

Atlas funds

Nurturing your investments

Atlas Sovereign Liquid Fund

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

Atlas Gold Fund

HALF YEARLY REPORT

31 December 2014

(UN-AUDITED)



Invest today
Prosper tomorrow



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 risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders and the communities in which we operate.

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman Mr. Yusuf H. Shirazi
(Non-Executive Director)

Directors Mr. Azam Faruque
(Independent Director)

Mr. Shamshad Nabi
(Independent Director)

Mr. Frahim Ali Khan
(Non-Executive Director)

Mr. Ali H. Shirazi
(Non-Executive Director)

Mr. Arshad P. Rana
(Non-Executive Director)

Chief Executive Officer Mr. M. Habib-ur-Rahman
(Executive Director)

Company Secretary Ms Lilly R. Dossabhoy

Board Committees

Audit Committee

Chairman Mr. Azam Faruque
Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

Board Evaluation Committee

Chairman Mr. Azam Faruque
Members Mr. Shamshad Nabi
Mr. Ali H. Shirazi

Secretary Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

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

Secretary Mr. Muhammad Abdul Samad

Investment Committee

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

Management Committee

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

Secretary Mr. M. Irfan Dhedhi

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Ms Zainab Hussain
Mr. Syed Fahad Ali

Secretary Mr. Wasit Ahmed

Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

Registered Office

Ground Floor, Federation House, Sharae Firdousi
Clifton, Karachi - 75600

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Website: www.atlasfunds.com.pk

Atlas Funds

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Sovereign Liquid Fund (ASLF), Atlas Money Market Fund (AMF), Atlas Income Fund (AIF), Atlas Stock Market Fund (ASMF) and Atlas Gold Fund (AGF) for the half year /period ended 31 December 2014 of the FY 2014-15.

The Economy

During the period, July - December FY 2014-15, total exports stood at US\$12.1 billion as compared to US\$12.6 billion worth of exports reported in the same period last year. The foreign exchange reserves of the country stood at US\$15.3 billion as on December 2014 with SBP's share of US\$10.5 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July - December FY 2014-15 stood at US\$9.0 billion, which was an increase of 15.26% YoY. CPI inflation for the period of July - December FY 2014-15 was recorded at 6.1%. The SBP slashed Discount Rate (DR) by 100bps in the January 2015 review to 8.5%, which is the second time in FY 2014-15 after 50bps cut in the November 2014 review. This shift towards expansionary policy made possible due to decline in inflation, which is a result of reduction in domestic oil prices and a trickle-down effect on other items.

Fund Operations - ASLF

The Fund held its Initial Public Offer from 01-02 December 2014. The Net Asset Value per unit of Atlas Sovereign Liquid Fund stood at Rs.100.68 as on 31 December 2014, providing an annualized total return of 8.29%. The ASLF's total exposure in Treasury Bills stood at 71.57% with remaining in short term deposits with banks/cash. ASLF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of the Fund stood at Rs.134.82 million, with 1.34 million units outstanding as of 31 December 2014.

Fund Operations - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 4.37% to Rs.524.52 as on 31 December 2014, thus providing an annualized total return of 8.68%. The AMF's total exposure in Treasury Bills stood at 47.67% 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.6.60 billion, with 12.58 million units outstanding as of 31 December 2014.

Fund Operations - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 6.80% to Rs.538.14 as on 31 December 2014, this works out to 13.50% on an annualized basis. AIF's current asset allocation is 54.46% in Pakistan Investment Bonds, 24.77% in Treasury bills, 1.70% in TFC/Sukuk, 12.40% in Margin Trading System 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 stood at Rs.5.43 billion with 10.09 million units outstanding as of 31 December 2014.

Fund Operations - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 10.65% to Rs.488.04 as on 31 December 2014. The benchmark KSE - 100 index has increased by 8.36% during the same period. The KSE - 100 has increased from 29,652.53 points as on 30 June 2014 to 32,131.28 points as on 31 December 2014. The ASMF's equity portfolio exposure was mainly in Oil & Gas, Commercial Banks 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.1.56 billion, with 3.20 million units outstanding as of 31 December 2014.

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Fund Operations - AGF

The Net Asset Value per unit of Atlas Gold Fund decreased by 5.70% to Rs.96.53 as on 31 December 2014. The benchmark has decreased by 5.13% during the same period. AGF's current asset allocation is 76.40% in Gold futures contracts and remaining in bank deposits/others. The Net Assets of the Fund stood at Rs. 198.61 million, with 2.06 million units outstanding as of 31 December 2014.

Ratings

• Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus) upto April 2014. 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 AMC rating review is currently in process.

• Rating / Ranking - ASLF

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

• Fund Stability Rating - AMF

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

• Fund Stability Rating - AIF

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

• Star Ranking - ASMF

PACRA has assigned a "3 Star" for one year, "4 Star" for three years and "4 Star" for five years ranking to the Fund, for FY 2014. The one year ranking is based on performance during the trailing twelve months period; three year ranking is based on performance during the trailing thirty six months period whereas five year star ranking is based on performance during the trailing sixty months.

• Rating/Ranking - AGF

AGF was launched on 15 July 2013. Rating/Ranking is in process.

Atlas Funds

Future Outlook

Going forward, improving macroeconomic conditions are likely to strengthen overall business environment, encourage private investment, and accommodate acceleration of private sector credit growth. Momentum of credit off-take is likely to pick up with the realization of the impact of successive discount rate reductions. Fiscal reforms should focus on broadening the tax base and improving tax administration. External account position has improved and current account deficit is likely to benefit due to decline in international oil prices. Additionally, healthy growth in workers' remittances is also providing support to the external account position. However, challenges on the balance of payments exist and efforts are required to address external vulnerabilities and boost foreign exchange reserves further. The IMF disbursement and successful issuance of Sukuk in the international market have been instrumental in improving sentiments in the foreign exchange market and have supported SBP in its reserve building efforts.

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

ہے جتو کہ خوب سے ہے خوب تر کہاں
(We endeavor to do our best)

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: 26 February 2015

Yusuf H. Shirazi
Chairman

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Atlas Sovereign Liquid Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited

Atlas Sovereign Liquid 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 Sovereign Liquid Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from November 24, 2014 to December 31, 2014 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.

Aftab Ahmed Diwan

Officiating Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 17, 2015

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Sovereign Liquid Fund as at 31 December 2014 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 period from 24 November 2014 to 31 December 2014. 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 27, 2015

Karachi

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 December 2014

	Note	31 December 2014 Un-audited Rupees
ASSETS		
Bank balances and term deposits	4	37,107,758
Investments	5	97,582,081
Interest accrued		302,082
Prepayments		94,810
Deffered formation cost	6	1,264,095
Total assets		136,350,826
LIABILITIES		
Payable to Atlas Asset Management Limited - Management Company	7	1,406,870
Payable to Central Depository Company of Pakistan Limited - Trustee	8	16,022
Payable to the Securities and Exchange Commission of Pakistan		8,014
Accrued and other liabilities	9	101,761
Total liabilities		1,532,667
NET ASSETS		134,818,159
UNIT HOLDERS' FUND		134,818,159
CONTINGENCIES AND COMMITMENTS	10	
NUMBER OF UNITS IN ISSUE		1,339,057
NET ASSET VALUE PER UNIT		100.68

The annexed notes from 1 to 14 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

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 31 DECEMBER 2014

	Note	For the period from 24 November 2014 to 31 December 2014 Un-audited Rupees
INCOME		
Interest income	11	1,182,507
Net (loss)/gain on financial assets at fair value through profit and loss		
Net loss on sale of investments		(4)
Net unrealised gain on revaluation of investments		11,921
		11,917
Element of income and capital gain included in prices of units sold less those in units redeemed - net		4,255
		<u>1,198,679</u>
EXPENSES		
Remuneration of Atlas Asset Management Limited - management company	7.1	80,112
Sindh Sales Tax on Remuneration of the Management Company	7.2	13,940
Federal Excise Duty on Remuneration of the Management Company	7.3	12,818
Remuneration of Central Depository Company of Pakistan Limited - Trustee		16,022
Annual fees - Securities & Exchange Commission of Pakistan		8,014
Annual rating fee		27,619
Annual listing fee		15,190
Brokerage		2,699
Auditors' remuneration		35,560
Printing charges		17,262
Amortisation of formation cost	6	35,905
Bank charges		2,503
Provision for Workers' Welfare Fund	9.1	18,621
		286,265
Net income for the period before taxation		<u>912,414</u>
Taxation		-
Net income for the period after taxation		<u><u>912,414</u></u>

The annexed notes from 1 to 14 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 Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 31 DECEMBER 2014

	For the period from 24 November 2014 to 31 December 2014 Un-audited Rupees
Net income for the period after taxation	912,414
Other comprehensive income	-
Total comprehensive income for the period	<u>912,414</u>

The annexed notes from 1 to 14 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

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 31 DECEMBER 2014

	For the period from 24 November 2014 to 31 December 2014 Un-audited Rupees
Net income for the period after taxation	912,414
Undistributed income carried forward [Includes unrealised gain on investments Rs.11,921]	<u>912,414</u>

The annexed notes from 1 to 14 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 Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 31 DECEMBER 2014

	For The Period From 24 November 2014 to 31 December 2014 Un-audited	
	Units	Rupees
Net assets at the beginning of the period	-	-
Issue of units	1,339,057	133,910,000
Element of income and capital gain included in prices of units sold less those in units redeemed - net	-	(4,255)
Net (loss) on sale of investments	-	(4)
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	11,921
Other net income for the period	-	900,497
Total comprehensive income for the period	-	912,414
Net assets at the end of the period [Rs.100.68 per unit]	<u>1,339,057</u>	<u>134,818,159</u>

The annexed notes from 1 to 14 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

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 31 DECEMBER 2014

	Note	For the period from 24 November 2014 to 31 December 2014 Un-audited Rupees
Cash flows from operating activities		
Net income for the period after taxation		912,414
Adjustments for:		
Interest income		(1,182,507)
Net loss on sale of investments		4
Net unrealised gain on revaluation of investments		(11,921)
Amortization of formation cost		35,905
Element of income and capital gain included in prices of units sold less those in units redeemed - net		(4,255)
		(1,162,774)
Increase in assets		
Prepayments		(94,810)
Deffered formation cost		(1,300,000)
		(1,394,810)
Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company		1,406,870
Payable to Central Depository Company of Pakistan Limited - Trustee		16,022
Payable to the Securities and Exchange Commission of Pakistan		8,014
Accrued and other liabilities		101,761
		1,532,667
		(112,503)
Interest received		880,425
Investments made during the period		(127,242,384)
Investments sold during the period		29,672,220
Net cash used in operating activities		(96,802,242)
Cash flows from financing activities		
Proceeds from issue of units		133,910,000
Net cash generated from financing activities		133,910,000
Net increase in cash and cash equivalents		37,107,758
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	37,107,758

The annexed notes from 1 to 14 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 Sovereign Liquid Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM 24 NOVEMBER 2014 TO 31 DECEMBER 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Liquid Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 19 August 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The 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 01 December 2014, 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 with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in Government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposits, 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. BASIS OF PREPARATION

2.1 Statement of compliance

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.

The condensed interim financial Statements do not include all the information and disclosures required in the annual financial statements.

These condensed interim financial statements are un-audited but have been subject to limited scope review by the auditors.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2014.

2.2 Critical accounting estimates and judgments

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgments that have a significant effect on the condensed interim financial statements are in respect of the following:

	Notes
Investments	3.1 & 5
Provisions	3.7
Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed - net	3.8

2.3 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for investments which are carried at fair value.

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2.4 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim condensed interim financial statements are set out below:

3.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through income statement or available-for-sale investment, as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through income statement, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment.

Investments at fair value through income statement

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

Fair value of government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

Available-for-sale

Investments which are not classified in the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in the statement of comprehensive income is taken to the income statement.

3.2 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.3 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.4 Issue and redemption of units

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

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

Atlas Sovereign Liquid Fund

3.5 Revenue recognition

Interest income on government securities is recognised using effective interest method at the rate of return implicit in the instrument.

Interest income on bank balances, placements and deposits is recognised on an accrual basis.

Element of income/loss and capital gains/losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

3.6 Expenses

All expenses chargeable to the Fund including remuneration of management company, trustee, and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.7 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.8 Element of income / loss and capital gains / losses in prices of units sold less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called “element of income / loss and capital gains / losses in prices of units issued less those in units redeemed” (the element) is created.

Upon sale and redemption of units, the amount representing net income/loss and capital gains/losses accounted for in net asset value and included in the sale/redemption price is taken to the element account.

The element is computed to the extent that it is represented by the increase/decrease in net income/loss and capital gains/losses earned/incurred during the period.

3.9 Deferred formation cost

Formation cost refers to all the preliminary and floatation expenses of the Fund incurred upto the initial issue of units, to the extent allowable under the NBFC Regulations. These costs are being amortised over a period of five years commencing from December 2014, in accordance with the requirements of the NBFC Regulations. These expenses were paid off by the management company and are reimbursable to it by the Fund.

3.10 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed as cash dividend amongst the Fund's unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these condensed interim financial statements.

3.11 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement.

3.12 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

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3.13 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the management company.

