



Atlas Money Market Fund

Atlas Sovereign Fund

Atlas Income Fund

Atlas Stock Market Fund

HALF YEARLY REPORT

31 DECEMBER 2020

(UN-AUDITED)

**Atlas
funds**
Nurturing your investments



Managed By

Atlas Asset Management

**Rated AM2+ by PACRA
(as of December 24, 2020)**



Vision

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.

Mission

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
Mr. M. Kamran Ahmed
Mr. Najam Shehzad
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

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Clifton, Karachi - 75600
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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, 2020 of FY 2020-21.

THE ECONOMY

During first half FY 2020-21, economic data and indicators of consumer/business sentiment have shown continued improvement. Large-scale manufacturing (LSM) registered growth of 7.4% YoY and 14.5% YoY in Oct'20 and Nov'20, respectively. The overall economic recovery is attributable to national strategy (smart lockdowns) administered to contain the pandemic as well as support/policy measures taken by the GoP (fiscal stimulus) and SBP (monetary easing). During Jul-Dec FY 2020-21, the Current Account Balance posted a surplus of US \$1.13 billion as compared to a deficit of US \$2.03 billion in same period last year. The Current Account largely benefitted from 24.90% YoY increase in Jul-Dec FY 2020-21 Worker's Remittances that stood at US \$14.20 billion. During Jul-Dec FY 2020-21, Imports increased by 5.51% YoY to US \$24.47 billion whereas Jul-Dec FY 2020-21 Exports increased by 5.10% YoY to stand at US \$12.11 billion. Total Liquid Foreign Exchange Reserves increased by 14.40% YoY to US \$20.51 billion as of Dec 31, 2020 (SBP's share stood at US \$13.41 billion) primarily due to significant improvement in Current Account Balance, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and extension of debt suspension on part of G-20 debt relief deal. The headline CPI inflation remained at average 8.63% during Jul-Dec FY 2020-21. The SBP kept policy rate unchanged at 7.00% in its latest Monetary Policy Committee meeting to support economic recovery and ensure funding availability for households and businesses.

FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 3.26% to Rs. 506.11 as on December 31, 2020, thus providing an annualized total return of 6.47%. The AMF's total exposure in banks and others stood at 98.87% and 1.13%, 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. 16.60 billion, with 32.80 million units outstanding as of December 31, 2020.

FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 2.93% to Rs. 103.91 as on December 31, 2020, providing an annualized total return of 5.82%. The ASF's exposure in Pakistan Investment Bonds and Short-Term Deposits with banks/others stood at 51.31% and 48.69%, 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. 2.40 billion, with 23.09 million units outstanding as of December 31, 2020.

FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 3.72% to Rs. 538.82 as on December 31, 2020, providing an annualized total return of 7.37%. The AIF's current allocation is 23.55% in Pakistan Investment Bonds, 14.66% in Term Finance Certificates, 8.10% in Sukuks, 40.24% in Treasury Bills, 11.46% in MTS and remaining 1.99% 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. 4.16 billion with 7.73 million units outstanding as of December 31, 2020.

FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund increased by 31.30% to Rs. 678.44 as on December 31, 2020. The benchmark KSE-100 index increased by 27.11% during the same period. The KSE-100 index increased from 34,421.92 points as on June 30, 2020 to 43,755.38 points as on December 31, 2020. The ASMF's equity exposure was 95.70% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement, Fertilizers and Power Generation & Distribution sectors. ASMF strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap

Atlas Funds

multiplies with earnings growth prospects. The Net Assets of the Fund stood at Rs. 9.17 billion, with 13.52 million units outstanding as of December 31, 2020.

MUTUAL FUND TAXATION

SINDH WORKER'S WELFARE FUND (SWWF)

After 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 daily 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). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. 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.

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner Audit (AC) in case of Atlas Income Fund & other Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income and commented that the distribution by the Fund fell short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision, later subject matter was taken in Tribunal, which is pending adjudication. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

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RATINGS

• **Asset Manager Rating**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained "AM2+" (AM Two Plus) asset manager rating for Atlas Asset Management Limited (AAML). 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 short-term economic outlook largely depends on COVID trajectory whereas sustainable growth in medium-long term will derive from adequate structural reforms and policy measures. Based on current trends, the SBP has projected FY21 economic growth to clock in at 2.0% driven primarily by manufacturing and construction related activities taking support from the State Bank's financing incentives and the government's construction sector package. The FY21 headline inflation is expected to hover on the higher side of 7% to 9% range primarily due to supply side shocks in food items and upside volatility in international commodity and crude oil prices. Meanwhile, core inflation is expected to remain stable. The Current Account Deficit for FY21 is expected in range of 0.5% - 1.5% of GDP mainly on the back of growth in Worker's Remittances. Going forward, government's focus towards widening of tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, creating employment opportunities, and addressing social needs.

نہ تو زمین کے لیے ہے نہ آسمان کے لیے

جہاں ہے تیرے لیے، تو نہیں جہاں کے لیے

(You are neither for the earth nor for the heaven:
The world is for you, and not you for the world.)

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan and other Regulatory Bodies, the Board of Directors, and the Group Executive Committee for their help 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 Bank 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) 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, 2020 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: 23 February 2021

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 2020 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 2020 and 31 December 2019 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 2020.

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: 26 February 2021

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 2020

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees-----	
Assets			
Cash and bank balances	4	16,709,420,935	7,522,447,993
Investments	5	-	2,617,567,408
Profit receivable on bank balances		16,441,013	1,373,040
Prepayment and other receivables	6	3,683,919	3,683,919
Total assets		16,729,545,867	10,145,072,360
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	28,711,891	28,444,987
Payable to Central Depository Company of Pakistan Limited - Trustee	8	1,069,292	635,959
Payable to the Securities and Exchange Commission of Pakistan	9	1,655,966	2,295,677
Payable against redemption of units		4,301,510	16,431
Unclaimed dividend		25,152	25,152
Accrued expenses and other liabilities	10	92,288,621	82,173,939
Total liabilities		128,052,432	113,592,145
NET ASSETS		16,601,493,435	10,031,480,215
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		16,601,493,435	10,031,480,215
CONTINGENCIES AND COMMITMENTS	11	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		32,801,989	19,854,239
		-----Rupees-----	
NET ASSET VALUE PER UNIT		506.1124	505.2600

