



Atlas Sovereign Liquid Fund

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

Atlas Gold Fund

HALF YEARLY REPORT

31 December 2015

(UN-AUDITED)

Atlas
funds
Nurturing your investments



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.

CONTENTS

ORGANISATION	3
CHAIRMAN'S REVIEW	4
ATLAS SOVEREIGN LIQUID FUND	
CORPORATE INFORMATION	7
TRUSTEE REPORT TO THE UNIT HOLDERS	8
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	9
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	10
CONDENSED INTERIM INCOME STATEMENT	11
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	12
CONDENSED INTERIM DISTRIBUTION STATEMENT	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	16
ATLAS MONEY MARKET FUND	
CORPORATE INFORMATION	23
TRUSTEE REPORT TO THE UNIT HOLDERS	24
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	25
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	26
CONDENSED INTERIM INCOME STATEMENT	27
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	28
CONDENSED INTERIM DISTRIBUTION STATEMENT	29
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	30
CONDENSED INTERIM CASH FLOW STATEMENT	31
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	32
ATLAS INCOME FUND	
CORPORATE INFORMATION	41
TRUSTEE REPORT TO THE UNIT HOLDERS	42
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	43
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	44
CONDENSED INTERIM INCOME STATEMENT	45
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	46
CONDENSED INTERIM DISTRIBUTION STATEMENT	47
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	48
CONDENSED INTERIM CASH FLOW STATEMENT	49
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	50

ATLAS STOCK MARKET FUND

CORPORATE INFORMATION	64
TRUSTEE REPORT TO THE UNIT HOLDERS	65
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	66
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	67
CONDENSED INTERIM INCOME STATEMENT	68
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	69
CONDENSED INTERIM DISTRIBUTION STATEMENT	70
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	71
CONDENSED INTERIM CASH FLOW STATEMENT	72
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	73

ATLAS GOLD FUND

CORPORATE INFORMATION	87
TRUSTEE REPORT TO THE UNIT HOLDERS	88
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	89
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	90
CONDENSED INTERIM INCOME STATEMENT	91
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	92
CONDENSED INTERIM DISTRIBUTION STATEMENT	93
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	94
CONDENSED INTERIM CASH FLOW STATEMENT	95
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	96

Half Yearly Report 2015 -16

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 Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman Mr. Azam Faruque

Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Mr. M. Uzair Uddin Siddiqui

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

Investment Committee

Chairman Mr. M. Habib-ur-Rahman

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

Secretary Mr. Muhammad Shakeel

Management Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Muhammad Abdul Samad
Ms Qurrat-ul-Ain Jafari
Mr. Abbas Sajjad
Mr. Khalid Mahmood

Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood

Secretary Mr. Haider Iqbal

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

Tel: (92-21) 111-MUTUAL (6-888-25)
(92-21) 35379501-04

Fax: (92-21) 35379280

Email: info@atlasfunds.com.pk

Website: www.atlasfunds.com.pk

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 ended 31 December 2015 of the FY 2015-16.

THE ECONOMY

During the period July - December FY 2015-16, the current account deficit improved to US\$ 1.27 billion as compared to US\$ 2.46 billion in the same period last year. The foreign exchange reserves of the country stood at US\$ 20.81 billion as on 31 December 2015 with SBP's share of US\$ 15.88 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-December FY 2015-16 stood at US\$ 9.74 billion, which was an increase of 6.26% YoY compared to the corresponding period last year. CPI inflation for the period of July - December FY 2015-16 was recorded at 3.2%. The SBP in its latest monetary policy statement decided to keep the policy rate unchanged at 6.0% which results in a cumulative cut of 400bps in policy rate since November 2014.

FUND OPERATIONS - ASLF

The Net Asset Value per unit of Atlas Sovereign Liquid Fund increased by 3.03% to Rs.103.10 as on 31 December 2015, providing an annualized total return of 6.02%. The ASLF's total exposure in Treasury Bills stood at 23.0% 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.638.26 million, with 6.19 million units outstanding as of 31 December 2015.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 3.13% to Rs.519.48 as on 31 December 2015, thus providing an annualized total return of 6.22%. The AMF's total exposure in Treasury Bills stood at 24.9% and the 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.4.32 billion, with 8.31 million units outstanding as of 31 December 2015.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 3.99% to Rs.530.61 as on 31 December 2015, this works out to 7.92% on an annualized basis. AIF's current asset allocation is 27.3% in Pakistan Investment Bonds, 23.6% in Treasury bills, 8.7% in TFC, 16.5% in Margin Trading System and remaining in short term deposits with bank/cash and others. AIF presents a good investment opportunity for investors to earn attractive returns with medium term investment horizon. The Net Assets of the Fund stood at Rs.8.39 billion with 15.81 million units outstanding as of 31 December 2015.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 5.81% to Rs.451.38 as on 31 December 2015. The benchmark KSE - 100 index has decreased by 4.60% during the same period. The KSE - 100 has decreased from 34,398.86 points as on 30 June 2015 to 32,816.31 points as on 31 December 2015. The ASMF's equity portfolio exposure was mainly in Commercial Banks, Cement, Fertilizers and Oil & Gas Exploration 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.3.47 billion, with 7.68 million units outstanding as of 31 December 2015.

FUND OPERATIONS - AGF

The Net Asset Value per unit of Atlas Gold Fund decreased by 5.78% to Rs.92.28 as on 31 December 2015. The benchmark has decreased by 6.28% during the same period. AGF current asset allocation is 76.5% in Gold futures contracts and remaining in bank deposits/others. The Net Assets of the Fund stood at Rs.178.63 million, with 1.94 million units outstanding as of 31 December 2015.

Half Yearly Report 2015 -16

RATINGS

• Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) to "AM2-" (AM Two Minus). The rating denotes the company's very strong capacity to manage the risks inherent in asset management and meets high investment management industry standards and benchmarks.

• Rating/Ranking - ASLF

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

• Fund Stability Rating - AMF

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

• Fund Stability Rating - AIF

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

• Star Ranking - ASMF

PACRA has assigned a "3 Star" (1 Year), "3 Star" (3 Years) and "4 Star" (5 Years) ranking to the Fund for FY 2014-15. The 1 Year star ranking is based on performance during the trailing twelve months period, the 3 Years star ranking is based on performance during the trailing thirty six months and the 5 Years star ranking is based on performance during the trailing sixty months period.

• Rating/Ranking - AGF

PACRA has assigned a "4 Star" (1 Year) ranking to the Fund for FY 2014-15. The 1 Year star ranking is based on performance during the trailing twelve months period.

TAXATION ISSUE OF MUTUAL FUNDS

1. Multiple Taxes

The principle of Tax neutrality is applied to mutual funds that mean that investors investing through mutual funds and those investing directly in securities should be subject to equal tax. As a consequence of this principle mutual funds are not subject to income tax and capital gains tax, provided they distribute 90% of their income as dividend. However, mutual funds' investors are subject to income tax on dividend receipts and capital gains on sale of mutual funds' securities.

Contrary to the principle stated above, mutual funds are being subjected to multiple taxes that investors who make direct investment in securities do not pay. These taxes are sales tax levied by provinces and Federal Excise Duty, levied by the Federal Government. Due to imposition of these taxes mutual funds have competitive disadvantages.

2. Taxing Capital

Open-end funds issue and redeem units on all Business Days. The net assets value (NAV) on which units are issued or redeemed include capital value and income accrued on the units. Through this mechanism, unit holders redeeming units are paid capital value and income accrued till the date of redemption. Any gain on redemption is subject to deduction of capital gains tax at source. Similarly units are issued during the year include capital value and income accrued till the date of issue of units. The income contributed on incoming units forms the element of income that is distributed on units issued during the year. In UK and many jurisdiction the distribution of income contributed on incoming units is recognized as "return of investors' own capital" and is not subjected to income tax.

Atlas Funds

3. Reopening of Assessments of prior years

During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by various mutual funds on the plea that bonus issues declared by the funds have not been considered as distribution of income while claiming exemption available under clause 99 of Part 1 of the Second Schedule to Income Tax Ordinance, 2001. Consequently the tax demands were raised across the mutual fund industry. The industry went on appeal against the demand. The Commissioner of Inland Revenue - Appeal decided the appeals in favor of funds. Against this decision the tax assessing officer has filed appeal in Appellate Tribunal Inland Revenue.

4. Application of Withholding Tax on Mutual Funds

With effect from July 1, 2015, Federal Board of Revenue has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from commissioner of income tax. So far mutual funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Unfortunately the process of grant of exemption certificates is cumbersome and often the applications are rejected without a valid reason or are delayed. This is resulting in deduction of tax and unless refunded in due course large portion of mutual funds' assets may be tied under income tax refund claim that may have an adverse impact on mutual funds' returns.

FUTURE OUTLOOK

Macro-economic indicators have shown marked improvement during the current financial year. Curtailed fiscal deficit, subdued inflationary pressure, and comfortable external account position have led to positive economic outlook. SBP projects average CPI inflation for FY 2015-16 to fall in the range of 3.5 to 4.5 percent, which is visibly lower than the inflation target of 6% for the year. The containment in inflation has been emanating through prudent monetary management, along with primary impetus coming from a continuous decline in international oil and other commodity prices. On the external front, foreign exchange reserves have crossed US\$ 20 billion in December 2015, which is an all-time high figure. Going forward, continuous flow of external resources would be required to maintain the stable balance of payments position. Furthermore, realization of investment inflows stemming from the China-Pakistan Economic Corridor would indeed strengthen the external sector outlook over medium to long term.

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

ع خدا رحمت کندهای عاشقان پاک طینات را

God, please have mercy on these lovers of clean intention

Aknowledgement

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 2016

Yusuf H. Shirazi
Chairman

Half Yearly Report 2015 -16

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 during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 22, 2016

Half Yearly Report 2015 -16

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 2015 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 26, 2016
Karachi

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 DECEMBER 2015

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
ASSETS			
Bank balances and term deposits	4	473,479,388	1,041,938,687
Investments	5	147,727,690	-
Interest accrued		2,243,023	3,927,147
Receivable against issue of units		17,000,000	161,144,973
Prepayment		19,891	-
Deferred formation cost	6	909,289	1,040,000
Total assets		641,379,281	1,208,050,807
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	2,079,397	4,012,011
Payable to Central Depository Company of Pakistan Limited - Trustee		89,758	231,970
Annual fee payable to the Securities and Exchange Commission of Pakistan		227,891	283,002
Payable against redemption of units		-	595,443,630
Accrued and other liabilities	8	725,871	3,173,243
Total liabilities		3,122,917	603,143,856
NET ASSETS		638,256,364	604,906,951
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		638,256,364	604,906,951
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		6,190,861	5,898,379
NET ASSET VALUE PER UNIT		103.10	102.55

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

		For the Half Year ended 31 December 2015	For the Quarter ended 31 December 2015	For the period From 24 November 2014 to 31 December 2014
	Note	Rupees -----		
INCOME				
Interest income	10	21,133,669	10,285,748	1,182,507
Net gain/(loss) on financial assets at fair value through profit and loss				
Net gain/(loss) on sale of investments		64,100	36,822	(4)
Net unrealised gain/(loss) on revaluation of investments		24,889	(253,585)	11,921
		88,989	(216,763)	11,917
Element of income and capital gain included in prices of units sold less those in units redeemed - net		732,008	944,655	4,255
		21,954,666	11,013,640	1,198,679
EXPENSES				
Remuneration of Atlas Asset Management Limited - Management Company	7.1	1,367,348	693,182	80,112
Sindh Sales Tax on remuneration of Management Company	7.2	222,057	112,572	13,940
Federal Excise Duty on Remuneration of the Management Company	7.3	218,776	110,910	12,818
Remuneration of Central Depository Company of Pakistan Limited - Trustee		455,782	231,059	16,022
Sindh Sales Tax on remuneration of Trustee		63,810	32,349	-
Annual fees - Securities & Exchange Commission of Pakistan		227,891	115,530	8,014
Accounting and Operational charges	8.1	62,623	62,623	-
Sindh Sales Tax on accounting and operational charges		3,757	3,757	-
Annual rating fee		118,142	59,071	27,619
Annual listing fee		20,109	10,054	15,190
Brokerage charges		4,736	4,736	2,699
Auditors' remuneration		149,436	69,773	35,560
Printing charges		62,842	31,421	17,262
Amortisation of formation cost		130,711	65,356	35,905
Legal and professional charges		4,904	4,904	-
Bank charges		9,190	2,349	2,503
Provision for Workers' Welfare Fund	8.2	-	-	18,621
		3,122,114	1,609,646	286,265
Net income for the period before taxation		18,832,552	9,403,994	912,414
Taxation	11	-	-	-
Net income for the period after taxation		18,832,552	9,403,994	912,414

The annexed notes from 1 to 15 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 HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	For the Half Year ended 31 December 2015	For the Quarter ended 31 December 2015	For the period From 24 November 2014 to 31 December 2014
	----- Rupees -----		
Net income for the period after taxation	18,832,552	9,403,994	912,414
Other comprehensive income	-	-	-
Total comprehensive income for the period	18,832,552	9,403,994	912,414

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	For the Half Year ended 31 December 2015	For the period From 24 November 2014 to 31 December 2014
	----- Rupees -----	
Undistributed income brought forward [Includes unrealised gain on investments of Rs.Nil] (2014: Unrealised gain on investments of Rs.Nil)	15,069,001	-
Net income for the period after taxation	18,832,552	912,414
Other comprehensive income	-	-
Total comprehensive income for the period	18,832,552	912,414
Cash dividend declared for the year ended 30 June 2015 at the rate of Rs.2.50 per unit on 7 July 2015	(14,745,949)	-
Undistributed income carried forward [Includes unrealised gain on investments of Rs.2,542,690] (2014: Unrealised gain on investments of Rs.11,921)	<u>19,155,604</u>	<u>912,414</u>

The annexed notes from 1 to 15 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 HALF YEAR ENDED 31 DECEMBER 2015

	For the Half Year Ended 31 December 2015		For the Period from 24-Nov-14 to 31 December 2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.102.55 per unit (2014: Nil per unit)]	5,898,379	604,906,951	-	-
Issue of units	1,314,582	134,264,235	1,339,057	133,910,000
Redemption of units	(1,022,100)	(104,269,417)	-	-
	292,482	29,994,818	1,339,057	133,910,000
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	(732,008)	-	(4,255)
Net gain/(loss) on sale of investments	-	64,100	-	(4)
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	24,889	-	11,921
Other net income for the period	-	18,743,563	-	900,497
Total comprehensive income for the period	-	18,832,552	-	912,414
Cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 2.50 per unit on 7 July 2015	-	(14,745,949)	-	-
Net assets at the end of the period [Rs.103.10 per unit (2014: Rs.100.68 per unit)]	6,190,861	638,256,364	1,339,057	134,818,159

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	For the Half Year Ended 31 December 2015	For the Period from 24 November 2014 to 31 December 2014
Note	----- Rupees -----	-----
Cash flows from operating activities		
Net income for the period after taxation	18,832,552	912,414
Adjustments for:		
Interest income	(21,133,669)	(1,182,507)
Net (gain)/loss on sale of investments	(64,100)	4
Net unrealised gain on revaluation of investments	(24,889)	(11,921)
Amortization of formation cost	130,711	35,905
Element of income and capital gain included in prices of units sold less those in units redeemed - net	(732,008)	(4,255)
	(21,823,955)	(1,162,774)
Increase in assets		
Prepayments	(19,891)	(94,810)
Deferred formation cost	-	(1,300,000)
	(19,891)	(1,394,810)
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(1,932,614)	1,406,870
Payable to Central Depository Company of Pakistan Limited - Trustee	(142,212)	16,022
Annual fee payable to the Securities and Exchange Commission of Pakistan	(55,111)	8,014
Accrued and other liabilities	(2,447,372)	101,761
	(4,577,309)	1,532,667
	(7,588,603)	(112,503)
Interest received	22,817,793	880,425
Investments made during the period	(1,423,109,991)	(127,242,384)
Investments sold/matured during the period	1,275,471,290	29,672,220
Net cash used in operating activities	(132,409,511)	(96,802,242)
Cash flows from financing activities		
Proceeds from issue of units	278,409,208	133,910,000
Payment on redemption of units	(699,713,047)	-
Dividend paid	(14,745,949)	-
Net cash (used in)/generated from financing activities	(436,049,788)	133,910,000
Net (decrease)/increase in cash and cash equivalents	(568,459,299)	37,107,758
Cash and cash equivalents at the beginning of the period	1,041,938,687	-
Cash and cash equivalents at the end of the period	473,479,388	37,107,758

The annexed notes from 1 to 15 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 HALF YEAR ENDED 31 DECEMBER 2015

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 offering document has been revised through First Supplement dated 24 March 2015 and Second Supplement dated 03 August 2015 with the approval of the Securities and Exchange Commission of Pakistan. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorized as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Lahore Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis since 01 December 2014, and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharaka (CoM), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of AM2 - to the Management Company on 17 April 2015 and has assigned a rating of AA(f) to the Fund on 31 December 2015.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. 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 2015.