3.14 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

3.15 Earnings per unit

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

3.16 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

	Note	31 December 2014 Un-audited Rupees
4. BANK BALANCES AND TERM DEPOSITS		
In local currency		
Profit and loss sharing accounts	4.1	2,107,758
Term deposit accounts	4.2	35,000,000
		<u>37,107,758</u>

4.1 The rate of return on these accounts is 9.00% per annum.

4.2 The rate of return on term deposit is 9.90% per annum. These deposit will mature by 8 January 2015.

5. INVESTMENTS - at fair value through income statement

Government Securities

Market Treasury Bills - Held for trading	5.1	<u>97,582,081</u>
--	-----	--------------------------

5.1 Market Treasury Bills - Held for trading

	Face value (Rupees)			Rupees		Percentage of	
	Acquired during the period	Disposed during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
Treasury bills							
3 Months - T-bills	92,400,000	30,000,000	62,400,000	62,170,806	62,166,714	63.71	46.11
6 Months - T-bills	36,700,000	-	36,700,000	35,399,353	35,415,367	36.29	26.27
	<u>129,100,000</u>	<u>30,000,000</u>	<u>99,100,000</u>	<u>97,570,160</u>	<u>97,582,081</u>	<u>100.00</u>	<u>72.38</u>

5.2 The cost of investments as on 31 December 2014 is Rs.95,570,160.

5.3 These market treasury bills carry purchase yields ranging from 9.48% to 9.62% per annum and will mature between 8 Jan 2015 and 28 May 2015.

Atlas Sovereign Liquid Fund

31 December
2014
Un-audited
Rupees

6. DEFERRED FORMATION COST

	Note	
Formation cost		1,300,000
Amortized formation cost		(35,905)
		<u>1,264,095</u>

7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED MANAGEMENT COMPANY - RELATED PARTY

	Note	
Management fee	7.1	80,112
Sindh Sales Tax payable on remuneration of the Management Company	7.2	13,940
Federal Excise Duty payable on remuneration of the Management Company	7.3	12,818
Formation cost payable		1,300,000
		<u>1,406,870</u>

7.1 In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. The management company has charged its remuneration at the rate of 0.75% per annum of the average net assets for the period.

7.2 During the period, an amount of Rs.13,940 was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011.

7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has charged FED to the Fund. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re.0.01 per unit.

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

The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs.1 billion	0.15% per annum of Net Asset Value
- Rs.1 billion to Rs.10 billion	Rs.1.5 million plus 0.075% per annum of Net Asset Value exceeding Rs.1 billion.
- Over Rs.10 billion	Rs.8.25 million plus 0.06% per annum of Net Asset Value exceeding Rs.10 billion.

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	31 December 2014
	Un-audited Rupees
Note	
9. ACCRUED AND OTHER LIABILITIES	
Auditors' remuneration payable	35,560
Printing charges payable	17,262
Annual rating fee payable	27,619
Payable to brokers	2,699
Provision for Workers' Welfare Fund	9.1 18,621
	<u><u>101,761</u></u>

9.1 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.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In May 2014, the Honorable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs/Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision of the SHC, the Management Company of the Fund, as a matter of abundant caution, has decided to maintain a provision for WWF amounting to Rs.18,621 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 Re.0.01 per unit.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2014.

	For the period from 24 November 2014 to 31 December 2014
	Un-audited Rupees
Note	
11. INTEREST INCOME	
PLS saving and term deposit accounts	395,049
Government Securities - T-bills	787,458
	<u><u>1,182,507</u></u>

Atlas Sovereign Liquid Fund

For the period
from 24
November 2014
to 31 December
2014
Un-audited
Rupees

12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

12.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)	
Remuneration charged	80,112
Sindh Sales Tax on remuneration of the Management Company	13,940
Federal Excise Duty on remuneration of the Management Company	12,818
Issue of 329,961 units	33,000,000
Central Depository Company of Pakistan Limited (Trustee)	
Trustee fee	16,022
Shirazi Investments (Private) Limited (Group Company)	
Issue of 1,000,000 units	100,000,000
<u>Key Management Personnel of Management Company - note 12.3</u>	
Issue of 8,996 units	900,000

31 December
2014
Un-audited
Rupees

12.2 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	80,112
Sindh Sales Tax payable on remuneration of the Management Company	13,940
Federal Excise Duty payable on remuneration of the Management Company	12,818
Payable in respect of formation cost	1,300,000
Outstanding 329,961 units - at net asset value	33,220,479
Central Depository Company of Pakistan Limited (Trustee)	
Remuneration payable to the Trustee	16,022
Shirazi Investments (Private) Limited (Group Company)	
Outstanding 1,000,000 units - at net asset value	100,680,000
<u>Key Management Personnel of Management Company</u>	
Outstanding 8,996 units - at net asset value	905,758

12.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014-15.

12.4 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.

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13. GENERAL

13.1 Being the first financial statements of the Fund, there are no comparative figures to report.

13.2 Figures have been rounded off to the nearest Rupee.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 26 February 2015.

**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

Atlas Money Market Fund

Corporate Information

Trustee

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

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited
Faysal Bank Limited
Askari Bank Limited
United Bank Limited

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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 December 31, 2014 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.

Aftab Ahmed Diwan

Officiating Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 17, 2015

Atlas Money Market Fund

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 Money Market Fund as at December 31, 2014 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, 2014. 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, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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, 2014 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 Money Market Fund for the year ended June 30, 2014 and six months ended December 31, 2013 were respectively audited and reviewed by another firm of Chartered Accountants whose reports dated August 28, 2014 and February 20, 2014 expressed an unqualified opinion and conclusion respectively on those financial statements.

A. F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 27, 2015

Karachi

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2014

		31 December 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
Assets			
Bank balances and term deposits	4	3,464,411,240	2,000,304,767
Investments	5	3,177,168,571	4,098,146,929
Interest accrued		23,131,956	5,943,939
Prepayment		20,000	-
Total assets		6,664,731,767	6,104,395,635
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	6	20,905,895	15,203,671
Payable to Central Depository Company of Pakistan Limited - Trustee		482,928	428,838
Payable to the Securities & Exchange Commission of Pakistan		2,525,085	4,675,297
Accrued and other liabilities	7	40,201,461	34,490,446
Total liabilities		64,115,369	54,798,252
NET ASSETS		6,600,616,398	6,049,597,383
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,600,616,398	6,049,597,383
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		12,584,049	12,038,054
NET ASSET VALUE PER UNIT		524.52	502.54

The annexed notes from 1 to 13 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 INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2014

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2014	2013	31 December 2014	2013
		Rupees -----			
INCOME					
Interest income	9	334,263,475	251,040,387	170,406,842	148,743,082
Net gain/(loss) on financial assets at fair value through profit and loss					
- Net gain/(loss) on maturity/sale of investments		1,160,660	(1,271,191)	1,155,866	(795,846)
- Net unrealised gain/(loss) on remeasurement of investments		1,165,709	(1,941,908)	1,509,493	(1,030,974)
		2,326,369	(3,213,099)	2,665,359	(1,826,820)
Element of (loss)/income and capital (losses)/gains included in prices of units issued less those in units redeemed - net		(9,209,399)	6,209,163	(20,209,274)	2,378,941
		327,380,445	254,036,451	152,862,927	149,295,203
EXPENSES					
Remuneration of Atlas Asset Management Limited - Management Company		28,617,653	23,345,923	14,592,381	13,618,629
Sindh Sales Tax on Remuneration of the Management Company	6.1	4,979,472	4,333,003	2,539,075	2,527,617
Federal Excise Duty on Remuneration of the Management Company	6.2	4,578,825	3,735,348	2,334,781	2,178,981
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,903,173	2,438,017	1,476,606	1,390,684
Annual fees - Securities & Exchange Commission of Pakistan		2,525,085	2,059,933	1,287,563	1,201,641
Annual rating fee		121,000	110,000	60,500	55,000
Annual listing fee		20,000	20,000	10,000	10,000
Brokerage		83,968	179,536	60,071	140,464
Auditors' remuneration		1,153,891	281,946	1,003,986	138,376
Printing charges		70,000	158,066	6,250	114,376
Amortisation of formation cost		-	100,000	-	50,000
Bank charges		47,032	47,743	21,279	20,944
Provision for Workers' Welfare Fund	7.1	5,645,607	4,344,539	2,589,409	2,556,970
		50,745,706	41,154,054	25,981,901	24,003,682
Net income for the period before taxation		276,634,739	212,882,397	126,881,026	125,291,521
Taxation	10	-	-	-	-
Net income for the period after taxation		276,634,739	212,882,397	126,881,026	125,291,521

The annexed notes from 1 to 13 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

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2014

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2014</u>	<u>2013</u>	<u>31 December</u> <u>2014</u>	<u>2013</u>
	----- Rupees -----			
Net income for the period after taxation	276,634,739	212,882,397	126,881,026	125,291,521
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period	<u>276,634,739</u>	<u>212,882,397</u>	<u>126,881,026</u>	<u>125,291,521</u>

The annexed notes from 1 to 13 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 DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	2014	2013
	----- Rupees -----	
Undistributed income brought forward [Includes unrealised gain on investments Rs.61,069,399] (2013: Unrealised gain on investments of Rs.49,574,300)	13,939,197	5,661,146
Net income for the period after taxation	276,634,739	212,882,397
Interim distribution for the month ended 31 July 2014 - Nil (2013: Rs.3 per unit declared on 31 July 2013)		
- Nil bonus units (2013: 52,470)	-	(26,371,028)
- Cash payout against interim distribution	-	(175,909)
	-	(26,546,937)
Interim distribution for the month ended 31 August 2014 - Nil (2013: Rs.3 per unit declared on 30 August 2013)		
- Nil bonus units (2013: 54,844)	-	(27,566,801)
- Cash payout against interim distribution	-	(175,909)
	-	(27,742,710)
Interim distribution for the month ended 30 September 2014 - Nil (2013: Rs.3 per unit declared on 27 September 2013)		
- Nil bonus units (2013: 59,279)	-	(29,782,672)
- Cash payout against interim distribution	-	(143,175)
	-	(29,925,847)
Interim distribution for the month ended 31 October 2014 - Nil (2013: Rs.3.25 per unit declared on 24 October 2013)		
- Nil bonus units (2013: 81,841)	-	(41,092,499)
- Cash payout against interim distribution	-	(155,106)
	-	(41,247,605)
Interim distribution for the month ended 30 November 2014 - Nil (2013: Rs.3.25 per unit declared on 29 November 2013)		
- Nil bonus units (2013: 79,851)	-	(40,119,591)
- Cash payout against interim distribution	-	(155,106)
	-	(40,274,697)
Interim distribution for the month ended 31 December 2014 - Nil (2013: Rs.3.25 per unit declared on 27 December 2013)		
- Nil bonus units (2013: 84,723)	-	(42,565,045)
- Cash payout against interim distribution	-	(158,338)
	-	(42,723,383)
Undistributed income carried forward [Includes unrealised gain on investments Rs.46,835,131] (2013: Unrealised gain on investments of Rs.23,940,261)	290,573,936	10,082,364

The annexed notes from 1 to 13 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

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31 December 2014		31 December 2013	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.502.54 per unit (2013: 502.38 per unit)]	12,038,054	6,049,597,383	7,607,048	3,821,637,191
Issue of units	6,229,275	3,177,900,109	8,579,108	4,322,320,007
Redemption of units	(5,683,280)	(2,912,725,232)	(3,299,421)	(1,663,206,143)
	545,995	265,174,877	5,279,687	2,659,113,864
Element of income/(loss) and capital gains/(losses) included in prices of units sold less those in units redeemed - net	-	9,209,399	-	(6,209,163)
- Net gain/(loss) on maturity/sale of investments	-	1,160,660	-	(1,271,191)
Net unrealised gain/(loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	1,165,709	-	(1,941,908)
Other net income for the period	-	274,308,370	-	216,095,496
Total comprehensive income for the period	-	276,634,739	-	212,882,397
Total interim distribution for the period ended 31 December 2014 (As per Distribution Statement)				
Issue of bonus units	-	-	413,008	-
Cash payout against distribution	-	-	-	(963,543)
Net assets at the end of the period [Rs.524.52 per unit (2013: Rs.502.75 per unit)]	12,584,049	6,600,616,398	13,299,743	6,686,460,746

The annexed notes from 1 to 13 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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	2014	2013
Note	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	276,634,739	212,882,397
Adjustments for:		
Interest income	(334,263,475)	(251,040,387)
Net (gain)/loss on maturity/sale of investments	(1,160,660)	1,271,191
Net unrealised (gain)/loss on remeasurement of investments	(1,165,709)	1,941,908
Amortisation of formation cost	-	100,000
Element of loss/(income) and capital losses/(gains) included in prices of units issued less those in units redeemed - net	9,209,399	(6,209,163)
	(327,380,445)	(253,936,451)
Increase in prepayment	(20,000)	(20,000)
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	5,702,224	6,021,447
Payable to Central Depository Company of Pakistan Limited - Trustee	54,090	186,001
Payable to the Securities and Exchange Commission of Pakistan	(2,150,212)	(964,868)
Accrued and other liabilities	5,711,015	4,345,810
	9,317,117	9,588,390
	(41,448,589)	(31,485,664)
Interest received	317,075,458	237,311,151
Investments made during the period	(14,633,777,581)	(17,468,441,903)
Investments sold / matured during the period	15,557,082,308	17,312,691,823
Net cash generated from operating activities	1,198,931,596	50,075,407
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	3,177,900,109	4,322,320,007
Net payments against redemption of units	(2,912,725,232)	(1,663,206,143)
Cash payout against distribution	-	(963,543)
Net cash generated from financing activities	265,174,877	2,658,150,321
Net increase in cash and cash equivalents during the period	1,464,106,473	2,708,225,728
Cash and cash equivalents at the beginning of the period	2,000,304,767	103,676,820
Cash and cash equivalents at the end of the period 4	3,464,411,240	2,811,902,548

The annexed notes from 1 to 13 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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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 are offered for public subscription on a continuous basis since 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 Musharaka (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. BASIS OF PREPARATION

Statement of Compliance

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 2014.

