at the end of the year</b>	18	520,960,985	1,054,508,016

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

## 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 August 19, 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 During the year ended June 30, 2021, the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 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 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 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 July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial 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.

## 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 classified based on the business model of the entity as either:

- at amortised cost; or
- 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.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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.

#### 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.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 is also exempt from the provision of section 113 (minimum tax) under clause 11A of part IV of the second schedule of the Income Tax Ordinance, 2001.

## 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.

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.

4 BANK BALANCES	Note	2022	2021
		----- Rupees -----	-----
In local currency			
- Saving accounts	4.1	<u>43,498,607</u>	<u>1,054,508,016</u>

4.1 The rate of return on these balances range from 5.50% to 12.25% per annum (June 30, 2021: 5.50% to 8.25% per annum).



		2022	2021
	Note	Rupees	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Market treasury bills	5.1	477,462,378	-
Pakistan investment bonds	5.2	412,280,000	1,162,799,909
Commercial paper	5.3	251,005,040	24,398,242
Sukuk certificates	5.4	40,200,000	-
		<b>1,180,947,418</b>	<b>1,187,198,151</b>

Market treasury bills	Face Value					Balance as at June 30, 2022			Percentage	
	Issue Date	As At 1 July 2021	Acquired during the year	Sold / matured during the year	As at 30 June 2022	Carrying Value	Market Value	Unrealised appreciation / (diminution)	Market value as a percentage of Total Investment	Market value as a percentage of net assets
-----Rupees-----									-----% age-----	
03 Months-T-bills	April 28, 2022	-	5,185,750,000	4,804,500,000	381,250,000	378,452,740	378,464,078	11,338	32.05%	31.17%
06 Months-T-bills	January 27, 2022	-	2,638,250,000	2,538,250,000	100,000,000	99,004,375	98,998,300	(6,075)	8%	8.15%
12 Months-T-bills		-	468,280,000	468,280,000	-	-	-	-	-	-
<b>Total as at June 30, 2022</b>		-	8,292,280,000	7,811,030,000	481,250,000	477,457,115	477,462,378	5,263	40.43%	39.32%
<b>Total as at June 30, 2021</b>						-	-	-	-	-

**5.1.2** Market Treasury Bills outstanding as at June 30, 2022 carry purchase yields ranging from 12.95% to 14.90% per annum and have maturities between July 14, 2022 and July 28, 2022.

Pakistan investment bonds	Face Value					Balance as at June 30, 2022			Percentage	
	Issue Date	As At 1 July 2021	Acquired during the year	Sold / matured during the year	As at 30 June 2022	Carrying Value	Market Value	Unrealised appreciation / (diminution)	Market value as a percentage of Total Investment	Market value as a percentage of net assets
						Rupees -----			% age -----	
3 Years PIB-Fixed Rate		195,500,000	495,500,000	691,000,000	-	-	-	-	-	-
3 Years PIB-Floating Rate	June 18, 2020	175,000,000	-	-	175,000,000	175,210,000	175,297,500	87,500	14.84%	14.44%
5 Years PIB-Fixed Rate		510,000,000	-	510,000,000	-	-	-	-	-	-
5 Years PIB-Floating Rate	June 18, 2020	162,500,000	-	-	162,500,000	162,678,750	162,402,500	(276,250)	13.75%	13.37%
10 Years PIB-Fixed Rate		50,000,000	-	50,000,000	-	-	-	-	-	-
10 Years PIB-Floating Rate	June 18, 2020	75,000,000	-	-	75,000,000	75,247,500	74,580,000	(667,500)	6.32%	6.14%
<b>Total as at June 30, 2022</b>		1,168,000,000	495,500,000	1,251,000,000	412,500,000	413,136,250	412,280,000	(856,250)	34.91%	33.95%
<b>Total as at June 30, 2021</b>						1,167,748,164	1,162,799,909	(4,948,255)	97.94%	52.25%

**5.2.2** These Pakistan Investment Bonds carry purchase yields ranging from 8.12% to 8.42% (June 30, 2021: 8.12% to 9.78%) per annum and will mature between June 19, 2023 and June 18, 2030 (2021: September 19, 2022 and December 10, 2030).



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 5.3 Commercial Papers

Name of the Investee Company	Face Value					Balance as at June 30, 2022			Percentage	
	Issue Date	As At 1 July 2021	Acquired during the year	Sold / matured during the year	As at 30 June 2022	Carrying Value	Market Value	Unrealised appreciation / (diminution)	Market value as a percentage of Total Investment	Market value as a percentage of net assets
						Rupees			% age	
K-Electric ICP-18	April 19, 2021	25,000,000	-	25,000,000	-	-	-	-	-	-
Mughal Iron & Steel Industries	July 26, 2021	-	62,000,000	-	62,000,000	61,702,893	61,702,893	-	5.22%	5.08%
Lucky Electric Power Company	January 12, 2022	-	190,000,000	-	190,000,000	189,302,147	189,302,147	-	16.03%	15.59%
<b>Total as at June 30, 2022</b>		<b>25,000,000</b>	<b>252,000,000</b>	<b>25,000,000</b>	<b>252,000,000</b>	<b>251,005,040</b>	<b>251,005,040</b>	<b>-</b>	<b>21.25%</b>	<b>20.67%</b>
<b>Total as at June 30, 2021</b>						<b>24,398,242</b>	<b>24,398,242</b>	<b>-</b>	<b>2.06%</b>	<b>1.10%</b>

5.3.1 The cost of investment as on June 30, 2022 is Rs.248,656,361 (2021: Rs 23,998,900).

5.3.2 The commercial papers of Mughal Iron & Steel Industries Limited and Lucky Electric Power Company Limited carry profit at the rates of 9.44% and 12.86% respectively and will mature on July 21, 2022 and July 12, 2022 respectively.

## 5.4 Sukuk certificates

Name of the Investee Company	Face Value					Balance as at June 30, 2022			Percentage	
	Issue Date	As At 1 July 2021	Acquired during the year	Sold / matured during the year	As at 30 June 2022	Carrying Value	Market Value	Unrealised appreciation / (diminution)	Market value as a percentage of Total Investment	Market value as a percentage of net assets
						Rupees			% age	
OBS AGP (Private Limited)	July 15, 2021	-	40,000,000	-	40,000,000	40,000,000	40,200,000	200,000	3.40%	3.31%
<b>Total as at June 30, 2022</b>		<b>-</b>	<b>40,000,000</b>	<b>-</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>40,200,000</b>	<b>200,000</b>	<b>3.40%</b>	<b>3.31%</b>
<b>Total as at June 30, 2021</b>										

5.4.1 The Sukuk of OBS AGP (Private Limited) has a maturity date of July 15, 2026.

5.5 Unrealised loss on re-measurement of investments classified as financial asset at fair value through profit or loss - net	Note	2022	2021
		Rupees	
Market value of investments	5.1, 5.2, 5.3 & 5.4	1,180,947,418	1,187,198,151
Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	1,181,598,405	1,192,146,406
		(650,987)	(4,948,255)

## 6 MARK-UP RECEIVABLE

### Mark-up receivable on:

Bank balances	7,983	538,566
Pakistan investment bonds	1,661,642	19,184,812
Sukuk certificates	1,196,405	-
	<b>2,866,030</b>	<b>19,723,378</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7	DEPOSITS AND OTHER RECEIVABLE	Note	2022 ----- Rupees -----	2021 -----
	Deposit with Central Depository Company of Pakistan Limited (CDCPL)		102,825	102,825
	Deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
	Other receivables	7.1	494,777	594,777
			<u>3,097,602</u>	<u>3,197,602</u>

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 June, 30 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, 2022 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	2022 ----- Rupees -----	2021 -----
	Remuneration of the Management Company	8.1	711,669	1,248,121
	Sindh sales tax payable on remuneration of the Management Company	8.2	231,352	297,284
	Federal excise duty payable on remuneration of the Management Company	8.3	905,341	905,341
	Accounting and operational charges payable	8.4	203,416	316,358
			<u>2,051,778</u>	<u>2,767,104</u>

8.1 During the year, the Management Company has charged remuneration at the following rates:

From July 01, 2021 to November 30, 2021	0.40%
From December 01, 2021 to April 30, 2022	0.60%
From May 01, 2022 to June 30, 2022	0.70%

Previously, the management fee was charged at the rate of 0.4% of average daily net assets of the Fund.

8.2 During the year, an amount of Rs. 1,359,726 (2021: Rs. 1,838,114) 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. 1,425,658 (2021: Rs. 1,936,866) 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 0.08 (June 30, 2021: Rs 0.04).

- 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).

During the year, the Management Company has charged expenses at the rate 0.12% of the average annual net assets of the Fund from July 01, 2021 to September 14, 2021 and 0.2% of the average annual net assets of the Fund from September 15, 2021 to June 30, 2022 (2021: 0.12% from July 1, 2020 to November 30, 2020 and 0.065% from December 1, 2020 to June 30, 2021).

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

	Note	2022 ----- Rupees -----	2021 -----
Trustee fee payable	9.1	55,944	119,509
Sindh sales tax payable on trustee fee	9.2	7,453	15,537
		<u>63,397</u>	<u>135,046</u>

- 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% from July 01, 2021 to September 30, 2021 and 0.055% from October 01, 2021 to June 30, 2022 (2021: 0.065%) of average daily net assets of the Fund during the year.

- 9.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13% (2021: 13%) on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

### 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2022 ----- Rupees -----	2021 -----
Annual fee payable	10.1	<u>404,149</u>	<u>431,255</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% (2021: 0.02%) 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 2022

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022	2021
		----- Rupees -----	----- Rupees -----
Transaction charges payable		1,204	1,204
Auditors' remuneration payable		304,020	259,740
Printing charges payable		-	2,071
Withholding tax payable		7,499,871	16,760,259
Capital gain tax payable		15,393	1,830
Dividend payable		5,776,900	4,768,186
Provision for Sindh Workers' Welfare Fund	11.1	-	12,565,416
Other payables		10,984	10,984
		<u>13,608,372</u>	<u>34,369,690</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 was not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds 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 had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP 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 had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the year, SRB through its letter dated August 12, 2021 intimated the 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 was also taken up with the SECP and the Asset Management Companies, in consultation with the 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 also gave its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

## 12 CONTINGENCIES AND COMMITMENTS

There were no material contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

13 INTEREST EARNED	2022	2021
	----- Rupees -----	----- Rupees -----
Saving accounts	25,320,264	16,872,215
Government securities - Market treasury bills	51,072,343	59,424,508
Government securities - Pakistan investment bonds	94,929,081	94,382,147
Commercial papers	16,437,629	399,342
Sukuk Certificates	4,253,382	-
	<u>192,012,699</u>	<u>171,078,212</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 0.91% (2021: 1.17%) which includes 0.09% (2021: 0.21%) on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "income scheme".

## 15 AUDITORS' REMUNERATION

	2022	2021
	----- Rupees -----	
Annual audit fee	165,000	165,000
Half yearly review of condensed interim financial statements	82,500	82,500
Certification charges	60,500	-
Out of pocket expenses	30,000	27,000
Sindh sales tax on services	27,040	19,800
Prior year adjustment	-	(21,060)
	<u>365,040</u>	<u>273,240</u>

## 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, 2022 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 CASH AND CASH EQUIVALENTS

	Note	2022	2021
		----- Rupees -----	
Bank balances	4	43,498,607	1,054,508,016
Market treasury bills	5.1	477,462,378	-
		<u>520,960,985</u>	<u>1,054,508,016</u>

## 19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

**19.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any 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.

**19.2** 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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

- 19.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 19.5** Accounting and operational expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 19.6** Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

	2022	2021
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	10,459,417	14,139,342
Remuneration paid	10,995,869	14,927,835
Sindh sales tax on remuneration of the Management Company	1,359,726	1,838,114
Accounting and operational charges	3,644,787	3,661,982
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,172,444	1,400,166
Sindh sales tax payable on remuneration of the Trustee	152,597	182,022
Remuneration paid	1,236,009	1,404,100
<b>Atlas Foundation (Group Company)</b>		
Issue of nil (2021: 108,965) units	-	11,054,719
Cash dividend	6,785,234	5,602,613
Outstanding 937,187 (2021: 937,187) units at - net asset value	94,899,930	94,768,256
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of nil (2021: 13,400) units	-	1,360,000
Redemption of nil (2021: 121,616) units	-	12,616,863
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of nil (2021: 33,063) units	-	3,338,258
Redemption of 585,755 (2021: Nil) units	61,426,662	-
Cash dividend	-	3,338,258
Outstanding nil (2021: 585,755) units - at net asset value	-	59,231,487
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 3,141,417 (2021: 569,416) units	329,981,367	57,542,228
Redemption of 8,886,058 (2021: nil) units	946,000,000	-
Cash dividend	34,048,778	61,747,752
Outstanding 5,007,347 (2021: 10,751,988) units at - net asset value	507,045,859	1,087,239,951

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- Rupees -----	
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 1,542 (2021: 51,059) units	164,005	5,207,306
Cash dividend	14,439,993	17,821,688
Redemption of 966,883 (2021: nil) units	100,000,000	-
Outstanding 1,994,554 (2021: 2,959,895) units at - net asset value	201,969,336	299,304,286
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 299,811 (2021: 238,229) units	30,804,769	24,115,338
Cash dividend	5,804,769	5,050,006
Redemption of 338,218 (2021: 343,763) units	35,000,000	35,000,000
Outstanding 859,168 (2021: 897,575) units - at net asset value	86,999,695	90,762,694
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of nil (2021: 986,539) units	-	100,000,000
Redemption of nil (2021: 1,813,622) units	-	184,784,214
<b>Atlas Metals (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 86,890 (2021: 509,042) units	9,000,000	52,104,395
Redemption of 595,932 (2021: nil) units	62,959,055	-
Cash dividend	-	1,643,578
Outstanding nil (2021: 509,042) units - at net asset value	-	51,474,276
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of nil (2021: 723,875) units	-	75,000,000
Redemption of nil (2021: 723,875) units	-	75,952,040
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 142,334 (2021: 1,988,000) units	14,409,296	206,329,748
Cash dividend	14,393,118	5,691,660
Outstanding 2,130,334 (2021: 1,988,000) units - at net asset value	215,718,473	201,026,361
<b>Batool's Benefit Trust</b>		
Issue of nil (2021: 190,986) units	-	19,458,527
Redemption of 190,986 (2021: nil) units	20,160,177	-
Cash dividend	-	917,921
Outstanding nil (2021: 190,986) units - at net asset value	-	19,312,485
<b>Directors and their close family members and key management Personnel and executive of the Management Company</b>		
Issue of 52,577 (2021: 94,277) units	3,980,666	9,530,449
Redemption of 583,171 (2021: nil) units	62,162,392	-
Cash dividend	1,627,295	9,834,923
Outstanding 238,443 (2021: 769,037) units at - net asset value	24,144,834	77,764,911



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2022		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
<b>Financial assets</b>			
Bank balances	43,498,607	-	43,498,607
Investments	-	1,180,947,418	1,180,947,418
Mark-up receivable	2,866,030	-	2,866,030
Deposits	2,602,825	-	2,602,825
	<b>48,967,462</b>	<b>1,180,947,418</b>	<b>1,229,914,880</b>
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	2,051,778	-	2,051,778
Payable to the Central Depository Company of Pakistan Limited - Trustee	63,397	-	63,397
Redemption Payable	37,827	-	37,827
Accrued expenses and other liabilities	6,093,108	-	6,093,108
	<b>8,246,110</b>	<b>-</b>	<b>8,246,110</b>
	As at June 30, 2021		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
<b>Financial assets</b>			
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	2,602,825	-	2,602,825
	<b>1,076,834,219</b>	<b>1,187,198,151</b>	<b>2,264,032,370</b>
<b>Financial liabilities</b>			
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
	<b>9,555,354</b>	<b>-</b>	<b>9,555,354</b>

## 21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 21.2 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 prices. Market risk comprises of three types of risk; interest rate risk, price risk and currency risk.

### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. As of June 30, 2022, 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 bank balances, Pakistan investments bonds and sukuk certificates 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, 2022, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs.4.959 million (2021: Rs. 14.676 million).

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds market treasury bills and commercial paper which expose the Fund to fixed interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2022, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs.7.284 million (2021: Rs. 7.741 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, 2022 is not necessarily indicative of the impact on the Fund's net assets of the future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

----- As at June 30, 2022-----						
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)-----					
<b>Financial assets</b>						
Bank balances	5.50% to 12.25%	43,498,607	-	-	-	43,498,607
Investments	7.07%-14.70%	728,467,418	175,297,500	277,182,500	-	1,180,947,418
Mark-up receivable		-	-	-	2,866,030	2,866,030
Deposits		-	-	-	2,602,825	2,602,825
		771,966,025	175,297,500	277,182,500	5,468,855	1,229,914,880
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	2,051,778	2,051,778
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	63,397	63,397
Redemption payable		-	-	-	37,827	37,827
Accrued expenses and other liabilities		-	-	-	6,093,108	6,093,108
		-	-	-	8,246,110	8,246,110
<b>Total interest rate sensitivity gap</b>		771,966,025	175,297,500	277,182,500	(2,777,255)	1,221,668,770

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

----- 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) -----					
<b>Financial assets</b>						
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	19,723,378
Deposits		-	-	-	2,602,825	2,602,825
		1,078,906,258	413,136,250	749,663,659	22,326,203	2,264,032,370
<b>Financial liabilities</b>						
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
<b>Total interest rate sensitivity gap</b>		1,078,906,258	413,136,250	749,663,659	12,770,849	2,254,477,016

### (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.

### 21.3 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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, 2022 -----					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 10 years	Total
	----- Rupees -----				
<b>Financial assets</b>					
Bank balances	43,498,607	-	-	-	43,498,607
Investments	728,467,418	-	175,297,500	277,182,500	1,180,947,418
Mark-up receivable	2,866,030	-	-	-	2,866,030
Deposits	-	-	-	2,602,825	2,602,825
	774,832,055	-	175,297,500	279,785,325	1,229,914,880
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company	2,051,778	-	-	-	2,051,778
Payable to the Central Depository Company of Pakistan Limited - Trustee	63,397	-	-	-	63,397
Redemption Payable	37,827	-	-	-	37,827
Accrued expenses and other liabilities	6,093,108	-	-	-	6,093,108
	8,246,110	-	-	-	8,246,110
<b>Net financial assets</b>	<u>766,585,945</u>	<u>-</u>	<u>175,297,500</u>	<u>279,785,325</u>	<u>1,221,668,770</u>

----- As at June 30, 2021 -----					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 10 years	Total
	----- Rupees -----				
<b>Financial assets</b>					
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	-	-	-	2,602,825	2,702,825
	1,074,231,394	24,398,242	-	1,165,402,734	2,264,132,370
<b>Financial liabilities</b>					
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
<b>Net financial assets</b>	<u>1,064,676,040</u>	<u>24,398,242</u>	<u>-</u>	<u>1,165,402,734</u>	<u>2,254,577,016</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 21.4 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, commercial paper, sukuk certificates and interest accrued thereon. 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 June 30, 2022, 73.28% (2021: 53.12%) 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, 2022 amounts to Rs. 3.359 million (2021: Rs. 1,082.148 million).