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 2015.

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 2015 except as follows;

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements except that the Fund has included a disclosure in this regard in note 13 to these condensed interim financial statements.

Further, 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 2015.

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 2015.

Half Yearly Report 2015 -16

	31 December 2015	30 June 2015
	Un-audited	Audited
Note	-----	-----
	Rupees	

4. BANK BALANCES AND TERM DEPOSITS

Balances with bank in:

- Profit and loss sharing account	4.1	413,479,388	1,041,938,687
- Term deposit accounts	4.2	60,000,000	-
		<u>473,479,388</u>	<u>1,041,938,687</u>

4.1 The rate of return on the account is 6.8% (30 June 2015: 5.00% to 7.10%) per annum.

4.2 The rate of return on term deposit is 6.95% (30 June 2015: Nil) per annum and will mature on 7 January 2016.

5. INVESTMENTS - At fair value through income statement

Government Securities

Market Treasury Bills - held for trading	5.1	<u>147,727,690</u>	<u>-</u>
--	-----	--------------------	----------

5.1 Market Treasury Bills - held for trading

	Face value (Rupees)				Rupees		Percentage of	
	As at 01 July 2015	Acquired during the period	Sold / Matured during the period	As at 31 December 2015	Amortised Cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months T-bills	-	1,010,000,000	1,010,000,000	-	-	-	-	-
6 Months T-bills	-	420,000,000	270,000,000	150,000,000	147,702,802	147,727,690	100.00	23.15
	<u>-</u>	<u>1,430,000,000</u>	<u>1,280,000,000</u>	<u>150,000,000</u>	<u>147,702,802</u>	<u>147,727,690</u>	<u>100.00</u>	<u>23.15</u>

5.2 The cost of investments as on 31 December 2015 is Rs.145,185,000 (30 June 2015: Rs. Nil).

5.3 These market treasury bills carry purchase yields ranging between 6.31% to 6.95% (30 June 2015: Nil) per annum and will mature between 3 March 2016 and 28 April 2016 (30 June 2015: Nil).

	31 December 2015	30 June 2015
	Un-audited	Audited
Note	-----	-----
	Rupees	

6. DEFERRED FORMATION COST

Formation cost	1,040,000	1,300,000
Amortized formation cost	(130,711)	(260,000)
	<u>909,289</u>	<u>1,040,000</u>

7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - Related Party

Remuneration of the Management Company	7.1	236,202	1,905,469
Sindh Sales Tax payable on remuneration of the Management Company	7.2	131,618	353,741
Federal Excise Duty payable on remuneration of the Management Company	7.3	671,577	452,801
Formation cost payable		1,040,000	1,300,000
		<u>2,079,397</u>	<u>4,012,011</u>

Atlas Sovereign Liquid Fund

- 7.1 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of 0.45% (30 June 2015: 0.75%) per annum of the average annual net assets for the period. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs.222,057 (31 December 2014: Rs.13,940) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 444,180 (31 December 2014: Nil) has been paid to the Management Company which acts as a collecting agent.
- 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. 0.11 (30 June 2015: Re. 0.08) per unit.

		31 December 2015	30 June 2015
	Note	Un-audited	Audited
		Rupees	
8. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		139,186	207,075
Printing charges payable		65,782	94,700
Payable to brokers		2,786	95,864
Withholding tax payable		10,048	2,452,057
Annual rating fee payable		118,142	-
Accounting and Operational charges	8.1	62,623	-
Sindh Sales Tax on accounting and operational charges		3,757	-
Provision for Workers' Welfare Fund	8.2	323,547	323,547
		725,871	3,173,243

- 8.1 As per regulation 60(3)(s) of amended NBFC Regulations dated 25 November 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged accounting and services expense to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.
- 8.2 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs/ pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements since the financial year ended 30 June 2010.

Half Yearly Report 2015 -16

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 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 Honorable 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 Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. 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 Honorable SHC.

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 in respect of WWF which amounts to Rs.323,547 (30 June 2015: Rs.323,547). Had the same not been made the net asset value per unit of the Fund would have been higher by Re. 0.05 (30 June 2015: Re. 0.05) per unit.

The Finance Act, 2015, which is effective from 01 July 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till 30 June 2015 has not been reversed as the above lawsuit is pending in the SHC.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2015 and 30 June 2015.

	For the Half Year ended 31 December 2015	For the Quarter ended 31 December 2015	For the period From 24 November 2014 to 31 December 2014
		Rupees	

10. INTEREST INCOME

PLS saving and term deposit accounts
Government Securities - Market Treasury bills

5,513,158	2,719,985	395,049
15,620,511	7,565,763	787,458
21,133,669	10,285,748	1,182,507

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 gain whether realised or unrealised is distributed 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.

Atlas Sovereign Liquid Fund

12. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

- 12.1** Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.
- 12.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 12.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.
- 12.4** The details of transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

	For the Period	
	For the Half Year Ended 31 December 2015	From 24 November to 31 December 2014
Note	Un-audited	Un-audited
----- Rupees -----		
<u>Transactions for the period:</u>		
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	1,367,348	80,112
Remuneration paid	3,036,615	-
Sindh Sales Tax on remuneration of the Management Company	222,057	13,940
Federal Excise Duty on remuneration of the Management Company	218,776	12,818
Issue of 5,737 (2014: 329,961) units	574,009	33,000,000
Redemption 148,714 (2014: Nil) units	15,000,000	-
Cash dividend	765,346	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	455,782	16,022
Sindh Sales Tax on Remuneration of the Trustee	63,810	-
Remuneration paid	609,017	-
Atlas Battery Limited (Group Company)		
Cash dividend	1,847,089	-
Atlas Honda Limited (Group Company)		
Cash dividend	5,549,690	-
Atlas Hitec (private) Limited (Group Company)		
Redemption 177,725 (2014: Nil) units	18,000,000	-
Cash dividend	1,196,201	-
Shirazi Investments (Private) Limited (Group Company)		
Issue of 27,423 (2014: 1,000,000) units	2,743,635	100,000,000
Cash dividend	3,658,180	-
<u>Key Management Personnel of Management Company</u> 12.6		
Issue of 49,275 (2014: 8,996) units	5,042,629	900,000
Cash dividend	47,366	-

Half Yearly Report 2015 -16

	31 December 2015 Un-audited	30 June 2015 Audited
Note	----- Rupees -----	----- Rupees -----

12.5 Investments/outstanding balances as at period/year end:

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	236,202	1,905,469
Sindh Sales Tax payable on remuneration of the Management Company	131,618	353,741
Federal Excise Duty payable on remuneration of the Management Company	671,577	452,801
Formation cost payable	1,040,000	1,300,000
Outstanding 163,162 (30 June 2015: 306,139) units - at net asset value	16,822,008	31,394,505
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	78,735	231,970
Sindh Sales Tax payable on remuneration of the Trustee	11,023	-
Atlas Hitec (private) Limited (Group Company)		
Outstanding 300,755 (30 June 2015: 478,480) units - at net asset value	31,007,863	49,068,159
Atlas Honda Limited (Group Company)		
Outstanding 2,219,876 (30 June 2015: 2,219,875) units - at net asset value	228,869,199	227,648,267
Shirazi Investments (Private) Limited - (Group Company)		
Outstanding 1,490,695 (30 June 2015: 1,463,272) units - at net asset value	153,690,617	150,058,544
Atlas Battery Limited (Group Company)		
Outstanding 738,836 (30 June 2015: 738,835) units - at net asset value	76,173,951	75,767,592
<u>Key Management Personnel of Management Company</u> 12.6		
Outstanding 68,221 (30 June 2015: 18,946) units - at net asset value	7,033,628	1,942,935

12.6 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 2015-16.

12.7 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 Sovereign Liquid Fund

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

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

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of financial assets and liabilities of the Fund, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

Fair value hierarchy

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

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2015, the Fund has investments in government securities (note 5) which are categorised 'as fair value through profit or loss' and carried at fair values measured using level 2 valuation technique.

14. GENERAL

14.1 Figures have been rounded off to the nearest Rupee.

14.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 has not been subject to limited scope review by the auditors.

15. 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 2016.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Half Yearly Report 2015 -16

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

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

Atlas Money Market Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Money Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 22, 2016

Half Yearly Report 2015 -16

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, 2015 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, 2015. 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, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

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, 2015 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 29, 2016

Karachi

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2015

	31 December 2015 Un-audited	30 June 2015 Audited
Note	----- Rupees -----	----- Rupees -----
Assets		
Bank balances and term deposit	4 3,275,818,605	3,451,660,808
Investments	5 1,090,527,148	358,587,875
Profit receivable on savings and term deposits	15,591,441	5,804,368
Receivable against issue of units	-	182,965,575
Prepayment	19,891	-
Total assets	4,381,957,085	3,999,018,626
Liabilities		
Payable to Atlas Asset Management Limited - Management Company	6 23,751,245	23,025,320
Payable to the Central Depository Company of Pakistan Limited - Trustee	391,791	301,844
Payable to the Securities and Exchange Commission of Pakistan	1,750,098	4,672,347
Payable against redemption of units	9,545	175,532,256
Dividend payable	-	30,977,172
Accrued expenses and other liabilities	7 37,242,356	64,855,491
Total liabilities	63,145,035	299,364,430
NET ASSETS	4,318,812,050	3,699,654,196
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	4,318,812,050	3,699,654,196
CONTINGENCIES AND COMMITMENTS	8	
	----- Number of units -----	----- Rupees -----
NUMBER OF UNITS IN ISSUE	8,313,760	7,345,095
NET ASSET VALUE PER UNIT	519.48	503.69

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2015	2014	31 December 2015	2014
Income		----- Rupees -----			
Interest income					
Profit on savings and term deposits		41,051,613	56,117,125	23,295,869	37,775,543
Income from government securities - Market Treasury Bills		119,983,229	278,146,350	60,934,383	132,631,299
		161,034,842	334,263,475	84,230,252	170,406,842
Capital gain on sale of investments - net Net unrealised (diminution)/appreciation on measurement of investments classified as financial assets at fair value through profit or loss		1,703,832	1,160,660	202,680	1,155,866
		(459,409)	1,165,709	(1,930,455)	1,509,493
		1,244,423	2,326,369	(1,727,775)	2,665,359
Element of (loss) and capital losses included in prices of units issued less those in units redeemed - net		(11,666,248)	(9,209,399)	(25,999,944)	(20,209,274)
		150,613,017	327,380,445	56,502,533	152,862,927
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	6.1	10,500,586	28,617,653	5,692,068	14,592,381
Sindh Sales Tax on Remuneration of the Management Company	6.2	1,705,295	4,979,472	924,392	2,539,075
Federal Excise Duty on remuneration of the Management Company	6.3	1,680,094	4,578,825	910,731	2,334,781
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		2,127,148	2,903,173	1,137,204	1,476,606
Sindh Sales Tax on Remuneration of the Trustee		297,801	-	159,209	-
Annual fees to the Securities and Exchange Commission of Pakistan		1,750,098	2,525,085	948,678	1,287,563
Accounting and Operational charges	9	455,228	-	455,228	-
Sindh Sales Tax on accounting and operational charges		27,314	-	27,314	-
Annual rating fee		153,333	121,000	76,666	60,500
Annual listing fee		20,109	20,000	10,054	10,000
Securities transaction cost		186,340	83,968	104,432	60,071
Auditors' remuneration		306,144	1,153,891	157,117	1,003,986
Printing charges		70,382	70,000	35,191	6,250
Legal and professional charges		37,226	-	37,226	-
Bank charges		44,944	47,032	18,068	21,279
Provision for Workers' Welfare Fund	7.1	-	5,645,607	-	2,589,409
		19,362,042	50,745,706	10,693,578	25,981,901
Net income for the period before taxation		131,250,975	276,634,739	45,808,955	126,881,026
Taxation	10	-	-	-	-
Net income for the period after taxation		131,250,975	276,634,739	45,808,955	126,881,026
EARNINGS PER UNIT	11				

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited (Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2015</u>	<u>2014</u>	<u>31 December</u> <u>2015</u>	<u>2014</u>
	----- Rupees -----			
Net income for the period after taxation	131,250,975	276,634,739	45,808,955	126,881,026
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	131,250,975	276,634,739	45,808,955	126,881,026

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015	2014
	----- Rupees -----	
Undistributed income brought forward [Includes unrealised gain on investments of Rs.10,374,125] (2014: Unrealised gain on investments of Rs.61,069,399)	22,395,832	13,939,197
Net income for the period after taxation	131,250,975	276,634,739
Other comprehensive income	-	-
Total comprehensive income for the period	131,250,975	276,634,739
Undistributed income carried forward [Includes unrealised gain on investments of Rs.10,676,947] (2014: Unrealised gain on investments of Rs.46,835,131)	153,646,807	290,573,936

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	31 December 2015		31 December 2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.503.69 per unit (2014: Rs.502.54 per unit)]	7,345,095	3,699,654,196	12,038,054	6,049,597,383
Issue of units	5,855,908	2,996,065,509	6,229,275	3,177,900,109
Redemption of units	(4,887,243)	(2,519,824,878)	(5,683,280)	(2,912,725,232)
	968,665	476,240,631	545,995	265,174,877
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	-	11,666,248	-	9,209,399
Capital gain on sale of investments - net	-	1,703,832	-	1,160,660
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(459,409)	-	1,165,709
Other net income for the period	-	130,006,552	-	274,308,370
Total comprehensive income for the period	-	131,250,975	-	276,634,739
Net assets at the end of the period [Rs.519.48 per unit (2014: Rs.524.52 per unit)]	8,313,760	4,318,812,050	12,584,049	6,600,616,398

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015	2014
Note	----- Rupees -----	----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	131,250,975	276,634,739
Adjustments for:		
Profit on savings and term deposits	(41,051,613)	(56,117,125)
Capital gain on sale of investments - net	(1,703,832)	(1,160,660)
Net unrealised diminution/(appreciation) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	459,409	(1,165,709)
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	11,666,248	9,209,399
	(30,629,788)	(49,234,095)
Increase in prepayment	(19,891)	(20,000)
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	725,925	5,702,224
Payable to the Central Depository Company of Pakistan Limited - Trustee	89,947	54,090
Payable to the Securities and Exchange Commission of Pakistan	(2,922,249)	(2,150,212)
Accrued expenses and other liabilities	(27,613,135)	5,711,015
	(29,719,512)	9,317,117
	70,881,784	236,697,761
Interest received	31,264,540	38,929,108
Investments made during the period	(13,542,068,068)	(14,633,777,581)
Investments sold/matured during the period	12,811,373,218	15,557,082,308
Net cash (used in)/generated from operating activities	(628,548,526)	1,198,931,596
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue of units	3,179,031,084	3,177,900,109
Net payments against redemption of units	(2,695,347,589)	(2,912,725,232)
Dividend paid	(30,977,172)	-
Net cash generated from financing activities	452,706,323	265,174,877
Net (decrease)/increase in cash and cash equivalents	(175,842,203)	1,464,106,473
Cash and cash equivalents at the beginning of the period	3,451,660,808	2,000,304,767
Cash and cash equivalents at the end of the period	4 3,275,818,605	3,464,411,240

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Money Market Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open ended Fund constituted under a trust deed 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 Offering Document has been amended through the First Supplement dated 24 March 2015, and Second Supplement dated 3 August 2015, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Funds are being offered for public subscription on a continuous basis from 20 January 2010 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in Government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, 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 explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of AM2- to the Management Company on April 17, 2015 and has assigned a rating of AA(f) to the Fund on December 31, 2015.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These 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 annual published audited financial statements of the Fund for the year ended 30 June 2015.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at 31 December 2015.

