

Atlas funds

Nurturing your investments

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

HALF YEARLY REPORT

31 December 2012

(UN-AUDITED)



Your Atlas
to the World of
Investments



It Takes Skill to
Master the Game



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.

CONTENTS

ORGANISATION	2
CHAIRMAN'S REVIEW	3
ATLAS MONEY MARKET FUND	
CORPORATE INFORMATION	5
TRUSTEE REPORT TO THE UNIT HOLDERS	6
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	7
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	8
CONDENSED INTERIM INCOME STATEMENT	9
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	10
CONDENSED INTERIM DISTRIBUTION STATEMENT	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	13
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	16
ATLAS INCOME FUND	
CORPORATE INFORMATION	23
TRUSTEE REPORT TO THE UNIT HOLDERS	24
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	25
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	26
CONDENSED INTERIM INCOME STATEMENT	27
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	28
CONDENSED INTERIM DISTRIBUTION STATEMENT	29
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	30
CONDENSED INTERIM CASH FLOW STATEMENT	31
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	32
ATLAS STOCK MARKET FUND	
CORPORATE INFORMATION	41
TRUSTEE REPORT TO THE UNIT HOLDERS	42
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	43
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	44
CONDENSED INTERIM INCOME STATEMENT	45
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	46
CONDENSED INTERIM DISTRIBUTION STATEMENT	47
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	48
CONDENSED INTERIM CASH FLOW STATEMENT	49
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	50

Atlas Funds

ORGANISATION

Management Company		Investment Committee	
Atlas Asset Management Limited		Chairman	Mr. M. Habib-ur-Rahman
Board of Directors of the Management Company		Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan (Secretary)
Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)	Management Committee	
Directors	Mr. Azam Faruque (Independent Director) Mr. Shamshad Nabi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Arshad P. Rana (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director)	Chairman	Mr. M. Habib-ur-Rahman
Chief Executive Officer	Mr. M. Habib-ur-Rahman (Executive Director)	Members	Ms Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Abbas Sajjad
Company Secretary	Ms Lilly R. Dossabhoy	Secretary	Mr. M. Irfan Dhedhi
Board Committees		Risk Management Committee	
Audit Committee		Chairman	Mr. Muhammad Abdul Samad
Chairman	Mr. Azam Faruque	Members	Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari Mr. Muhammad Umar Khan
Members	Mr. Shamshad Nabi Mr. Frahim Ali Khan	Secretary	Ms Zainab Hussain
Secretary	Ms Qurrat-ul-Ain Jafari	Chief Internal Auditor	
Human Resource Committee & Remuneration Committee		Ms Qurrat-ul-Ain Jafari	
Chairman	Mr. Frahim Ali Khan	Registered Office	
Members	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi	Ground Floor, Federation House, Sharae Firdousi Clifton, Karachi - 75600 Tel: (92-21) 111-MUTUAL (6-888-25) (92-21) 35379501-04 Fax: (92-21) 35379280 Email: info@atlasfunds.com.pk Website: www.atlasfunds.com.pk	
Secretary	Mr. Mohsin Ali Khan		

The above information is as at 12 February 2013.

Half Yearly Report 2012-13

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Money Market Fund, Atlas Income Fund, and Atlas Stock Market Fund for the half year ended 31 December 2012 of the FY 2012-13.

The Economy

During the period July - December FY 2012-13, the total exports stood at US\$ 12.05 billion, as compared to US\$ 11.20 billion last year. During July - December FY 2012-13, foreign remittances reached the record level of US\$ 7.12 billion, which is 12.51% higher than the remittances during the corresponding period last year. The current account marked a surplus of US\$ 250 million for the first half of the FY 2012-13, as compared to a deficit of US\$ 2,426 million witnessed in the corresponding period last year. The foreign exchange reserves of the country stood at US\$ 13.81 billion as of 28 December 2012. The decline in CPI inflation is considerably faster than earlier estimates. The year - on - year CPI inflation for December 2012 stands at 7.9%. This broad based deceleration in inflation is now expected to keep the average inflation for FY 2012-13, below than 9.5% target for the year. The SBP has reduced its policy rate by 150 bps in August 2012, 50 bps in October 2012 and 50 bps in December 2012, that is, from 12% to currently 9.50%.

Fund Operations - AMF

The Net Asset Value per unit of Atlas Money Market Fund has increased by 4.94% to Rs.505.05 as on 31 December 2012, thus providing an annualized total return of 9.79%. The AMF's total exposure in Treasury Bills stood at 70%, with remaining in short term deposits with banks / cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs.3.68 billion, with 7.29 million units outstanding as of 31 December 2012.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim bonus distribution of Rs.3.25 per unit (0.65% on the face value of Rs.500 per unit). This is in addition to the aggregate Interim Bonus Distribution of Rs.18.75 per unit (3.75% on the face value of Rs.500 per unit), already distributed.

Fund Operations - AIF

The Net Asset Value per unit of Atlas Income Fund has increased by 5.64% to Rs.517.53 as on 31 December 2012, this works out to 11.19% on an annualized basis. AIF's current asset allocation is 54.39% in Government Securities, 15.94% in TFC / Sukuk, 0.67% in Margin Trading System (MTS) and remaining in bank deposits/others. AIF presents a good investment opportunity for investors to earn attractive returns and at the same time benefit from any gain as a result of reversal of provisions/ income. The Net Assets of the Fund have increased from Rs.0.93 billion as on 30 June 2012 to Rs.1.65 billion as on 31 December 2012 with 3.18 million units outstanding.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim bonus distribution of Rs.12.50 per unit (2.50% on the face value of Rs.500 per unit). This is in addition to the interim bonus distribution of Rs.12.50 per unit (2.50% on the face value of Rs.500 per unit) already distributed.

Fund Operations - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund has increased by 21.67% to Rs.420.92 as on 31 December 2012. The benchmark KSE-100 index increased by 22.49% during the same period. The KSE-100 increased from 13,801 points as on 30 June 2012 to 16,905 points as on 31 December 2012.

The ASMF's equity portfolio exposure was mainly in Oil & Gas, 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 the Fund stood at Rs.941 million, with 2.24 million units outstanding as of 31 December 2012.

Atlas Funds

Ratings

• Asset Manager Rating

As per the latest finalized rating of May 2012, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus). The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks. The annual rating review is currently under finalization.

• Fund Stability Rating - AMF

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

• Fund Stability Rating - AIF

PACRA has maintained 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 "4 Star" short term ranking to the Fund, and a long term "4 Star" ranking, for FY 2011-12. 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

Overall economy has been performing well due to strong exports growth, high remittances, and inflation well below the target level. Foreign inflows have helped limiting the impact of external debt repayments on foreign exchange reserves. Going forward, there is a need to ensure availability of energy, better tax collection capability, and reduction in fiscal borrowing. A sustainable reduction in fiscal borrowings from the banking system needs fiscal reforms. Resolution of circular debt is a key to availability of energy and new investment in the sector. There is also a need to encourage private sector credit off take and foreign investment, by creating enabling environment.

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

جوئندہ یا بندہ
(Whoever seeks gets it)

Acknowledgement

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

Karachi: 12 February 2013

Yusuf H. Shirazi
Chairman

Half Yearly Report 2012-13

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 2012 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
Central Depository Company of Pakistan Limited
Dated: February 15, 2013
Karachi

Half Yearly Report 2012-13

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 2012 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.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Engagement Partner: Arslan Khalid
Dated: February 12, 2013
Karachi

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 DECEMBER 2012

		31 December 2012 Un-audited	30 June 2011 Audited
	Note	-----	Rupees -----
Assets			
Bank balances and term deposits	4	1,120,552,529	1,062,768,340
Investments	5	2,578,240,013	3,491,055,485
Interest accrued		10,449,660	4,162,824
Prepayments		20,000	-
Deferred formation cost		300,000	400,000
Total assets		3,709,562,202	4,558,386,649
Liabilities			
Payable to the Management Company		3,843,375	4,710,250
Payable to the trustee		364,877	418,055
Payable to SECP		1,626,665	3,286,644
Accrued and other liabilities	6	21,871,846	17,946,886
Total liabilities		27,706,763	26,361,835
NET ASSETS		3,681,855,439	4,532,024,814
UNIT HOLDERS' FUND		3,681,855,439	4,532,024,814
CONTINGENCIES AND COMMITMENTS	7	-	-
NUMBER OF UNITS IN ISSUE		7,290,063	9,015,663
NET ASSET VALUE PER UNIT		505.05	502.68

The annexed notes from 1 to 12 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

