

Atlas funds

Nurturing your investments

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

HALF YEARLY REPORT

31 December 2011

(UN-AUDITED)



Management Company

Atlas Asset Management

Rated AM2- by PACRA



Vision

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

Mission Statement

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

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Atlas Funds

ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the
Management Company

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

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

Company Secretary Ms Lilly R. Dossabhoy

Board Committees

Audit Committee

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

Secretary Mr. Faran-ul-Haq

Human Resource Committee

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

Investment Committee

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

Secretary Mr. Muhammad Umar Khan

Management Committee

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

Secretary Mr. M. Irfan Dhedhi

Risk Management Committee

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

Secretary Ms Zainab Hussain

Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

Registered Office

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

Half Yearly Report 2011-12

CHAIRMAN'S REVIEW

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

The Economy

The economy of Pakistan, despite internal and external challenges, is gradually picking pace with signs of moving towards sustainable growth. During the period July-December FY 12, the total exports stood at US\$ 11.24 billion, as compared to US\$ 10.82 billion last year. During July-December FY 12, foreign remittances reached the record level of US\$ 6.32 billion, which is 19.35% higher than the remittances during the corresponding period last year. CPI inflation during July-December FY 12 averaged 10.87% as compared to 14.32% during July-December FY 11. The SBP maintained status quo on the discount rate keeping it constant at 12% under its latest monetary policy statement announced on 30 November 2011. In pursuing this stance, the SBP did acknowledge risk of resurgence of medium term inflationary pressures and challenges in preserving foreign exchange reserves. The SBP reduced its policy rate by 200 bps to 12% in FY 12 so far with an objective to support revival of private investment in the economy.

Fund Operations - AMF

The Net Asset Value per unit of AMF that stood at Rs.501.97 on 1 July 2011 (ex-final bonus distribution of Rs.15 per unit) increased to Rs.503.72 on 31 December 2011, after interim bonus distribution of Rs.23 per unit, thus providing an absolute return of 5.86% during the period or an annualized total return of 11.62%. The AMF's exposure in Treasury Bills stood at 79.85% with remaining in short term deposits with banks / cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The net assets of your Fund stood at Rs.4.14 billion, with 8.22 million units outstanding as of 31 December 2011. The Fund has continued to provide for Workers' Welfare Fund as a matter of abundant caution. The provision stood at Rs.11.73 million on 31 December 2011. The petition filed by the Company with the Honorable High Court of Sindh is pending adjudication.

The Investment Committee of Atlas Asset Management Limited, the Management Company of AMF, under the authority delegated to them by the Board of Directors, has approved a sixth interim bonus distribution of Rs 4.00 per unit (0.80% on the face value of Rs.500 per unit). This is in addition to the aggregate Interim Bonus Distribution of Rs.23 per unit (4.6% on face value of Rs.500 per unit) respectively, already distributed, upto 31 December 2011.

Fund Operations - AIF

The Net Asset Value per unit of AIF has increased by 0.32% to Rs.502.06 as on 31 December 2011. The provisioning (in line with SECP laid down criteria) in respect of Non Performing Assets has affected AIF performance. However, after completion of provisioning requirement, AIF performance has improved and shown greater stability. AIF's return since completion of provisioning in August 2011 stands at 13.06% (annualized basis). Additionally, it is expected that any gain as a result of reversal of provisions / income (due to successful restructuring) will boost AIF's performance in the future as well. The total amount of provisioning as on 31 December 2011 stood at Rs.159.02 million including principal amount and suspended mark up. The Fund has continued to provide for Workers' Welfare Fund that stood at Rs.7.77 million on 31 December 2011. The petition filed by the Company with the Honorable High Court of Sindh is pending adjudication.

AIF's asset allocation has been gradually shifted to Government Securities with a view to reducing its exposure in long term debt securities by offloading its investments as and when attractive opportunity arises and to diversify the Fund's investment in other high quality asset classes. AIF's current asset allocation is 58% in treasury bills, 37% in TFCs/ Sukuks and 5% in bank deposits/others. The net assets of AIF stood at Rs.820.23 million with 1.63 million units outstanding as of 31 December 2011.

Fund Operations - ASMF

The Net Asset Value per unit of ASMF has decreased by 7.52% to Rs.309.11 as on 31 December 2011. The benchmark KSE-100 index has decreased by 9.19% during the same period. The KSE - 100 index decreased from 12,496 points as on 30 June 2011 to 11,348 points as on 31 December 2011. The ASMF's equity portfolio exposure was mainly in Oil & Gas, Banks, Chemical and Electricity sectors. ASMF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. The net assets of ASMF stood at Rs.577.48 million, with 1.87 million units outstanding as of 31 December 2011.

Atlas Funds

RATINGS

• Asset Manager Rating

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

• 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 - AIF

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

• Star Ranking - ASMF

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

FUTURE OUTLOOK

A relatively larger external current account deficit in FY 2012 would require higher financial inflows to maintain foreign exchange reserves. Given the scheduled increase in repayments of outstanding loans in second half of FY 2012, realization of substantial foreign flows, especially the proceeds of assumed privatization receipts, Euro bond, Coalition Support Fund, and 3G license fees, becomes important for strengthening the external position. In the recent past, the Pak Rupee has come under pressure against the greenback. The exchange rate is kept under close watch by the SBP with regular interventions to keep the currency range-bound.

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

نتیجہ نئی شام پیدا کر
(Get results newer and higher)

Acknowledgement

I would like to thank the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the unit holders for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. M. Habib-ur-Rahman and his management team for their hard work, dedication, and sincerity of purpose. Finally, I would like to thank the Securities and Exchange Commission of Pakistan for the support extended to the mutual fund industry and attempting to resolve the industry issues, and also the Mutual Funds Association of Pakistan for taking up industry issues with the Regulators and Government Departments.

Karachi: 23 February 2012

Yusuf H. Shirazi
Chairman

Half Yearly Report 2011 -12

Atlas Money Market Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited
Faysal Bank Limited
National Bank of Pakistan

Atlas Money Market Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41 (h) 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 six months period ended 31 December 2011 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.