Half Yearly Report 2015 -16

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 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 audited financial statements of the Fund for the year ended 30 June 2015.

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future period.

The significant estimates, judgments and assumptions 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 of the Fund as at and for the year ended 30 June 2015.

The financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements of the Fund for the year ended 30 June 2015.

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

IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. Accordingly, the Fund has included an additional disclosure in this regard in note 13 to the condensed interim financial statements. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

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

There are certain amended standards and interpretations that are mandatory for the accounting periods beginning on or after 1 January 2016 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

Further, the following amended standard has been issued by the IASB which is yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	"Effective date (annual periods beginning on or after)"
IFRS 9 - Financial Instruments: Classification and Measurement	1 January 2018

Atlas Money Market Fund

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
4. BANK BALANCES AND TERM DEPOSIT			
Balances with bank in:			
- Saving accounts	4.1	2,875,818,605	3,426,660,808
- Term deposit account	4.2	400,000,000	-
Cheques in hand		-	25,000,000
		<u>3,275,818,605</u>	<u>3,451,660,808</u>

4.1 The rate of return on these accounts ranges between 5.00% and 6.80% (30 June 2015: 5.00% and 7.10%) per annum.

4.2 Term deposit receipt carries interest at the rate of 6.95% per annum and will maturity on 07 January 2016.

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Government Securities - Market Treasury Bills	5.1	<u>1,090,527,148</u>	<u>358,587,875</u>
5.1 Market Treasury Bills - held for trading			

	Face value (Rupees)				Rupees		Percentage of	
	As at 01 July 2015	Acquired during the period	Sold / Matured during the period	As at 31 December 2015	Amortised Cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months - T-bills	-	6,653,500,000	6,653,500,000	-	-	-	-	-
6 Months - T-bills	362,500,000	5,025,000,000	4,287,500,000	1,100,000,000	1,080,354,412	1,079,896,400	99.03	25.00
12 Months - T-bills	-	1,950,700,000	1,940,000,000	10,700,000	10,632,145	10,630,748	0.97	0.25
	<u>362,500,000</u>	<u>13,629,200,000</u>	<u>12,881,000,000</u>	<u>1,110,700,000</u>	<u>1,090,986,557</u>	<u>1,090,527,148</u>	<u>100.00</u>	<u>25.25</u>
Total - 30 June 2015				<u>358,014,148</u>	<u>358,587,875</u>			

5.2 The cost of investments as on 31 December 2015 is Rs.1,079,850,201 (30 June 2015: Rs. 348,213,750).

5.3 These market treasury bills carry purchase yields ranging between 6.27% to 6.33% (30 June 2015: 8.12% and 8.38%) per annum and will mature between 7 January 2016 and 28 April 2016 (30 June 2015: 20 August 2015 and 3 September 2015).

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	6.1	1,680,904	2,700,533
Sindh Sales Tax payable on Remuneration of the Management Company	6.2	3,145,042	3,079,582
Federal Excise Duty payable on Remuneration of the Management Company	6.3	18,925,299	17,245,205
		<u>23,751,245</u>	<u>23,025,320</u>

Half Yearly Report 2015 -16

- 6.1** In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the Fund. Accordingly, the Management Company has charged its remuneration at the rate of 0.45% per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.
- 6.2** During the period, an amount of Rs.1,705,295 (31 December 2014: Rs.4,979,472) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.1,639,835 (31 December 2014: Rs 4,245,804) has 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 has been filed in 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 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 been charging 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 as at 31 December 2015 would have been higher by Rs 2.28 (30 June 2015: Rs 2.35) per unit.

	31 December 2015 Un-audited	30 June 2015 Audited
Note	----- Rupees -----	

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	314,233	434,930
Printing charges payable	173,813	181,430
Transaction charges payable	33,498	80,752
Withholding tax payable	47,781	5,307,979
Capital gain tax payable	196,272	23,009,516
Annual rating fee payable	153,333	-
Accounting and operational charges payable	455,228	-
Sindh Sales Tax payable on accounting and operational charges	27,314	-
Provision for Workers' Welfare Fund	7.1 35,840,884	35,840,884
	37,242,356	64,855,491

- 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.

Atlas Money Market Fund

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 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.

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. 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 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.35,840,884 (30 June 2015: Rs. 35,840,884) in these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs 4.31 (30 June 2015: Rs.4.88) per unit.

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the SHC.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2015 and 30 June 2015.

9. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Schemes (CISs) shall be chargeable to the CISs maximum upto 0.1% of average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund for the period from 25 November 2015 to 31 December 2015.

10. TAXATION

10.1 The income of the fund 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 to the unit holders as cash dividend. 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 in respect of taxation has been made in these condensed interim financial statements.

Half Yearly Report 2015 -16

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 Rs16.31 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 a unanimity of view that under the regulations, including the provisions of Clause 99, the tax department's contentions were primarily erroneous and not tenable under the law. This view was further supported by the fact that, subsequently, through the Finance Act, 2014, an amendment was made in Clause 99, whereby issuance of bonus units was not to 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. Introduction of this amendments, applicable on distribution to be made from 01 July 2015, essentially strengthened the stand of the mutual fund industry as it established the principle that previously, issuance of bonus units was valid for the purpose of claiming exemption in case of 90% distribution. Appropriate appellate and executive remedies were adopted to resolve the matter.

During the year ended 30 June 2015, the Commissioner Inland Revenue - Appeals (CIR - Appeals) decided the matter in favour of the Fund and annulled the assessment orders. The tax assessing officer filed an appeal in the Appellate Tribunal Inland Revenue against the order of the CIR - Appeals, the hearing of which is pending.

11. EARNINGS PER UNIT

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

12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

12.1 Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.

12.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

12.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

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

	For the Half Year ended	
	31 December 2015	31 December 2014
	Un-audited	Un-audited
	----- Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	10,500,586	28,617,653
Remuneration paid	11,520,215	28,027,922
Sindh Sales Tax on Remuneration of the Management Company	1,705,295	4,979,472
Federal Excise Duty on Remuneration of the Management Company	1,680,094	4,578,825
Issue of nil (2014: 30,397) units	-	15,600,000
Redemption of nil (2014: 80,743) units	-	42,000,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,127,148	2,903,173
Sindh Sales Tax on remuneration of the Trustee	297,801	-
Remuneration paid	2,085,315	2,849,083

Atlas Money Market Fund

		<u>For the Half Year ended</u>	
		<u>31 December</u>	<u>31 December</u>
		<u>2015</u>	<u>2014</u>
		<u>Un-audited</u>	<u>Un-audited</u>
<u>Note</u>	<u>-----</u>	<u>Rupees</u>	<u>-----</u>
12.4	<u>Transactions for the period (Continued....)</u>		
	Atlas Battery Limited (Group Company)		
	Redemption of nil (2014: 362,394) units	-	185,458,267
	Atlas Foundation (Group Company)		
	Redemption of nil (2014: 2,461) units	-	1,250,000
	Atlas Fund of Funds (Fund under common management)		
	Issue of 28,120 units (2014: 2,943) units	14,250,000	1,500,000
	Atlas Hitec (Private) Limited (Group Company)		
	Redemption of nil (2014: 197,514) units	-	100,226,699
	Atlas Honda Limited (Group Company)		
	Issue of 782,232 (2014: nil) units	400,000,000	-
	Redemption of 340,763 (2014: 297,205) units	175,000,000	150,000,000
	Atlas Insurance Limited (Group Company)		
	Issue of 325,701 (2014: 97,374) units	167,000,000	50,000,000
	Redemption of 156,053 (2014: nil) units	80,300,000	-
	Honda Atlas Cars (Pakistan) limited (Group Company)		
	Issue of 290,074 Units	150,000,000	-
	Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
	Dividend paid	5,061,263	-
	Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
	Dividend paid	469,856	-
	Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)		
	Dividend paid	43,453	-
	Cherat Cement Company Limited (Company having common Director)		
	Redemption of nil (2014: 302,515) units	-	155,542,797
	Shirazi Investments (Private) Limited (Group Company)		
	Issue of nil (2014: 678,813) units	-	347,000,000
	Redemption of nil (2014: 430,477) units	-	222,000,000
	Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
	Issue of nil (2014: 20,101) units	-	10,165,000
	Redemption of 1,798 (2014: 9,444) units	915,000	4,870,000
	Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
	Dividend paid	783,807	-
	Pakistan Petroleum Limited (Unit Holder with more than 10% holding)		
	(2014: Issue of 58,505 units)	12.5	-
	(2014: Redemption of 57,302 units)	-	30,000,000
	Pakistan Telecommunication Company Limited (Unit Holder with more than 10% holding)		
	(2014: Issue of 933,752 units)	12.5	-
	Key Management Personnel of Management Company	12.6	
	Issue of 1,793 (2014: 22,753) units	910,000	11,529,155
	Redemption of 996 (2014: 39,631) units	507,200	20,214,568

Half Yearly Report 2015 -16

	31 December 2015 Un-audited Note -----	30 June 2015 Audited Rupees -----
Investments/outstanding balances as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	1,680,904	2,700,533
Sindh Sales Tax payable on remuneration of the Management Company	3,145,042	3,079,582
Federal Excise Duty payable on remuneration of the Management Company	18,925,299	17,245,205
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	343,677	301,844
Sindh Sales Tax payable on remuneration of the Trustee	48,114	-
Atlas Fund of Funds (Fund under common management)		
Outstanding 28,120 (30 June 2015: nil) units	14,607,972	-
Atlas Honda Limited (Group Company)		
Outstanding 2,426,357 (30 June 2015: 1,984,888) units at net asset value	1,260,443,787	999,768,406
Atlas Insurance Limited (Group Company)		
Outstanding 215,057 (30 June 2015: 45,409) units at net asset value	111,718,262	22,872,254
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 120,506 (30 June 2015: 120,506) units at net asset value	62,600,593	60,697,799
Dividend payable	-	5,061,263
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 11,187 (30 June 2015: 11,817) units at net asset value	5,811,442	5,634,798
Dividend payable	-	469,856
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 1,035 (30 June 2015: 1,035) units at net asset value	537,453	521,116
Dividend payable	-	43,453
Honda Atlas Cars (Pakistan) limited (Group Company)		
Outstanding 290,074 (30 June 2015: nil) units at net asset value	150,687,475	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 2,667 (30 June 2015: 4,465) units at net asset value	1,385,422	2,248,869
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 18,662 (30 June 2015: 18,662) units at net asset value	9,694,578	9,399,903
Dividend Payable	-	783,807
Jubilee General Insurance Company Limited (Unit Holder with more than 10% holding)	12.5	
(30 June 2015: Outstanding 794,139 units at net asset value)	-	400,000,000
Colgate-Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)	12.5	
(30 June 2015: Outstanding 1,389,744 units at net asset value)	-	700,000,000
Mr. Amin Mohammad Lakhani (Unit Holder with more than 10% holding)		
Outstanding 1,171,109 (30 June 2015: 1,171,109) units at net asset value	608,367,752	589,875,939
Key Management Personnel of Management Company	12.6	
Outstanding 64,494 (30 June 2015: 63,697) units at net asset value	33,503,442	32,083,486

Atlas Money Market Fund

12.5 Holding being less than 10% in reporting period, disclosure is not applicable.

12.6 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 2015-16.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

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

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of financial assets and liabilities of the Fund, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

Fair value hierarchy

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

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2015, the Fund has investments in government securities (note 5) which are categorised 'as fair value through profit or loss' and carried at fair values measured using level 2 valuation technique.

14. GENERAL

14.1 Figures have been rounded off to the nearest Rupee.

14.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 have not been subject to limited scope review by the auditors.

14.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

15. 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 2016.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Half Yearly Report 2015 -16

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, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 22, 2016

Half Yearly Report 2015 -16

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, 2015 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, 2015. 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, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the period ended December 31, 2015.

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, 2015 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 29, 2016

Karachi

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2015

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	----- Rupees -----
ASSETS			
Bank balances, term deposits and cheques in hand	4	1,913,119,857	4,538,006,515
Investments	5	5,036,038,531	813,205,063
Receivable against issue of units		424,583	372,394,019
Receivable against Margin Trading System		1,393,251,110	25,154,719
Profit receivable		96,362,337	27,326,250
Deposits and prepayments	6	618,756	455,105
Total assets		8,439,815,174	5,776,541,671
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	27,095,870	24,624,369
Payable to the Central Depository Company of Pakistan Limited - Trustee		868,791	455,984
Payable to the Securities and Exchange Commission of Pakistan		2,418,227	3,908,481
Payable against redemption of units		486,671	44,151,513
Dividend payable		-	58,414,639
Accrued expenses and other liabilities	8	20,624,739	68,754,246
Total liabilities		51,494,298	200,309,232
NET ASSETS		8,388,320,876	5,576,232,439
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		8,388,320,876	5,576,232,439
CONTINGENCIES AND COMMITMENTS	9		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		15,808,948	10,928,688
		----- Rupees -----	
NET ASSET VALUE PER UNIT		530.61	510.24

The annexed notes from 1 to 17 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 2015 -16

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2015	2014	31 December 2015	2014
		Rupees			
INCOME					
Profit/interest income	10	260,361,063	243,171,473	139,811,813	128,849,348
Capital gain on sale of investments- net		20,608,410	5,171,000	8,025,001	4,879,468
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(1,811,878)	95,974,470	(13,116,306)	78,269,463
		18,796,532	101,145,470	(5,091,305)	83,148,931
Element of income and capital gains included in prices of units issued less those in units redeemed - net		79,337,367	54,355,592	73,870,821	53,604,821
		358,494,962	398,672,535	208,591,329	265,603,100
EXPENSES					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	19,345,811	27,611,504	10,835,676	14,840,836
Sindh Sales Tax on remuneration of the Management Company	7.2	3,141,760	4,804,401	1,759,714	2,582,305
Federal Excise Duty on remuneration of the Management Company	7.3	3,095,330	4,417,840	1,733,708	2,374,533
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		3,061,383	2,302,682	1,666,348	1,220,027
Sindh Sales Tax on remuneration of the Trustee		428,594	-	233,289	-
Annual fees of the Securities and Exchange Commission of Pakistan		2,418,226	1,656,693	1,354,459	890,449
Accounting and operational charges	11	820,330	-	820,330	-
Sindh Sales Tax on accounting and operational charges		49,221	-	49,221	-
Auditors' remuneration		323,359	323,180	159,989	157,725
Annual rating fee		153,333	121,000	76,666	60,500
Annual listing fee		20,110	20,000	10,054	10,000
Legal and professional charges		47,847	-	47,847	-
Securities transaction cost		3,950,020	3,404,023	2,161,450	1,919,142
Printing charges		70,382	70,000	35,191	6,250
Bank charges		84,036	31,571	30,799	16,840
Provision for Workers' Welfare Fund	8.1	-	7,078,193	-	4,830,490
		37,009,742	51,841,087	20,974,741	28,909,097
Net income for the period before taxation		321,485,220	346,831,448	187,616,588	236,694,003
Taxation	12	-	-	-	-
Net income for the period after taxation		321,485,220	346,831,448	187,616,588	236,694,003
EARNINGS PER UNIT	13				

