



Atlas Sovereign Liquid Fund

Atlas Money Market Fund

Atlas Income Fund

Atlas Stock Market Fund

HALF YEARLY REPORT

31 December 2017

(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.

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

Directors Mr. Tariq Amin
(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. Zainab Kazim

Board Committees

Audit Committee

Chairman Mr. Tariq Amin
Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman Mr. Tariq Amin
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
Secretary Mr. Faran ul Haq

Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood
Ms. Qurrat-ul-Ain Jafari
Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood
Secretary Mr. Muhammad Faizan Ghori

Chief Financial Officer

Ms. Qurrat-ul-Ain Jafari

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
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Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

The above information is as at 09 February 2018.

Atlas Funds

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Sovereign Liquid Fund, Atlas Money Market Fund, Atlas Income Fund, Atlas Stock Market Fund and Atlas Gold Fund for the half year ended December 31, 2017 of the financial year 2017-18.

THE ECONOMY

During the period Jul - Dec FY18, the current account deficit was recorded at USD 7.43 billion as compared to USD 4.66 billion in the same period last year. The foreign exchange reserves of the country stood at USD 20.18 billion as on December 31, 2017 with SBP's share of USD 14.11 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-Dec FY18 stood at USD 9.74 billion, which was an increase of 2.52% YoY compared to the corresponding period last year. CPI inflation for the period of July - Dec FY18 was recorded at 3.75%. The SBP in its latest monetary policy statement dated January 26, 2018 decided to increase the policy rate by 25 bps to 6.0%. The low interest rate regime in recent years has seen increased expansion in credit to private sector.

FUND OPERATIONS - AMF

During the period under review 16.37 million units of the value of Rupees 8.34 billion were sold and 6.27 million units of the value of Rupees 3.17 billion were redeemed. The net sale was 10.10 million units of the value of Rupees 5.17 billion. The Net Asset Value per unit of Atlas Money Market Fund has increased by 2.73% to Rs. 515.57 as on December 31, 2017, thus providing an annualized total return of 5.42%. The AMF total exposure in short term deposits with banks/ cash stood at 99.36%. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk. The Net Assets of your Fund stood at Rs. 9.97 billion, with 19.33 million units outstanding as of December 31, 2017.

FUND OPERATIONS - ASLF

During the period under review 0.18 million units of the value of Rupees 18.21 million were sold and 0.02 million units of the value of Rupees 2.0 million were redeemed. The net sale was 0.16 million units of the value of Rupees 16.21 million. The Net Asset Value per unit of Atlas Sovereign Liquid Fund has increased by 2.49% to Rs. 102.49 as on December 31, 2017, providing an annualized total return of 4.94%. The ASLF total exposure in Treasury Bills stood at 32.44%, while 67.08% placements were 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 your Fund stood at Rs. 251.06 million, with 2.45 million units outstanding as of December 31, 2017.

FUND OPERATIONS - AIF

During the period under review 1.50 million units of the value of Rupees 0.78 billion were sold and 8.91 million units of the value of Rupees 4.56 billion were redeemed. The net redemption was 7.41 million units of the value of Rupees 3.78 billion. The Net Asset Value per unit of Atlas Income Fund has increased by 2.41% to Rs. 524.61 as on December 31, 2017, this works out to 4.79% on an annualized basis. AIF current asset allocation is 0.55% in Treasury Bills, 19.55% in TFC/Sukuk, 0.85% in Commercial paper, while 78.00% were in short term deposits with bank /cash. AIF presents a good investment opportunity for investors to earn attractive returns with medium term investment horizon. The Net Assets of your Fund stood at Rs. 8.97 billion with 17.09 million units outstanding as of December 31, 2017.

FUND OPERATIONS - ASMF

During the period under review 2.25 million units of the value of Rupees 1.35 billion were sold and 1.79 million units of the value of Rupees 1.06 billion were redeemed. The net sale was 0.46 million units of the value of Rupees 291.27 million. The Net Asset Value per unit of Atlas Stock Market Fund has decreased by 10.80% to Rs. 581.39 as on December 31, 2017. The benchmark KSE-100 index has decreased by 13.09% during the same period. The KSE- 100 has decreased from 46,565.29 points as on June 30, 2017 to 40,471.48 points as on December 31, 2017. The ASMF equity portfolio exposure was mainly in Commercial Banks, Oil & Gas Exploration, Fertilizers, Cement, Power Generation & Distribution, Oil & Gas Marketing and Textile Composite sectors. ASMF 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 your Fund stood at Rs. 5.09 billion, with 8.75 million units outstanding as of December 31, 2017.

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ATLAS GOLD FUND -AGF

The Board of Directors of Atlas Asset Management Limited in its meeting held on October 26, 2017, decided to revoke the Atlas Gold fund under clause 18.2 of the Trust Deed and clause 10.4 of the Offering Document of the Fund, subject to the process of revocation, as laid down in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Subsequently, Atlas Gold Fund has been revoked on November 3, 2017 and is no longer offered to investors. The Net Asset Value per unit during the period of Atlas Gold Fund has increased by 3.09% to Rs. 105.43 till the final settlement date of November 29, 2017. An amount of Rs.210.29 million has been paid to investors against final settlement. However, there is a claim for refund of tax amounting to Rs.0.33 million and also there are provisions in the books for Federal Excise Duty and Sindh Workers' Welfare Fund amounting to Rs.2.19 million that has been made as an abundant precaution. Once these issues are resolved a further payment will be made to unit holders.

Atlas Gold Fund (AGF) was launched on June 15, 2013 to provide investors/Participants with capital appreciation through investment in Gold or Gold Futures Contracts traded on the commodity Exchange. However, since inception AGF could not produce higher yields as an investment option and have shown CAGR of 3.24% owing to persistent decline in gold prices, inflation resurgence in developed economies and interest rate hike in United State over the past few years. This has made gold funds as an investment hedge less attractive to investors compared to other highly volatile equity funds.

MUTUAL FUND TAXATION

WORKER'S WELFARE FUND (WWF)

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills, the Federal Board of Revenue (FBR) has filed a review petition in the SCP, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions.

The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). Accordingly, the provision for SWWF is being made on a daily basis going forward.

FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMC's) with effect from June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013 a constitutional petition was filed in SHC jointly by various AMC's, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. The Federation has filed an appeal in the Honorable Supreme Court of Pakistan. However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

Atlas Funds

WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned commissioner of income tax by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far mutual funds and approved pension funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on April 20, 2016 and the hearing is still pending. In the meanwhile mutual funds are obtaining exemption certificates from Commissioner of Income Tax. However, any tax withheld is refundable.

ACCOUNTING FOR ELEMENT OF INCOME

To maintain same rate of dividend (dividend equalization) the income contributed on units issued less income paid out on units redeemed (together referred as element of income) during a financial year is transferred to Income Statement. The balance in the Income Statement (of which element of income is a part) after setting off the expenses is distributed as dividend that is subjected to income tax at the applicable rate.

On August 03, 2017, Securities and Exchange Commission of Pakistan (SECP) issued a notification that described element of income as transaction of capital nature. The element of income will be routed to Unit holders' fund. Accordingly the mutual funds will now be required to distribute the dividend that will be at variable rate according to timing of issue of units and to maintain equalization and same NAV for all units, element of income will be distributed as refund of capital reducing the cost of purchase of units, maintaining same payout ratio as for dividend.

RATINGS

• Asset Manager Rating

The Pakistan Credit Rating Agency (PACRA) has assigned asset manager rating of Atlas Asset Management Limited (AAML) to "AM2+" (AM Two Plus). The rating denotes high quality as the asset manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

• Fund Stability Rating - 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 risk.

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FUTURE OUTLOOK

Pakistan economy has continued its upward trajectory despite challenges as economic reforms have progressed and security situation has improved. Economic activity is strong as substantiated by broad-based pick up in industrial output- led by improvement in energy supply, infrastructural investments-tied to China-Pakistan Economic Corridor (CPEC), and growth in production of major crops. Therefore, target of 6.0 percent real GDP growth looks achievable. Inflation for FY18 till date is on the lower side and it expected to remain below the target of 6.0 percent. However, higher international oil prices, devaluation of Pak Rupee and the imposition of regulatory duty on non-essential import items are expected to increase inflation in the coming months. Healthy credit expansion, higher production of crops, and upbeat business sentiments are supporting the real economic activities. Going forward, continuous external flows would be required to maintain the stable balance of payments position. The realization of investment inflows stemming from CPEC and shifting focus towards making the exports competitive through devaluation of currency and rebates, would strengthen the external sector outlook over medium to long term.

جسے اللہ رکھے اسے کون چکھے

If Allah wills not, no one can Harm

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

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: 28 February 2018

Yusuf H. Shirazi
Chairman

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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
MCB Bank Limited
United Bank Limited

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TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas 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 six months period ended December 31, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 21, 2018

Atlas Sovereign Liquid 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 Sovereign Liquid Fund as at 31 December 2017 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. The Management Company (Atlas Asset Management Limited) 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.

EY Ford Rhodes

Chartered Accountants

Engagement Partner: Arslan Khalid

Dated: February 28, 2018

Karachi

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2017

		31 December 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	
ASSETS			
Bank balances	4	170,416,132	265,276,299
Investments	5	82,402,764	-
Profit receivable on bank deposits		361,379	2,355,205
Prepayment and other receivables		467,986	453,482
Deffered formation cost	6	388,931	520,000
Total assets		254,037,192	268,604,986
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	1,685,941	3,276,711
Payable to the Central Depository Company of Pakistan Limited - Trustee		36,022	248,142
Payable to the Securities and Exchange Commission of Pakistan		93,807	637,610
Payable against redemption of units		-	8,300,408
Accrued expenses and other liabilities	8	1,161,759	5,632,496
Total liabilities		2,977,529	18,095,367
NET ASSETS		251,059,663	250,509,619
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		251,059,663	250,509,619
CONTINGENCIES AND COMMITMENTS	10		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		2,449,558	2,287,658
		----- Rupees -----	
NET ASSET VALUE PER UNIT		102.49	109.50

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Liquid Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2017	2016	31 December 2017	2016
INCOME					
Interest income	11	7,690,904	21,228,402	3,783,282	9,920,905
Capital (loss)/gain on sale of investments-net		(13,360)	(29,644)	(885)	625
Net unrealise (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(6,121)	(18,062)	(8,770)	86,122
		(19,481)	(47,706)	(9,655)	86,747
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		-	(2,870,394)	-	(2,877,943)
Total income		7,671,423	18,310,302	3,773,627	7,129,709
EXPENSES					
Remuneration of Atlas Asset Management Limited Management Company	7.1	562,846	1,606,818	282,467	754,866
Sindh Sales Tax on remuneration of Management Company	7.2	73,170	208,886	36,721	98,132
Remuneration of Central Depository Company of Pakistan Limited - Trustee		187,615	535,606	94,155	251,620
Sindh Sales Tax on remuneration of Trustee		24,390	69,629	12,240	32,711
Annual fees to the Securities & Exchange Commission of Pakistan		93,807	267,803	47,077	125,809
Accounting and operational charges	9	27,137	356,583	(35,169)	167,261
Sindh Sales Tax on accounting and operational charges		-	28,527	-	13,877
Annual rating fee		137,730	126,430	68,803	63,215
Annual listing fee		12,996	27,725	6,568	13,863
Securities transaction cost		1,414	15,882	-	11,225
Auditors' remuneration		124,649	127,280	71,262	71,263
Printing charges		12,110	32,375	9,683	22,946
Legal and professional charges		61,251	-	9,791	-
Amortisation of formation cost		131,069	131,069	65,534	65,534
Bank charges		6,432	15,298	2,756	12,937
Provision for Sindh Workers' Welfare Fund		124,296	-	62,034	-
		1,580,912	3,549,911	733,922	1,705,259
Net income for the period before taxation		6,090,511	14,760,391	3,039,705	5,424,450
Taxation	13	-	-	-	-
Net income for the period after taxation		6,090,511	14,760,391	3,039,705	5,424,450
Earning per unit	14				
Allocation of net income for the period:					
Net income for the period after taxation		6,090,511	14,760,391	3,039,705	5,424,450
Income already paid on units redeemed		22,088	-	21,193	-
		6,068,423	14,760,391	3,018,512	5,424,450
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		6,068,423	-	3,018,512	-
		6,068,423		3,018,512	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2017</u>	<u>2016</u>	<u>31 December</u> <u>2017</u>	<u>2016</u>
	----- Rupees -----			
Net income for the period after taxation	6,090,511	14,760,391	3,039,705	5,424,450
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	6,090,511	14,760,391	3,039,705	5,424,450

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Liquid Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

31 December 2017

Note	Rupees			
	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
Net assets at the beginning of the period Units outstanding: 2,287,658	228,274,827	22,234,792	-	250,509,619
Issue of 181,893 units				
- Capital value (at net asset value per unit at the beginning of the period)	18,189,347	-	-	18,189,347
- Element of income	24,655	-	-	24,655
Total proceeds on issuance of units	18,214,002	-	-	18,214,002
Redemption of 19,993 units				
- Capital value (at net asset value per unit at the beginning of the period)	1,999,321	-	-	1,999,321
- Amount paid out of element of income:				
- Relating to net income for the period after taxation	-	22,088	-	22,088
- Refund on units as element of income	312	-	-	312
Total payments on redemption of units	1,999,633	22,088	-	2,021,721
Element of loss and capital losses included in prices of units sold less those in units redeemed - net 3.2	-	-	-	-
Total comprehensive income for the period	-	6,090,511	-	6,090,511
Final cash dividend declared for the year ended 30 June 2017 at the rate of Rs. 9.50 per unit on 7 July 2017	-	(21,732,748)	-	(21,732,748)
Net assets at the end of the period Units outstanding: 2,449,558	244,489,196	6,570,467	-	251,059,663
Undistributed income brought forward				
- Realised income/(loss)		22,234,792		
- Unrealised income		-		
		22,234,792		
Accounting income available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		6,068,423		
		6,068,423		
Net income for the period after taxation		-		
Final cash dividend declared for the year ended 30 June 2017 at the rate of Rs. 9.50 per unit on 7 July 2017		(21,732,748)		
Undistributed income carried forward		6,570,467		
Undistributed income carried forward				
- Realised income		6,038,903		
- Unrealised income		531,564		
		6,570,467		
				(Rupees)
Net asset value per unit at beginning of the period				109.50
Net asset value per unit at end of the period				102.49

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
(UN-AUDITED) Continued...
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2016			
	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
Note	-----Rupees-----			
Net assets at the beginning of the period Units outstanding: 7,461,205	746,198,677	761,307	-	746,959,984
Issue of 2,525,838 units				
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-
- Element of income	-	-	-	-
Total proceeds on issuance of units	258,085,356	-	-	258,085,356
Redemption of 4,129,147 units				
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-
- Amount paid out of element of income:				
- Relating to net income for the period after taxation	-	-	-	-
- Refund on units as element of income	-	-	-	-
Total payments on redemption of units	421,463,008	-	-	421,463,008
Element of loss and capital losses included in prices of units sold less those in units redeemed - net 3.2	2,870,394	-	-	2,870,394
Total comprehensive income for the period	-	14,760,391	-	14,760,391
Net assets at the end of the period Units outstanding: 5,857,896	585,691,419	15,521,698	-	601,213,117
Undistributed income brought forward				
- Realised income/(loss)		(1,774,823)		
- Unrealised income		2,536,130		
		761,307		
Accounting income available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		-		
		-		
Net income for the period after taxation		14,760,391		
Undistributed income carried forward		15,521,698		
Undistributed income carried forward				
- Realised income		11,517,603		
- Unrealised income		4,004,095		
		15,521,698		
				(Rupees)
Net asset value per unit at beginning of the period				100.11
Net asset value per unit at end of the period				102.63