Muhammad Hanif Jakhura
Chief Executive Officer

Karachi: 14 February 2012

Central Depository Company of Pakistan Limited

Half Yearly Report 2011-12

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Money Market Fund as at 31 December 2011 and the related condensed interim statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi: 23 February 2012

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2011

		31 December 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	
Assets			
Bank balances and term deposits	4	854,975,567	345,287,703
Investments	5	3,304,812,855	2,981,640,690
Interest accrued		4,996,513	2,213,419
Prepayments		20,000	-
Deferred formation cost		500,000	600,000
Total assets		4,165,304,935	3,329,741,812
Liabilities			
Payable to the management company		10,800,853	3,566,401
Payable to the trustee		373,824	305,402
Payable to SECP		1,512,049	1,721,414
Accrued and other liabilities	6	13,989,149	7,532,955
Total liabilities		26,675,875	13,126,172
Net assets		4,138,629,060	3,316,615,640
Unit holders' fund		4,138,629,060	3,316,615,640
Number of units in issue		8,216,087	6,415,479
Net asset value per unit		503.72	516.97

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

		For the Half Year ended		For the Quarter ended	
		31 December 2011	2010	31 December 2011	2010
Note		Rupees -----			
Income					
Interest income	7	258,982,130	110,288,544	127,896,176	59,811,028
Net gain/(loss) on investments at fair value through income statement (held for trading)					
Net gain on maturity/sale of investments		1,373,051	499,578	1,133,480	268,990
Net unrealised loss on revaluation of investments		(952,549)	(799,211)	(1,500,261)	(63,267)
		420,502	(299,633)	(366,781)	205,723
Element of income and capital gains included in prices of units sold less those in units redeemed - net		1,725,306	11,822,722	531,683	13,884,614
		261,127,938	121,811,633	128,061,078	73,901,365
Expenses					
Remuneration of the Management Company		20,160,637	9,158,021	10,200,853	4,894,125
Sindh Sales Tax on Remuneration of the Management Company		3,225,702	-	1,632,137	-
Remuneration of the trustee		2,140,977	1,419,914	1,080,148	741,470
SECP annual fee		1,512,049	686,852	765,065	367,059
Annual rating fee		100,000	110,000	50,000	54,548
Annual listing fee		20,000	20,000	10,000	9,918
Brokerage		80,769	47,249	41,986	38,979
Auditors' remuneration		265,785	194,541	172,035	100,020
Printing charges		45,883	107,438	4,008	69,630
Amortisation of formation cost		100,000	100,000	50,000	49,587
Bank charges		39,481	53,598	16,241	22,943
Provision for Workers' Welfare Fund	6.1	4,668,733	2,198,280	2,280,772	1,351,061
		32,360,016	14,095,893	16,303,245	7,699,340
Net income for the period		228,767,922	107,715,740	111,757,833	66,202,025

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	31 December	31 December	31 December	31 December
	2011	2010	2011	2010
	<u>----- Rupees -----</u>			
Net income for the period	228,767,922	107,715,740	111,757,833	66,202,025
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>228,767,922</u>	<u>107,715,740</u>	<u>111,757,833</u>	<u>66,202,025</u>

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2011-12

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended	
	31 December 2011	31 December 2010
	Rupees	
Undistributed income brought forward	98,823,653	37,357,997
Final distribution at the rate of Rs.15 per unit declared on 7 July 2011 (2010: Rs.13.50 per unit declared on 8 July 2010)		
- Bonus units	(74,914,265)	(30,344,490)
- Cash payout against final distribution	(21,317,923)	(6,728,102)
	(96,232,188)	(37,072,592)
Interim distribution for the month ended 31 July 2011 at the rate of Rs.4 per unit declared on 29 July 2011 (2010: Nil)		
- Bonus units	(24,737,370)	-
- Cash payout against final distribution	(5,489,173)	-
	(30,226,543)	-
Interim distribution for the month ended 31 August 2011 at the rate of Rs.5 per unit declared on 26 August 2011 (2010: Nil)		
- Bonus units	(33,388,867)	-
- Cash payout against final distribution	(7,948,315)	-
	(41,337,182)	-
Interim distribution for the month ended 30 September 2011 at the rate of Rs. 5 per unit declared on 28 September 2011 (2010: Rs.11.50 per unit declared on 12 October 2010 for the quarter ended 30 September 2010)		
- Bonus units	(31,445,821)	(34,378,832)
- Cash payout against final distribution	(8,019,397)	(6,864,106)
	(39,465,218)	(41,242,938)
Interim distribution for the month ended 31 October 2011 at the rate of Rs.5 per unit declared on 28 October 2011 (2010: Nil)		
- Bonus units	(30,831,496)	-
- Cash payout against final distribution	(8,021,249)	-
	(38,852,745)	-
Interim distribution for the month ended 30 November 2011 at the rate of Rs.4 per unit declared on 25 November 2011 (2010: Nil)		
- Bonus units	(26,165,674)	-
- Cash payout against final distribution	(6,416,999)	-
	(32,582,673)	-
Interim distribution for the month ended 31 December 2011 at the rate of Rs.4 per unit declared on 28 December 2011 (2010: Nil)		
- Bonus units	(26,217,200)	-
- Cash payout against final distribution	(6,416,999)	-
	(32,634,199)	-
Net income for the period	228,767,922	107,715,740
Undistributed income carried forward	16,260,827	66,758,207

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended	
	31 December 2011	31 December 2010
Note	----- Rupees -----	
Cash flows from operating activities		
Net income for the period	228,767,922	107,715,740
Adjustments for:		
Interest income	(258,982,130)	(110,288,544)
Net gain on maturity of investments	(1,373,051)	(499,578)
Net unrealised loss on revaluation of investments	952,549	799,211
Amortization of formation cost	100,000	100,000
Element of income and capital gains included in prices of units sold less those in units redeemed-net	(1,725,306)	(11,822,722)
	(261,027,938)	(121,711,633)
Increase in prepayments	(20,000)	(20,000)
Increase/(decrease) in liabilities		
Payable to the management company	7,234,452	396,704
Payable to the trustee	68,422	62,413
Payable to SECP	(209,365)	299,983
Accrued and other liabilities	6,456,194	2,815,251
	13,549,703	3,574,351
	(18,730,313)	(10,441,542)
Interest received	256,199,036	109,224,060
Investments made during the period	(6,394,004,267)	(3,621,150,520)
Investments matured / sold during the period	6,071,252,604	2,981,874,070
Net cash used in operating activities	(85,282,940)	(540,493,932)
Cash flows from financing activities		
Proceeds from issue of units	2,484,622,882	1,739,587,123
Payment on redemption of units	(1,826,022,023)	(1,012,079,371)
Cash payout against distribution	(63,630,055)	(13,592,208)
Net cash inflow from financing activities	594,970,804	713,915,544
Net increase in cash and cash equivalents	509,687,864	173,421,612
Cash and cash equivalents at the beginning of the period	345,287,703	399,710,538
Cash and cash equivalents at the end of the period 4	854,975,567	573,132,150