The annexed notes from 1 to 17 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 2015

	For the Half Year ended		For the Quarter ended	
	31 December 2015	2014	31 December 2015	2014
----- Rupees -----				
Net income for the period after taxation	321,485,220	346,831,448	187,616,588	236,694,003
Income that may be re-classified subsequently to Income Statement				
Net unrealised appreciation/(diminution) in the value of investments classified as 'available for sale'	499,239	(768,525)	75,643	(154,310)
Total comprehensive income for the period	321,984,459	346,062,923	187,692,231	236,539,693

The annexed notes from 1 to 17 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 2015 -16

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	31 December 2015	31 December 2014
	----- Rupees -----	
Undistributed income brought forward [includes unrealised loss on investments of Rs.82,830,391] [2014: Unrealised loss on investments of Rs.102,956,351]	88,641,115	19,735,971
Net income for the period after taxation	321,485,220	346,831,448
Undistributed income carried forward [includes unrealised gain on investments of Rs.24,823,786] (2014: Unrealised gain on investments of Rs.2,942,665)	<u>410,126,335</u>	<u>366,567,419</u>

The annexed notes from 1 to 17 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 2015

	31 December 2015		31 December 2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.510.24 (2014: Rs.503.86) per unit]	10,928,688	5,576,232,439	7,734,075	3,896,867,229
Issue of units	5,948,113	3,125,432,644	4,190,195	2,197,555,403
Redemption of units	(1,067,853)	(555,991,299)	(1,830,575)	(954,282,034)
	4,880,260	2,569,441,345	2,359,620	1,243,273,369
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(79,337,367)	-	(54,355,592)
Net unrealised appreciation/(diminution) in the value of investments classified as 'available for sale'	-	499,239	-	(768,525)
Capital gain on sale of investments - net	-	20,608,410	-	5,171,000
Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(1,811,878)	-	95,974,470
Other net income for the period	-	302,688,688	-	245,685,978
Total comprehensive income for the period	-	321,984,459	-	346,062,923
Net assets at the end of the period [Rs.530.61 (2014: Rs.538.14) per unit]	15,808,948	8,388,320,876	10,093,695	5,431,847,929

The annexed notes from 1 to 17 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 2015 -16

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015	2014
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	321,485,220	346,831,448
Adjustments for:		
Interest/profit income	(260,361,063)	(243,171,473)
Capital gain on sale of investments - net	(20,608,410)	(5,171,000)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,811,878	(95,974,470)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(79,337,367)	(54,355,592)
	(358,494,962)	(398,672,535)
(Increase)/decrease in assets		
Receivable against Margin Trading System	(1,368,096,391)	(140,453,624)
Deposits and prepayments	(163,651)	(143,972)
	(1,368,260,042)	(140,597,596)
(Decrease)/Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	2,471,501	7,554,686
Payable to the Central Depository Company of Pakistan Limited - Trustee	412,807	241,175
Payable to the Securities and Exchange Commission of Pakistan	(1,490,254)	(96,075)
Accrued expenses and other liabilities	(48,129,507)	7,151,208
	(46,735,453)	14,850,994
	(1,452,005,237)	(177,587,689)
Interest received	107,195,376	170,133,914
Investments made during the period	(15,791,881,537)	(4,748,346,419)
Investment sold/redeemed/matured during the period	11,672,473,440	3,029,607,257
Net cash used in operating activities	(5,464,217,958)	(1,726,192,937)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	3,497,402,080	2,197,555,403
Net payments against redemption of units	(599,656,141)	(954,282,034)
Dividend paid	(58,414,639)	-
Net cash generated from financing activities	2,839,331,300	1,243,273,369
Net decrease in cash and cash equivalents during the period	(2,624,886,658)	(482,919,568)
Cash and cash equivalents at the beginning of the period	4,538,006,515	684,697,604
Cash and cash equivalents at the end of the period	4 1,913,119,857	201,778,036

The annexed notes from 1 to 17 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 AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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 established and the management company and MCB Financial Services Limited (MCBFSL) as the trustee. MCBFSL resigned on 11 June 2005 as trustee and Central Depository Company of Pakistan Limited (CDC) was appointed as the trustee with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and First Supplemental Trust Deed dated 11 June 2005, Second Supplemental Trust Deed dated 29 October 2007, Third Supplemental Trust Deed dated 23 June 2010 and the Fourth Supplemental Trust Deed dated 12 November 2010 with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and eighth Supplements, dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015 and 3 August 2015 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, Shahr-e Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs) and is listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund.
- 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 explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of AM2- to the Management Company on 17 April 2015 and has assigned a rating of AA-(f) to the Fund on 31 December 2015.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2015.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at 31 December 2015.

Half Yearly Report 2015 -16

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

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 audited financial statements of the Fund for the year ended 30 June 2015.

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future period.

The significant estimates, judgments and assumptions 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 of the Fund as at and for the year ended 30 June 2015.

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 2015.

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

IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. Accordingly, the Fund has included an additional disclosure in this regard in note 15 to the condensed interim financial statements. Not with standing the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

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

There are certain amended standards and interpretations that are mandatory for the accounting periods beginning on or after 1 January 2016 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

Further, the following amended standard has been issued by the IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	"Effective date (annual periods beginning on or after)"
IFRS 9 - Financial Instruments: Classification and Measurement	1 January 2018

Atlas Income Fund

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
4. BANK BALANCES, TERM DEPOSITS AND CHEQUES IN HAND			
Balances with banks in:			
- Savings accounts	4.1	1,213,072,357	4,532,317,039
- Current account		47,500	5,679,476
- Term deposit accounts	4.2	700,000,000	-
Cheques in hand		-	10,000
		1,913,119,857	4,538,006,515

4.1 The rate of return on these accounts ranges between 5.00% and 6.80% (30 June 2015: 5.00% and 7.10%) per annum.

4.2 Term deposit receipt carries interest at the rate of 6.95% (30 June 2015: Nil) per annum and will mature on 07 January 2016.

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
5. INVESTMENTS			
Available for sale			
Quoted equity security	5.1	2,829,021	2,329,782
At fair value through profit or loss - held for trading			
Term finance certificates - listed	5.2 & 5.7	691,963,791	92,279,482
Term finance certificates - unlisted	5.3 & 5.7	45,779,450	46,050,500
Sukuk certificates - unlisted	5.4 & 5.7	-	-
Government Securities - Market Treasury Bills	5.5	1,987,602,149	248,955,500
Government Securities - Pakistan Investment Bonds	5.6	2,307,864,120	423,589,799
		5,033,209,510	810,875,281
		5,036,038,531	813,205,063

5.1 Quoted equity security

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

	Number of Shares			Rupees		Percentage			
	As at 01 July 2015	Purchases during the period	Sales during the period	As at 31 December 2015	Carrying value as at 31 December 2015	Market value as at 31 December 2015	Market value as a percentage of investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of paid-up capital of investee company
CHEMICAL									
Agritech Limited	302,569	-	-	302,569	2,329,782	2,829,021	0.06	0.03	0.08

5.1.1 This represents shares allocated to the Fund as part of the settlement agreement finalised between Azgard Nine Limited and its creditors 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 remains fully provided.

Half Yearly Report 2015 -16

5.2 Term finance certificates - listed

(Face value of Rs.5,000 each certificate, unless stated other wise).

Note	Number of Certificates				Rupees		Percentage	
	As at 01 July 2015	Purchases during the period	Disposed/ matured during the period	As at 31 December 2015	Carrying Value	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
BANKS								
Bank Alfalah Limited - V	8,450	-	-	8,450	42,271,031	42,978,041	0.85	0.51
Habib Bank Limited (face value Rs.100,000)	-	6,000	-	6,000	600,000,000	600,000,000	11.91	7.15
Soneri Bank Limited	10,000	-	-	10,000	50,000,000	48,985,750	0.97	0.58
	18,450	6,000	-	24,450	692,271,031	691,963,791	13.73	8.24
TELECOMMUNICATION								
Telecard Limited	5.7.1	4,000	-	4,000	-	-	-	-
PERSONAL GOODS								
Azgard Nine Limited	5.7.1	5,000	-	5,000	-	-	-	-
					692,271,031	691,963,791	13.73	8.24

5.2.1 The rate of return on these term finance certificate ranges between 7.02% and 8.39% (30 June 2015: 9.33% and 9.72%) per annum.

5.3 Term finance certificates - Unlisted

Note	Number of Certificates				Rupees		Percentage	
	As at 01 July 2015	Purchases during the period	Disposed/ matured during the period	As at 31 December 2015	Carrying Cost	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
CHEMICALS								
Engro Fertilizers Limited - II		10,000	-	10,000	46,050,500	45,779,450	1.00	0.55
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	46,050,500	45,779,450	1.00	0.55
PERSONAL GOODS								
Azgard Nine Limited-V	5.7.1	1,075	-	1,075	-	-	-	-
MISCELLANEOUS								
Bunny's Limited	5.7.1	424	-	424	-	-	-	-
					46,050,500	45,779,450	0.91	0.55

5.3.1 The rate of return on the term finance certificate is 8.26% (30 June 2015: 9.89%) per annum.

5.4 Sukuk certificate - Unlisted

Note	Number of Certificates				Rupees		Percentage	
	As at 01 July 2015	Purchases during the period	Disposed/ matured during the period	As at 31 December 2015	Carrying Cost	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
Chemicals								
Agritech Limited		4,060	-	4,060	-	-	-	-
					31 December 2015	30 June 2015		
					Un-audited	Audited		
					Note	Rupees		

5.5 Government securities

Market Treasury Bills	5.5.1	1,987,602,149	248,955,500
-----------------------	-------	----------------------	--------------------

Atlas Income Fund

5.5.1 Market Treasury Bills

	Face value (Rupees)				Rupees		Market Value as a percentage of total Investment	Market Value as a percentage of net assets
	As at 01 July 2015	Purchased during the period	Disposed/ Matured during the period	As at 31 December 2015	Amortized Cost	Market Value		
3 months - T Bills	-	5,745,015,000	4,595,015,000	1,150,000,000	1,142,343,053	1,142,251,800	22.68	13.62
6 months - T Bills	250,000,000	3,292,990,000	2,842,990,000	700,000,000	686,503,217	686,222,200	13.63	8.18
12 months - T Bills	-	830,000,000	663,000,000	167,000,000	159,305,924	159,128,149	3.16	1.90
	<u>250,000,000</u>	<u>9,868,005,000</u>	<u>8,101,005,000</u>	<u>2,017,000,000</u>	<u>1,988,152,194</u>	<u>1,987,602,149</u>	<u>39.47</u>	<u>23.70</u>

5.5.2 The cost of investments as on 31 December 2015 is Rs. 1,972,266,023 (30 June 2015: Rs.243,141,800).

5.5.3 These Market Treasury Bills carry purchase yields ranging from 6.22% to 6.43% (30 June 2015: 6.68% to 8.70%) per annum and will mature between 21 January 2016 and 27 October 2016 (30 June 2015: 23 July 2015).

5.5.4 The above investments include treasury bills which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades amounting to Rs.149,479,050 (face value: Rs. 150,000,000) [30 June 2015: Rs. 49,791,100 (face value: Rs. 50,000,000)] maturing on 21 January 2016 (30 June 2015: 23 July 2015).

	31 December 2015	30 June 2015
	Un-audited	Audited
Note	Rupees	

5.6 Government securities

Pakistan Investment Bonds	5.6.1	<u>2,307,864,120</u>	<u>423,589,799</u>
---------------------------	-------	----------------------	--------------------

5.6.1 Pakistan Investment Bonds (PIBs)

	Face value (Rupees)				Rupees		Market Value as a percentage of total Investment	Market Value as a percentage of net assets
	As at 01 July 2015	Purchased during the period	Disposed / Matured during the period	As at 31 December 2015	Amortised cost	Market Value		
3 Year - PIBs	297,500,000	2,265,000,000	1,705,000,000	857,500,000	896,007,991	895,462,398	17.78	10.68
5 Year - PIBs	52,900,000	2,936,200,000	1,720,000,000	1,269,100,000	1,362,449,594	1,362,822,850	27.06	16.25
10 Year - PIBs	49,000,000	-	-	49,000,000	50,090,077	49,578,871	0.98	0.59
	<u>399,400,000</u>	<u>5,201,200,000</u>	<u>3,425,000,000</u>	<u>2,175,600,000</u>	<u>2,308,547,663</u>	<u>2,307,864,120</u>	<u>45.83</u>	<u>27.52</u>

5.6.2 The cost of investments as on 31 December 2015 is Rs. 2,295,332,686 (30 June 2015: Rs.406,561,362).

5.6.3 These Pakistan Investment Bonds carry purchase yields ranging from 8.75% to 11.50% (30 June 2015: 9.6% to 11.50%) per annum and will mature between 19 May 2016 and 26 March 2020.

Half Yearly Report 2015 -16

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							
Azgard Nine Limited		Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited		Term finance certificate	4,668,990	4,668,990	-	-	-
			12,540,501	12,540,501	-	-	-
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	-	-	-
Azgard Nine Limited-V	5.7.2	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	-	-	-
			83,215,501	83,215,501	-	-	-

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.83.216 million (30 June 2015: Rs.83.216 million), has been made in accordance with the provisioning requirements of the above mentioned circulars.

5.7.2 These denote certificates having a face value of Rs.5,375,000 which were received against outstanding mark-up of term finance certificates of Azgard Nine Limited payable as of 31 March 2012.

Note	31 December 2015	30 June 2015
	Un-audited	Audited
	----- Rupees -----	

6. DEPOSITS AND PREPAYMENTS

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	250,000	250,000
Prepaid annual listing fee	19,890	-
Prepaid annual fee to NCCPL	248,866	105,105
	618,756	455,105

7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company	7.1	4,213,538	5,096,181
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,521,494	3,262,680
Federal Excise Duty payable on remuneration of the Management Company	7.3	19,360,838	16,265,508
		27,095,870	24,624,369

Atlas Income Fund

- 7.1 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160 (I) / 2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1.5% of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of 0.60% per annum of the average annual net assets of the Fund for the period. the fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs.3,141,760 (31 December 2014: Rs.4,804,401) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.2,882,946 (31 December 2014: Rs.3,848,534) has been paid to the Management Company which acts as a collecting agent.
- 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 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 1.22 (30 June 2015: Rs 1.49) per unit.

	31 December 2015 Un-audited	30 June 2015 Audited
Note	-----	-----
	Rs	Rs

8. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable	319,979	437,890
NCCPL charges payable	20,000	20,000
Printing charges payable	173,424	181,042
Brokerage payable	83,335	634,284
Sales tax payable	-	91,136
Accounting and operational charges payable	820,330	-
Sindh Sales Tax payable on accounting and operational charges	49,221	-
Ranking fee payable	153,333	-
Withholding tax payable	92,144	48,534,532
Zakat payable	-	2,385
Provision for Workers' Welfare Fund	8.1 18,852,977	18,852,977
Others	59,996	-
	20,624,739	68,754,246

- 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. 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.