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

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Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

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Chairman

Tariq Amin
Director

Atlas Sovereign Liquid Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Note	2017	2016
	----- Rupees -----	----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	6,090,511	14,760,391
Adjustments for:		
Interest income	(7,690,904)	(21,228,402)
Capital loss on sale of investments - net	13,360	29,644
Net unrealize diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6,121	18,062
Amortization of formation cost	131,069	131,069
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	-	2,870,394
Provision for Sindh Workers' Welfare Fund	124,296	-
	(7,416,058)	(18,179,233)
Increase in assets		
Prepayment and other receivables	(14,504)	(27,275)
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(1,590,770)	(213,369)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(212,120)	15,539
Payable to the Securities and Exchange Commission of Pakistan	(543,803)	(203,590)
Accrued expenses and other liabilities	(4,595,033)	(2,401,793)
	(6,941,726)	(2,803,213)
	(8,281,777)	(6,249,330)
Interest received	4,138,708	6,169,639
Investments made during the period	(790,301,476)	(2,376,955,422)
Investments sold/matured during the period	713,425,253	2,411,633,021
Net cash (used in)/generated from operating activities	(81,019,292)	34,597,908
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from issuance of units	9,913,594	258,085,356
Net payment against redemption of units	(2,021,721)	(421,463,008)
Cash payout against distribution	(21,732,748)	-
Net cash used in financing activities	(13,840,875)	(163,377,652)
Net decrease in cash and cash equivalents	(94,860,167)	(128,779,744)
Cash and cash equivalents at the beginning of the period	265,276,299	528,149,900
Cash and cash equivalents at the end of the period	4 170,416,132	399,370,156

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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 Trust Deed has been revised through the First Supplemental Trust Deed dated 23 May 2017 and the offering document has been revised through First Supplement dated 24 March 2015, Second Supplement dated 3 August 2015, Third Supplement dated 23 June 2016, Fourth Supplement dated 13 October 2016 and Fifth Supplemental dated 2 June 2017 with the approval of the Securities and Exchange Commission of Pakistan (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 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 Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis from 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 musharikas (CoMs), 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 Fund's Offering document.
- 1.4 The Pakistan Credit Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (AM Two plus) to the Management Company on 04 May 2017 and has assigned a rating of "AA(f)" (Double A) to the Fund on 12 July 2017.
- 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 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 (IASB) 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 requirements of the said directives prevail.

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial statements of companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 2017.

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 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 2017.

Atlas Sovereign Liquid Fund

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

Except for change in note 3.2, the accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2017.

The preparation of these condensed interim financial statements in accordance with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The 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 periods if the revision affects both current and future period.

3.1 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 2017.

3.2 Change in accounting policy - element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed

The SECP through its SRO no. 756(I)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its SRO no. 756(I)/2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs.2,281. However, the change in accounting policy does not have any impact on the 'condensed interim Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'condensed interim Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'condensed interim Income Statement' and 'condensed interim Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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3.3 New/Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards Issued by the IASB

IFRS 12 Disclosure of interests in Other Entities - Clarification of the scope of the disclosure Requirement

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

	Note	31 December 2017 Un-audited	30 June 2017 Audited
		----- Rupees -----	
4. BANK BALANCES			
Balances with bank in:			
- saving accounts	4.1	<u>170,416,132</u>	<u>265,276,299</u>
4.1			
The rate of return on these balances range from 6.15% to 6.75% (30 June 2017: 3.75% to 6.75%) per annum.			

	Note	31 December 2017 Un-audited	30 June 2017 Audited
		----- Rupees -----	
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities - Market Treasury Bills	5.1	<u>82,402,764</u>	<u>-</u>

5.1 Market Treasury Bills - held for trading

	Face value (Rupees)				Rupees		Percentage of	
	As at 01 July 2017	Acquired during the period	Sold/ Matured during the period	As at 31 December 2017	Amortised Cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months T-bills	-	663,200,000	580,200,000	83,000,000	82,408,885	82,402,764	100.00	33.00
6 Months T-bills	-	135,000,000	135,000,000	-	-	-	-	-
12 Months T-bills	-	-	-	-	-	-	-	-
	-	<u>798,200,000</u>	<u>715,200,000</u>	<u>83,000,000</u>	<u>82,408,885</u>	<u>82,402,764</u>	<u>100.00</u>	<u>33.00</u>

5.2 The cost of investments as on 31 December 2017 is Rs. 81,871,200 (30 June 2017: Rs.Nil).

5.3 These Market treasury bills carry purchase yields of 5.99% per annum and will mature by 15 February 2018 (30 June 2017: Nil per annum).

	31 December 2017 Un-audited	30 June 2017 Audited
		----- Rupees -----
6. DEFERRED FORMATION COST		
Formation cost	520,000	780,000
Amortized formation cost	(131,069)	(260,000)
	<u>388,931</u>	<u>520,000</u>

Atlas Sovereign Liquid Fund

		31 December 2017 Un-audited	30 June 2017 Audited
	Note	Rupees	
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - (RELATED PARTY)			
Remuneration of the Management Company	7.1	95,635	1,067,107
Sindh Sales Tax payable on remuneration of the Management Company	7.2	143,713	270,004
Federal Excise Duty payable on remuneration of the Management Company	7.3	905,341	905,341
Formation cost payable		520,000	780,000
Accounting and operational charges payable		21,252	235,425
Sindh Sales Tax payable on Accounting and operational charges payable		-	18,834
		1,685,941	3,276,711

- 7.1** In accordance with the provisions of the NBFC Regulations, 2008 vide SRO 1160(1)/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 in case of money market schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 0.45% (2016: 0.45%) per annum of the average 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. 73,170 (2016: Rs. 208,886) was charged on account of sales tax on remuneration of Management Company management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 199,461 (2016: Rs.205,172) has been paid to the Management Company which acts as a collecting agent.
- 7.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) 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 was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 0.905 million (30 June 2017: Rs 0.905 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained in the condensed interim financial statements, the net asset value of the Fund as at 31 December 2017 would have been higher by Re. 0.37 per unit (30 June 2017: Re. 0.40 per unit).

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	Note	31 December	30 June
		2017	2017
		Un-audited	Audited
		Rupees -----	
8. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		142,524	210,325
Printing charges payable		3,819	21,915
Transaction charges payable		1,227	1,227
Withholding tax payable		2,068	9,795
CGT payable		3	4,539,142
Annual rating fee payable		137,730	-
Dividend payable		10,985	10,985
Legal and professional charges payable		-	100,000
Provision for Sindh Workers' Welfare Fund	8.1	863,403	739,107
		1,161,759	5,632,496

8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2017 would have been higher by Re 0.35 per unit (30 June 2017: Rs 0.32 per unit).

9. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (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 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. Accordingly, the Management Company has charged accounting and operational charges to the Fund in respect of the back office accounting function to an independent service provider.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2017 and 30 June 2017.

For the Half Year ended		For the Quarter ended	
31 December		31 December	
2017	2016	2017	2016
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----			

11. INTEREST INCOME

PLS saving and term deposit accounts	2,144,882	6,027,867	661,260	2,804,872
Government Securities - Market Treasury bills	5,546,022	15,200,535	3,122,022	7,116,033
	7,690,904	21,228,402	3,783,282	9,920,905

Atlas Sovereign Liquid Fund

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2017 is 1.21% which includes 0.21% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

13. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. 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.

14. 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.

15. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

- 15.1** 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.
- 15.2** 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.
- 15.3** 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.
- 15.4** The details of transactions carried out by the Fund with connected persons and balances with them at the period/year end are as follows:

	For the Half Year ended	
	31 December 2017 Un-audited	31 December 2016 Un-audited
	----- Rupees -----	
Transactions for the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	562,846	1,606,818
Remuneration paid	1,534,318	1,563,901
Sindh Sales Tax on remuneration of the Management Company	73,170	208,886
Issue of 3,206 (2016: Nil) units	320,588	-
Redemption Nil (2017: 4,975) units	-	500,000
Cash dividend	427,451	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	187,615	535,606
Remuneration paid	375,332	521,302
Sindh Sales Tax on Remuneration of the Trustee	24,390	69,629
Cherat Cement Company Limited - Workers Profit Participation Fund		
Issue of 45,350 (2016: Nil) units	4,534,967	-
Cash dividend	6,046,623	-

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<u>Transactions for the period (Continued...)</u>	For the Half Year ended	
	31 December 2017	31 December 2016
	Un-audited	Un-audited
Note	----- Rupees -----	----- Rupees -----
Atlas Honda Limited (Group Company)		
Issue of 105 (2016: Nil) units	10,748	-
Redemption Nil (2016: 1,473,622) units	-	150,000,000
Shirazi Investments (Private) Limited (Group Company)		
Issue of 110,791 (2016: Nil) units	11,079,147	-
Cash dividend	14,772,196	-
Directors and their close family members and key management personnel of the Management Company 15.5		
Issue of 10,417 (2016: 41,239) units	1,054,319	4,200,000
Redemption 1,035 (2016: Nil) units	103,694	-
Cash dividend	171,466	-
	31 December 2017	30 June 2017
	Un-audited	Audited
	Note ----- Rupees -----	Note ----- Rupees -----

Investments/outstanding balances as at period/year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	95,635	1,067,107
Sindh Sales Tax payable on remuneration of the Management Company	143,713	270,004
Federal Excise Duty payable on remuneration of the Management Company	905,341	905,341
Formation cost payable	520,000	780,000
Accounting and Operational Charges Payable	21,252	235,425
Sindh Sales Tax payable on Accounting and Operational Charges Payable	-	18,834
Outstanding 48,201 (30 June 2017: 44,995) units - at net asset value	4,940,098	4,926,941
Cherat Cement Company Limited - Workers Profit Participation Fund (Unit holders with more than 10% holding)		
Outstanding 681,836 (30 June 2017: 636,487) units - at net asset value	69,881,397	69,695,281
Atlas Honda Limited (Group Company)		
Issue of Units 105 (30 June 2017: Nil) units - at net asset value	10,767	-
Shirazi Investments (Private) Limited - (Group Company)		
Outstanding 1,665,759 (30 June 2017: 1,554,968) units - at net asset value	170,723,686	170,268,994
Directors and their close family members and key management personnel of the Management Company 15.5		
Outstanding 27,430 (30 June 2017: 17,095) units - at net asset value	2,811,324	1,871,911

15.5 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 2017-18.

15.6 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

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 2017, 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.

17. GENERAL

17.1 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.

17.2 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 31 December 2016 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

17.4 Units have been rounded off to the nearest decimal place.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 February 2018.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2017-18

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

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB 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, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 21, 2018

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

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Money Market Fund as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2017. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial statements 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 statements based on our review. The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

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, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial statements.

A. F. Ferguson & Co.

Chartered Accountants

Engagement Partner: Salman Hussain

Dated: February 28, 2018

Karachi

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 DECEMBER 2017

		31 December 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	
Assets			
Cash and bank balances	4	9,960,172,880	4,591,434,541
Investments	5	-	-
Receivable against issue of units	6	7,602,446	104,820,272
Profit receivable on bank balances		46,238,674	5,758,203
Prepayment and other receivables		3,601,249	6,032,954
Total assets		10,017,615,249	4,708,045,970
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	29,570,065	26,120,150
Payable to Central Depository Company of Pakistan Limited - Trustee		801,212	423,406
Payable to the Securities and Exchange Commission of Pakistan		2,834,039	3,878,749
Payable against redemption of units	8	4,164,394	3,303,193
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	9	15,147,636	44,812,894
Total liabilities		52,542,498	78,563,544
NET ASSETS		9,965,072,751	4,629,482,426
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,965,072,751	4,629,482,426
CONTINGENCIES AND COMMITMENTS	10		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		19,328,185	9,224,702
		----- Rupees -----	
NET ASSET VALUE PER UNIT		515.57	501.86

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2017	2016	31 December 2017	2016
----- Rupees -----					
Income					
Profit on savings and term deposits		157,116,900	61,568,691	95,468,184	40,625,308
Income from government securities		79,713,929	71,315,202	54,620,026	33,699,278
Capital gain/(loss) on sale of investments - net		35,113	(918,216)	211	(77,951)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	12,388,108	-	12,346,727
Total Income		236,865,942	144,353,785	150,088,421	86,593,362
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	17,004,233	9,773,218	10,787,876	5,461,542
Sindh Sales Tax on remuneration of the Management Company	7.2	2,210,550	1,270,518	1,402,424	710,000
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		3,208,479	2,006,952	1,983,378	1,099,298
Sindh Sales Tax on remuneration of the Trustee		417,102	260,904	257,839	142,909
Annual fees to the Securities and Exchange Commission of Pakistan		2,834,039	1,628,870	1,797,979	910,257
Accounting and operational charges	11	3,690,292	2,111,955	2,397,305	1,213,924
Sindh Sales Tax on accounting and operational charges		-	168,956	-	96,846
Annual rating fee		179,210	164,355	89,605	82,175
Annual listing fee		12,855	27,725	6,428	13,862
Securities transaction cost		67,919	64,463	67,548	36,772
Auditors' remuneration		312,401	322,630	160,282	160,281
Printing charges		189,285	117,517	137,185	69,941
Legal and professional charges		51,460	-	-	-
Bank charges		47,224	34,272	26,250	20,957
Provision for Sindh Workers' Welfare Fund	9.1	4,132,818	-	2,619,487	-
		34,357,867	17,952,335	21,733,586	10,018,764
Net income for the period before taxation		202,508,075	126,401,450	128,354,835	76,574,598
Taxation	13	-	-	-	-
Net income for the period after taxation		202,508,075	126,401,450	128,354,835	76,574,598
Earning per unit	14				
Allocation of net income for the period:					
Net income for the period after taxation		202,508,075	126,401,450	128,354,835	76,574,598
Income already paid on units redeemed		(41,203,864)	-	(36,076,642)	-
		161,304,211	126,401,450	92,278,193	76,574,598
Accounting income available for distribution:					
- Relating to capital gains		35,113		211	
- Excluding capital gains		161,269,098		92,277,982	
		161,304,211		92,278,193	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u> <u>2017</u>	<u>2016</u>	<u>31 December</u> <u>2017</u>	<u>2016</u>
	----- Rupees -----			
Net income for the period after taxation	202,508,075	126,401,450	128,354,835	76,574,598
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	202,508,075	126,401,450	128,354,835	76,574,598