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

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	Note	For the Half Year Ended		For the Quarter Ended	
		31 December		31 December	
		2020	2019	2020	2019
-----Rupees-----					
Income					
Profit on savings account and term deposits		174,787,861	355,404,839	108,652,171	193,383,740
Income from government securities		409,953,595	370,817,904	199,337,545	180,170,785
Capital gain on sale of investments - net		950,065	4,648,168	4,850,250	2,712,678
Net unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss ¹		-	(2,815,220)	2,070,187	(2,815,220)
		950,065	1,832,948	6,920,437	(102,542)
Total Income		585,691,521	728,055,691	314,910,153	373,451,983
Expenses					
Remuneration of Atlas Asset Management Limited - the Management Company	7.1	27,615,880	23,815,010	13,708,773	12,131,177
Sindh Sales Tax on remuneration of the Management Company	7.2	3,590,064	3,095,951	1,782,140	1,577,053
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1	5,381,889	3,439,946	2,799,140	1,752,281
Sindh Sales Tax on remuneration of the Trustee	8.2	699,646	447,193	363,889	227,797
Annual fees to the Securities and Exchange Commission of Pakistan	9.1	1,655,966	1,058,445	861,274	539,188
Accounting and operational charges	14	9,135,100	6,640,021	4,366,949	4,043,614
Annual rating fee		238,937	216,621	119,468	108,324
Annual listing fee		13,863	13,831	7,007	6,918
Securities transaction cost		77,350	98,215	42,445	90,997
Auditors' remuneration		258,148	312,260	74,264	156,840
Printing charges		46,777	15,080	46,777	5,080
Legal and professional charges		65,780	64,416	35,000	-
Bank charges		73,257	66,390	53,739	16,167
Provision for Sindh Workers' Welfare Fund	10.1	10,736,777	13,775,446	5,812,985	7,055,931
		59,589,434	53,058,825	30,073,850	27,711,367
Net income for the period before taxation		526,102,087	674,996,866	284,836,303	345,740,616
Taxation	13	-	-	-	-
Net income for the period after taxation		526,102,087	674,996,866	284,836,303	345,740,616
Allocation of net income for the period:					
Net income for the period		526,102,087	674,996,866	284,836,303	345,740,616
Income already paid on units redeemed		(30,686,026)	(40,722,337)	(18,163,242)	(24,606,871)
		495,416,061	634,274,529	266,673,061	321,133,745
Accounting income available for distribution:					
- Relating to capital gains		950,065	1,832,948	950,065	-
- Excluding capital gains		494,465,996	632,441,581	265,722,996	321,133,745
		495,416,061	634,274,529	266,673,061	321,133,745

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 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	526,102,087	674,996,866	284,836,303	345,740,616
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	526,102,087	674,996,866	284,836,303	345,740,616

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

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	9,951,851,809	-	9,951,851,809
Undistributed income brought forward			
- Realised income	-	21,477,608	21,477,608
- Unrealised income	-	58,150,798	58,150,798
Net assets at the beginning of the period (Units outstanding: 19,854,239) (Rs. 505.2600 per unit)	9,951,851,809	79,628,406	10,031,480,215
Issue of 32,314,806 units	16,374,982,000	-	16,374,982,000
Redemption of 19,367,056 units	(9,789,476,556)	(30,686,026)	(9,820,162,582)
Total comprehensive income for the period	-	526,102,087	526,102,087
Refund of capital	(42,192,301)	-	(42,192,301)
First interim distribution of Rs. 2.10 per unit declared on 24 July 2020	-	(49,826,179)	(49,826,179)
Second interim distribution of Rs. 2.50 per unit declared on 28 August 2020	-	(73,589,308)	(73,589,308)
Third interim distribution of Rs. 2.60 per unit declared on 25 September 2020	-	(85,292,026)	(85,292,026)
Fourth interim distribution of Rs. 2.60 per unit declared on 23 October 2020	-	(82,163,478)	(82,163,478)
Fifth interim distribution of Rs. 3.10 per unit declared on 27 November 2020	-	(98,682,874)	(98,682,874)
Sixth interim distribution of Rs. 2.50 per unit declared on 24 December 2020	-	(79,162,119)	(79,162,119)
	-	(468,715,984)	(468,715,984)
Net assets at end of the period (Units outstanding: 32,801,989) (Rs. 506.1124 per unit)	16,495,164,952	106,328,483	16,601,493,435
Undistributed income carried forward			
- Realised income	-	106,328,483	-
	-	106,328,483	-
	31 December 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	10,204,508,746	-	10,204,508,746
Undistributed income brought forward			
- Realised income	-	34,995,001	34,995,001
Net assets at the beginning of the period (Units outstanding: 20,351,995) (Rs. 503.12 per unit)	10,204,508,746	34,995,001	10,239,503,747
Issue of 17,235,220 units	8,714,296,521	-	8,714,296,521
Redemption of 16,418,194 units	(8,263,120,936)	(40,722,337)	(8,303,843,273)
Total comprehensive income for the period	-	674,996,866	674,996,866
Refund of capital	(40,238,321)	-	(40,238,321)
First interim distribution of Rs. 4.25 per unit declared on 26 July 2019	-	(90,150,581)	(90,150,581)
Second interim distribution of Rs. 4.85 per unit declared on 23 August 2019	-	(93,826,792)	(93,826,792)
Third interim distribution of Rs. 4.90 per unit declared on 20 September 2019	-	(91,424,999)	(91,424,999)
Fourth interim distribution of Rs. 6.30 per unit declared on 25 October 2019	-	(113,012,086)	(113,012,086)
Fifth interim distribution of Rs. 4.80 per unit declared on 22 November 2019	-	(96,145,088)	(96,145,088)
Sixth interim distribution of Rs. 6.20 per unit declared on 27 December 2019	-	(126,915,944)	(126,915,944)
Net assets at end of the period (Units outstanding: 21,169,021) (Rs. 504.19 per unit)	10,615,446,010	57,794,040	10,673,240,050
Undistributed income carried forward			
- Realised income	-	59,216,411	-
- Unrealised loss	-	(1,422,371)	-
	-	57,794,040	-

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 2020

	Note	For the Half Year Ended 31 December	
		2020	2019
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		526,102,087	674,996,866
Adjustments for:			
Profit on savings account and term deposits		(174,787,861)	(355,404,839)
Income from government securities		(409,953,595)	(370,817,904)
Capital gain on sale of investments - net		(950,065)	(4,648,168)
Net unrealised appreciation / (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		10,736,777	13,775,446
		(574,954,744)	(714,280,245)
Decrease in assets			
Prepayment and other receivables		-	2,425,595
(Decrease) / Increase in liabilities			
Payable to Atlas Asset Management Limited - Management Company		266,904	833,508
Payable to Central Depository Company of Pakistan Limited - Trustee		433,333	(115,304)
Payable against purchase of investments		-	3,613,850,104
Unclaimed dividend		-	-
Payable to the Securities and Exchange Commission of Pakistan		(639,711)	(9,880,261)
Accrued expenses and other liabilities		(622,095)	4,077,772
		(561,569)	3,608,765,819
		(49,414,226)	3,571,908,035
Interest received		159,719,888	238,551,734
Investments made during the period		(49,154,283,618)	(56,272,988,759)
Investments sold / matured during the period		52,182,754,686	53,027,841,863
Net cash generated from operating activities		3,138,776,730	565,312,873
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		16,374,982,000	8,714,296,521
Net payments against redemption of units		(9,815,877,503)	(8,110,767,708)
Refund of capital		(42,192,301)	(40,238,321)
Cash distribution made during the period		(468,715,984)	(611,475,490)
Net cash generated from / (used in) financing activities		6,048,196,212	(48,184,998)
Net increase in cash and cash equivalents		9,186,972,942	517,127,875
Cash and cash equivalents at the beginning of the period		7,522,447,993	10,339,271,465
Cash and cash equivalents at the end of the period	4	16,709,420,935	10,856,399,340

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 2020

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, Sixth, Seventh and Eighth Supplements dated 24 March 2015, 3 August 2015, 30 September 2016, 2 June 2017, 2 October 2019, 30 October 2019, 1 April 2020 and 21 December 2020 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) [2019: AM2+ (AM Two Plus)] on 24 December 2020.
- Furthermore, PACRA maintained the stability rating of the Fund at "AA+ (f)" (Double A Plus) [31 December 2019: "AA+ (f)" (Double A)] on 17 October 2020.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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.
- 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

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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 2020.

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, 2020.

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 2020.