These condensed interim financial statements are un-audited but has been subject to limited scope review by the auditors.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2014.

3. SUMMARY OF 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 2014.

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 2014.

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 2014.

Atlas Money Market Fund

		31 December 2014	30 June 2014
		Un-audited	Audited
Note		----- Rupees -----	
4. BANK BALANCES AND TERM DEPOSITS			
In profit and loss saving accounts	4.1	214,411,240	400,304,767
Term deposit account	4.2	3,250,000,000	1,600,000,000
		<u>3,464,411,240</u>	<u>2,000,304,767</u>

4.1 These carry rates of return ranging between 6.50% and 9.00% (30 June 2014: 6.50% and 9.2%) per annum.

4.2 The rates of return on term deposits are ranging between 9.90% and 10.15% (30 June 2014: ranging between 10.25% and 10.50%) per annum. These deposits will mature by 8 January 2015 (30 June 2014: 24 July 2014).

		31 December 2014	30 June 2014
		Un-audited	Audited
Note		----- Rupees -----	
5. INVESTMENTS - at fair value through income statement			
Government securities			
Market Treasury Bills - held for trading	5.1	<u>3,177,168,571</u>	<u>4,098,146,929</u>

5.1 Market Treasury Bills

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Purchased during the period	Disposed/ Matured during the period	At the end of the period	Carrying Value	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months - T-bills	1,965,500,000	11,901,000,000	11,908,500,000	1,958,000,000	1,944,942,680	1,944,842,127	61.21	29.46
6 Months - T-bills	2,200,000,000	2,666,900,000	3,720,000,000	1,146,900,000	1,110,231,861	1,111,476,694	34.98	16.84
12 Months- T-bills	-	125,000,000	-	125,000,000	120,828,321	120,849,750	3.81	1.83
	<u>4,165,500,000</u>	<u>14,692,900,000</u>	<u>15,628,500,000</u>	<u>3,229,900,000</u>	<u>3,176,002,862</u>	<u>3,177,168,571</u>	<u>100.00</u>	<u>48.13</u>

5.2 The cost of investments as on 31 December 2014 is Rs.3,130,333,440 (30 June 2014: Rs.4,037,077,530).

5.3 These market treasury bills carry purchase yields ranging from 9.43% to 9.98% (30 June 2014: 9.90% to 9.99%) per annum and will mature between 8 January 2015 and 14 May 2015 (30 June 2014: 10 July 2014 and 16 October 2014).

		31 December 2014	30 June 2014
		Un-audited	Audited
Note		----- Rupees -----	
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			

Management fee		4,751,252	4,161,521
Sindh Sales Tax payable on Remuneration of the Management Company	6.1	2,803,140	2,069,472
Federal Excise Duty payable on Remuneration of the Management Company	6.2	13,351,503	8,772,678
Formation cost payable		-	200,000
		<u>20,905,895</u>	<u>15,203,671</u>

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- 6.1 During the period, an amount of Rs.4,979,472 (31 December 2013: Rs.4,333,003) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011. An amount of Rs.4,245,804 (31 December 2013: Rs.2,940,485) has been paid to the Management Company which acts as a collecting agent.
- 6.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.1 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honourable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has charged FED to the Fund with effect from 13 June 2013. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.1.06 (30 June 2014: Rs.0.73) per unit.

	31 December 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

7. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	309,813	394,581
Printing charges payable	141,731	210,150
Payable to unit holders	9,545	3,509
Annual rating fee payable	121,000	-
Payable to brokers	39,877	36,555
Withholding tax payable	88,237	-
Provision for Workers' Welfare Fund	7.1 39,491,258	33,845,651
	40,201,461	34,490,446

- 7.1 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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs/ pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements since the financial year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by Honourable SHC on the basis of the pending Constitutional Petition as referred to above. In FY 2013-14, during the course of income tax proceedings of the Fund for Tax Year 2012 as stated in note 10.2 below, the taxation officer levied a demand of Rs.16.31 million in respect of WWF. The Fund filed a petition in the Honourable SHC against the alleged levy of WWF, which has granted a stay against recovery proceedings.

Atlas Money Market Fund

7.1 In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a judgement of May 2014, the Honourable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision of the SHC, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.39,491,258 (30 June 2014: Rs.33,845,651) 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 3.14 (30 June 2014: Rs 2.81) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2014 and 30 June 2014.

For the Half Year ended		For the Quarter ended	
31 December		31 December	
2014	2013	2014	2013
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----			

9. INTEREST INCOME

PLS saving and term deposit accounts	56,117,125	21,565,000	37,775,543	17,905,218
Government Securities - Market Treasury Bills	278,146,350	229,475,387	132,631,299	130,837,864
	334,263,475	251,040,387	170,406,842	148,743,082

10. TAXATION

10.1 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 as cash dividend 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 unrealised 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, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

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

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10.2 This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable upto 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Appropriate appellate and executive remedies were adopted to resolve the matter.

Subsequent to the year ended 30 June 2014, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment orders. The tax assessing officer has filed an appeal in the Appellate Tribunal Inland Revenue against the order of the CIR - Appeals, the hearing of which is pending.

11. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

	For the Half Year ended	
	31 December 2014	31 December 2013
	Un-audited	Un-audited
	-----	-----
	Rupees	
11.1 Transactions for the period:		
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	28,617,653	23,345,923
Remuneration paid	28,027,922	21,717,955
Sindh Sales Tax on Remuneration of the Management Company	4,979,472	4,333,003
Federal Excise Duty on Remuneration of the Management Company	4,578,825	3,735,348
Issue of 30,397 (2013: Nil) units	15,600,000	-
Redemption of 80,743 (2013: Nil) units	42,000,000	-
Bonus of Nil (2013: 228) units	-	114,381
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,903,173	2,438,017
Remuneration paid	2,849,083	2,252,016
Atlas Battery Limited (Group Company)		
Redemption of 362,394 (2013: 59,604) units	185,458,267	30,000,000
Bonus of Nil (2013: 16,228) units	-	8,153,511
Atlas Foundation (Group Company)		
Issue of Nil (2013: 9,349) units	-	4,700,000
Redemption of 2,461 (2013: 9,934) units	1,250,000	5,000,000
Bonus of Nil (2013: 641) units	-	322,200
Atlas Fund of Funds (Fund under common management)		
Issue of 2,943 (2013: Nil) units	1,500,000	-
Atlas Hitec (Private) Limited (Group Company)		
Issue of Nil (2013: 336,165) units	-	169,000,000
Redemption of 197,514 (2013: Nil) units	100,226,699	-
Bonus of Nil (2013: 6,567) units	-	3,298,861
Atlas Honda Limited (Group Company)		
Issue of Nil (2013: 2,781,795) units	-	1,400,000,000
Redemption of 297,205 (2013: 497,167) units	150,000,000	250,000,000
Bonus of Nil (2013: 79,236) units	-	39,804,322

Atlas Money Market Fund

For the Half Year ended	
31 December 2014	31 December 2013
Un-audited	Un-audited
----- Rupees -----	

11.1 Transactions for the period: (Continued....)

Atlas Insurance Limited (Group Company)

Issue of 97,374 (2013: 312,873) units	50,000,000	157,500,000
Bonus of Nil (2013: 3,452) units	-	1,734,357

Atlas Metals (Private) Limited (Group Company)

Issue of Nil (2013: 29,739) units	-	15,000,000
Bonus of Nil (2013: 192) units	-	96,651

Batool Benefit Trust (Trust having common Director/Trustee)

Redemption of Nil (2013: 129) units	-	65,000
Bonus of Nil (2013: 42) units	-	21,101

Cherat Cement Company Limited (Company having common Director)

Redemption of 302,515 (2013: Nil) units	155,542,797	-
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Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)

Bonus of Nil (2013: 1,587) units	-	797,452
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Shirazi Investments (Private) Limited (Group Company)

Issue of 678,813 (2013: Nil) units	347,000,000	-
Redemption of 430,477 (2013: Nil) units	222,000,000	-

Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)

Issue of 20,101 (2013: 4,511) units	10,165,000	2,275,000
Redemption of 9,444 (2013: 9,935) units	4,870,000	5,010,000
Bonus of Nil (2013: 673) units	-	338,165

Shirazi Trading Company (Private) Limited (Group Company)

Issue of Nil (2013: 198,466) units	-	100,000,000
Redemption of Nil (2013: 198,466) units	-	100,137,934

Pakistan Petroleum Limited (Unit Holder with more than 10% holding) - Note 11.3

Issue of 58,505 (2013: N/A) units	30,000,000	-
Redemption of 57,302 (2013: N/A) units	30,000,000	-

Pakistan Telecommunication Company Limited (Unit Holder with more than 10% holding) - Note 11.3

Issue of 933,752 (2013: N/A) units	475,000,000	-
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Key Management Personnel of the Management Company - Note 11.4

Issue of 22,753 (2013: 15,591) units	11,529,155	7,842,046
Redemption of 39,631 (2013: 18,023) units	20,214,568	9,072,285
Bonus of Nil (2013: 3,533) units	-	1,775,092

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	31 December 2014	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	-----

11.2 Investments/outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	4,751,252	4,161,521
Payable in respect of formation cost	-	200,000
Sindh Sales Tax payable on Remuneration of the Management Company	2,803,140	2,069,472
Federal Excise Duty payable on Remuneration of the Management Company	13,351,503	8,772,678
Outstanding 2,394 (30 June 2014: 52,739) units - at net asset value	1,255,775	26,503,693
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	482,928	428,838
Atlas Battery Limited (Group Company)		
Outstanding Nil (30 June 2014: 362,394) units - at net asset value	-	182,117,364
Atlas Foundation (Group Company)		
Outstanding 41,674 (30 June 2014: 44,135) units - at net asset value	21,858,842	22,179,682
Atlas Fund of Funds (Fund under common management)		
Outstanding 27,322 (30 June 2014: 24,379) units - at net asset value	14,331,081	12,251,319
Atlas Hitec (Private) Limited (Group Company)		
Outstanding Nil (30 June 2014: 197,514) units - at net asset value	-	99,258,744
Atlas Honda Limited (Group Company)		
Outstanding 2,456,022 (30 June 2014: 2,753,227) units - at net asset value	1,288,232,680	1,383,606,727
Atlas Insurance Limited (Group Company)		
Outstanding 189,815 (30 June 2014: 92,441) units - at net asset value	99,561,764	46,455,096
Cherat Cement Company Limited (Company having common Director)		
Outstanding Nil (30 June 2014: 302,515) units - at net asset value	-	152,025,982
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Outstanding 45,332 (30 June 2014: 45,332) units - at net asset value	23,777,681	22,781,278
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 248,335 (30 June 2014: Nil) units - at net asset value	130,256,783	-
Shirazi Investments (Private) Limited - Employees		
Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 10,657 (30 June 2014: Nil) units - at net asset value	5,589,693	-
Shirazi Trading Company (Private) Limited - Employees		
Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 18,662 (30 June 2014: 18,662) units - at net asset value	9,788,635	9,378,442
Pakistan Petroleum Limited (Unit Holder with more than 10% holding) - Note 11.3		
Outstanding 1,275,600 (30 June 2014: 1,274,397) units - at net asset value	669,077,613	640,435,670

Atlas Money Market Fund

31 December 2014	30 June 2014
Un-audited	Audited
----- Rupees -----	

11.2 Investments/outstanding balances as at period/year end (Continued...)

Pakistan Telecommunication Company Limited (Unit Holder with more than 10% holding) - Note 11.3

Outstanding 1,273,507 (30 June 2014: N/A) units - at net asset value

667,980,034

-

Key Management Personnel of the Management Company

Outstanding 80,597 (30 June 2014: 97,475) units - at net asset value

42,274,967

48,985,257

11.3 Holding being less than 10% in corresponding period, disclosure was not applicable.

11.4 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014-15.

11.5 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.

12 GENERAL

12.1 Figures have been rounded off to the nearest Rupee.

12.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 31 December 2013 have not been subjected to limited scope review by the auditors.

12.3 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements during the period.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 February 2015.

**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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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

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 December 31, 2014 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.

Aftab Ahmed Diwan

Officiating Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 17, 2015

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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, 2014 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, 2014. 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, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the period ended December 31, 2014.