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2017			
	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
Note	-----Rupees-----			
Net assets at the beginning of the period Units outstanding: 9,224,702	4,617,006,642	12,475,784	-	4,629,482,426
Issue of 16,374,489 units				
- Capital value (at net asset value per unit at the beginning of the period)	8,217,701,014	-	-	8,217,701,014
- Element of income	127,145,696	-	-	127,145,696
Total proceeds on issuance of units	8,344,846,710	-	-	8,344,846,710
Redemption of 6,271,006 units				
- Capital value (at net asset value per unit at the beginning of the period)	3,147,167,158	-	-	3,147,167,158
- Element of income	23,393,438	41,203,864	-	64,597,302
Total payments on redemption of units	3,170,560,596	41,203,864	-	3,211,764,460
Element of income and capital gains included in prices of units sold less those in units redeemed - net 3.2	-	-	-	-
Total comprehensive income for the period	-	202,508,075	-	202,508,075
Distributions made during the period	-	-	-	-
Net income for the period less distribution	-	202,508,075	-	202,508,075
Net assets at end of the period Units outstanding: 19,328,185	9,791,292,756	173,779,995	-	9,965,072,751
Undistributed income brought forward				
- Realised income/(loss)		12,475,784		
- Unrealised income		-		
		12,475,784		
Accounting income available for distribution				
- Relating to capital gains		35,113		
- Excluding capital gains		161,269,098		
		161,304,211		
Net income for the period after taxation		-		
Distributions made during the period		-		
Undistributed income carried forward		173,779,995		
Undistributed income carried forward				
- Realised income		173,779,995		
- Unrealised income		-		
		173,779,995		
				(Rupees)
Net assets value per unit at beginning of the period				<u>501.86</u>
Net assets value per unit at end of the period				<u>515.57</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
(UN-AUDITED) Continued...
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2016			
	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
Note	-----Rupees-----			
Net assets at the beginning of the period Units outstanding: 6,525,388	3,264,380,343	5,471,949	-	3,269,852,292
Issue of 7,855,985 units				
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-
- Element of income	-	-	-	-
Total proceeds on issuance of units	3,997,912,341	-	-	3,997,912,341
Redemption of 4,972,612 units				
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-
- Element of income	-	-	-	-
Total payments on redemption of units	2,540,666,177	-	-	2,540,666,177
Element of income and capital gains included in prices of units sold less those in units redeemed - net	3.2 (12,388,108)	-	-	(12,388,108)
Total comprehensive income for the period	-	126,401,450	-	126,401,450
Distributions made during the period	-	-	-	-
Net income for the period less distribution	-	126,401,450	-	126,401,450
Net assets at end of the period Units outstanding: 9,408,761	4,709,238,399	131,873,399	-	4,841,111,798
Undistributed income brought forward				
- Realised income/(loss)		(699,621)		
- Unrealised income		6,171,570		
		5,471,949		
Accounting income available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		-		
		-		
Net income for the period after taxation		126,401,450		
Distributions made during the period		-		
Undistributed income carried forward		131,873,399		
Undistributed income carried forward				
- Realised income		131,873,399		
- Unrealised income		-		
		131,873,399		
				(Rupees)
Net assets value per unit at beginning of the period				501.10
Net assets value per unit at end of the period				514.53

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	2017	2016
Note	----- Rupees -----	----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	202,508,075	126,401,450
Adjustments for:		
Profit on savings and term deposits	(157,116,900)	(61,568,691)
Income from government securities	(79,713,929)	(71,315,202)
Capital (gain)/loss on sale of investments - net	(35,113)	918,216
Element of income and capital gains included in prices of units sold less those in units redeemed - net	-	(12,388,108)
Provision for Sindh Workers' Welfare Fund	4,132,818	-
	(232,733,124)	(144,353,785)
Decrease/(increase) in assets		
Prepayment and other receivables	2,431,705	(27,275)
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	3,449,915	1,312,925
Payable to Central Depository Company of Pakistan Limited - Trustee	377,806	147,366
Payable to the Securities and Exchange Commission of Pakistan	(1,044,710)	(1,687,064)
Accrued expenses and other liabilities	(33,798,076)	(675,496)
	(31,015,065)	(902,269)
	(58,808,409)	(18,881,879)
Interest received	116,636,429	42,064,213
Investments made during the period	(14,046,344,398)	(13,020,561,459)
Investments sold/matured during the period	14,126,093,440	13,824,903,241
Net cash generated from operating activities	137,577,062	827,524,116
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	8,442,064,536	3,997,912,341
Net payments against redemption of units	(3,210,903,259)	(2,540,666,177)
Net cash generated from financing activities	5,231,161,277	1,457,246,164
Net increase in cash and cash equivalents	5,368,738,339	2,284,770,280
Cash and cash equivalents at the beginning of the period	4,591,434,541	2,605,426,781
Cash and cash equivalents at the end of the period	4 <u><u>9,960,172,880</u></u>	<u><u>4,890,197,061</u></u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
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 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplemental Trust Deed dated 23 May 2017 and the offering document of the Fund has been revised through the First, Second, Third and Fourth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016 and 2 June 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two plus) [2016: AM2 (AM Two)] on 04 May 2017.
Moreover, PACRA has maintained a stability rating of the Fund at "AA(f)" [2016:"AA (f)"] on 12 July 2017.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have 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 Securities and Exchange Commission of Pakistan (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 2017.

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 give a true and fair view of the state of affairs of the Fund as at 31 December 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 December 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2017, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the half-year ended 31 December 2016.

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2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees which is the functional and presentation currency of the Fund.

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

3.1 The accounting policies applied in 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 2017 except for changes in accounting policies as explained in note 3.2.

3.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 3 August 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The element was computed and recognised in the Income Statement to the extent that it was represented by the increase/decrease in net income/loss and capital gains/losses earned/incurred during the period.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on the clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs 61.297 million net of provision for SWWF in respect of element of income and consequently Net Asset Value would have been lower by Re 0.063 per unit. However, the change in accounting policy does not have any impact on the 'Cash flow Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

3.3 The preparation of these condensed interim financial statements in conformity with 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 periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the financial statements of the Fund as at and for the year ended 30 June 2017.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2017.

Atlas Money Market Fund

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

There are certain amended standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2017 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

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

The SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable from 1 July 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements.

There are certain amended other standards and interpretations that are mandatory for accounting periods beginning on or after 1 July 2018 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.

	Note	31 December 2017 Un-audited	30 June 2017 Audited
		Rupees	
4. CASH AND BANK BALANCES			
Balances with banks in savings accounts	4.1	9,960,172,880	4,582,854,541
Cheques in hand		-	8,580,000
		<u>9,960,172,880</u>	<u>4,591,434,541</u>

4.1 The rates of return on these accounts range between 4.50% and 6.75% (30 June 2017: 3.75% and 6.75%) per annum.

	Note	31 December 2017 Un-audited	30 June 2017 Audited
		Rupees	
5. INVESTMENTS			
At fair value through profit or loss-held for trading			
Investment in government securities-Market Treasury Bills	5.1	-	-

5.1 Market Treasury Bills - held for trading

	Face value (Rupees)				Rupees		Percentage of	
	As at 01 July 2017	Purchased during the period	Sold/ Matured during the period	As at 31 December 2017	Amortised Cost	Market Value	Total Investments	Net Assets
Treasury bills								
3 Months	-	14,080,000,000	14,080,000,000	-	-	-	-	-
6 Months	-	100,000,000	100,000,000	-	-	-	-	-
	-	<u>14,180,000,000</u>	<u>14,180,000,000</u>	-	-	-	-	-
Total as on 30 June 2017					-	-		

6. RECEIVABLE AGAINST SALE OF UNITS

This denotes receivable in respect of units issued to the unitholders of Atlas Stock Market Fund based on their requests for transfer of units into the Fund received on or before 31 December 2017 against which amounts were received subsequent to that date.

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		31 December 2017	30 June 2017
		Un-audited	Audited
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED-MANAGEMENT COMPANY (RELATED PARTY)	Note	Rupees	
Remuneration of the Management Company	7.1	3,893,863	1,878,314
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,626,365	3,364,343
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges reimbursable by the Fund	11	1,621,335	415,732
Sindh Sales Tax payable on accounting and operational charges		-	33,259
		29,570,065	26,120,150

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of money market schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.45% (2017: 0.45%) per annum of the average net assets of the Fund during the half year ended 31 December 2017. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs.2,210,550 (2016: Rs.1,270,518) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, an amount of Rs.1,948,528 (2016: Rs.1,180,917) 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 was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2017: 20.429 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 31 December 2017 would have been higher by Rs 1.0569 (30 June 2017: Rs 2.2145) per unit.

8. PAYABLE AGAINST REDEMPTION OF UNITS

This includes Rs 4,154,849 transferred to Atlas Islamic Stock Fund against request for transfer of units made on 31 December 2017 by a unitholder of the Fund in respect of which payment was made subsequent to the year then ended.

Atlas Money Market Fund

		31 December 2017	30 June 2017
	Note	Un-audited	Audited
		Rupees	
9. ACCRUED EXPENSES AND OTHER			
LIABILITIES			
Auditors' remuneration payable		320,563	442,854
Printing charges payable		119,239	129,350
Annual rating fee payable		179,210	-
Payable to brokers		-	100,000
Withholding tax payable		22,824	8,460,024
Capital gain tax payable		7,666,827	32,959,157
Provision for Sindh Workers' Welfare Fund	9.1	6,838,973	2,706,155
Zakat payable		-	15,354
		15,147,636	44,812,894

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs/ mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/Mutual Funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Companies and not on mutual funds.

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2017 would have been higher by Re 0.3538 per unit (30 June 2017: Re 0.2934 per unit).

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2017 and 30 June 2017.

11. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (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 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.

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

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12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2017 is 0.46% (annualised rate being 0.92%) (30 June 2017: 0.88%) which includes 0.13% (30 June 2017: 0.21%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

13. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending 30 June 2018 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the half year ended 31 December 2017.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

14. 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.

15. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

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

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, 2008 and the Trust Deed.

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

	For the Half Year ended	
	31 December 2017	31 December 2016
	Un-audited	Un-audited
	----- Rupees -----	

15.1 Transactions for the period

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	17,004,233	9,773,218
Remuneration paid	14,988,684	8,990,006
Sindh Sales Tax on Remuneration of the Management Company	2,210,550	1,270,518
Accounting and operational charges	3,690,292	2,111,955
Sindh Sales Tax on accounting and operational charges	-	168,956

Atlas Money Market Fund

	<u>For the Half Year ended</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2017</u>	<u>2016</u>
	<u>Un-audited</u>	<u>Un-audited</u>
	<u>----- Rupees -----</u>	
15.1 Transactions for the period (Continued...)		
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	3,208,479	2,006,952
Sindh Sales Tax on remuneration of the Trustee	417,102	260,904
Remuneration paid	2,874,138	1,874,194
Atlas Battery Limited (Group Company)		
Issue of 1,369,520 units (2016: nil) units	697,619,556	-
Redemption of 1,369,520 (2016: nil) units	702,297,156	-
Batool Benefit Trust		
Issue of 10,706 units (2016: nil) units	5,500,000	-
Atlas Fund of Funds (Fund under common management)		
Issue of 34,016 units (2016: 32,377) units	17,100,000	16,254,752
Atlas Foundation (Group Company)		
Issue of 10,906 units (2016: nil) units	5,600,000	-
Atlas Hitec (Private) Limited (Group Company)		
Redemption of nil (2016: 119,751) units	-	60,420,326
Atlas Honda Limited (Group Company)		
Issue of 9,035,947 (2016: 1,665,508) units	4,589,780,725	850,000,000
Redemption of 985,571 (2016: 2,051,514) units	500,000,000	1,050,000,000
Atlas Insurance Limited (Group Company)		
Issue of 88,168 (2016: 174,975) units	45,000,000	90,000,000
Honda Atlas Cars (Pakistan) limited (Group Company)		
Issue of nil (2016: 1,957,238) units	-	1,000,000,000
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 5,927 (2016: 5,927) units	-	3,000,000
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 49,588 (2016: nil) units	25,500,000	-
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 74,325 (2016: nil) units	38,209,000	-
Cherat Cement Company Limited - Worker's Profit Participation Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 98,641 (2016: nil) units	50,000,000	-
Colgate-Palmolive (Pakistan) Limited (Unit Holder with more than 10% holding)		
Issue of nil (2016: 397,955) units	-	200,000,000
Redemption of nil (2016: 197,180) units	-	100,000,000

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	For the Half Year ended	
	31 December 2017	31 December 2016
	Un-audited	Un-audited
Note	----- Rupees -----	----- Rupees -----
15.1 Transactions for the period (Continued...)		
Atlas Die Casting (Private) Limited (Group Company)		
Redemption of 117,151 (2016: nil) units	60,000,000	-
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)		
Redemption of 420 (2016: nil) units	211,646	-
Directors and their close family members and key management 15.4 personnel of the Management Company		
Issue of 30,937 (2016: 1,172) units	15,800,006	600,000
Redemption of 14 (2016: 14) units	7,200	7,200
	31 December 2017	30 June 2017
	Un-audited	Audited
	----- Rupees -----	----- Rupees -----
15.2 Balances outstanding as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	3,893,863	1,878,314
Sindh Sales Tax payable on Remuneration of the Management Company	3,626,365	3,364,343
Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
Accounting and operational charges payable	1,621,335	415,732
Sindh Sales Tax payable on accounting and operational charges	-	33,259
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	709,037	374,696
Sindh Sales Tax payable on Remuneration of the trustee	92,175	48,710
Atlas Fund of Funds (Fund under common management)		
Outstanding 34,016 (30 June 2017: nil) units - at net asset value	17,537,441	-
Atlas Insurance (Group Company)		
Outstanding 88,169 (30 June 2017: nil) units - at net asset value	45,457,166	-
Batool Benefit Trust (Group Company)		
Outstanding 10,706 (30 June 2017: nil) units - at net asset value	5,519,484	-
Atlas Foundation (Group Company)		
Outstanding 100,649 (30 June 2017: 89,744) units - at net asset value	51,891,802	45,038,839
Atlas Honda Limited (Group Company)		
Outstanding 8,050,376 (30 June 2017: nil) units - at net asset value	4,150,532,403	-
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding nil (30 June 2017: 420) units - at net asset value	-	210,664
Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 243,374 (30 June 2017: 243,374) units - at net asset value	125,476,426	122,139,766

Atlas Money Market Fund

31 December
2017
Un-audited
Note ----- Rupees -----

30 June
2017
Audited

15.2 Balances outstanding as at period/year end (Continued...)

Atlas Die Casting (Private) Limited (Group Company)			
Outstanding 81,021 (30 June 2017: 198,172) units - at net asset value	41,772,167		99,454,710
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)			
Outstanding 18,918 (30 June 2017: 18,918) units - at net asset value	9,753,610		9,494,243
Cherat Cement Company Limited - Worker's Profit Participation Fund (Employee benefit scheme of a Group Company)			
Outstanding 98,641 (30 June 2017: nil) units - at net asset value	50,856,202		-
Honda Atlas Cars (Pakistan) Limited (Group Company)			
Outstanding 2,552,869 (30 June 2017: 2,552,869) units - at net asset value	1,316,182,793		1,281,182,956
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Outstanding 21,081 (30 June 2017: 21,081) units - at net asset value	10,868,597		10,579,580
Shirazi Investments (Private) Limited - Employee Provident Fund			
Outstanding 49,588 (30 June 2017: nil) units - at net asset value	25,566,202		-
Colgate - Palmolive (Pakistan) Limited (previously a unit holder with more than 10% holding)	15.3		
Outstanding nil (30 June 2017: 1,596,233 units - at net asset value)	-		801,085,438
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)			
Outstanding 74,325 (30 June 2017: nil) units - at net asset value	38,319,744		-
Mr. Amin Mohammad Lakhani (previously a unit holder with more than 10% holding)			
Outstanding nil (30 June 2017: 1,307,295 units - at net asset value)	-	15.3	656,079,133
Directors and their close family members and key management personnel of the Management Company		15.4	
Outstanding 125,436 (30 June 2017: 94,513) units - at net asset value	64,671,080		47,432,294

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

15.4 For the purpose of this disclosure, transactions by the Board of Directors and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor and executives of the Management Company of the Fund whose gross remuneration is Rs.4 million and above, as set by the Board of Directors of the Management Company for FY 2017-18.