### 21.4.1 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	
	2022	2021
AAA	75.83%	9.81%
AA+	23.99%	71.19%
AA	0.05%	0.01%
A+	0.10%	18.97%
AA-	0.04%	0.02%
	<b>100%</b>	<b>100%</b>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 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.

### 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 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.

### 22.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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, 2022 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

As at June 30, 2022				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Market treasury bills	-	477,462,378	-	477,462,378
Pakistan investment bonds	-	412,280,000	-	412,280,000
Commercial paper*	-	251,005,040	-	251,005,040
Sukuk certificates	-	40,200,000	-	40,200,000
	-	<b>1,180,947,418</b>	-	<b>1,180,947,418</b>
As at June 30, 2021				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Pakistan Investment Bonds	-	1,162,799,909	-	1,162,799,909
Commercial Paper*	-	24,398,242	-	24,398,242
	-	<b>1,187,198,151</b>	-	<b>1,187,198,151</b>

\* 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.

### 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 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

### 24 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2022			30 June 2021		
	Number of unit holders	Amount (Rupees)	Percentage of total	Number of unit holders	Amount (Rupees)	Percentage of total
Individuals	126	61,394,575	5.06%	98	117,542,660	5.28%
Associated Companies / Directors	7	828,059,959	68.20%	9	1,629,105,689	73.21%
Other Corporates	3	7,745,253	0.64%	2	23,159,502	1.04%
Retirement Funds	5	317,044,347	26.11%	7	455,505,182	20.47%
	<b>141</b>	<b>1,214,244,134</b>	<b>100%</b>	<b>116</b>	<b>2,225,313,033</b>	<b>100%</b>

### 25 LIST OF BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	<b>100.00</b>	Optimus Capital Management (Pvt) Ltd	<b>100.00</b>

### 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	22 Years
Mr. Ali H. Shirazi	Director	Masters in Law	18.5 years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	18 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	14 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	11 Years

### 27 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 Atlas Liquid Fund

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Director	Meeting held on					
	02 July 2021	06 Sep 2021	28 Oct 2021	21 Feb 2022	28 Apr 2022	24 June 2022
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	L	L	P	P	L
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)	P	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	P	P	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+ (2021: AM2+) on December 24, 2021. 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)" (2021: "AA (f)") on April 15, 2022.

## 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 08 September 2022.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Income Fund

## Corporate Information

### Trustee

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

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Mohsin Tayebaly & Co.

### Bankers

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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  
HBL Microfinance Bank  
Zarai Taraqati Bank Limited





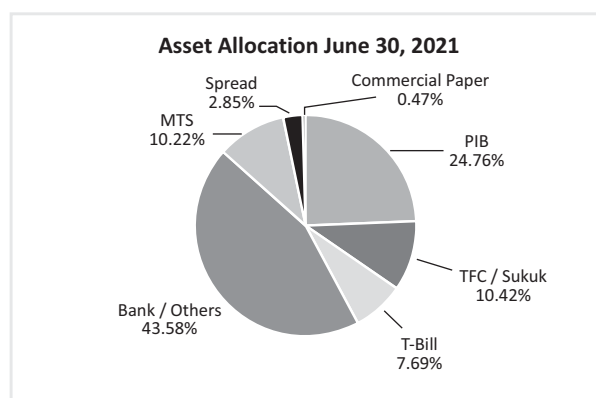
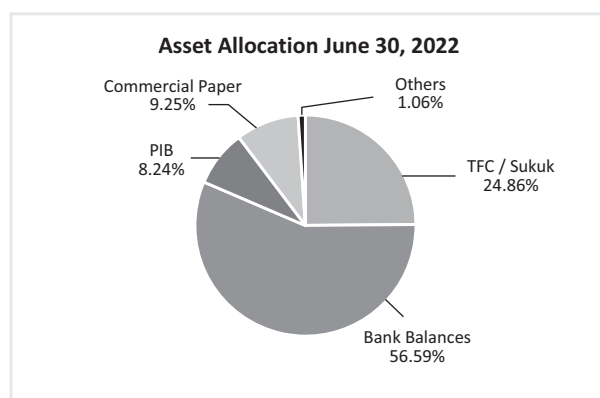
# Fund Manager's Report

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 Monetary Policy Committee of SBP has increased policy rate by 800 bps to 15.0% with the objective of moderating demand to a sustainable pace and reduce external pressures. The Consumer Price Index (CPI) Inflation averaged at 12.15% during FY22 compared to 8.90% in FY21. The increase in FY22 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants' regarding the impact of ongoing commodity super cycle on domestic inflation. Going forward, the impact of international commodity prices on domestic inflation will remain major determinant towards any change in monetary policy stance.

The Net Asset Value per unit of Atlas Income Fund increased by 8.43% to Rs. 523.46 as on June 30, 2022. The benchmark average six months KIBOR rate stood at 10.87% during the period under review. AIF total exposure in Bank Balances, Term Finance Certificates/Sukuk, Commercial Papers, Pakistan Investment Bonds and Others stood at 56.59%, 24.86%, 9.25%, 8.24% and 1.06% 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. 2.67 billion with 5.09 million units outstanding as of June 30, 2022.



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 43.10 per unit for the period ended June 30, 2022 (8.62% 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)	-	-	24,447
Agritech Limited - PPTFC	29,976	(29,976)	-	-	46,700
Agritech Limited - TFC IV	7,494	(7,494)	-	-	12,100
Agritech Limited - TFC II	11,015	(11,015)	-	-	-
Azgard Nine Limited - TFC	1,735	(1,735)	-	-	104
Azgard Nine Limited - TFC VI	6,040	(6,040)	-	-	61
Azgard Nine Limited - TFC VII	13,850	(13,850)	-	-	-
Telecard Limited - TFC	3,424	(3,424)	-	-	981
<b>Total</b>	<b>88,759</b>	<b>(88,759)</b>	<b>-</b>	<b>-</b>	<b>84,394</b>

### 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	2018-19	2019-20	2020-21	2021-22
Atlas Bachat Plan	85%	15%	3.41%	14.5%	12.2%	5.11%
Atlas Bachat Balanced Plan	50%	50%	-5.75%	10.4%	24.4%	-2.65%
Atlas Bachat Growth Plan	15%	85%	-14.91%	6.37%	36.6%	-10.41%

### Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	447	328,908,575	12.34%
Associated Companies / Directors	9	1,789,073,337	67.11%
Retirement Funds	19	463,819,237	17.40%
Insurance Companies	1	41,907,771	1.57%
Others	14	42,128,269	1.58%
<b>Total</b>	<b>490</b>	<b>2,665,837,189</b>	<b>100.00%</b>

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AIF amounting to Rs. 44.64 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the AIF by 0.81%. This is one-off event and is not likely to be repeated in the future. The Scheme has held provision for FED liability that amounted to Rs. 23,582,971 up till June 30, 2022 (Rs. 4.63 per unit).

The Total Expense Ratio (TER) of the Fund is 1.18% including expenses representing Government levy and SECP Fee of 0.10%. During the year under review, the Investment Committee held fifty-one meetings to review investment of the Fund and the Risk Committee held twelve meetings to review risk management.

Karachi: 8 September 2022

**Fawad Javaid**  
Head of Fixed Income

## PERFORMANCE SINCE INCEPTION

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net assets (Rs. in '000)	2,665,837	4,990,461	3,715,448	2,988,495	6,736,308	12,550,927	7,808,327	5,576,232	3,896,867
Number of units in issue	5,092,694	9,550,014	7,151,571	5,820,926	12,545,428	24,501,811	15,273,112	10,928,688	7,734,075
Net asset value per unit (Rs.)	523.46	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.86
Net income (Rs. in '000)	358,548	284,786	499,956	292,891	460,808	213,245	444,672	168,149	184,945
Earnings per unit (Rs.)	70.40	29.82	69.91	50.32	36.73	8.70	29.11	15.39	23.91
Annual return of the Fund (%)	8.43	7.43	16.26	7.33	4.82	5.48	8.02	10.19	8.45
Offer price ** (Rs.)	523.46	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.80
Redemption price ** (Rs.)	523.46	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.86
Highest offer price (Rs.)	565.73	555.23	596.65	531.63	536.86	538.50	550.09	565.53	518.68
Lowest offer price (Rs.)	522.90	520.39	514.18	513.06	513.00	510.39	510.77	504.10	502.10
Highest repurchase price per unit (Rs.)	565.73	555.23	596.65	531.63	536.86	538.50	550.09	565.53	518.11
Lowest repurchase price per unit (Rs.)	522.90	520.39	514.18	513.06	513.00	510.39	510.77	504.10	502.10
Weighted average portfolio (No. of days)	541.63	554.78	612.86	774.82	652.86	417.19	845.19	98.20	329.65

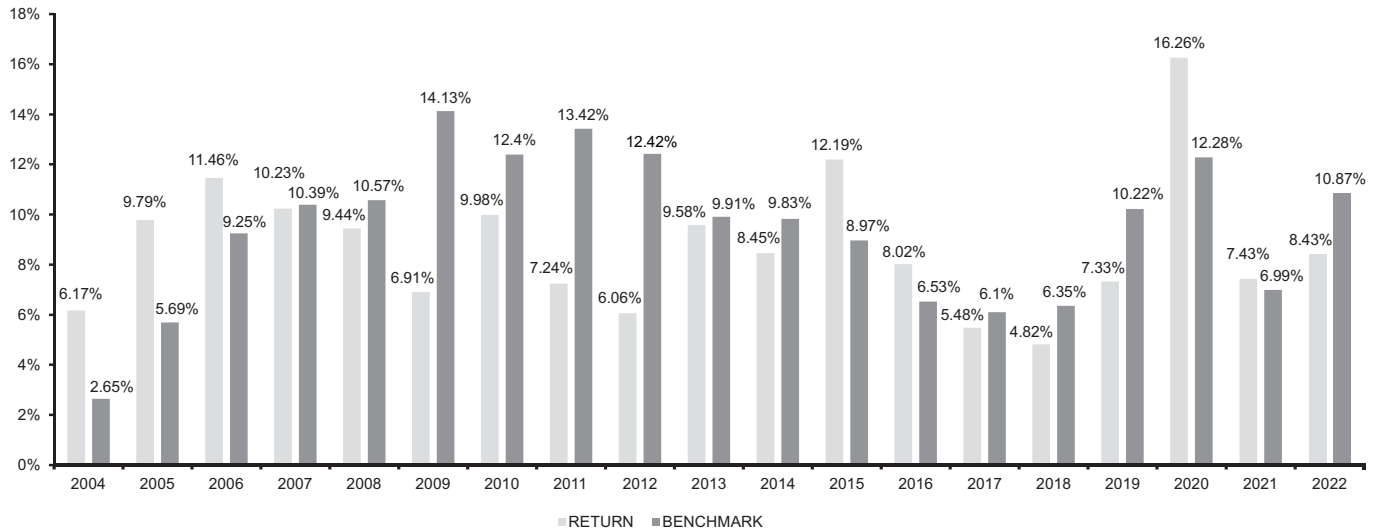
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004*
Net assets (Rs. in '000)	1,939,998	931,487	786,935	1,282,287	1,748,265	4,150,406	3,853,940	2,675,604	1,153,856	371,324
Number of units in issue	3,851,364	1,855,552	1,530,383	2,509,323	3,403,895	7,930,536	6,988,480	4,796,790	2,101,528	742,343
Net asset value per unit (Rs.)	503.72	502.00	514.21	511.01	513.61	523.34	551.47	557.79	549.06	500.21
Net income (Rs. in '000)	139,186	53,314	63,171	161,118	154,107	433,326	357,866	276,820	103,093	13,941
Earnings per unit (Rs.)	36.14	28.73	41.28	64.21	45.27	54.64	51.21	57.71	49.06	18.78
Annual return of the Fund (%)	9.58	6.06	7.24	9.98	6.91	9.44	10.23	11.46	9.79	6.17
Offer price ** (Rs.)	508.56	507.02	519.35	516.04	518.75	533.81	557.60	566.65	554.55	505.21
Redemption price ** (Rs.)	503.52	502.00	514.21	510.93	513.61	523.34	546.67	555.54	549.06	500.21
Highest offer price (Rs.)	523.74	535.51	524.74	525.88	528.18	547.01	557.60	566.79	556.84	529.24
Lowest offer price (Rs.)	507.30	483.57	500.55	507.89	474.68	513.92	513.33	511.77	510.90	520.91
Highest repurchase price per unit (Rs.)	518.55	530.21	519.54	520.67	517.82	536.28	546.67	555.54	545.92	518.86
Lowest repurchase price per unit (Rs.)	502.28	478.78	495.59	501.32	466.39	503.84	503.26	500.45	500.88	510.70
Weighted average portfolio (No. of days)	59.05	87.24	67.57	70.58	58.63	76.47	26.19	47.17	21.47	33.70

Date of Launch: 22 March 2004.

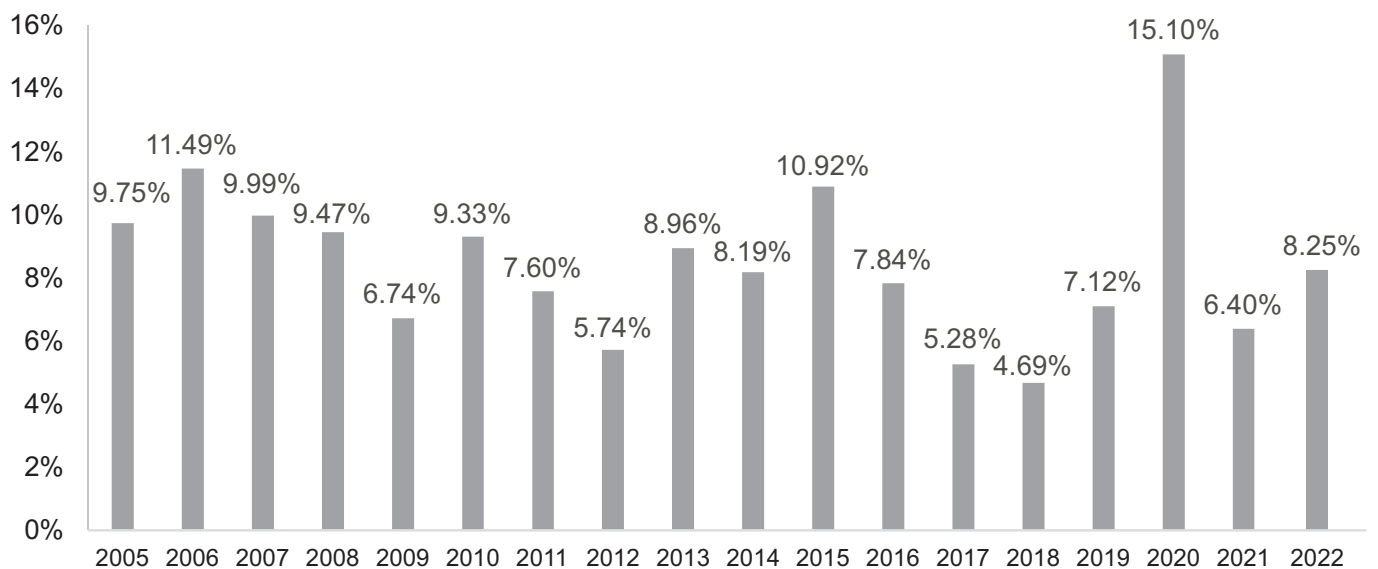
\* For the period from 15 September 2003 to 30 June 2004.

\*\* Relates to announced prices.

### Yearly Performance (Annualized)



### Payout History (% on opening Ex - NAV)



## DISTRIBUTION HISTORY

Distribution detail	2022	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	43.10	28.80	77.50	18.00	-	27.00	40.00	55.00
First Interim distribution as a % of Ex-NAV of units	8.25	5.54	15.10	3.51	-	5.28	7.84	10.92
Date of distribution - Interim	24-Jun-22	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.

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## 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, 2022 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: 28 September 2022

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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# 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 of the statement of assets and liabilities as at 30 June 2022, 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 2022, 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
<b>Investments in Debt Instruments</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, 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"><li>• 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.</li><li>• 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).</li><li>• We assessed the Fund's compliance with the requirements of</li></ul>

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"> <li>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.</li> </ul>

### 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



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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 Arslan Khalid.

