



Atlas Money Market Fund

Atlas Sovereign Fund

Atlas Income Fund

Atlas Stock Market Fund

HALF YEARLY REPORT

31 DECEMBER 2019

(UN-AUDITED)

Atlas
funds
Nurturing your investments



Management Company

Atlas Asset Management

Rated AM2+ by PACRA
(as of December 26, 2019)



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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Atlas Funds

ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

Directors Mr. Tariq Amin
(Independent Director)
Ms Zehra Naqvi
(Independent Director)
Mr. Frahim Ali Khan
(Non-Executive Director)
Mr. Ali H. Shirazi
(Non-Executive Director)
Mr. M. Habib-ur-Rahman
(Non-Executive Director)

Chief Executive Officer Mr. Muhammad Abdul Samad
(Executive Director)

Company Secretary Ms Zainab Kazim

Board Committees Audit Committee

Chairman Mr. Tariq Amin
Members Mr. Frahim Ali Khan
Mr. M. Habib-ur-Rahman

Secretary Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

Chairperson Ms. Zehra Naqvi
Members Mr. Frahim Ali Khan
Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad
Secretary Ms Zainab Kazim

Investment Committee

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

Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari
Ms Mishaal H. Shirazi
Mr. Tariq Ahmed Siddiqui
Ms Ayesha Farooq
Ms Zainab Kazim
Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Secretary Mr. Shaikh Owais Ahmed

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
Fax: (92-21) 35379280
Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

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CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited financial statements of Atlas Money Market Fund (AMF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the half year ended December 31, 2019 of FY20.

THE ECONOMY

The macroeconomic stabilization measures taken in past two years have significantly improved Pakistan's external imbalances. During Jul-Dec FY20, the Current Account Deficit (CAD) reduced by 75.03% to US\$ 2.15 billion compared to US\$ 8.61 billion in same period last year. The Jul-Dec FY20 imports of US\$ 23.23 billion declined by 16.89% compared to Jul-Dec FY19 imports of US\$ 27.95 billion. Meanwhile, exports for the period Jul-Dec FY20 of US\$ 11.53 billion increased by 3.13% against exports of US\$ 11.18 billion in the corresponding period. Reduction in CAD coupled with Foreign Portfolio Investor (SCRA) inflows provided support to Foreign Exchange Reserves, which as of December 2019 stood at US\$ 17.93 billion with State Bank of Pakistan's (SBP) share of US\$ 11.33 billion. Worker's Remittances for July-Dec FY20 stood at US\$ 11.39 billion, recording growth of 3.26% against same period last year. CPI inflation for the period July-Dec FY20 averaged at 11.11%. During Jul-Dec FY20, the Federal Board of Revenue provisionally collected Rs. 2,080 billion tax revenue against a target of Rs. 2,198 billion registering shortfall of 5.37%. The Monetary Policy Committee (MPC) of SBP decided to keep policy rate unchanged at 13.25% in its latest announcement.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 6.61% to Rs. 504.19 as on December 31, 2019, thus providing an annualized total return of 13.11%. The AMF's total exposure in Short Term Deposits with banks/others and Treasury Bills stood at 75.25% and 24.75%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 10.67 billion, with 21.17 million units outstanding as of December 31, 2019.

FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 8.06% to Rs. 108.42 as on December 31, 2019, providing an annualized total return of 15.99%. The ASF's exposure in Pakistan Investment Bonds, Treasury Bills and Short Term Deposits with banks/others stood at 39.42%, 33.13% and 27.45%, respectively. ASF presents a good investment opportunity for investors to earn competitive returns with medium risk. The Net Assets of the Fund stood at Rs. 3.14 billion, with 28.93 million units outstanding as of December 31, 2019.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 7.67% to Rs. 552.79 as on December 31, 2019, providing an annualized total return of 15.22%. The AIF's current allocation is 27.83% in Pakistan Investment Bonds, 21.69% in Term Finance Certificates, 11.56% in Sukuks, 9.64% in Treasury Bills and remaining 29.27% in Bank Deposits/Others. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 3.20 billion with 5.79 million units outstanding as of December 31, 2019.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 20.70% to Rs. 608.30 as on December 31, 2019. The benchmark KSE-100 index increased by 20.16% during the same period. The KSE-100 index increased from 33,901.58 points as on June 28, 2019 to 40,735.08 points as on December 31, 2019. The ASMF's equity exposure was 97.74% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Fertilizers and Power Generation & Distribution sectors. ASMF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiples with earnings growth prospects. The Net Assets of the Fund stood at Rs. 7.50 billion, with 12.33 million units outstanding as of December 31, 2019.

Atlas 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 AMCs, 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. FBR has challenged the decision of SHC in the Honorable Supreme Court of Pakistan (SCP). However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

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 (CIT) 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, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

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RATINGS

- **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "AM2+" (AM Two 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 - AMF**

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

- **Fund Stability Rating - ASF**

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

- **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.

FUTURE OUTLOOK

The macroeconomic stabilization measures taken to stabilize the economy post induction into IMF program has resulted in significant import compression that is expected to keep CAD for FY20 near 2% of GDP that remained at 6.3% of GDP in FY18 and 4.9% of GDP in FY19. Current inflationary pressures are transitional in nature arising from abrupt increase in food inflation and lagged impact of PKR devaluation. As per the SBP forecast, inflation is likely to come down to 5% - 7% range in medium term. Lending commitments from multilateral institutions and IMF's extended fund facility will help in meeting external financing needs while robust worker's remittances due to uptick in emigration number will provide support to balance of payments. Debt servicing by government amid high interest rates will keep fiscal deficit under pressure despite improvements in tax collection. However, pressures on fiscal side will start to subside once monetary easing starts followed by decline in inflation. Going forward, government's focus towards increasing exports and reforms to eliminate structural imbalances will be instrumental for sustainable growth.

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

ACKNOWLEDGEMENT

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

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

EY Ford Rhodes
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
Habib Metropolitan Limited
MCB Bank Limited
Samba Bank Limited
Zarai Taraqati Bank Limited

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TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V 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, 2019 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2020

Atlas Money Market Fund

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Money Market Fund (the Fund) as at 31 December 2019 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 statements") 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 statements 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 statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2019.

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 statements 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 statements is not prepared, in all material respects, in accordance with the accounting and reporting 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 2019 and the annual financial statements for the year ended 30 June 2019 were audited by another firm of Chartered Accountants, whose review report dated 28 February 2019 and audit report dated 26 September 2019, expressed an unmodified conclusion and unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi 28 February 2020

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT 31 DECEMBER 2019

		31 December 2019	30 June 2019
	Note	Un-audited	Audited
		-----Rupees-----	
Assets			
Cash and bank balances	4	10,856,399,340	10,339,271,465
Investments	5	3,612,427,733	-
Profit receivable on bank balances		124,501,906	7,648,801
Prepayment and other receivables	6	3,674,478	6,100,073
Total assets		14,597,003,457	10,353,020,339
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	30,199,857	29,366,349
Payable to Central Depository Company of Pakistan Limited - Trustee	8	741,883	857,187
Payable to the Securities and Exchange Commission of Pakistan	9	1,058,445	10,938,706
Payable against redemption of units		201,110,547	8,034,982
Payable against purchase of investments		3,613,850,104	-
Unclaimed dividend		24,900	5,394,915
Accrued expenses and other liabilities	10	76,777,671	58,924,453
Total liabilities		3,923,763,407	113,516,592
NET ASSETS		10,673,240,050	10,239,503,747
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		10,673,240,050	10,239,503,747
CONTINGENCIES AND COMMITMENTS	11	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		21,169,021	20,351,995
		-----Rupees-----	
NET ASSET VALUE PER UNIT		504.19	503.12

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Money Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2019	2018	2019	2018
-----Rupees-----					
Income					
Profit on savings account and term deposits		355,404,839	249,678,438	193,383,740	144,249,296
Income from government securities		370,817,904	415,401,285	180,170,785	238,493,626
Capital gain / (loss) on sale of investments - net		4,648,168	(20,130,015)	2,712,678	(17,547,305)
Net unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss ¹		(2,815,220)	-	(2,815,220)	79,894
		1,832,948	(20,130,015)	(102,542)	(17,467,411)
Total Income		728,055,691	644,949,708	373,451,983	365,275,511
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	23,815,010	35,224,921	12,131,177	18,698,354
Sindh Sales Tax on remuneration of the Management Company	7.2	3,095,951	4,579,240	1,577,053	2,430,786
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		3,439,946	5,830,903	1,752,281	3,060,238
Sindh Sales Tax on remuneration of the Trustee		447,193	758,017	227,797	397,831
Annual fees to the Securities and Exchange Commission of Pakistan		1,058,445	5,870,821	539,188	3,116,394
Accounting and operational charges	14	6,640,021	7,827,760	4,043,614	4,155,190
Annual rating fee		216,621	215,562	108,324	89,605
Annual listing fee		13,831	12,855	6,918	10,759
Securities transaction cost		98,215	96,333	90,997	41,868
Auditors' remuneration		312,260	196,536	156,840	30,810
Printing charges		15,080	74,902	5,080	(30,074)
Legal and professional charges		64,416	55,353	-	27,273
Bank charges		66,390	77,651	16,167	46,311
Provision for Sindh Workers' Welfare Fund	10.1	13,775,446	11,682,577	7,055,931	6,664,003
		53,058,825	72,503,431	27,711,367	38,739,348
Net income for the period before taxation		674,996,866	572,446,277	345,740,616	326,536,163
Taxation	13	-	-	-	-
Net income for the period after taxation		674,996,866	572,446,277	345,740,616	326,536,163
Allocation of net income for the period:					
Net income for the period after taxation		674,996,866	572,446,277	345,740,616	326,536,163
Income already paid on units redeemed		(40,722,337)	(194,855,121)	(24,606,871)	(171,995,918)
		634,274,529	377,591,156	321,133,745	154,540,245
Accounting income available for distribution:					
- Relating to capital gains		1,832,948	-	-	79,894
- Excluding capital gains		632,441,581	377,591,156	321,133,745	154,460,351
		634,274,529	377,591,156	321,133,745	154,540,245

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2019

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2019	2018	2019	2018
	-----Rupees-----			
Net income for the period after taxation	674,996,866	572,446,277	345,740,616	326,536,163
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	674,996,866	572,446,277	345,740,616	326,536,163

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	For the Half Year Ended 31 December	
		2019	2018
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		674,996,866	572,446,277
Adjustments for:			
Profit on savings account and term deposits		(355,404,839)	(249,678,438)
Income from government securities		(370,817,904)	(415,401,285)
Capital (gain) / loss on sale of investments - net		(4,648,168)	20,130,015
Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss'		2,815,220	-
Provision for Sindh Workers' Welfare Fund		13,775,446	11,682,577
		(714,280,245)	(633,267,131)
Decrease / (increase) in assets			
Prepayment and other receivables		2,425,595	(14,645)
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		833,508	1,305,809
Payable to Central Depository Company of Pakistan Limited - Trustee		(115,304)	152,458
Payable against purchase of investments		3,613,850,104	-
Payable to the Securities and Exchange Commission of Pakistan		(9,880,261)	(1,821,830)
Accrued expenses and other liabilities		4,077,772	7,513,263
		3,608,765,819	7,149,700
		3,571,908,035	(53,685,799)
Interest received		238,551,734	140,792,465
Investments made during the period		(56,272,988,759)	(41,092,750,180)
Investments sold / matured during the period		53,027,841,863	41,488,021,450
Net cash generated from operating activities		565,312,873	482,377,936
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		8,714,296,521	13,110,504,698
Net payments against redemption of units		(8,110,767,708)	(10,844,113,212)
Refund of capital		(40,238,321)	(284,847,951)
Cash distribution made during the period		(611,475,490)	(386,348,605)
Net cash (used in) / generated from financing activities		(48,184,998)	1,595,194,930
Net increase in cash and cash equivalents		517,127,875	2,077,572,866
Cash and cash equivalents at the beginning of the period		10,339,271,465	13,224,116,066
Cash and cash equivalents at the end of the period	4	10,856,399,340	15,301,688,932

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2019

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 Supplement dated 23 May 2017. The offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019 and 30 October 2019 respectively, with the approval of the Securities and Exchange Commission of Pakistan (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 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 Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 26 December 2019.
- Furthermore, PACRA maintained the stability rating of the Fund at "AA+ (f)" (Double A Plus) [31 December 2018: "AA (f)" (Double A)] on 17 October 2019.
- 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.
- 1.6 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 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 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 2019.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 at and for the year ended June 30, 2019.

3.2 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 2019.