15.5 Other balances due to/from related parties/connected persons included in the respective notes to the condensed interim financial statements.

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16. FAIR VALUE MEASUREMENT

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.

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

Fair value hierarchy

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

Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 31 December 2017 and 30 June 2017, the Fund did not have any assets or liabilities that were measured at fair values using the aforementioned valuation techniques.

17. GENERAL

17.1 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 except for the change in accounting policy disclosed in note 3.2 thereto.

17.2 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 31 December 2016 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

17.4 Units have been rounded off to the nearest decimal place.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 February 2018.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited

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TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas 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, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 21, 2018

Atlas Income 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 Income Fund (the Fund) as at 31 December 2017 and the related condensed interim statement of income, comprehensive income, distribution, cash flow 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. The Management Company (Atlas Asset Management Limited) 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.

Other Matters

The condensed interim financial statements of the Fund for the half year ended 31 December 2016 and the annual financial statements for the year ended 30 June 2017 were audited by another firm of Chartered Accountants, whose audit report dated 28 February 2017 and 13 September 2017 respectively, expressed an unmodified conclusion and unmodified opinion respectively on the aforementioned financial statements.

EY Ford Rhodes

Chartered Accountants

Engagement Partner: Arslan Khalid

Dated: February 28, 2018

Karachi.

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2017

		31 December 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	----- Rupees -----
Assets			
Cash and Bank balances	4	7,044,778,072	9,679,898,539
Investments	5	1,892,913,334	1,980,963,380
Receivable against sale of investments		-	606,306,265
Receivable against issue of units		206,766	43,351,347
Receivable against Margin Trading System		4,307,549	260,438,209
Interest/profit accrued	6	77,857,695	56,382,183
Deposits, prepayment and other receivables	7	11,693,610	82,601,725
Total assets		9,031,757,026	12,709,941,648
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	36,433,268	34,141,339
Payable to the Central Depository Company of Pakistan Limited - Trustee		755,897	888,411
Payable to the Securities and Exchange Commission of Pakistan		4,171,746	6,911,284
Payable against redemption of units		16,560	6,399,179
Unclaimed dividend		40,464	40,464
Accrued expenses and other liabilities	9	22,349,598	110,634,308
TOTAL LIABILITIES		63,767,533	159,014,985
NET ASSETS		8,967,989,493	12,550,926,663
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		8,967,989,493	12,550,926,663
CONTINGENCIES AND COMMITMENTS	10		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		17,094,694	24,501,811
		----- Rupees -----	
NET ASSET VALUE PER UNIT		524.61	512.24

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	Note	For the Half Year ended		For the Quarter ended	
		31 December 2017	2016	31 December 2017	2016
Rupees -----					
Income					
Interest income	11	349,345,841	310,665,565	150,981,218	151,123,652
Gain/(loss) on spread transactions		317,530	(954,311)	-	(954,311)
Capital (loss)/gain on sale of investments-net		(85,382)	(26,944,067)	1,899	(26,702,580)
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(13,709,970)	19,338,478	(2,179,676)	38,318,520
Net unrealised diminution on re-measurement of future contracts		-	(2,074,502)	-	(2,074,502)
		(13,795,352)	(9,680,091)	(2,177,777)	9,541,438
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		-	(7,530,518)	-	(15,526,277)
Total income		335,868,019	292,500,645	148,803,441	144,184,502
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	44,498,620	35,381,065	19,119,298	18,141,944
Sindh Sales Tax on remuneration of the Management Company	8.2	5,784,821	4,599,538	2,485,509	2,358,452
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,700,205	3,969,741	2,076,226	1,990,708
Sindh Sales Tax on remuneration of the Trustee		611,027	516,066	269,910	258,792
Annual fees to the Securities and Exchange Commission of Pakistan		4,171,746	3,389,105	1,792,434	1,700,807
Accounting and operational charges	13	5,315,363	4,294,560	2,389,912	2,266,776
Sindh Sales Tax on accounting and operational charges		-	343,564	-	182,386
Auditors' remuneration		318,298	336,120	163,241	163,241
Annual rating fee		179,314	164,455	89,657	82,227
Annual listing fee		12,855	27,726	6,428	13,863
Securities transaction cost		1,860,105	9,886,954	532,125	5,827,355
Printing charges		315,947	234,804	196,134	123,236
Legal and professional charges		182,888	-	106,428	-
Bank charges		51,209	50,217	17,456	18,057
Provision for Sindh Workers' Welfare Fund		5,357,312	-	2,391,173	-
Total expenses		73,359,710	63,193,915	31,635,931	33,127,844
Net income for the period before taxation		262,508,309	229,306,730	117,167,510	111,056,658
Taxation	14	-	-	-	-
Net income for the period after taxation		262,508,309	229,306,730	117,167,510	111,056,658
Earnings per unit	15				
Allocation of net income for the period:					
Net income for the period after taxation		262,508,309	229,306,730	117,167,510	111,056,658
Income already paid on units redeemed		59,479,192	-	57,950,212	-
		203,029,117	229,306,730	59,217,298	111,056,658
Accounting income available for distribution:					
- Relating to capital gains		-	-	1,899	-
- Excluding capital gains		203,029,117	-	59,215,399	-
		203,029,117		59,217,298	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited (Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	<u>For the Half Year ended</u>		<u>For the Quarter ended</u>	
	<u>31 December</u>		<u>31 December</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	----- Rupees -----			
Net income for the period after taxation	262,508,309	229,306,730	117,167,510	111,056,658
Other comprehensive income for the period				
Item that may be reclassified subsequently to Income Statement				
Net unrealised (diminution)/appreciation in the value of investment classified as 'available for sale'	(1,243,558)	1,237,507	(1,198,173)	(169,439)
Total comprehensive income for the period	261,264,751	230,544,237	115,969,337	110,887,219

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

31 December 2017

	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
Note ----- Rupees -----				
Net assets at the beginning of the period Units outstanding: 24,501,811	12,424,066,564	128,076,426	(1,216,327)	12,550,926,663
Issue of 1,500,607 units				
- Capital value (at net asset value at the beginning of the period)	768,670,586	-	-	768,670,586
- Element of income	10,225,907	-	-	10,225,907
Total proceeds on issuance of units	778,896,493	-	-	778,896,493
Redemption of 8,907,724 units				
- Capital value (at net asset value at the beginning of the period)	4,562,892,542	-	-	4,562,892,542
- Amount paid out of element of income:				
- Relating to net income for the period after taxation	-	59,479,192	-	59,479,192
- Refund on units as element of income	726,680	-	-	726,680
Total payments on redemption of units	4,563,619,222	59,479,192	-	4,623,098,414
Element of loss and capital losses included in prices of units sold less those in units redeemed - net 3.2	-	-	-	-
Net income for the period	-	262,508,309	-	262,508,309
Net unrealised (diminution) /appreciation in the value of investment classified as 'available for sale'	-	-	(1,243,558)	(1,243,558)
Net assets at the end of the period Units outstanding: 17,094,694	8,639,343,835	331,105,543	(2,459,885)	8,967,989,493
Undistributed income brought forward				
- Realised income		99,100,360		
- Unrealised income		28,976,066		
		128,076,426		
Accounting income available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		203,029,117		
		203,029,117		
Net income for the period after taxation		-		
Distribution for the period		-		
Undistributed income carried forward		331,105,543		
Undistributed income carried forward				
- Realised income		313,665,443		
- Unrealised income		17,440,100		
		331,105,543		
				(Rupees)
Net asset value per unit at beginning of the period				512.24
Net asset value per unit at end of the period				524.61

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

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Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
(UN-AUDITED) Continued...

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

31 December 2016

Note	31 December 2016			
	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
	----- Rupees -----			
Net assets at the beginning of the period Units outstanding: 15,273,112	7,705,893,998	103,767,799	(1,334,329)	7,808,327,468
Issue of 5,523,559 units				
- Capital value (at net asset value at the beginning of the period)	-	-	-	-
- Element of income	-	-	-	-
Total proceeds on issuance of units	2,857,393,966	-	-	2,857,393,966
Redemption of 4,202,696 units				
- Capital value (at net asset value at the beginning of the period)	-	-	-	-
- Amount paid out of element of income:				
- Relating to net income for the period after taxation	-	-	-	-
- Refund on units as element of income	-	-	-	-
Total payments on redemption of units	2,189,612,935	-	-	2,189,612,935
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	3.2	7,530,518	-	7,530,518
Net income for the period	-	229,306,730	-	229,306,730
Net unrealised (diminution)/appreciation in the value of investment classified as 'available for sale'	-	-	1,237,507	1,237,507
Net assets at the end of the period Units outstanding: 16,593,975	8,381,205,547	333,074,529	(96,822)	8,714,183,254
Undistributed income brought forward				
- Realised income		50,518,522		
- Unrealised income		53,249,277		
		103,767,799		
Accounting income available for distribution				
- Relating to capital gains		-		
- Excluding capital gains		-		
		-		
Net income for the period after taxation		229,306,730		
Distribution for the period		-		
Undistributed income carried forward		333,074,529		
Undistributed income carried forward				
- Realised income		305,629,993		
- Unrealised income		27,444,536		
		333,074,529		
				(Rupees)
Net asset value per unit at beginning of the period				<u>511.25</u>
Net asset value per unit at end of the period				<u>525.14</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

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Chief Executive Officer

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Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	2017	2016
	Note	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	262,508,309	229,306,730
Adjustments for:		
Interest income	(349,345,841)	(310,665,565)
(Gain)/loss on spread transactions	(317,530)	954,311
Capital loss on sale of investments - net	85,382	26,944,067
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	13,709,970	(19,338,478)
Net unrealised diminution on re-measurement of future contracts	-	2,074,502
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	7,530,518
Provision for Sindh Workers' Welfare Fund	5,357,312	-
	(330,510,707)	(292,500,645)
Decrease/(increase) in assets		
Receivable against Margin Trading System	256,130,660	(155,737,844)
Deposits, prepayment and other receivables	70,908,115	(39,301,646)
	327,038,775	(195,039,490)
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	2,291,929	3,373,453
Payable to the Central Depository Company of Pakistan Limited - Trustee	(132,514)	126,365
Payable to the Securities and Exchange Commission of Pakistan	(2,739,538)	(2,327,666)
Unclaimed dividend	-	23,253
Accrued expenses and other liabilities	(93,642,022)	(87,283,544)
	(94,222,145)	(86,088,139)
	164,814,232	(344,321,544)
Interest received	217,402,201	242,852,671
Investments made during the period	(18,341,213,531)	(17,159,443,322)
Investment sold/redeemed/matured during the period	19,180,836,256	18,610,753,587
Net cash generated from operating activities	1,221,839,158	1,349,841,392
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	821,805,826	2,856,533,308
Net payments against redemption of units	(4,629,245,785)	(2,188,215,455)
Net cash (used in)/generated from financing activities	(3,807,439,959)	668,317,853
Net (decrease)/increase in cash and cash equivalents	(2,585,600,801)	2,018,159,245
Cash and cash equivalents at the beginning of the period	9,679,898,539	3,151,610,471
Cash and cash equivalents at the end of the period	7,094,297,738	5,169,769,716

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on 11 June 2005 as the trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 11 June 2005, 29 October 2007, 23 June 2010, 12 November 2010 and 23 May 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth and Eleventh Supplements dated 21 June 2005, 29 October 2007, 29 February 2008, 23 June 2010, 12 November 2010, 14 October 2013, 24 March 2015, 3 August 2015, 13 April 2016, 29 September 2016 and 02 June 2017 respectively with the approval of the SECP. The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from 22 March 2004 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharikas (COMs), Term Deposit Receipts (TDRs), commercial papers, reverse repos, term finance certificates (TFCs)/sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two plus) on 04 May 2017 and has assigned a rating of "AA-(f)" (Double A minus) to the Fund on 12 July 2017.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 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.

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial statements of companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

Atlas Income Fund

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 2017.

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 give a true and fair view of the state of affairs of the Fund as at 31 December 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 December 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2017, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the half-year ended 31 December 2016.

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

Except for change in note 3.2 and 3.3, the accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2017.

The preparation of these condensed interim financial statements in conformity with 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 periods.

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2017.

3.2 Change in accounting policy - element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income/(loss) an capital gains/(losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

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As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its SRO no. 756(I)/2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the Income of the Fund would have been lower by Rs.49.98 million. However, the change in accounting policy does not have any impact on the 'condensed interim Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'condensed interim Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures/new presentation requirements in the 'condensed interim Income Statement' and 'condensed interim Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

3.3 New/Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards Issued by the IASB

IFRS 12 Disclosure of interests in Other Entities - Clarification of the scope of the disclosure Requirement

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

	Note	31 December 2017 Un-audited	30 June 2017 Audited
		Rupees	
4. CASH AND BANK BALANCES			
Balances with banks in:			
- Savings accounts	4.1	7,041,733,072	9,678,966,289
- Current account		5,000	7,250
Cheques in hand	4.2	3,040,000	925,000
		7,044,778,072	9,679,898,539

4.1 The rate of return on these accounts ranges between 4% and 6.75% (30 June 2017: 3.75% and 6.75%) per annum.

4.2 These cheques were received against issue of units which were cleared subsequent to the period end by 05 January 2018.

	Note	31 December 2017 Un-audited	30 June 2017 Audited
		Rupees	
5. INVESTMENTS			
Available-for-sale			
Quoted equity security	5.1	1,473,512	2,717,070
Equity Futures - listed			
Quoted equity security	5.2	-	-
At fair value through profit or loss - held for trading			
Term finance certificates - listed	5.3 & 5.8	988,252,801	1,000,413,868
Term finance certificates - unlisted	5.4 & 5.8	200,152,960	203,399,386
Sukuk certificates - unlisted	5.5 & 5.8	576,970,272	575,511,888
Government Securities - Market Treasury Bills	5.6	49,519,666	198,921,168
Commercial Papers	5.7	76,544,123	-
		1,891,439,822	1,978,246,310
		1,892,913,334	1,980,963,380

Atlas Income Fund

5.1 Quoted equity security

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

Name of the Investee Company	Number of Shares					Rupees		Percentage			Paid up value of shares held as a percentage of paid-up capital of investee company
	As at 01 July 2017	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2017	Cost as at 31 December 2017	Market value as at 31 December 2017	Market value as a percentage of investments	Market value as a percentage of net assets		
CHEMICAL											
Agritech Limited	302,569	-	-	-	302,569	2,329,782	1,473,512	0.08	0.02	0.08	
Total as at 30 June 2017						2,329,782	2,717,070				

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 a 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.