Karachi: 15 September 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2022

	Note	2022 Rupees	2021
<b>Assets</b>			
Bank balances	4	1,542,301,936	2,146,464,962
Investments	5	1,154,234,216	2,383,532,812
Receivable against Margin Trading System		-	527,223,489
Markup / profit accrued	6	19,867,926	45,277,174
Security deposits, prepayment and other receivables	7	9,039,382	56,721,155
<b>Total assets</b>		<b>2,725,443,460</b>	<b>5,159,219,592</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	29,650,873	32,526,165
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	206,137	353,377
Payable to the Securities and Exchange Commission of Pakistan	10	891,294	853,312
Payable against purchase of investment		-	18,957,296
Payable against redemption of units	11	-	1,374,017
Dividend payable		197,315	32,852,713
Accrued expenses and other liabilities	12	28,660,654	83,871,854
<b>Total liabilities</b>		<b>59,606,273</b>	<b>170,788,734</b>
<b>NET ASSETS</b>		<b>2,665,837,187</b>	<b>4,988,430,858</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>2,665,837,187</b>	<b>4,988,430,858</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>5,092,694</b>	<b>9,546,130</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>523.4631</b>	<b>522.5605</b>

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 2022

		2022	2021
	Note	Rupees	
<b>Income</b>			
Markup / profit income	14	415,795,967	338,419,573
(Loss) / gain on sale of investments - net	5.7	(52,116,356)	20,915,797
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		2,940,332	2,064,550
		(49,176,024)	22,980,347
<b>Total income</b>		<b>366,619,943</b>	<b>361,399,920</b>
<b>Expenses</b>			
Remuneration of the Management Company	8.1	26,144,292	42,665,757
Sindh Sales Tax on remuneration of the Management Company	8.2	3,398,758	5,546,548
Remuneration of the Trustee	9.1	3,342,354	3,199,932
Sindh Sales Tax on remuneration of the Trustee	9.2	434,506	415,991
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	891,294	853,312
Transaction charges	15	4,961,336	7,776,686
Auditors' remuneration	16	730,944	652,088
Accounting and operational charges	17	8,029,131	7,253,179
Annual rating fee		632,637	523,030
Annual listing fee		27,499	30,106
Printing charges		59,083	25,769
Legal and professional charges		4,035,171	1,807,320
Bank charges		23,351	50,889
(Reversal) / provision for Sindh Workers' Welfare Fund	12.1	(44,638,020)	5,814,127
<b>Total expenses</b>		<b>8,072,336</b>	<b>76,614,735</b>
<b>Net income for the year before taxation</b>		<b>358,547,607</b>	<b>284,785,185</b>
<b>Taxation</b>	19	-	-
<b>Net income for the year after taxation</b>		<b>358,547,607</b>	<b>284,785,185</b>
<b>Allocation of net income for the year:</b>			
- Net income for the year after taxation		358,547,607	284,785,185
- Income already paid on units redeemed		(175,214,088)	(13,861,520)
		<b>183,333,519</b>	<b>270,923,665</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	22,980,347
- Excluding capital gains		183,333,519	247,943,318
		<b>183,333,519</b>	<b>270,923,665</b>

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 2022

	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Net income for the year after taxation</b>	<b>358,547,607</b>	<b>284,785,185</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>358,547,607</b>	<b>284,785,185</b>

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 2022

	2022		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	4,773,825,599	-	4,773,825,599
<b>Undistributed income brought forward</b>			
- Realised income	-	185,109,189	185,109,189
- Unrealised income	-	29,496,070	29,496,070
<b>Net assets at the beginning of the year (Units outstanding: 9,546,130) (Rs. 522.5605 per unit)</b>	<b>4,773,825,599</b>	<b>214,605,259</b>	<b>4,988,430,858</b>
Issue of 6,149,124 units	3,327,679,843	-	3,327,679,843
Redemption of 10,602,560 units	(5,623,602,014)	(175,214,088)	(5,798,816,102)
Total comprehensive income for the year	-	358,547,607	358,547,607
Refund of capital	(31,185,126)	-	(31,185,126)
Cash distribution for year the ended 30 June 2022 at Rs. 43.1 per unit declared on 24 June 2022	-	(178,819,894)	(178,819,894)
<b>Net assets at end of the year (Units outstanding: 5,092,694) (Rs. 523.4631 per unit)</b>	<b>2,446,718,303</b>	<b>219,118,884</b>	<b>2,665,837,187</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	212,606,523	-
- Unrealised income	-	6,512,362	-
	-	<b>219,118,884</b>	-
	2021		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	3,527,040,519	-	3,527,040,519
<b>Undistributed income brought forward</b>			
- Realised income	-	104,252,481	104,252,481
- Unrealised loss	-	84,161,043	84,161,043
<b>Net assets at the beginning of the year (Units outstanding: 7,151,571) (Rs. 519.5300 per unit)</b>	<b>3,527,040,519</b>	<b>188,413,524</b>	<b>3,715,454,043</b>
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)
<b>Net assets at end of the year (Units outstanding: 9,546,130) (Rs. 522.5605 per unit)</b>	<b>4,773,825,599</b>	<b>214,605,259</b>	<b>4,988,430,858</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	185,109,189	-
- Unrealised gain	-	29,496,070	-
	-	<b>214,605,259</b>	-

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 2022

Note	2022	2021
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year after taxation	358,547,607	284,785,186
<b>Adjustments for:</b>		
Markup income	(415,795,967)	(338,419,573)
Loss / (gain) on sale of investments - net	52,116,356	(20,915,797)
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(2,940,332)	(2,064,550)
(Reversal) / provision for Sindh Workers' Welfare Fund	(44,638,020)	5,814,127
	<b>(411,257,963)</b>	<b>(355,585,793)</b>
<b>Decrease / (increase) in assets</b>		
Receivable against Margin Trading System	527,223,489	(527,223,489)
Security deposits, prepayment and other receivables	47,681,773	(45,165,322)
	<b>574,905,262</b>	<b>(572,388,811)</b>
<b>Decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(2,875,292)	1,360,557
Payable to the Central Depository Company of Pakistan Limited - Trustee	(147,240)	87,570
Payable to the Securities and Exchange Commission of Pakistan	37,982	187,548
Payable against purchase of investment	(18,957,296)	18,957,296
Dividend payable	(32,655,398)	(258,658,873)
Accrued expenses and other liabilities	(10,573,180)	(24,963,766)
	<b>(65,170,423)</b>	<b>(263,029,669)</b>
	<b>457,024,483</b>	<b>(906,219,087)</b>
Interest received	441,205,215	342,717,411
Investments - net	1,180,122,572	402,269,481
<b>Net cash generated from / (used) in operating activities</b>	<b>2,078,352,270</b>	<b>(161,232,196)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	3,327,679,843	5,055,409,880
Payments against redemption of units	(5,800,190,119)	(3,756,857,712)
Refund of capital	(31,185,126)	(64,369,228)
Cash dividend	(178,819,894)	(244,731,931)
<b>Net cash (used) / generated from financing activities</b>	<b>(2,682,515,296)</b>	<b>989,451,009</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(604,163,025)</b>	<b>828,218,813</b>
Cash and cash equivalents at the beginning of the year	2,146,464,962	1,318,246,149
<b>Cash and cash equivalents at the end of the year</b>	<b>1,542,301,936</b>	<b>2,146,464,962</b>

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 and the Offering Document has been revised various times during 2010 to 2022 with its last amendment in 26 July 2021 and 12 November 2021, respectively, further the trust has been registered under the Sindh Trust Act as disclosed in note 1.5. 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 the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 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.

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 2022

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, 2021 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
IAS 41 Agriculture - Taxation in fair value measurements	01 January 2022
IFRS 3 - Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
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
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

## 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 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.



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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 7.1 and 8.3 respectively.

### 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except investments are required to be 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.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 asset to identify whether they meet the SPPI criteria.

'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 FVTPL.

### **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**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

#### **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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

previously recognised in OCI are reclassified from OCI to profit or loss. The fund has not used this classification for its investment portfolio.

### **Financial liabilities**

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

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

#### **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) Regular way contracts**

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

#### **g) Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

#### **h) 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.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### i) **Determination of fair value**

The fair value of financial assets are determined as follows:

#### 1) **Debt securities (other than Government securities)**

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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### 2) **Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

#### 3) **Equity securities**

The equity securities are valued on the basis of closing quoted market prices available at the 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 **Unit holders' Fund**

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.5 **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% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded tax liability in respect of income relating to the current year as the Management Company has distributed more than 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised).

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3.6 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.

### 3.7 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.

### 3.8 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.

### 3.9 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.
- Markup / 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 gain / (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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 3.10 Margin Trading System

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

## 3.11 Expenses

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

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.

		2022	2021
4	Note	Rupees	Rupees
In local currency			
- Profit and loss sharing accounts	4.1	1,542,296,936	2,145,467,153
- Cheques in hand	4.2	-	992,808
		<b>1,542,301,936</b>	<b>2,146,464,962</b>

4.1 The rate of return on these accounts ranges between 5.50% to 16.45% (30 June 2021 5.5% to 7.95%) per annum. The profit rates effective at the year end on these accounts ranges between 7% and 15% (30 June 2021 5.50% 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 ended 2022 : Nil (2021: 28 July 2021).

		2022	2021
5	Note	Rupees	Rupees
<b>At fair value through profit or loss</b>			
Term finance certificates - listed	5.1 & 5.7	38,606,746	37,058,292
Term finance certificates - unlisted	5.2 & 5.7	350,472,196	298,812,248
Sukuk certificates	5.3 & 5.7	288,550,000	201,665,984
Government securities - Market Treasury Bills	5.4	-	396,979,395
Government securities - Pakistan Investment Bonds	5.5	224,605,000	1,277,512,883
Islamic commercial paper	5.6	252,000,274	24,398,246
Investment in ordinary shares	5.8	-	143,201,863
Investment in Future contracts		-	3,903,901
		<b>1,154,234,216</b>	<b>2,383,532,812</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 2021	Purchased during the year	Disposed / matured during the year	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	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		Percentage			
BANKS										
Soneri Bank Limited		7,428	-	-	7,428	37,043,436	38,606,746	3.34%	1.45%	1.24%
TELECOMMUNICATION										
Telecard Limited	5.8.1	4,000	-	-	4,000	-	-	0.00%	0.00%	0.00%
PERSONAL GOODS										
Azgard Nine Limited	5.8.1	5,000	-	-	5,000	-	-	0.00%	0.00%	0.00%
Total - 30 June 2022						37,043,436	38,606,746	3.34%	1.45%	1.24%
Total - 30 June 2021						36,825,928	37,058,292	1.55%	0.74%	1.24%

5.1.1 The terms and conditions of listed term finance certificates outstanding as at 30 June 2022 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
<b>PERSONAL GOODS</b>					
Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%
<b>TELECOMMUNICATION</b>					
Telecard Limited	NPA	15 years	Semi-annually	Dec 2020	3 month KIBOR
<b>BANKS</b>					
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%

## 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 2021	Purchased during the year	Disposed / matured during the year	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	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 -----		----- Percentage -----		
BANKS										
The Bank of Punjab Limited - TFC (Face Value Rs. 99,840)		527	500	-	1,027	103,199,489	102,883,956	8.91%	3.86%	4.11%
Askari Bank Limited - TFC VII (Face Value Rs. 1,000,000)		150	-	-	150	150,671,100	152,250,000	13.19%	5.71%	2.50%
Samba Bank Limited TFC (Face Value Rs. 99,960)		950	-	-	950	94,962,000	95,338,239	8.26%	3.58%	1.90%
						348,832,589	350,472,196	30.36%	13.15%	8.51%
CHEMICALS										
Agritech Limited- I	5.8.1	2,000	-	-	2,000	-	-	0.00%	0.00%	0.00%
Agritech Limited - II	5.8.1	8,000	-	-	8,000	-	-	0.00%	0.00%	0.00%
Agritech Limited- IV	5.8.1	2,203	-	-	2,203	-	-	0.00%	0.00%	0.00%
PERSONAL GOODS										
Azgard Nine Limited-VI (Face value Rs. 5,000)	5.8.1	1,208	-	-	1,208	-	-	0.00%	0.00%	0.00%
Azgard Nine Limited-VII (Face value Rs. 5,000)	5.8.1	1,208	-	-	1,208	-	-	0.00%	0.00%	0.00%
Total - 30 June 2022						348,832,589	350,472,196	30.36%	13.15%	8.51%
Total - 30 June 2021						295,049,779	298,812,248	12.54%	5.99%	4.80%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 30 June 2022 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
<b>BANKS</b>					
Askari Bank Limited - VII	AA	10 years	Quarterly	Mar 2030	3 month KIBOR + 1.20%
Samba Bank Limited	AA-	10 years	Quarterly	Mar 2031	6 month KIBOR + 1.35%
The Bank of Punjab Limited	AA	10 years	Semi-annually	Dec 2026	6 month KIBOR + 1.00%
<b>CHEMICALS</b>					
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	-
<b>PERSONAL GOODS</b>					
Azgard Nine Limited-VI	NPA	7 years	Annually / quarterly with 2 year grace period	April 2028	5%
Azgard Nine Limited-VII	NPA	10 years	At maturity	March 2031	Zero Coupon

## 5.3 Sukuk certificates

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

Name of Investee Company	As at 01 July 2021	Purchased during the year	Disposed / matured during the year	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	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 ----- Percentage -----									
<b>CHEMICALS</b>									
Agritech Limited (note 5.7.1)	4,060	-	-	4,060	-	-	0.00%	0.00%	0.00%
<b>BANKS</b>									
Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certificate)	47	-	47	-	-	-	0.00%	0.00%	0.00%
<b>PHARMACEUTICAL</b>									
OBS AGP Private Limited Sukuk Certificates (note 5.3.2) (face value of Rs. 100,000)	-	1,100	-	1,100	110,000,000	110,550,000	9.58%	4.15%	4.25%
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
The Hub Power Company Limited -Listed (Face value of Rs. 100,000)	1,500	-	1,500	-	-	-	-	-	-
K-Electric Limited Short Term Sukuk - V - Listed (note 5.3.2) (Face value of Rs. 1,000,000)	-	178	-	178	178,000,000	178,000,000	15.42%	6.68%	3.56%
<b>Total - 30 June 2022</b>					<b>288,000,000</b>	<b>288,550,000</b>	<b>25.00%</b>	<b>10.82%</b>	<b>7.81%</b>
<b>Total - 30 June 2021</b>					<b>201,392,200</b>	<b>201,665,984</b>	<b>8.46%</b>	<b>4.04%</b>	<b>3.17%</b>

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
OBS AGP Private Limited - Sukuk	A+	5 years	Quarterly	July 2026	3 month KIBOR + 1.55%
K-Electric Limited Short Term Sukuk - V - Listed	AA+	6 Months	Upon maturity	October 2022	6 month KIBOR + 1.50%



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**5.3.2** These Sukuks have been measured at their initial investment value, as their market values are not available at MUFAP.

**5.3.3** These 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 traded debt securities with residual maturity of up to six months.

### 5.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2021	Purchased during the year	Disposed / matured during the year	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
	Face value (Rupees)				Rupees		Percentage	
3 Years	400,000,000	11,797,000,000	12,197,000,000	-	-	-	-	-
6 Years	-	4,392,870,000	4,392,870,000	-	-	-	-	-
12 Years	-	995,000,000	995,000,000	-	-	-	-	-
<b>Total as at 30 June 2022</b>	<b>400,000,000</b>	<b>17,184,870,000</b>	<b>17,584,870,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total as at 30 June 2021					396,954,566	396,979,395		

**5.4.1** Market treasury bills carry purchases which yield Nil (2021: 7.33% to 7.34%%) per annum. The cost of these investments as on 30 June 2022 is Nil (2021: Rs. 396,954,566).

### 5.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2021	Purchased during the year	Disposed / matured during the year	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
	Face value (Rupees)				Rupees		Percentage	
3 Years	489,000,000	1,485,000,000	1,924,000,000	50,000,000	50,060,000	50,085,000	4.34%	2.00%
5 Years	640,000,000	-	540,000,000	100,000,000	100,110,000	99,940,000	8.66%	4.00%
10 Years	175,000,000	-	100,000,000	75,000,000	75,247,500	74,580,000	6.46%	3.00%
<b>Total as at 30 June 2022</b>	<b>1,304,000,000</b>	<b>1,485,000,000</b>	<b>2,564,000,000</b>	<b>225,000,000</b>	<b>225,417,500</b>	<b>224,605,000</b>	<b>19.46%</b>	<b>9.00%</b>
Total as at 30 June 2021					1,282,786,465	1,277,512,883		

**5.5.1** Pakistan Investment Bonds carry purchase yield of 15.6500% to 15.9000% (2021: 7.8300% to 9.7764%) per annum and will mature on 10 Dec 2030 (2021: 10 Dec 2030). The cost of these investments is Rs. 225,417,500 (2021: Rs. 1,259,749,272).

### 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 2021	Purchased during the year	Disposed / matured during the year	As at 30 June 2022	Carrying value as at 30 June 2022	Market value as at 30 June 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
	Face value (Rupees)				Rupees		Percentage	
K-Electric Limited - Islamic Commercial Paper (ICP-18)	25	-	25	-	-	-	0.00%	0.00%
K-Electric Limited - Islamic Commercial Paper (ICP-21)	-	150	150	-	-	-	0.00%	0.00%
Mughal - Commercial Paper	-	63	-	63	62,698,101	62,698,101	5.43%	2.35%
Lucky Electric Power Company (LEPCL-2)	-	190	-	190	189,302,206	189,302,174	16.40%	7.10%
<b>Total as at 30 June 2022</b>	<b>25</b>	<b>403</b>	<b>175</b>	<b>253</b>	<b>252,000,306</b>	<b>252,000,274</b>	<b>21.83%</b>	<b>9.45%</b>
Total as at 30 June 2021					24,398,246	24,398,246		

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**5.6.1** The nominal value of these commercial papers is Rs. 1,000,000 per certificate with 12.19% expected profit rate (2021: 8.97%)

**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.

### 5.7 (LOSS) / GAIN ON SALE OF INVESTMENTS - NET

	2022	2021
	----- Rupees -----	
Net gain on disposals of Ordinary shares	6,182,779	-
Net loss on disposals of PIBs	(48,993,438)	(13,941,856)
Net loss/ gain on disposals of T-Bills	(7,564,607)	213,778
Net loss on disposals of TFC	(106)	-
Net loss / gain on disposals of Sukuk certificates	(1,740,984)	17,515,768
Net gain on Ready Futures	-	17,128,108
	<u>(52,116,356)</u>	<u>20,915,797</u>

### 5.8 Particulars of non-compliant investments

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

Non-compliant investment	Type of investment	Principal Value	Valuation Loss	Value of Investment before Provision	Provision held	Value of Investment after provision	Percentage of		Suspended Mark up	Payments after declared NPA/Financial Structuring	Payment after June 30, 2021
							Net assets	Gross assets			
				-----Rupees-----			%	%	-----Rupees-----		
Listed											
Azgard Nine Limited *	TFC	1,735,255	-	1,735,255	1,735,255	-	-	-	104,413	2,125,163	-
Telecard Limited	TFC	4,980,480	1,556,330	3,423,870	3,423,870	-	-	-	980,732	3,845,938	1,245,120
		6,715,735	1,556,330	5,159,125	5,159,125	-	-	-	1,085,145	5,971,101	1,245,120
Agritech Limited-I	TFC	9,992,000	2,498,000	7,494,000	7,494,000	-	-	-	12,100,333	2,154,995	-
Agritech Limited-II	TFC	39,968,000	9,992,000	29,976,000	29,976,000	-	-	-	46,700,480	5,915,011	-
Agritech Limited-IV	TFC	11,015,000	-	11,015,000	11,015,000	-	-	-	-	2,949,016	-
Azgard Nine Limited-VI	TFC	6,040,000	-	6,040,000	6,040,000	-	-	-	61,438	-	302,000
Azgard Nine Limited-VII	TFC	13,850,000	-	13,850,000	13,850,000	-	-	-	-	-	-
		80,865,000	12,490,000	68,375,000	68,375,000	-	-	-	58,862,251	11,019,022	302,000
Unlisted											
Agritech Limited	Sukuk	20,300,000	5,075,000	15,225,000	15,225,000	-	-	-	24,447,008	1,594,375	-
As at 30 June 2022		107,880,735	19,121,330	88,759,125	88,759,125	-	-	-	84,394,404	18,584,498	1,547,120
As at 30 June 2021				81,888,584	81,888,584						

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

- 5.8.2** The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs. 88.76 million (30 June 2021: Rs 81.89 million), has been made in accordance with the provisioning requirements specified by the SECP.
- 5.8.3** 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.
- 5.8.4** 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)
<b>New Zero Coupon PPTFC</b>	<b>13,850,000</b>

**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 property.	(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)
<b>Issuance of Sub PPTFC</b>	<b>6,040,000</b>

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"