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2012

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2012	2011	31 December 2012	2011
----- Rupees -----					
INCOME					
Interest income	8	235,905,260	258,982,130	109,655,191	127,896,176
Net gain/(loss) on investments designated at fair value through income statement					
Net gain on maturity/sale of investments		3,685,282	1,373,051	1,517,406	1,133,480
Net unrealised gain/(loss) on revaluation of investments		1,721,342	(952,549)	(3,578,406)	(1,500,261)
		5,406,624	420,502	(2,061,000)	(366,781)
Element of income/loss and capital gains/ losses included in prices of units sold less those in units redeemed - net		(2,046,181)	1,725,306	(84,515)	531,683
		239,265,703	261,127,938	107,509,676	128,061,078
EXPENSES					
Remuneration of the Management Company		21,688,806	20,160,637	10,810,267	10,200,853
Sindh Sales Tax on Remuneration of the Management Company		3,470,209	3,225,702	1,729,643	1,632,137
Remuneration of the trustee		2,272,040	2,140,977	1,133,118	1,080,148
SECP annual fee		1,626,665	1,512,049	810,770	765,065
Annual rating fee		100,000	100,000	50,000	50,000
Annual listing fee		20,000	20,000	10,000	10,000
Brokerage		73,374	80,769	63,144	41,986
Auditors' remuneration		253,968	265,785	132,329	172,035
Printing charges		121,524	45,883	87,497	4,008
Amortisation of formation cost		100,000	100,000	50,000	50,000
Bank charges		50,917	39,481	21,921	16,241
Provision for Workers' Welfare Fund	6.1	4,189,764	4,668,733	1,852,220	2,280,772
		33,967,267	32,360,016	16,750,909	16,303,245
Net income for the period before taxation		205,298,436	228,767,922	90,758,767	111,757,833
Taxation	9	-	-	-	-
Net income for the period after taxation		205,298,436	228,767,922	90,758,767	111,757,833

The annexed notes from 1 to 12 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

Azam Faruque
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2012

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2012</u>	<u>2011</u>	<u>31 December</u> <u>2012</u>	<u>2011</u>
	----- Rupees -----			
Net income for the period after taxation	205,298,436	228,767,922	90,758,767	111,757,833
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>205,298,436</u>	<u>228,767,922</u>	<u>90,758,767</u>	<u>111,757,833</u>

The annexed notes from 1 to 12 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

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended	
	31 December 2012	31 December 2011
	----- Rupees -----	
Undistributed income brought forward	5,087,897	98,823,653
Final distribution for the year ended 30 June 2012 - Nil (2011: Rs.15 per unit declared on 7 July 2011)		
- Bonus units	-	(74,914,265)
- Cash payout against final distribution	-	(21,317,923)
	-	(96,232,188)
Net income for the period after taxation	205,298,436	228,767,922
Interim distribution for the month ended 31 July 2012 at the rate of Rs.4 per unit declared on 27 July 2012 (2011: Rs.4 per unit declared on 29 July 2011)		
- Bonus units	(32,706,265)	(24,737,370)
- Cash payout against interim distribution	(2,265,771)	(5,489,173)
	(34,972,036)	(30,226,543)
Interim distribution for the month ended 31 August 2012 at the rate of Rs.4 per unit declared on 31 August 2012 (2011: Rs.5 per unit declared on 26 August 2011)		
- Bonus units	(32,745,278)	(33,388,867)
- Cash payout against interim distribution	(1,464,197)	(7,948,315)
	(34,209,475)	(41,337,182)
Interim distribution for the month ended 30 September 2012 at the rate of Rs.3.75 per unit declared on 28 September 2012 (2011: Rs.5 per unit declared on 28 September 2011)		
- Bonus units	(28,006,481)	(31,445,821)
- Cash payout against interim distribution	(1,372,685)	(8,019,397)
	(29,379,166)	(39,465,218)
Interim distribution for the month ended 31 October 2012 at the rate of Rs.3.75 per unit declared on 31 October 2012 (2011: Rs.5 per unit declared on 28 October 2011)		
- Bonus units	(31,567,445)	(30,831,496)
- Cash payout against interim distribution	(1,372,685)	(8,021,249)
	(32,940,130)	(38,852,745)
Interim distribution for the month ended 30 November 2012 at the rate of Rs.3.25 per unit declared on 30 November 2012 (2011: Rs.4 per unit declared on 25 November 2011)		
- Bonus units	(26,345,403)	(26,165,674)
- Cash payout against interim distribution	(1,141,532)	(6,416,999)
	(27,486,935)	(32,582,673)
c/f	51,398,591	48,895,026

Atlas Money Market Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) (Continued...)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended	
	31 December 2012	31 December 2011
	----- Rupees -----	
c/f	51,398,591	48,895,026
Interim distribution for the month ended 31 December 2012 at the rate of Rs.3.25 per unit declared on 26 December 2012 (2011: Rs.4 per unit declared on 28 December 2011)		
- Bonus units	(24,872,121)	(26,217,200)
- Cash payout against interim distribution	(1,461,981)	(6,416,999)
	(26,334,102)	(32,634,199)
Undistributed income carried forward	25,064,489	16,260,827

The annexed notes from 1 to 12 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

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended			
	31 December 2012		31 December 2011	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.502.68 (2011: 516.97) per unit]	9,015,663	4,532,024,814	6,415,479	3,316,615,640
Issue of units	3,776,813	1,909,568,784	4,924,923	2,484,622,882
Redemption of units	(5,851,926)	(2,958,003,924)	(3,617,256)	(1,826,022,023)
	(2,075,113)	(1,048,435,140)	1,307,667	658,600,859
Element of income/loss and capital gains/losses included in prices of units sold less those in units redeemed - net	-	2,046,181	-	(1,725,306)
Final distribution for the year ended 30 June 2012 - Nil (2011: Rs.15 per unit declared on 7 July 2011)				
Issue of bonus units	-	-	149,241	-
Cash payout against distribution	-	-	-	(21,317,923)
Net income for the period after taxation	-	205,298,436	-	228,767,922
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	205,298,436	-	228,767,922
Interim distribution at the rate of Rs.4 declared on 27 July 2012 (2011 : Rs.4 declared on 29 July 2011)				
Issue of bonus units	65,082	-	49,223	-
Cash payout against distribution	-	(2,265,771)	-	(5,489,173)
Interim distribution at the rate of Rs.4 declared on 31 August 2012 (2011 : Rs.5 declared on 26 August 2011)				
Issue of bonus units	64,888	-	66,476	-
Cash payout against distribution	-	(1,464,198)	-	(7,948,315)
Interim distribution at the rate of Rs.3.75 declared on 28 September 2012 (2011 : Rs.5 declared on 28 September 2011)				
Issue of bonus units	55,534	-	62,584	-
Cash payout against distribution	-	(1,372,685)	-	(8,019,397)
Interim distribution at the rate of Rs.3.75 declared on 31 October 2012 (2011 : Rs.5 declared on 28 October 2011)				
Issue of bonus units	62,507	-	61,294	-
Cash payout against distribution	-	(1,372,685)	-	(8,021,249)
c/f	7,188,561	3,684,458,952	8,111,964	4,151,463,058

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended			
	31 December 2012		31 December 2011	
	Units	Rupees	Units	Rupees
b/f	7,188,561	3,684,458,952	8,111,964	4,151,463,058
Interim distribution at the rate of Rs.3.25 declared on 30 November 2012 (2011 : Rs.4 declared on 25 November 2011)				
Issue of bonus units	52,188	-	52,031	-
Cash payout against distribution	-	(1,141,532)	-	(6,416,999)
Interim distribution at the rate of Rs.3.25 declared on 26 December 2012 (2011 : Rs.4 declared on 28 December 2011)				
Issue of bonus units	49,314	-	52,092	-
Cash payout against distribution	-	(1,461,981)	-	(6,416,999)
Net assets at the end of the period [Rs.505.05 (2011: Rs.503.72) per unit]	<u>7,290,063</u>	<u>3,681,855,439</u>	<u>8,216,087</u>	<u>4,138,629,060</u>

The annexed notes from 1 to 12 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

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended	
	31 December 2012	31 December 2011
	----- Rupees -----	
Cash flows from operating activities		
Net income for the period before taxation	205,298,436	228,767,922
Adjustments for:		
Interest income	(235,905,260)	(258,982,130)
Net (gain)/loss on investments designated at fair value through income statement		
Net gain on maturity/sale of investments	(3,685,282)	(1,373,051)
Net unrealised (gain)/loss on revaluation of investments	(1,721,342)	952,549
Amortization of formation cost	100,000	100,000
Element of income / loss and capital gains / losses included in prices of units sold less those in units redeemed - net	2,046,181	(1,725,306)
	(239,165,703)	(261,027,938)
Increase in prepayments	(20,000)	(20,000)
Increase/(decrease) in liabilities		
Payable to the Management Company	(866,875)	7,234,452
Payable to the trustee	(53,178)	68,422
Payable to SECP	(1,659,979)	(209,365)
Accrued and other liabilities	3,924,960	6,456,194
	1,344,928	13,549,703
	(32,542,339)	(18,730,313)
Interest received	229,618,424	256,199,036
Investments made during the period	(7,827,123,998)	(6,394,004,267)
Investments matured / sold during the period	8,745,346,094	6,071,252,604
Net cash inflow from/(used in) operating activities	1,115,298,181	(85,282,940)
Cash flows from financing activities		
Proceeds from issue of units	1,909,568,784	2,484,622,882
Payment on redemption of units	(2,958,003,924)	(1,826,022,023)
Cash payout against distribution	(9,078,852)	(63,630,055)
Net cash (used in) / inflow from financing activities	(1,057,513,992)	594,970,804
Net increase in cash and cash equivalents	57,784,189	509,687,864
Cash and cash equivalents at the beginning of the period	1,062,768,340	345,287,703
Cash and cash equivalents at the end of the period	4 1,120,552,529	854,975,567

The annexed notes from 1 to 12 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

Azam Faruque
Director

Atlas Money Market Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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.