5.2 Equity futures - listed

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

Name of the Investee Company	Number of Shares					Rupees		Percentage		
	As at 01 July 2017	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2017	Cost as at 31 December 2017	Market value as at 31 December 2017	Market value as a percentage of investments	Market value as a percentage of net assets	
At fair value through profit or loss - equity securities										
BANKS										
Bank Alfalah Limited	-	556,500	-	556,500	-	-	-	-	-	
The Bank of Punjab	-	94,500	-	94,500	-	-	-	-	-	
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited										
	-	200,000	-	200,000	-	-	-	-	-	
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	-	1,500	-	1,500	-	-	-	-	-	
TECHNOLOGY & COMMUNICATIONS										
Pakistan Telecommunication Company Limited										
	-	8,500	-	8,500	-	-	-	-	-	
FERTILIZER										
Engro Fertilizers Limited	-	4,000	-	4,000	-	-	-	-	-	
Total as at 31 December 2017						-	-	-	-	
Total as at 30 June 2017						-	-	-	-	

5.2.1 The cost of listed equity securities as at 31 December 2017 is Rs. Nil (30 June 2017: Rs Nil).

5.2.2 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchased equity securities in ready settlement market and sold them in future settlement market earning income on spread transactions due to difference in ready and future stock prices.

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5.3 Term finance certificates - listed

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

Name of the Investee Company	Note	Number of Shares			Rupees		Percentage			
		As at 01 July 2017	Purchases during the period	Disposed/ matured during the period	As at 31 December 2017	Carrying value as at 31 December 2017	Market value as at 31 December 2017	Market value as a percentage of investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
BANKS										
Bank Alfalah Limited - V		38,450	-	-	38,450	197,382,040	195,318,114	10.32	2.18	3.85
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)		7,500	-	-	7,500	751,423,875	742,924,727	39.25	8.28	7.50
Soneri Bank Limited		10,000	-	-	10,000	51,407,740	50,009,960	2.64	0.56	1.67
		55,950	-	-	55,950	1,000,213,655	988,252,801			
TELECOMMUNICATION										
Telecard Limited	5.8.1	4,000	-	-	4,000	-	-	-	-	-
PERSONAL GOODS										
Azgard Nine Limited	5.8.1	5,000	-	-	5,000	-	-	-	-	-
Total as at 31 December 2017						1,000,213,655	988,252,801	52.21	11.02	
Total as at 30 June 2017						995,411,855	1,000,413,868			

5.3.1 The terms and conditions of listed term finance certificates outstanding as at 31 December 2017 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments/ principal redemptions	Maturity date	Rate of return
BANKS					
Bank Alfalah Limited - V	AA-	8 years	Semi-annually	Feb 2021	6 month KIBOR + 1.25%
Habib Bank Limited Tier - II	AAA	10 years	Semi-annually	Feb 2026	6 month KIBOR + 0.50%
Soneri Bank Limited	A+	8 years	Semi-annually	July 2023	6 month KIBOR + 1.35%
TELECOMMUNICATION					
Telecard Limited	NPA	15 years	Quarterly	Dec 2020	3 month KIBOR
PERSONAL GOODS					
Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%

5.4 Term finance certificates - unlisted

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

Name of the Investee Company	Note	Number of Shares			Rupees		Percentage			
		As at 01 July 2017	Purchases during the period	Disposed/ matured during the period	As at 31 December 2017	Carrying value as at 31 December 2017	Market value as at 31 December 2017	Market value as a percentage of investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
BANKS										
Askari Bank Limited - V		20,000	-	-	20,000	101,871,320	100,113,020	5.29	1.12	2.50
Bank AL Habib Limited		20,000	-	-	20,000	101,487,365	100,039,940	5.28	1.12	2.50
CHEMICALS										
Agritech Limited- I	5.8.1	2,000	-	-	2,000	-	-	-	-	-
Agritech Limited - II	5.8.1	8,000	-	-	8,000	-	-	-	-	-
Agritech Limited- IV	5.8.1	2,203	-	-	2,203	-	-	-	-	-
		12,203	-	-	12,203	-	-			
PERSONAL GOODS										
Azgard Nine Limited-V	5.8.1	1,075	-	-	1,075	-	-	-	-	-
Total as at 31 December 2017						203,358,685	200,152,960	10.57	2.23	
Total as at 30 June 2017						202,982,550	203,399,386			

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5.4.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 December 2017 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments/ principal redemptions	Maturity date	Rate of return
BANKS					
Askari Bank Limited - V	AA-	10 years	Semi-annually	Sept 2024	6 month KIBOR + 1.20%
Bank AL Habib Limited	AA	10 years	Semi-annually	Mar 2026	6 month KIBOR + 0.75%
CHEMICALS					
Agritech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6month KIBOR + 1.75%
Agritech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6month KIBOR + 1.75%
Agritech Limited - IV	NPA	3.5 years	Semi-annually	Jan 2015	-
PERSONAL GOODS					
Azgard Nine Limited - V	NPA	5 years	Semi-annually	Mar 2017	Zero Coupon

5.5 Sukuk certificates - unlisted

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

Name of the Investee Company	Note	Number of Shares			Rupees		Percentage			
		As at 01 July 2017	Purchases during the period	Disposed/ matured during the period	As at 31 December 2017	Carrying value as at 31 December 2017	Market value as at 31 December 2017	Market value as a percentage of investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
CHEMICALS										
Agritech Limited	5.8.1	4,060	-	-	4,060	-	-	-	-	-
BANKS										
Meezan Bank Limited Tier - II (face value value of Rs. 1,000,000 per certificate)		-	552	-	552	575,511,888	576,970,272	30.48	6.43	7.89
Total as at 31 December 2017						575,511,888	576,970,272	30.48	6.43	
Total as at 30 June 2017						552,000,000	575,511,888			

5.5.1 The terms and conditions of sukuk certificates as at 31 December 2017 are as follows:

Name of the Investee Company	Tenure	Profit payments/ principal redemptions	Maturity date	Rate of return	Rating
CHEMICALS					
Agritech Limited	7 years	Semi-annually	Aug 2015	6 month KIBOR + 2.00%	NPA
Meezan Bank Limited Tier - II	7 years	Semi-annually	Sept 2026	6 month KIBOR + 0.50%	AA-

Note	31 December 2017	30 June 2017
	Un-audited	Audited
	----- Rupees -----	

5.6 Government securities

Market Treasury Bills

5.6.1

45,519,666

413,945,275

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5.6.1 Market Treasury Bills

Tenor	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2017	Purchased during the period	Disposed / Matured during the period	As at 31 December 2017	Carrying Value	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
3 months	200,000,000	14,024,410,000	14,174,410,000	50,000,000	49,521,446	49,519,666	2.62	0.55
6 months	-	4,419,400,000	4,419,400,000	-	-	-	-	-
Total as at 31 December 2017					<u>49,521,446</u>	<u>49,519,666</u>	<u>2.62</u>	<u>0.55</u>
Total as at 30 June 2017					<u>198,931,395</u>	<u>198,921,168</u>		

5.6.2 Market treasury bills carry purchase yield of 5.99% (30 June 2017: 5.99%) per annum and will mature on 01 March 2018 (30 June 2017: 3 August 2017). The cost of these investments as on 31 December 2017 is Rs.49,416,000 (30 June 2017: Rs.197,280,000).

5.6.3 These treasury bills have a face value of Rs.50,000,000 which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in respect of Margin Trading System (MTS) transactions (30 June 2017: face value of Rs.200,000,000 pledged in respect of MTS transactions).

	31 December 2017	30 June 2017
	Un-audited	Audited
Note	Rupees	

5.7 Commercial Papers

Commercial Papers	5.7.1	<u>76,544,123</u>	<u>-</u>
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5.7.1

Name of Investee Company	Face value (Rupees)				Rupees		Percentage	
	As at 01 July 2017	Purchased during the period	Disposed / Matured during the period	As at 31 December 2017	Carrying Value	Market Value	Market Value as a percentage of total Investment	Market Value as a percentage of net assets
Crescent Steel & Allied Products Limited	-	800	-	800	80,000,000	76,544,123	4.04	0.85
Total as at 31 December 2017					<u>80,000,000</u>	<u>76,544,123</u>	<u>4.04</u>	<u>0.85</u>
Total as at 30 June 2017					<u>-</u>	<u>-</u>		

5.8 Particulars of non-compliant investments

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

Atlas Income Fund

5.8 Particulars of non-compliant investments (Continued...)

Non-compliant investment	Note	Type of Investment	Value before provision	Provision held	Net carrying value	Percentage of	
						Net assets	Gross assets
----- Rupees -----							
Listed							
Azgard Nine Limited		Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited		Term finance certificate	4,668,990	4,668,990	-	-	-
			12,540,501	12,540,501	-	-	-
Unlisted							
Agritech Limited-I		Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II		Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited-IV		Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V	5.8.3	Term finance certificate	5,375,000	5,375,000	-	-	-
			53,860,000	53,860,000	-	-	-
Unlisted							
Agritech Limited		Sukuk certificate	15,225,000	15,225,000	-	-	-
Total as at 31 December 2017			81,625,501	81,625,501	-	-	-
Total as at 30 June 2017			81,625,501	81,625,501			

5.8.2 The securities stated above have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 dated 24 October 2012, and an aggregate provision of Rs.81.63 million (30 June 2017: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

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

Note	31 December 2017	30 June 2017
	Un-audited	Audited
	----- Rupees -----	

6. INTEREST/PROFIT ACCRUED

Interest/profit on:

Savings and term deposits	36,174,435	12,929,201
Margin Trading System	45,425	2,498,039
Term finance certificates	29,367,858	28,740,771
Sukuk certificates	12,269,977	12,214,172
	77,857,695	56,382,183

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
Margin deposit against futures		-	71,613,580
Prepaid annual listing fee		14,645	-
Prepaid annual fee to the NCCPL		248,182	124,209
Other receivables	7.1	8,580,783	8,013,936
		11,693,610	82,601,725

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, during the year ended 30 June 2016, withholding tax on profit on bank deposits and debt securities paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The amount of tax withheld on profit on bank deposits and debt securities as at 31 December 2017 amounts to Rs 3.21 million and Rs 5.37 million respectively.

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7.1 For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on bank deposits and debt securities has been shown as other receivables as at 31 December 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2017	30 June 2017
		Un-audited	Audited
		Rupees	
Remuneration of the Management Company	8.1	6,045,602	5,561,795
Sindh Sales Tax payable on remuneration of the Management Company	8.2	4,308,626	4,245,731
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable reimbursable by the Fund	13	2,496,069	695,224
Sindh Sales Tax payable on accounting and operational charges		-	55,618
		36,433,268	34,141,339

8.1 In accordance with the provisions of the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 1.50% of the average annual net assets in case of income schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and, thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 0.80% (2016: For the period from 1 July 2016 to 18 July 2016, the fee was charged by the Management Company at a rate of 0.60%) per annum of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

8.2 During the period, an amount of Rs. 5,784,821 (2016: Rs. 4,599,538) was charged on account of sales tax on remuneration of management company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 5,721,926 (2016: Rs. 4,404,261) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board (as explained in note 8.2 above) which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

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With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23,583 million (30 June 2017: Rs 23,583 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2017 would have been higher by Re. 1.38 per unit (30 June 2017: Re 0.96 per unit).

	31 December 2017 Un-audited	30 June 2017 Audited
Note	Rupees	
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration payable	326,484	450,305
NCCPL charges payable	300,667	180,000
Printing charges payable	159,578	209,955
Brokerage payable	-	120,425
Sales tax payable	-	14,804
Legal and professional charges payable	-	100,000
Annual rating fee payable	179,314	-
Withholding tax payable	27,212	37,346,119
Capital gain tax payable	2,426,055	58,899,103
Zakat payable	-	8,221
Other payables	327,596	59,996
Provision for Sindh Workers' Welfare Fund	9.1 18,602,692	13,245,380
	22,349,598	110,634,308

9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2017 would have been higher by Re.1.08 per unit (30 June 2017: Rs.0.54 per unit).

10. CONTINGENCIES AND COMMITMENTS

10.1 There were no contingencies outstanding as at 31 December 2017 and 30 June 2017.

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31 December
2017
Un-audited

30 June
2017
Audited

----- Rupees -----

10.2 Commitments

Margin Trading System (MTS)

Margin Trading System (MTS) transactions entered into by the Fund that have not been settled as at 31 December 2017

Purchase of securities

Total commitments

	-	281,674,516
	-	281,674,516

	For the Half Year ended		For the Quarter ended	
	31 December		31 December	
	2017	2016	2017	2016
Note	Un-audited		Un-audited	
	----- Rupees -----			

11. INTEREST INCOME

Interest on:

Saving and term deposits	173,656,642	40,565,435	92,031,222	20,338,353
Margin Trading System	5,197,252	60,081,681	781,818	31,684,189
Term finance certificates	41,546,640	32,154,206	20,883,815	16,944,781
Sukuk certificates	18,477,179	10,020,085	9,252,427	9,127,206
Government Securities - Market				
Treasury Bills	108,342,610	91,556,256	26,625,118	47,146,556
Government Securities - Pakistan				
Investment Bonds	-	76,287,902	-	25,882,567
Commercial Papers	2,125,518	-	1,406,818	-
	349,345,841	310,665,565	150,981,218	151,123,652

11.1 This includes mark-up received on non-performing term finance certificates amounting to Rs.0.191 million. Furthermore, in accordance with the requirements specified by the SECP, mark-up on non-performing securities amounting to Rs. 55.16 million (2016: Rs 49.50 million) based on outstanding principal has not been recognised during the period.

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2017 is 1.27% (30 June 2017: 1.55%) which includes 0.24% (30 June 2017: 0.35%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

13. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (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 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. Accordingly, the Management Company has charged accounting and operational charges to the Fund in respect of the back office accounting function to an independent service provider.

14. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. 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.

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15. 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.

16. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load 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, 2008 and the Trust Deed.