Half Yearly Report 2015 -16

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 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 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 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.18,852,977 (30 June 2015: Rs.18,852,977) 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.1.19 (30 June 2015: Rs.1.72) per unit.

The Finance Act, 2015 has excluded Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, the Management Company has discontinued further provisioning of WWF with effect from 1 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending before the SHC.

9. CONTINGENCIES AND COMMITMENTS

9.1 There were no contingencies outstanding as at 31 December 2015 and 30 June 2015.

31 December 2015	30 June 2015
Un-audited	Audited

----- Rupees -----

9.2 Commitments

Margin Trading System (MTS) transactions entered into by the Fund that have not been settled as at 31 December 2015

Purchase of securities

166,365,532

-

Atlas Income Fund

	For the Half Year ended		For the Quarter ended	
	31 December		31 December	
	2015	2014	2015	2014
	Un-audited		Un-audited	
	----- Rupees -----			

10. INTEREST/PROFIT INCOME

Interest/profit on:				
Profit and loss sharing accounts and term deposits	32,697,440	8,598,391	18,204,234	4,029,996
Income from Margin Trading System	29,529,739	43,443,869	13,723,581	23,035,863
Term finance certificates	6,347,300	5,698,664	2,988,373	2,778,008
Government securities	191,786,584	185,430,549	104,895,625	99,005,481
	260,361,063	243,171,473	139,811,813	128,849,348

11. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Schemes (CISs) shall be chargeable to the CISs maximum upto 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund for the period from 25 November 2015 to 31 December 2015.

12. TAXATION

The income of the Fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders as cash dividend. 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.

13. EARNINGS PER UNIT

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

14. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, sales load and other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

Half Yearly Report 2015 -16

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

	<u>For the Half Year ended</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2015</u>	<u>2014</u>
	<u>Un-audited</u>	<u>Un-audited</u>
	-----	-----
	<u>Rupees</u>	<u>Rupees</u>
14.1 Transactions for the period:		
Atlas Asset Management Limited (Management Company)		
Remuneration charged	19,345,811	27,611,504
Remuneration paid	20,228,454	25,430,525
Sindh Sales Tax on remuneration of the Management Company	3,141,760	4,804,401
Federal Excise Duty on remuneration of the Management Company	3,095,330	4,417,840
Issue of nil (2014: 84,134) units	-	43,500,000
Redemption of 106,880 (2014: 58,094) units	55,000,000	29,500,000
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	3,061,383	2,302,682
Sindh Sales Tax on remuneration of the Trustee	428,594	-
Trustee fee paid	2,830,270	2,116,964
Settlement charges	448,367	399,514
Atlas Battery Limited (Group Company)		
Issue of 191,802 (2014: nil) units	100,000,000	-
Redemption of nil (2014: 232,472) units	-	120,000,000
Atlas Foundation (Trust having common Director/Trustee)		
Issue of 101,340 (2014: 259,666) units	53,320,000	134,500,000
Redemption of 576 (2014: nil) units	300,000	-
Atlas Honda Limited (Group company)		
Issue of 856,791 (2014: 1,037,951) units	450,000,000	550,000,000
Redemption of 141,681 (2014: nil) units	75,000,000	-
Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group company)		
Issue of 77,060 (2014: nil) units	40,000,000	-
Redemption of 15,162 (2014: nil) units	8,000,000	-
Dividend paid	8,327,400	-
Atlas Insurance Limited (Group company)		
Issue of nil (2014: 471,763) units	-	251,000,000
Redemption of nil (2014: 399,244) units	-	212,124,800
Atlas Metals (Private) Limited (Group Company)		
Redemption of nil (2014: 9,812) units	-	5,000,000
Aamir Shirazi Family Trust (Trust having common Director/Trustee)		
Redemption of nil (2014: 44,438) units	-	23,136,271
Batool Benefit Trust (Trust having common Director/Trustee)		
Issue of 15,137 (2014: 8,110) units	8,000,000	4,350,000
Redemption of 9,259 (2014: 7,298) units	4,788,553	3,763,697

Atlas Income Fund

	Note	For the Half Year ended	
		31 December 2015	31 December 2014
		Un-audited	Un-audited
		Rupees	
14.1 Transactions for the period: (Continued...)			
Cherat Cement Company Limited			
(Company having common Directorship)			
Redemption of 353,966 (2014: 620,657) units		183,389,901	330,218,707
Dividend paid		19,468,142	-
Cherat Cement Company Limited - Employee Provident Fund			
Issue of nil (2014: 4,486) units		-	2,393,324
Redemption of 4,797 units (2014: nil) units		2,500,000	-
Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund			
(Retirement Benefit Plan of a Group company)			
Dividend paid		3,740,431	-
Atlas Group of Companies - Management Staff Gratuity Fund			
(Retirement Benefit Plan of a Group company)			
Dividend paid		1,966,991	-
Atlas Engineering Limited - Employee Provident Fund			
(Retirement Benefit Plan of a Group company)			
Redemption of 19,479 (2014: nil) units		9,961,950	-
Dividend paid		1,724,031	-
Atlas Honda Limited - Non-Management Staff Gratuity Fund			
(Retirement Benefit Plan of a Group company)			
Dividend paid		1,233,374	-
Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund			
(Retirement Benefit Plan of a Group company)			
Dividend paid		398,555	-
Atlas Power Limited - Staff Provident Fund			
(Retirement Benefit Plan of a Group company)			
Dividend paid		44,496	-
Shirazi Capital (Private) Limited (Group company)			
Issue of 57,159 (2014: nil) units		29,840,000	-
Redemption of nil (2014: 32,326) units		-	17,240,000
Shirazi Investments (Private) Limited (Group company)			
Issue of nil (2014: 835,570) units		-	429,350,000
Redemption of nil (2014: 266,333) units		-	141,000,000
Shirazi Investments (Private) Limited - Employees			
Provident Fund (Retirement Benefit Plan of a Group Company)			
Issue of 11,922 (2014: 1,035) units		6,175,000	550,000
Shirazi Trading Company (Private) Limited - Employees			
Provident Fund (Retirement Benefit Plan of a Group Company)			
Dividend paid		1,201,905	-
Atlas Insurance Limited - Staff Provident Fund Trust			
(Retirement Benefit Plan of a Group company)			
Redemption of 7,228 (2014: nil) units		3,823,479	-
Key Management Personnel of the Management Company			
	14.3		
Issue of 10,825 (2014: 10,152) units		5,600,000	5,250,000
Redemption of 59,677 (2014: 96,530) units		30,500,000	49,505,000

Half Yearly Report 2015 -16

31 December 2015	30 June 2015
Un-audited	Audited
----- Rupees -----	

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

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	4,213,538	5,096,181
Sindh Sales Tax payable on remuneration of the Management Company	3,521,494	3,262,680
Federal Excise Duty payable on remuneration of the Management Company	19,360,838	16,265,508
Outstanding 59,143 (30 June 2015: 166,023) units at net asset value	31,381,640	84,711,365
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	627,097	395,984
Sindh Sales Tax payable on remuneration of the trustee	87,794	-
Settlement charges payable	153,900	60,000
Security deposit	100,000	100,000
Atlas Battery Limited (Group Company)		
Outstanding 740,417 (30 June 2015: 548,614) units at net asset value	392,872,440	279,924,915
Atlas Foundation (Trust having common Director/Trustee)		
Outstanding 380,814 (30 June 2015: 280,049) units at net asset value	202,063,679	142,892,380
Atlas Honda Limited (Group Company)		
Outstanding 4,947,290 (30 June 2015: 4,232,180) units at net asset value	2,625,081,628	2,159,427,355
Atlas Insurance Limited (Group Company)		
Outstanding 283,200 (30 June 2015: 283,200) units at net asset value	150,268,785	144,500,000
Atlas Metals (Private) Limited (Group Company)		
Outstanding 23,200 (30 June 2015: 23,200) units at net asset value	12,310,326	11,837,735
Batool Benefit Trust (Trust having common Director/Trustee)		
Outstanding 155,588 (30 June 2015: 149,710) units at net asset value	82,556,433	76,388,220
Cherat Cement Company Limited (Company having common Directorship)		
Outstanding nil (30 June 2015: 353,966) units at net asset value	-	180,607,726
Dividend Payable	-	19,468,142
Cherat Cement Company Limited - Employee Provident Fund		
Outstanding 173 (30 June 2015: 4,970) units at net asset value	91,643	2,535,883
Shirazi Capital (Private) Limited (Group Company)		
Outstanding 636,481 (30 June 2015: 579,322) units at net asset value	337,723,405	295,593,330
Shirazi Investments (Private) Limited (Group company)		
Outstanding 2,754,848 (30 June 2015: 2,754,848) units at net asset value	1,461,749,908	1,405,633,654
Shirazi Investments (Private) Limited - Employees Provident Fund		
Outstanding 17,828 (30 June 2015: 5,906) units at net asset value	9,459,289	3,013,282
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit Plan of a Group company)		
Outstanding nil (30 June 2015: 7,228) units at net asset value	-	3,687,956
Atlas Honda Limited - Employee Provident Fund (Retirement Benefit Plan of a Group company)		
Outstanding 213,305 (30 June 2015: 151,407) units at net asset value	113,181,681	77,254,045
Dividend payable	-	8,327,400

Atlas Income Fund

31 December
2015
Un-audited

30 June
2015
Audited

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

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

Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group company)		
Outstanding 68,008 (30 June 2015: 68,008) units at net asset value	36,085,643	34,700,323
Dividend payable	-	3,740,431
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group company)		
Outstanding 35,763 (30 June 2015: 35,763) units at net asset value	18,976,459	18,247,957
Dividend payable	-	1,966,991
Atlas Engineering Limited - Employee Provident Fund (Retirement Benefit Plan of a Group company)		
Outstanding 11,867 (30 June 2015: 31,346) units at net asset value	6,296,761	15,993,995
Dividend payable	-	1,724,031
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement Benefit Plan of a Group company)		
Outstanding 18,505 (30 June 2015: 18,505) units at net asset value	9,819,074	9,442,122
Dividend payable	-	1,233,374
Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group company)		
Outstanding 7,246 (30 June 2015: 7,246) units at net asset value	3,845,043	3,697,433
Dividend payable	-	398,555
Atlas Power Limited - Staff Provident Fund (Retirement Benefit Plan of a Group company)		
Outstanding 809 (30 June 2015: 809) units at net asset value	429,277	412,797
Dividend payable	-	44,496
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 21,853 (30 June 2015: 21,853) units at net asset value	11,595,328	11,150,186
Dividend payable	-	1,201,905
Key Management Personnel of the Management Company 14.3		
Outstanding 192,679 (30 June 2015: 241,531) units at net asset value	102,237,136	123,238,777

14.3 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 2015-16.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

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

The investments of the Fund in debt securities are valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The investments of the Fund in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan. The investment of the Fund in equity securities is valued on the basis of rates quoted on Stock Exchange. The estimated fair values of all other financial assets and liabilities are considered not to be significantly different from book values.

Half Yearly Report 2015 -16

Fair value hierarchy

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

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

As at 31 December 2015 and 30 June 2015, the Fund held the following financial instruments measured at fair values:

	Level 1	Level 2	Level 3
	----- Rupees -----		
As at 31 December 2015			
Financial assets			
At fair value through profit or loss	-	5,033,209,510	-
Available-for-sale	2,829,021	-	-
	<u>2,829,021</u>	<u>5,033,209,510</u>	<u>-</u>
As at 30 June 2015			
Financial assets			
At fair value through profit or loss	-	810,875,281	-
Available-for-sale	2,329,782	-	-
	<u>2,329,782</u>	<u>810,875,281</u>	<u>-</u>

16. GENERAL

16.1 Figures have been rounded off to the nearest Rupee.

16.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 have not been subjected to limited scope review by the auditors.

16.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

17. 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 2016.

**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

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

Half Yearly Report 2015 -16

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, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 22, 2016

Atlas Stock 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 Stock Market Fund as at December 31, 2015 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, 2015. 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, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

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, 2015 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 29, 2016

Karachi

Half Yearly Report 2015 -16

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2015

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	
ASSETS			
Cash and bank balances	4	175,398,437	406,778,750
Investments	5	3,346,493,533	3,111,663,166
Receivable against issue of units		470,110	12,528,469
Dividend receivable		8,600,000	8,289,539
Profit receivable on bank balances		582,896	953,496
Receivable against sale of investments		51,808,196	-
Deposits, prepayments and other receivables	6	4,621,101	2,794,777
Total assets		3,587,974,273	3,543,008,197
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	23,255,054	15,258,429
Payable to the Central Depository Company of Pakistan Limited - Trustee		474,256	359,273
Payable to the Securities and Exchange Commission of Pakistan		1,623,423	1,568,152
Payable against purchase of investments		56,878,449	178,738,386
Payable against redemption of units		298,396	4,535,483
Accrued expenses and other liabilities	8	36,823,819	37,886,786
Total liabilities		119,353,397	238,346,509
NET ASSETS		3,468,620,876	3,304,661,688
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		3,468,620,876	3,304,661,688
CONTINGENCIES AND COMMITMENTS	9		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		7,684,541	6,257,738
		----- Rupees -----	
NET ASSET VALUE PER UNIT		451.38	528.09

The annexed notes from 1 to 16 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 INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2015	2014	31 December 2015	2014
		----- Rupees -----			
INCOME					
Profit on bank balances		3,563,661	3,911,372	1,061,421	1,655,650
Dividend income		89,152,755	27,989,150	45,659,655	15,225,950
Capital (loss)/gain on sale of investments - net		(14,191,883)	48,787,480	(60,577,765)	33,975,977
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(227,165,636)	78,143,334	174,699,289	72,644,820
		(241,357,519)	126,930,814	114,121,524	106,620,797
Element of (loss)/income and capital (losses)/gains included in prices of units issued less those in units redeemed - net		(1,249,186)	16,610,635	(4,710,595)	16,892,317
		(149,890,289)	175,441,971	156,132,005	140,394,714
EXPENSES					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	34,177,318	12,512,039	17,365,007	6,968,703
Sindh Sales Tax on remuneration of the Management Company	7.2	5,550,396	2,177,095	2,820,077	1,212,555
Federal Excise Duty on remuneration of the Management Company	7.3	5,468,371	2,001,926	2,778,401	1,114,992
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,212,047	1,129,714	1,119,601	600,488
Sindh Sales Tax on remuneration of the trustee		309,687	-	156,745	-
Annual fees to the Securities and Exchange Commission of Pakistan		1,623,423	594,325	824,838	331,017
Accounting and operational charges	10	348,671	-	348,671	-
Sindh Sales Tax on accounting and operational charges		20,920	-	20,920	-
Auditors' remuneration		301,708	833,522	136,423	700,553
Annual listing fee		20,109	20,000	10,054	10,000
Annual rating fee		70,564	63,800	37,886	38,800
Securities transaction cost		5,169,227	2,460,665	2,147,860	1,386,237
Printing charges		70,382	70,000	35,191	6,250
Legal and Professional Charges		41,487	-	41,487	-
Bank charges		18,165	16,606	3,780	9,470
Provision for Workers' Welfare Fund	8.1	-	3,071,246	-	2,560,313
		55,402,475	24,950,938	27,846,941	14,939,378
Net (loss)/income for the period before taxation		(205,292,764)	150,491,033	128,285,064	125,455,336
Taxation	11	-	-	-	-
Net (loss)/income for the period after taxation		(205,292,764)	150,491,033	128,285,064	125,455,336
EARNINGS PER UNIT	12				

The annexed notes from 1 to 16 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 2015 -16