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 2012.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

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

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2012, other than as disclosed in note 2.2 above.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2012.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2012.

Half Yearly Report 2012-13

	31 December 2012	30 June 2012
	Un-audited	Audited
Note	-----	Rupees -----

4. BANK BALANCES AND TERM DEPOSITS

PLS saving accounts	4.1	170,552,529	762,768,340
Term deposit accounts	4.2	950,000,000	300,000,000
		<u>1,120,552,529</u>	<u>1,062,768,340</u>

4.1 The rate of return on these accounts ranges between 6% and 8.75% (30 June 2012: 6% and 12%) per annum.

4.2 The rate of return on these deposits ranges between 9.50% and 9.80% (30 June 2012: 12%) per annum. These deposits will mature by 26 February 2013 (30 June 2012: 16 July 2012).

5. INVESTMENTS - Designated at fair value through income statement

Government Securities			
Market Treasury Bills	5.1	2,578,240,013	3,491,055,485

5.1 Market Treasury Bills

Treasury bills	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
3 Months - T-bills	1,990,000,000	2,487,500,000	3,840,000,000	637,500,000	633,750,164	633,881,075	24.59	17.22
6 Months - T-bills	1,390,000,000	3,535,000,000	2,940,000,000	1,985,000,000	1,942,768,507	1,944,358,938	75.41	52.81
12 Months - T-bills	190,000,000	1,830,000,000	2,020,000,000	-	-	-	-	-
	<u>3,570,000,000</u>	<u>7,852,500,000</u>	<u>8,800,000,000</u>	<u>2,622,500,000</u>	<u>2,576,518,671</u>	<u>2,578,240,013</u>	<u>100.00</u>	<u>70.03</u>

5.2 The cost of investments as on 31 December 2012 is Rs.2,518,079,845 (30 June 2012: Rs.3,431,916,335).

5.3 These Market Treasury Bills carry purchase yields ranging from 9.05% to 11.92% (30 June 2012: 11.50% to 11.94%) per annum and will mature between 10 January 2013 and 13 June 2013 (30 June 2012: 26 July 2012 and 13 December 2012).

	31 December 2012	30 June 2012
	Un-audited	Audited
Note	-----	Rupees -----

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		277,260	417,341
Printing charges payable		88,222	100,000
Payable to unit holders		3,374	3,374
Annual rating fee payable		100,000	-
Payable to brokers		37,952	3,074
Withholding tax payable		30,008	163,500
Sindh Sales Tax payable on Remuneration of the Management Company		550,940	657,640
Zakat payable		899	8,530
Provision for Workers' Welfare Fund	6.1	20,783,191	16,593,427
		<u>21,871,846</u>	<u>17,946,886</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 has been providing for WWF contribution since financial 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.20,783,191 (30 June 2012: Rs.16,593,427) in these condensed interim financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs. 2.85 (30 June 2012: Rs.1.84) per unit.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2012.

	For the Half Year ended		For the Quarter ended	
	31 December		31 December	
	2012	2011	2012	2011
	Un-audited		Un-audited	
	----- Rupees -----			

8. INTEREST INCOME

PLS saving and term deposit accounts	23,088,157	23,171,573	15,257,282	13,836,156
Government Securities - Market Treasury bills	212,817,103	235,810,557	94,397,909	114,060,020
	<u>235,905,260</u>	<u>258,982,130</u>	<u>109,655,191</u>	<u>127,896,176</u>

9. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

Half Yearly Report 2012-13

For the Half Year Ended	
31 December 2012	31 December 2011
Un-audited	Un-audited
----- Rupees -----	

10. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

10.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	21,688,806	20,160,637
Remuneration paid	22,355,681	12,726,185
Sindh Sales Tax on Remuneration of the Management Company	3,470,209	3,225,702
Sale of 17,829 (2011:19,853) units	9,000,000	10,000,000
Redemption of 87,962 (2011: 68,324) units	44,500,000	34,500,000
Bonus of 1,912 (2011: 9,028) units	963,740	4,535,775
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,272,040	2,140,977
Remuneration paid	2,325,218	2,072,555
Atlas Battery Limited (Group Company)		
Redemption of 336,299 (2011: 119,116) units	170,000,000	60,000,000
Bonus of 25,162 (2011: 29,565) units	12,685,931	14,853,969
Atlas Foundation (Trust having Common Director/Trustee)		
Sale of Nil (2011: 17,408) units	-	8,820,000
Redemption of 41,870 (2011: 43,375) units	21,150,000	21,845,000
Bonus of 1,201 (2011: 9,157) units	605,188	4,600,738
Atlas Fund of Funds (Fund under common management)		
Sale of 253,098 (2011: 59,683) units	128,000,000	30,000,000
Redemption of 328,360 (2011: 109,536) units	165,851,335	55,196,594
Bonus of 1,413 (2011:1,450) units	712,187	728,041
Atlas Honda Limited (Group Company)		
Sale of 128,553 (2011: 99,098) units	65,000,000	50,000,000
Redemption of 395,750 (2011: Nil) units	200,000,000	-
Bonus of 38,244 (2011: 59,641) units	19,284,765	29,969,012
Atlas Insurance Limited (Group Company)		
Sale of 227,856 (2011: 855,489) units	115,000,000	432,000,000
Redemption of 246,540 (2011: 598,059) units	124,389,481	301,998,259
Bonus of 8,668 (2011: 25,751) units	4,371,623	12,942,311
Batool Benefit Trust (Trust having Common Director/Trustee)		
Bonus of 48 (2011: 81) units	24,124	40,851
Iftikhar Shirazi Family Trust (Trust having Common Director/Trustee)		
Sale of 39,000 (2011: Nil) units	19,726,826	-
Bonus of 2,318 (2011: 5,797) units	1,168,336	2,912,652

Atlas Money Market Fund

For the Half Year Ended	
31 December 2012	31 December 2011
Un-audited	Un-audited
----- Rupees -----	

10.1 Transactions for the period (Continued...)

Shirazi Investments (Private) Limited (Group Company)		
Redemption of Nil (2011: 199,335) units	-	100,414,816
Bonus of Nil (2011: 5,784) units	-	2,903,263
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 7,069 (2011: 1,590) units	3,580,000	800,000
Redemption of 395 (2011: Nil) units	200,000	-
Bonus of 1,244 (2011: 1,775) units	627,277	891,677
Shirazi (Private) Limited (Group Company)		
Redemption of 1,681 (2011: Nil) units	846,935	-
Bonus of 4 (2011: Nil) units	1,873	-
<u>Key Management Personnel of Management Company</u>		
Sale of 13,866 (2011: 19,897) units	7,000,000	10,038,000
Redemption of 17,945 (2011: 8,634) units	9,073,000	4,351,028
Bonus of 3,365 (2011: 4,514) units	1,697,022	2,268,215

31 December 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

10.2 Details of balances with related parties as at the period / year end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	3,443,375	4,110,250
Sindh Sales Tax payable on Remuneration of the Management Company	550,940	657,640
Payable in respect of formation cost	400,000	600,000
Units in issue 18,720 (30 June 2012: 86,941)	9,454,539	43,703,575
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	364,877	418,055
Atlas Battery Limited (Group Company)		
Units in issue 400,097 (30 June 2012: 711,234)	202,068,909	357,523,038

Half Yearly Report 2012-13

31 December 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

10.2 Details of balances with related parties as at the period / year end are as follows: (Continued...)

Atlas Foundation (Group Company)		
Units in issue 7,827 (30 June 2012: 48,496)	3,953,210	24,378,073
Atlas Fund of Funds (Fund under common management)		
Units in issue Nil (30 June 2012: 73,849)	-	37,122,411
Atlas Honda Limited (Group Company)		
Units in issue 670,600 (30 June 2012: 899,553)	338,686,362	452,187,090
Atlas Insurance Limited (Group Company)		
Units in issue 148,615 (30 June 2012: 158,632)	75,057,960	79,740,955
Batool Benefit Trust (Trusts having common Director/Trustee)		
Units in issue 1,125 (30 June 2012: 1,077)	568,002	541,288
Iftikhar Shirazi Family Trust (Trusts having common Director/Trustee)		
Units in issue 40,093 (30 June 2012: 76,775)	20,248,948	38,593,207
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Units in issue 31,235 (30 June 2012: 23,317)	15,775,424	11,721,363
Shirazi (Private) Limited (Group Company)		
Units in issue Nil (30 June 2012: 1,677)	-	843,071
<u>Key Management Personnel of Management Company</u>		
Units in issue 70,363 (30 June 2012: 79,804)	35,536,921	40,115,364

10.3 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.