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 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

IFRS 16 - Leases

The Conceptual Framework for Financial Reporting

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

	Note	31 December	30 June
		2020	2020
4 CASH AND BANK BALANCES		Un-audited	Audited
		----- Rupees -----	
Balances with banks in savings accounts	4.1	16,707,643,707	7,458,580,094
Cheques in hand	4.2	1,777,228	63,867,899
		16,709,420,935	7,522,447,993

4.1 The rate of return on these accounts ranges between 5.50% and 7.70% (30 June 2020: 6.00% and 12.50%).

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 04 January 2021 (30 June 2020: 03 July 2020).

	Note	31 December	30 June
		2020	2020
5 INVESTMENTS		Un-audited	Audited
		----- Rupees -----	
At fair value through profit or loss			
Investment in government securities			
- Market Treasury Bills	5.1	-	2,617,567,408
		-	2,617,567,408

Atlas Money Market Fund

5.1 Market Treasury Bills

Treasury Bills	Face value				Amortised cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investment	Market value as a percentage of net assets
	As at 01 July 2020	Purchased during the year	Sold / matured during the year	As at 31 December 2020				
	----- (Rupees) -----							
3 Months	125,000,000	29,692,185,000	29,817,185,000	-	-	-	-	
6 Months	1,950,000,000	7,035,000,000	8,985,000,000	-	-	-	-	
12 months	592,780,000	13,003,670,000	13,596,450,000	-	-	-	-	
31 December 2020	2,667,780,000	49,730,855,000	52,398,635,000	-	-	-	-	
30 June 2020				2,605,924,677	2,617,567,408	100.00	26.10	

5.1.1 The cost of investments as on 31 December 2020 is Rs. Nil (30 June 2020: 2,559,416,610).

6 PREPAYMENT AND OTHER RECEIVABLES	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		----- Rupees -----	
Other Receivables	6.1	3,683,919	3,683,919
		3,683,919	3,683,919

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 2020 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 2020	30 June 2020
		Un-audited	Audited
		----- Rupees -----	
Remuneration of the Management Company	7.1	3,731,813	3,030,437
Sindh Sales Tax payable on remuneration of the Management Company	7.2	3,605,299	3,514,120
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,428,502	20,428,502
Accounting and operational charges payable	14	946,277	1,471,928
		28,711,891	28,444,987

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- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company is entitled to a remuneration equal to an amount not exceeding 2.5% 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 0.35% (30 June 2020: 0.45%) per annum of the average annual net assets till 02 December 2020 and with effect from 03 December 2020 has charged the remuneration at the rate of 0.25% of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 3,590,064 (2019: Rs. 3,095,951) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011 and , an amount of Rs. 3,498,885 (2019: Rs. 3,064,372) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2 above, the Management Company is of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 20.429 million (30 June 2020: 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 2020 would have been higher by Re. 0.62 (30 June 2020: Re. 1.03) per unit.

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED- TRUSTEE- RELATED PARTY	Note	31 December	30 June
		2020	2020
		Un-audited	Audited
		----- Rupees -----	
Remuneration Payable to Trustee	8.1	946,276	562,796
SST Payable on Trustee Fee @ 13%	8.2	123,016	73,163
		1,069,292	635,959

- 8.1 With effect from June 28, 2019, 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
- 8.2 During the year ended 30 June 2020, an amount of Rs. 699,646 (2019: Rs 447,193) was charged on account of sales 'tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 619,793 (2019: Rs 472,644) was paid to the Trustee which acts as a collecting agent

Atlas Money Market Fund

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		----- Rupees -----	
Annual fees payable	9.1	<u>1,655,966</u>	<u>2,295,677</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).

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		----- Rupees -----	
Auditors' remuneration payable		367,768	500,850
Annual rating fee payable		238,937	-
Withholding tax payable		11,741,736	10,043,989
Annual listing fee payable		13,863	-
Capital gain tax payable		1,748,955	4,217,082
Provision for Sindh Workers' Welfare Fund	10.1	78,121,760	67,373,577
Zakat payable		55,602	38,441
		<u>92,288,621</u>	<u>82,173,939</u>

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 2020 would have been higher by Rs. 2.38 per unit (30 June 2020: Re 3.39 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2020 and 30 June 2020.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 0.72% (30 June 2020: 0.98%) which includes 0.20% (30 June 2020: 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 net of government levies is within the maximum

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limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

13 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The management has and intends to distribute at least 90% of the Fund's 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 0.12% of average annual net assets of the fund till 30 November 2020 and within the limit of 0.065% 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	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
16.1 Transactions for the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	27,615,880	23,815,010
Remuneration paid	26,914,504	23,572,089
Sindh Sales Tax on Remuneration of the Management Company	3,590,064	3,095,951
Accounting and operational charges	9,135,100	6,640,021
Issue of 280,833 (2019: 30,482) units	142,207,547	15,427,788
Redemption of 122,450 (2019: Nil) units	62,000,000	-
Dividend declared	3,456,073	67,710

Atlas Money Market Fund

	For the Half Year Ended 31 December	
	2020 Un-audited	2019 Un-audited
	----- Rupees -----	
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	5,381,889	3,439,946
Sindh Sales Tax on remuneration of the Trustee	699,646	447,193
Remuneration paid	4,998,409	3,541,985
Atlas Battery Limited (Group Company)		
Issue of 1,009,197 (2019: 30) units	510,688,710	14,912
Redemption of 1,009,197 (2019: 4,157) units	511,616,721	2,100,307
Dividend declared	11,648,152	17,543
Batool Benefit Trust		
Issue of 81,716 (2019: 40,722) units	41,432,300	20,545,434
Redemption of 8,064 (2019: Nil) units	4,091,961	-
Dividend declared	1,515,089	170,184
Atlas Fund of Funds (Fund under common management)		
Issue of 303,156 (2019: 276,049) units	153,405,000	139,280,000
Redemption of 259,175 (2019: 235,578) units	131,631,005	119,754,813
Atlas Foundation (Group Company)		
Issue of 49,027 (2019: 82,602) units	24,807,866	41,857,644
Redemption of 9,847 (2019: Nil) units	5,000,000	-
Dividend declared	4,437,198	3,191,349
Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)		
Issue of 2,714,884 (2019: 273,473) units	1,376,205,466	137,625,221
Redemption of Nil (2019: 1,379,291) units	-	700,000,000
Dividend declared	84,374,632	76,236,873
Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 113 (2019: 17,132) units	56,968	8,665,666
Redemption of 5,876 (2019: Nil) units	2,982,267	-
Dividend declared	56,894	-
Atlas Insurance Limited (Group Company)		
Issue of 261,289 (2019: 961,823) units	132,371,693	485,689,489
Redemption of 479,618 (2019: 961,823) units	242,710,940	488,913,495
Dividend declared	2,374,310	10,444,953
Atlas Metals (Private) Limited		
Issue of 90,019 (2019: Nil) units	45,607,169	-
Dividend declared	568,542	-