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2015</u>	<u>2014</u>	<u>31 December</u> <u>2015</u>	<u>2014</u>
	----- Rupees -----			
Net (loss)/income for the period after taxation	(205,292,764)	150,491,033	128,285,064	125,455,336
Other comprehensive (loss)/income	-	-	-	-
Total comprehensive (loss)/income for the period	<u>(205,292,764)</u>	<u>150,491,033</u>	<u>128,285,064</u>	<u>125,455,336</u>

The annexed notes from 1 to 16 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 DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015	2014
	----- Rupees -----	
Undistributed income/(Accumulated loss) brought forward [Includes unrealised gain on investments of Rs.77,101,829] (2014: Unrealised gain on investments of Rs.101,382,674)	509,325,429	(35,146,783)
Cash dividend declared for the year ended 30 June 2015 at the rate of Rs.50 per unit on 7 July 2015	(312,886,890)	-
Net (loss)/income for the period after taxation	(205,292,764)	150,491,033
(Accumulated loss)/undistributed income carried forward [Includes unrealised loss on investments of Rs.182,646,168] (2014: Unrealised gain on investments of Rs.147,367,376)	<u>(8,854,225)</u>	<u>115,344,250</u>

The annexed notes from 1 to 16 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 2015 -16

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	31 December 2015		31 December 2014	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period [Rs.528.09 (2014: Rs.441.08) per unit]	6,257,738	3,304,661,688	2,379,851	1,049,716,606
Issue of units	1,768,993	839,560,354	1,167,899	537,950,386
Redemption of units	(342,190)	(158,670,698)	(343,174)	(157,570,297)
	1,426,803	680,889,656	824,725	380,380,089
Element of loss/(income) and capital losses/(gains) included in prices of units issued less those in units redeemed - net	-	1,249,186	-	(16,610,635)
Cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 50 per unit on 7 July 2015	-	(312,886,890)	-	-
Capital (loss)/gain on sale of investments - net	-	(14,191,883)	-	48,787,480
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(227,165,636)	-	78,143,334
Other net income for the period	-	36,064,755	-	23,560,219
Total comprehensive (loss)/income for the period	-	(205,292,764)	-	150,491,033
Net assets at the end of the period [Rs.451.38 (2014: Rs.488.04) per unit]	7,684,541	3,468,620,876	3,204,576	1,563,977,093

The annexed notes from 1 to 16 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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015	2014
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the period before taxation	(205,292,764)	150,491,033
Adjustment for:		
Profit on bank balances	(3,563,661)	(3,911,372)
Dividend income	(89,152,755)	(27,989,150)
Capital loss/(gain) on sale of investments - net	14,191,883	(48,787,480)
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	227,165,636	(78,143,334)
Element of loss/(income) and capital losses/(gains) included in prices of units issued less those in units redeemed - net	1,249,186	(16,610,635)
	149,890,289	(175,441,971)
	(55,402,475)	(24,950,938)
(Increase)/decrease assets		
Receivable against sale of securities	(51,808,196)	84,193,218
Deposits, prepayments and other receivables	(1,826,324)	8,835,947
	(53,634,520)	93,029,165
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	7,996,625	3,190,086
Payable to the Central Depository Company of Pakistan Limited - Trustee	114,983	43,068
Payable to the Securities and Exchange Commission of Pakistan	55,271	(451,692)
Payable against purchase of investments	(121,859,937)	4,127,832
Accrued expenses and other liabilities	(1,062,967)	2,939,532
	(114,756,025)	9,848,826
Profit received on bank balances	3,934,261	4,431,735
Dividend received	88,842,294	27,822,900
Investments made during the period	(2,897,997,452)	(1,324,668,445)
Investments sold during the period	2,421,809,566	843,703,753
Net cash used in operating activities	(607,204,351)	(370,783,004)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	851,618,713	537,950,386
Net payments against redemption of units	(162,907,785)	(157,570,297)
Cash payout against distribution	(312,886,890)	-
Net cash generated from financing activities	375,824,038	380,380,089
Net (decrease)/increase in cash and cash equivalents during the period	(231,380,313)	9,597,085
Cash and cash equivalents at the beginning of the period	406,778,750	37,211,150
Cash and cash equivalents at the end of the period	175,398,437	46,808,235

The annexed notes from 1 to 16 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 2015 -16

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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 SECP. The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eight Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013, 24 March 2015 and 03 August 2015 respectively, with the approval of the SECP. The registered office of AAML situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund is an open-end collective investment scheme categorised as an 'equity scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of "AM2-" to the Management Company on 17 April 2015 and has assigned a rating of 3 Star (1 Year), 3 Star (3 Years), 4 Star (5 Years) to the Fund on 13 August 2015.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2015.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at 31 December 2015.

Atlas Stock Market Fund

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 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 audited financial statements of the Fund for the year ended 30 June 2015.

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future period.

The significant estimates, judgments and assumptions 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 of the Fund as at and for the year ended 30 June 2015.

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 2015.

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

IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. Accordingly, the Fund has included an additional disclosure in this regard in note 14 to the condensed interim financial statements. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective in the current period

There are certain amended standards and interpretations that are mandatory for the accounting periods beginning on or after 1 January 2016 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

Further, the following amended standard has been issued by the IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	"Effective date (annual periods beginning on or after)"
IFRS 9 - Financial Instruments: Classification and Measurement	1 January 2018

Half Yearly Report 2015 -16

4. CASH AND BANK BALANCES	Note	31 December 2015	30 June 2015
		Un-audited	Audited
		Rupees -----	
In local currency:			
Balances with bank in:			
- Profit and loss sharing accounts	4.1	174,887,057	403,746,659
- Current account		5,000	2,032,091
Cheques in hand		506,380	1,000,000
		175,398,437	406,778,750

4.1 The rate of return on these accounts ranges between 5.00% to 6.80% (30 June 2015: 5.00% to 7.10%) per annum.

5. INVESTMENTS

At fair value through profit or loss

- Listed equity securities	5.1	3,346,493,533	3,090,288,166
- Investment through book building for 225,000 ordinary shares of Al Shaheer Corporation Limited		-	21,375,000
		3,346,493,533	3,111,663,166

5.1 Listed equity securities

At fair value through profit or loss - equity securities

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

Note	Number of shares					Rupees		Market value as a Percentage of		
	As at 01 July 2015	Purchases during the period	Bonus during the period	Sales during the period	As at 31 December 2015	Carrying Cost	Market Value	Total Investments	Net assets	Paid up capital of investee company held

INVESTMENT COMPANIES

JS Investments Limited	-	200,000	-	200,000	-	-	-	-	-	-
	-	200,000	-	200,000	-	-	-	-	-	-

COMMERCIAL BANKS

Allied Bank Limited	500,000	500,000	-	273,400	726,600	73,773,026	68,489,316	2.05	1.97	0.06
Bank Alfalah Limited	338,500	2,200,000	-	1,538,500	1,000,000	28,999,850	28,820,000	0.86	0.83	0.06
Bank Al Habib Limited	5,225,000	425,000	-	725,000	4,925,000	216,320,246	204,880,000	6.12	5.91	0.44
Faysal Bank Limited	-	777,500	-	777,500	-	-	-	-	-	-
Habib Bank Limited	-	500,000	-	125,000	375,000	79,671,404	75,045,000	2.24	2.16	0.03
Habib Metropolitan Bank Limited	1,250,000	1,100,000	-	2,200,000	150,000	4,874,485	4,570,500	0.14	0.13	0.01
MCB Bank Limited	-	395,000	-	45,000	350,000	79,663,525	75,897,500	2.27	2.19	0.03
United Bank Limited	1,675,000	150,000	-	425,000	1,400,000	237,838,634	216,930,000	6.48	6.25	0.11
	8,988,500	6,047,500	-	6,109,400	8,926,600	721,141,170	674,632,316	20.16	19.44	

INSURANCE

Adamjee Insurance Company Limited	1,600,000	1,879,000	-	1,479,000	2,000,000	110,979,839	113,020,000	3.38	3.26	0.57
Century Insurance Company Limited	565,500	-	-	565,500	-	-	-	-	-	-
IGI Insurance Limited	-	75,000	-	75,000	-	-	-	-	-	-
Pakistan Reinsurance Company Limited	2,852,000	193,000	-	852,000	2,193,000	64,769,981	74,233,050	2.22	2.14	0.73
	5,017,500	2,147,000	-	2,971,500	4,193,000	175,749,820	187,253,050	5.60	5.40	

Atlas Stock Market Fund

Note	Number of shares				Rupees		Market value as a Percentage of		
	As at 01 July 2015	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 December 2015	Carrying Cost	Market Value	Total Investments	Net assets

5.1 Listed equity securities (Continued...)

REAL ESTATE INVESTMENT TRUST

Dolmen City REIT	4,000,000	-	-	4,000,000	-	-	-	-	-	-
	4,000,000	-	-	4,000,000	-	-	-	-	-	-

TEXTILE COMPOSITE

Kohinoor Textile Mills Limited	-	462,000	-	-	462,000	33,184,231	33,033,000	0.99	0.95	0.19
Nishat (Chunian) Limited	1,395,000	-	-	1,395,000	-	-	-	-	-	-
Nishat Mills Limited	1,000,000	300,000	-	1,050,000	250,000	23,740,044	23,717,500	0.71	0.68	0.07
	2,395,000	762,000	-	2,445,000	712,000	56,924,275	56,750,500	1.70	1.63	

CEMENT

Attock Cement Pakistan Limited	252,400	49,300	-	66,900	234,800	44,988,085	39,387,700	1.18	1.14	0.21
Cherat Cement Company Limited	-	400,000	-	-	400,000	37,217,019	36,072,000	1.08	1.04	0.23
D.G. Khan Cement Company Limited	500,000	1,050,000	-	350,000	1,200,000	169,678,741	177,108,000	5.27	5.11	0.27
Fauji Cement Company Limited	1,500,000	300,000	-	1,800,000	-	-	-	-	-	-
Kohat Cement Company Limited	100,000	250,000	-	56,000	294,000	62,519,240	70,818,720	2.12	2.04	0.19
Lucky Cement Limited	315,000	80,000	-	124,600	270,400	141,313,267	133,858,816	4.00	3.86	0.08
Maple Leaf Cement Factory Limited	-	100,000	-	100,000	-	-	-	-	-	-
Pioneer Cement Limited	109,000	638,500	-	357,500	390,000	31,612,210	35,435,400	1.06	1.02	0.17
	2,776,400	2,867,800	-	2,855,000	2,789,200	487,328,562	492,680,636	14.71	14.21	

REFINERY

Attock Refinery Limited	-	253,200	-	53,200	200,000	42,165,029	42,376,000	1.27	1.22	0.23
National Refinery Limited	-	275,000	-	20,000	255,000	61,763,598	56,905,800	1.70	1.64	0.32
	-	528,200	-	73,200	455,000	103,928,627	99,281,800	2.97	2.86	

POWER GENERATION AND DISTRIBUTION

The Hub Power Company Limited	-	250,000	-	-	250,000	26,024,275	25,650,000	0.77	0.74	0.02
K-Electric Limited	1,500,000	5,146,000	-	2,217,000	4,429,000	33,307,354	32,951,760	0.98	0.95	0.05
Lalpur Power Limited	1,900,500	3,100,000	-	1,031,500	3,969,000	127,100,200	118,038,060	3.53	3.40	1.04
Pakgen Power Limited	1,431,500	268,500	-	400,000	1,300,000	39,064,015	38,259,000	1.14	1.10	0.35
	4,832,000	8,764,500	-	3,648,500	9,948,000	225,495,844	214,898,820	6.42	6.19	

OIL AND GAS MARKETING COMPANIES

Attock Petroleum Limited	100,000	-	-	100,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	665,000	121,500	-	86,500	700,000	266,690,699	228,039,000	6.81	6.57	0.26
Sui Northern Gas Pipelines Limited	2,100,000	2,420,000	-	4,520,000	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	1,200,000	-	1,200,000	-	-	-	-	-	-
	2,865,000	3,741,500	-	5,906,500	700,000	266,690,699	228,039,000	6.81	6.57	

OIL AND GAS EXPLORATION COMPANIES

Mari Petroleum Company Limited	150	134,850	-	30,000	105,000	65,587,873	73,199,700	2.19	2.11	0.10
Oil & Gas Development Company Limited	1,155,400	364,600	-	320,000	1,200,000	209,132,742	140,808,000	4.21	4.06	0.03
Pakistan Oilfields Limited	350,000	155,000	-	485,000	-	-	-	-	-	-
Pakistan Petroleum Limited	5.3	1,397,000	-	297,000	1,100,000	180,686,000	133,991,000	4.00	3.86	0.06
	2,882,550	654,450	-	1,132,000	2,405,000	455,406,615	347,998,700	10.40	10.03	

Half Yearly Report 2015 -16

As at 01 July 2015	Number of shares				Rupees		Market value as a Percentage of		
	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 December 2015	Carrying Cost	Market Value	Total Investments	Net assets	Paid up capital of investee company held

5.1 Listed equity securities (Continued...)

ENGINEERING

Anreli Steels Limited	-	100,000	-	-	100,000	6,100,000	6,007,000	0.18	0.17	0.03
Crescent Steel & Allied Products Limited	-	437,500	-	-	437,500	40,889,140	54,411,875	1.63	1.57	0.56
International Industries Limited	-	1,140,000	-	-	1,140,000	86,487,592	70,110,000	2.10	2.02	0.95
Mughal Iron And Steel Industries Limited	500,000	699,000	90,225	421,000	868,225	54,098,563	60,515,283	1.81	1.74	0.69
	500,000	2,376,500	90,225	421,000	2,545,725	187,575,295	191,044,158	5.72	5.50	

AUTOMOBILE ASSEMBLER

Honda Atlas Cars (Pakistan)

Limited	-	245,000	-	115,000	130,000	34,733,951	31,062,200	0.93	0.90	0.09
Indus Motor Company Limited	-	35,000	-	7,500	27,500	29,402,952	27,821,200	0.83	0.80	0.03
Millat Tractors Limited	50,000	43,000	-	63,000	30,000	19,049,999	16,583,100	0.50	0.48	0.07
Pak Suzuki Motor Company Limited	-	140,000	-	-	140,000	64,195,082	69,342,000	2.07	2.00	0.17
	50,000	463,000	-	185,500	327,500	147,381,984	144,808,500	4.33	4.18	

CABLE AND ELECTRICAL GOODS

Pak Elektron Limited	300,000	1,407,500	-	1,207,500	500,000	36,080,815	31,270,000	0.93	0.90	0.13
	300,000	1,407,500	-	1,207,500	500,000	36,080,815	31,270,000	0.93	0.90	

TECHNOLOGY AND COMMUNICATION

Netsol Technologies

Limited	-	200,000	-	-	200,000	13,426,000	13,034,000	0.39	0.38	0.22
Pakistan Telecommunication Company Limited	1,000,000	3,500,000	-	500,000	4,000,000	83,851,200	65,960,000	1.97	1.90	0.11
Systems Limited	538,500	185,000	-	723,500	-	-	-	-	-	-
	1,538,500	3,885,000	-	1,223,500	4,200,000	97,277,200	78,994,000	2.36	2.28	

FERTILIZER

Dawood Hercules

Corporation Limited	-	500,000	-	242,300	257,700	33,506,982	30,702,378	0.92	0.89	0.05
Engro Fertilizers Limited	1,355,000	1,025,000	-	1,280,000	1,100,000	101,024,218	92,543,000	2.77	2.67	0.08
Engro Corporation Limited	1,050,000	297,000	-	447,000	900,000	266,796,782	251,451,000	7.50	7.25	0.17
Fatima Fertilizer Company Limited	-	500,000	-	-	500,000	21,002,845	22,365,000	0.67	0.64	0.02
Fauji Fertilizer Bin Qasim Limited	400,000	-	-	400,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	200,000	875,000	-	975,000	100,000	11,108,214	11,798,000	0.35	0.34	0.01
	3,005,000	3,197,000	-	3,344,300	2,857,700	433,439,041	408,859,378	12.21	11.79	