3.3 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

- IFRS 3 - Business Combinations - Previously held interests in a joint operation
- IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
- IFRS 9 - Prepayment Features with Negative Compensation (Amendments)
- IFRS 11 - Joint Arrangements: Previously held interests in a joint operation
- IFRS 16 - Leases
- Definition of Material - Amendments to IAS 1 and IAS 8
- IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)
- IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)
- IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation
- IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)
- IFRIC 23 - Uncertainty over Income Tax Treatments

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

4 CASH AND BANK BALANCES	Note	31 December	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees -----	
Balances with banks in savings accounts	4.1	10,772,622,066	10,287,871,465
Cheques in hand	4.2	83,777,274	51,400,000
		<u>10,856,399,340</u>	<u>10,339,271,465</u>

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- 4.1 The bank balances in savings account amounting to Rs.10,772,515,091 are deposited in "A-1+" rated banks carrying interest ranging from 10% to 14.30% per annum.
- 4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 03 January 2020.

5 INVESTMENTS	Note	31 December	30 June
		2019	2019
At fair value through profit or loss		Un-audited	Audited
		-----Rupees-----	
Investment in Government securities			
- Market Treasury Bills	5.1.1	3,612,427,733	-
- Pakistan Investment Bonds	5.1.2	-	-
		3,612,427,733	-

5.1 At fair value through profit or loss

5.1.1 Market Treasury Bills

Treasury Bills	As at 01 July 2019	Purchased during the year	Sold / matured during the year	As at 31 December 2019	Amortised cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investment	Market value as a percentage of net assets
	----- Face value -----				----- (Rupees) -----		----- % age -----	
3 Months	-	36,513,105,000	33,039,000,000	3,474,105,000	3,403,426,628	3,400,771,198	94.14	31.86
6 Months	-	4,355,000,000	4,140,000,000	215,000,000	211,816,358	211,656,535	5.86	1.98
31 December 2019	-	40,868,105,000	37,179,000,000	3,689,105,000	3,615,242,986	3,612,427,733	100.00	33.84
30 June 2019	-	152,169,465,000	152,169,465,000	-	-	-	-	-

Market treasury bills carry purchase yield ranging between 13.37% to 13.42% (30 June 2019: Nil) per annum and will mature on 30 January 2020 to 12 March 2020 (30 June 2019: Nil). The cost of these investments as on 31 December 2019 is Rs. 3,613,850,104 (30 June 2019: Nil).

5.1.2 Pakistan Investment Bonds

Pakistan Investment Bonds	As at 01 July 2019	Purchased during the year	Sold / matured during the year	As at 31 December 2019	Amortised cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investment	Market value as a percentage of net assets
	----- Face value -----				----- (Rupees) -----		----- % age -----	
3 Year PIB	-	16,456,500,000	16,456,500,000	-	-	-	-	-
31 December 2019	-	16,456,500,000	16,456,500,000	-	-	-	-	-
30 June 2019	-	-	-	-	-	-	-	-

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6 PREPAYMENT AND OTHER RECEIVABLES	Note	31 December	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees -----	
Prepaid listing fee		13,668	-
Withholding tax deducted	6.1	3,660,810	6,100,073
		3,674,478	6,100,073

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 section 151. However, several companies (including banks) deducted withholding tax on 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 by the withholder.

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 Fund 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 on bank deposits by the Fund has been shown as other receivables as at 31 December 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees -----	
Remuneration of the Management Company	7.1	4,545,236	4,302,315
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,711,042	3,679,463
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable	14	1,515,077	956,069
		30,199,857	29,366,349

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% (30 June 2019: 0.45%) per annum of the average net assets of the Fund during the half year ended 31 December 2019. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs. 3,095,951 (2018: Rs. 4,579,240) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and , an amount of Rs. 3,064,372 (2018: Rs. 4,453,702) 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

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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 2019: 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 2019 would have been higher by Re. 0.97 (30 June 2019: Re. 1.00) per unit.

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

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.065% p.a. of net assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. However, during the period ended December 31, 2018, the trustee fee was charged in accordance with the following slab rates:

Net Assets	Fee
- upto Rs 1,000 million	0.15% per annum of net assets
- Rs 1,000 million to Rs 10,000 million	Rs 1.50 million plus 0.075% per annum of net assets exceeding Rs 1,000 million
- exceeding 10,000 million	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10,000 million

		31 December 2019	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fees payable	9.1	<u>1,058,445</u>	<u>10,938,706</u>

9.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to Money Market Funds was 0.075% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

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		31 December 2019	30 June 2019
		Un-audited	Audited
	Note	-----Rupees -----	
10 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		558,014	618,300
Printing charges payable		20,001	77,972
Annual rating fee payable		216,621	-
Withholding tax payable		18,774,306	18,170,295
Capital gain tax payable		4,390,989	1,108,008
Provision for Sindh Workers' Welfare Fund	10.1	52,716,715	38,941,269
Zakat payable		10,026	8,609
Brokerage Payable		90,999	-
		76,777,671	58,924,453

10.1 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 2019 would have been higher by Rs. 2.49 per unit (30 June 2019: Re 1.91 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2019 and 30 June 2019.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 1.00% (30 June 2019: 0.95%) which includes 0.35% (30 June 2019: 0.32%) 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

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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 available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

14 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company charged actual expenses within the limit of 0.1% of average annual net assets of the fund till 30 September 2019 and within the limit of 0.15% of the average annual net assets afterwards.

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 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	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
16.1 Transactions for the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	23,815,010	35,224,921
Remuneration paid	23,572,089	34,259,245
Sindh Sales Tax on Remuneration of the Management Company	3,095,951	4,579,240
Accounting and operational charges	6,640,021	7,827,760
Issue of 30,482 (2018: 265,138) units	15,427,788	135,000,000
Dividend declared	67,710	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	3,439,946	5,830,903
Sindh Sales Tax on remuneration of the Trustee	447,193	758,017
Remuneration paid	3,541,985	5,154,618
Atlas Battery Limited (Group Company)		
Issue of 30 (2018: 27,494) units	14,912	13,813,617
Redemption of 4,157 (2018: 560,022) units	2,100,307	283,372,212
Dividend declared	17,543	14,378,242

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16.1 Transactions for the period (Continued....)	For the Half Year Ended	
	31 December	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
Batool Benefit Trust		
Issue of 40,722 (2018: 526) units	20,545,434	264,399
Dividend declared	170,184	289,051
Atlas Fund of Funds (Fund under common management)		
Issue of 276,049 (2018: 35,570) units	139,280,000	17,900,000
Redemption of 235,578 (2018: 560,022) units	119,754,813	-
Atlas Foundation (Group Company)		
Issue of 82,602 (2018: 4,635) units	41,857,644	2,328,557
Dividend declared	3,191,349	2,717,533
Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)		
Issue of 273,473 (2018: 654,717) units	137,625,221	331,241,531
Redemption of 1,379,291 (2018: 2,370,782) units	700,000,000	1,200,000,000
Dividend declared	76,236,873	258,810,736
Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 17,132 (2018: Nil) units	8,665,666	-
Atlas Insurance Limited (Group Company)		
Issue of 961,823 (2018: 855,237) units	485,689,489	435,000,000
Redemption of 961,823 (2018: 855,237) units	488,913,495	441,688,889
Dividend declared	10,444,953	-
Honda Atlas Cars (Pakistan) limited (Group Company)		
Issue of 2,825 (2018: 674,173) units	1,423,583	344,060,983
Redemption of 2,825 (2018: 2,993,305) units	1,436,692	1,550,000,000
Dividend declared	-	94,971,146
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 1,383 (2018: 1,017) units	696,127	510,789
Dividend declared	306,245	510,789
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 71,198 (2018: 5,864) units	35,940,136	2,946,269
Redemption of 258,622 (2018: 38,152) units	131,000,000	19,300,000
Dividend declared	1,777,475	2,946,269
Cherat Cement Company Limited - Worker's Profit Participation Provident Fund (Retirement benefit plan of a Group Company)		
Issue of Nil (2018: 4,218) units	-	2,118,995
Dividend declared	-	2,663,300
Atlas Die Casting (Private) Limited (Group Company)		
Issue of 79,951 (2018: 751,074) units	40,520,475	380,092,173
Redemption of 79,951 (2018: Nil) units	40,303,317	-

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		For the Half Year Ended 31 December	
		2019	2018
		Un-audited	Un-audited
16.1	Transactions for the period (Continued....)	Note	-----Rupees-----
	Shirazi Investments (Private) Limited (Group Company)		
	Issue of Nil (2018: 88,575) units	-	44,501,749
	Dividend declared	13,926,728	45,079,972
	Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
	Issue of 1,357,480 (2018: 9,957,566) units	685,855,198	5,085,000,000
	Redemption of 713,606 (2018: 4,263,846) units	360,000,000	2,187,600,032
	Dividend declared	73,700,870	-
	Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of Nil (2018: 1,133) units	-	569,180
	Dividend declared	-	569,180
	Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of 6,291 (2018: 3,085) units	3,179,457	1,550,030
	Redemption of 8,698 (2018: Nil) units	4,400,000	-
	Dividend declared	770,357	1,550,030
	Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of 6,535 (2018: 13,079) units	3,288,791	6,571,103
	Redemption of 118,699 (2018: Nil) units	60,000,000	-
	Dividend declared	2,024,327	6,571,103
	Directors and their close family members and key management personnel of the Management Company 16.5		
	Issue of 62,205 (2018: 131,472) units	31,333,787	66,775,226
	Redemption of 46,571 (2018: 254,896) units	23,537,889	131,411,229
	Dividend declared	8,596,410	18,109,017
		31 December 2019	30 June 2019
		Un-audited	Audited
		-----	-----
		Rupees	Rupees
		-----	-----
16.2	Balances outstanding as at period / year end		
	Atlas Asset Management Limited (Management Company)		
	Remuneration payable to the Management Company	4,545,236	4,302,315
	Sindh Sales Tax payable on Remuneration of the Management Company	3,711,042	3,679,463
	Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
	Accounting and operational charges payable	1,515,077	956,069
	Outstanding 30,482 (30 June 2019: 1) units - at net asset value	15,368,543	298
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	656,534	758,573
	Sindh Sales Tax payable on Remuneration of the trustee	85,349	98,614

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16.2	Balances outstanding as at period / year end (Continued....)	Note	31 December	30 June
			2019	2019
			Un-audited	Audited
			----- Rupees -----	-----
	Atlas Fund of Funds (Fund under common management)			
	Outstanding 40,471 (30 June 2019: Nil) units - at net asset value		20,405,261	-
	Atlas Foundation (Group Company)			
	Outstanding 295,102 (30 June 2019: 212,500) units - at net asset value		148,787,615	106,913,042
	Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)			
	Outstanding 5,049,184 (30 June 2019: 6,155,001) units - at net asset value		2,545,747,871	3,096,704,288
	Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
	Outstanding 17,132 (30 June 2019: Nil) units - at net asset value		8,637,739	-
	Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
	Outstanding 31,101 (30 June 2019: 143,264) units - at net asset value		15,680,644	72,079,270
	Atlas Battery Limited (Group Company)			
	Outstanding Nil (30 June 2019: 4,127) units - at net asset value		-	2,076,707
	Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)			
	Outstanding 51,999 (30 June 2019: 54,406) units - at net asset value		26,217,163	27,372,391
	Shirazi Investments (Private) Limited (Group Company)			
	Outstanding 994,767 (30 June 2019: 944,767) units - at net asset value		501,551,213	500,486,813
	Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)			
	Outstanding 26,246 (30 June 2019: 213,670) units - at net asset value		13,232,893	107,501,398
	Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)			
	Outstanding 23,057 (30 June 2019: 21,673) units - at net asset value		11,624,951	10,904,341
	Batools Benefit Trust (Trust having common Director / Trustee)			
	Outstanding 52,783 (30 June 2019: 12,061) units - at net asset value		26,612,708	6,068,058
	Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)			
	Outstanding 5,729,423 (30 June 2019: 5,085,549) units - at net asset value	16.3	2,888,717,616	2,558,641,525
	Directors and their close family members and key management personnel of the Management Company	16.4		
	Outstanding 275,149 (30 June 2019: 298,070) units - at net asset value		138,727,561	149,964,978

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

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

Atlas Money Market Fund

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 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 2019 and 30 June 2019, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	----- Rupees -----		
<u>31 December 2019</u>			
At fair value through profit or loss	-	3,612,427,733	-
	<u>-</u>	<u>3,612,427,733</u>	<u>-</u>
<u>30 June 2019</u>			
At fair value through profit or loss	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

18 GENERAL

18.1 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

18.3 Number of units have been rounded off to the nearest decimal place.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 February 2020.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
Zarai Taraqati Bank Limited

Atlas Sovereign Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Sovereign 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, 2019 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2020

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Sovereign Fund (the Fund) as at December 31, 2019 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 (herein-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2019. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

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 statements 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 statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial statements of the Fund for the half year ended December 31, 2018 and the financial statements for the year ended June 30, 2019 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their reports dated February 28, 2019 and September 26, 2019 respectively.