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

16.1 <u>Transactions during the period</u>	<u>For the Half Year ended</u>	
	<u>31 December</u>	<u>31 December</u>
	<u>2017</u>	<u>2016</u>
	<u>Un-audited</u>	<u>Un-audited</u>
	<u>----- Rupees -----</u>	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	44,498,620	35,381,065
Remuneration paid	44,014,813	33,563,084
Sindh Sales Tax on remuneration of the Management Company	5,784,821	4,599,538
Accounting and operational charges	5,315,363	4,294,560
Sindh Sales Tax on accounting and operational charges	-	343,564
Issue of Nil (2016: 23,386) units	-	12,000,000
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	4,700,205	3,969,741
Sindh Sales Tax on remuneration of the Trustee	611,027	516,066
Trustee fee paid	4,651,528	3,925,685
Settlement charges	40,000	962,925
Sindh Sales Tax on settlement charges	5,200	125,180
Atlas Battery Limited (Group Company)		
Redemption of 1,797,819 (2016:1,780,683) units	935,697,170	930,406,278
Atlas Foundation (Trust having common Director/Trustee)		
Issue of Nil (2016: 491,967) units	-	254,000,000
Redemption of 204,661 (2016: 107,020) units	106,000,000	56,000,000
Atlas Honda Limited (Group Company)		
Issue of 137 (2016: 389,772) units	71,618	200,000,000
Redemption of 5,782,929 (2016: 866,100) units	3,000,000,000	450,000,000
Atlas Insurance Limited		
Issue of 38,692 (2016: Nil) units	20,000,000	-
Batool Benefit Trust (Trust having common Director/Trustee)		
Redemption of 13,792 (2016: 14,775) units	7,147,469	7,645,000

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	For the Half Year ended	
	31 December 2017	31 December 2016
	Un-audited	Un-audited
Note	----- Rupees -----	-----
16.1 Transactions during the period (Continued...)		
Cherat Cement Company Limited - Employee Provident Fund		
Issue of 3,288 (2016: Nil) units	1,721,259	-
Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of Nil (2016: 38,885) units	-	20,000,000
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of 31,998 (2016: Nil) units	16,748,280	-
Redemption of 1,907 (2016: 19,492) units	1,000,000	10,200,000
Atlas Engineering Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
Redemption of 13,471 (2016: Nil) units	6,954,338	-
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of Nil (2016: 7,748) units	-	4,000,000
Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of Nil (2016: 19,443) units	-	10,000,000
Atlas Power Limited - Staff Provident Fund (Retirement Benefit Plan of a Group Company)		
Redemption of 290 (2016: Nil) units	149,160	-
Shirazi Capital (Private) Limited (Group Company)		
Redemption of Nil (2016: 830,408) units	-	434,411,507
Shirazi Investments (Private) Limited (Group Company)		
Issue of 866,093 (2016: 830,408) units	450,000,000	434,411,507
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
Issue of 31,375 (2016: 917) units	16,170,000	475,000
Redemption of 6,272 (2016: 20,006) units	3,270,000	10,407,059
Atlas Die Casting (Private) Limited		
Redemption of 78,275 (2016: Nil) units	40,246,787	-
Honda Atlas Cars (Pakistan) Limited		
Issue of Nil (2016: 1,944,391) units	-	1,000,000,000
Directors and their close family members and key management personnel of the Management Company	16.3	
Issue of 4 (2016: 93,282) units	2,104	47,799,834
Redemption of 136,998 (2016: 10,283) units	77,382,590	5,379,834

Atlas Income Fund

	31 December 2017 Un-audited	30 June 2017 Audited
	----- Rupees -----	
16.2 Balances as at period/year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	6,045,602	5,561,795
Sindh Sales Tax payable on remuneration of the Management Company	4,308,626	4,245,731
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	2,496,069	695,224
Sindh Sales Tax payable on accounting and operational charges	-	55,618
Outstanding 115,852 (30 June 2017: 115,852) units - at net asset value	60,776,856	59,343,773
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	664,881	616,204
Sindh Sales Tax payable on remuneration of the trustee	86,435	80,107
Settlement charges payable	4,054	170,000
Sindh Sales Tax payable on Settlement Charges	527	22,100
Atlas Battery Limited (Group Company)		
Outstanding Nil (30 June 2017: 1,797,819) units - at net asset value	-	920,915,045
Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of Group Company)		
Outstanding Nil (30 June 2017: 13,471) units - at net asset value	-	6,900,587
Atlas Die Casting (Private) Limited (Group Company)		
Outstanding Nil (30 June 2017: 78,275) units - at net asset value	-	40,095,716
Atlas Foundation (Trust having common Director/Trustee)		
Outstanding 829,302 (30 June 2017: 1,033,963) units - at net asset value	435,060,022	529,637,193
Atlas Services Limited (Group Company)		
Outstanding Nil (30 June 2017: 134,324) units - at net asset value	-	68,805,994
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 39,309 (30 June 2017: 9,218) units - at net asset value	20,621,674	4,721,768
Atlas Honda Limited (Group Company)		
Outstanding 3,865,912 (30 June 2017: 9,648,704) units - at net asset value	2,028,096,157	4,942,452,193
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of Group Company)		
Outstanding 29,163 (30 June 2017: 29,163) units - at net asset value	15,299,414	14,938,662
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of Group Company)		
Outstanding 242,143 (30 June 2017: 242,143) units - at net asset value	127,030,511	124,035,205
Atlas Powers Limited - Staff Provident Fund (Retirement benefit plan of Group Company)		
Outstanding Nil (30 June 2017: 290) units - at net asset value	-	148,488
Atlas Insurance Limited		
Outstanding 38,692 (30 June 2017: Nil) units - at net asset value	20,298,317	-
Batool Benefit Trust (Trust having common Director/Trustee)		
Outstanding 102,447 (30 June 2017: 116,239) units - at net asset value	53,744,665	59,542,199

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16.2 <u>Balances as at period/year end (Continued...)</u>	Note	31 December	30 June
		2017	2017
		Un-audited	Audited
		Rupees -----	
Honda Atlas Cars (Pakistan) Limited-Employees Gratuity Fund (Retirement benefit plan of Group Company)			
Outstanding 28,687 (30 June 2017: 28,687) units - at net asset value		15,049,696	14,694,833
Honda Atlas Cars (Pakistan) Limited-Employees Provident Fund (Retirement benefit plan of Group Company)			
Outstanding 118,071 (30 June 2017: 118,071) units - at net asset value		61,941,359	60,480,818
Shirazi Investments (Private) Limited (Group company)			
Outstanding 5,379,242 (30 June 2017: 4,513,149) units - at net asset value		2,822,004,368	2,311,815,560
Shirazi Investments (Private) Limited-Employees Provident Fund (Retirement benefit plan of Group Company)			
Outstanding 28,142 (30 June 2017: 3,039) units - at net asset value		14,763,671	1,556,554
Honda Atlas Cars (Pakistan) Limited			
Outstanding 3,542,568 (30 June 2017: 3,542,568) units - at net asset value		1,858,466,736	1,814,645,167
Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
Outstanding 24,807 (30 June 2017: 24,807) units - at net asset value		13,014,125	12,707,259
Cherat Cement Company Limited - Employee Provident Fund			
Outstanding 3,288 (30 June 2017: Nil) units -at net asset value		1,724,908	-
Directors and their close family members and key management personnel of the Management Company	16.3		
Outstanding 294,583 (30 June 2017: 462,145) units -at net asset value		154,541,305	236,728,945

16.3 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 2017-18.

17. FAIR VALUE MEASUREMENT

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.

The investments of the Fund in debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities. 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 carrying values.

Atlas Income Fund

Fair value hierarchy

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

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 31 December 2017 and 30 June 2017, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	----- Rupees -----		
As at 31 December 2017			
Available-for-sale financial assets	1,473,512	-	-
Financial assets at fair value through profit or loss	-	1,891,439,822	-
Term finance certificates - listed	-	988,252,801	-
Term finance certificates - unlisted	-	200,152,960	-
Sukuk certificates - unlisted	-	576,970,272	-
Government Securities - Market Treasury Bills	-	49,519,666	-
Commercial Papers	-	76,544,123	-
As at 30 June 2017			
Available-for-sale financial assets	2,717,070	-	-
Financial assets at fair value through profit or loss	-	1,978,246,310	-
Term finance certificates - listed	-	1,000,413,868	-
Term finance certificates - unlisted	-	203,399,386	-
Sukuk certificates - unlisted	-	575,511,888	-
Government Securities - Market Treasury Bills	-	198,921,168	-
Government Securities - Pakistan Investment Bonds	-	-	-
		<u>For the Half Year ended</u>	
		<u>31 December</u>	<u>31 December</u>
		<u>2017</u>	<u>2016</u>
		<u>Un-audited</u>	<u>Un-audited</u>
Note		----- Rupees -----	
18. CASH AND CASH EQUIVALENTS			
Cash and bank balances	4	7,044,778,072	4,772,739,716
Treasury bills (with original maturity of three months)	5.6	49,519,666	397,030,000
		<u>7,094,297,738</u>	<u>5,169,769,716</u>

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19. GENERAL

19.11 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.

19.21 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 31 December 2016 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 February 2018.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited

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TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas 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, 2017 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 21, 2018

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 (the Fund) as at 31 December 2017 and the related condensed interim statement of income, comprehensive income, distribution, cash flow 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. The Management Company (Atlas Asset Management Limited) 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.

Other Matters

The condensed interim financial statements of the Fund for the half year ended 31 December 2016 and the annual financial statements for the year ended 30 June 2017 were audited by another firm of Chartered Accountants, whose audit report dated 28 February 2017 and 13 September 2017 respectively, expressed an unmodified conclusion and unmodified opinion respectively on the aforementioned financial statements.

EY Ford Rhodes

Chartered Accountants

Engagement Partner: Arslan Khalid

Dated: February 28, 2018

Karachi

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2017

		31 December 2017 Un-audited	30 June 2017 Audited
	Note	----- Rupees -----	
Assets			
Cash and bank balances	4	374,125,147	657,895,685
Investments	5	4,697,056,103	5,141,997,098
Dividend receivable		35,948,038	446,198
Profit receivable on bank balances		2,056,677	10,002,401
Receivable against sale of investments		52,044,813	2,761,535
Receivable against issue of units		-	35,897,649
Advances, deposits, prepayments and other receivables	6	13,966,986	14,691,927
Total assets		5,175,197,764	5,863,692,493
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	33,794,711	34,515,696
Payable to the Central Depository Company of Pakistan Limited - Trustee		587,929	683,708
Payable to the Securities and Exchange Commission of Pakistan		2,484,232	5,082,930
Payable against purchase of investments		-	123,032,718
Payable against redemption of units		8,537,836	129,739,015
Unclaimed dividend		401,733	401,733
Accrued expenses and other liabilities	8	40,809,968	42,560,539
Total liabilities		86,616,409	336,016,339
NET ASSETS		5,088,581,355	5,527,676,154
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		5,088,581,355	5,527,676,154
CONTINGENCIES AND COMMITMENTS	9		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		8,752,403	8,289,668
		----- Rupees -----	
NET ASSET VALUE PER UNIT		581.39	666.82

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	Note	For the Half Year ended		For the Quarter ended	
		31 December		31 December	
		2017	2016	2017	2016
Income		Rupees			
Profit on bank balances		15,332,410	7,590,207	7,450,366	4,392,679
Dividend income		148,675,465	126,757,300	98,803,434	79,116,675
Capital (loss)/gain on sale of investments-net		(269,078,175)	400,719,597	(159,283,960)	247,251,344
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(426,619,764)	967,499,644	(127,034,548)	742,552,037
		(695,697,939)	1,368,219,241	(286,318,508)	989,803,381
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	39,738,566	-	27,823,756
Total income		(531,690,064)	1,542,305,314	(180,064,708)	1,101,136,491
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	52,299,620	47,395,143	25,508,248	25,453,295
Sindh sales tax on remuneration of the Management Company	7.2	6,798,951	6,161,369	3,316,073	3,308,929
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,119,091	2,873,867	1,527,467	1,524,720
Sindh sales tax on remuneration of the trustee		405,482	373,603	198,571	198,214
Annual fee to the Securities and Exchange Commission of Pakistan		2,484,232	2,251,270	1,211,641	1,209,032
Accounting and operational charges	10	2,477,050	2,302,035	1,275,412	1,272,532
Sindh sales tax on accounting and operational charges		-	184,163	-	101,947
Auditors' remuneration		272,740	314,280	139,179	139,179
Annual listing fee		12,855	27,725	6,428	13,862
Securities transaction cost		5,328,187	7,829,774	2,636,038	4,298,698
Advertisement and marketing expense	11	63,119	-	22,500	-
Printing charges		152,023	127,078	101,442	72,542
Legal and professional charges		885,104	-	438,851	-
Bank charges		30,352	24,618	13,617	18,205
Total expenses		74,328,806	69,864,925	36,395,467	37,611,155
Net (loss)/income for the period before taxation		(606,018,870)	1,472,440,389	(216,460,175)	1,063,525,336
Taxation	13	-	-	-	-
Net (loss)/income for the period after taxation		(606,018,870)	1,472,440,389	(216,460,175)	1,063,525,336
Earnings per unit	14				
Allocation of net (loss)/income for the period					
Net (loss)/income for the period after taxation		(606,018,870)	1,472,440,389	(216,460,175)	1,063,525,336
Income already paid on units redeemed		-	-	-	-
		(606,018,870)	1,472,440,389	(216,460,175)	1,063,525,336
Accounting loss available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		-	-	-	-

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2017

	For the Half Year ended		For the Quarter ended	
	31 December 2017	2016	31 December 2017	2016
	----- Rupees -----			
Net (loss)/income for the period after taxation	(606,018,870)	1,472,440,389	(216,460,175)	1,063,525,336
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive (loss)/income for the period	(606,018,870)	1,472,440,389	(216,460,175)	1,063,525,336

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

31 December 2017

	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
Note	-----Rupees-----			
Net assets at the beginning of the period	3,773,086,121	1,754,590,033	-	5,527,676,154
Units outstanding: 8,289,668				
Issue of 2,251,412 units				
- Capital value (at net asset value at the beginning of the period)	1,467,514,888	-	-	1,467,514,888
- Element of income	(113,700,401)	-	-	(113,700,401)
Total proceeds on issuance of units	1,353,814,487	-	-	1,353,814,487
Redemption of 1,788,677 units				
- Capital value (at net asset value at the beginning of the period)	1,165,895,710	-	-	1,165,895,710
- Amount paid out of element of income:				
- Relating to net income for the period after taxation	-	-	-	-
- Relating to other comprehensive income for the period	-	-	-	-
- Refund on units as element of income	(103,350,311)	-	-	(103,350,311)
Total payments on redemption of units	1,062,545,399	-	-	1,062,545,399
Element of income and capital gains included in prices of units sold less those in units redeemed - net	3.2	-	-	-
Total comprehensive loss for the period	-	(606,018,870)	-	(606,018,870)
Cash dividend declared for the year ended 30 June 2017 at the rate of Rs. 15 per unit declared on 7 July 2017 (2016: Rs. 5 per unit declared on 11 July 2016)				
	-	(124,345,017)	-	(124,345,017)
Net assets at the end of the period	4,064,355,209	1,024,226,146	-	5,088,581,355
Units outstanding: 8,752,403				
Undistributed income brought forward				
- Realised income/(loss)		1,368,557,650		
- Unrealised income		386,032,383		
		1,754,590,033		
Accounting loss available				
- Relating to capital gains		-		
- Excluding capital gains		-		
		-		
Net loss for the period after taxation		(606,018,870)		
Distribution for the period		(124,345,017)		
Undistributed income carried forward		1,024,226,146		
Undistributed income carried forward				
- Realised income		1,238,180,397		
- Unrealised (loss)/income		(213,954,251)		
		1,024,226,146		
				(Rupees)
Net asset value per unit at beginning of the period				666.82
Net asset value per unit at end of the period				581.39

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) Continued....