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2011-12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended			
	31 December 2011		31 December 2010	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.516.97 (2010: 513.60) per unit]	6,415,479	3,316,615,640	2,746,118	1,410,416,954
Issue of units	4,924,923	2,484,622,882	3,417,020	1,739,587,123
Redemption of units	(3,617,256)	(1,826,022,023)	(1,985,164)	(1,012,079,371)
	1,307,667	658,600,859	1,431,856	727,507,752
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	(1,725,306)	-	(11,822,722)
Final distribution at the rate of Rs.15 per unit declared on 7 July 2011 (2010: Rs.13.50 declared on 8 July 2010)				
Issue of bonus units	149,241	-	60,677	-
Cash payout against distribution	-	(21,317,923)	-	(6,728,102)
Interim distribution at the rate of Rs.4 declared on 29 July 2011 (2010 : Nil)				
Issue of bonus units	49,223	-	-	-
Cash payout against distribution	-	(5,489,173)	-	-
Interim distribution at the rate of Rs.5 declared on 26 August 2011 (2010 : Nil)				
Issue of bonus units	66,476	-	-	-
Cash payout against distribution	-	(7,948,315)	-	-
Interim distribution at the rate of Rs.5 declared on 28 September 2011 (2010: Rs.11.50 declared on 12 October 2010)				
Issue of bonus units	62,584	-	68,284	-
Cash payout against distribution	-	(8,019,397)	-	(6,864,106)
Interim distribution at the rate of Rs.5 declared on 28 October 2011 (2010: Nil)				
Issue of bonus units	61,294	-	-	-
Cash payout against distribution	-	(8,021,249)	-	-
Interim distribution at the rate of Rs.4 declared on 25 November 2011 (2010: Nil)				
Issue of bonus units	52,031	-	-	-
Cash payout against distribution	-	(6,416,999)	-	-
Interim distribution at the rate of Rs.4 declared on 28 December 2011 (2010: Nil)				
Issue of bonus units	52,092	-	-	-
Cash payout against distribution	-	(6,416,999)	-	-
Net income for the period	-	228,767,922	-	107,715,740
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	228,767,922	-	107,715,740
Net assets at the end of the period [Rs.503.72 (2010: Rs.515.50) per unit]	8,216,087	4,138,629,060	4,306,935	2,220,225,516

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

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

New and amended standards and interpretations

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

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

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

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

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

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	31 December 2011	30 June 2011
	Un-audited	Audited
Note	-----	-----
	Rupees	

4. BANK BALANCES AND TERM DEPOSITS

PLS saving accounts	4.1	204,975,567	345,287,703
Term deposit accounts	4.2	650,000,000	-
		<u>854,975,567</u>	<u>345,287,703</u>

4.1 The rate of return on these accounts ranges between 5% to 11.25% (30 June 2011: 5% to 11.50%) per annum.

4.2 The rate of return on these deposits ranges between 12% and 12.40% (30 June 2011: Nil) per annum. These deposits will mature by 13 March 2012.

5. INVESTMENTS - at fair value through income statement

Government Securities

Market Treasury Bills - Held for trading	5.1	3,304,812,855	2,981,640,690
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5.1 Market Treasury Bills - Held for trading

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Matured/ Disposed during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months - T-bills	1,567,500,000	2,542,500,000	3,052,500,000	1,057,500,000	1,042,882,520	1,042,541,592	31.54	25.19
6 Months - T-bills	1,510,000,000	3,377,500,000	3,055,000,000	1,832,500,000	1,774,107,031	1,773,640,743	53.67	42.85
12 Months - T-bills	-	500,000,000	-	500,000,000	488,775,853	488,630,520	14.79	11.81
	<u>3,077,500,000</u>	<u>6,420,000,000</u>	<u>6,107,500,000</u>	<u>3,390,000,000</u>	<u>3,305,765,404</u>	<u>3,304,812,855</u>	<u>100.00</u>	<u>79.85</u>

5.1.1 The cost of investments as on 31 December 2011 is Rs.3,242,308,080 (30 June 2011: Rs.2,934,799,375).

5.1.2 These Market Treasury Bills carry purchase yields ranging from 11.70% to 13.73% (30 June 2011: 13.07% to 13.74%) per annum and will mature between 12 January 2012 and 17 May 2012 (30 June 2011: 14 July 2011 and 29 December 2011).

	31 December 2011	30 June 2011
	Un-audited	Audited
Note	-----	-----
	Rupees	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		287,500	310,610
Printing charges payable		75,031	125,500
Payable to unit holders		2,821	2,686
Annual rating fee payable		100,000	-
Payable to brokers		43,102	1,116
Withholding tax payable		120,804	28,929
Sindh Sales Tax payable on Remuneration of the Management Company		1,632,136	-
Zakat payable		2,569	7,661
Provision for Workers' Welfare Fund	6.1	11,725,186	7,056,453
		<u>13,989,149</u>	<u>7,532,955</u>

Atlas Money Market Fund

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

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

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.11,725,186 (30 June 2011: Rs.7,056,453) in these condensed interim financial statements.

For the Half Year ended		For the Quarter ended	
31 December	31 December	31 December	31 December
2011	2010	2011	2010
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----			

7. INTEREST INCOME

PLS saving and term deposit accounts	23,171,573	11,185,297	13,836,156	4,565,228
Placements	-	4,943,172	-	2,669,253
Government Securities - Market Treasury Bills	235,810,557	94,160,075	114,060,020	52,576,547
	<u>258,982,130</u>	<u>110,288,544</u>	<u>127,896,176</u>	<u>59,811,028</u>

For the Half Year Ended	
31 December	31 December
2011	2010
Un-audited	Un-audited
----- Rupees -----	

8. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	20,160,637	9,158,021
Remuneration paid	12,726,185	8,651,317
Sale of 19,853 (2010: 61,322) units	10,000,000	31,000,000
Redemption of 68,324 (2010: 63,183) units	34,500,000	32,250,000
Bonus of 9,028 (2010: 5,187) units	4,535,775	2,600,491
Sindh Sales Tax on Remuneration of the Management Company	3,225,702	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,140,977	1,419,914
Atlas Fund of Funds (Fund under common management)		
Sale of 59,683 (2010: 58,214) units	30,000,000	30,000,000
Redemption of 109,536 (2010: Nil) units	55,196,594	-
Bonus of 1,450 (2010: Nil) units	728,041	-

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	For the Half Year Ended	
	31 December 2011	31 December 2010
	Un-audited	Un-audited
	----- Rupees -----	
8.1 Transactions for the period (Continued...)		
Atlas Battery Limited (Group Company)		
Redemption of 119,116 (2010: 19,441) units	60,000,000	10,000,000
Bonus of 29,565 (2010: Nil) units	14,853,969	-
Atlas Honda Limited (Group Company)		
Sale of 99,098 (2010: 116,939) units	50,000,000	60,000,000
Bonus of 59,641 (2010: 9,997) units	29,969,012	5,014,992
Atlas Insurance Limited (Group Company)		
Sale of 855,489 (2010: 302,781) units	432,000,000	155,000,000
Redemption of 598,059 (2010: 65,370) units	301,998,259	33,073,196
Bonus of 25,751 (2010: 6,021) units	12,942,311	3,020,759
Shirazi Investments (Private) Limited (Group Company)		
Sale of Nil (2010: 437,298) units	-	220,000,000
Redemption of 199,335 (2010: 437,298) units	100,414,816	222,168,996
Bonus of 5,784 (2010: Nil) units	2,903,263	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 1,590 (2010: 11,241) units	800,000	5,691,105
Redemption of Nil (2010: 9,720) units	-	5,000,000
Bonus of 1,775 (2010: 908) units	891,677	455,802
Atlas Foundation (Group Company)		
Sale of 17,408 (2010: 45,315) units	8,820,000	23,100,000
Redemption of 43,375 (2010: Nil) units	21,845,000	-
Bonus of 9,157 (2010: 1,691) units	4,600,738	850,111
Batool Benefit Trust (Trust having Common Director/Trustee)		
Bonus of 81 (2010: 43) units	40,851	21,462
Iftikhar Shirazi Family Trust (Trust having Common Director/Trustee)		
Bonus of 5,797 (2010: 3,050) units	2,912,652	1,530,226
<u>Key Management Personnel of Management Company</u>		
Sale of 19,897 (2010: 20,687) units	10,038,000	10,450,000
Redemption of 8,634 (2010: 618) units	4,351,028	316,687
Bonus of 4,514 (2010: 1,252) units	2,268,215	629,120
	31 December 2011	30 June 2011
	Un-audited	Audited
	----- Rupees -----	
8.2 Outstanding balances as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	10,200,853	2,766,401
Payable in respect of formation cost	600,000	800,000
Units in issue 76,247 (30 June 2011: 115,690) - at net asset value	38,407,250	59,808,232
Sindh Sales Tax payable on Remuneration of the Management Company	1,632,136	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	373,824	305,402