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	For the Half Year Ended 31 December	
	2020 Un-audited ----- Rupees -----	2019 Un-audited
Honda Atlas Cars (Pakistan) limited (Group Company)		
Issue of Nil (2019: 2,825) units	-	1,423,583
Redemption of Nil (2019: 2,825) units	-	1,436,692
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund		
Issue of 148,689 (2019: Nil) units	75,369,891	-
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund		
Issue of 99,126 (2019: Nil) units	50,246,594	-
Atlas Honda Limited - Non-Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 466 (2019: 1,383) units	235,502	696,127
Dividend declared	235,283	306,245
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 90,385 (2019: 71,198) units	45,761,490	35,940,136
Redemption of 14,841 (2019: 258,622) units	7,500,000	131,000,000
Dividend declared	2,613,733	1,777,475
Atlas Die Casting (Private) Limited (Group Company)		
Issue of 1 (2019: 79,951) units	703	40,520,475
Redemption of Nil (2019: 79,951) units	-	40,303,317
Dividend declared	827	-
Shirazi Investments (Private) Limited (Group Company)		
Dividend declared	22,237,341	13,926,728
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
Issue of 10,704,277 (2019: 1,357,480) units		685,855,198
Redemption of 1,027,031 (2019: 713,606) units	5,422,128,652	360,000,000
Dividend declared	520,000,000	73,700,870
	112,392,092	
Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Issue of 9,935 (2019: Nil) units	5,021,222	-
Shirazi Investment (Private) Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Issue of 2,745 (2019: 6,291) units	1,391,889	3,179,457
Redemption of 30,610 (2019: 8,698) units	15,491,157	4,400,000
Dividend declared	386,783	770,357

Atlas Money Market Fund

		For the Half Year Ended 31 December	
		2020	2019
		Un-audited	Un-audited
Note		-----	Rupees -----
	Atlas Honda Limited (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
	Issue of 4,853 (2019: 6,535) units	2,452,376	3,288,791
	Redemption of Nil (2019: 118,699) units	-	60,000,000
	Dividend declared	2,452,376	2,024,327
	Directors and their close family members and key management personnel of the Management Company		
	Issue of 195,160 (2019: 62,205) units	98,708,948	31,333,787
	Redemption of 257,377 (2019: 46,571) units	130,324,719	23,537,889
	Dividend declared	10,917,228	8,596,410
		31 December 2020	30 June 2020
		Un-audited	Audited
16.2	Balances outstanding as at period / year end	-----	Rupees-----
	Atlas Asset Management Limited (Management Company)		
	Remuneration payable to the Management Company	3,731,813	3,030,437
	Sindh Sales Tax payable on Remuneration of the Management Company	3,605,299	3,514,120
	Federal Excise Duty payable on Remuneration of the Management Company	20,428,502	20,428,502
	Accounting and operational charges payable	946,277	1,471,928
	Outstanding 334,644 (30 June 2020: 176,189) units - at net asset value	169,367,723	89,020,759
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	946,276	758,573
	Sindh Sales Tax payable on Remuneration of the trustee	123,016	98,614
	Atlas Fund of Funds (Fund under common management)		
	Outstanding 43,980 (30 June 2020: Nil) units - at net asset value	22,258,990	-
	Atlas Metals (Private) Limited		
	Outstanding 90,019 (30 June 2020: Nil) units - at net asset value	45,559,927	-
	Atlas Foundation (Group Company)		
	Outstanding 298,993 (30 June 2020: 259,800) units - at net asset value	151,324,233	131,265,678
	Atlas Honda Limited (Group Company) (Unit Holder with more than 10% holding)		
	Outstanding 5,811,216 (30 June 2020: 4,096,035) units - at net asset value	2,941,128,688	2,069,545,461
	Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund		
	Outstanding 148,689 (30 June 2020: Nil) units - at net asset value	75,253,115	-
	Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund		
	Outstanding 99,126 (30 June 2020: Nil) units - at net asset value	50,168,743	-
	Atlas Die Casting (Private) Limited (Group Company)		
	Outstanding 55 (30 June 2020: 53) units - at net asset value	27,602	26,851

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	31 December 2020	30 June 2020
	Un-audited	Audited
Note	-----Rupees-----	
Atlas Engineering Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding Nil (30 June 2020: 5,763) units - at net asset value	-	2,911,927
Balances outstanding as at period / year end		
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 162,093 (30 June 2020: 157,231) units - at net asset value	82,037,482	79,441,919
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Outstanding 9,365 (30 June 2020: 37,227) units - at net asset value	4,739,518	18,809,076
Shirazi Trading Company (Private) Limited - (Employee Provident Fund) (Retirement benefit plan of a Group Company)		
Outstanding 9,935 (30 June 2020: Nil) units - at net asset value	5,028,395	-
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 1,443,983 (30 June 2020: 1,443,983) units - at net asset value	730,817,797	729,580,878
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 193,017 (30 June 2020: 117,461) units - at net asset value	97,688,351	59,347,713
Atlas Honda Limited Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Outstanding 15,552 (30 June 2020: 17,056) units - at net asset value	7,870,977	8,617,857
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 128,950 (30 June 2020: 55,295) units - at net asset value	65,263,273	27,938,122
Fauji Fertilizer Company Limited (Unit Holder with more than 10% holding)		
Outstanding 9,677,246 (30 June 2020: Nil) units - at net asset value	16.3 4,897,774,158	-
Directors and their close family members and key management personnel of the Management Company	16.4	
Outstanding 740,561 (30 June 2020: 798,559) units - at net asset value	374,807,246	403,476,734

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.

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.

Atlas Money Market Fund

Fair value hierarchy

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

- Level 1: quoted 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).

The fund did not hold any investment as at 31 December 2020. However, as at 30 June 2020, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

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 2020 and 31 December 2019 have not been subjected to limited scope review by the statutory auditors of the Fund.

18.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

18.4 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 25 February 2021.

**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

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 Taraqiati Bank Limited

Atlas Sovereign Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Sovereign 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, 2020 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: 23 February 2021

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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, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2020. 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

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 condensed 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.

Karachi: 26 February 2021

A.F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

Atlas Sovereign Fund

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

AS AT 31 DECEMBER 2020

		December 31, 2020	June 30, 2020
		Un-audited	Audited
	Note	----- (Rupees) -----	
Assets			
Bank balances	4	953,010,280	301,477,720
Investments	5	1,238,741,810	1,867,851,534
Mark-up receivable	6	22,983,185	14,446,366
Receivable against issuance of units		198,831,336	-
Prepayments and other receivables		659,814	479,185
Total assets		2,414,226,425	2,184,254,805
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	2,716,469	3,660,853
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	133,853	139,491
Payable to the Securities and Exchange Commission of Pakistan	9	212,700	495,192
Accrued and other liabilities	10	11,944,432	96,487,696
Total liabilities		15,007,454	100,783,232
Net assets attributable to unit holders		2,399,218,971	2,083,471,573
Unit holders' fund (as per statement attached)		2,399,218,971	2,083,471,573
Contingencies and commitments	11	----- (Number of units) -----	
Number of units in issue		23,088,524	20,635,634
		----- (Rupees) -----	
Net asset value per unit		103.9139	100.9600