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2016			
	Capital Value	Undistributed Income	Unrealised (diminution)/ appreciation on re-measurement of investments classify as 'AFS'	Net Assets
Note	-----Rupees-----			
Net assets at the beginning of the period	3,618,558,792	398,629,142	-	4,017,187,934
Units outstanding: 7,979,640				
Issue of 2,078,759 units				
- Capital value (at net asset value at the beginning of the period)	-	-	-	-
- Element of income	-	-	-	-
Total proceeds on issuance of units	1,203,196,460	-	-	1,203,196,460
Redemption of 1,385,989 units				
- Capital value (at net asset value at the beginning of the period)	-	-	-	-
- Amount paid out of element of income:				
- Relating to net income for the period after taxation	-	-	-	-
- Relating to other comprehensive income for the period	-	-	-	-
- Refund on units as element of income	-	-	-	-
Total payments on redemption of units	818,160,395	-	-	818,160,395
Element of income and capital gains included in prices of units sold less those in units redeemed - net	3.2 (39,738,566)	-	-	(39,738,566)
Total comprehensive loss for the period	-	1,472,440,389	-	1,472,440,389
Cash dividend declared for the year ended 30 June 2017 at the rate of Rs. 15 per unit declared on 7 July 2017 (2016: Rs. 5 per unit declared on 11 July 2016)	-	(39,898,200)	-	(39,898,200)
Net assets at the end of the period	3,963,856,291	1,831,171,331	-	5,795,027,622
Units outstanding: 8,672,410				
Undistributed income brought forward				
- Realised income/(loss)		196,526,335		
- Unrealised income		202,102,807		
		398,629,142		
Accounting loss available				
- Relating to capital gains		-		
- Excluding capital gains		-		
		-		
Net income for the period after taxation		1,472,440,389		
Distribution for the period		(39,898,200)		
Undistributed income carried forward		1,831,171,331		
Undistributed income carried forward				
- Realised income		766,990,983		
- Unrealised (loss)/income		1,064,180,348		
		1,831,171,331		
				(Rupees)
Net asset value per unit at beginning of the period				503.43
Net asset value per unit at end of the period				668.21

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	2017	2016
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the period before taxation	(606,018,870)	1,472,440,389
Adjustment for:		
Profit on bank balances	(15,332,410)	(7,590,207)
Dividend income	(148,675,465)	(126,757,300)
Capital loss/(gain) on sale of investments-net	269,078,175	(400,719,597)
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	426,619,764	(967,499,644)
Element of income and capital gains included in prices of units issued less those in units redeemed-net	-	(39,738,566)
	531,690,064	(1,542,305,314)
Increase)/decrease in assets		
Receivable against sale of investments	(49,283,278)	23,412,482
Advances, deposits, prepayment and other receivables	724,941	(896,025)
	(48,558,337)	22,516,457
(Decrease)/increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(720,985)	3,495,331
Payable to the Central Depository Company of Pakistan Limited - Trustee	(95,779)	177,377
Payable to the Securities and Exchange Commission of Pakistan	(2,598,698)	(1,110,109)
Payable against purchase of investments	(123,032,718)	2,486,522
Accrued expenses and other liabilities	(1,750,571)	8,850,758
	(128,198,751)	13,899,879
Profit received on bank balances	23,278,134	6,703,103
Dividend received	113,173,625	122,338,949
Investments made during the period	(2,549,160,960)	(3,711,801,625)
Investments sold during the period	2,298,404,016	3,554,366,158
Net cash used in operating activities	(365,391,079)	(61,842,004)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	1,389,000,294	1,201,736,996
Net payments against redemption of units	(1,183,034,736)	(816,713,638)
Cash payout against distribution	(124,345,017)	(40,115,497)
Net cash generated from financing activities	81,620,541	344,907,861
Net (decrease)/increase in cash and cash equivalents	(283,770,538)	283,065,857
Cash and cash equivalents at the beginning of the period	657,895,685	87,995,286
Cash and cash equivalents at the end of the period	4 374,125,147	371,061,143

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth AND Sixth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009 and 23 May 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013, 24 March 2015, 03 August 2015, 29 September 2016 and 2 June 2017 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as an 'equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two plus) [2016: AM2 (AMTwo)] on 04 May 2017.
- 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. BASIS FOR PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have 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 the directives issued by the SECP differ with the requirements of the IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial statements of companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 2017.

Atlas Stock Market Fund

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 give a true and fair view of the state of affairs of the Fund as at 31 December 2017.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at 31 December 2017 have been extracted from the annual published audited financial statements of the Fund for the year ended 30 June 2017, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the half-year ended 31 December 2016.

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

Except for change in note 3.2 and 3.3, the accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2017.

The preparation of these condensed interim financial statements in conformity with 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 periods.

3.1 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 2017.

3.2 Change in accounting policy - element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income/(loss) and capital gains/(losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation/(diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income/(loss) and capital gains/(losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

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As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its SRO no. 756(I)/2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been higher by Rs 10.35 million. However, the change in accounting policy does not have any impact on the 'condensed interim Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'condensed interim Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures/new presentation requirements in the 'condensed interim Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

3.3 New/Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards Issued by the IASB

IFRS 12 Disclosure of interests in Other Entities - Clarification of the scope of the disclosure Requirement

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

		31 December 2017	30 June 2017
	Note	Un-audited	Audited
		Rupees -----	
4. CASH AND BANK BALANCES			
Balances with banks			
- in savings accounts	4.1	374,110,147	657,372,935
- in current account		10,000	22,750
Cheques in hand	4.2	5,000	500,000
		<u>374,125,147</u>	<u>657,895,685</u>

4.1 The rate of return on these accounts ranges between 6.15% and 6.75% (30 June 2017: 3.75% and 6.60%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 02 January 2018.

		31 December 2017	30 June 2017
	Note	Un-audited	Audited
		Rupees -----	
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
- Investment in listed equity securities	5.1	<u>4,697,056,103</u>	<u>5,141,997,098</u>

Atlas Stock Market Fund

5.1 At fair value through profit or loss - Listed equity securities

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

Name of Investee Company	Note	Number of shares				As at 31 December 2017	Rupees		Market value as a Percentage of		
		As at 01 July 2017	Purchases during the period	Bonus/ right shares during the period	Sales during the period		Carrying Cost	Market Value	Total Investments	Net assets	Paid up capital of investee company held
INVESTMENT COMPANIES											
Arif Habib Limited		550,000	-	-	103,500	446,500	35,903,065	17,659,075	0.38	0.35	0.81
							35,903,065	17,659,075	0.38	0.35	
COMMERCIAL BANKS											
Allied Bank Limited		1,150,000	-	-	-	1,150,000	103,063,000	97,727,000	2.08	1.92	0.10
Askari Bank Limited		500,000	1,471,500	-	-	1,971,500	39,965,005	38,069,665	0.81	0.75	0.16
Bank Al Habib Limited		455,500	1,927,000	-	680,000	1,702,500	93,814,168	99,357,900	2.12	1.95	0.15
Bank Alfalah Limited		7,181,000	936,500	-	1,674,500	6,443,000	257,605,028	273,827,500	5.83	5.38	0.40
Faysal Bank Limited		-	114,500	-	114,500	-	-	-	-	-	-
Habib Bank Limited		1,034,500	1,379,900	-	1,034,500	1,379,900	230,316,990	230,567,491	4.91	4.53	0.09
MCB Bank Limited		800,000	207,000	-	300,000	707,000	146,566,939	150,110,240	3.20	2.95	0.06
Meezan Bank Limited		-	682,000	-	682,000	-	-	-	-	-	-
The Bank of Punjab		-	8,120,000	-	-	8,120,000	78,694,210	66,908,800	1.42	1.31	0.31
United Bank Limited	5.3	1,664,000	545,700	-	623,400	1,586,300	348,424,765	298,176,811	6.35	5.86	0.13
							1,298,450,105	1,254,745,407	26.71	24.66	
INSURANCE											
Adamjee Insurance Company Limited		485,000	-	-	-	485,000	33,154,600	25,205,450	0.54	0.50	0.14
EFU Life Assurance Limited		1,000	-	-	1,000	-	-	-	-	-	-
							33,154,600	25,205,450	0.54	0.50	
TEXTILE COMPOSITE											
Gul Ahmed Textile Mills Limited		19,500	164,000	-	183,500	-	-	-	-	-	-
Kohinoor Textile Mills Limited		-	590,000	-	18,200	571,800	34,638,231	37,881,750	0.81	0.74	0.19
Nishat (Chunian) Limited		1,900,000	1,872,000	-	1,772,000	2,000,000	103,407,132	91,540,000	1.95	1.80	0.83
Nishat Mills Limited		700,000	150,000	-	284,100	565,900	87,848,037	84,602,050	1.80	1.66	0.16
							225,893,400	214,023,800	4.56	4.21	
CEMENT											
Cherat Cement Company Limited		250,000	-	-	250,000	-	-	-	-	-	-
D.G. Khan Cement Company Limited		520,000	288,900	-	120,000	688,900	121,306,271	92,119,708	1.96	1.81	0.16
Fauji Cement Company Limited		2,935,500	-	-	2,935,500	-	-	-	-	-	-
Kohat Cement Company Limited		538,000	262,000	-	376,000	424,000	90,131,323	60,191,040	1.28	1.18	0.27
Lucky Cement Limited		270,000	91,600	-	-	361,600	274,749,190	187,095,456	3.98	3.68	0.11
Pioneer Cement Limited		545,000	50,000	-	28,000	567,000	72,821,911	35,789,040	0.76	0.70	0.25
							559,008,695	375,195,244	7.99	7.37	
REFINERY											
Attock Refinery Limited		-	50,000	-	50,000	-	-	-	-	-	-
National Refinery Limited		47,500	-	-	47,500	-	-	-	-	-	-
							-	-	-	-	-
POWER GENERATION & DISTRIBUTION											
K-Electric Limited (Face Value of Rs.35 per share)		3,000,000	5,000,000	-	3,250,000	4,750,000	32,936,205	29,972,500	0.64	0.59	0.02
Lalpir Power Limited		-	300,000	-	-	300,000	6,600,000	6,759,000	0.14	0.13	0.08
Nishat Power Limited		2,781,000	560,500	-	841,500	2,500,000	116,584,537	85,000,000	1.81	1.67	0.71
Pakgen Power Limited		-	2,300,000	-	-	2,300,000	51,008,635	50,899,000	1.08	1.00	0.62
The Hub Power Company Limited		1,365,000	820,000	-	100,000	2,085,000	239,163,385	189,735,000	4.04	3.73	0.18
							446,292,762	362,365,500	7.71	7.12	

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5.1 At fair value through profit or loss - Listed equity securities (Continued...)

Name of Investee Company	Note	Number of shares				Rupees		Market value as a Percentage of			
		As at 01 July 2017	Purchases during the period	Bonus/ right shares during the period	Sales during the period	As at 31 December 2017	Carrying Cost	Market Value	Total Investments	Net assets	Paid up capital of investee company held
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited		-	9,950	-	9,950	-	-	-	-	-	-
Pakistan State Oil Company Limited	5.4	293,500	551,500	34,700	258,200	621,500	185,330,848	182,167,865	3.88	3.58	0.19
Sui Northern Gas Pipelines Limited		1,350,000	250,000	-	1,050,000	550,000	78,312,498	52,035,500	1.11	1.02	0.09
Sui Southern Gas Company Limited		675,000	150,000	-	825,000	-	-	-	-	-	-
							263,643,346	234,203,365	4.99	4.60	
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited		150,150	8,500	-	-	158,650	249,663,114	230,180,526	4.90	4.52	0.14
Oil & Gas Development Company Limited		987,700	1,000,000	-	557,700	1,430,000	209,344,506	232,789,700	4.96	4.57	0.03
Pakistan Oilfields Limited		346,800	151,300	-	-	498,100	244,627,562	296,000,906	6.30	5.82	0.21
Pakistan Petroleum Limited	5.3	949,200	25,000	-	200,000	774,200	115,711,472	159,415,522	3.39	3.13	0.04
							819,346,654	918,386,654	19.55	18.05	
INDUSTRIAL ENGINEERING											
International Industries Limited		434,500	257,700	-	217,200	475,000	152,949,450	114,052,250	2.43	2.24	0.40
International Steels Limited		200,000	635,100	-	405,100	430,000	47,470,812	45,739,100	0.97	0.90	0.10
Mughal Iron And Steel Industries Limited		5,225	-	-	-	5,225	421,814	303,573	0.01	0.01	0.00
							200,842,076	160,094,923	3.41	3.15	
AUTOMOBILE ASSEMBLER											
Indus Motor Company Limited		61,480	-	-	26,480	35,000	62,776,000	58,805,950	1.25	1.16	0.04
Millat Tractors Limited		18,500	-	-	18,500	-	-	-	-	-	-
							62,776,000	58,805,950	1.25	1.16	
AUTOMOBILE PARTS & ACCESSORIES											
Agriauto Industries Limited		-	5,400	-	200	5,200	1,588,802	1,653,704	0.04	0.03	0.04
Thal Limited (Face Value of Rs.5 per share)		70,000	45,000	-	6,550	108,450	62,214,399	55,407,105	1.18	1.09	0.13
							63,803,201	57,060,809	1.21	1.12	
CABLES & ELECTRICAL GOODS											
Pak Elektron Limited		550,000	850,000	-	200,000	1,200,000	96,689,542	56,988,000	1.21	1.12	0.24
							96,689,542	56,988,000	1.21	1.12	
TRANSPORT											
Pakistan International Bulk Terminal Limited		-	2,000,000	-	-	2,000,000	43,570,020	29,900,000	0.64	0.59	0.13
							43,570,020	29,900,000	0.64	0.59	
TECHNOLOGY & COMMUNICATIONS											
Hum Network Limited (Face Value of Re.1 per share)		9,558,500	4,941,500	-	1,445,000	13,055,000	144,752,525	106,659,350	2.27	2.10	1.38
Pakistan Telecommunication Company Limited		-	500,000	-	500,000	-	-	-	-	-	-
							144,752,525	106,659,350	2.27	2.10	
FERTILIZER											
Dawood Hercules Corporation Limited		1,100	107,000	-	108,100	-	-	-	-	-	-
Engro Corporation Limited		700,000	665,000	-	565,000	800,000	234,964,287	219,800,000	4.68	4.32	0.15
Engro Fertilizers Limited	5.3	5,350,000	375,000	-	785,000	4,940,000	276,909,719	334,536,800	7.12	6.57	0.37
Fauji Fertilizer Bin Qasim Limited		-	500,000	-	500,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited		1,300,000	2,076,500	-	2,601,500	775,000	64,075,290	61,310,250	1.31	1.20	0.04
							575,949,296	615,647,050	13.11	12.10	