Atlas Money Market Fund

31 December 2011 Un-audited	30 June 2011 Audited
----- Rupees -----	

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

Atlas Fund of Funds (Fund under common management)		
Units in issue Nil (30 June 2011: 48,403) - at net asset value	-	25,022,749
Atlas Battery Limited (Group Company)		
Units in issue 288,448 (30 June 2011: 377,999) - at net asset value	145,296,788	195,414,012
Atlas Honda Limited (Group Company)		
Units in issue 795,268 (30 June 2011: 636,529) - at net asset value	400,592,285	329,066,266
Atlas Insurance Limited (Group Company)		
Units in issue 464,659 (30 June 2011: 181,479) - at net asset value	234,058,249	93,819,042
Shirazi Investments (Private) Limited (Group Company)		
Units in issue nil (30 June 2011: 193,551) - at net asset value	-	100,060,001
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Units in issue 22,883 (30 June 2011: 19,518) - at net asset value	11,526,414	10,090,460
Atlas Foundation (Group Company)		
Units in issue 92,379 (30 June 2011: 109,190) - at net asset value	46,533,235	56,447,921
Batool Benefit Trust (Trusts having common Director/Trustee)		
Units in issue 1,022 (30 June 2011: 941) - at net asset value	514,708	486,216
Iftikhar Shirazi Family Trust (Trusts having common Director/Trustee)		
Units in issue 72,854 (30 June 2011: 67,057) - at net asset value	36,698,043	34,666,650
<u>Key Management Personnel of Management Company</u>		
Units in issue 60,891 (30 June 2011: 45,115) - at net asset value	30,672,166	23,322,604

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

9. GENERAL

9.1 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2011 and 31 December 2010 have not been subject to limited scope review by the auditors.

9.2 Figures have been rounded off to the nearest Rupee.

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

10. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 23 February 2012.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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Atlas Income Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

Atlas Income Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41 (h) 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 six months period ended 31 December 2011 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.

Muhammad Hanif Jakhura
Chief Executive Officer

Karachi: 14 February 2012

Central Depository Company of Pakistan Limited

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AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Money Market Fund as at 31 December 2011 and the related condensed interim statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi: 23 February 2012

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2011

		31 December 2011 Un-audited	30 June 2011 Audited
	Note	Rupees	Rupees
Assets			
Bank balances	4	36,661,653	74,058,608
Investments	5	781,816,957	708,002,041
Interest accrued		13,703,232	14,991,005
Prepayment		20,000	-
Security deposit		100,000	100,000
Total assets		832,301,842	797,151,654
Liabilities			
Payable to the management company		2,943,183	976,008
Payable to the trustee		115,857	110,801
Payable to SECP		282,386	745,307
Accrued and other liabilities	6	8,734,010	8,384,651
Total liabilities		12,075,436	10,216,767
Net assets		820,226,406	786,934,887
Unit holders' fund		820,226,406	786,934,887
Number of units in issue		1,633,727	1,530,383
Net asset value per unit		502.06	514.21

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended		For the Quarter ended	
	31 December 2011	2010	31 December 2011	2010
Note	----- Rupees -----			
Income				
Interest income 7	52,574,119	67,412,542	26,277,797	32,547,534
Net gain/(loss) on investments designated at fair value through income statement				
Net gain / (loss) on sale of investments	191,926	(1,084,155)	135,584	(1,359,600)
Net unrealised (loss)/gain on revaluation of investments 5.7.3	(40,303,628)	(24,193,053)	476,604	12,566,007
	(40,111,702)	(25,277,208)	612,188	11,206,407
Other income	19,012	-	-	-
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	(1,834,195)	(2,176,507)	(684,441)	(1,125,268)
	10,647,234	39,958,827	26,205,544	42,628,673
Expenses				
Remuneration of the Management Company	5,647,650	8,359,764	2,943,183	3,970,474
Sindh Sales Tax on Remuneration of the Management Company	903,624	-	470,909	-
Remuneration of the trustee	640,073	1,061,421	333,554	516,750
SECP annual fee	282,386	417,989	147,167	198,522
Annual rating fee	100,000	110,000	50,000	54,548
Annual listing fee	20,000	20,000	10,000	9,918
Securities transaction cost	93,000	160,598	46,500	16,257
Auditors' remuneration	258,738	327,671	96,238	163,835
Printing charges	20,246	23,425	(31,504)	(26,986)
Legal and professional charges	-	70,000	-	35,000
Bank charges	13,865	38,943	4,760	13,514
Provision for Workers' Welfare Fund	53,353	587,380	53,353	587,380
	8,032,935	11,177,191	4,124,160	5,539,212
Net income for the period	2,614,299	28,781,636	22,081,384	37,089,461

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	31 December 2011	2010	31 December 2011	2010
	<u>----- Rupees -----</u>			
Net income for the period	2,614,299	28,781,636	22,081,384	37,089,461
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>2,614,299</u>	<u>28,781,636</u>	<u>22,081,384</u>	<u>37,089,461</u>

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended	
	31 December 2011	31 December 2010
	----- Rupees -----	
Undistributed income brought forward	26,412,737	27,765,782
Final distribution for the year ended 30 June 2011 at the rate of Rs.13.75 per unit declared on 7 July 2011 (2010: Rs.8.00 per unit declared on 8 July 2010)		
- Bonus units	(21,042,760)	(14,330,629)
- Cash payout against final distribution	-	(5,743,956)
	(21,042,760)	(20,074,585)
Net income for the period	2,614,299	28,781,636
Undistributed income carried forward	7,984,276	36,472,833