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

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	Note	For the Half Year Ended		For the Quarter Ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		(Rupees)		(Rupees)	
Income					
Profit on bank balances		6,804,272	20,085,651	3,582,303	9,581,198
Income from government securities		77,498,701	149,845,804	38,266,624	84,174,748
Gain / (loss) on sale of investments - net		(2,384,555)	23,072,682	97,751	13,219,325
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	(9,052,932)	44,166,084	1,316,308	25,949,964
Total income		72,865,486	237,170,221	43,262,986	132,925,235
Expenses					
Remuneration of the Management Company	7.1	7,121,692	9,894,675	3,324,950	5,334,327
Sindh sales tax on remuneration of the Management Company	7.2	925,820	1,286,308	432,244	693,463
Remuneration of the Trustee		691,287	909,462	340,738	512,433
Sindh sales tax on remuneration of the Trustee		89,867	118,230	44,296	66,616
Annual fee to the Securities and Exchange Commission of Pakistan		212,700	279,833	104,844	157,697
Accounting and operational charges	7.4	1,807,989	1,793,349	891,161	1,182,534
Annual rating fee		184,623	167,353	119,194	83,676
Annual listing fee		13,863	13,826	7,398	6,913
Securities transaction cost		-	46,827	-	39,418
Auditors' remuneration		184,020	159,114	92,010	96,257
Printing charges		9,716	28,809	9,716	18,809
Legal and professional charges		65,780	64,416	35,000	-
Bank charges		28,745	34,030	9,802	17,731
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	1,230,587	4,447,479	770,616	2,494,306
Total expenses		12,566,689	19,243,711	6,181,969	10,704,180
Net income for the period before taxation		60,298,797	217,926,510	37,081,017	122,221,055
Taxation	13	-	-	-	-
Net income for the period after taxation		60,298,797	217,926,510	37,081,017	122,221,055
Allocation of net income for the period					
Net income for the period after taxation		60,298,797	217,926,510	37,081,017	122,221,055
Income already paid on units redeemed		(2,698,403)	(31,450,099)	(515,477)	(31,168,745)
		57,600,394	186,476,411	36,565,540	91,052,310
Accounting income available for distribution					
- Relating to capital gains		-	67,238,766	1,414,059	39,169,289
- Excluding capital gains		57,600,394	119,237,645	35,151,481	51,883,021
		57,600,394	186,476,411	36,565,540	91,052,310

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 31 DECEMBER 2020

	For the Half Year Ended		For the Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period after taxation	60,298,797	217,926,510	37,081,017	122,221,055
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income for the period	60,298,797	217,926,510	37,081,017	122,221,055

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 2020

	Half year ended December 31, 2020			Half year ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees)-----					
Net assets at beginning of the period (Units outstanding: 20,635,634) (2019: Units outstanding: 22,936,104)	2,073,891,942	9,579,631	2,083,471,573	2,298,220,458	3,016,233	2,301,236,691
Issuance of 5,947,950 (2019: 13,292,168) units						
- Capital value (at net asset value per unit at the beginning of the period)	600,505,032	-	600,505,032	1,333,603,215	-	1,333,603,215
- Element of income	10,999,134	-	10,999,134	68,325,068	-	68,325,068
Total proceeds on issuance of units	611,504,166	-	611,504,166	1,401,928,283	-	1,401,928,283
Redemption of 3,495,060 (2019: 7,297,585) units						
- Capital value (at net asset value per unit at the beginning of the period)	(352,861,258)	-	(352,861,258)	732,166,703	-	732,166,703
- Element of loss	(495,904)	(2,698,403)	(3,194,307)	20,858,297	31,450,099	52,308,396
Total payments on redemption of units	(353,357,162)	(2,698,403)	(356,055,565)	753,025,000	31,450,099	784,475,099
Total comprehensive income for the period	-	60,298,797	60,298,797	-	217,926,510	217,926,510
Net income for the period	-	60,298,797	60,298,797	-	217,926,510	217,926,510
Net assets at the end of the period (Units outstanding: 23,088,534) (2019: Units outstanding: 28,930,687)	2,332,038,946	67,180,025	2,399,218,971	2,947,123,741	189,492,644	3,136,616,385

	(Rupees)	(Rupees)
Undistributed income brought forward		
- Realised income	-	4,865,277
- Unrealised income / (loss)	9,579,631	(1,849,044)
	9,579,631	3,016,233
Accounting income available for distribution		
- Relating to capital gains	-	67,238,766
- Excluding capital gains	57,600,394	119,237,645
	57,600,394	186,476,411
Undistributed income carried forward	67,180,025	189,492,644
Undistributed income carried forward		
- Realised income	39,710,489	145,326,560
- Unrealised (loss) / income	27,469,536	44,166,084
	67,180,025	189,492,644
Net assets value per unit at beginning of the period	100.9600	100.3300
Net assets value per unit at end of the period	103.9139	108.4200

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

Ifthikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Sovereign Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year Ended	
	December 31, 2020	December 31, 2019
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	60,298,797	217,926,510
Adjustments for:		
Interest income	(84,302,973)	(169,931,455)
Capital loss / (gain) on sale of investments - net	2,384,555	(23,072,682)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	9,052,932	(44,166,084)
Provision for Sindh Workers' Welfare Fund	1,230,587	4,447,479
	(71,634,899)	(232,722,742)
Increase / (Decrease) in assets		
Investments	647,774,067	(1,552,670,887)
Mark-up receivable	45,664,324	(29,954,740)
Prepayments and other receivables	(180,629)	(24,003)
	693,257,762	(1,582,649,630)
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(944,384)	1,686,041
Payable to the Central Depository Company of Pakistan Limited - Trustee	(5,638)	(63,118)
Payable to the Securities and Exchange Commission of Pakistan	(282,492)	(150,589)
Accrued and other liabilities	(85,773,851)	(9,510,790)
	(87,006,365)	(8,038,456)
Net cash generated from / (used in) operating activities	594,915,295	(1,605,484,318)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	412,672,830	1,401,928,283
Amount paid against redemption of units	(356,055,565)	(764,475,099)
Net cash generated from financing activities	56,617,265	637,453,184
Net increase / (decrease) in cash and cash equivalents	651,532,560	(968,031,134)
Cash and cash equivalents at the beginning of the period	301,477,720	1,786,431,695
Cash and cash equivalents at the end of the period	4 953,010,280	818,400,561

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 31 DECEMBER 2020

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, Eighth, Ninth and Tenth 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, October 30, 2019 and 1 April 2020 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 24, 2020 and the Fund rating of AA-(f) on October 16, 2020 (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.
- 1.6 During the current period, the Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

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 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.

Atlas Sovereign Fund

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.

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 June 30, 2020.

2.1.3 'In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2020.

2.1.4 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, 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 December 31, 2020.

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, 2020.

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, 2020. 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, 2020.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. 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 the published accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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4 BANK BALANCES	Note	December 31,	June 30,
		2020	2020
		Un-audited	Audited
		----- (Rupees) -----	
- Saving accounts	4.1	953,010,280	301,477,720
		<u>953,010,280</u>	<u>301,477,720</u>

4.1 The rate of return on these balances range from 5.00% to 7.70% (June 30, 2020: 6.50% to 8.80%) per annum.

5 INVESTMENTS	Note	December 31,	June 30,
		2020	2020
		Un-audited	Audited
		----- (Rupees) -----	
At fair value through profit or loss			
Investment in government securities			
Market Treasury Bills	5.1	-	1,287,200,883
Pakistan Investment Bonds	5.2	1,238,741,810	580,650,651
		<u>1,238,741,810</u>	<u>1,867,851,534</u>

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

Tenor	As at July 01, 2020	Acquired during the period	Sold / Matured during the period	As at December 31, 2020	Amortised Cost as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation as at December 31, 2020	Market value as a percentage of	
								Total Investments	Net assets
	----- (Face value) -----				----- (Rupees) -----		----- (%) -----		
3 Months T-bills	-	1,094,500,000	1,094,500,000	-	-	-	-	-	-
6 Months T-bills	175,000,000	130,000,000	305,000,000	-	-	-	-	-	-
12 Months T-bills	1,143,045,000	65,000,000	1,208,045,000	-	-	-	-	-	-
	<u>1,318,045,000</u>	<u>1,289,500,000</u>	<u>2,607,545,000</u>	-	-	-	-	-	-
June 30, 2020					<u>1,271,027,821</u>	<u>1,287,200,883</u>	<u>16,173,062</u>	<u>68.91</u>	<u>61.78</u>