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

Name of Investee Company	As at 01 July 2021	Purchases during the year	Bonus / right shares issued during the year	Sales during the year	As at 30 June 2022	Carrying cost as at 30 June 2022	Market value as at 30 June 2022	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	Number of shares					Rupees		Percentage		
International Steels Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	90,000	90,000	-	180,000	-	-	-	-	-	-
	<b>90,000</b>	<b>1,090,000</b>	<b>-</b>	<b>1,180,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cement</b>										
D.G. Khan Cement Company Limited	332,500	787,500	-	1,120,000	-	-	-	-	-	-
Fauji Cement Company Limited	127,000	-	-	127,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	1,427,000	3,466,000	-	4,893,000	-	-	-	-	-	-
Lucky Cement Limited	-	29,000	-	29,000	-	-	-	-	-	-
	<b>1,886,500</b>	<b>4,282,500</b>	<b>-</b>	<b>6,169,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Power Generation &amp; Distribution</b>										
Sui Northern Gas Pipelines Limited	117,000	-	-	117,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
	<b>117,000</b>	<b>5,000</b>	<b>-</b>	<b>122,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Oil &amp; Gas Exploration Companies</b>										
Pakistan Petroleum Limited	7,500	-	-	7,500	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	400,000	-	400,000	-	-	-	-	-	-
	<b>7,500</b>	<b>400,000</b>	<b>-</b>	<b>407,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Technology &amp; Communication</b>										
Pakistan Telecommunication Company Limited	200,000	-	-	200,000	-	-	-	-	-	-
	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fertilizer</b>										
Engro Fertilizers Limited	100,000	-	-	100,000	-	-	-	-	-	-
	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Chemicals</b>										
Lotte Chemical Pakistan Limited	32,500	44,500	-	77,000	-	-	-	-	-	-
	<b>32,500</b>	<b>44,500</b>	<b>-</b>	<b>77,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	738,500	50,000	-	788,500	-	-	-	-	-	-
	<b>738,500</b>	<b>50,000</b>	<b>-</b>	<b>788,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Foods &amp; Personal Care Products</b>										
Unity Foods Limited	-	1,918,001	-	1,918,001	-	-	-	-	-	-
	<b>-</b>	<b>1,918,001</b>	<b>-</b>	<b>1,918,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at 30 June 2022</b>										
<b>Total as at 30 June 2021</b>						<b>144,061,078</b>	<b>143,201,863</b>			

## 5.10 The cost of listed equity securities as at 30 June 2022 is Rs. Nil (2021: 144,061,078).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6	MARKUP / PROFIT ACCRUED	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
	Interest / profit accrued on:			
	Profit on Bank Balances		2,322,566	11,784,176
	Margin Trading System		-	1,445,307
	Term finance certificates		7,519,022	4,998,463
	Sukuk certificates		8,767,540	2,866,548
	Pakistan investment bonds		1,258,797	24,182,681
			<b>19,867,926</b>	<b>45,277,174</b>

7	SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
	Deposit with Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
	Deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
	Margin Deposit Futures		-	47,681,770
	Tax Recoverable	7.1	6,189,385	6,189,385
			<b>9,039,382</b>	<b>56,721,155</b>

- 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 2022 amounts to Rs. 3.02 million and Rs. 3.17 million (2021: Rs 3.02 million and Rs. 3.17 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 2022 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 2022 would have been lower by Rs. 1.22 per unit (2021: Rs. 0.65 per unit).

8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
	Remuneration of the Management Company	8.1	1,822,250	4,169,613
	Sindh sales tax payable on remuneration of the Management Company	8.2	3,759,591	4,064,748
	Federal excise duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
	Accounting and operational charges payable	17	486,061	708,833
			<b>29,650,873</b>	<b>32,526,165</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

- 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 0.5% from 01 July 2021 to 30 November 2021, 0.65% from 01 December 2021 to 30 April 2022 and 0.75% from 01 May 2022 to 30 June 2022. (2021: 1%) of the average annual net assets per annum. The fee is payable to the Management Company monthly in arrears.
- 8.2 Sindh Sales Tax has been charged at 13% (30 June 2021: 13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 3,398,758 (2021: Rs. 5,546,548) was charged during the year and an amount of Rs. 3,703,915 (2021: Rs. 5,410,493) 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 2021: 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 2022 would have been higher by Rs. 4.63 per unit (2021: Rs. 2.47 per unit).

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	2022	2021
			Rupees	
	Remuneration of the Trustee	9.1	182,226	312,723
	Sindh sales tax on remuneration of the Trustee	9.2	23,911	40,654
			<b>206,137</b>	<b>353,377</b>
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 average 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 2022, the trustee fee was charged in the same manner.			
9.2	Sindh Sales Tax has been charged at 13% (2021: 13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 434,506 (2021: Rs. 415,989) charged during the year and an amount of Rs. 451,248 (2021: Rs. 405,785) 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 2022

		2022	2021
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	Rupees	Rupees
Annual fee payable	10.1	891,294	853,312

**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% (2021: 0.02%) of net assets on all categories of CISs.

## 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.

		2022	2021
12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Rupees	Rupees
Auditors' remuneration payable		491,017	488,258
NCCPL charges payable		-	147,733
Printing charges payable		-	4,263
Brokerage payable		1,629,970	3,631,447
Zakat payable		18,055	5,167
Withholding tax payable		22,302,700	34,002,269
Capital gain tax payable		3,884,569	220,353
Provision for Sindh Workers' Welfare Fund	12.1	-	44,638,021
Legal and professional charges payable		-	400,000
Other payable		334,343	334,343
		<b>28,660,654</b>	<b>83,871,854</b>

**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.

During the year ended June 30, 2022, 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 2022

## 13 CONTINGENCIES AND COMMITMENTS

13.1 There are no contingencies other than those disclosed in the note 19 of these financial statements.

13.2 There were no commitments outstanding as at 30 June 2022 and on (30 June 2021: Nil).

14 MARKUP / PROFIT INCOME	Note	2022 Rupees	2021 Rupees
Markup / profit on:			
Profit and loss saving accounts	4.1	88,624,360	36,080,867
Margin Trading System		14,253,208	37,954,118
Sukuk certificates	5.3	19,876,133	26,341,577
Government Securities - Market Treasury Bills	5.4	97,750,326	102,694,838
Government Securities - Pakistan Investment Bonds	5.5	126,875,023	85,917,788
Islamic Commercial Paper	5.6	31,498,142	399,705
Term Finance Certificates	14.1	36,918,775	49,030,680
		<b>415,795,967</b>	<b>338,419,573</b>

14.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (30 June 2021: Nil). Furthermore, in accordance with the requirements specified by the SECP, mark-up on non-performing securities amounting to Rs. 62.65 million (2021: Rs. 62.65 million) based on outstanding principal has not been recognised during the period.

## 15 TRANSACTION CHARGES

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

16 AUDITORS' REMUNERATION	2022 Rupees	2021 Rupees
Audit fee	390,900	390,900
Half yearly review of condensed interim financial information	195,400	195,400
Certification charges	60,500	60,500
Out of pocket expenses	30,000	30,000
Sindh sales tax on services	54,144	54,144
Prior year adjustment	-	(78,856)
	<b>730,944</b>	<b>652,088</b>

## 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 0.12% from 01 July 2021 to 14 September 2021 and 0.2% from 15 September 2021 to 30 June 2022 of the average annual net assets of the Fund (2021: 0.17%) for allocation of such expenses to the Fund.

## 18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2022 is 1.18% (30 June 2021: 1.79%) which includes 0.10 (30 June 2021: 0.29%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.



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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 19 TAXATION

**19.1** 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% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded tax liability in respect of income relating to the current year as the Management Company has distributed more than 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised).

**19.2** On December 21, 2018, an income tax order was issued through which a tax demand including penalty and default surcharge of Rs. 15,863,027 was raised by the Deputy Commissioner Inland Revenue (ACIR) under section 161 of the Income Tax Ordinance, 2001 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.

An appeal was filed before the Commissioner Inland Revenue (CIR-A) against the said order (Appeals). The CIR has passed appellate order dated April 24, 2019 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 CIR-A 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 CIR-A 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 CIR-A 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.

## 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.

**21.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.

**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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**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:

	2022	2021
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	26,144,292	42,665,757
Remuneration paid	28,491,655	41,619,173
Sindh Sales Tax on remuneration of the Management Company	3,398,758	5,546,548
Accounting and operational charges billed	8,029,131	7,253,179
Issue of 119,698 (2021: Nil) units	65,702,337	-
Redemption of 220,033 (2021: Nil) units	119,676,020	-
Dividend declared	-	3,336,127
Outstanding Nil (2021: 100,335 ) units - at net asset value	-	52,430,926
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee Fee	3,342,354	3,199,932
Sindh Sales Tax on remuneration of Trustee Fee	434,506	415,991
Trustee Fee paid	3,472,851	3,121,436
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issue of 119,698 (2021: 67,402) units	37,332,489	35,133,941
Redemption of Nil (2021: 53,763) units	-	29,329,726
Dividend declared	26,150,493	17,835,312
Outstanding 607,376 (2021: 536,572) units - at net asset value	317,939,009	280,391,373
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 2,310,996 (2021: 30,502) units	1,246,203,758	16,040,908
Redemption of 1,647,224 (2021: Nil) units	924,000,000	-
Dividend declared	50,405,482	18,870,483
Outstanding 1,258,298 (2021: 594,525) units - at net asset value	658,672,048	310,675,541
<b>Atlas Insurance Limited (Group company)</b>		
Issue of Nil (2021: 5,331) units	-	2,803,329
Redemption of 103,900 (2021: Nil) units	57,990,409	-
Dividend declared	-	3,297,830
Outstanding Nil (2021: 103,900) units - at net asset value	-	54,294,061
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 4,994 (2021: 60,647) units	2,609,928	32,036,817
Redemption of Nil (2021: 5,814) units	-	3,036,000
Dividend declared	2,609,928	2,257,233
Outstanding 76,235 (2021: 71,241) units - at net asset value	39,906,209	37,227,920
<b>Shirazi Investments (Private) Limited (Group company)</b>		
Issue of Nil (2021: 3,880) units	-	2,022,044
Redemption of 2,586,346 (2021: Nil) units	1,400,000,000	-
Dividend declared	-	130,527,271
Outstanding 1,339,297 (2021: 3,925,643) units - at net asset value	701,072,559	2,051,385,734

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- Rupees -----	
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of Nil (2021: 1,633) units	-	858,602
Redemption of 27,200 (2021: 41,816) units	14,751,365	23,000,000
Dividend declared	-	858,548
Outstanding Nil (2021: 27,266) units - at net asset value	-	14,248,124
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Redemption of 162,038 (2021: Nil) units	87,913,196	-
Dividend declared	-	5,102,561
Outstanding Nil (2021: 162,038 ) units - at net asset value	-	84,674,812
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issue of 241,073 (2021: 51,588) units	127,018,584	27,123,540
Redemption of 116,357 (2021: Nil) units	63,149,942	-
Dividend declared	7,018,584	1,623,540
Outstanding 176,274 (2021: 51,558) units - at net asset value	92,272,934	26,941,964
<b>Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issue of 1,743 (2021: 1,970) units	911,188	1,035,813
Redemption of 11,752 (2021: 1,855) units	6,500,000	1,000,000
Dividend declared	911,188	1,035,748
Outstanding 22,885 (2021: 32,894) units - at net asset value	11,979,453	17,188,871
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issue of 22,994 (2021: 241,813) units	12,017,389	128,780,169
Dividend declared	12,017,389	8,779,631
Outstanding Units 301,820 (2021: 278,826) units - at net asset value	157,991,633	145,703,317
<b>Atlas Metals (Private) Limited</b>		
Issue of 126,254 (2021: 98,414) units	70,000,000	52,378,787
Redemption of 224,696 (2021: Nil) units	124,729,620	-
Dividend declared	-	2,592,771
Outstanding Nil (2021: 98,441) units - at net asset value	-	51,441,626
<b>Atlas Autos (Private) Limited</b>		
Issue of 181 (2021: 1,660,096) units	94,731	897,112,103
Redemption of 1,569,770 (2021: 90,506) units	849,238,081	50,000,000
Dividend declared	-	49,558,463
Outstanding Nil (2021: 1,569,589) units - at net asset value	-	820,205,472

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	Rupees	
<b>Atlas Energy Limited</b>		
Issue of 0.45 (2021: 10,095) units	235	5,827,107
Dividend declared	274	337,358
Redemption of 10,689 (2021: Nil) units	5,848,962	-
Outstanding 7 (2021: 10,695) units - at net asset value	3,664	5,588,783
<b>M/S. Shirazi Investments (Private) Ltd. - Employee Provident Fund</b>		
Issue of 35,950 (2021: Nil) units	19,761,097	-
Redemption of 9,300 (2021: Nil) units	5,073,090	-
Dividend declared	214,931	-
Outstanding 26,650 (2021: Nil) units - at net asset value	13,950,292	-
<b>Directors and their close family members and key management personnel and executive of the Management Company</b>		
Issue of 17,223 (2021: 45,410) units	14,470,414	23,961,246
Redemption of 1,780 (2021: 48,440) units	1,000,023	25,943,742
Dividend declared	6,421,471	15,802,875
Outstanding 159,457 (2021: 488,479) units - at net asset value	83,469,981	255,259,992

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

21.6 These represent parties holding units with more than 10% of total number of units issued.

### 22 FINANCIAL INSTRUMENTS BY CATEGORY

	2022		
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income
	Rupees		
<b>Financial assets</b>			
Bank balances	1,542,301,936	-	-
Investments	-	1,154,234,216	-
Markup / profit accrued	19,867,926	-	-
Deposits and other receivables	2,850,000	-	-
	<b>1,565,019,862</b>	<b>1,154,234,216</b>	<b>-</b>
			<b>2,719,254,078</b>
	2022		
	At fair value through profit or loss	Other financial liabilities	Total
	Rupees		
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	29,650,873	29,650,873
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	206,137	206,137
Unclaimed dividend	-	197,315	197,315
Accrued expenses and other liabilities	-	2,455,329	2,455,329
	<b>-</b>	<b>32,509,655</b>	<b>32,509,655</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2021		
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income
	Rupees		
<b>Financial assets</b>			
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	-	-
	<b>2,721,815,625</b>	<b>2,383,532,812</b>	<b>-</b>
			<b>5,105,348,437</b>
	2021		
	At fair value through profit or loss	Other financial liabilities	Total
	Rupees		
<b>Financial liabilities</b>			
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 purchase of investment	-	18,957,296	18,957,296
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
	-	<b>90,669,612</b>	<b>90,669,612</b>

### 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.

#### 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 2022, 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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. 22.199 million (2021: Rs. 26.830 million).

### b) Sensitivity analysis for fixed rate instruments

As at 30 June 2022, 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. 4.766 million (2021: Rs. 16.98 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. 4.766 million (2021: Rs. 16.98 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 2022 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 2022 can be determined as follows:

----- 2022 -----

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 -----					
<b>Financial assets</b>					
Bank balances	5.50% to 16.45%	1,542,296,936	-	5,000	1,542,301,936
Investments		-	252,000,274	902,233,942	1,154,234,216
Markup / profit accrued		-	-	19,867,926	19,867,926
Deposits and other receivables		-	-	2,850,000	2,850,000
		1,542,296,936	-	924,956,868	2,719,254,078
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	29,650,873	29,650,873
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	206,137	206,137
Unclaimed dividend		-	-	197,315	197,315
Accrued expenses and other liabilities		-	-	2,455,329	2,455,329
		-	-	32,509,655	32,509,655
<b>On-balance sheet gap (a)</b>		1,542,296,936	-	892,447,213	2,686,744,423
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		1,542,296,936	-	252,000,274	
<b>Cumulative interest rate sensitivity gap</b>		1,542,296,936	1,542,296,936	1,794,297,210	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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						
<b>Financial assets</b>						
Bank balances	5.5% to 7.95%	2,146,459,962	-	-	5,000	2,146,464,962
Investments		-	171,504,010	2,212,028,802	-	2,383,532,812
Receivable against Margin Trading System		-	-	-	527,223,489	527,223,489
Markup / profit accrued		-	-	-	45,277,174	45,277,174
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		2,146,459,962	171,504,010	2,212,028,802	575,355,663	5,105,348,437
<b>Financial liabilities</b>						
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		-	-	-	4,606,044	4,606,044
		-	-	-	71,712,315	71,712,316
<b>On-balance sheet gap (a)</b>		2,146,459,962	171,504,010	2,212,028,802	503,643,348	5,033,636,121
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		2,146,459,962	171,504,010	2,212,028,802		
<b>Cumulative interest rate sensitivity</b>		2,146,459,962	2,317,963,972	4,529,992,774		

## (ii) Currency risk

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

## (iii) Price risk

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

## 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.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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:

	2022					
	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					
<b>Financial assets</b>						
Bank balances	1,542,301,936	-	-	-	-	1,542,301,936
Investments	-	-	-	727,713,942	99,940,000	827,653,942
Receivable against Margin Trading System	-	-	-	-	-	-
Markup / profit accrued	2,321,465	17,545,359	-	-	-	19,866,824
Deposits and other receivables	-	-	-	-	-	2,850,000
	<b>1,544,623,401</b>	<b>17,545,359</b>	<b>-</b>	<b>727,713,942</b>	<b>99,940,000</b>	<b>2,850,000</b>
						<b>2,392,672,702</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	29,650,873	-	-	-	-	29,650,873
Payable to Central Depository Company of Pakistan Limited - Trustee	206,137	-	-	-	-	206,137
Payable against redemption of units	-	-	-	-	-	-
Unclaimed dividend	197,315	-	-	-	-	197,315
Accrued expenses and other liabilities	1,629,969	825,360	-	-	-	2,455,329
	<b>31,684,295</b>	<b>825,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,509,655</b>
<b>Net assets</b>	<b>1,512,939,107</b>	<b>16,719,999</b>	<b>-</b>	<b>727,713,942</b>	<b>99,940,000</b>	<b>2,850,000</b>
						<b>2,360,163,047</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	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						
<b>Financial assets</b>							
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
Markup / profit accrued	11,784,176	32,047,692	-	-	-	-	43,831,867
Deposits and other receivables	-	-	-	-	-	2,850,000	2,850,000
	<b>2,685,472,627</b>	<b>32,047,692</b>	<b>-</b>	<b>1,022,859,988</b>	<b>628,494,291</b>	<b>2,850,000</b>	<b>4,371,724,597</b>
<b>Financial liabilities</b>							
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	3,779,180	826,864	-	-	-	-	4,606,044
	<b>70,885,452</b>	<b>826,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,712,316</b>
<b>Net assets</b>	<b>2,614,587,174</b>	<b>31,220,828</b>	<b>-</b>	<b>1,022,859,988</b>	<b>628,494,291</b>	<b>2,850,000</b>	<b>4,300,012,281</b>

### 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:

	2022	2021
	Rupees	
Bank balances	1,542,301,936	2,146,464,962
Investments in debt instruments	677,628,942	537,536,524
Receivable against Margin Trading System	-	527,223,489
Interest / profit accrued	19,866,824	43,831,867
Deposits and other receivables	2,850,000	2,850,000
	<b>2,242,647,702</b>	<b>3,257,906,843</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The maximum exposure to credit risk before any credit enhancement as at 30 June 2022 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.