Atlas Stock Market Fund

As at 01 July 2015	Number of shares				As at 31 December 2015	Rupees		Market value as a Percentage of		
	Purchases during the period	Bonus shares during the period	Sales during the period	Carrying Cost		Market Value	Total Investments	Net assets	Paid up capital of investee company held	

5.1 Listed equity securities (Continued...)

PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited	-	7,400	-	7,400	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	178,450	-	113,450	65,000	53,216,648	71,948,500	2.15	2.07	0.22
Highnoon Laboratories Limited	-	70,000	-	70,000	-	-	-	-	-	-
The Searle Company Limited	-	45,000	-	-	45,000	19,492,660	17,807,850	0.53	0.51	0.04
	-	300,850	-	190,850	110,000	72,709,308	89,756,350	2.68	2.58	

CHEMICALS

Ghani Gases Limited	-	1,000,000	-	-	1,000,000	29,976,865	26,440,000	0.79	0.76	1.35
	-	1,000,000	-	-	1,000,000	29,976,865	26,440,000	0.79	0.76	

PAPER AND BOARD

Packages Limited	-	90,000	-	20,000	70,000	39,757,709	40,747,700	1.22	1.17	0.08
Security Papers Limited	42,500	-	-	42,500	-	-	-	-	-	-
	42,500	90,000	-	62,500	70,000	39,757,709	40,747,700	1.22	1.17	

FOODS AND PERSONAL CARE PRODUCTS

Al Shaheer Corporation Limited	-	375,000	131,250	-	506,250	35,202,980	31,478,625	0.94	0.91	0.41
Nestle Pakistan Limited	-	200	-	-	200	1,592,360	1,560,000	0.05	0.04	0.00
	-	375,200	131,250	-	506,450	36,795,340	33,038,625	0.99	0.95	

GLASS AND CERAMICS

Ghani Glass Limited	700,000	-	-	700,000	-	-	-	-	-	-
	700,000	-	-	700,000	-	-	-	-	-	-

MISCELLANEOUS

Synthetic Products Enterprises Limited	-	171,500	-	171,500	-	-	-	-	-	-
Tri-Pack Films Limited	-	96,000	-	96,000	-	-	-	-	-	-
	-	267,500	-	267,500	-	-	-	-	-	-

Total as at 31 December 2015

3,573,659,169 3,346,493,533 100.00 96.44

Total as at 30 June 2015

3,041,046,725 3,090,288,166

5.2 The cost of listed equity securities as at 31 December 2015 is Rs.3,529,139,701 (30 June 2015: Rs.3,013,186,337).

Half Yearly Report 2015 -16

5.3 The above investments include 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 2015	30 June 2015	31 December 2015	30 June 2015
	Un-audited	Audited	Un-audited	Audited
	----- Rupees -----			
Bank Al Habib Limited	425,000	425,000	17,680,000	18,678,750
Pakistan Oilfields Limited	-	65,000	-	26,248,300
Pakistan Petroleum limited	297,000	147,000	36,177,570	24,146,220
United Bank Limited	100,000	100,000	15,495,000	17,092,000
			<u>69,352,570</u>	<u>86,165,270</u>

Note	31 December 2015	30 June 2015
	Un-audited	Audited
	----- 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	89,688	-
Advances and other receivable	1,931,413	194,777
	<u>4,621,101</u>	<u>2,794,777</u>

7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company	7.1	5,840,153	4,256,602
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,967,082	2,022,378
Federal Excise Duty payable on remuneration of the Management Company	7.3	14,447,819	8,979,449
		<u>23,255,054</u>	<u>15,258,429</u>

7.1 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 2% of the average annual net assets of the Fund. Accordingly, the Management Company has charged its remuneration at the rate of 2% per annum of the average annual net assets for the period. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs.5,550,396 (2014: Rs.2,177,095) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs.4,605,692 (2014: Rs.1,776,501) has been paid to the Management Company which acts as a collecting agent.

Atlas Stock Market Fund

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 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 been charging 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 1.88 (30 June 2015: Rs.1.43) per unit.

	Note	31 December	30 June
		2015	2015
		Un-audited	Audited
		Rupees	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		272,846	385,955
Printing charges payable		173,813	181,431
NCCPL charges payable		56,559	40,000
Withholding tax payable		108,625	1,024,236
Transaction charges payable		1,811,096	2,221,720
Zakat payable		-	2,155
Provision for Workers' Welfare Fund	8.1	34,031,289	34,031,289
Accounting and operational charges	10	348,671	-
Sindh Sales Tax payable on accounting and operational charges		20,920	-
		36,823,819	37,886,786

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. However, without prejudice to the above, the Management Company has recorded provision for WWF contribution from the financial year ended 30 June 2010 till 30 June 2015.

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. This response was contradictory to the earlier clarification issued by the Ministry. 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 above. In FY 2013-14, during the course of income tax proceedings of the Fund for TY 2012 as stated in note 11.2 below, the taxation officer levied a demand of Rs2.653 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.

Half Yearly Report 2015 -16

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 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 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 34,031,289 till June 30, 2015 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 4.43 (June 30, 2015: Rs 5.44) per unit.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, no further provision for WWF is being made from July 1 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending in the SHC.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2015 and 30 June 2015.

10. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. The Management Company has charged accounting and operational charges to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund for the period from 25 November 2015 to 31 December 2015.

11. TAXATION

11.1 The income of the Fund 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. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end, if any, as cash dividend to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial statements.

11.2 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.

During the year ended 30 June 2015, 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.

Atlas Stock Market Fund

12. EARNINGS PER UNIT

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

13. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

- 13.1** Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.
- 13.2** Transactions with connected persons essentially comprise issue and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 13.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.
- 13.4** The details of transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

	For the Half Year ended	
	31 December 2015	31 December 2014
	Un-audited	Un-audited
	-----	-----
	Rupees	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	34,177,318	12,512,039
Remuneration paid	32,593,767	11,724,473
Sindh Sales Tax on remuneration of the Management Company	5,550,396	2,177,095
Federal Excise Duty on remuneration of the Management Company	5,468,371	2,001,926
Cash dividend	4,874,800	-
Issue of 70,176 (2014: 81,913) units	34,225,101	36,500,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,212,047	1,129,714
Sindh Sales Tax on remuneration of the Trustee	309,687	-
Remuneration paid	2,149,503	1,087,596
Settlement charges	199,260	82,767
Sindh Sales Tax on settlement charges	27,898	-
Atlas Battery Limited (Group Company)		
Cash dividend	24,419,543	-
Issue of Nil (2014: 11,782) units	-	5,000,000
Dividend paid	24,419,543	-
Atlas Foundation (Group Company)		
Cash dividend	14,506,400	-
Issue of 168,658 (2014: Nil) units	78,873,104	-
Atlas Insurance Limited (Group Company)		
Cash dividend	28,807,889	-
Issue of 285,212 (2014: 247,906) units	132,706,903	114,500,000
Redemption of 205,061 (2014: 169,500) units	95,006,812	79,234,045

Half Yearly Report 2015 -16

	For the Half Year ended	
	31 December 2015	31 December 2014
	Un-audited Note -----	Un-audited Rupees -----
Atlas Metals (Private) Limited (Group Company)		
Cash dividend	580,788	-
Issue of 1,031 (2014: 11,616) units	508,189	4,999,657
Dividend paid	580,788	-
Batools Benefit Trust (Trust having common Director / Trustee)		
Cash dividend	5,582,319	-
Issue of 37,366 (2014: 10,240) units	17,484,529	5,000,000
Atlas Honda Limited (Group Company)		
Issue of 218,972 (2014: Nil) units	99,679,865	-
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Cash dividend	3,630,611	-
Issue of 26,106 (2014: Nil) units	13,000,000	-
Dividend paid	3,630,611	-
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)		
Cash dividend	1,172,932	-
Issue of 2,453 (2014: Nil) units	1,172,932	-
Shirazi Capital (Private) Limited (Group Company)		
Cash dividend	24,209,397	-
Issue of 44,308 (2014: 58,172) units	21,183,222	26,200,000
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Cash dividend	762,285	-
Issue of 15,477 (2014: Nil) units	7,355,285	-
Shirazi Investments (Private) Limited (Group Company)		
Cash dividend	100,459,495	-
Issue of 483,400 (2014: 442,662) units	237,902,058	208,701,891
Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Cash dividend	800,459	-
Dividend paid	800,459	-
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Cash dividend	605,134	-
Dividend paid	605,134	-
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Cash dividend	1,127,149	-
Dividend paid	1,127,149	-
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Cash dividend	4,032,485	-
Dividend paid	4,032,485	-
Key Management Personnel of Management Company	13.6	
Cash dividend	14,510,167	-
Issue 96,007 (2014: 25,673) units	46,262,702	11,110,435
Redemption of 1,206 (2014: Nil) units	543,687	-
Dividend paid	305,269	-

Atlas Stock Market Fund

31 December 30 June
2015 2015
Un-audited Audited
----- Rupees -----

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

Atlas Asset Management Limited (Management Company)

Remuneration payable to the management company	5,840,153	4,256,602
Sindh Sales tax payable on remuneration of the Management Company	2,967,082	2,022,378
Federal Excise Duty payable on remuneration of the Management Company	14,447,819	8,979,449
Outstanding 167,672 (2015: 97,496) units at net asset value	75,683,787	51,486,651

Central Depository Company of Pakistan Limited (Trustee)

Trustee fee payable	376,707	295,021
Sindh Sales Tax payable on remuneration of the Trustee	52,739	-
Settlement charges payable	44,810	64,252

Atlas Income Fund (Fund under common management)

Amount receivable against sale of units	470,110	2,000,000
Amount payable against redemption of units	1,620	1,725,910

Atlas Pension Fund (Fund under common management)

Amount receivable against sale of units	-	56,401
---	---	--------

Atlas Sovereign Liquid Fund (Fund under common management)

Amount receivable against sale of units	-	10,472,068
Amount payable against redemption of units	-	2,027,092

Atlas Battery Limited (Group Company)

Outstanding 488,391 (2015: 488,391) units at net asset value	220,449,866	257,914,332
--	-------------	-------------

Atlas Insurance Limited (Group Company)

Outstanding 656,309 (2015: 576,158) units at net asset value	296,244,725	304,263,161
--	-------------	-------------

Atlas Metals (Private) Limited (Group Company)

Outstanding 12,647 (2015: 11,616) units at net asset value	5,708,627	6,134,169
--	-----------	-----------

Atlas Foundation (Group Company)

Outstanding 458,786 (2015: 290,128) units at net asset value	207,086,838	153,213,743
--	-------------	-------------

**Atlas Insurance Limited - Staff Provident Fund Trust
(Retirement Benefit plan of a Group Company)**

Outstanding 25,912 (2015: 23,459) units at net asset value	11,696,167	12,388,277
--	------------	------------

Batoos Benefit Trust (Trust having common Director/Trustee)

Outstanding 149,012 (2015: 111,646) units at net asset value	67,260,980	58,959,338
--	------------	------------

Shirazi Capital (Private) Limited (Group Company)

Outstanding 528,496 (2015: 484,188) units at net asset value	238,552,505	255,694,807
--	-------------	-------------

Shirazi Investments (Private) Limited (Group Company)

Outstanding 2,492,590 (2015: 2,009,190) units at net asset value	1,125,105,379	1,061,033,093
--	---------------	---------------

Half Yearly Report 2015-16

	31 December 2015 Un-audited	30 June 2015 Audited
Note	----- Rupees -----	
13.5	Details of balances with connected persons/related parties as at the period/year end are as follows:	
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 30,723 (2015: 15,246) units at net asset value	13,867,531	8,051,107
Atlas Honda Limited (Group Company)		
Outstanding 218,972 (2015: Nil) units at net asset value	98,839,671	-
Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 16,009 (2015: 16,009) units at net asset value	7,226,226	8,454,291
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 12,103 (2015: 12,103) units at net asset value	5,462,905	6,391,301
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 98,718 (2015: 72,612) units at net asset value	44,559,237	38,345,782
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 22,543 (2015: 22,543) units at net asset value	10,175,449	11,904,721
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 80,650 (2015: 80,650) units at net asset value	36,403,661	42,590,300
<u>Key Management Personnel of Management Company</u> 13.6		
Outstanding 385,005 (2015: 290,203) units at net asset value	173,783,599	153,253,475

13.6 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 the FY 2015-16.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

Atlas Stock Market Fund

Fair value hierarchy

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

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level 1	Level 2	Level 3
	----- Rupees -----		
As at 31 December 2015			
Financial assets			
Investment - financial assets 'at fair value through profit or loss'			
- Listed equity securities	3,346,493,533	-	-
	Level 1	Level 2	Level 3
	----- Rupees -----		

As at 30 June 2015

Financial assets

Investment - financial assets 'at fair value through profit or loss'

- Listed equity securities	3,111,663,166	-	-
----------------------------	---------------	---	---

15. GENERAL

15.1 Figures have been rounded off to the nearest Rupee.

15.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 have not been subjected to limited scope review by the auditors.

15.3 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

16. 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 2016.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Half Yearly Report 2015 -16

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

Atlas Gold 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 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, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 22, 2016

Half Yearly Report 2015 -16

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 2015 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 26, 2016

Karachi

Atlas Gold Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2015

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	161,233,325	36,783,124
Investments in Government Securities	5	-	149,772,001
Interest accrued		803,590	259,494
Deferred formation cost		595,932	716,035
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		20,953,299	20,226,670
Prepayment and other receivable		22,377	-
Total assets		183,608,523	207,757,324
LIABILITIES			
Financial liabilities at fair value through profit or loss	6	2,038,389	3,689,543
Payable to Atlas Asset Management Limited - Management Company	7	2,217,824	2,392,964
Payable to Central Depository Company of Pakistan Limited - trustee		29,674	28,179
Annual fee payable to the Securities and Exchange Commission of Pakistan		72,048	151,843
Accrued and other liabilities	8	607,976	736,717
Dividend payable		8,940	8,940
Total liabilities		4,974,851	7,008,186
NET ASSETS		178,633,672	200,749,138
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		178,633,672	200,749,138
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		1,935,694	2,049,681
NET ASSET VALUE PER UNIT		92.28	97.94

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	Note	For the Half Year Ended		For the Quarter Ended	
		31 December 2015	2014	31 December 2015	2014
Rupees					
INCOME					
Interest income	10	5,993,875	9,347,409	2,790,084	4,561,853
Net (loss)/gain on investments and derivatives					
Net realised (loss)/gain on sale of government securities		(19,910)	2,524	(22,909)	2,524
Net unrealised gain on government securities		-	-	-	36,802
Realised loss on gold contracts		(13,003,118)	(15,808,313)	(13,883,444)	(4,101,179)
Net unrealised (loss)/gain on future contracts of gold	6.1	(2,038,389)	(2,609,386)	6,747,596	1,457,593
		(15,061,417)	(18,415,175)	(7,158,757)	(2,604,260)
Element of income/(loss) and capital gain/(loss) included in prices of units issued less those in units redeemed - net		419,554	162,920	295,258	(7,514)
		(8,647,988)	(8,904,846)	(4,073,415)	1,950,079
EXPENSES					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	960,643	1,522,066	471,692	753,094
Sindh Sales Tax on remuneration of the Management Company	7.2	156,008	264,840	76,602	131,039
Federal Excise Duty on remuneration of the Management Company	7.3	153,703	243,531	75,471	120,495
Remuneration of Central Depository Company of Pakistan Limited - Trustee		163,309	172,508	80,187	85,356
Sindh Sales Tax on remuneration of the Trustee		22,863	-	11,226	-
Annual fee - Securities and Exchange Commission of Pakistan		72,048	76,105	35,377	37,658
Accounting and operational charges	8.1	18,312	-	18,312	-
Sindh Sales Tax on accounting and operational charges		1,099	-	1,099	-
Auditors' remuneration		170,612	167,500	82,436	81,250
Annual listing fee		15,082	15,000	7,541	7,500
Annual ranking fee		65,355	58,000	32,677	58,000
Legal and professional charges		1,600	-	1,600	-
Printing charges		70,383	70,000	35,192	6,250
Securities transaction cost		310,395	372,821	107,855	157,911
Amortisation of formation cost		120,103	119,450	60,052	59,725
Bank charges		2,061	7,458	361	3,887
		2,303,576	3,089,279	1,097,680	1,502,165
Net (loss)/income for the period before taxation		(10,951,564)	(11,994,125)	(5,171,095)	447,914
Taxation	11	-	-	-	-
Net (loss)/income for the period after taxation		(10,951,564)	(11,994,125)	(5,171,095)	447,914