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, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A. F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 27, 2015

Karachi

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2014

		31 December 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances and term deposits	4	201,778,036	684,697,604
Investments	5	4,433,175,976	2,614,059,869
Receivable against Margin Trading System		680,543,025	540,089,401
Interest/profit accrued		159,419,195	86,381,636
Deposits and prepayments		596,027	452,055
Total assets		5,475,512,259	3,925,680,565
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	18,271,312	10,716,626
Payable to Central Depository Company of Pakistan Limited - Trustee		543,880	302,705
Payable to the Securities and Exchange Commission of Pakistan		1,656,693	1,752,768
Accrued and other liabilities	7	23,192,445	16,041,237
Total liabilities		43,664,330	28,813,336
NET ASSETS		5,431,847,929	3,896,867,229
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		5,431,847,929	3,896,867,229
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		10,093,695	7,734,075
NET ASSET VALUE PER UNIT		538.14	503.86

The annexed notes from 1 to 13 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 2014 -15

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2014

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2014	2013	31 December 2014	2013
		Rupees -----			
INCOME					
Interest/profit income	9	243,171,473	113,370,919	128,849,348	59,041,850
Capital gain/(loss) on sale/maturity of investments - net		5,171,000	(1,103,590)	4,879,468	(400,699)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		95,974,470	762,406	78,269,463	797,101
		101,145,470	(341,184)	83,148,931	396,402
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net		54,355,592	2,998,877	53,604,821	(936,662)
		398,672,535	116,028,612	265,603,100	58,501,590
EXPENSES					
Remuneration of Atlas Asset Management Limited - Management Company	6.1	27,611,504	16,905,738	14,840,836	8,903,029
Sindh sales tax on remuneration of the Management Company	6.2	4,804,401	3,137,705	2,582,305	1,652,402
Federal Excise Duty on remuneration of the Management Company	6.3	4,417,840	2,704,918	2,374,533	1,424,485
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,302,682	1,386,490	1,220,027	718,750
Annual fee - Securities and Exchange Commission of Pakistan		1,656,693	845,284	890,449	445,151
Auditors' remuneration		323,180	279,291	157,725	141,800
Annual rating fee		121,000	110,000	60,500	55,000
Annual listing fee		20,000	20,000	10,000	10,000
Securities transaction cost		3,404,023	2,619,728	1,919,142	1,181,674
Printing charges		70,000	158,064	6,250	114,374
Bank charges		31,571	18,489	16,840	7,242
Provision for Workers' Welfare Fund	7.1	7,078,193	1,756,858	4,830,490	876,954
		51,841,087	29,942,565	28,909,097	15,530,861
Net income for the period before taxation		346,831,448	86,086,047	236,694,003	42,970,729
Taxation	10	-	-	-	-
Net income for the period after taxation		346,831,448	86,086,047	236,694,003	42,970,729

The annexed notes from 1 to 13 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 Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2014

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2014</u>	<u>2013</u>	<u>31 December</u> <u>2014</u>	<u>2013</u>
	----- Rupees -----			
Net income for the period after taxation	346,831,448	86,086,047	236,694,003	42,970,729
Income that may be re-classified subsequently to Income Statement				
Net unrealised (diminution)/appreciation in the value of investment classified as 'available for sale'	(768,525)	329,800	(154,310)	202,721
Total comprehensive income for the period	<u>346,062,923</u>	<u>86,415,847</u>	<u>236,539,693</u>	<u>43,173,450</u>

The annexed notes from 1 to 13 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 2014 -15

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31 December 2014	31 December 2013
	----- Rupees -----	
Undistributed income brought forward [Includes unrealised loss on investments of Rs.102,956,351] (2013: Unrealised loss on investments of Rs.112,252,294)	19,735,971	8,247,459
Net income for the period after taxation	346,831,448	86,086,047
Interim distribution for the quarter ended 30 September 2014 - Nil (2013: Rs.9.50 per unit declared on 4 October 2013)		
- Bonus units	-	(43,315,484)
- Cash pay out against interim distribution	-	(51,528)
	-	(43,367,012)
Undistributed income carried forward [Includes unrealised gain on investments of Rs.2,942,665] (2013: Unrealised loss on investments of Rs.100,788,444)	366,567,419	50,966,494

The annexed notes from 1 to 13 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 Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31 December 2014		31 December 2013	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.503.86 (2013: Rs.503.72) per unit]	7,734,075	3,896,867,229	3,851,364	1,939,998,107
Issue of units	4,190,195	2,197,555,403	1,436,804	730,886,254
Redemption of units	(1,830,575)	(954,282,034)	(842,929)	(428,787,511)
	2,359,620	1,243,273,369	593,875	302,098,743
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(54,355,592)	-	(2,998,877)
Interim distribution for the quarter ended 30 September 2014 - Nil (2013: Rs.9.50 per unit declared on 4 October 2013)				
Issue of bonus units	-	-	85,925	-
Cash pay out against distribution	-	-	-	(51,528)
Net unrealised (diminution)/appreciation in the value of investment classified as 'available for sale'	-	(768,525)	-	329,800
Capital gain/(loss) on sale/maturity of investments - net	-	5,171,000	-	(1,103,590)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	95,974,470	-	762,406
Other net income for the period	-	245,685,978	-	86,427,231
Total comprehensive income for the period	-	346,062,923	-	86,415,847
Net assets at the end of the period [Rs.538.14 (2013: Rs.513.22) per unit]	10,093,695	5,431,847,929	4,531,164	2,325,462,292

The annexed notes from 1 to 13 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

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	2014	2013
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	346,831,448	86,086,047
Adjustments for:		
Interest/profit income	(243,171,473)	(113,370,919)
Capital (gain)/loss on sale of investments - net	(5,171,000)	1,103,590
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(95,974,470)	(762,406)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(54,355,592)	(2,998,877)
	(398,672,535)	(116,028,612)
(Increase)/decrease in assets		
Receivable against Margin Trading System	(140,453,624)	(36,886,776)
Deposits and prepayments	(143,972)	(143,972)
	(140,597,596)	(37,030,748)
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	7,554,686	3,713,622
Payable to Central Depository Company of Pakistan Limited - Trustee	241,175	42,429
Payable to the Securities and Exchange Commission of Pakistan	(96,075)	(257,902)
Accrued and other liabilities	7,151,208	1,726,819
	14,850,994	5,224,968
	(177,587,689)	(61,748,345)
Interest received	170,133,914	113,565,238
Investments made during the period	(4,748,346,419)	(5,176,405,282)
Investment sold/redeemed/matured during the period	3,029,607,257	5,324,323,572
Net cash (used in)/generated from operating activities	(1,726,192,937)	199,735,183
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	2,197,555,403	730,886,254
Net payments against redemption of units	(954,282,034)	(428,787,511)
Cash pay out against interim distribution	-	(51,528)
Net cash generated from financing activities	1,243,273,369	302,047,215
Net (decrease)/increase in cash and cash equivalents during the period	(482,919,568)	501,782,398
Cash and cash equivalents at the beginning of the period	684,697,604	43,778,182
Cash and cash equivalents at the end of the period	4 201,778,036	545,560,580

The annexed notes from 1 to 13 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 Income Fund

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

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 Securities and Exchange Commission of Pakistan (SECP). Also, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010 and 14 October 2013 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, transactions on Margin Trading System (MTS), 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. BASIS OF PREPARATION

Statement Of Compliance

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 2014.

These condensed interim financial statements are un-audited but have been subjected to limited scope review by the auditors.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2014.

3. 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 2014.

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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 were applied to the financial statements as at and for the year ended 30 June 2014.

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 2014.

	31 December 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

4. BANK BALANCES AND TERM DEPOSITS

In local currency

In profit and loss saving accounts	4.1	201,778,036	309,697,604
Term deposit accounts	4.2	-	375,000,000
		<u>201,778,036</u>	<u>684,697,604</u>

4.1 These carry rates of return ranging between 6.50% and 9% (30 June 2014: 6.50% and 9.20%) per annum.

4.2 The rate of return on term deposit on 30 June 2014 was 10.5% per annum. The deposit was matured on 24 July 2014.

5. INVESTMENTS

Available for sale

Quoted equity security	5.1	2,344,910	3,113,435
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At fair value through profit or loss - held for trading

Term finance certificates - listed	5.2 & 5.7	44,899,443	54,255,931
Term finance certificates - unlisted	5.3 & 5.7	48,020,000	48,020,000
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - Market Treasury Bills	5.5	1,356,136,645	1,003,697,006
Government Securities - Pakistan Investment Bonds	5.6	2,981,774,978	1,504,973,497
		<u>4,430,831,066</u>	<u>2,610,946,434</u>
		<u>4,433,175,976</u>	<u>2,614,059,869</u>

5.1 Quoted equity security

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

Number of shares				Rupees		Percentage of		
At the beginning of the period	Acquired during the period	Sales during the period	At the end of the period	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

CHEMICAL

Agriotech Limited	302,569	-	-	302,569	3,933,397	2,344,910	0.05	0.04	0.06
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Atlas Income Fund

5.1.1 This represents shares allocated to the Fund as part of the settlement agreement finalised between Azgard Nine Limited and its creditors in FY 2012-13. As 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. 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	Number of Certificates				Rupees		Percentage of	
	At the beginning of the period	Purchases during the period	Disposed/ matured during the period	At the end of the period	Carrying Cost	Market Value	Total Investments	Net assets
BANKS								
Bank Al Habib Limited - II	1,192	-	-	1,192	2,991,679	2,974,292	0.07	0.05
Bank Alfalah Limited - V	8,450	-	-	8,450	42,784,027	41,925,151	0.95	0.77
United Bank Limited - III	5,500	-	5,500	-	-	-	-	-
	15,142	-	5,500	9,642	45,775,706	44,899,443	1.02	0.82
FINANCIAL SERVICES								
Escort Investment Bank Limited	5,000	-	5,000	-	-	-	-	-
TELECOMMUNICATION								
Telecard Limited	5.7.1	4,000	-	-	4,000	-	-	-
PERSONAL GOODS								
Azgard Nine Limited	5.7.1	5,000	-	-	5,000	-	-	-
					45,775,706	44,899,443	1.02	0.82

5.3 Term finance certificates - Unlisted

Note	Number of Certificates				Rupees		Percentage of		
	At the beginning of the period	Purchases during the period	Disposed/ matured during the period	At the end of the period	Carrying Cost	Market Value	Total Investments	Net assets	
CHEMICALS									
Engro Fertilizers Limited		10,000	-	-	10,000	48,020,000	48,020,000	1.08	0.88
Agritech Limited- I	5.7.1	2,000	-	-	2,000	-	-	-	-
Agritech Limited - II	5.7.1	8,000	-	-	8,000	-	-	-	-
Agritech Limited- IV	5.7.1	2,203	-	-	2,203	-	-	-	-
		22,203	-	-	22,203	48,020,000	48,020,000	1.08	0.88
PERSONAL GOODS									
Azgard Nine Limited-V	5.7.1	1,075	-	-	1,075	-	-	-	-
MISCELLANEOUS									
Bunny's Limited	5.7.1	424	-	-	424	-	-	-	-
					48,020,000	48,020,000	1.08	0.88	

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5.4 Sukuk certificates - Unlisted

	Note	Number of Certificates			Rupees		Percentage of		
		At the beginning of the period	Purchases during the period	Disposed/ matured during the period	At the end of the period	Carrying Cost	Market Value	Total Investments	Net assets
CHEMICALS									
Agritech Limited	5.7.1	4,060	-	-	4,060	-	-	-	-

31 December
2014
Un-audited

30 June
2014
Audited

Note ----- Rupees -----

5.5 Government Securities

Market Treasury Bills	5.5.1	1,356,136,645	1,003,697,006
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5.5.1 Market Treasury Bills

Treasury bills	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Purchased during the period	Disposed/ Matured during the period	At the end of the period	Carrying Value	Market Value	Total Investments	Net Assets
3 months - T Bills	720,500,000	2,416,000,000	2,186,500,000	950,000,000	939,692,442	939,559,720	21.19	17.30
6 months - T Bills	300,000,000	300,000,000	600,000,000	-	-	-	-	-
12 months - T Bills	-	425,000,000	-	425,000,000	416,649,594	416,576,925	9.40	7.67
	1,020,500,000	3,141,000,000	2,786,500,000	1,375,000,000	1,356,342,036	1,356,136,645	30.59	24.97

5.5.2 The cost of investments as on 31 December 2014 is Rs.1,343,860,825 (30 June 2014: Rs.1,000,295,004).

5.5.3 These Market Treasury Bills carry purchase yields ranging from 9.46% to 9.96% (30 June 2014: 9.40% to 9.99%) per annum and will mature between 8 January 2015 and 19 March 2015 (30 June 2014: 10 July 2014 and 18 September 2014).

5.5.4 The above investments include treasury bills which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades amounting to Rs.148,581,750 (face value: Rs.150,000,000) [30 June 2014: Rs.147,394,800 (face value: Rs.150,000,000)] maturing on 6 February 2015 (30 June 2014: 18 September 2014).

31 December
2014
Un-audited

30 June
2014
Audited

Note ----- Rupees -----

5.6 Government Securities

Pakistan Investment Bonds	5.6.1	2,981,774,978	1,504,973,497
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Atlas Income Fund

5.6.1 Pakistan Investment Bonds (PIBs)

	Face value (Rupees)				Rupees		Percentage of	
	At the beginning of the period	Purchased - during the period	Disposed / Matured during the period	At the end of the period	Carrying Value	Market Value	Total Investments	Net Assets
3 Year - PIBs	1,426,000,000	1,565,000,000	245,000,000	2,746,000,000	2,734,586,787	2,821,982,250	63.66	51.95
5 Year - PIBs	100,000,000	52,900,000	-	152,900,000	150,382,066	159,792,728	3.60	2.94
	<u>1,526,000,000</u>	<u>1,617,900,000</u>	<u>245,000,000</u>	<u>2,898,900,000</u>	<u>2,884,968,854</u>	<u>2,981,774,978</u>	<u>67.26</u>	<u>54.89</u>

5.6.2 The cost of investments as on 31 December 2014 is Rs.2,883,124,616 (30 June 2014: Rs.1,503,129,260).

5.6.3 These Pakistan Investment Bonds carry purchase yields ranging from 11.25% to 11.50% (30 June 2014: 11.25% to 11.50%) per annum and will mature between 19 July 2015 and 18 July 2018.