Karachi 28 February 2020

A.F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

Atlas Sovereign Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT DECEMBER 31, 2019

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- (Rupees) -----	
Assets			
Bank balances	4	818,400,561	1,786,431,695
Investments	5	2,301,443,806	511,602,698
Mark-up receivable	6	51,737,580	21,782,840
Prepayments and other receivables		493,413	469,410
Total assets		3,172,075,360	2,320,286,643
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	3,540,724	1,854,683
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	192,796	255,914
Payable to the Securities and Exchange Commission of Pakistan	9	279,833	430,422
Payable against redemption of units		20,000,000	-
Accrued expenses and other liabilities	10	11,445,622	16,508,933
Total liabilities		35,458,975	19,049,952
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		3,136,616,385	2,301,236,691
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,136,616,385	2,301,236,691
CONTINGENCIES AND COMMITMENTS	11	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		28,930,687	22,936,104
NET ASSET VALUE PER UNIT		108.42	100.33

The annexed notes 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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	For the Half Year Ended		For the Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		(Rupees)		(Rupees)	
Income					
Profit on bank balances		20,085,651	1,361,139	9,581,198	852,300
Income from government securities		149,845,804	13,145,556	84,174,748	6,961,784
Gain / (loss) on sale of investments - net		23,072,682	(340,655)	13,219,325	(210,728)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	44,166,084	490	25,949,964	16,511
Total income		237,170,221	14,166,530	132,925,235	7,619,867
Expenses					
Remuneration of the Management Company	7.1	9,894,675	807,453	5,334,327	401,165
Sindh sales tax on remuneration of the Management Company	7.2	1,286,308	104,969	693,463	52,152
Remuneration of the Trustee		909,462	269,151	512,433	133,742
Sindh sales tax on remuneration of the Trustee		118,230	34,990	66,616	17,387
Annual fee to the Securities and Exchange Commission of Pakistan		279,833	134,575	157,697	66,871
Accounting and operational charges	7.4	1,793,349	179,434	1,182,534	89,165
Annual rating fee		167,353	168,574	83,676	68,927
Annual listing fee		13,826	12,856	6,913	6,429
Securities transaction cost		46,827	-	39,418	-
Auditors' remuneration		159,114	21,795	96,257	(56,461)
Printing charges		28,809	1,136	18,809	(1,543)
Legal and professional charges		64,416	56,174	-	28,094
Amortisation of formation cost		-	131,068	-	65,534
Bank charges		34,030	6,837	17,731	2,801
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	4,447,479	244,750	2,494,306	134,912
Total expenses		19,243,711	2,173,762	10,704,180	1,009,175
Net income for the period before taxation		217,926,510	11,992,768	122,221,055	6,610,692
Taxation	13	-	-	-	-
Net income for the period after taxation		217,926,510	11,992,768	122,221,055	6,610,692
Allocation of net income for the period					
Net income for the period after taxation		217,926,510	11,992,768	122,221,055	6,610,692
Income already paid on units redeemed		(31,450,099)	(3,184,874)	(31,168,745)	(3,184,860)
		186,476,411	8,807,894	91,052,310	3,425,832
Accounting income available for distribution					
- Relating to capital gains		67,238,766	490	39,169,289	16,511
- Excluding capital gains		119,237,645	8,807,404	51,883,021	3,409,321
		186,476,411	8,807,894	91,052,310	3,425,832

The annexed notes 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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	For the Half Year Ended		For the Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	217,926,510	11,992,768	122,221,055	6,610,692
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income for the period	217,926,510	11,992,768	122,221,055	6,610,692

The annexed notes 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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2019

	Half year ended December 31, 2019			Half year ended December 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees)-----					
Net assets at beginning of the period (audited)	2,298,220,458	3,016,233	2,301,236,691	343,141,842	15,054,925	358,196,767
Issuance of 13,292,168 (2018: 237,530) units						
- Capital value (at net asset value per unit at the beginning of the period)	1,333,603,215	-	1,333,603,215	23,812,383	-	23,812,383
- Element of income	68,325,068	-	68,325,068	227,236	-	227,236
Total proceeds on issuance of units	1,401,928,283	-	1,401,928,283	24,039,619	-	24,039,619
Redemption of 7,297,585 (2018: 1,129,610) units						
- Capital value (at net asset value per unit at the beginning of the period)	732,166,703	-	732,166,703	113,243,403	-	113,243,403
- Element of loss	20,858,297	31,450,099	52,308,396	227,275	3,184,874	3,412,149
Total payments on redemption of units	753,025,000	31,450,099	784,475,099	113,470,678	3,184,874	116,655,552
Total comprehensive income for the period	-	217,926,510	217,926,510	-	11,992,768	11,992,768
Distribution for the year ended June 30, 2018 @ Rs. 4.75 per unit announced on July 6, 2018	-	-	-	(2,369,649)	(13,834,502)	(16,204,151)
Net income for the period less distribution	-	217,926,510	217,926,510	(2,369,649)	(1,841,734)	(4,211,383)
Net assets at the end of the period (un-audited)	2,947,123,741	189,492,644	3,136,616,385	251,341,134	10,028,317	261,369,451

	(Rupees)	(Rupees)
Undistributed income brought forward		
- Realised income	4,865,277	13,858,968
- Unrealised income	(1,849,044)	1,195,957
	3,016,233	15,054,925
Accounting income available for distribution		
- Relating to capital gains	67,238,766	490
- Excluding capital gains	119,237,645	8,807,404
	186,476,411	8,807,894
Distribution for the year ended June 30, 2018 @ Rs. 4.75 per unit announced on July 6, 2018	-	(13,834,502)
Undistributed income carried forward	189,492,644	10,028,317
Undistributed income carried forward		
- Realised income	145,326,560	10,027,827
- Unrealised income	44,166,084	490
	189,492,644	10,028,317
Net assets value per unit at beginning of the period	100.33	105.00
Net assets value per unit at end of the period	108.42	103.75

The annexed notes 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

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the Half Year Ended	
	December 31, 2019	December 31, 2018
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	217,926,510	11,992,768
Adjustments for:		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(44,166,084)	-
Amortisation of formation cost	-	131,068
Provision for Sindh Workers' Welfare Fund	4,447,479	244,750
	(39,718,605)	375,818
Increase in assets		
Investments	(1,745,675,024)	-
Mark-up receivable	(29,954,740)	(391,297)
Prepayments and other receivables	(24,003)	(14,644)
	(1,775,653,766)	(405,941)
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	1,686,041	(268,356)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(63,118)	(2,331)
Payable to the Securities and Exchange Commission of Pakistan	(150,589)	(89,980)
Accrued expenses and other liabilities	(9,510,790)	(237,791)
	(8,038,456)	(598,458)
Net cash (used in) / generated from operating activities	(1,605,484,318)	11,364,187
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	1,401,928,283	21,669,970
Amount paid against redemption of units	(764,475,099)	(116,655,552)
Cash payout against distribution	-	(13,834,502)
Net cash generated from / (used in) financing activities	637,453,184	(108,820,084)
Net decrease in cash and cash equivalents	(968,031,134)	(97,455,897)
Cash and cash equivalents at the beginning of the period	1,786,431,695	360,824,172
Cash and cash equivalents at the end of the period	818,400,561	263,368,275

The annexed notes 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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 DECEMBER 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign 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 and Second Supplemental Trust Deeds dated May 23, 2017 and September 3, 2018 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, Eight and Ninth Supplements dated March 24, 2015, August 3, 2015, June 23, 2016, October 13, 2016, June 2, 2017, April 18, 2018, August 20, 2018, October 8, 2019 and October 30, 2019 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 was launched as a money market scheme. Effective from January 2, 2019 the Funds' category was changed to Income Scheme with approval of the SECP. The Fund is listed on Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis from December 1, 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide unit holders competitive returns by investing in low risk, liquid securities including investments in Government securities, bank deposits including TDRs, money market placements, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo transactions. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Management Company rating of AM2+ (stable outlook) on December 26, 2019 and the Fund rating of AA-(f) on October 17, 2019 (stable outlook).
- 1.5 The title to the assets of the Fund is 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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 June 30, 2019.

Atlas Sovereign Fund

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balance used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

3.3 Amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Amendments to published accounting and reporting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2020. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 BANK BALANCES	Note	December 31, 2019	June 30, 2019
		Un-audited	Audited
		----- (Rupees) -----	
- Saving accounts	4.1	818,400,561	1,736,431,695
- Cheque in hand		-	50,000,000
		818,400,561	1,786,431,695

4.1 The rate of return on these balances range from 5.00% to 14.30% (June 30, 2019: 6.00% to 13.40%) per annum.

5 INVESTMENTS	Note	December 31, 2019	June 30, 2019
		Un-audited	Audited
		----- (Rupees) -----	
At fair value through profit or loss			
Investment in Government securities			
Market Treasury Bills	5.1	1,051,047,642	-
Pakistan Investment Bonds	5.2	1,250,396,164	511,602,698
		2,301,443,806	511,602,698

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5.1 Market Treasury Bills - at fair value through profit or loss

Tenor	As at July 01, 2019	Acquired during the period	Sold / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market Value as at December 31, 2019	Unrealised diminution as at December 31, 2019	Market value as a percentage of	
								Total Investments	Net assets
	----- (Face value) -----				----- (Rupees) -----		----- (%) -----		
3 Months T-bills	-	6,955,000,000	6,955,000,000	-	-	-	-	-	-
6 Months T-bills	-	1,375,000,000	1,375,000,000	-	-	-	-	-	-
12 Months T-bills	-	1,162,245,000	-	1,162,245,000	1,054,144,802	1,051,047,642	(3,097,160)	45.67	34.00
	-	9,492,245,000	8,330,000,000	1,162,245,000	1,054,144,802	1,051,047,642	(3,097,160)	45.67	34.00
June 30, 2019									

5.2 Government securities - Pakistan Investment Bonds

Tenor	As at July 01, 2019	Acquired during the period	Sold / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market Value as at December 31, 2019	Unrealised diminution as at December 31, 2019	Market value as a percentage of	
								Total Investments	Net assets
	----- (Face value) -----				----- (Rupees) -----		----- (%) -----		
3 Years PIB	390,500,000	640,500,000	560,500,000	470,500,000	432,074,804	440,775,908	8,701,104	19.15	14.00
5 Years PIB	200,000,000	329,000,000	75,000,000	454,000,000	389,631,548	415,980,749	26,349,201	18.07	13.00
10 Years PIB	-	537,500,000	143,000,000	394,500,000	381,426,568	393,639,507	12,212,939	17.10	13.00
	590,500,000	1,507,000,000	778,500,000	1,319,000,000	1,203,132,920	1,250,396,164	47,263,244	54.32	40.00
June 30, 2019					513,451,742	511,602,698	(1,849,044)	100.00	22.00

5.3 Unrealised appreciation / (diminution) on re-measurement of investments classified as financial asset at fair value through profit or loss - net	Note	December 31, 2019	June 30, 2019
		Un-audited	Audited
		----- Rupees -----	
Market value of investments	5.1 & 5.2	2,301,443,806	511,602,698
Less: carrying value of investments	5.1 & 5.2	2,257,277,722	513,451,742
		44,166,084	(1,849,044)

6 MARK-UP RECEIVABLE

Mark-up receivable on:

Banks balances	4,893,211	21,782,840
Pakistan Investment Bonds	46,844,369	-
	51,737,580	21,782,840

Atlas Sovereign Fund

		December 31, 2019	June 30, 2019
		Un-audited	Audited
	Note	----- Rupees -----	-----
7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Remuneration of the Management Company	7.1	1,868,259	330,804
Sindh sales tax payable on remuneration of the Management Company	7.2	373,393	174,284
Federal Excise Duty payable on remuneration of the Management Company	7.3	905,341	905,341
Formation cost payable		-	260,000
Accounting and operational charges payable	7.4	393,731	184,254
		3,540,724	1,854,683

7.1 The management company has charged remuneration at the rate of 10% of the gross earnings calculated on a daily basis subject to a minimum fee of 0.45% of average daily net asset and maximum fee of 0.80% of average annual net assets. The amount of the remuneration is being paid on monthly basis in arrears.

7.2 During the period, an amount of Rs. 1,286,308 (2018: Rs.104,969) 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. 1,087,199 (2018: Rs. 105,774) 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) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 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.