5.2 Pakistan Investment Bonds - at fair value through profit or loss

Tenor	As at July 01, 2020	Acquired during the period	Sold during the period	As at December 31, 2020	Amortised Cost as at December 31, 2020	Market Value as at December 31, 2020	Unrealised appreciation / (diminution) as at December 31, 2020	Market value as a percentage of	
								Total Investments	Net assets
	----- (Face value in rupees) -----				----- (Rupees) -----		----- (%) -----		
3 Years PIB	470,500,000	175,000,000	215,000,000	430,500,000	439,513,088	435,094,694	(4,418,394)	35.12	18.00
5 Years PIB	90,000,000	627,500,000	-	717,500,000	732,792,279	728,737,116	(4,055,163)	58.83	30.00
10 Years PIB	-	75,000,000	-	75,000,000	75,489,375	74,910,000	(579,375)	6.05	3.00
	<u>560,500,000</u>	<u>877,500,000</u>	<u>215,000,000</u>	<u>1,223,000,000</u>	<u>1,247,794,742</u>	<u>1,238,741,810</u>	<u>(9,052,932)</u>	<u>100.00</u>	<u>51.00</u>
June 30, 2020					<u>520,932,679</u>	<u>580,650,651</u>	<u>59,717,972</u>	<u>31.09</u>	<u>27.87</u>

Atlas Sovereign Fund

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,	June 30,
		2020	2020
		Un-audited	Audited
		----- (Rupees) -----	
Market value of investments	5.1 & 5.2	1,238,741,810	1,867,851,534
Less: carrying value of investments	5.1 & 5.2	1,247,794,742	1,791,960,500
		(9,052,932)	75,891,034
6 MARK-UP RECEIVABLE			
Mark-up receivable on:			
Banks balances		10,719	62,997
Pakistan Investment Bonds		22,972,466	14,383,369
		22,983,185	14,446,366
7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Remuneration payable to the Management Company	7.1	1,205,749	2,036,614
Sindh sales tax payable on remuneration of the Management Company	7.2	295,574	396,036
Federal Excise Duty payable on remuneration of the Management Company	7.3	905,341	905,341
Accounting and operational charges payable	7.4	309,805	322,862
		2,716,469	3,660,853

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 0.60% of average daily net assets and maximum fee of 1.00% of average daily net assets. The aforementioned limits were revised and are effective since July 1, 2020. Previously, the management fee was being charged 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 assets and maximum fee of 0.80% of average daily net assets.

The amount of the remuneration is being paid on monthly basis in arrears.

7.2 During the period, an amount of Rs. 925,820 (2019: Rs.1,286,308) was charged on account of sales tax on remuneration of Management Company levied under Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,026,282 (2019: Rs. 1,087,199) 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 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

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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 0.04 (June 30, 2020: Re 0.04) per unit.

- 7.4 In accordance with Regulation 60 of 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).

The Management Company has charged expenses at the rate 0.17% of the average annual net assets of the Fund for the current period. The aforementioned rate was revised in the prior period and is effective since March 05, 2020. Previously, 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 01, 2019 till March 04, 2020.

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. The Fund has charged Trustee Fee at the rate of 0.065% (December 31, 2019: 0.065%) of average daily net assets of the Fund during the period.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	December 31, 2020	June 30, 2020
		Un-audited	Audited
Annual fee payable	9.1	<u>212,700</u>	<u>495,192</u>

- 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).

In accordance with the SRO No. 685(I)/2019 dated June 28, 2019 issued by SECP, the fund has charged SECP fee at the rate of 0.02% (Dec 31, 2019: 0.02%) of average daily net assets of the Fund during the period.

10 ACCRUED AND OTHER LIABILITIES	Note	December 31, 2020	June 30, 2020
		Un-audited	Audited
Auditors' remuneration payable		436,470	252,450
Annual rating fee payable		184,623	-
Withholding tax payable		108,283	31,010,400
Annual listing fee payable		13,863	-
Other payable		10,985	10,984
Transaction charges payable		1,204	1,204
CGT payable		1,153	511,711
Printing charges payable		-	8,025
Dividend payable		-	54,735,658
Provision for Sindh Workers' Welfare Fund	10.1	11,187,851	9,957,264
		<u>11,944,432</u>	<u>96,487,696</u>

Atlas Sovereign Fund

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 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, 2020, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.48 (June 30, 2020: Re. 0.48) per unit.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

12 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at December 31, 2020 based on the current period results is 1.21% (December 31, 2019: 1.37%) which includes 0.12% (December 31, 2019: 0.43%) on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. The prescribed limit for the ratio is of 2.5% (December 31, 2019: 2%) 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, 2021 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

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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.
- 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:

	For the Half Year Ended December 31,	
	2020 Un-audited ----- (Rupees)	2019 Un-audited -----
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	7,121,692	9,894,675
Remuneration paid	7,952,557	8,357,220
Sindh Sales Tax on remuneration of the Management Company	925,820	1,286,308
Accounting and operational charges	1,807,989	1,793,349
Redemption of Nil (2019: 250,1871) units	-	26,000,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	691,287	909,462
Remuneration paid	696,276	965,319
Sindh Sales Tax on Remuneration of the Trustee	89,867	118,230
Atlas Foundation (Group Company)		
Issue of 108,423 (2019: 239,239) units	25,000,000	25,000,000
Atlas Honda Limited (Group Company)		
Issue of 49,072 (2019: 2,894,635) units	5,005,257	300,000,000
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)		
Redemption of Nil (2019: 184,468) units	-	20,000,000
Atlas Metals (Private) Limited (Group Company)		
Issue of 389,227 (2019: Nil) units	40,000,000	-
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 187,565 (2019: Nil) units	19,000,000	-
Redemption of 343,763 (2019: 93,625) units	35,000,000	10,000,000

Atlas Sovereign Fund

	For the Half Year Ended December 31,	
	2020	2019
	Un-audited ----- (Rupees) -----	Un-audited ----- (Rupees) -----
Shirazi Investments (Private) Limited (Group Company) Issue of 50,535 (2019: Nil) units	5,154,393	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Issue of 13,400 (2019: 7,719) units Redemption of 102,284 (2019: Nil) units	1,360,000 10,552,020	800,000 -
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company) Issue of 723,875 (2019: Nil) units	75,000,000	-
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company) Issue of 1,171,461 (2019: Nil) units	120,000,000	-
Atlas Insurance (Group Company) Issue of 986,539 (2019: 9,069,994) units Redemption of 1,813,662 (2019: 4,556,406) units	100,000,000 184,784,214	963,957,003 493,458,719
Batools Benefit Trust Issue of 181,492 (2019: Nil) units	18,500,000	-
Directors, their close family members and key management personnel of the Management Company Issue of 11,362 (2019: 201,899) units Redemption of Nil (2019: 1,434,668) units	1,158,869 -	20,865,404 153,200,000