### 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	
	2022	2021
AAA	90.04	3.80
AA+	9.75	70.64
AA	0.00	7.60
AA-	0.16	3.54
A+	0.04	14.43
	<b>100</b>	<b>100</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2022 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.

### 23.4 Reconciliation of liabilities arising out of financing activities

	Receivable against issuance of units	Payable against redemption of units (Rupees in '000)	Total
Opening balance as at July 01, 2021	-	1,374,017	1,374,017
Receivable against issuance of units	3,327,679,843	-	3,327,679,843
Payable against redemption of units	-	5,798,816,102	5,798,816,102
	3,327,679,843	5,798,816,102	9,126,495,945
Amount received on issuance of units	(3,327,679,843)	-	(3,327,679,843)
Amount paid on redemption of units	-	(5,800,190,119)	(5,800,190,119)
	(3,327,679,843)	(5,800,190,119)	(9,127,869,962)
<b>Closing balance as at June 30, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 23.5 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	
	2022	2021
Banks	73.73	71.54
Power Generation & Distribution	26.27	28.46
	<b>100.00</b>	<b>100.00</b>

## 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

### Fair value hierarchy

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

- Level 1: quoted 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 2022 and 30 June 2021, the Fund held the following financial instruments measured at fair values:

As at June 30 2022, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

### 26 UNIT HOLDING PATTERN OF THE FUND

Category	2022			2021		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	447	328,908,575	12.34%	386	658,837,976	13.21%
Associated Companies / Directors	9	1,789,073,337	67.11%	12	3,724,353,571	74.66%
Retirement Funds	19	463,819,237	17.40%	20	445,114,087	8.92%
Insurance Companies	1	41,907,771	1.57%	1	1,988,604	0.04%
Others	14	42,128,269	1.58%	12	158,136,620	3.17%
	<b>490</b>	<b>2,665,837,189</b>	<b>100.00%</b>	<b>431</b>	<b>4,988,430,858</b>	<b>100.00%</b>

### 27 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Topline Securities Limited	73.57	Topline Securities Limited	57.75
Al Habib Capital Markets (Private) Limited	23.78	Alfalah CLSA Securities (Private) Limited	17.24
Alfalah CLSA Securities (Private) Limited	2.66	Al Habib Capital Markets (Private) Limited	14.08
		Insight Securities (Private) Limited	3.35
		Pearl Securities Limited	3.01
		Shajar Capital Pakistan (Private) Ltd.	2.92
		AKD Securities Limited	1.64
		EFG Hermes Pakistan Limited	0.01
	<b>100.00</b>		<b>100.00</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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	18.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	22 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	18 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	14 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	11 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 Islamic Income Fund Atlas Income Fund Atlas Money Market Fund Atlas Sovereign Fund Atlas Liquid Fund

## 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					
	02 July 2021	06 Sep 2021	28 Oct 2021	21 Feb 2022	28 Apr 2022	24 June 2022
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	L	L	P	P	L
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)	P	P	P	P	P	P
Ms Zainab Kazim (Company Secretary)	P	P	P	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) [2021: AM2+ (AM Two Plus)] on 24 December 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2021: "AA- (f)" (Double A minus)] on 15 April 2022.

### 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 08 September 2022.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Stock Market Fund

## Corporate Information

### Trustee

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

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Mohsin Tayebaly & Co.

### Bankers

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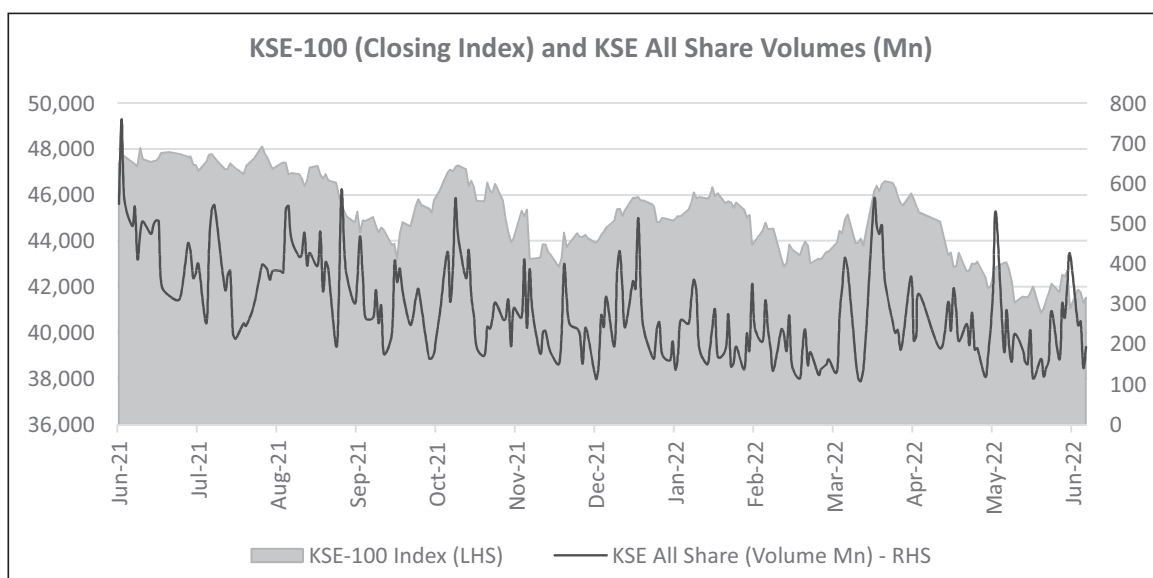
Bank Alfalah Limited  
Habib Bank Limited  
MCB Bank Limited



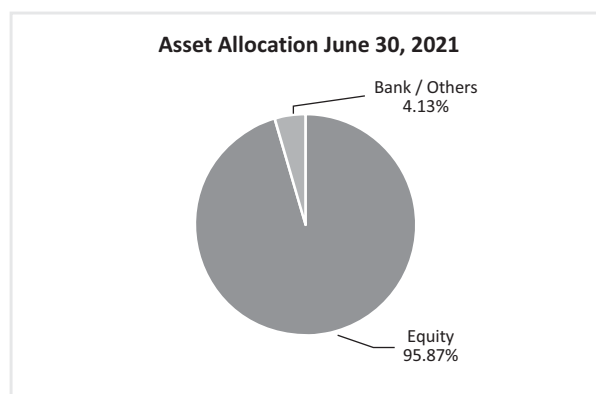
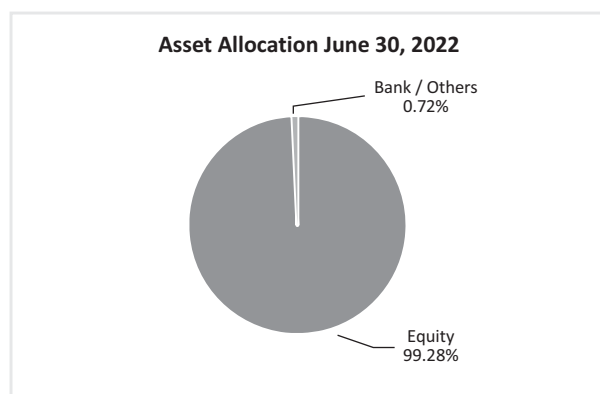
## Fund Manager's Report

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 declined 12.28% from 47,356.02 points as on June 30, 2021, to 41,540.83 points as on June 30, 2022. The daily average volume during FY22 declined by 44.70% to 292 million shares compared to daily average of 528 million shares traded in FY21. Net outflow of US \$298 was recorded by Foreign Portfolio Investors during FY22 compared to net outflow of US \$387 million in FY21. On local investors' front, Individuals, Banks, Companies and Other Organizations were net buyers of US \$157 million, US \$115 million, US \$111 million, and US \$60 million. Mutual Funds, Broker Proprietary Trading and Insurance Companies remained net sellers of US \$128 million, US \$20 million, and US \$1 million, respectively.



The Net Asset Value per unit of Atlas Stock Market Fund decreased by 13.73% to Rs. 593.60 as on June 30, 2022. KSE-100 index declined 12.28% from 47,356.02 points as on June 30, 2021, to 41,540.83 points as on June 30, 2022. The ASMF equity portfolio exposure stood at 99.28% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Fertilizer and Cement 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. 9.08 billion, with 15.29 million units outstanding as of Jun 30, 2022.





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. 0.00 per unit for the period ended June 30, 2022 (0.00% 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	2018-19	2019-20	2020-21	2021-22
Atlas Bachat Plan	85%	15%	3.41%	14.5%	12.2%	5.11%
Atlas Bachat Balanced Plan	50%	50%	-5.75%	10.4%	24.4%	-2.65%
Atlas Bachat Growth Plan	15%	85%	-14.91%	6.37%	36.6%	-10.41%

#### Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	594	906,071,384	9.98
Associated Companies / Directors	11	3,862,882,562	42.56
Insurance Companies	5	196,703,395	2.17
Retirement Funds	20	3,784,401,598	41.69
Others	6	326,460,993	3.60
<b>Total</b>	<b>636</b>	<b>9,076,519,932</b>	<b>100.00</b>

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by ASMF amounting to Rs. 105.14 million been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. This reversal of provision has contributed towards an unusual increase in NAV of the ASMF by 1.03%. This is one-off event and is not likely to be repeated in the future. The Scheme has held provision for FED liability that amounted to Rs. 20,301,987 up till June 30, 2022 (Rs. 1.33 per unit).

The Total Expense Ratio (TER) of the Fund is 3.56% including expenses representing Government levy and SECP Fee of 0.38%.

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

Karachi: 8 September 2022

**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	444	444	-	-
%	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

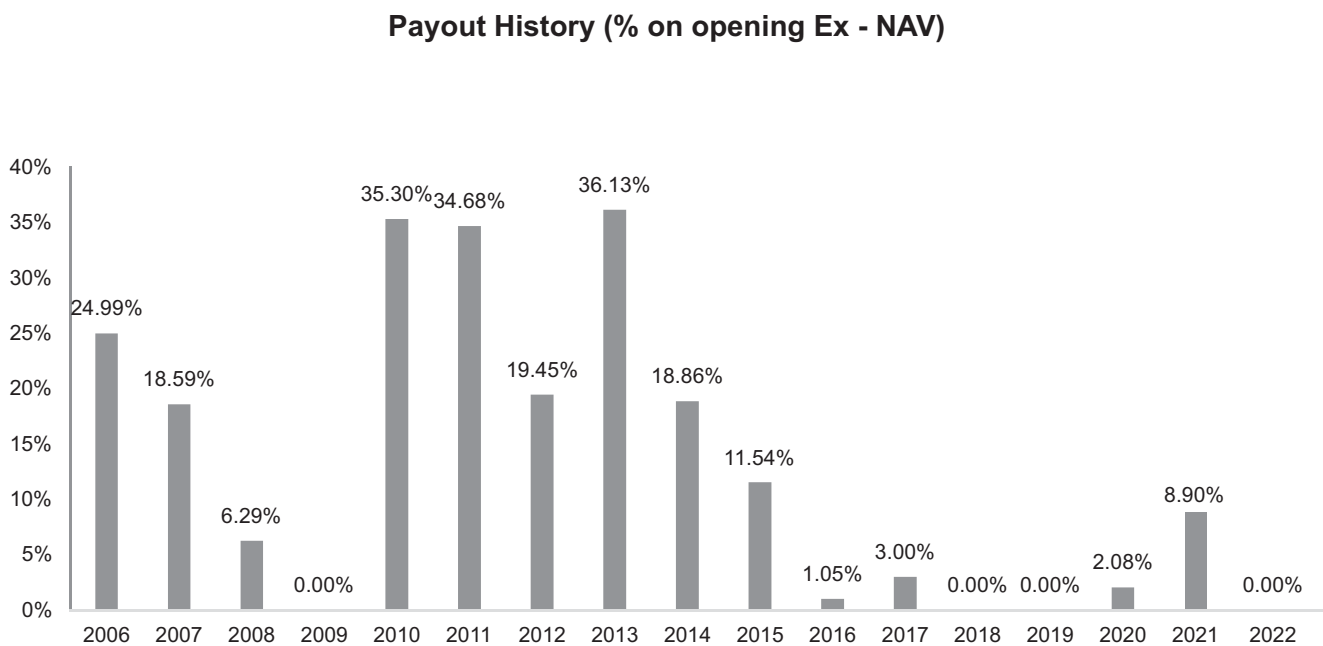
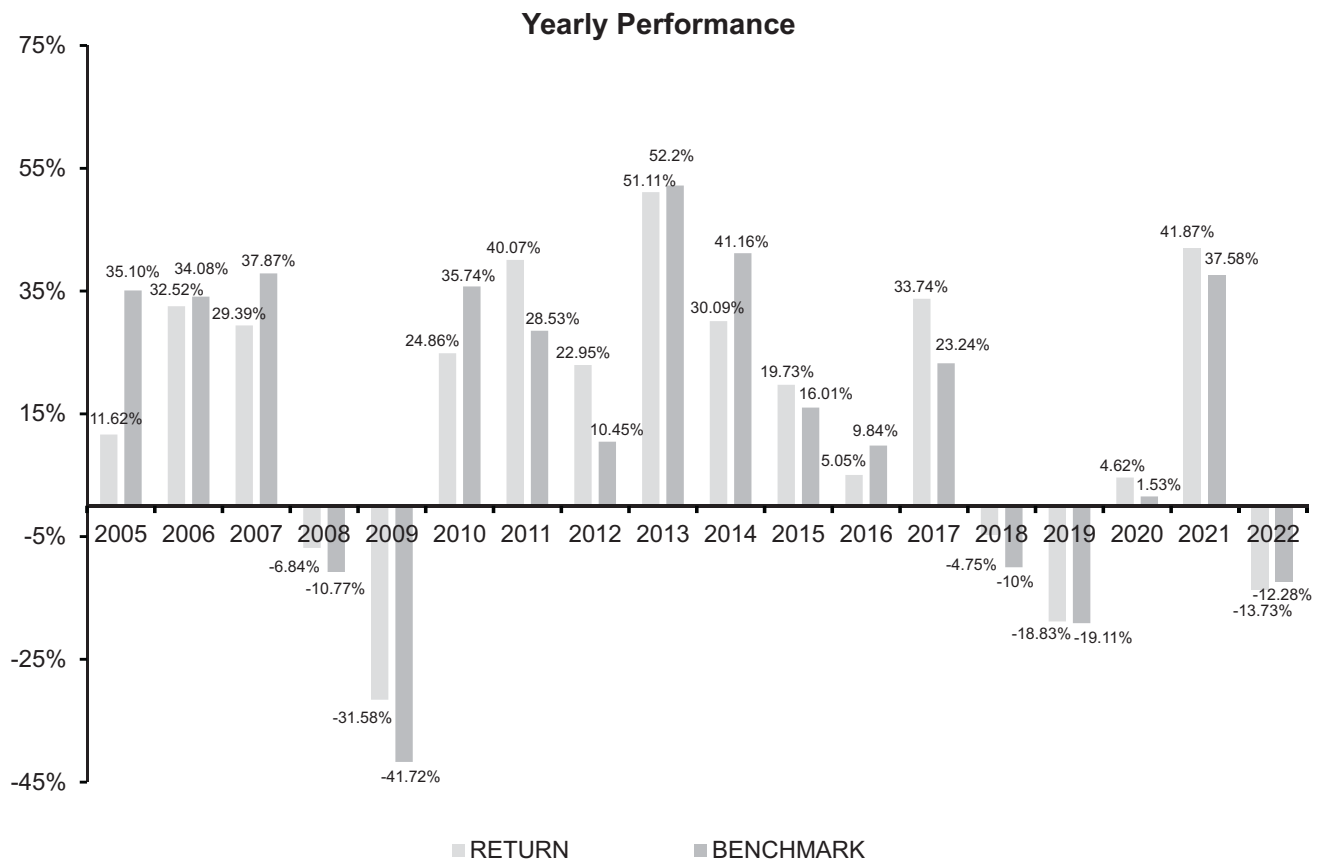
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net assets (Rs. in '000)	9,076,520	9,862,470	6,841,670	5,044,438	5,375,332	5,527,676	4,017,187	3,304,662	1,049,717
Number of units in issue	15,290,637	14,333,327	13,240,837	10,009,549	8,657,936	8,289,668	7,979,640	6,257,738	2,379,851
Net asset value per unit (Rs.)	593.60	688.08	516.71	503.96	620.86	666.82	503.43	528.09	441.08
Net income / (loss) (Rs. in '000)	(1,450,215)	2,967,720	281,056	(1,171,613)	(255,744)	1,395,859	202,191	544,472	254,583
Earnings / (loss) per unit (Rs.)	(94.84)	207.05	21.23	(117.05)	(29.54)	168.39	25.34	87.01	106.97
Annual return of the Fund (%)	(13.73)	41.87	4.62	(18.83)	(4.75)	33.74	5.05	19.73	30.09
Offer price ** (Rs.)	593.60	703.63	528.39	515.35	620.86	666.82	503.43	528.09	441.08
Redemption price ** (Rs.)	593.60	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.)	734.95	777.15	662.80	651.76	670.30	741.32	519.23	536.44	523.17
Lowest offer price (Rs.)	586.12	544.90	412.35	506.30	545.53	519.17	420.92	420.61	423.67
Highest repurchase price per unit (Rs.)	718.70	759.97	648.15	645.99	670.30	741.32	519.23	536.44	523.17
Lowest repurchase price per unit (Rs.)	586.12	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.



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# 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, 2022 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: 28 September 2022

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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# 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 of the statement of assets and liabilities as at 30 June 2022, 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 2022, 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
<b>1. Equity investments</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2022, 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"><li>• 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.</li><li>• 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 2022.</li><li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities</li></ul>

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"> <li>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.</li> </ul>

### 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

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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 Arslan Khalid.