During the year ended June 30, 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.

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 July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.905 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.03 (June 30, 2019: Re 0.04) per unit.

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

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The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from July 1, 2019 to September 30, 2019 and at 0.15% of the average annual net assets of the Fund from October 1, 2019 till December 31, 2019 for allocation of such expenses to the Fund.

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed. Effective from July 1, 2019, this has been charged as follows:

Previous Tariff		Revised Tariff (Flat Rate)
Net Assets (Rs.)	Fee	
Upto Rs. 1 billion	0.15% per annum of net assets	0.065% per
From Rs. 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% per annum of net assets exceeding Rs 1 billion.	annum of Net
Exceeding Rs. 10 billion	Rs 8.25 million plus 0.06% per annum of net assets exceeding Rs 10 billion.	Assets.

		December 31, 2019 Un-audited	June 30, 2019 Audited
9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- (Rupees) -----	
Annual fee payable	9.1	279,833	430,422

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to income funds was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period.

		December 31, 2019 Un-audited	June 30, 2019 Audited
10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees) -----	
Auditors' remuneration payable		147,954	177,120
Printing charges payable		20,000	3,641
Transaction charges payable		40,132	1,611
Withholding tax payable		7,034	4,032,096
CGT payable		4,627,354	30,816
Annual rating fee payable		167,764	410
Dividend payable		-	10,287,083
Other payable		11,749	-
Provision for Sindh Workers' Welfare Fund	10.1	6,423,635	1,976,156
		11,445,622	16,508,933

10.1 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

Atlas Sovereign Fund

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 had 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 SWWF Act (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Re. 0.22 (June 30, 2019: Re. 0.09) per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2019 is 1.37% (June 30, 2019: 1.10%) which includes 0.43% (June 30, 2019: 0.31%) 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income 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 unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 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 period.

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

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

15.1 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 entity in which the Management Company, its CISs or their connected persons have material interest, 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.

15.2 Transactions with connected persons are executed on an arm's length basis and 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.

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

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

15.5 Details of transactions with connected persons / related parties during the period are as follows:

	Half Year Ended December 31,	
	2019	2018
	Un-audited	Un-audited
	------(Rupees)-----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	9,894,675	807,453
Remuneration paid	8,357,220	813,625
Sindh Sales Tax on remuneration of the Management Company	1,286,308	104,969
Accounting and operational charges	1,793,349	179,434
Issue of Nil (2018: 1,941) units	-	194,611
Redemption 250,187 (2018: Nil) units	26,000,000	-
Dividend	-	228,954
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	909,462	269,151
Remuneration paid	965,319	271,214
Sindh Sales Tax on Remuneration of the Trustee	118,230	34,990
Atlas Foundation (Group Company)		
Issue of 239,239 (2018: Nil) units	25,000,000	-
Cherat Cement Company Limited - Workers Profit Participation Fund		
Issue of Nil (2018: 24,230) units	-	2,429,041
Cash dividend	-	3,238,722
Atlas Honda Limited (Group Company)		
Issue of 2,894,635 (2018: 5) units	300,000,000	459
Cash dividend	-	499
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Redemption 184,468 (2018: Nil) units	20,000,000	-
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Redemption 93,625 (2018: Nil) units	10,000,000	-
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2018: 67,087) units	-	6,725,503
Cash dividend	-	7,912,357
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 7,719 (2018: Nil) units	800,000	-
Atlas Insurance (Group Company)		
Issue of 9,069,994 (2018: Nil) units	963,957,003	-
Redemption 4,556,406 (2018: Nil) units	493,458,719	-
Directors, their close family members and key management personnel of the Management Company		
Issue of 201,899 (2018: 536) units	20,865,404*	53,733
Redemption 1,434,668 (2018: 1,470) units	153,200,000*	150,000
Cash dividend	-	59,145

*This reflects position of related parties as at December 31, 2019.

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

	December 31, 2019 Un-audited	June 30, 2019 Audited
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	1,868,259	330,804
Sindh Sales Tax payable on Remuneration of the Management Company	373,393	174,284
Federal Excise Duty payable on Remuneration of the Management Company	905,341	905,341
Accounting and operational charges payable	393,731	184,254
Formation cost payable	-	260,000
Outstanding 165,946 (June 30, 2019: 416,133) units	17,991,846	41,750,659
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	170,616	226,473
Sindh Sales Tax payable on remuneration of the trustee	22,180	29,441
Atlas Foundation (Group Company)		
Outstanding 1,091,606 (June 30, 2019: 852,367) units	118,351,924	85,518,023
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 122,549 (June 30, 2019: 114,830) units	13,286,728	11,520,859
Atlas Insurance (Group Company)		
Outstanding 4,513,588 (June 30, 2019: Nil) units	489,363,225	-
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 1,019,965 (June 30, 2019: 1,204,433) units	110,584,649	120,840,784
Atlas Honda Limited (Group Company)		
Outstanding 9,926,259 (June 30, 2019: 7,031,624) units	1,076,205,013	705,482,820
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 7,495,151 (June 30, 2019: 7,495,151) units	812,624,259	751,988,488
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 563,261 (June 30, 2019: 656,886) units	61,068,792	65,905,323
Directors, their close family members and key management Personnel and executive of the Management Company		
Outstanding 2,414,670 (June 30, 2019: 4,180,952) units	261,798,476*	419,474,910

*This reflects position of related parties as at December 31, 2019.

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16 FAIR VALUE MEASUREMENT

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. 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.

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

16.1 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 prices (unadjusted) in active markets 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 December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

----- Un-audited -----				
As at December 31, 2019				
ASSETS	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Market Treasury Bills	-	1,051,047,642	-	1,051,047,642
Pakistan Investment Bonds	-	1,250,396,164	-	1,250,396,164
	-	2,301,443,806	-	2,301,443,806
----- Audited -----				
As at June 30, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Pakistan Investment Bonds	-	511,602,698	-	511,602,698
	-	511,602,698	-	511,602,698

Atlas Sovereign Fund

17 GENERAL

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

17.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassifications during the period.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 27 February 2020 by the Board of Directors of the Management Company.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri Bank Limited
Zarai Taraqiyati Bank Limited

Atlas Income Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V 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, 2019 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2020

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Income Fund (the Fund) as at 31 December 2019 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 statements") 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 statements 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 statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2019.

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

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi 28 February 2020

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT DECEMBER 31, 2019

		31 December 2019 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
Assets			
Bank balances	4	866,779,975	1,426,198,107
Investments	5	2,309,142,290	1,627,495,030
Receivable against Margin Trading System		-	4,041,602
Interest / profit accrued	6	77,531,221	59,934,706
Deposits, prepayment and other receivables	7	11,474,388	11,372,859
Total assets		3,264,927,874	3,129,042,304
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	30,426,485	29,719,418
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	231,472	334,646
Payable to the Securities and Exchange Commission of Pakistan	10	313,498	3,216,111
Payable against redemption of units		166,532	590,973
Unclaimed dividend		40,464	61,568,254
Accrued expenses and other liabilities	11	34,678,387	45,117,760
Total liabilities		65,856,838	140,547,162
NET ASSETS		3,199,071,036	2,988,495,142
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,199,071,036	2,988,495,142
CONTINGENCIES AND COMMITMENTS	12	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		5,787,106	5,820,926
		-----Rupees-----	
NET ASSET VALUE PER UNIT		552.79	513.41

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2019	2018	2019	2018
-----Rupees-----					
Income					
Interest income	14	200,329,585	205,250,056	105,495,111	89,675,055
Capital gain / (loss) on sale of investments - net		19,570,768	(16,063,944)	8,902,195	(5,934,879)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		33,664,684	1,297,964	15,796,425	8,467,001
		53,235,452	(14,765,980)	24,698,620	2,532,122
Total income		253,565,037	190,484,076	130,193,731	92,207,177
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	12,931,135	19,970,821	6,836,766	8,020,762
Sindh Sales Tax on remuneration of the Management Company	8.2	1,681,048	2,596,207	888,780	1,042,699
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,175,614	2,515,095	604,267	1,066,452
Sindh Sales Tax on remuneration of the Trustee		152,830	326,962	78,555	138,638
Annual fees to the Securities and Exchange Commission of Pakistan		313,498	1,872,265	161,139	751,947
Accounting and operational charges	13	1,970,332	2,496,353	1,208,536	1,002,595
Auditors' remuneration		360,152	202,709	207,311	34,024
Annual rating fee		217,382	235,825	108,691	99,127
Annual listing fee		13,825	13,863	6,913	6,931
Securities transaction cost		282,620	3,146,449	95,232	1,421,991
Printing charges		17,938	(107,835)	7,938	(150,586)
Legal and professional charges		151,669	143,695	-	97,255
Bank charges		63,913	53,467	21,760	41,733
Provision for Sindh Workers' Welfare Fund	11.1	4,684,662	3,140,364	2,399,357	1,572,672
Total expenses		24,016,618	36,606,240	12,625,245	15,146,240
Net income for the period before taxation		229,548,419	153,877,836	117,568,486	77,060,937
Taxation	16	-	-	-	-
Net income for the period after taxation		229,548,419	153,877,836	117,568,486	77,060,937
Allocation of net income for the period:					
Net income for the period after taxation		229,548,419	153,877,836	117,568,486	77,060,937
Income already paid on units redeemed		(4,562,694)	(33,699,501)	(3,668,884)	(16,411,091)
		224,985,725	120,178,335	113,899,602	60,649,846
Accounting income available for distribution:					
- Relating to capital gains		53,235,452	1,297,964	24,698,620	8,467,001
- Excluding capital gains		171,750,273	118,880,371	89,200,982	52,182,845
		224,985,725	120,178,335	113,899,602	60,649,846

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftekhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2019	2018	2019	2018
	-----Rupees-----			
Net income for the period after taxation	229,548,419	153,877,836	117,568,486	77,060,937
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	229,548,419	153,877,836	117,568,486	77,060,937

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 2019

	31 December 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,848,807,829	-	2,848,807,829
Undistributed income brought forward			
- Realised income	-	154,356,101	154,356,101
- Unrealised loss	-	(14,668,788)	(14,668,788)
Net assets at the beginning of the period (Units outstanding: 5,820,926) (Rs. 513.41 per unit)	2,848,807,829	139,687,313	2,988,495,142
Issue of 1,276,395 units	698,610,550	-	698,610,550
Redemption of 1,310,215 units	(713,020,381)	(4,562,694)	(717,583,075)
Total comprehensive income for the period	-	229,548,419	229,548,419
Net assets at end of the period (Units outstanding: 5,787,106) (Rs. 552.79 per unit)	2,834,397,998	364,673,038	3,199,071,036
Undistributed income carried forward			
- Realised income	-	361,122,986	-
- Unrealised income	-	3,550,052	-
	-	364,673,038	-
	31 December 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	6,307,067,372	-	6,307,067,372
Undistributed income brought forward			
- Realised income	-	457,388,456	457,388,456
- Unrealised loss	-	(28,148,138)	(28,148,138)
Net assets at the beginning of the period (Units outstanding: 12,545,428) (Rs. 536.95 per unit)	6,307,067,372	429,240,318	6,736,307,690
Issue of 724,447 units	372,702,961	-	372,702,961
Redemption of 6,067,360 units	(3,112,812,494)	(33,699,501)	(3,146,511,995)
Refund of Capital	(8,928,642)	-	(8,928,642)
Cash distribution for the year ended 30 June 2018 at Rs. 24.5 per unit declared on 06 July 2018	-	(292,161,630)	(292,161,630)
Total comprehensive income for the period	-	153,877,836	153,877,836
Net assets at end of the period (Units outstanding: 7,202,515) (Rs 529.72 per unit)	3,558,029,197	257,257,023	3,815,286,220
Undistributed income carried forward			
- Realised income	-	254,467,964	-
- Unrealised income	-	2,789,059	-
	-	257,257,023	-

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the Half Year Ended 31 December	
	2019	2018
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	229,548,419	153,877,836
Adjustments for:		
Interest income	(200,329,585)	(205,250,056)
Capital (gain) / loss on sale of investments - net	(19,570,768)	16,063,944
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(33,664,684)	(1,297,964)
Provision for Sindh Workers' Welfare Fund	4,684,662	3,140,364
	(248,880,375)	(187,343,712)
Decrease in assets		
Receivable against Margin Trading System	4,041,602	8,907,869
Deposits, prepayment and other receivables	(101,529)	110,572
	3,940,073	9,018,441
Decrease in liabilities		
Payable to Atlas Asset Management Limited - Management Company	707,067	(3,455,580)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(103,174)	(283,353)
Payable to the Securities and Exchange Commission of Pakistan	(2,902,613)	(5,493,258)
Unclaimed dividend	(61,527,790)	-
Accrued expenses and other liabilities	(15,124,035)	(17,184,232)
	(78,950,545)	(26,416,423)
	(94,342,428)	(50,863,858)
Interest received	141,138,966	123,025,173
Investments made during the period	(6,204,534,511)	(6,899,974,323)
Investment sold / redeemed / matured during the period	5,617,716,807	7,965,748,207
Net cash (used in) / generated from operating activities	(540,021,166)	1,137,935,199
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	698,610,550	372,702,961
Net payments against redemption of units	(718,007,516)	(3,166,560,005)
Refund of capital	-	(8,928,642)
Cash distribution	-	(292,161,630)
Net cash used in financing activities	(19,396,966)	(3,094,947,316)
Net decrease in cash and cash equivalents	(559,418,132)	(1,957,012,117)
Cash and cash equivalents at the beginning of the period	1,426,198,107	4,566,844,339
Cash and cash equivalents at the end of the period	4 866,779,975	2,609,832,222

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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 DECEMBER 31, 2019

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, Eleventh, Twelfth and Thirteenth 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, 2 June 2017, 2 October 2019 and 30 October 2019 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. The Fund is listed on the Pakistan Stock Exchange Limited.
- 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 Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two plus)] on 26 December 2019.
- Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2018: "AA- (f)" (Double A minus)] on 17 October 2019.
- 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.
- 1.6 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 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Atlas Income Fund

- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
- Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 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 2019.