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended	
	31 December 2011	31 December 2010
Note	Rupees -----	
Cash flows from operating activities		
Net income for the period	2,614,299	28,781,636
Adjustments for:		
Interest income	(52,574,119)	(67,412,542)
Net (gain) / loss on sale of investments	(191,926)	1,084,155
Net unrealised (gain) / loss on revaluation of investments	40,303,628	24,193,053
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	1,834,195	2,176,507
	(10,628,222)	(39,958,827)
Increase in prepayment	(20,000)	(20,000)
Increase / (decrease) in liabilities		
Payable to the management company	1,967,175	(415,644)
Payable to the trustee	5,056	(37,772)
Payable to SECP	(462,921)	(936,349)
Accrued and other liabilities	349,359	(9,107,197)
	1,858,669	(10,496,962)
	(6,175,254)	(21,694,153)
Interest received	53,861,892	82,295,511
Investments made during the period	(668,106,112)	(883,588,096)
Investments sold / redeemed / matured during the period	554,179,494	1,006,799,217
Net cash (used in) / inflow from operating activities	(66,239,980)	183,812,479
Cash flows from financing activities		
Proceeds from issue of units	242,075,142	34,422,279
Payment on redemption of units	(213,232,117)	(306,955,397)
Cash payout against distribution	-	(5,743,956)
Net cash inflow from / (used in) financing activities	28,843,025	(278,277,074)
Net decrease in cash and cash equivalents	(37,396,955)	(94,464,595)
Cash and cash equivalents at the beginning of the period	74,058,608	317,903,999
Cash and cash equivalents at the end of the period 4	36,661,653	223,439,404

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended			
	31 December 2011		31 December 2010	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.514.21 (2010: Rs.511.01) per unit]	1,530,383	786,934,887	2,509,323	1,282,286,500
Issue of units	489,785	242,075,142	67,799	34,422,279
Redemption of units	(428,488)	(213,232,117)	(608,341)	(306,955,397)
	61,297	28,843,025	(540,542)	(272,533,118)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	1,834,195	-	2,176,507
Final distribution for the year ended 30 June 2011/2010				
Issue of bonus units	42,047	-	28,490	-
Cash payout against distribution	-	-	-	(5,743,956)
Net income for the period	-	2,614,299	-	28,781,636
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	2,614,299	-	28,781,636
Net assets as at the end of the period [Rs.502.06 (2010: Rs.518.19) per unit]	1,633,727	820,226,406	1,997,271	1,034,967,569

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

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

New and amended standards and interpretations

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

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

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

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

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

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		31 December 2011 Un-audited	30 June 2011 Audited
	Note	Rupees	
4. BANK BALANCES			
PLS saving accounts	4.1	36,661,653	74,058,608
4.1 These carry rate of return ranges from 5% to 11.25% (30 June 2011 : 5% to 11.50%) per annum.			
5. INVESTMENTS	5.1		
Designated at fair value through income statement			
Term finance certificates - listed	5.2	254,816,037	279,662,236
Term finance certificates - unlisted	5.3	50,511,950	73,293,655
Sukuk certificates - unlisted	5.4	-	9,754,684
Government Securities - Market Treasury Bills	5.5	475,453,125	343,231,728
		780,781,112	705,942,303
Held to maturity			
Term finance certificates - listed	5.6	1,035,845	2,059,738
		781,816,957	708,002,041
5.1 Total cost of investments amounts to Rs.985,059,936 (30 June 2011 : Rs. 870,941,392).			

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

5.2 Term finance certificates - listed

Banks

Askari Bank Limited - I	2,400	-	-	2,400	11,959,213	1.53	1.46
Askari Bank Limited - II	6,775	-	-	6,775	33,647,542	4.30	4.10
Bank Al Habib Limited - II	1,192	-	-	1,192	6,115,542	0.78	0.75
NIB Bank Limited	1,399	-	-	1,399	6,845,999	0.88	0.83
Standard Chartered Bank (Pakistan) Limited - III	12,000	-	-	12,000	42,948,360	5.49	5.24
United Bank Limited - II	2,000	-	-	2,000	9,502,719	1.22	1.16
United Bank Limited - III	5,500	-	-	5,500	27,355,694	3.50	3.34
United Bank Limited - IV	8,000	-	-	8,000	39,824,647	5.09	4.86
	39,266	-	-	39,266	178,199,716	22.79	21.73

Financial Services

Escort Investment Bank Limited	5,000	-	-	5,000	5,525,709	0.71	0.67
IGI Investment Bank Limited	1,000	-	1,000	-	-	-	-
Orix Leasing Pakistan Limited	4,000	-	-	4,000	3,224,420	0.41	0.39
	10,000	-	1,000	9,000	8,750,129	1.12	1.07

Telecommunication

Pakistan Mobile Communications Limited	13,800	-	-	13,800	67,866,192	8.68	8.27
Telecard Limited	4,000	-	-	4,000	-	-	-
	17,800	-	-	17,800	67,866,192	8.68	8.27

Personal Goods

Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-
					71,066	254,816,037	32.59
							31.07

Atlas Income Fund

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

5.3 Term finance certificates - unlisted

Oil & Gas Exploration Companies

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

Engro Fertilizers Limited		10,000	-	-	10,000	50,511,950	6.46	6.16
Agri-tech Limited- I	5.7.1	2,000	-	-	2,000	-	-	-
Agri-tech Limited - II	5.7.1	8,000	-	-	8,000	-	-	-
		20,000	-	-	20,000	50,511,950	6.46	6.16

Construction Material

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

Bunny's Limited	5.7.1	424	-	-	424	-	-	-
					30,424	50,511,950	6.46	6.16

5.4 Sukuk certificates - unlisted

Chemicals

Agri-tech Limited- Sukuk	5.7.1	4,060	-	-	4,060	-	-	-
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	31 December 2011 Un-audited	30 June 2011 Audited
Note	----- Rupees -----	

5.5 Government Securities

Market Treasury Bills	5.5.1	475,453,125	343,231,728
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5.5.1 Market Treasury Bills

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Matured during the period	At the end of the period	Amortized Cost	Market Value	Total Investments	Net Assets
3 months - T Bills	202,500,000	245,000,000	312,500,000	135,000,000	132,879,910	132,843,650	16.99	16.20
6 months - T Bills	150,000,000	267,500,000	225,000,000	192,500,000	185,851,828	185,853,485	23.77	22.66
12 months - T Bills	-	165,000,000	-	165,000,000	156,454,042	156,755,990	20.05	19.11
	352,500,000	677,500,000	537,500,000	492,500,000	475,185,780	475,453,125	60.81	57.97

5.5.2 The cost of investments as on 31 December 2011 is Rs.466,091,350 (30 June 2011: Rs.336,955,250).

5.5.2 These Market Treasury Bills carry purchase yields ranging from 11.68% to 13.32% (30 June 2011: 13.16% to 13.67%) per annum and will mature between 9 February 2012 and 20 September 2012 (30 June 2011: 14 July 2011 to 17 November 2011).

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

5.6 Term finance certificates - listed

Leasing Companies						
Orix Leasing Pakistan Limited	1,285	-	-	1,285	1,035,845	0.13

5.7 PARTICULARS OF NON-COMPLIANT INVESTMENTS

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

Non-compliant investment	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
		Rupees			%	%
Gharibwal Cement Limited	Term finance certificate	18,266,625	18,266,625	-	-	-
Pak Hy Oils Limited	Term finance certificate	18,750,000	18,750,000	-	-	-
Azgard Nine Limited	Term finance certificate	18,118,912	18,118,912	-	-	-
Agritech Limited- I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited- II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited- Sukuk	Sukuk certificate	15,225,000	15,225,000	-	-	-
Telecard Limited	Term finance certificate	5,512,500	5,512,500	-	-	-
Bunny's Limited	Term finance certificate	1,590,000	1,590,000	-	-	-
		114,933,037	114,933,037	-	-	-

5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 and accordingly an aggregate provision of Rs.114.933 million (30 June 2011: Rs.72.494 million), net of market discount on valuation, as permitted under SECP's Circular 3 of 2010 dated 20 January 2010 has been made in accordance with the provisioning requirements of both the above mentioned circulars and the Provisioning Policy for Non - Performing Exposure of Collective Investment Schemes approved by the Board of Directors of the Management Company.