5.7 Particulars of non-compliant investments

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

Non-compliant investment	Note	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
						Net assets	Gross assets
----- Rupees -----							
Listed - Term finance certificates							
Azzard Nine Limited		Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited		Term finance certificate	4,762,740	4,762,740	-	-	-
			12,634,251	12,634,251	-	-	-
Unlisted - Term finance certificates							
Agritech Limited-I		Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II		Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited-IV		Term finance certificate	11,015,000	11,015,000	-	-	-
Azzard Nine Limited-V	5.7.3	Term finance certificate	5,375,000	5,375,000	-	-	-
Bunny's Limited		Term finance certificate	1,590,000	1,590,000	-	-	-
			55,450,000	55,450,000	-	-	-
Unlisted - Sukuk							
Agritech Limited		Sukuk certificate	15,225,000	15,225,000	-	-	-
			83,309,251	83,309,251	-	-	-

5.7.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs.83.31 million (30 June 2014: Rs.83.50 million), has been made in accordance with the provisioning requirements of the above mentioned circulars.

5.7.3 During the FY 2012-13, the Fund received zero coupon term finance certificates of Azzard Nine Limited having face value of Rs. 5,375,000. These TFCs were received against outstanding mark up of Azzard Nine Limited's TFC, payable as of 31 March 2012.

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		31 December 2014	30 June 2014
		Un-audited	Audited
Note		Rupees	
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
	Remuneration of the Management Company	6.1	5,576,554
	Sindh Sales Tax payable on remuneration of the Management Company	6.2	2,434,023
	Federal Excise Duty payable on remuneration of the Management Company	6.3	10,260,735
		18,271,312	10,716,626

6.1 In accordance with the provisions of the NBFC Regulations, the Management Company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. For the current period the Management Company has charged its remuneration at the rate of 1.25% per annum of the average net assets for the period. Previously the Management Company charged its remuneration at the rate of 1.50% per annum of the average net assets for the period.

6.2 During the period, an amount of Rs.4,804,401 (31 December 2013: Rs.3,137,705) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011. An amount of Rs. 3,848,534 (31 December 2013: Rs. 2,625,481) has already been paid to the Management Company which acts as a collecting agent.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honourable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

As a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.1.02 (30 June 2014: Rs.0.75) per unit.

		31 December 2014	30 June 2014
		Un-audited	Audited
Note		Rupees	
7. ACCRUED AND OTHER LIABILITIES			
	Auditors' remuneration payable	315,450	357,120
	NCCPL charges payable	37,725	20,000
	Printing charges payable	141,731	210,150
	Payable to unit holders against redemption of units	16,560	16,560
	Brokerage payable	46,920	15,794
	Rating fee payable	121,000	-
	Withholding tax payable	13,427	239
	Zakat payable	65	-
	Provision for Workers' Welfare Fund	7.1	22,499,567
		23,192,445	16,041,237

Atlas Income Fund

- 7.1 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 (CISs) / mutual funds / 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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements since the financial year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs)/ pension funds for the collection of WWF including the Fund and the pension funds managed by the AMC. In respect of such show cause notices, certain mutual funds (CISs) / pension funds including the Fund have been granted stay by the Honourable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a judgement of May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and pension funds, the issue of chargeability or otherwise of WWF levy to the CISs / pension funds is currently pending before the Honourable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision in respect of WWF which amounts to Rs.22,499,567 (30 June 2014: Rs.15,421,374) 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.2.23 (30 June 2014: Rs.1.99) per unit.

8. CONTINGENCIES AND COMMITMENTS

- 8.1 There were no contingencies outstanding as at 31 December 2014 and as at 30 June 2014.

31 December 2014	30 June 2014
Un-audited	Audited
----- Rupees -----	

8.2 Commitments

Margin Trading System (MTS) transactions entered into by the Fund in respect of which the purchase transactions have not been settled as at period / year end

138,699,991	240,859,058
-------------	-------------

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Note	For the Half Year ended		For the Quarter ended	
	31 December		31 December	
	2014	2013	2014	2013
	Un-audited		Un-audited	

----- Rupees -----

9. INTEREST/PROFIT INCOME

Interest/profit on:

Profit and loss sharing accounts and term deposits	8,598,391	7,866,085	4,029,996	6,010,587
Income from Margin Trading System	43,443,869	27,745,486	23,035,863	11,009,558
Term finance certificates 9.1	5,698,664	11,488,388	2,778,008	4,799,092
Government Securities - Market Treasury Bills	57,495,983	64,853,152	30,392,764	36,513,709
Government Securities - Pakistan Investment Bonds	127,934,566	1,417,808	68,612,717	708,904
	243,171,473	113,370,919	128,849,348	59,041,850

9.1 Mark-up on non performing securities amounting to Rs.37.48 million (2013: Rs.26.88 million) based on outstanding principal has not been recognised, in accordance with the requirements specified by SECP.

10. 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 as cash dividend 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, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

11. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Note	For the Half Year ended	
	31 December	31 December
	2014	2013
	Un-audited	Un-audited

----- Rupees -----

11.1 Transactions for the period:

Atlas Asset Management Limited (Management Company)

Remuneration charged	27,611,504	16,905,738
Remuneration paid	25,430,525	16,409,258
Sindh Sales Tax on remuneration of the Management Company	4,804,401	3,137,705
Federal Excise Duty on remuneration of the Management Company	4,417,840	2,704,918
Issue of 84,134 (2013: 149,766) units	43,500,000	76,500,000
Redemption of 58,094 (2013: 105,255) units	29,500,000	53,500,000
Bonus of Nil (2013: 3,669) units	-	1,849,688

Central Depository Company of Pakistan Limited (Trustee)

Trustee fee	2,302,682	1,386,490
Trustee fee paid	2,116,964	1,356,029
Settlement charges	399,514	339,082

Atlas Income Fund

	<u>For the Half Year ended</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2014</u>	<u>2013</u>
Note	Un-audited ----- Rupees -----	Un-audited ----- Rupees -----
11.1 Transactions for the period: (Continued...)		
Atlas Battery Limited (Group Company)		
Issue of Nil (2013: 9,791)	-	5,000,000
Redemption of 232,472 (2013: Nil) units	120,000,000	-
Bonus of Nil (2013: 11,481) units	-	5,787,488
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 259,666 (2013:133,342) units	134,500,000	67,400,000
Redemption of Nil (2013: 72,733) units	-	36,800,000
Bonus of Nil (2013: 993) units	-	500,422
Atlas Honda Limited (Group company)		
Issue of 1,037,951 (2013: 588,838) units	550,000,000	300,000,000
Redemption of Nil (2013: 392,426) units	-	200,000,000
Bonus of Nil (2013: 35,794) units	-	18,044,136
Atlas Insurance Limited (Group company)		
Issue of 471,763 (2013: 254,101) units	251,000,000	129,200,000
Redemption of 399,244 (2013: Nil) units	212,124,800	-
Bonus of Nil (2013: 9,884) units	-	4,982,874
Atlas Metals (Private) Limited (Group Company)		
Redemption of 9,812 (2013: Nil) units	5,000,000	-
Aamir Shirazi Family Trust (Trust having common Director / Trustee)		
Issue of Nil (2013: 41,758) units	-	21,200,000
Redemption of 44,438 (2013: Nil) units	23,136,271	-
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 8,110 (2013: Nil) units	4,350,000	-
Redemption of 7,298 (2013: 34,755) units	3,763,697	17,559,000
Bonus of Nil (2013: 2,091) units	-	1,054,121
Cherat Cement Company Limited (Company having common Directorship)		
Issue of 620,657 (2013: Nil) units	330,218,707	-
Ifikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Bonus of Nil (2013: 7) units	-	3,705
Shirazi Capital (Private) Limited (Group company)		
Redemption of 32,326 (2013: Nil) units	17,240,000	-
Shirazi Investments (Private) Limited (Group company)		
Issue of 835,570 (2013: Nil) units	429,350,000	-
Redemption of 266,333 (2013: Nil) units	141,000,000	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of 1,035 (2013: Nil) units	550,000	-
<u>Key Management Personnel of the Management Company (Note 11.3)</u>		
Issue of 10,152 (2013: 37,285) units	5,250,000	18,975,000
Redemption of 96,530 (2013: 3,299) units	49,505,000	1,683,452
Bonus of Nil (2013: 3,640) units	-	1,835,029

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31 December 2014	30 June 2014
Un-audited	Audited
----- Rupees -----	

11.2 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	5,576,554	3,395,575
Sindh Sales Tax payable on remuneration of the Management Company	2,434,023	1,478,156
Federal Excise Duty payable on remuneration of the Management Company	10,260,735	5,842,895
Outstanding 125,398 (30 June 2014: 99,358) units - at net asset value	67,481,625	50,062,511
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	447,997	262,279
Settlement charges payable	95,883	40,426
Security deposit	100,000	100,000
Atlas Battery Limited (Group Company)		
Outstanding 538,867 (30 June 2014: 771,339) units - at net asset value	289,986,041	388,647,078
Atlas Foundation (Trust having common Director/Trustee)		
Outstanding 441,169 (30 June 2014: 181,503) units - at net asset value	237,410,810	91,452,201
Atlas Hitec (Private) Limited (Group Company)		
Outstanding 159,290 (30 June 2014: 159,290) units - at net asset value	85,720,088	80,259,642
Atlas Honda Limited (Group Company)		
Outstanding 2,929,515 (30 June 2014: 1,891,564) units - at net asset value	1,576,488,962	953,083,249
Atlas Insurance Limited (Group Company)		
Outstanding 628,548 (30 June 2014: 556,029) units - at net asset value	338,246,671	280,160,841
Atlas Metals (Private) Limited (Group Company)		
Outstanding 21,186 (30 June 2014: 30,998) units - at net asset value	11,400,824	15,618,554
Aamir Shirazi Family Trust (Trust having common Director/Trustee)		
Outstanding Nil (30 June 2014: 44,438) units - at net asset value	-	22,390,599
Batool Benefit Trust (Trust having common Director/Trustee)		
Outstanding 114,066 (30 June 2014: 113,254) units - at net asset value	61,383,436	57,064,395
Cherat Cement Company Limited (Company having common Directorship)		
Outstanding 620,657 (30 June 2014: Nil) units - at net asset value	334,000,141	-
Ifikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Outstanding 423 (30 June 2014: 423) units - at net asset value	227,560	213,064
Shirazi Capital (Private) Limited (Group Company)		
Outstanding 120,147 (30 June 2014: 152,473) units - at net asset value	64,655,922	76,825,000
Shirazi Investments (Private) Limited (Group company)		
Outstanding 2,387,445 (30 June 2014: 1,818,208) units - at net asset value	1,284,779,456	916,122,434
Shirazi Investments (Private) Limited - Employees		
Provident Fund (Retirement Benefit Plan of a Group company)		
Outstanding - 1,035 (30 June 2014: Nil) units - at net asset value	556,903	-
Shirazi Trading Company (Private) Limited - Employees		
Provident Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 10,983 (30 June 2014: 10,983) units - at net asset value	5,910,320	5,533,828
Key Management Personnel of the Management Company (Note 11.3)		
Outstanding 259,934 (30 June 2014: 346,312) units - at net asset value	139,880,912	174,492,849

Atlas Income Fund

- 11.3** For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million (2013: 3 million) and above, as set by the Board of Directors of the Management Company for FY 2014-15.
- 11.4** 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.

12. GENERAL

- 12.1** Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 31 December 2013 have not been subjected to limited scope review by the auditors.
- 12.2** Figures have been rounded off to the nearest Rupee.
- 12.3** Corresponding figures have been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these condensed interim financial statements during the period.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 26 February 2015.

**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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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

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, 2014 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.