2.2 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 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 2019.

3.3 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

IFRS 3 - Business Combinations - Previously held interests in a joint operation

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

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4 BANK BALANCES	Note	31 December 2019	30 June 2019
		Un-audited	Audited
In local currency			
- Profit and loss sharing accounts	4.1	864,987,630	1,426,193,107
- Current account		5,000	5,000
- Cheques in hand	4.2	1,787,345	-
		866,779,975	1,426,198,107

4.1 This includes an amount of Rs.859,997,880 which carries markup ranging between 11.1% and 14.30% (30 June 2019: 6.00% and 13.40%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by January 11, 2020 .

5 INVESTMENTS	Note	31 December 2019	30 June 2019
		Un-audited	Audited
At fair value through profit or loss			
Term finance certificates - listed	5.1 & 5.1.1	512,390,313	527,021,722
Term finance certificates - unlisted	5.2 & 5.2.1	195,663,258	196,451,556
Sukuk certificates	5.3 & 5.3.1	377,513,057	246,598,872
Government securities - Market Treasury Bills	5.4 & 5.4.1	314,847,391	49,710,307
Government securities - Pakistan Investment Bonds	5.5	908,728,271	607,712,573
		2,309,142,290	1,627,495,030

5.1 Term finance certificates - listed

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

Name of the Investee Company	As at 01 July 2019	Purchased during the period	Disposed / matured during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of net assets
BANKS							
Bank Alfalah Limited - V	38,463	-	-	38,463	191,814,981	191,814,981	6.00
Habib Bank Limited Tier - II (face value of Rs. 100,000 per certificate)	2,945	-	-	2,945	289,448,446	283,569,066	8.86
Soneri Bank Limited	9,428	-	2,000	7,428	35,968,159	37,006,266	1.16
TELECOMMUNICATION							
Telecard Limited	5.6.1	4,000	-	4,000	-	-	-
PERSONAL GOODS							
Azgard Nine Limited	5.6.1	5,000	-	5,000	-	-	-
Total as at 31 December 2019					517,231,586	512,390,313	16.02
Total as at 30 June 2019					531,340,031	527,021,722	

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5.1.1 The terms and conditions of listed term finance certificates outstanding as at 31 December 2019 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					
Azzard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%

5.2 Term finance certificates - unlisted

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

Name of the Investee Company	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
----- Number of certificates ----- Rupees ----- % age -----									
BANKS									
Askari Bank Limited - V	20,000	-	-	20,000	97,550,785	97,550,808	4.22	3.05	2.50
Bank AL Habib Limited	20,000	-	-	20,000	98,861,394	98,112,450	4.25	3.07	2.50
CHEMICALS									
Agritech Limited- I	5.6.1	2,000	-	2,000	-	-	-	-	-
Agritech Limited - II	5.6.1	8,000	-	8,000	-	-	-	-	-
Agritech Limited- IV	5.6.1	2,203	-	2,203	-	-	-	-	-
PERSONAL GOODS									
Azzard Nine Limited-V	5.6.1	1,075	-	1,075	-	-	-	-	-
Total as at 31 December 2019					196,412,179	195,663,258	8.47	6.12	
Total as at 30 June 2019					200,772,046	196,451,556			

5.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 December 2019 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					
Azzard Nine Limited - V	NPA	5 years	Semi-annually	Mar 2017	Zero Coupon

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5.3 Sukuk certificates

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

Name of the Investee Company	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
----- Number of certificates ----- Rupees ----- % age -----									
FERTILIZERS									
Dawood Hercules Corporation Limited Sukuk 2 - Listed (face value Rs. 100,000)	2,000	-	-	2,000	179,640,000	179,414,460	7.77	5.61	3.33
Agritech Limited (note 5.6.1)	4,060	-	-	4,060	-	-	-	-	-
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited - Unlisted (face value of Rs. 100,000 per certificate)	-	1,500	-	1,500	150,000,000	151,350,000	6.55	4.73	-
BANKS									
Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certi)	47	-	-	47	46,998,872	46,748,597	2.02	1.46	0.67
Total as at 31 December 2019					376,638,872	377,513,057	16.35	11.80	
Total as at 30 June 2019					247,834,200	246,598,872			

5.3.1 The terms and conditions of sukuk certificates as at 31 December 2019 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	10 years	Semi -annually	Sep 2026	6 month KIBOR + 0.50%	AA-
Dawood Hercules Sukuk Tier - II	5 years	Quarterly	Mar 2023	3 month KIBOR + 1.00%	AA
The Hub Power Company Limited	4 Years	Quarterly	August 2023	3 month KIBOR + 1.90%	AAA

5.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
----- Face Value (Rupees) ----- Rupees ----- % age -----								
3 months	50,000,000	4,273,000,000	4,323,000,000	-	-	-	-	-
6 months	-	250,000,000	250,000,000	-	-	-	-	-
12 months	-	595,000,000	245,000,000	350,000,000	316,570,359	314,847,391	13.63	9.84
Total as at 31 December 2019	50,000,000	5,118,000,000	4,818,000,000	350,000,000	316,570,359	314,847,391	13.63	9.84
Total as at 30 June 2019					49,714,671	49,710,307		

5.4.1 Market treasury bills carry an average purchase yield of 12.71% (30 June 2019: 12.44%) per annum and will mature on 05 November 2020 (30 June 2019: 18 July 2019). The cost of these investments as on 31 December 2019 is Rs. 310,620,100 (30 June 2019: Rs. 49,244,750).

5.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2019	Purchased during the period	Disposed/ matured during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
----- Face Value (Rupees) ----- Rupees ----- % age -----								
3 Years	444,000,000	1,429,500,000	1,479,500,000	394,000,000	361,841,036	369,072,758	15.98	11.54
5 Years	259,000,000	513,800,000	334,000,000	438,800,000	372,209,417	399,463,478	17.30	12.49
10 Years	-	187,500,000	45,000,000	142,500,000	134,574,157	140,192,035	6.07	4.38
Total as at 31 December 2019	703,000,000	2,130,800,000	1,858,500,000	975,300,000	868,624,610	908,728,271	39.35	28.41
Total as at 30 June 2019					613,806,990	607,712,573		

Atlas Income Fund

5.5.1 Pakistan Investment Bonds carry purchase yield ranging from 11.52% to 14.59% (30 June 2019: 11.80% to 13.80%) per annum and will mature between 12 July 2021 and 22 August 2029 (30 June 2019: 12 July 2021 and 12 July 2023). The cost of these investments as on 31 December 2019 is Rs. 869,461,687 (30 June 2019: Rs. 613,806,990).

5.6 Particulars of non-compliant investments

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

Non-compliant investment	Type of investment	Value before provision	Provision held	Net carrying value	Net assets	Gross assets
		-----Rupees-----		----- % age -----		
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	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 2019		81,625,501	81,625,501	-	-	-
Total as at 30 June 2019		81,625,501	81,625,501			

5.6.2 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 2019: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

		31 December 2019	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
6 INTEREST / PROFIT ACCRUED			
Interest / profit on:			
Savings and term deposits		128,022	1,336,341
Margin Trading System		-	74,628
Term finance certificates		37,352,122	29,597,202
Pakistan Investment Bonds		32,954,140	24,847,238
Sukuk certificates		7,096,937	4,079,297
		77,531,221	59,934,706
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
Prepaid annual listing fee		13,675	-
Prepaid annual fee to the NCCPL		962	126,582
Withholding tax deducted	7.1	8,609,751	8,396,277
		11,474,388	11,372,859

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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, several companies (including banks) deducted withholding tax on 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 by the withholder.

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 Fund 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 on bank deposits by the Fund has been shown as other receivables as at 31 December 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		31 December 2019	30 June 2019
		Un-audited	Audited
8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	-----Rupees-----	
Remuneration of the Management Company	8.1	2,576,223	2,082,668
Sindh Sales Tax payable on remuneration of the Management Company	8.2	3,857,607	3,793,445
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable	13	409,684	260,334
		<u>30,426,485</u>	<u>29,719,418</u>

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% (30 June 2019: 0.80%) per annum of the average annual net assets of the year. On December 10, 2019 Management Company decided to revise the management fee from 0.8% to 1%. The fee is payable to the Management Company monthly in arrears.

8.2 During the period, an amount of Rs. 1,681,048 (2018: Rs. 2,596,207) 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. 1,616,886 (2018: Rs. 2,954,155) 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.

Atlas Income Fund

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 for the period from 13 June 2013 till 30 June 2016 amounting to Rs 23.583 million (30 June 2019: Rs 23.583 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Has the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 31 December 2019 would have been higher by Rs. 4.08 per unit (30 June 2019: Rs 4.05 per unit).

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. However, during the period ended December 31, 2018, the trustee fee was charged in accordance with the following slab rates:

Net assets	Fee
- upto Rs 1,000 million	0.17% per annum of net assets
- Rs 1,000 million to Rs 5,000 million	Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1,000 million
- exceeding 5,000 million	Rs 5.1 million plus 0.07% per annum of net assets exceeding Rs 5,000 million

	Note	31 December 2019	30 June 2019
		Un-audited	Audited
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fees payable	10.1	<u>313,498</u>	<u>3,216,111</u>

10.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as income scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the income scheme was 0.075% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

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11	ACCRUED EXPENSES AND OTHER LIABILITIES	31 December		30 June	
		2019		2019	
		Un-audited	Audited	Un-audited	Audited
Note	-----Rupees-----				
	Auditors' remuneration payable	334,620		417,960	
	NCCPL charges payable	-		21,290	
	Printing charges payable	20,000		22,871	
	Brokerage payable	22,223		22,223	
	Annual rating fee payable	217,382		-	
	Withholding tax payable	6,448		14,773,495	
	Capital gain tax payable	430,095		896,938	
	Zakat payable	1,649		1,648	
	Other payables	334,317		334,343	
	Provision for Sindh Workers' Welfare Fund	11.1	33,311,653	28,626,992	
			34,678,387	45,117,760	

11.1 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, was 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 had 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, 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 SWWF 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.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on

Atlas Income Fund

12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ 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 2019 would have been higher by Rs. 5.76 per unit (30 June 2019: Rs 4.92 per unit).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2019 and 30 June 2019.

13 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company charged actual expenses within the limit of 0.1% of average annual net assets of the fund till 30 September 2019 and within the limit of 0.15% of the average annual net assets afterwards.

14 INTEREST INCOME

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2019	2018	2019	2018
		Un-audited		Un-audited	
		Rupees		Rupees	
Interest on:					
Saving and term deposits		41,415,436	32,613,637	17,407,358	10,171,692
Margin Trading System		1,526	17,695,604	142	7,186,204
Term finance certificates	14.1	50,847,753	44,319,650	27,063,565	19,172,076
Sukuk certificates		24,891,726	17,798,415	13,050,297	7,009,124
Government Securities - Market Treasury Bills		41,594,104	92,134,633	22,462,149	46,135,959
Government Securities - Pakistan Investment Bonds		40,019,698	-	23,952,258	-
Commercial Papers		1,559,342	688,117	1,559,342	-
		200,329,585	205,250,056	105,495,111	89,675,055

14.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (31 December 2018: Rs. 0.040 million). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 62.65 million (31 December 2018: Rs. 62.65 million) based on outstanding principal has not been recognised during the period.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 1.53% (30 June 2019: 1.48%) which includes 0.43% (30 June 2019: 0.34%) 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.