5.7.3 The impact of above provision of Rs.42.439 million made during the period against non-performing securities is included in net unrealised loss on revaluation of investments as shown in the condensed interim income statement.

Note	31 December 2011	30 June 2011
	Un-audited	Audited
	Rupees	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		263,500	456,829
NCCPL Charges Payable		15,000	-
Printing charges payable		88,895	165,000
Rating fee payable		100,000	-
Payable to unit holders against redemption of units		23,932	16,307
Sindh Sales Tax payable on Remuneration of the Management Company		470,909	-
Withholding tax payable		-	9,082
Provision for Workers' Welfare Fund	6.1	7,771,774	7,718,421
Others		-	19,012
		8,734,010	8,384,651

Atlas Income Fund

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

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

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.7,771,774/- (30 June 2011: Rs.7,718,421/-) in these condensed interim financial statements.

Note	For the Half Year Ended		For the Quarter Ended	
	31 December		31 December	
	2011	2010	2011	2010
	Un-audited		Un-audited	
	----- Rupees -----			

7. INTEREST INCOME

PLS saving accounts	2,450,131	13,089,790	1,073,020	5,975,988
Placements	-	1,498,452	-	828,281
Term finances	25,317,740	38,429,152	11,512,969	16,701,124
Musharaka/Certificate of investment	-	401,602	-	(393,001)
Government Securities - Market Treasury Bills	24,806,248	13,993,546	13,691,808	9,435,142
	<u>52,574,119</u>	<u>67,412,542</u>	<u>26,277,797</u>	<u>32,547,534</u>

- 7.1 Mark-up on non performing securities amounting to Rs.44.09 million (2010: Rs.22.17 million) based on outstanding principal has not been recognised, in accordance with the SECP's Circular 1 of 2009.

	For the Half Year Ended	
	31 December	31 December
	2011	2010
	Un-audited	Un-audited
	----- Rupees -----	

8. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration charged	5,647,650	8,359,764
Remuneration paid	3,680,475	8,775,408
Sindh Sales Tax on Remuneration of the Management Company	903,624	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	640,073	1,061,421
Settlement charges	3,000	3,179
Atlas Battery Limited (Group Company)		
Sale of 62,174 (2010: Nil) units	30,000,000	-

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For the Half Year Ended	
31 December 2011	31 December 2010
Un-audited	Un-audited
----- Rupees -----	

8.1 Transactions for the period (Continued...)

Atlas Foundation (Trust having common Director / Trustee)		
Redemption of 199 (2010: 41,418) units	100,000	20,900,000
Bonus of 2,732 (2010: 2,537) units	1,367,341	1,276,386
Atlas Fund of Funds (Group Company)		
Sale of 20,523 (2010: Nil) units	10,000,000	-
Atlas Honda Limited (Group Company)		
Redemption of 101,789 (2010: Nil) units	50,000,000	-
Bonus of 20,605 (2010: 11,192) units	10,311,841	5,629,487
Atlas Insurance Limited (Group Company)		
Sale of 355,553 (2010: 49,339) units	176,700,000	25,000,000
Redemption of 213,234 (2010: Nil) units	106,661,958	-
Bonus of 1,897 (2010: 258) units	949,240	129,682
Batool Benefit Trust (Trust having common Director/Trustee)		
Sale of 466 (2010: Nil) units	231,000	-
Redemption of 4,684 (2010: 2,578) units	2,294,000	1,305,000
Bonus of 4,738 (2010: 2,653) units	2,371,208	1,334,443
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of Nil (2010: 9,966) units	-	5,129,903
Redemption of 10,076 (2010: 987) units	5,000,000	500,000
Bonus of 632 (2010: 203) units	316,512	102,084
Key Management Personnel of Management Company		
Sale of 10,554 (2010: 5,941) units	5,175,000	3,000,000
Redemption of 104 (2010: Nil) units	51,017	-
Bonus of 591 (2010: 228) units	295,773	114,683

31 December 2011	30 June 2011
Un-audited	Audited
----- Rupees -----	

8.2 Outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	2,943,183	976,008
Sindh Sales Tax payable on Remuneration of the Management Company	470,909	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	115,857	110,801
Atlas Battery Limited (Group Company)		
Units in issue - 62,174 (30 June 2011: Nil) - at net asset value	31,214,872	-
Atlas Foundation (Trust having common Director/Trustee)		
Units in issue - 101,976 (30 June 2011: 99,443) - at net asset value	51,197,950	51,134,583
Atlas Fund of Funds (Group Company)		
Units in issue - 20,523 (30 June 2011: Nil) - at net asset value	10,303,951	-
Atlas Honda Limited (Group Company)		
Units in issue - 668,767 (30 June 2011: 749,952) - at net asset value	335,761,349	385,632,874

Atlas Income Fund

31 December 2011 Un-audited	30 June 2011 Audited
----- Rupees -----	

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

Atlas Insurance Limited (Group Company)		
Units in issue - 213,251 (30 June 2011: 69,036) - at net asset value	107,064,659	35,498,810
Batool Benefit Trust (Trust having common Director/Trustee)		
Units in issue - 172,972 (30 June 2011: 172,452) - at net asset value	86,842,361	88,676,297
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Units in issue - 13,575 (30 June 2011: 23,019) - at net asset value	6,815,521	11,836,626
<u>Key Management Personnel of Management Company</u>		
Units in issue - 32,551 (30 June 2011: 21,511) - at net asset value	16,342,668	11,061,049

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

9. GENERAL

9.1 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2011 and 31 December 2010 have not been subject to limited scope review by the auditors.

9.2 Figures have been rounded off to the nearest Rupee.

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

10. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 23 February 2012.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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Atlas Stock Market Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

Atlas Stock Market Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41 (h) 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 six months period ended 31 December 2011 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.