Aftab Ahmed Diwan

Officiating Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 17, 2015

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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, 2014 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, 2014. 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, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A. F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 27, 2015

Karachi

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 DECEMBER 2014

		31 December 2014 Un-audited	30 June 2014 Audited
	Note	-----	Rupees -----
ASSETS			
Bank balances	4	46,808,235	37,211,150
Investments	5	1,569,012,871	961,117,365
Dividend receivable		1,250,000	1,083,750
Profit receivable on bank balances		387,443	907,806
Receivable against sale of securities		14,321,017	98,514,235
Deposits, prepayments and other receivables	6	2,703,830	11,539,777
Total assets		1,634,483,396	1,110,374,083
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	9,547,186	6,357,100
Payable to Central Depository Company of Pakistan Limited - Trustee		234,150	191,082
Payable to the Securities and Exchange Commission of Pakistan		594,325	1,046,017
Payable against purchase of securities		33,371,925	29,244,093
Accrued expenses and other liabilities	8	26,758,717	23,819,185
Total liabilities		70,506,303	60,657,477
NET ASSETS		1,563,977,093	1,049,716,606
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,563,977,093	1,049,716,606
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		3,204,576	2,379,851
NET ASSET VALUE PER UNIT		488.04	441.08

The annexed notes from 1 to 13 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

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2014

	For the Half Year ended		For the Quarter ended	
	31 December 2014	2013	31 December 2014	2013
	Note ----- Rupees -----			
INCOME				
Profit on bank balances	3,911,372	10,274,985	1,655,650	6,009,673
Dividend income	27,989,150	27,342,875	15,225,950	10,590,000
Capital gain on sale of investments - net	48,787,480	85,640,081	33,975,977	30,635,983
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	78,143,334	73,804,189	72,644,820	82,192,654
	126,930,814	159,444,270	106,620,797	112,828,637
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net	16,610,635	(5,373,497)	16,892,317	(5,087,493)
	175,441,971	191,688,633	140,394,714	124,340,817
EXPENSES				
Remuneration of Atlas Asset Management Limited - Management Company	12,512,039	11,096,849	6,968,703	5,571,836
Sindh sales tax on remuneration of the Management Company 7.1	2,177,095	2,059,575	1,212,555	1,034,133
Federal Excise Duty on remuneration of the Management Company 7.2	2,001,926	1,775,496	1,114,992	891,494
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,129,714	1,058,947	600,488	530,644
Annual fee - Securities and Exchange Commission of Pakistan	594,325	527,100	331,017	264,660
Auditors' remuneration	833,522	213,937	700,553	101,249
Annual listing fee	20,000	20,000	10,000	10,000
Annual rating fee	63,800	50,000	38,800	25,000
Securities transaction cost	2,460,665	2,148,312	1,386,237	1,085,357
Printing charges	70,000	158,066	6,250	114,733
Bank charges	16,606	11,125	9,470	7,073
Provision for Workers' Welfare Fund 8.1	3,071,246	3,451,385	2,560,313	2,294,093
	24,950,938	22,570,792	14,939,378	11,930,272
Net income for the period before taxation	150,491,033	169,117,841	125,455,336	112,410,545
Taxation 10	-	-	-	-
Net income for the period after taxation	150,491,033	169,117,841	125,455,336	112,410,545

The annexed notes from 1 to 13 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 2014

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2014</u>	<u>2013</u>	<u>31 December</u> <u>2014</u>	<u>2013</u>
	----- Rupees -----			
Net income for the period after taxation	150,491,033	169,117,841	125,455,336	112,410,545
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	150,491,033	169,117,841	125,455,336	112,410,545

The annexed notes from 1 to 13 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

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	2014	2013
	----- Rupees -----	
(Accumulated losses)/undistributed income brought forward [Includes unrealised gain on investments of Rs.101,382,674] (2013: Includes unrealised gain on investments of Rs.98,859,951)	(35,146,783)	118,074,859
Final distribution for the year ended 30 June 2013 at the rate of Rs.125 per unit declared on 4 July 2013		
- Issue of bonus units	-	(245,811,990)
- Cash payout against distribution	-	(1,842,331)
	-	(247,654,321)
Net income for the period after taxation	150,491,033	169,117,841
Undistributed income carried forward [Includes unrealised gain on investments of Rs.147,367,376] (2013: Includes unrealised gain on investments of Rs.109,184,976)	<u>115,344,250</u>	<u>39,538,379</u>

The annexed notes from 1 to 13 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' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	31 December 2014		31 December 2013	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period [Rs.441.08 (2013: Rs.522.77) per unit]	2,379,851	1,049,716,606	1,981,235	1,035,727,038
Issue of units	1,167,899	537,950,386	176,197	77,826,433
Redemption of units	(343,174)	(157,570,297)	(349,439)	(152,110,250)
	824,725	380,380,089	(173,242)	(74,283,817)
Element of (income)/loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - net	-	(16,610,635)	-	5,373,497
Final distribution for the year ended 30 June 2013 at the rate of Rs.125 per unit declared on 4 July 2013				
- Issue of bonus units	-	-	617,975	-
- Cash payout against final distribution	-	-	-	(1,842,331)
Capital gain on sale of investments - net	-	48,787,480	-	85,640,081
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	78,143,334	-	73,804,189
Other net income for the period	-	23,560,219	-	9,673,571
Total comprehensive income for the period	-	150,491,033	-	169,117,841
Net assets at the end of the period [Rs.488.04 (2013: Rs.467.48) per unit]	3,204,576	1,563,977,093	2,425,968	1,134,092,228

The annexed notes from 1 to 13 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

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	2014	2013
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	150,491,033	169,117,841
Adjustments:		
Profit on bank balances	(3,911,372)	(10,274,985)
Dividend income	(27,989,150)	(27,342,875)
Capital gain on sale of investments - net	(48,787,480)	(85,640,081)
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(78,143,334)	(73,804,189)
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	(16,610,635)	5,373,497
	(175,441,971)	(191,688,633)
	(24,950,938)	(22,570,792)
Decrease/(increase) in assets		
Receivable against sale of securities	84,193,218	32,129,422
Deposits, prepayments and other receivables	8,835,947	(70,000)
	93,029,165	32,059,422
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	3,190,086	2,199,899
Payable to Central Depository Company of Pakistan Limited - Trustee	43,068	(3,196)
Payable to the Securities and Exchange Commission of Pakistan	(451,692)	(325,450)
Payable against purchase of securities	4,127,832	(25,593,802)
Accrued expenses and other liabilities	2,939,532	3,305,753
	9,848,826	(20,416,796)
Profit received on bank balances	4,431,735	8,453,587
Dividend received	27,822,900	27,262,875
Investments made during the period	(1,324,668,445)	(1,003,585,167)
Investments sold during the period	843,703,753	1,299,448,660
Net cash (used in)/generated from operating activities	(370,783,004)	320,651,789
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	537,950,386	77,826,433
Net payments against redemption of units	(157,570,297)	(152,110,250)
Cash payout against distribution	-	(1,842,331)
Net cash generated from/(used in) financing activities	380,380,089	(76,126,148)
Net increase in cash and cash equivalents during the period	9,597,085	244,525,641
Cash and cash equivalents at the beginning of the period	37,211,150	59,156,287
Cash and cash equivalents at the end of the period 4	46,808,235	303,681,928

The annexed notes from 1 to 13 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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended mutual Fund constituted by a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed 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, Fifth and Sixth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and 14 October, 2013 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 23 November 2004 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.

2. BASIS OF PREPARATION

Statement Of Compliance

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.

The condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2014.

These condensed interim financial statements are un-audited but have been subjected to limited scope review by the auditors.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2014.

3. SUMMARY OF 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 2014.

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.

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The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended 30 June 2014.

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 2014.

	31 December 2014	30 June 2014
	Un-audited	Audited
Note	Rupees -----	

4. BANK BALANCES

In local currency

In Profit and loss saving accounts	4.1	46,808,235	37,211,150
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4.1 The rate of return on these profit and loss sharing accounts ranges between 6.50% to 9.20% (30 June 2014: 6.50% to 9.20%) per annum.

5. INVESTMENTS

At fair value through profit or loss

- Listed equity securities - Held for trading	5.1	1,559,112,871	961,117,365
Investment through book building for 330,000 shares of Synthetic Product Enterprises Limited		9,900,000	-
		<u>1,569,012,871</u>	<u>961,117,365</u>

5.1 Listed equity securities

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

	Number of shares					Rupees		Percentage of		
	As at 01 July 2014	Purchases during the period	Bonus during the period	Sales during the period	As at 31 December 2014	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
Oil and Gas										
Attock Petroleum Limited	-	42,350	-	17,350	25,000	13,191,243	13,489,500	0.86	0.86	0.03
Attock Refinery Limited	-	10,000	-	10,000	-	-	-	-	-	-
Hascol Petroleum Limited	-	200,000	-	-	200,000	15,401,985	14,820,000	0.94	0.95	0.22
Mari Petroleum Company Limited	15,000	-	3,000	15,500	2,500	777,979	1,188,625	0.08	0.08	0.002
National Refinery Limited	-	50,000	-	50,000	-	-	-	-	-	-
Oil and Gas Development Company Limited	300,000	365,300	-	65,300	600,000	143,891,922	123,522,000	7.87	7.90	0.01
Pakistan Oilfields Limited	100,000	199,000	-	49,000	250,000	118,866,980	94,840,000	6.04	6.06	0.11
Pakistan Petroleum Limited	300,000	375,000	-	50,000	625,000	133,546,932	110,325,000	7.03	7.05	0.03
Pakistan State Oil Company Limited	150,000	130,000	-	30,000	250,000	93,480,458	89,477,500	5.71	5.72	0.09
	865,000	1,371,650	3,000	287,150	1,952,500	519,157,499	447,662,625	28.53	28.62	
Chemicals										
Biafo Industries Limited	28,500	8,200	-	36,700	-	-	-	-	-	-
Dawood Hercules Corporation Limited	-	150,000	-	150,000	-	-	-	-	-	-
Engro Corporation Limited	200,000	336,500	-	211,500	325,000	61,100,224	71,990,750	4.59	4.60	0.06
Engro Fertilizers Limited	200,000	30,000	-	230,000	-	-	-	-	-	-
Fatima Fertilizer Company Limited	800,000	700,000	-	800,000	700,000	22,515,945	25,039,000	1.60	1.60	0.03
Fauji Fertilizer Bin Qasim Limited	-	1,378,000	-	900,000	478,000	21,046,545	21,610,380	1.38	1.38	0.05
Fauji Fertilizer Company Limited	73,800	650,000	-	423,800	300,000	33,758,840	35,133,000	2.23	2.25	0.02
	1,302,300	3,252,700	-	2,752,000	1,803,000	138,421,554	153,773,130	9.80	9.83	

Atlas Stock Market Fund

Number of shares					Rupees		Percentage of			
As at 01 July 2014	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 December 2014	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	

5.1 Listed equity securities (Continued...)

Forestry (Paper and Board)

Security Papers Limited	-	42,500	-	-	42,500	3,325,870	3,289,500	0.21	0.21	0.07
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Industrial Metals and Mining

International Industries Limited	-	100,000	-	100,000	-	-	-	-	-	-
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Construction and Materials (Cement)

Attock Cement Pakistan Limited	150,000	300	-	51,200	99,100	15,627,704	19,341,347	1.23	1.24	0.09
D G Khan Cement Company Limited	500,000	306,000	-	106,000	700,000	59,693,090	77,371,000	4.93	4.95	0.16
Fauji Cement Company Limited	500,000	500,000	-	-	1,000,000	20,650,250	25,840,000	1.65	1.65	0.08
Kohat Cement Company Limited	-	75,000	-	75,000	-	-	-	-	-	-
Lafarge Pakistan Cement Limited	500,000	200,000	-	700,000	-	-	-	-	-	-
Lucky Cement Limited	75,000	65,000	-	40,000	100,000	38,857,349	50,028,000	3.19	3.20	0.03
Maple Leaf Cement Factory Limited	-	100,000	-	100,000	-	-	-	-	-	-
Pioneer Cement Limited	-	58,500	-	8,500	50,000	3,760,470	4,280,500	0.27	0.27	0.02
	1,725,000	1,304,800	-	1,080,700	1,949,100	138,588,863	176,860,847	11.27	11.31	

General Industrials

Packages Limited	-	5,500	-	5,500	-	-	-	-	-	-
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Automobile and Parts

Pak Suzuki Motor Company Limited	-	25,000	-	-	25,000	8,241,973	9,278,000	0.59	0.59	0.03
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Household Goods

Pak Elektron Limited	-	400,000	-	-	400,000	15,947,110	16,372,000	1.04	1.05	0.10
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Personal Goods (Textile)

Kohinoor Textile Mills Limited	-	500,000	-	-	500,000	15,080,480	17,525,000	1.12	1.12	0.20
Nishat (Chunian) Limited	-	1,535,000	-	835,000	700,000	29,817,304	31,794,000	2.03	2.03	0.35
Nishat Mills Limited	300,000	525,000	-	225,000	600,000	68,998,259	72,594,000	4.62	4.65	0.17
Service Industries Limited	-	6,700	-	6,700	-	-	-	-	-	-
	300,000	2,566,700	-	1,066,700	1,800,000	113,896,043	121,913,000	7.77	7.80	

Pharma and Bio Tech

IBL HealthCare Limited	-	10,000	-	10,000	-	-	-	-	-	-
Sanofi Aventis Pakistan Limited	5,100	500	-	2,450	3,150	2,900,475	2,362,469	0.15	0.15	0.03
The Searle Company Limited	50,000	50,000	-	50,000	50,000	10,499,500	12,092,000	0.77	0.77	0.06
	55,100	60,500	-	62,450	53,150	13,399,975	14,454,469	0.92	0.92	

Media

Hum Network Limited (Face value Rs.1/- per share)	-	1,000,000	-	-	1,000,000	12,399,869	14,690,000	0.94	0.94	0.11
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Fixed Line Telecommunication

Pakistan Telecommunication Company Limited	450,000	1,205,000	-	1,655,000	-	-	-	-	-	-
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Number of shares					Rupees		Percentage of		
As at 01 July 2014	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 December 2014	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

5.1 Listed equity securities (Continued...)

Electricity

Lalpir Power Limited	700,000	1,050,000	-	-	1,750,000	33,299,785	52,325,000	3.33	3.35	0.46
Nishat Chunian Power Limited	300,000	-	-	300,000	-	-	-	-	-	-
Pakgen Power Limited	-	2,500,000	-	-	2,500,000	53,987,300	67,575,000	4.31	4.32	0.67
The Hub Power Company Limited	1,300,000	378,000	-	578,000	1,100,000	67,312,226	86,196,000	5.50	5.51	0.10
	2,300,000	3,928,000	-	878,000	5,350,000	154,599,311	206,096,000	13.14	13.18	

Multi utilities (Gas and water)

Sui Northern Gas Pipelines Limited	1,000,000	-	-	-	1,000,000	22,650,000	28,710,000	1.83	1.84	0.16
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Commercial Banks