16 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,

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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 net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

17 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.

18 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:

	For the Half Year Ended	
	31 December	
	2019	2018
	Un-audited	Un-audited
	-----Rupees-----	
18.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	12,931,135	19,970,821
Remuneration paid	12,437,580	22,724,265
Sindh Sales Tax on remuneration of the Management Company	1,681,048	2,596,207
Accounting and operational charges	1,970,332	2,496,353
Issue of 1 (2018: 4,607) units	304	2,363,371
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	1,175,614	2,515,095
Sindh Sales Tax on remuneration of the Trustee	152,830	326,962
Trustee fee paid	1,261,919	2,766,048
Settlement charges	3,012	317,335
Sindh Sales Tax on settlement charges	392	41,254
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 40,743 (2018: 25,088) units	22,326,805	12,869,778
Redemption of 23,074 (2018: 32,857) units	12,000,000	17,000,000
Dividend declared	-	15,069,150
Atlas Honda Limited (Group Company)		
Issue of 135 (2018: 42,589) units	71,923	21,846,207
Redemption of Nil (2018: 971,836) units	-	500,000,000
Dividend declared	-	25,701,145

Atlas Income Fund

		For the Half Year Ended 31 December	
		2019	2018
		Un-audited	Un-audited
		-----Rupees-----	
18.1	Transactions during the period (Continued.....)		
	Atlas Insurance Limited		
	Issue of 885,988 (2018: 81,245) units	488,844,039	42,000,000
	Redemption of 885,988 (2018: 81,245) units	488,994,657	42,611,959
	Batool Benefit Trust (Trust having common Director / Trustee)		
	Issue of Nil (2018: 3,483) units	-	1,786,481
	Redemption of 22,190 (2018: 26,484) units	11,714,568	13,760,923
	Dividend declared	-	2,101,742
	Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund (Retirement Benefit Plan of a Group Company)		
	Issue of Nil (2018: 5,524) units	-	2,833,710
	Dividend declared	-	2,833,710
	Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
	Issue of Nil (2018: 1,449) units	-	743,026
	Redemption of Nil (2018: 32,408) units	-	16,713,562
	Dividend declared	-	743,026
	Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of Group Company)		
	Issue of Nil (2018: 8,239) units	-	4,226,251
	Redemption of Nil (2018: 38,513) units	-	20,000,000
	Dividend declared	-	4,226,251
	Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
	Issue of Nil (2018: 1,161) units	-	595,374
	Dividend declared	-	595,374
	Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
	Issue of Nil (2018: 1,189) units	-	609,749
	Dividend declared	-	609,749
	Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)		
	Issue of Nil (2018: 1,342) units	-	688,498
	Dividend declared	-	688,498
	Honda Atlas Power Product (Private) Limited (Group Company)		
	Issue of Nil (2018: 19,336) units	-	10,000,000
	Redemption of Nil (2018: 19,336) units	-	10,026,531
	Shirazi Investments (Private) Limited (Group Company)		
	Issue of 1,983 (2018: 215,734) units	1,054,011	110,660,918
	Redemption of Nil (2018: 867,014) units	-	450,000,000
	Dividend declared	-	129,101,818
	Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit Plan of a Group Company)		
	Issue of Nil (2018: 1,246) units	-	639,299
	Redemption of Nil (2018: Nil) units	-	-
	Dividend declared	-	639,299

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		For the Half Year Ended	
		31 December	
		2019	2018
		Un-audited	Un-audited
		-----Rupees-----	
Atlas Services Limited			
	Issue of Nil (2018: 5,342) units	-	2,740,205
Honda Atlas Cars (Pakistan) Limited			
	Issue of Nil (2018: 140,888) units	-	72,268,392
	Redemption of Nil (2018: 3,683,456) units	-	1,912,135,049
	Dividend declared	-	85,021,638
Directors and their close family members and key management personnel of the Management Company			
	Issue of 936 (2018: 21,786) units	500,000	11,243,745
	Redemption of Nil (2018: 1,439) units	-	750,000
	Dividend declared	-	6,388,932
		31 December	30 June
		2019	2019
		Un-audited	Audited
		----- Rupees -----	
18.2	Balances as at period / year end		
Atlas Asset Management Limited (Management Company)			
	Remuneration payable to the Management Company	2,576,223	2,082,668
	Sindh Sales Tax payable on remuneration of the Management Company	3,857,607	3,793,445
	Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
	Accounting and operational charges payable	409,684	260,334
	Outstanding 89,032 (30 June 2019: 89,032) units - at net asset value	49,216,071	45,709,688
Central Depository Company of Pakistan Limited (Trustee)			
	Remuneration payable to the Trustee	204,842	291,147
	Sindh Sales Tax payable on remuneration of the trustee	26,630	37,849
	Settlement charges payable	-	5,000
	Sindh Sales Tax payable on settlement charges	-	650
Atlas Foundation (Trust having common Director / Trustee)			
	Outstanding 520,218 (30 June 2019 : 502,548) units - at net asset value	287,571,320	258,013,397
Atlas Honda Limited (Group Company)			
	Outstanding 150,495 (30 June 2019: 150,360) units - at net asset value	83,192,090	77,196,122
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)			
	Outstanding 28,520 (30 June 2019: 28,520) units - at net asset value	15,765,361	14,642,258
Batool Benefit Trust (Trust having common Director / Trustee)			
	Outstanding 26,682 (30 June 2019: 48,871) units - at net asset value	14,749,371	25,090,969
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)			
	Outstanding 32,203 (30 June 2019: 32,203) units - at net asset value	17,801,453	16,533,302
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)			
	Outstanding 132,540 (30 June 2019: 132,540) units - at net asset value	73,267,007	68,047,566
Shirazi Investments (Private) Limited (Group company)			
	Outstanding 3,921,694 (30 June 2019: 3,919,710) units - at net asset value	2,167,872,978	2,012,418,511
Key Management Personnel of Management Company			
	Outstanding 86,889 (30 June 2019: 306,999) units -at net asset value	48,031,519	157,616,220

Atlas Income Fund

19 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.

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).

20 GENERAL

20.1 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

20.3 Units have been rounded off to the nearest decimal places.

21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 February 2020.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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
Habib Bank Limited
MCB Bank Limited

Atlas Stock Market Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V 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, 2019 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2020

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Stock Market Fund (the Fund) as at 31 December 2019 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 statements") 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 statements 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 statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2019.

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

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi 28 February 2020

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT DECEMBER 31, 2019

		31 December 2019	30 June 2019
		Un-audited	Audited
	Note	Rupees -----	
Assets			
Cash and Bank balances	4	126,319,414	266,018,200
Investments	5	7,436,648,853	4,987,285,163
Dividend receivable		897,833	2,103,138
Profit receivable on bank balances		14,594	287,651
Receivable against sale of investments		30,968,478	53,064,695
Advances, deposits, prepayments and other receivables	6	13,543,662	13,529,987
Total assets		7,608,392,834	5,322,288,834
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	38,477,433	33,820,284
Payable to the Central Depository Company of Pakistan Limited - Trustee		812,097	601,378
Payable to the Securities and Exchange Commission of Pakistan	8	562,883	5,435,624
Payable against redemption of units		274,201	196,835,046
Unclaimed dividend		401,733	401,733
Accrued expenses and other liabilities	9	69,374,168	40,756,887
Total liabilities		109,902,515	277,850,952
NET ASSETS		7,498,490,319	5,044,437,882
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		7,498,490,319	5,044,437,882
CONTINGENCIES AND COMMITMENTS	10	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		12,327,030	10,009,549
		-----Rupees-----	
NET ASSET VALUE PER UNIT		608.30	503.96

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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2019	2018	2019	2018
-----Rupees-----					
Income					
Profit on bank balances		7,663,270	16,350,548	4,124,953	7,394,733
Dividend income		177,469,368	143,065,752	96,570,343	79,679,802
Capital gain / (loss) on sale of investments - net		171,480,019	(110,016,806)	179,756,067	(100,341,076)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as "financial assets at fair value through profit or loss"		1,003,717,726	(732,464,752)	1,333,556,556	(622,549,365)
		1,175,197,745	(842,481,558)	1,513,312,623	(722,890,441)
Total income / (loss)		1,360,330,383	(683,065,258)	1,614,007,919	(635,815,906)
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	56,288,280	59,004,259	32,479,041	30,241,712
Sindh sales tax on remuneration of the Management Company	7.2	7,317,476	7,670,554	4,222,275	3,931,423
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,317,146	3,454,322	1,875,318	1,764,140
Sindh sales tax on remuneration of the trustee		431,229	449,062	243,791	229,338
Annual fee to the Securities and Exchange Commission of Pakistan		562,883	2,802,702	324,791	1,436,481
Accounting and operational charges	13	3,626,390	2,950,213	2,435,928	1,512,086
Auditors' remuneration		339,122	164,124	202,909	22,223
Annual listing fee		13,825	13,863	6,912	6,931
Securities transaction cost		6,053,500	5,141,866	4,563,955	2,692,014
Printing charges		23,502	(10,990)	13,502	(52,155)
Legal and professional charges		98,053	94,943	-	66,863
Provision for Sindh Workers' Welfare Fund	9.1	25,643,549	-	25,643,549	-
Bank charges		81,547	51,582	73,175	36,998
Total expenses		103,796,502	81,786,500	72,085,146	41,888,054
Net income / (loss) for the period before taxation		1,256,533,881	(764,851,758)	1,541,922,773	(677,703,960)
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		1,256,533,881	(764,851,758)	1,541,922,773	(677,703,960)
Allocation of net income / (loss) for the period					
Net income / (loss) for the period after taxation		1,256,533,881	(764,851,758)	1,541,922,773	(677,703,960)
Income already paid on units redeemed		(1,155,135)	-	(1,155,135)	-
		1,255,378,746	(764,851,758)	1,540,767,638	(677,703,960)
Accounting income available for distribution:					
- Relating to capital gains		1,175,197,745	-	1,513,312,623	-
- Excluding capital gains		80,181,001	-	27,455,015	-
		1,255,378,746	-	1,540,767,638	-

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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2019	2018	2019	2018
	-----Rupees-----			
Net income / (loss) for the period after taxation	1,256,533,881	(764,851,758)	1,541,922,773	(677,703,960)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss) for the period	1,256,533,881	(764,851,758)	1,541,922,773	(677,703,960)

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

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Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,841,549,792	-	4,841,549,792
Undistributed income brought forward			
- Realised income	-	1,073,009,596	1,073,009,596
- Unrealised loss	-	(870,121,506)	(870,121,506)
Net assets at the beginning of the period (Units outstanding: 10,009,549) (Rs. 503.96 per unit)	4,841,549,792	202,888,090	5,044,437,882
Issue of 2,937,543 units	1,516,329,893	-	1,516,329,893
Redemption of 620,062 units	(317,656,202)	(1,155,135)	(318,811,337)
Total comprehensive income for the period	-	1,256,533,881	1,256,533,881
Net assets at end of the period (Units outstanding: 12,327,030) (Rs. 608.30 per unit)	6,040,223,483	1,458,266,836	7,498,490,319
Undistributed income carried forward			
- Realised income	-	1,043,001,657	-
- Unrealised gain	-	415,265,179	-
	-	1,458,266,836	-
	31 December 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	4,000,831,035	-	4,000,831,035
Undistributed income brought forward			
- Realised income	-	1,345,586,577	1,345,586,577
- Unrealised income	-	28,914,384	28,914,384
Net assets at the beginning of the period (Units outstanding: 8,657,936) (Rs. 620.86 per unit)	4,000,831,035	1,374,500,961	5,375,331,996
Issue of 2,337,627 units	1,448,747,803	-	1,448,747,803
Redemption of 1,078,088 units	(664,876,423)	-	(664,876,423)
Total comprehensive loss for the period	-	(764,851,758)	(764,851,758)
Net assets at end of the period (Units outstanding: 9,917,475) (Rs. 543.92 per unit)	4,784,702,415	609,649,203	5,394,351,618
Undistributed income carried forward			
- Realised income	-	1,200,808,455	-
- Unrealised loss	-	(591,159,252)	-
	-	609,649,203	-