Atlas Stock Market Fund

5.1 At fair value through profit or loss - Listed equity securities (Continued..)

Name of Investee Company	Note	Number of shares				As at 31 December 2017	Rupees		Market value as a Percentage of		
		As at 01 July 2017	Purchases during the period	Bonus/ right shares during the period	Sales during the period		Carrying Cost	Market Value	Total Investments	Net assets	Paid up capital of investee company held
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited		60,550	-	-	-	60,550	56,590,030	42,240,286	0.90	0.83	0.06
Glaxosmithkline Pakistan Limited		245,000	-	-	245,000	-	-	-	-	-	-
The Searle Company Limited	5.4	300	93,700	60	-	94,060	30,890,211	29,615,732	0.63	0.58	0.05
							87,480,241	71,856,018	1.53	1.41	
CHEMICALS											
Archroma Pakistan Limited		30,000	-	-	30,000	-	-	-	-	-	-
Engro Polymer & Chemicals Limited		2,000,000	600,000	-	2,600,000	-	-	-	-	-	-
ICI Pakistan Limited		-	15,000	-	15,000	-	-	-	-	-	-
Lotte Chemical Pakistan Limited		2,650,000	550,000	-	200,000	3,000,000	29,291,410	21,510,000	0.46	0.42	0.20
Sitara Chemical Industries Limited		40,000	-	-	-	40,000	17,784,800	12,039,200	0.26	0.24	0.19
							47,076,210	33,549,200	0.71	0.66	
PAPER & BOARD											
Packages Limited		-	100,300	-	5,850	94,450	60,831,698	48,153,444	1.03	0.95	0.11
							60,831,698	48,153,444	1.03	0.95	
LEATHER & TANNERIES											
Service Industries Limited		-	60	-	60	-	-	-	-	-	-
FOODS & PERSONAL CARE PRODUCTS											
Al Shabeer Corporation Limited	5.4	16,937	-	-	-	16,937	679,256	376,340	0.01	0.01	0.01
Engro Foods Limited		-	212,900	-	212,900	-	-	-	-	-	-
Muree Brewery Company Limited		26,600	-	-	26,600	-	-	-	-	-	-
Nestle Pakistan Limited		5,500	-	-	5,500	-	-	-	-	-	-
Rafhan Maize Products Company Limited		6,200	-	-	-	6,200	42,470,000	42,160,000	0.90	0.83	0.07
							43,149,256	42,536,340	0.91	0.84	
GLASS & CERAMICS											
Tariq Glass Industries Limited		-	147,600	-	-	147,600	15,063,175	14,020,524	0.30	0.28	0.20
							15,063,175	14,020,524	0.30	0.28	
MISCELLANEOUS											
Tri-Pack Films Limited		-	12,500	-	12,500	-	-	-	-	-	-
							5,123,675,867	4,697,056,103	100.00	92.31	

5.2 The cost of listed equity securities as at 31 December 2017 is Rs.4,911,010,441 (30 June 2017: Rs.4,755,964,715).

5.3 The above investments include following shares which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP:

Name of Investee Company	Number of shares		Market value	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
	Un-audited	Audited	Un-audited	Audited
----- Rupees -----				
Engro Fertilizers Limited	425,000	425,000	28,781,000	23,477,000
United Bank Limited	100,000	100,000	18,797,000	23,552,000
Pakistan Petroleum Limited	297,000	297,000	61,155,270	43,997,580
	822,000	822,000	108,733,270	91,026,580

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- 5.4 The investment in equity securities include the bonus shares having market value of Rs.0.94 million withheld by the investee companies, as issuance of bonus shares has been made taxable through Finance Act, 2014.

The management of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, have filed various petitions in Honorable Sindh High Court challenging the levy of withholding of income tax on Bonus shares received by mutual funds based on the principle that exemption is already given to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay orders while the matter is still pending adjudication.

	31 December 2017 Un-audited	30 June 2017 Audited
Note	----- Rupees -----	
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposits with:		
- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
Prepayments	456,791	1,181,732
Advances and other receivables	6.1 10,910,195	10,910,195
	13,966,986	14,691,927

- 6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, during the year ended 30 June 2017, several companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no.1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The amount of tax withheld during the year on dividend and profit on bank deposits aggregates to Rs 10.269 million (June 30, 2017: Rs. 10.269 million) and Rs 0.641 million (June 30, 2017: Rs. 0.641 million) respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit received on bank deposits by the Fund has been shown as other receivables as at 31 December 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Atlas Stock Market Fund

		31 December 2017	30 June 2017
		Un-audited	Audited
	Note	----- Rupees -----	
7. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	7.1	8,507,194	9,497,182
Sindh Sales Tax payable on remuneration of the Management Company	7.2	4,074,981	4,203,679
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges reimbursable by the Fund	10	910,548	474,859
Sindh Sales Tax payable on accounting and operational charges		-	37,988
		33,794,711	34,515,696

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/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 in case of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 2% (2016: 2%) per annum of the average 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. 6,798,951 (2016: Rs. 6,161,369) 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. 6,927,649 (2016: Rs. 5,881,876) has been paid to the Management Company which acts as a collecting agent.

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) 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, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 20.302 million (30 June 2017: Rs 20.302 million) is being retained in the condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2017 would have been higher by Rs. 2.32 (30 June 2017: Rs 2.45) per unit.

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	Note	31 December	30 June
		2017	2017
		Un-audited	Audited
		Rupees	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		278,356	395,901
Printing charges payable		77,176	130,091
NCCPL charges payable		11,300	69,500
Withholding and capital gain tax payable		190,267	1,546,594
Transaction charges payable		1,276,600	1,473,492
Legal and professional charges payable		-	100,000
Zakat payable		118,236	9,428
Advertisement and marketing fee payable		22,500	-
Provision for Sindh Workers' Welfare Fund	8.1	38,835,533	38,835,533
		40,809,968	42,560,539

8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2017 would have been higher by Re 4.43 per unit (30 June 2017: Rs 4.68 per unit).

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2017 and 30 June 2017.

10. ACCOUNTING AND OPERATIONAL CHARGES

In accordance with the provisions of the NBFC Regulations, 2008 (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 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. Accordingly, the Management Company has charged accounting and operational charges to the Fund in respect of the back office accounting function to an independent service provider.

11. ADVERTISEMENT AND MARKETING EXPENSES

In connection with Regulation 60(3)(v) of the NBFC Regulations, SECP has issued Circular No. 40 of 2016 dated December 30, 2016 (later amended vide Circular No. 05 of 2017 dated February 13, 2017) whereby it has prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). In accordance with the provisions contained in these circulars, selling and marketing expenses will be allowed initially for a period of three years (from 1 January 2017 till 31 December 2019) to be charged to open end equity, asset allocation and index funds upto a maximum of 0.4% per annum of net assets of the fund or actual expenses, whichever is less.

Atlas Stock Market Fund

Keeping in view the aforementioned Circular provided by the SECP, the Board of Directors of the Management Company have approved the plan in April 2017, as required by the said circular and have approved selling and marketing expenses to be charged to the Fund.

The management has also carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circular and approved plan) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the half year ended 31 December 2017 are lower than 0.4% per annum of net assets of the Fund. Accordingly, with effect from 1 July 2017, the Management Company has charged expenses in the Fund on the actual basis being lower than the allowed limit.

12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2017 is 2.84% (30 June 2017: 3.63%) which includes 0.41% (30 June 2017: 1.10%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

13. TAXATION

13.1 The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. 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.

14. 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.

15. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

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

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.

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

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

Half Yearly Report 2017-18

For the Half Year ended	
31 December 2017	31 December 2016
Un-audited	Un-audited
----- Rupees -----	

15.1 Transactions during the period

Atlas Asset Management Limited (Management Company)

Remuneration of the Management Company	52,299,620	47,395,143
Sindh Sales Tax on remuneration of the Management Company	6,798,951	6,161,369
Federal Excise Duty on remuneration of the Management Company	-	-
Remuneration paid	53,289,608	44,740,992
Accounting and operational charges	2,477,050	2,302,035
Sindh Sales Tax on accounting and operational charges	-	184,163
Issue of 30,389 (2016: 1,514) units	16,885,350	754,525
Cash dividend declared	2,154,686	838,361

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	3,119,091	2,873,867
Sindh Sales Tax on remuneration of the Trustee	405,482	373,603
Remuneration paid	3,165,851	2,738,195
Settlement charges	166,778	301,827
Sindh Sales Tax on settlement charges	21,681	39,238

Atlas Battery Limited (Group Company)

Issue of 447 (2016: 182,652) units	243,745	102,163,165
Redemption of Nil (2016: 744,132) units	-	450,594,691
Cash dividend declared	-	2,807,398

Atlas Foundation (Group Company)

Issue of 37,095 (2016: 261,129) units	22,625,993	139,810,975
Redemption of 53,809 (2016: Nil) units	35,000,000	-
Cash dividend declared	13,286,849	3,123,305

Atlas Insurance Limited (Group Company)

Issue of 963,177 (2016: 576,077) units	568,347,588	332,828,684
Redemption of 1,011,008 (2016: 392,013) units	594,307,736	225,122,230
Cash dividend declared	7,532,580	3,031,871

Atlas Metals (Private) Limited (Group Company)

Issue of Nil (2016: 114) units	-	56,911
Cash dividend declared	-	63,235

Atlas Honda Limited (Group Company)

Issue of 85,924 (2016: 1,977) units	53,362,659	985,375
Cash dividend declared	3,843,039	1,094,861

Atlas Insurance Limited - Staff Provident Fund Trust

(Retirement Benefit plan of a Group Company)

Issue of 602 (2016: 260) units	392,579	129,560
Cash dividend declared	392,579	129,560

Atlas Engineering Limited - Employees Provident Fund

(Retirement Benefit plan of a Group Company)

Issue of 372 (2016: 161) units	242,547	80,046
Cash dividend declared	242,547	80,046

Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund

(Retirement Benefit plan of a Group Company)

Issue of 706 (2016: 18,585) units	460,318	10,060,513
Cash dividend declared	460,318	60,513

Atlas Stock Market Fund

For the Half Year ended
31 December 2017 **31 December 2016**
 Un-audited Un-audited
 Note ----- Rupees -----

15.1 Transactions during the period (Continued...)

Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)

Issue of 490 (2016: 226) units	319,514	112,715
Cash dividend declared	319,514	112,715

Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)

Issue of 2,385 (2016: 809) units	1,554,551	403,249
Cash dividend declared	1,554,551	403,249

Shirazi Capital (Private) Limited (Group Company)

Issue of Nil (2016: 5,457) units	-	2,719,838
Redemption of Nil (2016: 609,865) units	-	371,413,952
Cash dividend declared	-	3,022,042

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

Issue of 11,520 (2016: 906) units	6,772,885	483,172
Redemption of 27,826 (2016: Nil) units	17,600,000	-
Cash dividend declared	572,885	163,172

Shirazi Investments (Private) Limited (Group Company)

Issue of 491,256 (2016: 632,369) units	291,015,091	382,630,608
Cash dividend declared	46,874,390	12,462,951

Batool Benefit Trust (Trust having common Director/Trustee)

Issue of 21,663 (2016: 1,686) units	12,473,183	840,362
Cash dividend declared	2,826,495	933,735

National Clearing Company of Pakistan Limited

Issue of 690 (2016: Nil) units	450,034	-
Cash dividend declared	514,324	-

Directors and their close family members and key management personnel of the Management Company 15.3

Issue 49,058 (2016: 27,205) units	30,303,907	14,372,266
Redemption of 3,217 (2016: Nil) units	1,900,761	-
Cash dividend declared	10,233,558	3,707,047

31 December 2017 **30 June 2017**
 Un-audited Audited
 ----- Rupees -----

15.2 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	8,507,194	9,497,182
Sindh Sales tax payable on remuneration of the Management Company	4,074,981	4,203,679
Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
Accounting and operational charges payable	910,548	474,859
Sindh Sales Tax payable on operational charges	-	37,988
Outstanding 174,034 (30 June 2017: 143,646) units - at net asset value	101,181,841	95,785,846

Half Yearly Report 2017-18

	31 December 2017 Un-audited	30 June 2017 Audited
----- Rupees -----		

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

Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	510,291	557,051
Sindh Sales tax payable on remuneration of trustee	66,338	72,417
Settlement charges payable	10,000	48,000
Sindh Sales tax payable on settlement charges	1,300	6,240
Atlas Battery Limited (Group Company)		
Outstanding 447 (30 June 2017: Nil) units - at net asset value	259,768	-
Atlas Honda Limited (Group Company)		
Outstanding 342,127 (30 June 2017: 256,203) units - at net asset value	198,908,933	170,841,037
Atlas Insurance Limited (Group Company)		
Outstanding 454,341 (30 June 2017: 502,172) units - at net asset value	264,149,339	334,858,311
Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)		
Outstanding 26,774 (30 June 2017: 26,172) units - at net asset value	15,566,273	17,451,983
Atlas Foundation (Group Company)		
Outstanding 869,076 (30 June 2017: 885,790) units - at net asset value	505,271,887	590,662,463
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 107,281 (30 June 2017: 193,667) units - at net asset value	62,372,067	129,141,242
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 106,022 (2016: 103,637) units - at net asset value	61,639,950	69,107,057
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 21,791 (30 June 2017: 21,301) units - at net asset value	12,669,148	14,203,897
Atlas Engineering Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 16,542 (30 June 2017: 16,170) units - at net asset value	9,617,289	10,782,334
Batools Benefit Trust (Trust having common Director/Trustee)		
Outstanding 210,096 (30 June 2017: 188,433) units - at net asset value	122,147,653	125,650,888
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 31,394 (30 June 2017: 30,688) units - at net asset value	18,252,215	20,463,301
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 21,886 (30 June 2017: 38,192) units - at net asset value	12,724,510	25,467,422
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 3,616,215 (30 June 2017: 3,124,959) units - at net asset value	2,102,431,143	2,083,785,373

Atlas Stock Market Fund

	31 December 2017 Un-audited	30 June 2017 Audited
Note	----- Rupees -----	-----

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

National Clearing Company of Pakistan Limited		
Outstanding 34,979 (30 June 2017: 3,124,959) units - at net asset value	20,336,259	22,864,098
Directors and their close family members and key management personnel of the Management Company		
15.3		
Outstanding 728,078 (30 June 2017: 682,238) units - at net asset value	423,297,321	454,929,471

15.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose annual gross remuneration is Rs.4m and above, as set by the Board of Directors of the Management Company for FY 2017-18.

16. FAIR VALUE MEASUREMENT

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.

The fair values of listed equity securities quoted on the stock exchange are valued at the closing prices determined by such 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.

Fair value hierarchy

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

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 31 December 2017 and 30 June 2017, the Fund had financial assets at fair value through profit or loss measured using the level 1 valuation technique.

Half Yearly Report 2017-18

17. GENERAL

- 17.1 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.
- 17.2 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2017 and 31 December 2016 have not been subjected to limited scope review by the statutory auditors of the Fund.
- 17.3 Figures have been rounded off to the nearest Rupee unless otherwise stated.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 February 2018.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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