Allied Bank Limited	-	325,800	-	225,800	100,000	11,955,803	11,358,000	0.72	0.73	0.01
Bank Alfalah Limited	3,000,000	875,000	-	2,625,000	1,250,000	34,328,182	43,600,000	2.78	2.79	0.08
Bank Al Habib Limited	2,000,000	700,000	-	300,000	2,400,000	109,046,426	116,520,000	7.43	7.45	0.22
Faysal Bank Limited	-	929,000	-	229,000	700,000	12,932,915	12,740,000	0.81	0.81	0.07
Habib Bank Limited	75,000	78,000	-	53,000	100,000	19,523,008	21,626,000	1.38	1.38	0.01
Habib Metropolitan Bank Limited	1,000,000	370,500	-	1,370,500	-	-	-	-	-	-
JS Bank Limited	2,000,000	-	-	2,000,000	-	-	-	-	-	-
National Bank of Pakistan	-	300,000	-	100,000	200,000	12,044,170	13,892,000	0.89	0.89	0.01
MCB Bank Limited	-	166,300	-	166,300	-	-	-	-	-	-
Silk Bank Limited	1,000,000	-	-	1,000,000	-	-	-	-	-	-
United Bank Limited	400,000	610,000	-	410,000	600,000	103,330,800	106,026,000	6.75	6.78	0.05
	9,475,000	4,354,600	-	8,479,600	5,350,000	303,161,305	325,762,000	20.76	20.83	

Non Life Insurance

Adamjee Insurance Company Limited	300,000	100,000	-	-	400,000	18,510,675	19,784,000	1.26	1.26	0.11
Century Insurance Company Limited	-	400,000	-	-	400,000	9,992,050	10,000,000	0.64	0.64	0.87
Pakistan Reinsurance Company Limited	36,500	308,500	-	-	345,000	8,677,440	10,467,300	0.67	0.67	0.12
	336,500	808,500	-	-	1,145,000	37,180,165	40,251,300	2.57	2.57	

Total as at 31 December 2014

1,480,969,537 1,559,112,871 99.37 99.69

Total as at 30 June 2014

882,361,952 961,117,365

5.2 The cost of listed equity securities as at 31 December 2014 is Rs.1,411,745,495 (30 June 2014: Rs.859,734,691).

Atlas Stock Market Fund

- 5.3 The above investments include the following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades:

	Number of shares		Market value	
	31 December 2014 Un-audited	30 June 2014 Audited	31 December 2014 Un-audited	30 June 2014 Audited
	----- Rupees -----			
Pakistan Oilfields Limited	65,000	100,000	24,658,400	57,430,000
Pakistan Petroleum limited	147,000	147,000	25,948,440	32,977,980
The Hub Power Company Limited	200,000	200,000	15,672,000	11,748,000
Bank Alfalah limited	1,500,000	1,500,000	52,320,000	41,250,000
Bank Al Habib Limited	125,000	125,000	6,068,750	5,622,500
			124,667,590	149,028,480

	31 December 2014 Un-audited	30 June 2014 Audited
Note	----- Rupees -----	

6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with:

- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
Prepayments	20,000	-
Receivable against withholding tax on bonus shares of Mari Petroleum Company Limited	69,053	-
Receivable against Book Building of ordinary shares of Pakistan Petroleum Limited	-	8,925,000
Other receivable	14,777	14,777
	2,703,830	11,539,777

7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company		2,570,548	1,782,982
Sindh sales tax payable on remuneration of the Management Company	7.1	1,277,435	876,841
Federal Excise Duty payable on remuneration of the Management Company	7.2	5,699,203	3,697,277
		9,547,186	6,357,100

- 7.1 During the period, an amount of Rs.2,177,095 (31 December 2013: Rs.2,059,575) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.1,776,501 (31 December 2013: Rs.1,756,141) has been paid to the Management Company which acts as a collecting agent.

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7.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.1 above, the Management Company is of the view that the further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honourable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

As a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.1.78 (30 June 2014: Rs.1.55) per unit.

	31 December 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable		269,000	325,016
Printing charges payable		141,731	210,150
NCCPL charges payable		39,243	38,359
Withholding tax payable		8,218	66,380
Zakat payable		64	13,864
Payable to unit holders against redemption of units		245,805	245,805
Rating fee payable		63,800	-
Provision for Workers' Welfare Fund	8.1	25,990,856	22,919,611
		26,758,717	23,819,185

8.1 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 (CISs)/mutual funds/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 Honourable 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.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs)/pension funds for the collection of WWF including some of the mutual funds and pension funds managed by the AMC. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by the Honourable SHC on the basis of the pending Constitutional Petition as referred to above. In FY 2013-14, during the course of income tax proceedings of the Fund for TY 2012 as stated in note 10.2 below, the taxation officer levied a demand of Rs.2.653 million in respect of WWF. The Fund filed a petition in the Honourable SHC against the alleged levy of WWF, which has granted a stay against recovery proceedings.

Atlas Stock Market Fund

- 8.1 In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a judgement of May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and pension funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has continued to maintain the provision for WWF amounting to Rs.25,990,856 (30 June 2014: Rs.22,919,611) 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.8.11 (30 June 2014: Rs.9.63) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2014 and as at 30 June 2014.

10. TAXATION

- 10.1 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 as cash dividend 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, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

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

This industry issue was examined by legal experts and tax advisors and there was unanimity of view that under the provisions of Clause 99 applicable upto 30 June 2014, the tax department's contentions were primarily erroneous and not tenable under the law. Subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Appropriate appellate and executive remedies were adopted to resolve the matter.

Subsequent to the year ended 30 June 2014, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment order. The Fund has filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR - Appeals maintaining the levy of WWF, which is pending. The tax assessing officer has also filed an appeal in the ATIR against the order of the CIR - Appeals, which is pending.

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	For the Half Year ended	
	31 December 2014	31 December 2013
Note	Un-audited -----	Un-audited -----
	Rupees -----	

11. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

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

Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	12,512,039	11,096,849
Remuneration paid	11,724,473	10,975,880
Sindh Sales Tax on remuneration of the Management Company	2,177,095	2,059,575
Federal Excise Duty on remuneration of the Management Company	2,001,926	1,775,496
Issues load	-	245
Issue of 81,913 (2013: Nil) units	36,500,000	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,129,714	1,058,947
Remuneration paid	1,087,596	1,050,162
Settlement charges	82,767	90,922
Atlas Battery Limited (Group Company)		
Issue of 11,782 (2013: Nil) units	5,000,000	-
Bonus Nil (2013: 39,984) units	-	15,904,349
Redemption of Nil (2013: 5,409) units	-	2,500,000
Atlas Insurance Limited (Group Company)		
Issue of 247,906 (2013: 85,182) units	114,500,000	37,500,000
Bonus Nil (2013: 74,751) units	-	29,734,001
Redemption of 169,500 (2013: 172,800) units	79,234,045	77,127,366
Atlas Metals (Private) Limited (Group Company)		
Issue of 11,616 (2013: Nil) units	4,999,657	-
Batools Benefit Trust (Trust having common Director/Trustee)		
Issue of 10,240 (2013: Nil) units	5,000,000	-
Bonus Nil (2013: 8,866) units	-	3,526,640
Ifitikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Bonus Nil (2013: 8,091) units	-	3,218,205
Shirazi Capital (Private) Limited (Group Company)		
Issue of 58,172 (2013: Nil) units	26,200,000	-
Shirazi Investments (Private) Limited (Group Company)		
Issue of 442,662 (2013: Nil) units	208,701,891	-
Sindh Province Pension Fund (Unit holder with more than 10% holding)*		
Bonus Nil (2013: 104,054)	-	41,389,844
<u>Key Management Personnel of the Management Company - note 11.3</u>		
Issue 25,673 (2013: 5,289) units	11,110,435	2,334,504
Bonus Nil (2013: 46,604) units	-	18,537,787
Redemption of Nil (2013: 3,542) units	-	1,570,522

* Current period figures have not been presented as the entity was not classified as a connected person of the Fund as at 31 December 2014 on account of having less than 10% of the unit holding of the Fund.

Atlas Stock Market Fund

31 December 2014
Un-audited
----- Rupees -----
30 June 2014
Audited

11.2 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	2,570,548	1,782,982
Sindh Sales tax payable on remuneration of the Management Company	1,277,435	876,841
Federal Excise Duty payable on remuneration of the Management Company	5,699,203	3,697,277
Outstanding 81,913 (2014: Nil) units at net asset value	39,976,827	-

Central Depository Company of Pakistan Limited (Trustee)

Trustee fee payable	213,459	171,341
Settlement charges payable	20,691	19,741
Security deposit	100,000	100,000

Atlas Battery Limited (Group Company)

Outstanding 201,609 (2014: 189,827) units at net asset value	98,393,037	83,728,742
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Atlas Insurance Limited (Group Company)

Outstanding 427,645 (2014: 349,239) units at net asset value	208,707,842	154,042,185
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Atlas Metals (Private) Limited (Group Company)

Outstanding 11,616 (2014: Nil) units at net asset value	5,668,957	-
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Batoos Benefit Trust (Trust having common Director/Trustee)

Outstanding 53,740 (2014: 43,499) units at net asset value	26,227,025	19,186,655
--	------------	------------

Ifikhar Shirazi Family Trust (Trust having common Director/Trustee)

Outstanding 39,695 (2014: 39,695) units at net asset value	19,372,689	17,508,617
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Shirazi Capital (Private) Limited (Group Company)

Outstanding 58,172 (2014: Nil) units at net asset value	28,390,169	-
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Shirazi Investments (Private) Limited (Group Company)

Outstanding 442,662 (2014: Nil) units at net asset value	216,036,722	-
--	-------------	---

NBP - Employees Pension Fund (Unit holder with more than 10% holding) **

Bonus Nil (2014: 106,372) units	-	43,892,545
Outstanding Nil (2014: 302,698) units at the year end	-	133,514,216

Key Management Personnel of the Management Company - note 11.3

Outstanding 255,645 (2014: 229,972) units at net asset value	124,764,814	101,436,185
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** Current period figures have not been presented as the entity is not classified as a connected person of the Fund as at 31 December 2014 on account of having less than 10% of the unit holding of the Fund.

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- 11.3** For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose annual gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014-15.
- 11.4** 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.

12. GENERAL

- 12.1** Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 31 December 2013 have not been subject to limited scope review by the auditors.
- 12.2** Figures have been rounded off to the nearest Rupee.
- 12.3** Corresponding figures have been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements during the period.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 26 February 2015.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Gold Fund

Atlas Gold Fund

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited

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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 Gold Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2014 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.

Aftab Ahmed Diwan

Officiating Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 17, 2015

Atlas Gold Fund

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 Gold Fund as at 31 December 2014 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 27, 2015

Karachi

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2014

		31 December 2014 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	181,833,752	138,529,807
Investments	5	-	-
Financial assets at fair value through profit or loss		-	3,512,609
Interest accrued		1,489,047	1,052,877
Deferred formation cost		836,150	955,600
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		19,826,944	24,755,727
Prepayments		15,000	-
Total assets		204,000,893	168,806,620
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	2,121,635	2,084,151
Payable to Central Depository Company of Pakistan Limited - trustee		28,919	29,026
Annual fee payable to the Securities & Exchange Commission of Pakistan		76,105	159,635
Financial liabilities at fair value through profit or loss	7	2,609,386	-
Accrued and other liabilities	8	556,809	874,551
Total liabilities		5,392,854	3,147,363
NET ASSETS		198,608,039	165,659,257
UNIT HOLDERS' FUND		198,608,039	165,659,257
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		2,057,513	1,561,249
NET ASSET VALUE PER UNIT		96.53	106.11

The annexed notes from 1 to 14 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 Gold Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2014

		For the Half Year ended 31 December 2014	For the period from 26 June 2013 to 31 December 2013	For the Quarter ended 31 December 2014	For the Quarter ended 31 December 2013
Note		Rupees			
Income					
Interest income	10	9,347,409	8,757,401	4,561,853	4,883,504
Net (loss)/gain on investments and derivatives					
Net realised gain/(loss) on sale of government securities		2,524	(7,695)	2,524	-
Net unrealised gain on government securities		-	-	36,802	-
Realised loss on gold contracts		(15,808,313)	(13,302,802)	(4,101,179)	(16,926,608)
Net unrealised (loss)/gain on future contracts of gold	7.1	(2,609,386)	(5,199,730)	1,457,593	(1,218,164)
		(18,415,175)	(18,510,227)	(2,604,260)	(18,144,772)
Element of income/(loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed - net		162,920	(458,690)	(7,514)	(687,656)
		(8,904,846)	(10,211,516)	1,950,079	(13,948,924)
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company		1,522,066	1,531,811	753,094	836,327
Sindh Sales Tax on remuneration of the Management Company	6.1	264,840	284,304	131,039	155,222
Federal Excise Duty on remuneration of the Management Company	6.2	243,531	245,090	120,495	133,813
Remuneration of Central Depository Company of Pakistan Limited - Trustee		172,508	173,604	85,356	94,782
Annual fee - Securities and Exchange Commission of Pakistan		76,105	76,595	37,658	41,823
Auditors' remuneration		167,500	150,285	81,250	119,035
Annual listing fee		15,000	50,412	7,500	27,607
Annual rating Fee		58,000	-	58,000	-
Printing charges		70,000	122,751	6,250	111,863
Securities transaction cost		372,821	228,202	157,911	159,943
Amortisation of formation cost		119,450	115,001	59,725	62,977
Bank charges		7,458	10,113	3,887	1,974
Provision for Workers' Welfare Fund	8.1	-	-	-	(50,046)
		3,089,279	2,988,168	1,502,165	1,695,320
Net (loss)/income for the period before taxation		(11,994,125)	(13,199,684)	447,914	(15,644,244)
Taxation	11	-	-	-	-
Net (loss)/income for the period after taxation		(11,994,125)	(13,199,684)	447,914	(15,644,244)