Karachi: 15 September 2022

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2022

	Note	2022 Rupees	2021
<b>ASSETS</b>			
Bank balances	4	51,296,361	311,116,752
Investments	5	9,064,315,544	9,840,526,442
Profit receivable on bank balances		2,750	914,389
Receivable against sale of investments		1,219,498	98,787,808
Advances, deposits and other receivables	6	13,530,225	13,529,987
<b>Total assets</b>		<b>9,130,364,378</b>	<b>10,264,875,378</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	7	48,359,647	48,685,188
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	945,453	1,046,330
Payable to the Securities and Exchange Commission of Pakistan	9	2,008,397	1,804,473
Payable against redemption of units	10	-	114,849
Unclaimed dividend		401,732	401,732
Accrued expenses and other liabilities	11	2,129,217	350,353,228
<b>Total liabilities</b>		<b>53,844,446</b>	<b>402,405,800</b>
<b>NET ASSETS</b>		<b>9,076,519,932</b>	<b>9,862,469,578</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>9,076,519,932</b>	<b>9,862,469,578</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		-----Number of Units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>15,290,637</b>	<b>14,333,327</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>593.5999</b>	<b>688.0795</b>

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 2022

		2022	2021
	Note	Rupees	
<b>INCOME</b>			
Profit on bank balances	4.1	9,387,203	8,726,017
Dividend income		782,879,140	496,984,575
Capital (loss) / gain on sale of investments - net		(201,105,613)	1,353,182,307
Other income		251,000	-
Net unrealised (loss)/gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(1,789,647,950)	1,466,596,668
		<b>(1,990,502,563)</b>	<b>2,819,778,975</b>
<b>Total (loss) / income</b>		<b>(1,198,236,220)</b>	<b>3,325,489,567</b>
<b>EXPENSES</b>			
Remuneration of the Management Company	7.1	248,468,588	216,539,759
Sindh sales tax on remuneration of the Management Company	7.2	32,300,925	28,150,169
Remuneration of the Trustee	8.1	11,042,109	10,022,490
Sindh sales tax on remuneration of the Trustee	8.2	1,435,474	1,302,924
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	2,008,422	1,804,498
Accounting and operational charges	13	48,070,836	22,415,453
Auditors' remuneration	15	673,732	542,045
Annual listing fee		27,500	30,138
Legal and professional charges		186,261	211,560
Transaction charges	11.1	12,813,331	16,016,268
Printing charges		54,611	50,111
Bank charges		34,048	118,261
(Reversal) / provision for Sindh Workers' Welfare Fund	11.2	(105,137,220)	60,565,719
<b>Total expenses</b>		<b>251,978,617</b>	<b>357,769,394</b>
<b>Net (loss) / income for the year before taxation</b>		<b>(1,450,214,835)</b>	<b>2,967,720,173</b>
<b>Taxation</b>	16	-	-
<b>Net (loss) / income for the year after taxation</b>		<b>(1,450,214,835)</b>	<b>2,967,720,173</b>
<b>Allocation of net income for the year:</b>			
- Net income for the year after taxation		-	2,967,720,173
- Income already paid on units redeemed		-	(510,989,329)
		-	<b>2,456,730,844</b>
<b>Accounting income / (loss) available for distribution:</b>			
- Relating to capital gains		-	2,819,778,975
- Excluding capital gains		-	(363,048,131)
		-	<b>2,456,730,844</b>

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 2022

	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Net (loss) / income for the year after taxation</b>	<b>(1,450,214,835)</b>	<b>2,967,720,173</b>
Other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(1,450,214,835)</b>	<b>2,967,720,173</b>

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 2022

	Capital Value	30 June 2022 Undistributed income	Net Assets
	-----Rupees-----		
Capital value	7,557,133,362	-	7,557,133,362
<b>Undistributed income brought forward</b>			
- Realised income	-	1,331,130,189	1,331,130,189
- Unrealised income	-	974,206,027	974,206,027
<b>Net assets at the beginning of the year (Units outstanding: 14,333,327)</b> <b>(Rs. 688.0795 per unit)</b>	<b>7,557,133,362</b>	<b>2,305,336,216</b>	<b>9,862,469,578</b>
Issue of 4,245,038 units	2,824,066,647	-	2,824,066,647
Redemption of 3,287,728 units	(2,159,801,459)	-	(2,159,801,459)
Total comprehensive loss for the year	-	(1,450,214,835)	(1,450,214,835)
<b>Net assets at end of the year (Units outstanding: 15,290,637)</b> <b>(Rs. 593.5999 per unit)</b>	<b>8,221,398,550</b>	<b>855,121,381</b>	<b>9,076,519,932</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	2,294,129,032	-
- Unrealised loss	-	(1,439,007,651)	-
	-	<b>855,121,381</b>	-
	Capital Value	30 June 2021 Undistributed income	Net Assets
	-----Rupees-----		
Capital value	6,499,701,211	-	6,499,701,211
<b>Undistributed income brought forward</b>			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
<b>Net assets at the beginning of the year (Units outstanding: 13,240,837)</b> <b>(Rs. 516.7100 per unit)</b>	<b>6,499,701,211</b>	<b>341,968,328</b>	<b>6,841,669,539</b>
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
<b>Net assets at end of the year (Units outstanding: 14,333,327)</b> <b>(Rs. 688.0795 per unit)</b>	<b>7,557,133,362</b>	<b>2,305,336,216</b>	<b>9,862,469,578</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	1,331,130,189	-
- Unrealised income	-	974,206,027	-
	-	<b>2,305,336,216</b>	-

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 2022

Note	2022	2021
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year after taxation	(1,450,214,835)	2,967,720,173
<b>Adjustments for:</b>		
Profit on bank balances	(9,387,203)	(8,726,017)
Dividend income	(782,879,140)	(496,984,575)
Capital gain on sale of investments	201,105,613	(1,353,182,307)
Net unrealised (loss)/ on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,789,647,950	(1,466,596,668)
(Reversal) / provision for Sindh Workers' Welfare Fund	(105,137,220)	60,565,719
	<b>1,093,350,000</b>	<b>(3,264,923,848)</b>
<b>Decrease / (increase) in assets</b>		
Receivable against sale of investments	97,568,310	(98,787,808)
Advances, deposits, prepayments and other receivables	(238)	-
	<b>97,568,072</b>	<b>(98,787,808)</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(325,541)	9,072,910
Payable to the Central Depository Company of Pakistan Limited - Trustee	(100,877)	309,595
Payable to the Securities and Exchange Commission of Pakistan	203,924	559,026
Accrued expenses and other liabilities	(243,086,790)	226,092,646
	<b>(243,309,284)</b>	<b>236,034,177</b>
Profit received on bank balances	10,298,842	8,225,532
Dividend received	782,879,140	496,984,575
Investments made during the year	(7,243,085,842)	(7,243,085,842)
Investments sold during the year	6,028,543,177	7,212,781,218
	<b>(421,364,683)</b>	<b>474,905,483</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(923,970,730)</b>	<b>314,948,176</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	2,824,066,647	6,020,267,464
Payments against redemption of units	(2,159,916,308)	(5,464,853,735)
Refund of capital	-	(141,588,490)
Cash Dividend	-	(493,362,956)
<b>Net cash generated / (used in) from financing activities</b>	<b>664,150,339</b>	<b>(79,537,717)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(259,820,391)</b>	<b>235,410,458</b>
Cash and cash equivalents at the beginning of the year	311,116,752	75,706,293
<b>Cash and cash equivalents at the end of the year</b>	<b>51,296,361</b>	<b>311,116,752</b>

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

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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 and Offering Document has been revised various times during 2005 to 2022 with its last amendment in 26 July 2021 and 14 April 2022, respectively. Further the Trust Deed has been registered under the Sindh Trust Act as disclosed in note 1.5. 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 the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 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.

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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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, 2021 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	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
"IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities"	January 01, 2022
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12 '	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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.

## 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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 taxes recoverable and Federal excise duty payable on remuneration of Management Company as disclosed in notes 6.1 and 7.3 respectively.

### 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except investments which are required to be 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.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

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 passes the SPPI criteria.

'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 FVTPL.

### **c) Subsequent Measurement**

#### **Equity investments at FVTPL**

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.



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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### Equity instruments at FVOCI

Upon initial recognition, the Fund can elect to irrevocably classify an equity investment as 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.

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.

### Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

### Debt instruments at Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

### 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. The Fund has not used this classification for its investment portfolio.

### Financial liabilities

#### Financial liabilities measured at amortised cost

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

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

#### 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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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) Regular way contracts**

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

**g) Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

**h) 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.

**i) Determination of fair value**

The fair value of financial assets are determined as follows:

**a) Debt securities (other than Government securities)**

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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

**b) Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

**c) Equity securities**

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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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 Unit holder's Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.5 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.

### 3.6 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.

### 3.7 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank balances, placements and deposits is recognised on an accrual basis.
- Gains/losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised gain / (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.

## 3.9 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.

## 3.10 Taxation

For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 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 the year end.

## 3.12 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.

		2022	2021
4	Note	Rupees	Rupees
<b>BANK BALANCES</b>			
In local currency			
- Profit and loss sharing accounts	4.1	51,291,361	278,461,795
- Current account		5,000	5,000
- Cheque in hand	4.2	-	32,649,957
		<b>51,296,361</b>	<b>311,116,752</b>

4.1 The rate of return on these accounts during the year ranges between 5.5% to 12.25% (30 June 2021: 5.5% to 7.80%) per annum. The profit rates effective at the year end on these accounts ranges between 10.75% to 12.75% (30 June 2021: 7.75%) per annum.

4.2 These cheques were received against issue of units which were cleared during the year Nil (2021: 06 July 2021).

		2022	2021
5	Note	Rupees	Rupees
<b>INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Investments in listed equity securities	5.1	<b>9,064,315,544</b>	<b>9,840,526,442</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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	Note	As at 01 July 2021	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2022	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 ----- Percentage -----											
<b>Banks</b>											
Bank Alfalah Limited	5.3	-	11,159,101	-	1,830,129	9,328,972	311,862,256	298,527,104	3.29	3.29	0.52
Bank Al Habib Limited		3,306,292	2,676,290	-	261,655	5,720,927	406,213,954	332,157,022	3.66	3.66	0.51
Faysal Bank Limited		994,943	2,439,000	-	1,294,943	2,139,000	55,792,067	49,325,340	0.54	0.54	0.14
Habib Bank Limited		4,705,400	2,787,769	-	585,409	6,907,760	836,424,300	630,954,798	6.96	6.95	0.47
Habib Metropolitan Bank Limited		5,713,500	718,000	-	5,813,000	618,500	27,357,509	24,152,425	0.27	0.27	0.06
Mcb Bank Limited		785,915	909,911	-	1,692,417	3,409	541,850	419,239	0.00	0.00	0.00
Meezan Bank Limited	5.3	3,577,898	1,818,398	547,934	2,537,341	3,406,889	403,461,260	384,910,319	4.25	4.24	0.21
United Bank Limited		4,958,463	1,257,199	-	325,508	5,890,154	736,299,911	666,353,122	7.35	7.34	0.48
		<b>24,042,411</b>	<b>23,765,668</b>	<b>547,934</b>	<b>14,340,402</b>	<b>34,015,611</b>	<b>2,777,953,107</b>	<b>2,386,799,369</b>	<b>26.32</b>	<b>26.29</b>	<b>2.39</b>
<b>Insurance</b>											
Adamjee Insurance Company Limited		670,000	-	-	667,000	3,000	124,410	94,680	0.00	0.00	0.00
IGI Holdings Limited		263,900	15,000	-	-	278,900	53,690,485	30,888,175	0.34	0.34	0.20
Jubilee Life Insurance Company Limited		95,200	129,700	-	-	224,900	57,402,109	34,004,880	0.38	0.37	0.26
Pakistan Reinsurance Company Limited		1,178,500	-	-	1,178,500	-	-	-	-	-	-
		<b>2,207,600</b>	<b>144,700</b>	<b>-</b>	<b>1,845,500</b>	<b>506,800</b>	<b>111,217,004</b>	<b>64,987,735</b>	<b>0.72</b>	<b>0.71</b>	<b>0.46</b>
<b>Textile Composite</b>											
Gul Ahmed Textile Mills Limited		1,218,000	1,492,874	-	100,000	2,610,874	132,402,730	88,273,650	0.97	0.97	0.42
Interloop Limited		1,117,500	711,000	43,455	145,000	1,726,955	120,226,176	105,344,255	1.16	1.16	0.19
Kohinoor Textile Mills Limited		1,306,000	462,500	-	70,000	1,698,500	128,641,509	84,925,000	0.94	0.94	0.57
Nishat (Chunian) Limited		-	1,975,000	-	25,000	1,950,000	100,726,647	87,340,500	0.96	0.96	0.81
Nishat Mills Limited		1,971,500	1,060,700	-	376,200	2,656,000	246,437,944	196,304,960	2.17	2.16	0.76
		<b>5,613,000</b>	<b>5,702,074</b>	<b>43,455</b>	<b>716,200</b>	<b>10,642,329</b>	<b>728,435,006</b>	<b>562,188,365</b>	<b>6.20</b>	<b>6.19</b>	<b>2.75</b>
<b>Cement</b>											
Attock Cement Pakistan Limited		431,100	-	-	430,700	400	71,928	26,600	0.00	0.00	0.00
Cherat Cement Company Limited		597,900	892,489	-	955,955	534,434	79,803,034	49,723,739	0.55	0.55	0.28
D.G. Khan Cement Company Limited		1,665,000	425,000	-	2,089,646	354	40,645	22,125	0.00	0.00	0.00
Fauji Cement Company Limited		7,914,000	4,000,000	-	1,165,000	10,749,000	230,398,944	152,313,330	1.68	1.68	0.78
Kohat Cement Company Limited		683,000	115,700	-	102,000	696,700	144,249,974	90,661,571	1.00	1.00	0.35
Lucky Cement Limited		737,000	237,000	-	165,500	808,500	663,985,988	371,133,840	4.09	4.09	0.25
Maple Leaf Cement Factory Limited		1,090,000	8,608,828	-	4,140,000	5,558,828	190,522,848	152,033,946	1.68	1.68	0.51
Pioneer Cement Limited		190,000	605,337	-	795,000	337	31,924	20,331	0.00	0.00	0.00
		<b>13,308,000</b>	<b>14,884,354</b>	<b>-</b>	<b>9,843,801</b>	<b>18,348,553</b>	<b>1,309,105,285</b>	<b>815,935,482</b>	<b>9.00</b>	<b>9.00</b>	<b>2.17</b>
<b>Refinery</b>											
Attock Refinery Limited		285,500	1,179,000	-	555,500	909,000	134,774,585	159,784,020	1.76	1.75	0.85
National Refinery Limited		48,000	-	-	48,000	-	-	-	-	-	-
		<b>333,500</b>	<b>1,179,000</b>	<b>-</b>	<b>603,500</b>	<b>909,000</b>	<b>134,774,585</b>	<b>159,784,020</b>	<b>1.76</b>	<b>1.75</b>	<b>0.85</b>
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited		6,223,808	1,105,000	-	1,148,460	6,180,348	488,476,942	421,314,323	4.65	4.64	0.48
Kot Addu Power Company Limited		1,335,000	-	-	-	1,335,000	59,207,250	36,752,550	0.41	0.40	0.15
K-Electric Limited (face value Rs. 3.5 per share)		9,500,000	-	-	-	9,500,000	39,710,000	28,880,000	0.32	0.32	0.03
Lalpir Power Limited		7,464,000	-	-	-	7,464,000	133,307,040	95,166,000	1.05	1.05	1.97
Pakgen Power Limited		3,248,000	-	-	-	3,248,000	80,095,680	60,055,520	0.66	0.66	0.87
		<b>27,770,808</b>	<b>1,105,000</b>	<b>-</b>	<b>1,148,460</b>	<b>27,727,348</b>	<b>800,796,912</b>	<b>642,168,393</b>	<b>7.09</b>	<b>7.07</b>	<b>3.50</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Name of Investee Company	Note	As at 01 July 2021	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2022	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 -----		----- Percentage -----			
<b>Oil &amp; Gas Marketing Companies</b>											
Pakistan State Oil Company Limited		1,433,177	237,500	-	155,000	1,515,677	335,378,283	260,453,936	2.87	2.87	0.32
Sui Northern Gas Pipelines Limited		2,074,098	1,350,000	-	150,000	3,274,098	150,583,732	112,006,893	1.24	1.23	0.52
		<b>3,507,275</b>	<b>1,587,500</b>	<b>-</b>	<b>305,000</b>	<b>4,789,775</b>	<b>485,962,015</b>	<b>372,460,829</b>	<b>4.11</b>	<b>4.10</b>	<b>0.84</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited		265,049	79,260	-	18,534	325,775	515,125,858	566,763,799	6.25	6.24	0.24
Oil & Gas Development Company Limited	5.3	4,918,100	1,458,745	-	527,000	5,849,845	549,141,447	460,207,306	5.08	5.07	0.14
Pakistan Oilfields Limited		256,020	222,500	-	14,000	464,520	182,374,268	188,506,861	2.08	2.08	0.16
Pakistan Petroleum Limited	5.3	2,767,602	628,862	-	246,000	3,150,464	271,391,535	212,687,825	2.35	2.34	0.12
		<b>8,206,771</b>	<b>2,389,367</b>	<b>-</b>	<b>805,534</b>	<b>9,790,604</b>	<b>1,518,033,108</b>	<b>1,428,165,791</b>	<b>15.76</b>	<b>15.73</b>	<b>0.66</b>
<b>Engineering</b>											
Aisha Steels Mills Limited		-	4,443,000	-	538,500	3,904,500	74,772,502	43,144,725	0.48	0.48	0.42
Amreli Steels Limited		-	864,500	-	28,000	836,500	39,811,998	19,607,560	0.22	0.22	0.28
Crescent Steel & Allied Products Limited		405,000	-	-	7,500	397,500	33,382,050	16,563,825	0.18	0.18	0.51
International Industries Limited		469,000	50,000	-	236,300	282,700	58,453,075	29,324,471	0.32	0.32	0.21
International Steels Limited		494,000	100,000	-	593,616	384	35,836	22,794	0.00	0.00	0.00
Ittefaq Iron Industries Limited		-	727,000	-	51,500	675,500	12,556,872	4,742,010	0.05	0.05	0.47
Mughal Iron And Steel Industries Limited		591,213	370,000	103,681	710,000	354,894	33,501,356	20,456,090	0.23	0.23	0.11
		<b>1,959,213</b>	<b>6,554,500</b>	<b>103,681</b>	<b>2,165,416</b>	<b>6,451,978</b>	<b>252,513,689</b>	<b>133,861,475</b>	<b>1.48</b>	<b>1.48</b>	<b>2.00</b>
<b>Automobile Assembler</b>											
Al-Ghazi Tractors Limited		-	15,000	-	-	15,000	6,755,369	5,852,550	0.06	0.06	0.03
Indus Motor Company Limited		56,200	54,640	-	110,594	246	315,612	281,525	0.00	0.00	0.00
Millat Tractors Limited		90,000	-	1,074	91,000	74	46,783	64,572	0.00	0.00	0.00
Pak Suzuki Motor Company Limited		215,000	203,500	-	343,500	75,000	14,595,653	15,840,750	0.17	0.17	0.09
		<b>361,200</b>	<b>273,140</b>	<b>1,074</b>	<b>545,094</b>	<b>90,320</b>	<b>21,713,417</b>	<b>22,039,397</b>	<b>0.23</b>	<b>0.23</b>	<b>0.12</b>
<b>Automobile Parts &amp; Accessories</b>											
Panther Tyres Limited		1,025,363	64,500	205,072	85,000	1,209,935	68,726,248	39,201,894	0.43	0.43	0.72
Thal Limited (face value Rs. 5 per share)		395,700	37,300	-	9,000	424,000	178,623,852	114,318,880	1.26	1.26	0.52
		<b>1,421,063</b>	<b>101,800</b>	<b>205,072</b>	<b>94,000</b>	<b>1,633,935</b>	<b>247,350,100</b>	<b>153,520,774</b>	<b>1.69</b>	<b>1.69</b>	<b>1.24</b>
<b>Transport</b>											
Pakistan International Bulk Terminal Limited		7,400,000	-	-	7,400,000	-	-	-	-	-	-
		<b>7,400,000</b>	<b>-</b>	<b>-</b>	<b>7,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Technology &amp; Communications</b>											
Air Link Communication Limited		-	786,525	58,989	845,500	14	895	565	0.00	0.00	-
Avanceon Limited		-	1,331,427	-	-	1,331,427	104,653,544	103,731,478	1.14	1.14	0.41
Hum Network Limited		-	10,917,000	-	1,300,000	9,617,000	72,396,913	68,473,040	0.76	0.75	1.02
Octopus Digital Limited		-	74,336	-	74,000	336	13,642	23,960	0.00	0.00	0.00
Pakistan Telecommunication Company Limited		5,226,000	-	-	5,215,500	10,500	124,320	73,080	0.00	0.00	0.00
Systems Limited		451,700	160,000	97,200	354,500	354,400	119,302,009	116,902,384	1.29	1.29	0.13
Trg Pakistan Limited - Class 'A'		865,000	802,500	-	1,667,108	392	42,957	30,313	0.00	0.00	0.00
		<b>6,542,700</b>	<b>14,071,788</b>	<b>156,189</b>	<b>9,456,608</b>	<b>11,314,069</b>	<b>296,534,280</b>	<b>289,234,820</b>	<b>3.19</b>	<b>3.18</b>	<b>1.56</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Name of Investee Company	Note	As at 01 July 2021	Purchases during the year	Bonus / rights shares issued during the year	Sales during the year	As at 30 June 2022	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 -----		----- Percentage -----			
<b>Fertilizer</b>											
Engro Fertilizers Limited	5.3	3,153,500	865,004	1,301,400	4,564,900	755,004	68,161,722	66,923,555	0.74	0.74	0.06
Engro Corporation Limited	5.3	1,544,701	694,022	-	174,387	2,064,336	603,605,000	530,720,142	5.86	5.85	0.36
Fauji Fertilizer Bin Qasim Limited		1,700,000	2,209,500	-	60,000	3,849,500	97,123,019	77,913,880	0.86	0.86	0.30
Fauji Fertilizer Company Limited		955,000	4,919,795	-	1,470,711	4,404,084	470,559,599	485,418,138	5.36	5.35	0.35
		<b>7,353,201</b>	<b>8,688,321</b>	<b>1,301,400</b>	<b>6,269,998</b>	<b>11,072,924</b>	<b>1,239,449,340</b>	<b>1,160,975,715</b>	<b>12.82</b>	<b>12.80</b>	<b>1.07</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited		113,500	81,000	-	-	194,500	152,447,910	127,327,480	1.40	1.40	0.20
Ferozsons Laboratories Limited		15,700	-	-	15,700	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited		210,800	-	-	166,100	44,700	7,405,449	5,584,371	0.06	0.06	0.01
Highnoon Laboratories Limited		259,542	-	25,434	5,200	279,776	152,605,200	148,244,909	1.64	1.63	0.67
The Searle Company Limited		201,572	-	18,471	201,572	18,471	3,447,281	2,013,708	0.02	0.02	0.01
		<b>801,114</b>	<b>81,000</b>	<b>43,905</b>	<b>388,572</b>	<b>537,447</b>	<b>315,905,840</b>	<b>283,170,468</b>	<b>3.12</b>	<b>3.11</b>	<b>0.89</b>
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited		2,428,500	4,094,500	-	3,763,500	2,759,500	151,422,055	219,738,985	2.42	2.42	0.30
ICI Pakistan Limited		40,000	-	-	40,000	-	-	-	-	-	-
		<b>2,468,500</b>	<b>4,094,500</b>	<b>-</b>	<b>3,803,500</b>	<b>2,759,500</b>	<b>151,422,055</b>	<b>219,738,985</b>	<b>2.42</b>	<b>2.42</b>	<b>0.30</b>
<b>Paper &amp; Board</b>											
Packages Limited		208,000	-	-	208,000	-	-	-	-	-	-
		<b>208,000</b>	<b>-</b>	<b>-</b>	<b>208,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Leather &amp; Tanneries</b>											
Bata Pakistan Limited		35,440	-	-	35,360	80	137,152	190,395	0.00	0.00	0.00
Service Global Footwear Limited		915,837	125,000	-	36,000	1,004,837	58,344,449	40,374,351	0.45	0.44	0.49
Service Industries Limited		120,836	328,700	-	120,800	328,736	150,632,532	115,961,624	1.28	1.28	0.70
		<b>1,072,113</b>	<b>453,700</b>	<b>-</b>	<b>192,160</b>	<b>1,333,653</b>	<b>209,114,133</b>	<b>156,526,370</b>	<b>1.73</b>	<b>1.72</b>	<b>1.19</b>
<b>Foods &amp; Personal Care Products</b>											
At-Tahur Limited		3,933,750	50,000	478,050	3,329,000	1,132,800	23,620,082	21,602,605	0.24	0.24	0.57
Shezan International Limited		76,000	-	7,600	-	83,600	25,183,360	14,212,000	0.16	0.16	0.87
Treet Corporation Limited		1,156,500	-	-	1,156,500	-	-	-	-	-	-
Unity Foods Limited		831,800	-	-	831,800	-	-	-	-	-	-
		<b>5,998,050</b>	<b>50,000</b>	<b>485,650</b>	<b>5,317,300</b>	<b>1,216,400</b>	<b>48,803,442</b>	<b>35,814,605</b>	<b>0.40</b>	<b>0.40</b>	<b>1.44</b>
<b>Glass &amp; Ceramics</b>											
Shabbir Tiles & Ceramics Limited (face value Rs. 5 per share)		1,157,000	2,286,500	-	1,348,500	2,095,000	34,660,727	30,649,850	0.34	0.47	0.88
Tariq Glass Industries Limited		-	1,439,239	-	30,000	1,409,239	170,219,451	146,293,101	1.61	1.61	1.02
		<b>1,157,000</b>	<b>3,725,739</b>	<b>-</b>	<b>1,378,500</b>	<b>3,504,239</b>	<b>204,880,178</b>	<b>176,942,951</b>	<b>1.95</b>	<b>2.08</b>	<b>1.90</b>
<b>Total as at 30 June 2022</b>							<b>10,853,963,493</b>	<b>9,064,315,544</b>	<b>100</b>	<b>100</b>	
<b>Total as at 30 June 2021</b>							<b>8,373,929,775</b>	<b>9,840,526,442</b>	<b>100</b>	<b>100</b>	