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

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Stock Market Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the Half Year Ended 31 December	
	2019	2018
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the period after taxation	1,256,533,881	(764,851,758)
Adjustment for:		
Profit on bank balances	(7,663,270)	(16,350,548)
Dividend income	(177,469,368)	(143,065,752)
Capital (gain) / loss on sale of investments - net	(171,480,019)	110,016,806
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,003,717,726)	732,464,752
Provision for Sindh Workers' Welfare Fund	25,643,549	-
	(1,334,686,834)	683,065,258
Decrease / (Increase) in assets		
Receivable against sale of investments	22,096,217	(297,198,209)
Advances, deposits, prepayment and other receivables	(13,675)	8,611,363
	22,082,542	(288,586,846)
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	4,657,149	881,780
Payable to the Central Depository Company of Pakistan Limited - Trustee	210,719	53,219
Payable to the Securities and Exchange Commission of Pakistan	(4,872,741)	(2,302,199)
Payable against purchase of investments	-	95,836,228
Accrued expenses and other liabilities	2,973,732	2,641,479
	2,968,859	97,110,507
Profit received on bank balances	7,936,327	16,398,212
Dividend received	178,674,673	150,992,626
Investments made during the period	(2,898,506,679)	(2,834,041,608)
Investments sold during the period	1,624,340,734	1,924,366,165
Net cash used in operating activities	(1,140,656,497)	(1,015,547,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	1,516,329,893	1,448,747,803
Net payments against redemption of units	(515,372,182)	(667,956,034)
Cash payout against distribution	-	-
Net cash generated from financing activities	1,000,957,711	780,791,769
Net decrease in cash and cash equivalents	(139,698,786)	(234,755,675)
Cash and cash equivalents at the beginning of the period	266,018,200	503,609,049
Cash and cash equivalents at the end of the period	126,319,414	268,853,374

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

Muhammad Abdul Samad
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Iftikhar H. Shirazi
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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 2019

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, Tenth, Eleventh and Twelfth 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, 2 June 2017 and 5 September 2019 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. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to deliver this objective mainly by investing in equity securities of companies that are paying regular dividend, have growth prospects or are actively traded. Any amounts which have not been invested in equity securities may be invested in liquid instruments including bank deposits (excluding TDRs) and treasury bills not exceeding 90 days maturity. The investment objectives and policies are more fully defined in the Fund's Offering Document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two plus)] on 26 December 2019.
- 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.
- 1.6 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 2019.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and

Atlas Stock Market Fund

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
- Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 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 2019.

2.2 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 at and for the year ended June 30, 2019.

3.2 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 2019.

3.3 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

IFRS 3 - Business Combinations - Previously held interests in a joint operation

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

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4 CASH AND BANK BALANCES	Note	31 December 2019	30 June 2019
		Un-audited	Audited
In local currency			
- Profit and loss sharing accounts	4.1	45,527,384	266,003,200
- Current account		5,000	5,000
- Cheque in hand	4.2	80,787,030	10,000
		126,319,414	266,018,200

4.1 This includes an amount of Rs. 42,648,749 which carries markup ranging between 11.1% and 14.30% (30 June 2019: 6.00% and 13.15%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 03 January 2020.

5 INVESTMENTS

At fair value through profit or loss

- Investment in listed equity securities	5.1	7,436,648,853	4,987,285,163
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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	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2019	Carrying Cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
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-----Number of certificates----- Rupees ----- % age -----

INV. BANK/INV. COMPANIES/SECURITIES CO.

Arif Habib Limited	533,800	337,000	-	870,800	-	-	-	-	-	-
	533,800	337,000	-	870,800	-	-	-	-	-	-

COMMERCIAL BANKS

Bank Alfalah Limited	5,336,000	2,319,000	-	70,000	7,585,000	328,452,605	346,634,500	4.66	4.62	0.43
Bank Al Habib Limited	4,191,700	1,683,000	-	60,000	5,814,700	447,591,815	442,847,552	5.95	5.91	0.52
BankIslami Pakistan Limited	-	8,224,500	139,750	-	8,364,250	95,494,130	92,759,533	1.25	1.24	0.75
The Bank Of Punjab	8,137,500	7,700,000	-	8,137,500	7,700,000	82,370,630	87,241,000	1.17	1.16	0.29
Faysal Bank Limited	7,637,125	1,692,000	-	15,000	9,314,125	194,925,280	177,154,658	2.38	2.36	0.61
Habib Bank Limited	2,009,500	-	-	370,000	1,639,500	185,689,770	258,090,090	3.47	3.44	0.11
Habib Metropolitan Bank Limited	-	2,721,500	-	415,000	2,306,500	85,852,908	83,841,275	1.13	1.12	0.22
MCB Bank Limited	300	252,300	-	250,300	2,300	440,747	471,362	0.01	0.01	0.00
Meezan Bank Limited	1,444,635	1,368,500	-	-	2,813,135	238,264,982	267,613,533	3.60	3.57	0.22
United Bank Limited (Note 5.3)	2,294,000	521,400	-	650,900	2,164,500	317,346,670	356,060,250	4.79	4.75	0.18
	31,050,760	26,482,200	139,750	9,968,700	47,704,010	1,976,429,537	2,112,713,753	28.41	28.18	

INSURANCE

Adamee Insurance Company Limited	-	911,000	-	-	911,000	33,100,105	38,343,990	0.52	0.51	0.26
Pakistan Reinsurance Company Limited	-	1,028,500	-	-	1,028,500	29,563,921	30,248,185	0.41	0.40	0.34
	-	1,939,500	-	-	1,939,500	62,664,026	68,592,175	0.92	0.91	

TEXTILE SPINNING

Gadon Textile Mills Limited	8,700	21,100	-	1,700	28,100	4,042,165	5,086,100	0.07	0.07	0.10
	8,700	21,100	-	1,700	28,100	4,042,165	5,086,100	0.07	0.07	

TEXTILE COMPOSITE

Gal Ahmed Textile Mills Limited	908,000	-	-	908,000	-	-	-	-	-	-
Interloop Limited	1,075,000	931,500	-	942,000	1,064,500	47,538,525	61,794,225	0.83	0.82	0.12
Kohinoor Textile Mills Limited	2,157,500	-	-	650,000	1,507,500	37,762,875	58,898,025	0.79	0.79	0.50
Nishat (Chunian) Limited	1,130,000	303,500	-	400,000	1,033,500	35,703,715	44,078,775	0.59	0.59	0.43
Nishat Mills Limited	-	1,428,700	-	503,700	925,000	101,496,965	98,179,500	1.32	1.31	0.26
	5,270,500	2,663,700	-	3,403,700	4,530,500	222,502,080	262,950,525	3.54	3.51	

CEMENT

Attock Cement Pakistan Limited	323,600	4,000	-	327,000	600	43,017	62,022	0.00	0.00	0.00
Cherat Cement Company Limited	859,000	1,413,000	85,900	-	2,357,900	103,923,195	125,086,595	1.68	1.67	1.21
D.G. Khan Cement Company Limited	805,000	1,225,000	-	770,000	1,260,000	83,081,932	93,580,200	1.26	1.25	0.29
Kohat Cement Company Limited	90	90,000	-	24,500	65,500	4,710,448	5,069,700	0.07	0.07	0.03
Lucky Cement Limited	471,350	230,100	-	178,450	523,000	196,097,185	224,053,200	3.01	2.99	0.16
	2,459,040	2,962,100	85,900	1,300,040	4,207,000	387,855,777	447,851,717	6.02	5.97	

Atlas Stock Market Fund

Name of Investee Company	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2019	Carrying Cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
----- Number of certificates ----- Rupees ----- % age -----										
REFINERY										
Attock Refinery Limited	-	140,000	-	140,000	-	-	-	-	-	-
National Refinery Limited	42,400	109,800	-	152,200	-	-	-	-	-	-
	42,400	249,800	-	292,200	-	-	-	-	-	-
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited	4,279,820	970,500	-	763,000	4,487,320	352,504,142	418,891,322	5.63	5.59	0.35
K-Electric Limited (Face Value Of Rs.3.5 Per Share)	6,750,000	-	-	-	6,750,000	29,632,500	29,497,500	0.40	0.39	0.02
Lalpur Power Limited	300,000	2,650,000	-	-	2,950,000	39,751,080	42,804,500	0.58	0.57	0.78
Nishat Chunian Power Limited	619,000	-	-	-	619,000	10,776,790	11,884,800	0.16	0.16	0.17
Pakgen Power Limited	3,400,000	808,500	-	-	4,208,500	61,957,725	77,099,720	1.04	1.03	1.13
	15,348,820	4,429,000	-	763,000	19,014,820	494,622,237	580,177,842	7.80	7.74	
OIL & GAS MARKETING COMPANIES										
Attock Petroleum Limited	-	50,000	-	50,000	-	-	-	-	-	-
Hascol Petroleum Limited	2,960	-	-	2,960	-	-	-	-	-	-
Hi-Tech Lubricants Limited	-	690,500	-	508,000	182,500	5,557,677	5,683,050	0.08	0.08	0.16
Pakistan State Oil Company Limited	1,270,460	255,000	280,092	625,000	1,180,552	167,906,994	226,240,985	3.04	3.02	0.25
Sui Northern Gas Pipelines Limited	625,200	145,000	-	-	770,200	53,392,168	58,666,134	0.79	0.78	0.12
	1,898,620	1,140,500	280,092	1,185,960	2,133,252	226,856,839	290,590,169	3.91	3.88	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	238,494	118,180	33,017	10,000	379,691	347,705,085	497,433,179	6.69	6.63	0.28
Oil & Gas Development Company Limited	3,584,900	310,000	-	615,000	3,279,900	428,215,531	466,795,368	6.28	6.23	0.08
Pakistan Oilfields Limited	593,620	130,000	-	-	723,620	289,974,891	323,255,526	4.35	4.31	0.25
Pakistan Petroleum Limited (Note 5.3)	2,083,085	250,000	466,617	-	2,799,702	331,345,366	383,951,132	5.16	5.12	0.10
	6,500,099	808,180	499,634	625,000	7,182,913	1,397,240,873	1,671,435,205	22.48	22.29	
ENGINEERING										
International Industries Limited	932,900	370,500	123,340	693,000	733,740	52,286,666	81,327,742	1.09	1.08	0.56
International Steels Limited	510,000	200,000	-	710,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	4,725	-	-	-	4,725	118,881	193,583	0.00	0.00	0.00
	1,447,625	570,500	123,340	1,403,000	738,465	52,405,547	81,521,325	1.10	1.09	
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	-	600	-	-	600	724,113	696,996	0.01	0.01	0.00
Millat Tractors Limited	-	54,200	-	-	54,200	39,104,395	38,179,564	0.51	0.51	0.11
	-	54,800	-	-	54,800	39,828,508	38,876,560	0.52	0.52	
AUTOMOBILE PARTS & ACCESSORIES										
Thal Limited (Face Value Of Rs.5 Per Share)	-	128,000	-	27,000	101,000	24,914,390	34,161,230	0.46	0.46	0.12
	-	128,000	-	27,000	101,000	24,914,390	34,161,230	0.46	0.46	
TRANSPORT										
Pakistan International Bulk Terminal Limited	-	1,500,000	-	1,500,000	-	-	-	-	-	-
	-	1,500,000	-	1,500,000	-	-	-	-	-	-
TECHNOLOGY & COMMUNICATIONS										
Pakistan Telecommunication Company Limited	-	4,073,000	-	4,000,000	73,000	594,677	683,280	0.01	0.01	0.00
Systems Limited	1,041,950	922,500	-	-	1,964,450	187,810,467	244,181,135	3.28	3.26	1.59
	1,041,950	4,995,500	-	4,000,000	2,037,450	188,405,144	244,864,415	3.29	3.27	
FERTILIZER										
Engro Fertilizers Limited (Note 5.3)	4,219,000	1,825,000	-	2,152,500	3,891,500	260,987,643	285,752,845	3.84	3.81	0.29
Engro Corporation Limited	1,239,200	317,000	-	251,500	1,304,700	358,255,779	450,447,675	6.06	6.01	0.23
Fauji Fertilizer Bin Qasim Limited	-	1,520,500	-	-	1,520,500	30,723,450	29,680,160	0.40	0.40	0.16
Fauji Fertilizer Company Limited	1,561,500	1,747,500	-	888,000	2,421,000	224,841,745	245,658,870	3.30	3.28	0.19
	7,019,700	5,410,000	-	3,292,000	9,137,700	874,808,617	1,011,539,550	13.60	13.49	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	43,000	135,500	-	43,000	135,500	50,542,420	60,538,690	0.81	0.81	0.14
AGP Limited	189,500	53,500	-	20,000	223,000	15,180,725	22,155,050	0.30	0.30	0.08
Ferozsons Laboratories Limited	201,100	-	-	10,000	191,100	21,368,802	40,058,382	0.54	0.53	0.63
Glaxosmithkline Pakistan Limited	209,000	153,000	-	-	362,000	41,347,837	58,126,340	0.78	0.78	0.11
Highnoon Laboratories Limited	-	28,500	-	-	28,500	11,190,671	15,311,910	0.21	0.20	0.09
The Searle Company Limited	355,414	354,500	-	164,000	545,914	90,284,329	103,035,808	1.39	1.37	0.26
	998,014	725,000	-	237,000	1,486,014	229,914,784	299,226,180	4.02	3.99	
CHEMICALS										
Archroma Pakistan Limited	-	53,900	-	-	53,900	35,602,948	33,148,500	0.45	0.44	0.16
Engro Polymer & Chemicals Limited	-	1,018,000	-	118,000	900,000	25,747,185	29,889,000	0.40	0.40	0.10
ICI Pakistan Limited	-	121,500	-	40,000	81,500	46,707,978	55,000,275	0.74	0.73	0.09
	-	1,993,400	-	158,000	1,035,400	108,058,111	118,037,775	1.59	1.57	