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

	December 31,	June 30,
	2020	2020
	Un-audited ----- (Rupees) -----	Audited ----- (Rupees) -----
Atlas Asset Management Limited (Management Company) Remuneration payable to the Management Company Sindh Sales Tax payable on Remuneration of the Management Company Federal Excise Duty payable on Remuneration of the Management Company Accounting and operational charges payable	1,205,749 295,574 905,341 309,805	2,036,614 396,036 905,341 322,862
Central Depository Company of Pakistan Limited (Trustee) Remuneration payable to the Trustee inclusive of sale tax	133,853	139,491
Atlas Foundation (Group Company) Outstanding 936,644 (June 30, 2020: 828,222) units	97,330,331	83,617,293
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Outstanding 19,333 (June 30, 2020: 108,216) units	2,008,967	10,162,962

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	December 31, 2020 Un-audited ----- (Rupees) -----	June 30, 2020 Audited -----
Atlas Insurance (Group Company) Outstanding Nil (June 30, 2020: 827,123) units	-	83,506,338
Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Outstanding 552,692 (June 30, 2020: 552,692) units	57,432,381	55,799,784
Atlas Honda Limited (Group Company) Outstanding 10,231,645 (June 30, 2020: 10,182,572) units	1,063,210,135	705,482,820
Shirazi Investments (Private) Limited (Group Company) Outstanding 2,959,371 (June 30, 2020: 2,908,836) units	307,519,782	293,676,083
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company) Outstanding 846,910 (June 30, 2020: 1,003,109) units	88,005,721	101,273,885
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company) Outstanding 723,875 (June 30, 2020: Nil) units	75,220,674	-
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company) Outstanding 1,171,461 (June 30, 2020: Nil) units	121,731,081	-
Atlas Metals (Private) Limited (Group Company) Outstanding 389,227 (June 30, 2020: Nil) units	40,446,096	-
Batools Benefit Trust (Group Company) Outstanding 181,492 (June 30, 2020: Nil) units	18,859,542	-
Directors, their close family members and key management Personnel and executive of the Management Company Outstanding 731,808 (June 30, 2020: 720,446) units *	76,045,033	72,736,228

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.

Atlas Sovereign Fund

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, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	----- Un-audited -----			
	As at December 31, 2020			
ASSETS	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Pakistan Investment Bonds	-	1,238,741,810	-	1,238,741,810
	-	1,238,741,810	-	1,238,741,810
	----- Audited -----			
	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'				
Market Treasury Bills	-	1,287,200,883	-	1,287,200,883
Pakistan Investment Bonds	-	580,650,651	-	580,650,651
	-	1,867,851,534	-	1,867,851,534

17 GENERAL

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

17.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP)

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for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

- 17.3** 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 25 February 2021 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

Atlas Income Fund

Corporate Information

Trustee

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

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri 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) 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, 2020 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: 24 February 2021

Atlas Income 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 Income Fund (the Fund) as at 31 December 2020 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 2020 and 31 December 2019 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 2020.

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: 26 February 2021

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Half Yearly Report 2020-21

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

AS AT 31 DECEMBER 2020

		31 December 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
Assets			
Bank balances	4	26,785,081	1,318,246,149
Investments	6	3,668,501,562	2,762,821,946
Receivable against Margin Trading System	5	485,814,200	-
Interest / profit accrued	7	45,799,552	49,575,012
Deposits, prepayment and other receivables	8	11,454,251	11,555,833
Total assets		4,238,354,646	4,142,198,940
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	9	31,725,473	31,165,608
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	346,375	265,807
Payable to the Securities and Exchange Commission of Pakistan	11	392,446	665,764
Payable against redemption of units		284,411	114,638
Unclaimed dividend		40,464	291,511,586
Accrued expenses and other liabilities	12	42,778,207	103,021,494
Total liabilities		75,567,376	426,744,897
NET ASSETS		4,162,787,270	3,715,454,043
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,162,787,270	3,715,454,043
CONTINGENCIES AND COMMITMENTS	13	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		7,725,731	7,151,571
		-----Rupees-----	
NET ASSET VALUE PER UNIT		538.8212	519.5300

The annexed notes from 1 to 22 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 INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2020	2019	2020	2019
-----Rupees-----					
Income					
Interest income	15	173,933,231	200,329,585	69,777,705	105,495,111
Capital gain / (loss) on sale of investments - net		1,996,839	19,570,768	(374,239)	8,902,195
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(4,157,397)	33,664,684	7,145,246	15,796,425
		(2,160,558)	53,235,452	6,771,007	24,698,620
Total income		171,772,673	253,565,037	76,548,712	130,193,731
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	9.1	19,622,336	12,931,135	10,347,997	6,836,766
Sindh Sales Tax on remuneration of the Management Company	9.2	2,550,904	1,681,048	1,345,240	888,780
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,471,674	1,175,614	776,099	604,267
Sindh Sales Tax on remuneration of the Trustee	10.2	191,318	152,830	100,893	78,555
Annual fees to the Securities and Exchange Commission of Pakistan		392,446	313,498	206,959	161,139
Accounting and operational charges	14	3,335,794	1,970,332	1,759,157	1,208,536
Auditors' remuneration		289,620	360,152	105,382	207,311
Annual rating fee		239,806	217,382	129,987	108,691
Annual listing fee		13,863	13,825	6,932	6,913
Securities transaction cost		1,814,587	282,620	1,223,143	95,232
Printing charges		17,325	17,938	17,325	7,938
Legal and professional charges		155,760	151,669	105,000	-
Bank charges		36,162	63,913	26,108	21,760
Provision for Sindh Workers' Welfare Fund	12.1	2,832,822	4,684,662	1,207,970	2,399,357
Total expenses		32,964,417	24,016,618	17,358,192	12,625,245
Net income for the period before taxation		138,808,256	229,548,419	59,190,520	117,568,486
Taxation	17	-	-	-	-
Net income for the period after taxation		138,808,256	229,548,419	59,190,520	117,568,486
Allocation of net income for the period:					
- Net income for the period		138,808,256	229,548,419	59,190,520	117,568,486
- Income already paid on units redeemed		(2,896,476)	(4,562,694)	(686,218)	(3,668,884)
		135,911,780	224,985,725	58,504,302	113,899,602
Accounting income / loss available for distribution:					
- Relating to capital gains		(2,160,558)	53,235,452	6,771,007	24,698,620
- Excluding capital gains		138,072,338	171,750,273	51,733,295	89,200,982
		135,911,780	224,985,725	58,504,302	113,899,602

The annexed notes from 1 to 22 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

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	138,808,256	229,548,419	59,190,520	117,568,486
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	138,808,256	229,548,419	59,190,520	117,568,486

The annexed notes from 1 to 22 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	3,527,040,520	-	3,527,040,520
Undistributed income brought forward			
- Realised income	-	104,252,481	104,252,481
- Unrealised gain	-	84,161,042	84,161,042
Net assets at the beginning of the period (Units outstanding: 7,151,571 (Rs. 519.5300 per unit))	3,527,040,520	188,413,523	3,715,454,043
Issue of 4,394,113 units	2,325,110,204	-	2,325,110,204
Redemption of 3,819,953 units	(2,013,688,757)	(2,896,476)	(2,016,585,233)
Total comprehensive income for the period	-	138,808,256	138,808,256
Net assets at end of the period (Units outstanding: 7,725,731) (Rs. 538.8212 per unit)	3,838,461,967	324,325,303	4,162,787,270
Undistributed income carried forward			
- Realised income	-	335,984,082	-
- Unrealised loss	-	(11,658,779)	-
	-	324,325,303	-
	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	-

The annexed notes from 1 to 22 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