Muhammad Hanif Jakhura
Chief Executive Officer

Karachi: 14 February 2012

Central Depository Company of Pakistan Limited

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AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Stock Market Fund as at 31 December 2011 and the related condensed interim statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi: 23 February 2012

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2011

		31 December 2011 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	
Assets			
Bank balances	4	22,845,462	28,563,363
Receivable against sale of securities		15,160,710	17,382,476
Investments	5	571,171,659	641,106,326
Dividend receivable		-	1,275,000
Interest accrued		106,015	310,038
Security deposits, prepayments and other receivable		2,684,777	2,614,777
Total assets		611,968,623	691,251,980
Liabilities			
Payable against purchase of securities		-	30,665,420
Payable to unit holders against redemption of units		22,133,188	74,776
Payable to the management company		3,141,198	1,104,068
Payable to the trustee		110,682	116,917
Payable to the SECP		297,660	597,418
Accrued and other liabilities	6	8,810,393	8,434,516
Total liabilities		34,493,121	40,993,115
Net assets		577,475,502	650,258,865
Unit holders' fund		577,475,502	650,258,865
Number of units in issue		1,868,180	1,463,694
Net asset value per unit		309.11	444.26

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended		For the Quarter ended	
	31 December		31 December	
	2011	2010	2011	2010
Note	Rupees			
Income				
Dividend income	22,996,302	18,020,980	15,000,600	11,309,500
Interest income	1,113,677	5,924,773	429,715	3,694,463
Net (loss) / gain on investments at fair value through income statement (held-for-trading)				
Net gain on sale of investments	5,192,210	75,277,340	3,355,105	53,426,994
Net unrealised (loss)/gain on revaluation of investments	(63,340,356)	57,771,826	(69,621,794)	43,868,434
	(58,148,146)	133,049,166	(66,266,689)	97,295,428
Element of (loss)/income and capital (loss)/gain included in prices of units issued less those in units redeemed - net	(2,337,436)	(18,033,448)	558,009	27,055,738
	(36,375,603)	138,961,471	(50,278,365)	139,355,129
Expenses				
Remuneration of the Management Company	6,266,543	5,967,076	3,141,198	2,999,410
Sindh Sales Tax on Remuneration of the Management Company	1,002,647	-	502,592	-
Remuneration of the trustee	626,652	606,882	314,118	299,944
SECP annual fee	297,660	288,273	149,204	142,478
Annual rating fee	50,000	50,000	25,000	22,500
Annual listing fee	20,000	20,000	10,000	10,000
Securities transaction cost	2,056,169	1,708,365	1,021,585	886,503
Auditors' remuneration	209,000	204,000	107,000	102,000
Printing charges	65,000	85,000	17,000	20,000
Bank charges	11,153	5,523	2,960	1,031
Provision for Workers' Welfare Fund 6.1	-	2,600,527	(171,772)	2,600,527
	10,604,824	11,535,646	5,118,885	7,084,393
Net (loss) / income for the period	(46,980,427)	127,425,825	(55,397,250)	132,270,736

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	31 December 2011	2010	31 December 2011	2010
	----- Rupees -----			
Net (loss)/income for the period	(46,980,427)	127,425,825	(55,397,250)	132,270,736
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	<u>(46,980,427)</u>	<u>127,425,825</u>	<u>(55,397,250)</u>	<u>132,270,736</u>

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended	
	31 December 2011	31 December 2010
	Rupees	
Accumulated loss brought forward	(91,450,675)	(95,085,890)
Final Distribution for the year ended 30 June 2011 at the rate of Rs.110 per unit declared on 7 July 2011 (2010: Rs.125 per unit declared on 8 July 2010)		
- Bonus units	(125,664,521)	(145,237,526)
- Cash payout against distribution	(35,341,823)	(37,135,197)
	(161,006,344)	(182,372,723)
Net (loss)/income for the period	(46,980,427)	127,425,825
Accumulated loss carried forward	(299,437,446)	(150,032,788)

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended	
	31 December 2011	31 December 2010
	Note	Rupees
Cash flows from operating activities		
Net (loss) / income for the period	(46,980,427)	127,425,825
Adjustments for:		
Dividend income	(22,996,302)	(18,020,980)
Interest income	(1,113,677)	(5,924,773)
Net gain on sale of investments	(5,192,210)	(75,277,340)
Net unrealised loss / (gain) on revaluation of investments	63,340,356	(57,771,826)
Element of loss and capital loss included in prices of units issued less those in units redeemed - net	2,337,436	18,033,448
	36,375,603	(138,961,471)
Decrease / (Increase) in assets		
Receivable against sale of securities	2,221,766	(9,385,216)
Security deposits, prepayments and other receivable	(70,000)	(70,000)
	2,151,766	(9,455,216)
(Decrease) / increase in liabilities		
Payable against purchase of securities	(30,665,420)	7,403,799
Payable to unit holders against redemption of units	22,058,412	-
Payable to the management company	2,037,130	(79,669)
Payable to the trustee	(6,235)	(15,666)
Payable to the SECP	(299,758)	(450,315)
Accrued and other liabilities	375,877	2,565,046
	(6,499,994)	9,423,195
	(14,953,052)	(11,567,667)
Dividend received	24,271,302	20,120,980
Interest received	1,317,700	4,917,079
Investments made during the period	(930,517,339)	(769,820,255)
Investments sold during the period	942,303,860	1,042,102,721
Net cash inflow from operating activities	22,422,471	285,752,858
Cash flows from financing activities		
Proceeds from issue of units	157,966,091	28,768,445
Payment on redemption of units	(150,764,640)	(189,043,249)
Cash payout against distribution	(35,341,823)	(37,135,197)
Net cash used in financing activities	(28,140,372)	(197,410,001)
Net (decrease) / increase in cash and cash equivalents	(5,717,901)	88,342,857
Cash and cash equivalents at the beginning of the period	28,563,363	52,507,667
Cash and cash equivalents at the end of the period 4	22,845,462	140,850,524

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	For the Half Year ended			
	31 December 2011		31 December 2010	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.444.26 (2010: Rs. 442.18) per unit]	1,463,694	650,258,865	1,458,982	645,128,995
Issue of units	490,169	157,966,091	80,471	28,768,445
Redemption of units	(461,631)	(150,764,640)	(532,381)	(189,043,249)
	28,538	7,201,451	(451,910)	(160,274,804)
Element of loss and capital loss included in prices of units issued less those in units redeemed - net	-	2,337,436	-	18,033,448
Issue of bonus units	375,948	-	457,903	-
Cash payout against distribution	-	(35,341,823)	-	(37,135,197)
Net (loss)/income for the period	-	(46,980,427)	-	127,425,825
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	-	(46,980,427)	-	127,425,825
Net assets at the end of the period [Rs.309.11 (2010: Rs. 404.91) per unit]	1,868,180	577,475,502	1,464,975	593,178,267

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

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

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

New and amended standards and interpretations

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

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

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

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

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

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	31 December 2011 Un-audited	30 June 2011 Audited
Note	----- Rupees -----	-----

4. BANK BALANCES

In PLS saving accounts	4.1	22,845,462	28,543,138
In current accounts		-	20,225
		<u>22,845,462</u>	<u>28,563,363</u>

4.1 The rate of return on these accounts ranges from 5% to 11.25% (30 June 2011: 5% to 11.5%) per annum.

5. INVESTMENTS - at fair value through income statement

Listed equity securities - held-for-trading	5.1	<u>571,171,659</u>	<u>641,106,326</u>
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Number of shares					Rupees		Percentage of		
At the beginning of the period	Acquired during the period	Bonus shares during the period	Disposed during the period	At the end of the period	Market Value	Total investment	Net assets	Paid-up Capital of Investee company	