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Name of Investee Company	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2019	Carrying Cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
	Number of certificates				Rupees		% age			
PAPER & BOARD										
Cherat Packaging Limited	198,500	-	-	198,500	-	-	-	-	-	-
	198,500	-	-	198,500	-	-	-	-	-	-
VANASPATI & ALLIED INDUSTRIES										
Unity Foods Limited	-	1,950,000	-	1,950,000	-	-	-	-	-	-
	-	1,950,000	-	1,950,000	-	-	-	-	-	-
LEATHER & TANNERIES										
Bata Pakistan Limited	-	47,940	-	-	47,940	67,656,669	95,547,296	1.28	1.27	0.63
Service Industries Limited	125	4,100	1,025	4,225	1,025	523,409	796,241	0.01	0.01	0.01
	125	52,040	1,025	4,225	48,965	68,180,078	96,343,537	1.30	1.28	
FOODS & PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	15,608	-	-	-	15,608	196,661	220,541	0.00	0.00	0.01
Matco Foods Limited	245	-	-	245	-	-	-	-	-	-
National Foods Limited (Face Value Of Rs.5 Per Share)	-	74,800	-	-	74,800	17,838,259	16,606,348	0.22	0.22	5.01
	15,853	74,800	-	245	90,408	18,034,920	16,826,889	0.23	0.22	
GLASS & CERAMICS										
Tariq Glass Industries Limited	-	522,000	-	-	522,000	56,167,673	55,853,906	0.75	0.74	0.71
	-	522,000	-	-	522,000	56,167,673	55,853,906	0.75	0.74	
MISCELLANEOUS										
Shifa International Hospitals Limited	-	50,000	-	50,000	-	-	-	-	-	-
	-	50,000	-	50,000	-	-	-	-	-	-
Total 31 December 2019						6,432,931,306	7,436,648,853	100.00	99.18	
Total 30 June 2019						6,012,411,867	4,987,285,163			

5.2 The cost of listed equity securities as at 31 December 2019 is Rs. 7,021,383,674 (30 June 2019: Rs. 5,857,406,669).

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:

	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Fertilizers Limited	425,000	425,000	31,207,750	27,187,250
United Bank Limited	100,000	100,000	16,450,000	14,738,000
Pakistan Petroleum Limited	297,000	297,000	40,730,580	42,895,710
	822,000	822,000	88,388,330	84,820,960

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits with:

- National Clearing Company of Pakistan Limited (NCCPL)
- Central Depository Company of Pakistan Limited (CDC)

Prepayments

Withholding tax deducted

	31 December 2019	30 June 2019
	Un-audited	Audited
	-----Rupees-----	
	2,500,000	2,500,000
	100,000	100,000
	13,675	-
6.1	10,929,987	10,929,987
	13,543,662	13,529,987

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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 section 151. However, 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 by the withholder.

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 Fund 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 on bank deposits by the Fund has been shown as other receivables as at 31 December 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2019	30 June 2019
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	7.1	12,619,418	8,940,042
Sindh Sales Tax payable on remuneration of the Management Company	7.2	4,609,570	4,131,252
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges payable	13	946,457	447,002
		38,477,433	33,820,284

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 incase 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% (30 June 2019: 2%) per annum of the average net assets of fund for the period. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs. 7,317,476 (2018: Rs. 7,670,554) 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. 6,839,158 (2018: Rs. 7,573,426) 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.

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

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 2019: 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 2019 would have been higher by Rs. 1.64 (30 June 2019: Rs. 2.03) per unit.

	31 December 2019	30 June 2019
	Un-audited	Audited
-----Rupees-----		
8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fees payable	562,883	5,435,624

In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

	Note	31 December 2019	30 June 2019
		Un-audited	Audited
-----Rupees-----			
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		311,287	374,220
Printing charges payable		20,000	30,909
NCCPL charges payable		25,000	30,000
Withholding and capital gain tax payable		1,265,577	370,634
Transaction charges payable		3,262,666	1,105,035
Sales load payable		1,130	1,130
Zakat payable		9,426	9,426
Provision for Sindh Workers' Welfare Fund	9.1	64,479,082	38,835,533
		69,374,168	40,756,887

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, was 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

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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 had 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, 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 SWWF 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.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ 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 2019 would have been higher by Rs. 5.23 per unit (30 June 2019: Rs. 3.88 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2019 and 30 June 2019.

11 TOTAL EXPENSE RATIO

- ' The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 3.68% (30 June 2019: 2.76%) which includes 2.43% (30 June 2019: 0.40%) representing government levies on the Fund such as 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.

12 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

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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.

13 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company charged actual expenses within the limit of 0.1% of average annual net assets of the fund till 30 September 2019 and within the limit of 0.15% of the average annual net assets afterwards.

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:

	For the Half Year Ended	
	31 December	
	2019	2018
	Un-audited	Un-audited
	----- Rupees-----	
15.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	56,288,280	59,004,259
Sindh Sales Tax on remuneration of the Management Company	7,317,476	7,670,554
Remuneration paid	52,608,904	58,257,114
Accounting and operational charges	3,626,390	2,950,213
Issue of 41,570 (2018: Nil) units	19,809,866	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	3,317,146	3,454,322
Sindh Sales Tax on remuneration of the Trustee	431,229	449,062
Remuneration paid	3,130,669	3,414,226
Settlement charges	141,646	171,540
Sindh Sales Tax on settlement charges	18,414	22,300
Atlas Battery Limited (Group Company)		
Redemption of 5 (2018: 447) units	2,347	270,210

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		For the Half Year Ended 31 December	
		2019	2018
		Un-audited	Un-audited
		----- Rupees-----	
15.1	Transactions during the period (Continued.....)		
	Atlas Insurance Limited (Group Company)		
	Issue of Nil (2018: 141,702) units	-	84,000,000
	Redemption of Nil (2018: 75,670) units	-	46,375,116
	Atlas Honda Limited (Group Company)		
	Issue of 1,146 (2018: Nil) units	537,873	-
	Redemption of Nil (2018: 315,794) units	-	200,000,000
	Atlas Insurance Limited - Staff Provident Fund Trust (Retirement Benefit plan of a Group Company)		
	Redemption of Nil (2018: 11,703) units	-	7,006,159
	Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
	Issue of 10,521 (2018: Nil) units	5,000,000	-
	Redemption of 16,653 (2018: Nil) units	9,500,000	-
	Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)		
	Issue of Nil (2018: 760,632) units	-	448,096,319
	Sindh Province Pension Fund (Unit Holder with more than 10% holding)		
	Issue of 961,763 (2018: NIL) units	536,000,000	-
	Sindh General Provident Investment Fund (Unit Holder with more than 10% holding)		
	Issue of 1,099,069 (2018: NIL) units	504,000,000	-
	Directors and their close family members and key management personnel of the Management Company		
	Issue of 284,664 (2018: 13,138) units	151,478,115	8,007,743
	Redemption of 510 (2018: 89,958) units	254,369	56,999,365
		31 December 2019	30 June 2019
		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	12,619,418	8,940,042
	Sindh Sales tax payable on remuneration of the Management Company	4,609,570	4,131,252
	Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
	Accounting and operational charges payable	946,457	447,002
	Outstanding 190,465 (30 June 2019: 148,895) units - at net asset value	115,860,145	75,037,644
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	715,670	529,193
	Sindh Sales tax payable on remuneration of trustee	93,037	68,795
	Settlement charges payable	3,000	3,000
	Sindh Sales tax payable on settlement charges	390	390

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15.2 Details of balances with related parties as at the period / year end are as follows: (Continued.....)	31 December 2019	30 June 2019
	Un-audited	Audited
	-----Rupees-----	
Atlas Battery Limited (Group Company)		
Outstanding Nil (30 June 2019: 5) units - at net asset value	-	2,557
Atlas Honda Limited (Group Company)		
Outstanding 27,734 (30 June 2019: 26,587) units - at net asset value	16,870,612	13,399,315
Atlas Foundation (Group Company)		
Outstanding 869,075 (30 June 2019: 869,075) units - at net asset value	528,658,712	437,981,619
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 110,729 (30 June 2019: 116,860) units - at net asset value	67,356,374	58,893,643
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 97,797 (30 June 2019: 97,797) units - at net asset value	59,489,950	49,286,059
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 21,791 (30 June 2019: 21,791) units - at net asset value	13,255,547	10,981,917
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 210,096 (30 June 2019: 210,096) units - at net asset value	127,801,333	105,880,474
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 31,394 (30 June 2019: 31,394) units - at net asset value	19,097,030	15,821,451
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 21,886 (30 June 2019: 21,886) units - at net asset value	13,313,472	11,029,907
Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)		
Outstanding 4,539,013 (30 June 2019: 4,539,013) units - at net asset value	2,761,081,313	2,287,492,549
Sindh Province Pension Fund (Unit Holder with more than 10% holding)		
Outstanding 1,423,279 (30 June 2019: Nil) units - at net asset value	865,780,439	-
Sindh General Provident Investment Fund (Unit Holder with more than 10% holding)		
Outstanding 1,283,591 (30 June 2019: Nil) units - at net asset value	780,808,476	-
Directors and their close family members and key management personnel of the Management Company		
Outstanding 786,868 (30 June 2019: 632,891) units - at net asset value	478,651,571	318,953,167

Atlas Stock Market Fund

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 2019 and 30 June 2019, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	Rupees		
31 December 2019			
At fair value through profit or loss	7,436,648,853	-	-
	7,436,648,853	-	-
30 June 2019			
At fair value through profit or loss	4,987,285,163	-	-
	4,987,285,163	-	-

17 GENERAL

17.1 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

17.3 Number of units have been rounded off to the nearest decimal places.

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 27 February 2020.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman








Tariq Amin
Director



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Head Office- Karachi

Ground Floor,
Federation House,
Shahra-e-Firdousi, Clifton,
Karachi-75600.
Ph: (92-21) 35379501 - 04
Fax: (92-21) 35379280

Savings Center- Karachi

Faiyaz Center, Ground Floor,
Shahra-e-Faisal
(opp. FTC building),
Karachi-74400.
Ph: (92-21) 34522601-02
Fax: (92-21) 34522603

SITE Office- Karachi

C/o. Atlas Honda Limited,
F/36, Estate Avenue,
S.I.T.E.,
Karachi.

Landhi Office- Karachi

C/o. Atlas Engineering Limited,
15th Mile,
National Highway,
Landhi, Karachi.

Hyderabad Office

C/o. Atlas Honda Limited,
3rd Floor, Dawood Center,
Opposite Foundation Public
School, Auto Bhan Road,
Hyderabad.

Savings Center - Lahore

64, Block -XX,
Khayaban-e-Iqbal,
Phase-III, DHA Lahore.
Ph: (92-42) 32560890-92
(92-42) 37132688-89

Multan Office

C/o. Atlas Regional Office,
Azmat Wasti Road,
Near Dera Adda,
Multan.
Ph: 061-4570431-4, Ext. 186

Faisalabad Office

C/o. Atlas Honda Ltd,
Customer Care Center,
1st Floor,
Meezan Executive Tower,
4-Liaqat Road, Faisalabad.
Ph: (92-41) 2541013

Rawalpindi Office

C/o. Atlas Honda Ltd.
Ground Floor,
Islamabad Corporate Center,
Golra Road, Rawalpindi.
Ph: (92-51) 5856411
Fax: (92-51) 5495928

Savings Center- Islamabad

Ground Floor, East End Plaza,
Plot No. 41, Sector F-6/G6,
Ataturk Avenue,
Blue Area, Islamabad.
Ph: (92-51) 2871831-34

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