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

- 5.2 The cost of listed equity securities as at 30 June 2022 is Rs. 10,503,323,195 (30 June 2021: Rs. 8,866,320,415).
- 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	
	2022	2021	2022	2021
			----- Rupees -----	
Pakistan Petroleum Limited	297,000	297,000	20,050,470	25,788,510
Habib Bank Limited	60,000	60,000	5,480,400	7,342,200
Engro Fertilizers Limited	-	425,000	-	29,864,750
Engro Corporation Limited	125,000	-	32,136,250	-
United Bank Limited	170,000	170,000	19,232,100	20,774,000
Oil & Gas Development Company Limited	100,000	100,000	7,867,000	9,503,000
	<b>752,000</b>	<b>1,052,000</b>	<b>84,766,220</b>	<b>93,272,460</b>

6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	2022	2021
		----- Rupees -----	----- Rupees -----
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
Tax Recoverable	6.1	10,930,225	10,929,987
		<b>13,530,225</b>	<b>13,529,987</b>

- 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 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.10.930\ million (30 June 2021: Rs. 10.930 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all 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 2022 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 2022 would have been lower by Rs. 0.72 per unit (30 June 2021: Rs. 0.76 per unit).



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2022	2021
		----- Rupees -----	-----
Remuneration of the Management Company	7.1	18,863,973	20,250,329
Sindh sales tax on remuneration of the Management Company	7.2	5,421,127	5,601,589
Federal excise duty on remuneration of the Management Company	7.3	20,301,987	20,301,988
Accounting and operational charges	13	3,772,559	2,531,282
		<b>48,359,647</b>	<b>48,685,188</b>

**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 3.5% of average annual net assets, within allowed expense ratio. The Management Company has charged management fee at the rate of 2.4% from 01 July 2021 to 30 September 2021 and 2.5% from 01 October 2021 to 30 June 2022 (30 June 2021: 2.4%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.

**7.2** Sindh Sales Tax has been charged at 13% (30 June 2021:13%) on management fee levied through Sales Tax on Services Act, 2011 during the year resulting in an amount of Rs. 32,300,925 (2021: Rs. 28,150,169). Furthermore an amount of Rs. 32,481,386 (2021: Rs. 27,286,699) has been paid to the Management Company which acts as the 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.

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 2021: 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 2022 would have been higher by Rs. 1.33 (30 June 2021: Rs 1.42) per unit.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	Rupees	Rupees
<b>8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY</b>			
Remuneration of the Trustee	8.1	836,675	925,955
Sindh sales tax on remuneration of the Trustee	8.2	108,778	120,375
		<b>945,453</b>	<b>1,046,330</b>

**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 billion	Rs. 0.20% per annum of Net Assets
- exceeding Rs 1 billion	Rs. 2.0 million plus 0.10% per annum of Net Assets amount exceeding Rs 1 billion

**8.2** Sindh Sales Tax has been charged at 13% (30 June 2021:13%) on trustee fee levied through Sales Tax on Services Act, 2011 during the year resulting in an amount of Rs. 1,435,474 ( 2021: Rs. 1,305,924). Furthermore an amount of Rs. 1,447,071 (2021: Rs. 1,266,917) has been paid to the Trustee which acts as the collecting agent.

		2022	2021
	Note	Rupees	Rupees
<b>9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable	9.1	<b>2,008,397</b>	<b>1,804,473</b>

**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.

		2022	2021
	Note	Rupees	Rupees
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		480,763	457,002
Printing charges payable		-	8,736
NCCPL charges payable		-	25,000
Transaction charges payable	11.1	408,228	10,051,896
Withholding and capital gain tax payable		663,779	50,110,148
Zakat payable		45,945	83,816
Sales load payable		64,699	68,090
Other payable		66,820	66,820
Dividend payable		398,983	184,344,500
Provision for Sindh Workers' Welfare Fund	11.2	-	105,137,220
		<b>2,129,217</b>	<b>350,353,228</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

**11.1** This represents brokerage, federal excise duty and settlement charges.

**11.2** 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.

During the year ended June 30, 2022, 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.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2022 (30 June 2021: Nil)

## 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 0.4% from 01 July 2021 to 14 September 2021 and 0.5% from 15 September 2021 to 30 June 2022 of the average annual net assets of the fund (2021: 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) for allocation of such expenses to the Fund.

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2022 is 3.56% (30 June 2021: 3.96%) which includes 0.38% (30 June 2021: 1.05%) 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

	2022	2021
	----- Rupees -----	
Annual audit fee	348,825	348,825
Half yearly review of condensed interim financial information	174,500	174,500
Certification charges	60,500	60,500
Out of pocket expenses	40,000	40,000
Sindh sales tax on services	49,907	49,906
Prior year adjustment	-	(131,686)
	<b>673,732</b>	<b>542,045</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 16 TAXATION

- 16.1** The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders. Due to loss, distribution is not required during the year ended 30 June 2022, accordingly, no provision for taxation has been made in these financial statements during the year.

## 17 EARNING / (LOSS) PER UNIT

Earning / (Loss) 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 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.
- 18.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.
- 18.3** 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.
- 18.4** 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:

	2022	2021
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	248,468,588	216,539,759
Remuneration paid	249,854,944	209,897,683
Sindh Sales Tax on remuneration of the Management Company	32,300,925	28,150,169
Accounting and Operational Charges	48,070,836	22,415,453
Issue of 80,548 (2021: 36,033) units	51,531,696	20,438,462
Redemption of 56,127 (2021: 151,059) units	35,000,000	98,000,000
Dividend declared	-	3,846,646
Outstanding 115,955 (2021: 91,534) units - at net asset value	68,831,023	62,982,893

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- Rupees -----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	11,042,109	10,022,490
Sindh Sales Tax on remuneration of the Trustee	1,435,474	1,302,924
Remuneration paid	11,131,390	9,745,513
Trustee fee payable	836,675	925,955
Sindh Sales Tax payable on remuneration of the Trustee	108,778	120,375
Settlement charges	530,316	544,123
Sindh Sales Tax on settlement charges	68,941	70,736
Settlement charges payable	-	3,000
Sindh Sales Tax payable on settlement charges	-	390
<b>Atlas Honda Limited (Group Company)</b>		
Issue of Nil units (2021: 1,568) units	-	1,103,231
Dividend declared	-	1,297,919
Outstanding 29,783 (2021: 29,783) units - at net asset value	17,679,404	20,493,072
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 317,221 (2021: 223,565) units	207,412,432	141,982,233
Redemption of 287,031 (2021: 49,863) units	187,412,432	35,000,000
Dividend declared	-	12,420,148
Outstanding 317,221 (2021: 287,031) units - at net asset value	188,302,353	197,499,863
<b>Atlas Foundation (Group Company)</b>		
Issue of Nil (2021: 25,380) units	-	15,095,826
Dividend declared	-	41,073,305
Outstanding 894,455 (2021: 894,455) units - at net asset value	530,948,494	615,456,149
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of 5,253 (2021: 212) units	3,500,000	149,467
Redemption of 3,462 (2021: 23,299) units	2,400,936	16,246,299
Dividend declared	-	149,467
Outstanding 5,253 (2021: 3,462) units - at net asset value	3,118,122	2,382,131
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of 17,528 (2021: 17,159) units	11,500,000	12,059,118
Redemption of 5,042 (2021: 19,161) units	3,500,000	12,470,000
Dividend declared	-	5,709,118
Outstanding 144,711 (2021: 132,224) units - at net asset value	85,900,229	90,980,624

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	----- Rupees -----	
<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of Nil (2021: 1,272 ) units	-	894,893
Redemption of Nil (2021: 2,782) units	-	2,000,000
Dividend declared	-	894,893
Outstanding 20,726 (2021: 20,726) units - at net asset value	12,302,952	14,261,052
<b>Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of Nil (2021: 5,583) units	-	3,929,070
Redemption of Nil (2021: 14,380) units	-	10,000,000
Dividend declared	-	3,929,070
Outstanding 90,998 (2021: 90,998) units - at net asset value	54,016,386	62,613,838
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)</b>		
Issue of 37,229 (2021: 100,625 ) units	25,000,000	65,727,936
Dividend declared	-	5,727,936
Outstanding 169,889 (2021: 132,660) units - at net asset value	100,846,349	91,280,656
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Redemption of Nil (2021: 900,747)	-	600,000,000
Dividend declared	-	176,144,046
Outstanding 3,829,218 (2021: 3,829,218) units - at net asset value	2,273,023,653	2,634,806,675
<b>Atlas Metals (Private.) Limited (Group Company)</b>		
Issue of 3,778 (2021: 61,896 ) units	2,500,000	42,672,539
Dividend declared	-	2,672,539
Redemption of 32,394 (2021: Nil) units	22,150,000	-
Outstanding 33,281 (2021: 61,896) units - at net asset value	19,755,843	42,589,708
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of Nil (2021: 11,876) units	-	8,357,395
Dividend declared	-	9,832,229
Outstanding 225,620 (2021: 225,620) units - at net asset value	133,928,243	155,244,767
<b>Directors and their close family members and key management personnel and executive of the Management Company</b>		
Issue of 37,014 (2021: 737,630) units	22,139,188	525,084,005
Redemption of 69,105 (2021: 45,443) units	42,922,057	31,721,096
Dividend declared	-	92,118,956
Outstanding 1,831,325 (2021: 2,117,293) units - at net asset value	1,087,074,305	1,456,866,235

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

----- As at 30 June 2022 -----			
At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			
<b>Financial assets</b>			
Bank balances	51,296,361	-	51,296,361
Investments	-	9,064,315,544	9,064,315,544
Dividend receivable	-	-	-
Profit receivable on bank balances	2,750	-	2,750
Receivable against sale of investments	1,219,498	-	1,219,498
Advances, deposits and other receivables	2,600,000	-	2,600,000
	<b>55,118,609</b>	<b>9,064,315,544</b>	<b>9,119,434,153</b>

----- As at 30 June 2022 -----		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----		
<b>Financial liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	-	48,359,647
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	945,453
Payable against redemption of units	-	-
Unclaimed dividend	-	401,732
Accrued expenses and other liabilities	-	1,419,493
	<b>-</b>	<b>51,126,325</b>

----- As at 30 June 2021 -----			
At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			
<b>Financial assets</b>			
Bank balances	311,116,752	-	311,116,752
Investments	-	9,840,526,442	9,840,526,442
Dividend receivable	-	-	-
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
	<b>413,418,949</b>	<b>9,840,526,442</b>	<b>10,253,945,391</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

----- As at 30 June 2021 -----		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----		
<b>Financial liabilities</b>		
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	- 195,022,044	195,022,044
-	<b>245,270,143</b>	<b>245,270,143</b>

## 20 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.

### 20.1 Market risk

For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

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 2022, 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 2022, with all other variables held constant, the net income for the year and net assets would have been higher by Rs. 512,914 (2021: Rs. 2,784,618). In case of 100 basis points decrease in market interest rates as at 30 June 2022, with all other variables held constant, the net income for the year and net assets would have been lower by 512,914 (2021: Rs. 2,784,618).

##### 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.



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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

As stated above out of the total financial assets of Rs. 9,119,434,153 (2021: Rs. 10,294,829,839), assets aggregating to Rs. 51,291,361 (2021: Rs. 278,461,795) are subject to yield / interest rate risk. These represent bank balances having effective yield for the year ranging between 5.5% and 12.25% (2021: 5.5% and 7.80%) per annum where as the profit rates effective at the year end on these accounts ranges between 5.5% to 16.45% (30 June 2021: 5.5% and 7.95%) per annum.

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 2022 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 2022, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 453,215,777 (2021: Rs. 492,026,322) 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 2022 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 Index.