Atlas Money Market Fund

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 12 February 2013.

12. GENERAL

12.1 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2012 and 31 December 2011 have not been subject to limited scope review by the auditors.

12.2 Figures have been rounded off to the nearest Rupee.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Income Fund

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited
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 2012 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
Central Depository Company of Pakistan Limited
Dated: February 15, 2013
Karachi

Half Yearly Report 2012-13

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Income Fund as at December 31, 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2012. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this condensed 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 condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the period ended December 31, 2012.

Scope of Review

We conducted our review in accordance with the 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 condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The financial statements of Atlas Income Fund for the year ended June 30, 2012 and six months ended December 31, 2011 were respectively audited and reviewed by another firm of Chartered Accountants whose reports dated September 5, 2012 and February 23, 2012 expressed an unqualified opinion and conclusion respectively on those financial statements.

A. F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Salman Hussain
Dated: February 19, 2013
Karachi

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 DECEMBER 2012

		31 December 2012 Un-audited	30 June 2012 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	474,864,626	146,593,329
Investments	5	1,163,511,868	784,683,912
Receivable against Margin Trading System		11,092,692	-
Interest accrued		12,689,941	11,487,613
Deposit, prepayments and other receivable		596,027	100,000
Total assets		1,662,755,154	942,864,854
LIABILITIES			
Payable to the Atlas Asset Management Limited - Management Company		1,904,650	1,130,252
Payable to the Central Depository Company of Pakistan Limited - Trustee		180,322	128,095
Annual fee payable to the Securities and Exchange Commission of Pakistan		416,597	609,076
Accrued and other liabilities	6	11,067,694	9,510,150
Total liabilities		13,569,263	11,377,573
NET ASSETS		1,649,185,891	931,487,281
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,649,185,891	931,487,281
CONTINGENCIES AND COMMITMENTS			
NUMBER OF UNITS IN ISSUE		3,186,636	1,855,552
NET ASSET VALUE PER UNIT		517.53	502.00

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statement.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2012

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2012	2011	31 December 2012	2011
		Rupees			
INCOME					
Interest income	8	61,315,660	52,574,119	32,404,890	26,277,797
Gain on sale of investments - net		6,711,235	191,926	603,264	135,584
Gain on exchange of financial asset	5.1	3,933,397	-	3,933,397	-
Unrealised gain/(loss) on revaluation of investments - net		730,775	(40,303,628)	940,097	476,604
		11,375,407	(40,111,702)	5,476,758	612,188
Other income		-	19,012	-	-
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed-net		10,707,937	(1,834,195)	9,091,452	(684,441)
		83,399,004	10,647,234	46,973,100	26,205,544
EXPENSES					
Remuneration of Atlas Asset Management Limited - Management Company		8,331,925	5,647,650	4,726,650	2,943,183
Sindh sales tax on management company's remuneration		1,333,108	903,624	756,264	470,909
Remuneration of Central Depository Company of Pakistan Limited - Trustee		889,314	640,073	482,087	333,554
Annual fees - Securities and Exchange Commission of Pakistan		416,597	282,386	236,335	147,167
Auditors' remuneration		260,569	258,738	132,833	96,238
Annual rating fee		100,000	100,000	50,000	50,000
Annual listing fee		20,000	20,000	10,000	10,000
Securities transaction cost		156,246	93,000	99,746	46,500
Printing charges		121,524	20,246	87,497	(31,504)
Bank charges		25,157	13,865	14,581	4,760
Provision for Workers' Welfare Fund	6.1	1,434,891	53,353	807,542	53,353
		13,089,331	8,032,935	7,403,535	4,124,160
Net income for the period before taxation		70,309,673	2,614,299	39,569,565	22,081,384
Taxation	9	-	-	-	-
Net income for the period after taxation		70,309,673	2,614,299	39,569,565	22,081,384

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statement.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2012

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2012</u>	<u>2011</u>	<u>31 December</u> <u>2012</u>	<u>2011</u>
	<u>Rupees</u>			
Net income for the period after taxation	70,309,673	2,614,299	39,569,565	22,081,384
Net unrealised diminution in the value of investments classified as 'available for sale'	(402,417)	-	(402,417)	-
Total comprehensive income for the period	<u>69,907,256</u>	<u>2,614,299</u>	<u>39,167,148</u>	<u>22,081,384</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statement.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended	
	31 December 2012	31 December 2011
	Rupees	
Undistributed income brought forward	8,120,663	26,412,737
Final distribution for the year ended 30 June 2012 - Nil (2011: Rs. 13.75 per unit declared on 7 July 2011)		
- Bonus units	-	(21,042,760)
Net income for the period after taxation	70,309,673	2,614,299
Interim distribution for the quarter ended 30 September 2012 Rs.12.50 per unit declared on 5 October 2012 (2011: Nil)		
- Bonus units	(25,123,989)	-
- Cash payout against interim distribution	(67,801)	-
	(25,191,790)	-
Undistributed income carried forward	53,238,546	7,984,276

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statement.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended			
	31 December 2012		31 December 2011	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.502.00 (2011: Rs.514.21) per unit]	1,855,552	931,487,281	1,530,383	786,934,887
Issue of units	1,756,520	902,566,859	489,785	242,075,142
Redemption of units	(475,080)	(243,999,767)	(428,488)	(213,232,117)
	1,281,440	658,567,092	61,297	28,843,025
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed	-	(10,707,937)	-	1,834,195
Final distribution for the year ended 30 June 2012- Nil (2011: Rs.13.75 per unit declared on 7 July 2011)				
Issue of bonus units	-	-	42,047	-
Interim distribution @ Rs.12.50 declared on 5 October 2012 (2011: Nil)				
Issue of bonus units	49,644	-	-	-
Cash payout against distribution	-	(67,801)	-	-
Net income for the period after taxation	-	70,309,673	-	2,614,299
Other comprehensive loss	-	(402,417)	-	-
Total comprehensive income for the period	-	69,907,256	-	2,614,299
Net assets as at the end of the period [Rs.517.53 (2011: Rs.502.06) per unit]	3,186,636	1,649,185,891	1,633,727	820,226,406

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statement.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended	
	31 December 2012	31 December 2011
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	70,309,673	2,614,299
Adjustments:		
Interest income	(61,315,660)	(52,574,119)
Gain on sale of investments - net	(6,711,235)	(191,926)
Gain on exchange of financial asset	(3,933,397)	-
Unrealised loss on revaluation of investments - net	(730,775)	40,303,628
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	(10,707,937)	1,834,195
	(83,399,004)	(10,628,222)
(Increase) / decrease in assets		
Receivable against Margin Trading System	(11,092,692)	-
Deposits, prepayments & other receivable	(496,027)	(20,000)
	(11,588,719)	(20,000)
Increase / (decrease) in liabilities		
Payable to the Management Company	774,398	1,967,175
Payable to Central Depository Company of Pakistan Limited - Trustee	52,227	5,056
Annual fee payable to the Securities and Exchange Commission of Pakistan	(192,479)	(462,921)
Accrued and other liabilities	1,557,544	349,359
	2,191,690	1,858,669
	(22,486,360)	(6,175,254)
Interest received	60,113,332	53,861,892
Investments made during the period	(1,407,880,022)	(668,106,112)
Investment sold/redeemed/matured during the period	1,040,025,056	554,179,494
Net cash used in operating activities	(330,227,994)	(66,239,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	902,566,859	242,075,142
Net payments against redemption of units	(243,999,767)	(213,232,117)
Cash payout against distribution	(67,801)	-
Net cash generated from financing activities	658,499,291	28,843,025
Net increase in cash and cash equivalents during the period	328,271,297	(37,396,955)
Cash and cash equivalents at beginning of the period	146,593,329	74,058,608
Cash and cash equivalents at the end of the period 4	474,864,626	36,661,653

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statement.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Income Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2012

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.