5.1 Listed equity securities - held for trading

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

Oil & Gas

Attock Petroleum Limited	110,000	129,491	-	139,491	100,000	41,250,000	7.22	7.14	0.14
Attock Refinery Limited	-	125,000	-	125,000	-	-	-	-	-
National Refinery Limited	-	150,000	-	150,000	-	-	-	-	-
Oil & Gas Development Company Limited	-	125,000	-	125,000	-	-	-	-	-
Pakistan Oilfields Limited	165,000	93,500	-	108,500	150,000	51,967,500	9.10	9.00	0.06
Pakistan Petroleum Limited	185,000	370,000	15,000	245,000	325,000	54,704,000	9.58	9.47	0.02
Pakistan State Oil Company Limited	75,000	163,797	-	164,297	74,500	16,927,145	2.96	2.94	0.04
	535,000	1,156,788	15,000	1,057,288	649,500	164,848,645	28.86	28.55	

Chemicals

Engro Corporation Limited	150,000	654,979	-	304,979	500,000	46,350,000	8.11	8.03	0.13
Fatima Fertilizer Company Limited	1,500,000	3,300,000	-	3,800,000	1,000,000	22,920,000	4.01	3.97	0.05
Fauji Fertilizer Bin Qasim Limited	700,000	700,000	-	1,400,000	-	-	-	-	-
Fauji Fertilizer Company Limited	250,000	357,500	-	232,500	375,000	56,077,500	9.83	9.71	0.04
ICI Pakistan Limited	124,499	50,501	-	175,000	-	-	-	-	-
Lotte Pakistan PTA Limited	400,000	814,291	-	1,214,291	-	-	-	-	-
	3,124,499	5,877,271	-	7,126,770	1,875,000	125,347,500	21.95	21.71	

Construction and Materials

D G Khan Cement Company Limited	350,000	800,000	-	1,150,000	-	-	-	-	-
Lucky Cement Limited	150,000	844,334	-	519,334	475,000	35,644,000	6.24	6.17	0.15
	500,000	1,644,334	-	1,669,334	475,000	35,644,000	6.24	6.17	

Industrial Engineering

Millat Tractors Limited	-	25,000	-	25,000	-	-	-	-	-
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Personal Goods

Nishat (Chunian) Limited	400,000	604,900	-	1,004,900	-	-	-	-	-
Nishat Mills Limited	1,200,000	1,146,850	-	1,346,850	1,000,000	40,450,000	7.08	7.00	0.28
	1,600,000	1,751,750	-	2,351,750	1,000,000	40,450,000	7.08	7.00	

Atlas Stock Market Fund

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

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

(Ordinary shares have a face value of

Rs. 10/- each unless stated otherwise)

Fixed Line Telecommunication

Pakistan Telecommunication

Company Limited	192,003	3,600,000	-	1,192,003	2,600,000	27,014,000	4.73	4.68	0.07
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Electricity

Kot Addu Power Company Limited

-	100,000	-	100,000	-	-	-	-	-
1,900,000	706,995	-	2,606,995	-	-	-	-	-

Nishat Chunian Power Limited

The Hub Power Company Limited

850,000	1,376,491	-	876,491	1,350,000	46,170,000	8.08	8.00	0.12
2,750,000	2,183,486	-	3,583,486	1,350,000	46,170,000	8.08	8.00	

Banks

Allied Bank Limited

Habib Bank Limited

MCB Bank Limited

National Bank of Pakistan

Soneri Bank Limited

United Bank Limited

770,500	413,500	-	161,167	1,022,833	55,100,014	9.65	9.54	0.12
125,000	50,000	-	175,000	-	-	-	-	-
300,000	239,800	-	184,800	355,000	47,783,000	8.37	8.27	0.04
175,000	836,396	-	1,011,396	-	-	-	-	-
-	350,000	-	350,000	-	-	-	-	-
870,000	414,141	-	734,141	550,000	28,814,500	5.04	5.00	0.04
2,240,500	2,303,837	-	2,616,504	1,927,833	131,697,514	23.06	22.81	

Non Life Insurance

Adamjee Insurance Company

Limited	100,000	77,501	-	177,501	-	-	-	-
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Market value of investments as at 31 December 2011

571,171,659	100.00	98.91
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5.2 The cost of held-for-trading investments as at 31 December 2011 Rs.625,447,155 (30 June 2011: Rs.631,343,902).

5.3 The above investments include 25,000, 110,000, 62,000, 125,000, 75,000, 200,000, 100,000 and 250,000 shares of Attock Petroleum Limited, Pakistan Oilfields Limited, Pakistan Petroleum Limited, Engro Corporation Limited, Fauji Fertilizer Company Limited, The Hub Power Company Limited, MCB Bank Limited and United Bank Limited respectively, pledged with NCCPL. The aggregate market value of shares pledged amounts to Rs.115,058,340 (30 June 2011: Rs.139,269,940).

Note	31 December 2011	30 June 2011
	Un-audited	Audited
	----- Rupees -----	

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	224,391	304,976
NCCPL charges payable	18,498	25,791
Printing charges payable	195,649	227,000
Sindh Sales Tax payable on Remuneration of the Management Company	502,592	-
Withholding tax payable	-	8,238
Zakat payable	857	105
Provision for Workers' Welfare Fund	6.1	7,868,406
	8,810,393	8,434,516

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

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

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

For the Half Year Ended	
31 December 2011	31 December 2010
Un-audited	Un-audited
----- Rupees -----	

7. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

7.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	6,266,543	5,967,076
Remuneration paid	4,229,413	6,046,745
Sindh Sales Tax on Remuneration of the Management Company	1,002,647	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	626,652	606,882
Settlement charges	55,877	56,483
Atlas Fund of Funds (Fund under common management)		
Sale of 102,813 (2010: 50,439) units	32,129,945	18,121,706
Bonus 23,140 (2010: 19,878) units	7,734,852	6,304,869
Redemption of 147,747 (2010: 50,439) units	48,634,895	18,121,706
Atlas Insurance Limited (Group Company)		
Sale of 156,465 (2010: Nil) units	50,000,000	-
Bonus 3,345 (2010: 2,871) units	1,118,034	910,748
Key Management Personnel of Management Company		
Sale 8,716 (2010: Nil) units	2,818,000	-
Bonus 31,547 (2010: 26,912) units	10,544,880	8,535,957

Atlas Stock Market Fund

31 December 2011 Un-audited ----- Rupees -----	30 June 2011 Audited -----
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7.2 Outstanding balances as at period / year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	3,141,198	1,104,068
Sindh Sales Tax payable on Remuneration of the Management Company	502,592	-
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	101,039	111,079
Settlement charges payable	9,643	5,838
Atlas Fund of Funds (Fund under common management)		
Outstanding 48,523 (30 June 2011: 70,317) units	14,999,030	31,238,959
Atlas Insurance Limited (Group Company)		
Outstanding 169,974 (30 June 2011: 10,164) units	52,540,564	4,515,436
<u>Key Management Personnel of Management Company</u>		
Outstanding 136,125 (30 June 2011: 95,862) units	42,077,715	42,587,893

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

8. GENERAL

8.1 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2011 and 31 December 2010 have not been subject to limited scope review by the auditors.

8.2 Figures have been rounded off to the nearest Rupee.

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

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 23 February 2012.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Head Office

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