### 20.2 Liquidity risk

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

The Fund is exposed to settlement of equity securities and to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is to invest

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 2022-----					
Within 1 month	1 to 3 months	3 to 12 months	More than one year	Financial instruments without maturity	Total
-----Rupees-----					
<b>Financial assets</b>					
Bank balances	51,296,361	-	-	-	51,296,361
Investments	-	-	-	9,064,315,544	9,064,315,544
Dividend receivable	-	-	-	-	-
Profit receivable on bank balances	2,750	-	-	-	2,750
Receivable against sale of investments	1,219,498	-	-	-	1,219,498
Advances, deposits and other receivables	-	-	-	2,600,000	2,600,000
	<b>52,518,608</b>	<b>-</b>	<b>-</b>	<b>9,066,915,544</b>	<b>9,119,434,152</b>
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company	48,359,647	-	-	-	48,359,647
Payable to the Central Depository Company of Pakistan Limited - Trustee	945,453	-	-	-	945,453
Payable against purchase of investments	-	-	-	-	-
Payable against redemption of units	-	-	-	-	-
Unclaimed dividend	401,732	-	-	-	401,732
Accrued expenses and other liabilities	408,228	1,011,266	-	-	1,419,493
	<b>50,115,059</b>	<b>1,011,266</b>	<b>-</b>	<b>-</b>	<b>51,126,325</b>
<b>Net assets/(Liabilities)</b>	<b>2,403,549</b>	<b>(1,011,266)</b>	<b>-</b>	<b>9,066,915,544</b>	<b>9,068,307,827</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

-----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-----						
<b>Financial assets</b>						
Bank balances	311,116,752	-	-	-	-	311,116,752
Investments	-	-	-	-	9,840,526,442	9,840,526,442
Dividend receivable	-	-	-	-	-	-
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
	<b>410,818,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,843,126,442</b>	<b>10,253,945,391</b>
<b>Financial liabilities</b>						
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	184,945,148	-	-	-	195,022,044
	<b>60,324,995</b>	<b>184,945,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245,270,143</b>
<b>Net assets/(Liabilities)</b>	<b>350,493,954</b>	<b>(184,945,148)</b>	<b>-</b>	<b>-</b>	<b>9,843,126,442</b>	<b>10,008,675,248</b>

### 20.3 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 2022 amounts to Rs. 53,899,111 (2021: Rs. 314,785,421).

#### 20.3.1 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	
	2022 %	2021 %
AA+	84.41	99.01
AAA	15.59	0.99
	<b>100.00</b>	<b>100.00</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The maximum exposure to credit risk before any credit enhancement as at 30 June 2022 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.

### 20.4 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
	(Rupees in '000)		
Opening balance as at July 01, 2021	-	114,849	114,849
Receivable against issuance of units	2,856,716,604	-	2,856,716,604
Payable against redemption of units	-	2,159,801,459	2,159,801,459
	2,856,716,604	2,159,801,459	5,016,518,062
Amount received on issuance of units	(2,856,716,604)	-	(2,856,716,604)
Amount paid on redemption of units	-	(2,159,916,308)	(2,159,916,308)
	(2,856,716,604)	(2,159,916,308)	(5,016,632,912)
<b>Closing balance as at June 30, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 21 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.

### 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 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 recognises equity securities at fair value which is determined using the rate at which they are quoted on Pakistan Stock Exchange Limited (Level 1).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

### 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 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.

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	2022			2021		
	Number of unit holders	Amount (Rupees)	% of total	Number of unit holders	Amount (Rupees)	% of total
Individuals	594	906,071,384	9.98	518	1,105,622,063	11.21
Associated Companies / Directors	11	3,862,882,562	42.56	11	4,466,274,840	45.29
Insurance Companies	5	196,703,395	2.17	7	287,928,588	2.92
Retirement Funds	20	3,784,401,598	41.69	24	3,662,614,986	37.14
Others	6	326,460,993	3.60	6	340,029,101	3.45
	<b>636</b>	<b>9,076,519,932</b>	<b>100.00</b>	<b>566</b>	<b>9,862,469,578</b>	<b>100.00</b>

### 24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Private) Limited	6.97	Optimus Capital Management (Private) Limited	7.77
Alfalah CLSA Securities (Private) Limited	6.40	Alfalah CLSA Securities (Private) Limited	7.46
Next Capital Limited	6.27	Topline Securities Limited	6.06
Topline Securities Limited	6.10	AKD Securities Limited	4.71
Shajar Capital Pakistan (Private) Ltd.	5.38	Pearl Securities Limited	4.38
Arif Habib Limited	4.89	Shajar Capital Pakistan (Private) Ltd.	4.34
Intermarket Securities Limited	4.30	Habib Metropolitan Financial Services Limited	4.29
Alfa Adhi Securities (Private) Ltd.	4.18	JS Global Capital Limited	4.21
AKD Securities Limited	4.16	Next Capital Limited	4.05
BMA Capital Management Ltd.	4.15	Intermarket Securities Limited	3.96
	<b>52.80</b>		<b>51.23</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 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	22 Years
Mr. Ali H. Shirazi	Director	Masters in Law	18.5 years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	18 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	14 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	11 Years

## 26 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

## 27 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					
	02 July 2021	06 Sep 2021	28 Oct 2021	21 Feb 2022	28 Apr 2022	24 June 2022
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	L	L	P	P	L
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)	P	P	P	P	P	P
Ms Zainab Kazim (Company Secretary)	P	P	P	P	P	P

P Present

L Leave of absence

## 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+ (AM Two Plus) [2021: AM2+ (AM Two Plus)] on 24 December 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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.

### 30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 08 September 2022.

**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

## مستحکم درجہ بندی برائے اے آئی ایف

پیکرانے مورخہ ۱۵ اپریل ۲۰۲۲ء کو استحکام فنڈ کیلئے (اے اے)۔ (ایف)۔ ڈبل اے مائنس فنڈ ریٹنگ (درجہ بندی تشکیل دی ہے۔ فنڈز کی یہ درجہ بندی ریٹرن میں مناسب استحکام کی گمرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

## آڈیٹرز

بورڈ آف ڈائریکٹران کی آڈٹ کمیٹی نے اپنی میٹنگ منعقدہ ۶ ستمبر ۲۰۲۲ء میں میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، کراچی کو ٹالس سویرن فنڈ کے لیے دوبارہ تقرری تجویز کیا اور ٹالس اکم فنڈ اور ٹالس اشاک مارکیٹ فنڈ کا بطور ایل آڈیٹرز برائے اختتام سال ۳۰ جون ۲۰۲۳ء کے لیے تقرری تجویز کیا۔ اور میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس، کراچی کو بالترتیب ٹالس منی مارکیٹ فنڈ اور ٹالس لیکوڈ فنڈ کیلئے دوبارہ بطور ایل آڈیٹرز مالیاتی سال ۳۰ جون ۲۰۲۳ء کے لیے دوبارہ تقرری تجویز کیا۔

## توثیق

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹران، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی قابل قدر حمایت، مدد اور رہنمائی کا شکریہ ادا کرتے ہیں۔ مینجمنٹ کمپنی کے ملازمین اور ٹرسٹی کا ان کی لگن اور محنت کیلئے، اور مینجمنٹ کمپنی پر پونٹ ہولڈرز کے اعتماد کا بھی بورڈ شکریہ ادا کرتا ہے۔

از طرف اور منجانب بورڈ

فراہیم علی خان  
ڈائریکٹر

کراچی: ۸ ستمبر ۲۰۲۲ء

محمد عبدالصمد  
چیف ایگزیکٹو آفیسر



- ہیومن ریسورس اینڈ ری مینوریشن کمیٹی (ایچ آراینڈ آری)۔ ایک میٹنگ منعقد ہوئیں 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

- انویسٹمنٹ کمیٹی۔ اکیاون 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	۱۶
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۴۳
۳	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر رکن آئی سی	۴۸
۴	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	ہیڈ آف پورٹ فولیو مینجمنٹ۔ رکن آئی سی	۴۵
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف فکسڈ انکم۔ رکن آئی سی	۵۱
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف اکیویٹیز۔ سیکریٹری آئی سی	۵۱

تازہ ترین درجہ بندی:

۱۸ جات فیچر کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پیکرا) نے مینجمنٹ کمیٹی کی ایسٹ فیچر درجہ بندی اے ایم ۲ + (اے ایم ٹو پلس) ترتیب دی ہے۔  
(۲۰۲۱ء: اے ایم ۲ + (اے ایم ٹو پلس)) تاریخ ۲۳ دسمبر ۲۰۲۱ء کو یہ درجہ بندی کمیٹی 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 ۱۸ اپریل ۲۰۲۲ء کو استحکام فنڈ کیلئے (ڈبل اے پلس فنڈ ریٹنگ "اے اے + (ایف)" درجہ بندی تشکیل دی ہے۔ فنڈ کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

مستحکم درجہ بندی برائے اے ایل ایف

پیکرا نے مورخہ ۲۹ جون ۲۰۲۲ء کو استحکام فنڈ کیلئے (ڈبل اے فنڈ ریٹنگ "اے اے (ایف)" درجہ بندی تشکیل دی ہے۔ فنڈ کی یہ درجہ بندی ریٹرن میں متناسب 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 ۱۵ اپریل ۲۰۲۲ء کو درجہ بندی برائے استحکام فنڈ تشکیل دی ہے (اے اے - (ایف)۔ ڈبل اے مائنس فنڈ ریٹنگ) فنڈ کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

- ☆ اندرونی نظم و ضبط کا نظام موثر 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 ایل ایف)، (اے ایس ایف)، (اے آئی ایف)، اور (اے ایس ایم ایف) کی سالانہ رپورٹس کے صفحات ۲۳، ۶۱، ۹۴، ۱۲۹ اور ۱۷۶ 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۔
- ☆ پونٹس کی ملکیت کا انداز (اے ایم ایف)، (اے ایل ایف)، (اے ایس ایف)، (اے آئی ایف)، اور (اے ایس ایم ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۳، ۲۴، ۲۵ اور ۲۶ میں دیا گیا ہے۔

#### منجمنٹ 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، چیئرمین، مسٹر فہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ زہرہ 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)

۲۲-۲۰۲۱ء 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 ایم ایف، اے ایل ایف، اے ایس ایف، اے آئی ایف اور اے ایس ایم ایف کی مالیاتی تفصیلات کے نوٹس ۲۵، ۲۸، ۳۱ 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 منجمنٹ 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

**تقسیم آمدن۔ اے ایل ایف**  
منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایل ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۲ء کیلئے ۳۲.۹۰ روپے فی یونٹ پورے سال کیلئے تقسیم کا اعلان کیا۔ ۱۰۰ روپے فی یونٹ کی اصل قیمت پر ۶.۵۸ 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 ۲۰۲۲ء کیلئے ۷.۲۳ روپے فی یونٹ (۲۰۲۱: ۶.۰۴ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۱۰۰ روپے فی یونٹ کی اصل قیمت پر ۷.۲۳ فیصد۔ (عبوری منافع ۶.۰۴ فیصد)

**تقسیم آمدنی۔ اے آئی ایف**  
منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی ایف نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۲ء کیلئے ۳۳.۱۰ روپے فی یونٹ (۲۰۲۱: ۳۳.۲۵ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۸.۶۲ فیصد۔ (عبوری منافع ۶.۶۵ فیصد)

**تقسیم آمدنی۔ اے ایس ایم ایف**  
منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایس ایم ایف نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۲ء کیلئے صفر روپے فی یونٹ (۲۰۲۱: ۳۶.۰۰ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد۔ (عبوری منافع ۹.۲۰ فیصد)، صفر تقسیم کی وجہ کے ایس سی ۱۰۰ انڈیکس کی تھی جو کہ ۳۰ جون ۲۰۲۱ تک ۳۵۶.۰۲ پوائنٹ پر تھا ۳۰ جون ۲۰۲۲ کو کم ہو کر ۵۳۰.۸۳ پر آ گیا زیر جائزہ کے ۱۲.۲۸ فیصد کی کمی ظاہر کرتا ہے۔

**چیز مین کا جائزہ:**  
اے ایم ایف، اے ایل 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 لا ینفک 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 ویب سائٹ پر دستیاب ہے۔

**بورڈ کے ڈائریکٹران کی جانب سے توثیق نامہ**  
بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ (اے ایم ایف)، (اے ایل ایف)، (اے ایس ایف)، (اے آئی ایف) اور (اے ایس ایم ایف) کے:  
☆ 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۔

### ڈائریکٹر زرپورٹ:

اٹلس ایسیٹ مینجمنٹ لمیٹڈ (اے اے ایم ایل) کے بورڈ آف ڈائریکٹرز، منظم برائے اٹلس منی مارکیٹ فنڈ (اے ایم ایف)، اٹلس لیکویڈ فنڈ (اے ایل ایف)، اٹلس سوورین فنڈ (اے ایس ایف)، اٹلس انکم فنڈ (اے آئی ایف) اور اٹلس اسٹاک مارکیٹ فنڈ (اے ایس ایم ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی نتائج اور آڈیٹرز کی رپورٹس، برائے اختتام سال ۲۰۲۲ء باسرت پیش کرتے ہیں۔

آمدن فی یونٹ، مجموعی اثاثہ جات اور خلاصہ فروخت / تلافی

آمدنی فی یونٹ، مجموعی اثاثہ جات، اور اے ایم ایف، اے ایل ایف، اے ایس ایف، اے آئی ایف، اور اے ایس ایم ایف کا خلاصہ فروخت/تلافی برائے اختتام سال ۳۰ جون ۲۰۲۲ء اور ۳۰ جون ۲۰۲۱ء درج ذیل ہے۔

تفصیلات		اے ایم ایف		اے ایل ایف		اے ایس ایف		اے آئی ایف		اے ایس ایم ایف	
	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۲ء	۲۰۲۱ء	۲۰۲۲ء
آمدنی (تقصان) فی یونٹ - روپے	۵۴.۱۵	۲۵.۰۷	۲۲.۶۲	۱۱.۷۴	۵.۸۱	۷۰.۴۰	۲۹.۸۳	(۹۴.۸۴)	۲۷.۰۵		
ریٹرن (وائی ٹی ڈی) فی یونٹ	۱۰.۶۴	۶.۸۶	۱۱.۳۶	۷.۳۰	۶.۱۶	۸.۴۳	۶.۹۹	(۱۳.۷۳)	۲۱.۸۷		
مجموعی اخراجات - ملین روپے	۱۸,۳۰۰.۸۹	۲۲,۲۲۸.۸۳	۳,۲۲۱.۱۱	۱,۲۱۴.۲۳	۲,۲۲۵.۳۱	۲,۶۶۵.۸۴	۳,۹۸۸.۴۳	۹,۷۷۶.۵۲	۹,۸۶۲.۴۷		
فروخت - ملین روپے	۳۷,۲۵۵.۳۳	۳۸,۹۲۱.۳۳	۵,۱۸۹.۳۱	۷۷۱.۲۹	۸۱۳.۹۰	۳,۳۲۷.۶۸	۵,۰۵۵.۱۴	۲,۸۲۴.۰۷	۶,۰۲۰.۴۷		
فروخت - یونٹس میں	۷۳,۱۲۰,۹۳۲	۷۶,۷۷۳,۴۲۸	۱۰,۳۷۸,۶۱۶	۷,۴۳۸,۷۷۷	۷,۹۰۱,۷۲۹	۶,۱۳۹,۱۲۴	۹,۴۱۰,۵۰۹	۳,۲۲۵,۰۳۸	۹,۰۱۰,۴۷۵		
ریڈمشن - ملین روپے	۲۴,۲۵۲.۶۰	۲۴,۷۲۲.۶۷	۱,۷۷۸.۴۰	۱,۸۴۰,۳۸	۶۷۲.۸۶	۷,۷۹۸.۸۲	۳,۷۵۸.۱۲	۲,۱۵۹.۸۰	۵,۳۳۲.۲۳		
ریڈمشن - یونٹس میں	۸۴,۹۵۵,۲۷۳	۸۴,۷۳۲,۶۸۷	۳,۴۹۶,۴۰۵	۱۷,۴۵۴,۱۰۴	۶,۵۳۰,۶۷۶	۱۰,۶۰۲,۵۶۰	۷,۰۱۵,۹۵۰	۳,۲۸۷,۷۲۸	۷,۹۱۷,۹۸۵		
یونٹس بھاریا جات اختتام سال پر	۳۶,۰۶۰,۳۵۹	۴۷,۸۹۴,۷۰۰	۶,۸۸۲,۲۱۲	۱۱,۹۹۱,۳۰۰	۲۲,۰۰۶,۶۸۷	۵,۹۲۴,۶۹۴	۹,۵۴۶,۱۳۰	۱۵,۲۹۰,۶۱۷	۱۳,۳۳۳,۳۷۷		

## اٹلس گولڈ فنڈ کی منسوخی

اے جی ایف ۳ نومبر ۲۰۱۷ء کو منسوخ کر دیا گیا اور سرمایہ داروں کو اس میں مزید سرمایہ لگانے کی پیشکش نہیں کی جاتی۔ سرمایہ داروں کو ۲۹-۲۱۰ ملین کی رقم حتمی ادائیگی کی جا چکی ہے۔ اگست ۲۰۲۱ء کے مہینے کے دوران، اے جی ایف نے سندھ ورکرز ڈیولپمنٹ فنڈ کی طرف سے ۳۵۶،۶۶۸ ملین روپے کی کفر ایپی

اے جی ایف کی طرف سے سندھ ورکرز یونیفرسٹیز فنڈ کے لیے ۶۲۸،۳۵۶ ملین روپے کی فراہمی کو سندھ ریونیو بورڈ کی طرف سے میوچل فنڈ ایسوسی ایشن آف پاکستان کو لکھے گئے خط نمبر ۷۷۴/۲۰۱۳/۸/۷۰/SRB/TP مورخہ ۱۲ اگست ۲۰۲۱ء کے ذریعے موصول ہونے والی وضاحت پر واپس کر دیا گیا ہے۔ چونکہ ٹالس گولڈ فنڈ ایک منسوخت شدہ فنڈ ہے، لہذا ایوانٹ ہوئرز کو ۳۰ ستمبر ۲۰۲۱ تک ۱۹،۶۱۲ لاکھ کے بعد منسوخی کے منافع کے ساتھ ۶۲۸،۳۵۶ روپے کی مذکورہ فراہمی ادا کر دی گئی ہے۔

تاہم ۳۳.۲ ملین روپے ٹیکس کے ریفرنڈم کلیم ہیں اور فیڈرل ایکسائز ڈیوٹی اور سندھ و کرکڑ بلیفیر فنڈ کی مد میں ۳۲.۲ ملین روپے ہیں جسکی بہت زیادہ محتاط پیش بندی کی گئی ہے۔ ایک بار یہ مسائل حل ہو جائیں تو پونٹ ہولڈرز کو مزید ادائیگی کی جائے گی۔

## تقسیم آمدنی۔ اے ایم ایف

منظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایم ایف کے بورڈ آف ڈائریکٹر نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۲ء کیلئے ۳۹.۸۰ روپے فی یونٹ (۲۰۲۱:۳۲.۹۹ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۹.۹۶ فیصد (۲۰۲۱ء: عبوری منافع ۶.۶۰ فیصد)



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