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 2012.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

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

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

Half Yearly Report 2012-13

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2012.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2012.

During the period the SECP has made certain amendments in the criteria relating to the methodology for valuation of debt securities and determining minimum provisioning requirements in respect of non performing debt securities. These revisions were made vide Circular no. 33 of 2012 dated 24 October 2012. However, as the management has fully provided all its non-performing debt securities in accordance with Circular no. 1 of 2009, this Circular had no impact on the valuation and provisioning of any non performing securities in the current period.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2012.

		31 December 2012	30 June 2012
	Note	Un-audited	Audited
		----- Rupees -----	-----
4. BANK BALANCES			
In local currency			
Profit and loss sharing account	4.1	174,864,626	146,593,329
Term deposit accounts	4.2	300,000,000	-
		<u>474,864,626</u>	<u>146,593,329</u>

4.1 The rate of return on these profit and loss sharing accounts ranges from 6% to 8.75% (30 June 2012: 6% to 12% per annum).

4.2 The rate of return on term deposits ranges from 9.70% to 9.80% (30 June 2012 : Nil) per annum. These deposits will mature by 26 February 2013.

5. INVESTMENTS

Available for sale			
Quoted equity security	5.1	3,530,980	-
At fair value through profit or loss - held for trading			
Term finance certificates - listed	5.2 & 5.7	215,928,589	234,500,376
Term finance certificates - unlisted	5.3 & 5.7	46,993,000	49,362,050
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - Market Treasury Bills	5.5	871,349,065	500,821,486
Government Securities - Pakistan Investment Bonds	5.6	25,710,234	-
		<u>1,159,980,888</u>	<u>784,683,912</u>
Investment - Total		<u>1,163,511,868</u>	<u>784,683,912</u>

Atlas Income Fund

5.1 Quoted equity security

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

	Number of shares				Rupees		Percentage of		
	As at 01 July 2012	Purchases during the period	Sales during the period	As at 31 December 2012	Carrying Cost	Market Value	Market Value as a percentage of Investment	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital of Investee company
----- Rupees -----									
CHEMICAL									
Agritech Limited	-	302,569	-	302,569	3,933,397	3,530,980	0.30	0.21	0.08

5.1.1 This represents shares allocated to the Fund as part of the settlement agreement finalised between Azgard Nine Limited and its creditors. As part of the settlement, 302,569 shares of Agritech Limited have been allocated to the Fund against its receivable balance of Rs.10.589 million from Azgard Nine Limited. The Fund's gross receivable against Azgard Nine Limited amounted to Rs.18.724 million out of which Rs.10.589 million has been settled as part of this agreement. In prior years, the Fund has fully provided its exposure against Azgard Nine Limited and has consequently recorded a gain of Rs.3.933 million on this settlement. This gain representing the market value of the shares on the date of settlement is reflected in the income statement. The balance receivable amounting to Rs.8.135 million (market value Rs.7.871 million) remains fully provided.

5.2 Term finance certificates - listed

Note	As at 01 July 2012	Purchases during the period	Disposed/ matured during the period	As at 31 December 2012	Carrying Cost	Market Value	Market Value as a percentage of Investment	Market Value as a percentage of net asset
BANKS								
Askari Bank Limited - I	2,400	-	-	2,400	11,961,679	11,959,274	1.03	0.73
Askari Bank Limited - II	6,775	-	-	6,775	33,879,923	34,089,441	2.93	2.07
Bank Al Habib Limited - II	1,192	-	-	1,192	6,146,624	6,130,302	0.53	0.37
NIB Bank Limited	1,399	-	-	1,399	6,950,982	6,999,935	0.60	0.42
Standard Chartered Bank (Pakistan) Limited - III	12,000	-	-	12,000	15,356,160	15,031,530	1.29	0.91
United Bank Limited - II	2,000	-	-	2,000	9,502,329	9,960,550	0.86	0.60
United Bank Limited - III	5,500	-	-	5,500	18,139,394	18,605,422	1.60	1.13
United Bank Limited - IV	8,000	-	-	8,000	40,267,456	40,807,614	3.51	2.47
					<u>142,204,547</u>	<u>143,584,068</u>		
FINANCIAL SERVICES								
Escorts Investment Bank Limited	5,000	-	-	5,000	3,355,751	3,683,794	0.32	0.22
TELECOMMUNICATION								
Pakistan Mobile Communication Limited	13,800	-	-	13,800	68,096,934	68,660,727	5.90	4.16
Telecard Limited	5.7	4,000	-	4,000	-	-	-	-
					<u>68,096,934</u>	<u>68,660,727</u>		
PERSONAL GOODS								
Azgard Nine Limited	5.7	5,000	-	5,000	-	-	-	-
					<u>213,657,232</u>	<u>215,928,589</u>		

Atlas Income Fund

		31 December 2012	30 June 2012
	Note	Un-audited Rupees	Audited Rupees
5.6 Government Securities			
Pakistan Investment Bonds	5.6.1	25,710,234	-

5.6.1 Pakistan Investment Bonds (PIBs)

	As at 01 July 2012	Purchases during the period	Sales/ matured during the period	As at 31 December 2012	Amortized Cost	Market Value	Market Value as a percentage of Investment	Market Value as a percentage of net assets
	----- Rupees -----							
3 Year - PIBs	-	25,000,000	-	25,000,000	25,400,000	25,710,234	2.21	1.56

5.6.2 These Pakistan Investment Bonds carry purchase yield of 11.25% (30 June 2012: Nil) per annum and will mature by 19 July 2015.

5.7 PARTICULARS OF NON-COMPLIANT INVESTMENTS

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:

Non-compliant investment	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
					Net assets	Gross assets
		----- Rupees -----			%	%
Listed						
Azgard Nine Limited	Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited	Term finance certificate	5,506,380	5,506,380	-	-	-
		13,377,891	13,377,891			
Unlisted						
Agritech Limited-I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited	Sukuk certificate	15,225,000	15,225,000	-	-	-
Agritech Limited-IV	Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V	Term finance certificate	5,375,000	5,375,000	-	-	-
Bunny's Limited	Term finance certificate	1,590,000	1,590,000	-	-	-
		70,675,000	70,675,000			
		84,052,891	84,052,891	-	-	-

5.7.1 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and accordingly, an aggregate provision of Rs.84.05 million (30 June 2012: Rs.107.192 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 minimum provisioning requirements of the above mentioned circulars.

5.7.2 During the half year the Fund has received zero coupon term finance certificates of Azgard Nine Limited having face value of Rs.5,375,000. These TFCs have been received against outstanding markup of Azgard Nine Limited's TFC, payable as of 31 March 2012.

Half Yearly Report 2012-13

		31 December 2012	30 June 2012
	Note	Un-audited	Audited
		----- Rupees -----	
6. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		265,666	379,851
NCCPL charges payable		15,237	15,000
Printing charges payable		88,223	100,000
Payable to unit holders against redemption of units		23,931	23,931
Annual rating fee payable		100,000	-
Sales load payable to distributor		991	-
Brokerage payable		15,783	2,812
Withholding tax payable		11,762	1,250
Sindh Sales Tax payable on Remuneration of the Management Company		304,744	180,840
Provision for Workers' Welfare Fund	6.1	10,241,357	8,806,466
		<u>11,067,694</u>	<u>9,510,150</u>

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 has been providing for WWF contribution since the financial year ended 30 June 2010.

In the year 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.10,241,357 (30 June 2012: Rs.8,806,466) in these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.3.22 per unit (30 June 2012: Rs.4.75) per unit.

		31 December 2012	30 June 2012
		Un-audited	Audited
		----- Rupees -----	
7. CONTINGENCIES AND COMMITMENT			
7.1	There were no contingencies outstanding as at 31 December 2012.		
7.2	Commitments		
	Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at 31 December 2012	<u>14,780,931</u>	<u>-</u>

Atlas Income Fund

Note	For the Half Year Ended		For the Quarter Ended	
	31 December		31 December	
	2012	2011	2012	2011
	Un-audited		Un-audited	
	Rupees			
8. INTEREST INCOME				
Profit and loss sharing account	5,011,572	2,450,131	3,560,846	1,073,020
Income from Margin Trading System	5,440	-	5,440	-
Term finances certificates	17,208,031	25,317,740	8,012,121	11,512,969
Government Securities - Market Treasury Bills	38,350,891	24,806,248	20,117,579	13,691,808
Government Securities - Pakistan Investment Bonds	739,726	-	708,904	-
	<u>61,315,660</u>	<u>52,574,119</u>	<u>32,404,890</u>	<u>26,277,797</u>

8.1 Mark-up on non performing securities amounting to Rs.18.57 million (2011: Rs.44.09 million); based on outstanding principal has not been recognised in accordance with the SECP Circular 1 of 2009 and Circular 33 of 2012.

9. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, if any, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

10. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

		For the Half Year Ended	
		31 December	31 December
		2012	2011
		Un-audited	Un-audited
		Rupees	

10.1 Details of transactions with related parties during the period are as follows:

Atlas Asset Management Limited (Management Company)			
Remuneration charged	8,331,925	5,647,650	
Remuneration paid	7,557,527	3,680,475	
Sindh Sales Tax on Remuneration of the Management Company	1,333,108	903,624	
Sale of 59,805 (2011: Nil) units	30,500,000	-	
Redemption of 4,890 (2011: Nil) units	2,500,000	-	
Bonus of 1,297 (2011: Nil) units	656,241	-	
Central Depository Company of Pakistan Limited (Trustee)			
Trustee fee	889,314	640,073	
Trustee fee paid	837,286	635,017	
Settlement charges	3,205	3,000	
Atlas Battery Limited (Group Company)			
Sale of 234,656 (2011: 62,174) units	119,989,087	30,000,000	
Bonus of 4,039 (2011: Nil) units	2,043,822	-	
Atlas Foundation (Trust having common Director/Trustee)			
Sale of 24,115 (2011: Nil) units	12,300,000	-	
Redemption of 26,749 (2011: 199) units	13,675,000	100,000	
Bonus of 3,139 (2011: 2,732) units	1,588,513	1,367,341	

Half Yearly Report 2012-13

For the Half Year Ended	
31 December 2012	31 December 2011
Un-audited	Un-audited
----- Rupees -----	

10.1 Details of transactions with related parties during the period are as follows: (Continued...)

Atlas Fund of Funds (Fund under common management)		
Sale of Nil (2011: 20,523) units	-	10,000,000
Redemption of 22,236 (2011: Nil) units	11,254,351	-
Bonus of 536 (2011: Nil) units	271,246	-
Atlas Honda Limited (Group Company)		
Sale of 505,108 (2011: Nil) units	260,000,000	-
Redemption of Nil (2011: 101,789) units	-	50,000,000
Bonus of 17,465 (2011: 20,605) units	8,838,735	10,311,841
Atlas Insurance Limited (Group Company)		
Sale of 406,863 (2011: 355,553) units	210,000,000	176,700,000
Redemption of 270,995 (2011: 213,234) units	139,882,364	106,661,958
Bonus of 6,532 (2011: 1,897) units	3,305,790	949,240
Batool Benefit Trust (Trust having common Director/Trustee)		
Sale of Nil (2011: 466) units	-	231,000
Redemption of 29,224 (2011: 4,684) units	14,925,000	2,294,000
Bonus of 3,363 (2011: 4,738) units	1,701,718	2,371,208
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Sale of 4,930 (2011: Nil) units	2,515,000	-
Redemption of 99 (2011: 10,076) units	50,000	5,000,000
Bonus of 173 (2011: 632) units	87,600	316,512
<u>Key Management Personnel of Management Company</u>		
Sale of 37,555 (2011: 10,554) units	19,150,000	5,175,000
Redemption of Nil (2011: 104) units	-	51,017
Bonus of 2,099 (2011: 591) units	1,062,247	295,773
	31 December 2012	30 June 2012
	Un-audited	Audited
	----- Rupees -----	

10.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	1,904,650	1,130,252
Sindh Sales Tax payable on Remuneration of the Management Company	304,744	180,840
Units in issue - 91,993 (30 June 2012: 35,780)	47,609,045	17,961,761
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	180,123	128,095
Settlement charges payable	199	-
Atlas Battery Limited (Group Company)		
Units in issue - 304,431 (30 June 2012: 65,737)	157,552,430	33,000,058
Atlas Foundation (Trust having common Director/Trustee)		
Units in issue - 131,747 (30 June 2012: 131,241)	68,182,897	65,883,170

Atlas Income Fund

31 December 30 June
2012 2012
Un-audited Audited
----- Rupees -----

10.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Atlas Fund of Funds (Fund under common management)		
Units in issue - Nil (30 June 2012: 21,700)	-	10,893,236
Atlas Honda Limited (Group Company)		
Units in issue - 1,229,672 (30 June 2012: 707,099)	636,392,133	354,963,618
Atlas Insurance Limited (Group Company)		
Units in issue - 367,816 (30 June 2012: 225,416)	190,355,896	113,158,794
Batool Benefit Trust (Trust having common Director/Trustee)		
Units in issue - 138,237 (30 June 2012: 164,099)	71,541,832	82,377,590
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Units in issue - 12,112 (30 June 2012: 7,107)	6,268,079	3,567,931
<u>Key Management Personnel of Management Company</u>		
Units in issue - 97,666 (30 June 2012: 58,012)	50,544,944	29,121,952

10.3 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.

11. SUBSEQUENT EVENT - INTERIM DISTRIBUTION TO UNITHOLDERS PER UNIT

The Investment Committee of the management company, under the authority delegated to them by the Board of Directors of the Management Company, in their meeting held on 04 January 2013 approved an interim distribution of Rs.12.50 (2011: Nil) per unit on the face value of Rs.500 each, i.e. 2.50% (2011: Nil), amounting to Rs.39,935,367/- (2011: Nil), on behalf of the Board of Directors of the Management Company.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 12 February 2013 by the Board of Directors of the Management Company.

13. GENERAL

13.1 These condensed interim financial statements are unaudited and have been reviewed by the auditors. Further, the figures for the quarters ended 31 December 2012 and 31 December 2011 in these condensed interim financial statements have not been reviewed by the auditors.

13.2 Figures have been rounded off to the nearest rupees.

13.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Half Yearly Report 2012-13

Atlas Stock Market Fund

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Faysal Bank Limited
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 December 31, 2012 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
Central Depository Company of Pakistan Limited
Dated: February 15, 2013
Karachi

Half Yearly Report 2012-13

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Stock Market Fund as at December 31, 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2012. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this condensed 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 condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the period ended December 31, 2012.

Scope of Review

We conducted our review in accordance with the 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 condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The financial statements of Atlas Stock Market Fund for the year ended June 30, 2012 and six months ended December 31, 2011 were respectively audited and reviewed by another firm of Chartered Accountants whose reports dated September 5, 2012 and February 23, 2012 expressed an unqualified opinion and conclusion respectively on those financial statements.

A. F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 19, 2013

Karachi

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 DECEMBER 2012

		31 December 2012 Un-audited	30 June 2012 Audited
	Note	-----	Rupees -----
ASSETS			
Bank balances	4	28,803,426	11,548,993
Investments	5	926,484,490	704,262,103
Dividend receivable		350,000	525,000
Interest accrued		307,285	247,572
Receivable against sale of securities		-	4,751,684
Deposits, prepayments and other receivables		2,684,777	2,614,777
Total assets		958,629,978	723,950,129
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company		1,587,793	1,147,749
Payable to Central Depository Company of Pakistan Limited - Trustee		165,854	120,755
Annual fee payable to the Securities and Exchange Commission of Pakistan		406,035	614,174
Payable against purchase of securities		4,350	-
Accrued and other liabilities	6	14,818,710	11,450,778
Total liabilities		16,982,742	13,333,456
NET ASSETS		941,647,236	710,616,673
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		941,647,236	710,616,673
CONTINGENCIES AND COMMITMENTS			
NUMBER OF UNITS IN ISSUE	7	2,237,133	1,729,144
NET ASSET VALUE PER UNIT		420.92	410.96

The annexed notes from 1 to 11 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

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2012

	For the Half Year ended		For the Quarter ended	
	31 December 2012	2011	31 December 2012	2011
Note	Rupees			
INCOME				
Profit on Bank deposits	1,847,123	1,113,677	614,199	429,715
Dividend income	37,882,500	22,996,302	27,450,000	15,000,600
Gain on sale of investments- net	63,593,238	5,192,210	31,163,474	3,355,105
Unrealised gain/(loss) on revaluation of investments- net	72,093,854	(63,340,356)	24,140,049	(69,621,794)
	135,687,092	(58,148,146)	55,303,523	(66,266,689)
Element of income/(loss) and capital gain / (losses) included in prices of units issued less those in units redeemed-net	9,292,971	(2,337,436)	(238,998)	558,009
	184,709,686	(36,375,603)	83,128,724	(50,278,365)
EXPENSES				
Remuneration of Atlas Asset Management Limited - Management Company	8,548,158	6,266,543	4,586,056	3,141,198
Sindh sales tax on management company's remuneration	1,367,705	1,002,647	733,769	502,592
Remuneration of Central Depository Company of Pakistan Limited - Trustee	854,812	626,652	458,604	314,118
Annual fees - Securities and Exchange Commission of Pakistan	406,035	297,660	217,833	149,204
Auditors' remuneration	186,265	209,000	106,265	107,000
Annual listing fee	20,000	20,000	10,000	10,000
Annual rating fee	50,000	50,000	25,000	25,000
Securities transaction cost	2,087,350	2,056,169	932,671	1,021,585
Printing charges	72,885	65,000	39,131	17,000
Bank charges	13,220	11,153	3,056	2,960
Provision for Workers' Welfare Fund 6.1	3,422,065	-	1,520,327	(171,772)
	17,028,495	10,604,824	8,632,712	5,118,885
Net income/(loss) for the period before taxation	167,681,191	(46,980,427)	74,496,012	(55,397,250)
Taxation 8	-	-	-	-
Net income/(loss) for the period after taxation	167,681,191	(46,980,427)	74,496,012	(55,397,250)