The annexed notes from 1 to 14 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

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2014

	For the Half Year ended 31 December 2014	For the period from 26 June 2013 to 31 December 2013	For the Quarter ended 31 December 2014	For the Quarter ended 31 December 2013
Note	Rupees			
Net (loss)/income for the period after taxation	(11,994,125)	(13,199,684)	447,914	(15,644,244)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	(11,994,125)	(13,199,684)	447,914	(15,644,244)

The annexed notes from 1 to 14 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 Gold Fund

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	For the Half Year ended 31 December 2014	For the period from 26 June 2013 to 31 December 2013
	----- Rupees -----	
Undistributed income brought forward (Includes net unrealised gain on future contracts of gold Rs.3,512,609)	9,534,345	-
Cash dividend for the period ended 30 June 2014 at the rate of Rs.3.75 per unit declared on 7 July 2014 (2013: Nil)	(5,854,684)	-
Net loss for the period after taxation	(11,994,125)	(13,199,684)
Accumulated loss carried forward (Includes unrealised loss on future contracts of gold Rs.2,609,386) (2013: Unrealised loss on future contracts of gold Rs.5,199,730)	<u>(8,314,464)</u>	<u>(13,199,684)</u>

The annexed notes from 1 to 14 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

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	For the Half Year ended 31 December 2014		For the period from 26 June 2013 to 31 December 2013	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period (Rs.106.11 per unit)	1,561,249	165,659,257	-	-
Issue of units	536,352	55,023,194	2,524,132	251,814,440
Redemption of units	(40,088)	(4,062,683)	(144,573)	(14,317,222)
	496,264	50,960,511	2,379,559	237,497,218
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	-	(162,920)	-	458,690
Cash dividend for the period ended 30 June 2014 at the rate of Rs.3.75 per unit declared on 7 July 2014 (2013: Nil)	-	(5,854,684)	-	-
Net gain/(loss) on sale of government securities	-	2,524	-	(7,695)
Realized loss on gold contracts	-	(15,808,313)	-	(13,302,802)
Net unrealised loss on future contracts of gold	-	(2,609,386)	-	(5,199,730)
Net other income for the period	-	6,421,050	-	5,310,543
Total comprehensive loss for the period	-	(11,994,125)	-	(13,199,684)
Net assets at the end of the period (Rs.96.53 (2013: Rs.94.45) per unit)	2,057,513	198,608,039	2,379,559	224,756,224

The annexed notes from 1 to 14 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 Gold Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	For the Half Year ended 31 December 2014	For the period from 26 June 2013 to 31 December 2013
	----- Rupees -----	
Cash flows from operating activities		
Net loss for the period after taxation	(11,994,125)	(13,199,684)
Adjustments:		
Interest income	(9,347,409)	(8,757,401)
Net (gain)/loss on sale of government securities	(2,524)	7,695
Realised loss on gold contracts	15,808,313	13,302,802
Net unrealised loss on future contracts of gold	2,609,386	5,199,730
Amortization of formation cost	119,450	115,001
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	(162,920)	458,690
	9,024,296	10,326,517
	(2,969,829)	(2,873,167)
Decrease/(increase) in assets		
Deferred formation cost	-	(1,194,500)
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	4,928,783	(22,524,139)
Prepayments	(15,000)	(54,313)
	4,913,783	(23,772,952)
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	37,484	1,800,095
Payable to Central Depository Company of Pakistan Limited - trustee	(107)	31,389
Annual fee payable to the Securities and Exchange Commission of Pakistan	(83,530)	76,595
Accrued and other liabilities	(317,742)	258,536
	(363,895)	2,166,615
Interest received	8,911,239	8,079,324
Investments made during the period	(484,692,176)	(809,964,945)
Investments sold/matured during the period	472,398,996	796,654,448
Net cash used in operating activities	(1,801,882)	(29,710,677)
Cash flows from financing activities		
Proceeds from issue of units	55,023,194	251,814,440
Payment on redemption of units	(4,062,683)	(14,317,222)
Cash dividend	(5,854,684)	-
Net cash generated from financing activities	45,105,827	237,497,218
Net increase in cash and cash equivalents during the period	43,303,945	207,786,541
Cash and cash equivalents at the beginning of the period	138,529,807	-
Cash and cash equivalents at the end of the period 4	181,833,752	207,786,541

The annexed notes from 1 to 14 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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Gold Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 6 May 2013 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been amended through the First Supplemental Trust deed dated 13 May 2014, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document of the Fund has been amended through the 1st Supplement dated 13 May 2014, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 15 July 2013, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors with capital appreciation through investment in gold or gold futures contracts traded on the Commodity Exchange. The Fund aims to deliver this objective mainly by investing at least 70% of the net assets in gold or gold futures contracts during the year based on quarterly average investments calculated on daily basis. The remaining net assets of the Fund shall be invested in cash and near cash instruments which includes cash in bank accounts (excluding TDR), and treasury bills not exceeding 90 days maturity. At least 10% of the net assets of the Fund shall remain invested in cash and near cash instruments at all times. The investment objectives and policy are more fully defined in the Fund's offering document.

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

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.

The 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 period ended 30 June 2014.

These condensed interim financial statements are un-audited but have been subject to limited scope review by the auditors.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2014.

3. SUMMARY OF 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 period ended 30 June 2014.

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 period ended 30 June 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the period ended 30 June 2014.

Atlas Gold Fund

		31 December 2014	30 June 2014
		Un-audited	Audited
Note		----- Rupees -----	----- Rupees -----

4. BANK BALANCES

In PLS saving account	4.1	181,833,752	138,529,807
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4.1 The rate of return on the account is 9.00% (30 June 2014: 9.20%) per annum.

5. INVESTMENTS - at fair value through income statement

Government securities

Market Treasury Bills - held-for-trading	5.1	-	-
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5.1 Market Treasury Bills - held for trading

Treasury bills	Face value (Rupees)			Rupees		Percentage of	
	Acquired during the period	Sold/ Matured during the period	At the end of the period	Amortized cost	Market Value	Total Investments	Net Assets
3 Months - T bills	45,000,000	45,000,000	-	-	-	-	-
6 Months - T bills	440,000,000	440,000,000	-	-	-	-	-
	<u>485,000,000</u>	<u>485,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

		31 December 2014	30 June 2014
		Un-audited	Audited
Note		----- Rupees -----	----- Rupees -----

6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

Management fee		255,140	256,110
Formation cost payable		955,600	1,194,500
Sindh Sales Tax payable on remuneration of the Management Company	6.1	156,534	122,711
Federal Excise Duty payable on remuneration of the Management Company	6.2	754,361	510,830
		<u>2,121,635</u>	<u>2,084,151</u>

6.1 During the period, an amount of Rs.264,840 (31 December 2013: Rs.284,304) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount Rs.231,017 (31 December 2013: Rs.200,774) has been paid to the Management Company which acts as a collecting agent.

6.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.1 above, the Management Company is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

In view of the pending decision, as a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund. Had the same not been made, the net asset value per unit of the Fund would have been higher by Re.0.37 (June 2014: Re.0.33) per unit.

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	31 December 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS Held-for-trading - derivative financial instruments

- Future Gold Contracts	7.1	<u>2,609,386</u>	<u>-</u>
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7.1 This represents net fair value of gold futures contracts entered into by the Fund at the Pakistan Mercantile Exchange Limited. The details of the outstanding contracts are given in the table below:

Commodity Contracts	Maturity Date	Quantity - ounces	Value of Gold in futures market US \$	Value of Gold in futures market equivalent Pak Rupees	Market Value as a Percentage of net assets
Gold 10 oz - Feb. 2015	27 Jan 2015	1,310	1,550,516	155,795,848	78.44
Liabilities against gold futures at contracted rates			USD\$ 1,576,485	158,405,234	
Unrealised loss on future contracts of gold				<u>2,609,386</u>	

	31 December 2014	30 June 2014
	Un-audited	Audited
Note	-----	-----
	Rupees	

8. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		162,500	229,700
Printing charges payable		141,731	210,150
Withholding tax payable		-	240,123
Rating fee payable		58,000	-
Provision against Workers' Welfare Fund	8.1	194,578	194,578
		<u>556,809</u>	<u>874,551</u>

8.1 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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication.

Atlas Gold Fund

8.1 During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, in on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF including some of the mutual funds and Pension Funds managed by the AMC. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by Honourable SHC on the basis of the pending Constitutional Petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a judgement of May 2014, the Honorable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs/Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to maintain a provision in respect of WWF. However, due to loss during the half year ended 31 December 2014, no provision was necessitated. The aggregate provision for WWF amounts to Rs.194,578 (30 June 2014: Rs.194,578). Had the same not been made, the net asset value per unit of the Fund would have been higher by Re.0.09 per unit (30 June 2014: Re.0.12) per unit.

9. CONTINGENCIES AND COMMITMENTS

9.1 There were no contingencies outstanding as at 31 December 2014.

31 December 2014	30 June 2014
Un-audited	Audited
----- Rupees -----	

9.2 COMMITMENTS

Purchase of:

Ounce Gold Contracts US \$ 1,550,516
(30 June 2014: US \$ 1,367,634)

155,795,848	135,122,239
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9.2.1 This represents the investment in future gold contracts with settlement date of 27 January 2015 (30 June 2014: 28 July 2014).

Half Yearly Report 2014 -15

	For the Half Year ended 31 December 2014 Un-audited	For the period from 26 June 2013 to 31 December 2013 Un-audited	For the Quarter ended 31 December 2014 Un-audited	For the Quarter ended 31 December 2013 Un-audited
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----- Rupees -----

10. INTEREST INCOME

Profit on PLS savings account and deposits	5,863,258	4,701,446	2,970,534	2,525,084
Government Securities - Market Treasury bills	3,484,151	4,055,955	1,591,319	2,358,420
	9,347,409	8,757,401	4,561,853	4,883,504

11. 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 as cash dividend 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 unrealised 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, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

	For the Half Year ended 31 December 2014 Un-audited	For the period from 26 June 2013 to 31 December 2013 Un-audited
--	--	--

----- Rupees -----

12. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

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

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	1,522,066	1,531,811
Remuneration paid	1,523,036	1,254,836
Sindh Sales Tax on Remuneration of the Management Company	264,840	284,304
Federal Excise Duty on Remuneration of the Management Company	243,531	245,090
Formation cost paid	238,900	-

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	172,508	173,604
Remuneration paid	172,615	142,215

Atlas Battery Limited (Group Company)

Issue of 13,748 (2013: 500,339) units	1,407,204	50,033,904
Cash Dividend	1,876,271	-

Atlas Gold Fund

For the
Half Year
ended
31 December
2014
Un-audited

For the period
from 26 June
2013 to
31 December
2013
Un-audited

Note ----- Rupees -----

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

Atlas Foundation (Group Company)

Issue of 4,124 (2013: 150,102) units

422,161 15,010,171

Cash Dividend

562,881 -

Atlas Honda Limited (Group Company)

Issue of 486,522 (2013: 499,800) units

49,970,710 50,000,000

Atlas Insurance Limited (Group Company)

Issue of 2,793 (2013: 101,637) units

285,854 10,000,000

Cash Dividend

381,138 -

Batools Benefit Trust (Trust having common Director / Trustee)

Issue of 4,124 (2013: 150,102) units

422,161 15,010,171

Cash Dividend

562,881 -

Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)

Issue of Nil (2013: 13,895) units

- 1,395,642

Atlas Group of Companies, Management Staff Gratuity Fund (Unit holder with more than 10% holding)

Issue of 11,621 (2013: 317,215) units

1,189,556 31,721,495

Cash Dividend

1,189,556 -

Key Management Personnel of Management Company 12.3

Issue of 1,645 (2013: 53,382) units

168,423 5,355,199

Cash Dividend

187,137 -

Redemption of Nil (2013: 500) units

- 48,346

31 December
2014
Un-audited

30 June
2014
Audited

----- Rupees -----

12.2 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

255,140 256,110

Formation cost payable

955,600 1,194,500

Sindh sales tax payable on remuneration of the
Management Company

156,534 122,711

Federal Excise Duty payable on remuneration of
the Management Company

754,361 510,830

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	31 December 2014	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	

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

Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	28,919	29,026
Atlas Battery Limited (Group Company)		
Outstanding 514,087 (30 June 2014: 500,339) units - at net asset value	49,624,783	53,090,976
Atlas Foundation (Group Company)		
Outstanding 154,226 (30 June 2014: 150,102) units - at net asset value	14,887,435	15,927,293
Atlas Honda Limited (Group Company)		
Outstanding 486,522 (30 June 2014: Nil) units - at net asset value	46,964,002	-
Atlas Insurance Limited (Group Company)		
Outstanding 104,430 (30 June 2014: 101,637) units - at net asset value	10,080,582	10,784,690
Batools Benefit Trust (Trust having common Director/Trustee)		
Outstanding 154,226 (30 June 2014: 150,102) units - at net asset value	14,887,435	15,927,293
Atlas Group of Companies, Management Staff Gratuity Fund (Unit holder with more than 10% holding)		
Outstanding 328,836 (30 June 2014: 317,215) units - at net asset value	31,742,563	33,659,679
Key Management Personnel of Management Company 12.3		
Outstanding 51,549 (30 June 2014: 49,903) units - at net asset value	4,975,977	5,295,218

12.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer & Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2014-15.

12.4 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 Gold Fund

13. GENERAL

13.1 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 31 December 2013 have not been subject to limited scope review by the auditors.

13.2 Figures have been rounded off to the nearest Rupee.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 26 February 2015.

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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