The annexed notes from 1 to 15 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2015

	<u>For the Half Year Ended</u>		<u>For the Quarter Ended</u>	
	<u>31 December</u> <u>2015</u>	<u>2014</u>	<u>31 December</u> <u>2015</u>	<u>2014</u>
----- Rupees -----				
Net (loss)/income for the period after taxation	(10,951,564)	(11,994,125)	(5,171,095)	447,914
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	(10,951,564)	(11,994,125)	(5,171,095)	447,914

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015	2014
	----- Rupees -----	
Undistributed (loss)/income brought forward [Includes unrealized loss on future contracts of gold Rs.3,689,544] (2014: Includes unrealized gain on future contracts of gold Rs.3,512,609)	(5,371,683)	9,534,345
Cash dividend: Nil (2014: Rs.3.75 per unit declared on 7 July 2014 for the period ended 30 June 2014)	-	(5,854,684)
Net loss for the period after taxation	(10,951,564)	(11,994,125)
Undistributed loss carried forward [Includes unrealized loss on future contracts of gold Rs.2,038,389] (2014: Includes unrealized loss on future contracts of gold Rs.2,609,386)	<u>(16,323,247)</u>	<u>(8,314,464)</u>

The annexed notes from 1 to 15 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	31 December 2015		31 December 2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.97.94 (2014: Rs.106.11) per unit]	2,049,681	200,749,138	1,561,249	165,659,257
Issue of units	5,127	477,653	536,352	55,023,194
Redemption of units	(119,114)	(11,222,001)	(40,088)	(4,062,683)
	(113,987)	(10,744,348)	496,264	50,960,511
Element of income and capital gain included in prices of units issued less those in units redeemed - net	-	(419,554)	-	(162,920)
Cash dividend: Nil (2014: Rs. 3.75 per unit declared on 7 July 2014 for the period ended 30 June 2014)	-	-	-	(5,854,684)
Net (loss)/gain on sale of government securities	-	(19,910)	-	2,524
Realized loss on gold contracts	-	(13,003,118)	-	(15,808,313)
Net unrealised loss on future contracts of gold	-	(2,038,389)	-	(2,609,386)
Net other income for the period	-	4,109,853	-	6,421,050
Total comprehensive loss for the period	-	(10,951,564)	-	(11,994,125)
Net assets at the end of the period [Rs.92.28 (2014: Rs. 96.53) per unit]	1,935,694	178,633,672	2,057,513	198,608,039

The annexed notes from 1 to 15 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 2015 -16

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015	2014
Note	----- Rupees -----	-----
Cash flows from operating activities		
Net loss for the period after taxation	(10,951,564)	(11,994,125)
Adjustments:		
Interest income	(5,993,875)	(9,347,409)
Net loss/(gain) on sale of government securities	19,910	(2,524)
Realised loss on gold contracts	13,003,118	15,808,313
Net unrealised loss on future contracts of gold	2,038,389	2,609,386
Amortization of formation cost	120,103	119,450
Element of income and capital gain included in prices of units issued less those in units redeemed - net	(419,554)	(162,920)
	8,768,091	9,024,296
	(2,183,473)	(2,969,829)
(Increase)/Decrease in assets		
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	(726,629)	4,928,783
Prepayment and other receivable	(22,377)	(15,000)
	(749,006)	4,913,783
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(175,140)	37,484
Payable to Central Depository Company of Pakistan Limited - trustee	1,495	(107)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(79,795)	(83,530)
Accrued and other liabilities	(128,741)	(317,742)
	(382,181)	(363,895)
Interest received	5,449,779	8,911,239
Investments made during the period	(489,235,469)	(484,692,176)
Investments sold/matured during the period	622,294,899	472,398,996
Net cash generated from/(used in) operating activities	135,194,549	(1,801,882)
Cash flows from financing activities		
Proceeds from issue of units	477,653	55,023,194
Payment on redemption of units	(11,222,001)	(4,062,683)
Dividend paid	-	(5,854,684)
Net cash (used in)/generated from financing activities	(10,744,348)	45,105,827
Net increase in cash and cash equivalents during the period	124,450,201	43,303,945
Cash and cash equivalents at the beginning of the period	36,783,124	138,529,807
Cash and cash equivalents at the end of the period 4	161,233,325	181,833,752

The annexed notes from 1 to 15 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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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 First and Second Supplements dated 13 May 2014, 24 March 2015 and 3 August 2015 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 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 future 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.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of AM2- to the Management Company on April 17, 2015 and has assigned a performance rating of 4 stars to the Fund on 31 December 2015.
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. 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 year ended 30 June 2015.

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 2015.

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 2015 except as follows;

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements except that the Fund has included a disclosure in this regard in note 13 to these condensed interim financial statements.

Further, 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 2015.

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 2015.

Half Yearly Report 2015 -16

		31 December 2015 Un-audited	30 June 2015 Audited
Note	-----	Rupees	-----

4. BANK BALANCES

Balance with bank in: Profit and loss sharing account	4.1	161,233,325	36,783,124
--	-----	-------------	------------

4.1 The rate of return on the account is 6.80% (30 June 2015: 6.00% to 7.10%) per annum.

5. INVESTMENTS - at fair value through income statement

Government securities

- Market Treasury Bills - Held for trading	5.1	-	149,772,001
--	-----	---	-------------

5.1 Market Treasury Bills - held for trading

Treasury bills	Face value (Rupees)			As at 31 December 2015	As at 31 December		Percentage of	
	As at 01 July 2015	Acquired during the period	Sold/ Matured during the period		Amortized cost	Market Value	Total Investments	Net Assets
3 Months - T-bills	-	150,000,000	150,000,000	-	-	-	-	-
6 Months - T-bills	150,000,000	-	150,000,000	-	-	-	-	-
12 Months - T-bills	-	340,000,000	340,000,000	-	-	-	-	-
	<u>150,000,000</u>	<u>490,000,000</u>	<u>640,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.2 The cost of investment as on 31 December 2015 is Rs. Nil (30 June 2015: Rs.147,768,750).

5.3 These Market treasury bills carry purchase yields: Nil (30 June 2015: 7.55%) per annum.

		31 December 2015 Un-audited	30 June 2015 Audited
Note	-----	Rupees	-----

6. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

Held-for-trading - derivative financial instruments

- Future Gold Contracts	6.1	2,038,389	3,689,543
-------------------------	-----	-----------	-----------

6.1 This represents net fair value of gold future contracts entered into by the Fund at the Pakistan Mercantile Exchange. 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. 2016	26 Jan 2016	1,250	1,327,000	138,989,980	77.81
Liabilities against gold futures at contracted rates			USD\$ 1,346,461	141,028,369	
Unrealised loss on future contracts of gold				<u>2,038,389</u>	

Atlas Gold Fund

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	Rupees	
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - Related Party			
Management fee	7.1	153,122	248,714
Sindh Sales Tax payable on remuneration of the Management Company	7.2	197,573	191,925
Federal Excise Duty payable on remuneration of the Management Company	7.3	1,150,429	996,725
Formation cost payable		716,700	955,600
		2,217,824	2,392,964

7.1 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November, 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1% of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of 1% (30 June 2015: 1.5%) per annum of the average annual net assets for the period. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs.156,008 (31 December 2014: Rs.264,840) 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.150,360 (31 December 2014: Rs.231,017) has been paid to the Management Company which acts as a collecting agent.

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 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 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.0.59 (30 June 2015: Re. 0.49) per unit.

		31 December 2015 Un-audited	30 June 2015 Audited
	Note	Rupees	
8. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		164,512	242,350
Printing charges payable		160,054	181,431
Fund ranking fee payable		65,355	116,000
Withholding tax payable		4,067	2,358
Accounting and operational charges	8.1	18,341	-
Sindh Sales Tax on accounting and operational charges		1,069	-
Provision for Workers' Welfare Fund	8.2	194,578	194,578
		607,976	736,717

Half Yearly Report 2015 -16

- 8.1 As per regulation 60(3)(s) of amended NBFC Regulations dated 25 November 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged accounting and services expense to the Fund at the rate of 0.1% per annum of the average annual net assets of the Fund.
- 8.2 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.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) in 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 a pension fund 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. 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 which amounts to Rs.194,578 (30 June 2015: Rs. 194,578). Had the same not been made, the net asset value per unit of the Fund would have been higher by Re. 0.10 per unit (30 June 2015: Re.0.09 per unit)

The Finance Act, 2015, which is effective from 01 July 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of Industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till 30 June 2015 has not been reversed as the above lawsuit is pending in the SHC.

9. CONTINGENCIES AND COMMITMENTS

- 9.1 There were no contingencies outstanding as at 31 December 2015 and 30 June 2015.

31 December 2015	30 June 2015
Un-audited	Audited

9.2 COMMITMENTS

Purchase of:

Ounce Gold Contracts US \$ 1,327,000

(30 June 2015 : US \$ 1,535,058)

138,989,980

159,927,746

----- Rupees -----

- 9.2.1 This represents the investment in future gold contracts with settlement date of 26 January 2016 (30 June 2015: 27 July 2015).

Atlas Gold Fund

For the Half Year Ended		For the Quarter Ended	
31 December		31 December	
2015	2014	2015	2014
Un-audited	Un-audited	Un-audited	Un-audited
Rupees			

10. INTEREST INCOME

Profit on PLS savings account and deposits	3,463,896	5,863,258	1,419,455	2,970,534
Government Securities - Market Treasury bills	2,529,979	3,484,151	1,370,629	1,591,319
	5,993,875	9,347,409	2,790,084	4,561,853

11. TAXATION

The income of the fund 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 gain whether realised or unrealised is distributed 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 in respect of taxation has been made in these financial statements.

12. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

- 12.1** Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.
- 12.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 12.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.
- 12.4** The details of transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

Transactions for the period	For the Half Year Ended	
	31 December 2015	31 December 2014
	Un-audited	Un-audited
Rupees		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	960,643	1,522,066
Remuneration paid	1,056,235	1,523,036
Sindh Sales Tax on remuneration of the Management Company	156,008	264,840
Federal Excise Duty on remuneration of the Management Company	153,703	243,531
Formation cost paid	238,900	238,900
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	163,309	172,508
Sindh Sales Tax on remuneration of the Trustee	22,863	-
Remuneration paid	165,458	172,615
Atlas Battery Limited (Group Company)		
Issue of Nil (2014: 13,748) units	-	1,407,204
Cash dividend	-	1,876,271
Atlas Foundation (Group Company)		
Issue of Nil (2014: 4,124) units	-	422,161
Cash dividend	-	562,881
Atlas Honda Limited (Group Company)		
Issue of Nil (2014: 486,522) units	-	49,970,710

Half Yearly Report 2015 -16

	For the Half Year Ended	
	31 December 2015	31 December 2014
	Un-audited	Un-audited
Note	----- Rupees -----	
Atlas Insurance Limited (Group Company)		
Issue of Nil (2014: 2,793) units	-	285,854
Cash dividend	-	381,138
Batools Benefit Trust (Trust having common Director/Trustee)		
Issue of Nil (2014: 4,124) units	-	422,161
Cash dividend	-	562,881
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of Nil (2014: 11,621) units	-	1,189,556
Cash dividend	-	1,189,556
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
Redemption of 53,844 (2014: nil) units	5,000,000	-
Key Management Personnel of Management Company 12.6		
Issue of Nil (2014: 1,645) units	-	168,423
Cash dividend	-	187,137
	31 December 2015	30 June 2015
	Un-audited	Audited
	----- Rupees -----	

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

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	153,122	248,714
Sindh sales tax payable on remuneration of the Management Company	197,573	191,925
Federal Excise Duty payable on remuneration of the Management company	1,150,429	996,725
Formation cost payable	716,700	955,600
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	26,030	28,179
Sindh sales tax payable on remuneration of the Trustee	3,644	-
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 45,986 (30 June 2015: 99,830) units - at net asset value	4,243,569	-
Atlas Foundation (Group Company)		
Outstanding 154,225 (30 June 2015: 154,225) units - at net asset value	14,231,974	15,104,893
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 22,924 (30 June 2015: 22,924) units - at net asset value	2,115,459	2,245,211
Atlas Insurance Limited (Group Company)		
Outstanding 104,429 (30 June 2015: 104,429) units - at net asset value	9,636,756	10,227,827
Batools Benefit Trust (Trust having common Director/Trustee)		
Outstanding 154,225 (30 June 2015: 154,225) units - at net asset value	14,231,974	15,104,893
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 328,836 (30 June 2015: 328,836) units - at net asset value	30,345,009	32,206,222
Atlas Battery Limited (Group Company) (Retirement benefit plan of a Group Company)		
Outstanding 514,086 (30 June 2015: 514,086) units - at net asset value	47,439,915	50,349,645

Atlas Gold Fund

	31 December 2015 Un-audited	30 June 2015 Audited
Note	----- Rupees -----	-----
Atlas Honda Limited (Group Company)		
(Retirement benefit plan of a Group Company)		
Outstanding 486,522 (30 June 2015: 486,522) units - at net asset value	44,896,282	47,649,998
Key Management Personnel of Management Company 12.6		
Outstanding 51,548 (30 June 2015: 51,548) units - at net asset value	4,756,896	5,048,660

12.6 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 2015-16.

12.7 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.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

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

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

Fair value hierarchy

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

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2015, the Fund has financial liabilities at fair value through profit and loss using level 1 valuation technique.

14. GENERAL

14.1 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 31 December 2014 have not been subject to limited scope review by the auditors.

14.2 Figures have been rounded off to the nearest Rupee.

15. 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 2016.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Karachi Head Office

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

Ph: (92-21) 35379501- 04

Fax: (92-21) 35379280

Savings Center Karachi

Faiyaz Centre, Ground Floor,
Shahra-e-Faisal (opp. FTC building),
Karachi-74400.

Ph: (92-21) 34522601-02

Fax: (92-21) 34522603

Lahore Office

C/o. Atlas Honda Limited,
1-Mcleod Road, Lahore.

Ph: (92-42) 37364904

Fax: (92-42) 37351119

Rawalpindi Office

C/o. Atlas Honda Limited,
60, Bank Road, Saddar,
Rawalpindi.

Tel: (92-51) 5856411

Fax: (92-51) 5120497

Faisalabad Office

C/o Atlas Honda Ltd,
Customer Care Centre,
1st Floor, Meezan Executive
Tower, 4-Liaqat Road, Faisalabad.

Ph: (92-41) 2541013

Savings Center Abbottabad

Office # 5, First Floor,
Al- Fateh Shopping Center
(opp Radio Station),
Abbottabad.

Ph : (92-992) 408186