The annexed notes from 1 to 11 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

Azam Faruque
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2012

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2012</u>	<u>2011</u>	<u>31 December</u> <u>2012</u>	<u>2011</u>
	----- Rupees -----			
Net income/(loss) for the period after taxation	167,681,191	(46,980,427)	74,496,012	(55,397,250)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period	<u>167,681,191</u>	<u>(46,980,427)</u>	<u>74,496,012</u>	<u>(55,397,250)</u>

The annexed notes from 1 to 11 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

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended	
	31 December 2012	31 December 2011
	----- Rupees -----	
Accumulated losses brought forward	(119,822,281)	(91,450,675)
Final Distribution for the year ended 30 June 2012 at the rate of Rs.65 per unit declared on 5 July 2012 (2011: Rs.110 per unit declared on 7 July 2011)		
- Issue of bonus units	(111,436,354)	(125,664,521)
- Cash payout against distribution	(958,012)	(35,341,823)
	(112,394,366)	(161,006,344)
Net income/(loss) for the period after taxation	167,681,191	(46,980,427)
Accumulated losses carried forward	(64,535,456)	(299,437,446)

The annexed notes from 1 to 11 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

Azam Faruque
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended			
	31 December 2012		31 December 2011	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period [Rs. 410.96 (2011: Rs. 444.26) per unit]	1,729,144	710,616,673	1,463,694	650,258,865
Issue of units	810,159	314,193,079	490,169	157,966,091
Redemption of units	(624,278)	(240,592,724)	(461,631)	(150,764,640)
	185,881	73,600,355	28,538	7,201,451
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed- net	-	(9,292,971)	-	2,337,436
- Issue of bonus units	322,108	-	375,948	-
- Cash payout against final distribution	-	(958,012)	-	(35,341,823)
Net income / (loss) for the period after taxation	-	167,681,191	-	(46,980,427)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	-	167,681,191	-	(46,980,427)
Net assets at the end of the period [Rs.420.92 (2011: Rs. 309.11) per unit]	2,237,133	941,647,236	1,868,180	577,475,502

The annexed notes from 1 to 11 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

Azam Faruque
Director

Half Yearly Report 2012-13

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	For the Half Year ended	
	31 December 2012	31 December 2011
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the period after taxation	167,681,191	(46,980,427)
Adjustments:		
Profit on bank deposits	(1,847,123)	(1,113,677)
Dividend income	(37,882,500)	(22,996,302)
Gain on sale of investments - net	(63,593,238)	(5,192,210)
Unrealised (gain)/loss on revaluation of investments - net	(72,093,854)	63,340,356
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	(9,292,971)	2,337,436
	(184,709,686)	36,375,603
	(17,028,495)	(10,604,824)
(Increase)/decrease in assets		
Receivable against sale of investments	4,751,684	2,221,766
Deposits, prepayments and other receivables	(70,000)	(70,000)
	4,681,684	2,151,766
Increase/(decrease) in liabilities		
Payable to the Management Company	440,044	2,037,130
Payable to Central Depository Company of Pakistan Limited - Trustee	45,099	(6,235)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(208,139)	(299,758)
Payable against purchase of investments	4,350	(30,665,420)
Payable to unit holders against redemption of units	-	22,058,412
Accrued expenses and other liabilities	3,367,932	375,877
	3,649,286	(6,499,994)
Profit received on bank deposits	1,787,410	1,317,700
Dividend received	38,057,500	24,271,302
Investments made during the period	(975,437,284)	(930,517,339)
Investments sold during the period	888,901,989	942,303,860
Net cash (used in)/generated from operating activities	(55,387,910)	22,422,471
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	314,193,079	157,966,091
Net payments against redemption of units	(240,592,724)	(150,764,640)
Cash payout against distribution	(958,012)	(35,341,823)
Net cash generated/(used in) from financing activities	72,642,343	(28,140,372)
Net increase/(decrease) in cash and cash equivalents during the period	17,254,433	(5,717,901)
Cash and cash equivalents at beginning of the period	11,548,993	28,563,363
Cash and cash equivalents at end of the period	4 28,803,426	22,845,462

The annexed notes from 1 to 11 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

Azam Faruque
Director

Atlas Stock Market Fund

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Stock Market Fund (the Fund) is an open ended mutual Fund constituted by a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, and Fifth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, and 4 December 2009 respectively, with the approval of the Securities and Exchange Commission of Pakistan (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.

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.

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. BASIS OF PREPARATION

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.

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 2012.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

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

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after 1 July 2012:

The Fund has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the condensed interim financial statements.

Half Yearly Report 2012-13

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2012.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2012.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2012.

	31 December 2012 Un-audited	30 June 2012 Audited
Note	-----	Rupees -----

4. BANK BALANCES

In local currency

- Profit and loss sharing accounts

4.1 28,803,426 11,548,993

4.1 The rate of return on these profit and loss sharing accounts ranges from 6% to 8.75% (30 June 2012: 6% to 12%) per annum.

5. INVESTMENTS

At fair value through profit or loss

- Held for trading - Listed equity securities

5.1 926,484,490 704,262,103

5.1 Financial Assets

At fair value through profit and loss

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

	Number of shares				As at 31 December 2012	Rupees		Percentage of		
	As at 01 July 2012	Purchases during the period	Bonus shares during the period	Sales during the period		Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital of Investee company
Held for trading equity securities										
Oil & Gas										
Attock Petroleum Limited	-	140,000	-	75,000	65,000	33,055,928	33,279,350	3.59	3.53	0.09
National Refinery Limited	-	150,000	-	119,700	30,300	6,666,864	6,414,510	0.69	0.68	0.04
Oil & Gas Development										
Company Limited	150,000	200,000	-	150,000	200,000	34,610,509	38,522,000	4.16	4.09	-
Pakistan Oilfields Limited	185,000	135,000	-	120,000	200,000	79,286,834	87,508,000	9.45	9.29	0.08
Pakistan Petroleum Limited	377,500	92,500	93,750	63,750	500,000	77,838,268	88,395,000	9.54	9.39	0.03
Pakistan State Oil										
Company Limited	150,000	107,700	20,000	152,700	125,000	26,228,399	29,026,250	3.13	3.09	0.06
						<u>257,686,802</u>	<u>283,145,110</u>			

Atlas Stock Market Fund

	Number of shares				Rupees		Percentage of			
	As at 01 July 2012	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 December 2012	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market Value as a percentage of Paid-up Capital of Investee company
Held for trading equity securities (Continued...)										
Chemicals										
Engro Corporation Limited	-	450,000	-	25,000	425,000	41,315,040	39,117,000	4.22	4.15	0.08
Fatima Fertilizer Company Limited	1,000,000	500,000	-	800,000	700,000	17,002,284	18,480,000	1.99	1.96	0.03
Fauji Fertilizer Bin Qasim Limited	-	1,288,500	-	888,500	400,000	15,789,977	15,436,000	1.67	1.65	0.04
Fauji Fertilizer Company Limited	300,000	675,000	-	200,000	775,000	88,693,542	90,783,500	9.80	9.64	0.06
						<u>162,800,843</u>	<u>163,816,500</u>			
Construction and Materials (Cement)										
Attock Cement Pakistan Limited	-	25,000	-	25,000	-	-	-	-	-	-
D G Khan Cement Company Limited	1,000,000	1,295,000	-	995,000	1,300,000	62,240,915	70,954,000	7.66	7.54	0.30
Fecto Cement Limited	-	600,000	-	600,000	-	-	-	-	-	-
Kohat Cement Company Limited	200,000	-	-	200,000	-	-	-	-	-	-
Lucky Cement Limited	270,000	550,000	-	470,000	350,000	45,531,182	53,039,000	5.72	5.63	0.11
						<u>107,772,097</u>	<u>123,993,000</u>			
Automobile and Parts										
Indus Motor Company Limited	33,470	-	-	33,470	-	-	-	-	-	-
Food Producers										
Engro Foods Limited	-	200,000	-	-	200,000	14,443,665	19,628,000	2.12	2.08	0.03
Quice Food Industries Limited	-	500,000	-	-	500,000	5,482,370	4,930,000	0.53	0.53	1.18
						<u>19,926,035</u>	<u>24,558,000</u>			
Personal Goods (Textile)										
Gadoon Textile Mills Limited	-	142,000	-	69,500	72,500	6,377,290	8,484,675	0.92	0.90	0.31
Nishat (Chunian) Limited	-	181,000	-	181,000	-	-	-	-	-	-
Nishat Mills Limited	1,100,000	1,095,813	-	1,295,813	900,000	49,870,481	57,465,000	6.20	6.10	0.26
						<u>56,247,771</u>	<u>65,949,675</u>			
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited	600,000	2,182,500	-	1,382,500	1,400,000	23,224,312	24,290,000	2.62	2.58	0.04
						<u>23,224,312</u>	<u>24,290,000</u>			
Electricity										
Kot Addu Power Company Limited	-	331,000	-	321,500	9,500	1,089,992	469,205	0.05	0.05	-
Nishat Chunian Power Limited	1,500,000	100,000	-	1,100,000	500,000	7,454,141	10,505,000	1.13	1.12	0.14
Nishat Power Limited	1,200,000	-	-	700,000	500,000	7,350,000	9,750,000	1.05	1.04	0.14
Pakgen Power Limited	-	1,336,500	-	236,500	1,100,000	19,260,574	23,144,000	2.51	2.45	0.30
The Hub Power Company Limited	1,600,000	1,050,000	-	550,000	2,100,000	91,588,465	95,004,000	10.25	10.09	0.18
						<u>126,743,172</u>	<u>138,872,205</u>			
Commercial Banks										
Allied Bank Limited	770,000	-	-	770,000	-	-	-	-	-	-
Bank Alfalah Limited	2,500,000	2,822,000	-	3,022,000	2,300,000	38,869,824	38,686,000	4.18	4.11	0.17
Bank Al Habib Limited	-	70,000	-	70,000	-	-	-	-	-	-
BankIslami Pakistan Limited	-	500,000	-	-	500,000	4,672,085	4,605,000	0.50	0.49	0.09
Meezan Bank Limited	-	200,000	-	200,000	-	-	-	-	-	-
MCB Bank Limited	275,000	7,000	-	282,000	-	-	-	-	-	-
National Bank of Pakistan	200,000	200,000	-	400,000	-	-	-	-	-	-
United Bank Limited	600,000	1,245,039	-	1,145,039	700,000	56,447,695	58,569,000	6.32	6.22	0.06
						<u>99,989,604</u>	<u>101,860,000</u>			
Total Investment at fair value through profit or loss as at 31 December 2012						<u>854,390,636</u>	<u>926,484,490</u>			
Total Investment at fair value through profit or loss as at 30 June 2012						<u>690,455,841</u>	<u>704,262,103</u>			

Half Yearly Report 2012-13

5.2 The above investments include shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan, which are as follows:

	Number of shares		Market value	
	31 December 2012 Un-audited	30 June 2012 Audited	31 December 2012 Un-audited	30 June 2012 Audited
	----- Rupees -----			
Fauji Fertilizer Company Limited	175,000	75,000	20,499,500	8,328,750
Pakistan Oilfields Limited	110,000	110,000	48,129,400	40,363,400
The Hub Power Company Limited	200,000	200,000	9,048,000	8,378,000
Bank Alfalah limited	500,000	-	8,410,000	-
Pakistan Petroleum limited	197,000	197,000	34,827,630	37,093,130
Allied Bank Limited	-	200,000	-	12,836,000
MCB Bank Limited	-	100,000	-	16,624,000
	<u>1,182,000</u>	<u>882,000</u>	<u>120,914,530</u>	<u>123,623,280</u>

	31 December 2012 Un-audited	30 June 2012 Audited
	----- Rupees -----	
Note		

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		217,750	337,899
Printing charges payable		114,584	175,000
NCCPL charges payable		21,752	23,046
Withholding tax payable		10,630	9,236
Zakat payable		-	5,329
Sales load payable to distributors		61,254	-
Payable to unit holder against redemption of units		141,391	141,391
Sindh Sales Tax payable on Remuneration of the Management Company		254,047	183,640
Provision for Workers' Welfare Fund	6.1	13,997,302	10,575,237
		<u>14,818,710</u>	<u>11,450,778</u>

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 has been providing for WWF contribution since the financial year ended 30 June 2010.

Atlas Stock Market Fund

6.1 In the year 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 end 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.13,997,302 (30 June 2012: Rs.10,575,237) in these condensed interim financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.6.26 (30 June 2012: Rs.6.12 per unit).

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2012.

8. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, if any, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

9. TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

For the Half Year Ended	
31 December 2012	31 December 2011
Un-audited	Un-audited
----- Rupees -----	

9.1 Details of transaction with related parties during the period are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	8,548,158	6,266,543
Remuneration paid	8,108,114	4,229,413
Sindh Sales Tax on Remuneration of the Management Company	1,367,705	1,002,647
Sales load	1,471	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	854,812	626,652
Remuneration paid	810,812	636,692
Settlement charges	45,727	55,877
Atlas Battery Limited (Group Company)		
Sale of 63,272 (2011: Nil) units	24,997,817	-
Bonus 8,152 (2011: Nil) units	2,820,120	-

Half Yearly Report 2012-13

For the Half Year Ended	
31 December 2012	31 December 2011
Un-audited	Un-audited
----- Rupees -----	

9.1 Details of transaction with related parties during the period are as follows: (Continued...)

Atlas Fund of Funds (Fund under common management)		
Sale of 166,522 (2011: 102,813) units	63,242,770	32,129,945
Bonus 11,492 (2011: 23,140) units	3,975,820	7,734,852
Redemption of 161,169 (2011: 147,747) units	61,795,442	48,634,895
Atlas Insurance Limited (Group Company)		
Sale of 221,817 (2011: 156,465) units	87,000,000	50,000,000
Bonus 42,439 (2011: 3,345) units	14,682,032	1,118,034
Redemption of 196,693 (2011: Nil) units	76,790,500	-
Batools Benefit Trust (Trust having common Director / Trustee)		
Sale of 5,193 (2011: Nil) units	2,000,000	-
Bonus 3,641 (2011: Nil) units	1,259,654	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Sale of 551 (2011: Nil) units	200,000	-
Bonus 3,055 (2011: Nil) units	1,056,945	-
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Sale of 25,746 (2011: Nil) units	9,863,413	-
<u>Key Management Personnel of Management Company</u>		
Sale 5,248 (2011: 8,716) units	2,000,000	2,818,000
Bonus 21,088 (2011: 31,547) units	7,295,525	10,544,880
Redemption of 1,479 (2011: Nil) units	600,000	-
	31 December 2012	30 June 2012
	Un-audited	Audited
	----- Rupees -----	

9.2 Details of balances with related parties as at the period end are as follows:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	1,587,793	1,147,749
Sindh Sales Tax payable on Remuneration of the Management Company	254,047	183,640
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to trustee	158,776	114,776
Settlement charges payable	7,078	5,979
Atlas Battery Limited (Group Company)		
Outstanding 114,810 (30 June 2012: 43,386) units	48,325,886	17,830,099
Atlas Fund of Funds (Fund under Common Management)		
Outstanding 78,012 (30 June 2012: 61,166) units	32,836,776	25,136,969
Atlas Insurance Limited (Group Company)		
Outstanding 293,440 (30 June 2012: 225,878) units	123,514,739	92,826,585

Atlas Stock Market Fund

31 December 2012	30 June 2012
Un-audited	Audited
----- Rupees -----	

9.2 Details of balances with related parties as at the period end are as follows: (Continued...)

Batools Benefit Trust (Trust having common Director / Trustee) Outstanding 28,213 (30 June 2012: 19,380) units	11,875,467	7,964,117
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company) Outstanding 19,867 (30 June 2012: 16,261) units	8,362,464	6,682,493
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee) Outstanding 25,746 (30 June 2012: Nil) units	10,836,856	-
<u>Key Management Personnel of Management Company</u>		
Outstanding 137,095 (30 June 2012: 137,825) units	57,706,214	56,640,802

9.3 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.

10. DATE FOR AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on 12 February 2013 by the Board of Directors of the Management Company.

11. GENERAL

- 11.1 These condensed interim financial statements are unaudited and have been reviewed by the auditors. Further, the figures for the quarters ended 31 December 2012 and 31 December 2011 in these condensed interim financial statements have not been reviewed by the auditors.
- 11.2 Figures have been rounded off to the nearest rupee.
- 11.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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