Ifthikhar H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	For the Half Year Ended	
	31 December	
	2020	2019
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	138,808,256	229,548,419
Adjustments for:		
Interest income	(173,933,231)	(200,329,585)
Capital gain on sale of investments - net	(1,996,839)	(19,570,768)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	4,157,397	(33,664,684)
Provision for Sindh Workers' Welfare Fund	2,832,822	4,684,662
	(168,939,851)	(248,880,375)
(Increase) / decrease in assets		
Receivable against Margin Trading System	(485,814,200)	4,041,602
Deposits, prepayment and other receivables	101,582	(101,529)
	(485,712,618)	3,940,073
(Decrease) / increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	559,865	707,067
Payable to the Central Depository Company of Pakistan Limited - Trustee	80,568	(103,174)
Payable to the Securities and Exchange Commission of Pakistan	(273,318)	(2,902,613)
Unclaimed dividend	(291,471,122)	(61,527,790)
Accrued expenses and other liabilities	(63,076,109)	(15,124,035)
	(354,180,116)	(78,950,545)
	(870,024,329)	(94,342,428)
Interest received	132,181,029	141,138,966
Investments made during the period	(5,673,567,784)	(6,204,534,511)
Investment sold / redeemed / matured during the period	4,811,255,272	5,617,716,807
Net cash used in operating activities	(1,600,155,812)	(540,021,166)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	2,325,110,204	698,610,550
Net payments against redemption of units	(2,016,415,460)	(718,007,516)
Net cash generated from / (used in) financing activities	308,694,744	(19,396,966)
Net decrease in cash and cash equivalents	(1,291,461,068)	(559,418,132)
Cash and cash equivalents at the beginning of the period	1,318,246,149	1,426,198,107
Cash and cash equivalents at the end of the period	4 26,785,081	866,779,975

The annexed notes from 1 to 22 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

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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, Thirteenth and Fourteen 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, 30 October 2019 and 01 April 2020 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) [2019: AM2+ (AM Two plus)] on 24 December 2020.

Furthermore, PACRA maintained the stability rating of "AA- (f)" (Double A minus) to the Fund [2019: "AA- (f)" (Double A minus)] on 16 October 2020.
- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 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 2020.

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, 2020.

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 2020.

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 – Amendments to Definition of a Business
 IFRS 9 – Interest Rate Benchmark Reform
 IAS 1 – Definition of Material
 IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

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

4 BANK BALANCES	Note	31 December	30 June
		2020	2020
		Un-audited	Audited
		-----Rupees-----	
In local currency			
- Profit and loss sharing accounts	4.1	26,437,719	1,188,844,960
- Current account		5,000	5,000
- Cheques in hand	4.2	342,362	129,396,189
		26,785,081	1,318,246,149

4.1 The rate of return on these accounts ranges between 5.5% and 7.80% (30 June 2020: 6.00% and 7.80%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 04 January 2021 (30 June 2020: 08 July 2020) .

Atlas Income Fund

		31 December 2020	30 June 2020
		Un-audited	Audited
5 RECEIVABLE AGAINST MARGIN TRADING SYSTEM	Note	-----Rupees-----	
Receivable against margin trading system	5.1	485,814,200	-

5.1 This represents financing arrangements under MTS system. These carry mark up rates ranging from 8.23% to 15.48% per annum having maturity date on 1 March 2021. Such arrangements are secured against listed shares with a market value of Rs. 582,626,569.

		31 December 2020	30 June 2020
		Un-audited	Audited
6 INVESTMENTS	Note	-----Rupees-----	
At fair value through profit or loss			
Term finance certificates - listed	5.1 & 5.1.1	330,686,832	324,639,911
Term finance certificates - unlisted	5.2 & 5.2.1	290,785,716	185,418,554
Sukuk certificates	5.3 & 5.3.1	343,134,196	364,308,040
Government securities - Market Treasury Bills	5.4 & 5.4.1	1,705,647,350	1,103,202,480
Government securities - Pakistan Investment Bonds	6.5	998,247,468	785,252,961
		3,668,501,562	2,762,821,946

6.1 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 2020	Purchased during the period	Disposed / matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of Total Investment	Market value as a percentage of net assets	Investments as a percentage of total issue size
BANKS									
----- Number of certificates -----					----- Rupees -----		----- % age -----		
Habib Bank Limited Tier - II (face value of Rs. 99,820 per certificate)	2,945	-	-	2,945	287,741,530	293,969,900	8.01	7.06	2.95
Soneri Bank Limited (face value of Rs. 4,990 per certificate)	7,428	-	-	7,428	36,833,317	36,716,932	1.00	0.88	1.24
TELECOMMUNICATION									
Telecard Limited	6.6.1	4,000	-	-	4,000	-	-	-	-
PERSONAL GOODS									
Azgard Nine Limited	6.6.1	5,000	-	-	5,000	-	-	-	-
Total as at 31 December 2020					324,574,847	330,686,832	9.01	7.94	
Total as at 30 June 2020					325,351,311	324,639,911			

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6.1.1 The terms and conditions of listed term finance certificates outstanding as at 31 December 2020 are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
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BANKS

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	Semi-annually	Dec 2020	6 month KIBOR
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PERSONAL GOODS

Azgard Nine Limited	NPA	7 years	Semi-annually	Sept 2012	6 month KIBOR + 2.40%
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6.2 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 2020	Purchased during the period	Disposed/ matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Investments as a percentage of total issue size
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	Number of certificates			Rupees		% age			
BANKS									
Askari Bank Limited - V	20,000	-	20,000	-	-	-	-	-	-
Bank AL Habib Limited (face value of Rs. 4,991 per certificate)	20,000	-	-	20,000	91,589,979	90,114,702	2.46	2.16	2.50
The Bank of Punjab Limited (face value of Rs. 99,840 per certificate)	-	527	-	527	49,984,864	52,111,464	1.42	1.25	0.11
Askari Bank Limited - VII (face value of Rs. 1,000,000 per certificate)	-	150	-	150	150,075,000	148,559,550	4.05	3.57	0.01

CHEMICALS

Agritech Limited- I	6.6.1	2,000	-	-	2,000	-	-	-	-
Agritech Limited - II	6.6.1	8,000	-	-	8,000	-	-	-	-
Agritech Limited- IV	6.6.1	2,203	-	-	2,203	-	-	-	-

PERSONAL GOODS

Azgard Nine Limited-V	6.6.1	1,075	-	-	1,075	-	-	-	-
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Total as at 31 December 2020

291,649,843 290,785,716 7.93 6.99

Total as at 30 June 2020

196,372,744 185,418,554

Atlas Income Fund

6.2.1 The terms and conditions of unlisted term finance certificates outstanding as at 31 December 2020 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%
The Bank of Punjab Limited	AA-	10 years	Semi-annually	Dec 2026	6 month KIBOR + 1.00%
Askari Bank Limited - VII	AA	10 years	Quarterly	Mar 2026	3 month KIBOR + 1.20%

CHEMICALS

Agritech Limited - I	NPA	7 years	Semi-annually	Nov 2014	6month KIBOR + 1.75%
Agritech Limited - II	NPA	7 years	Semi-annually	Jan 2015	6month KIBOR + 1.75%
Agritech Limited - IV	NPA	3.5 years	Semi-annually	Jan 2015	-

PERSONAL GOODS

Azgard Nine Limited - V	NPA	5 years	Semi-annually	Mar 2017	Zero Coupon
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6.3 Sukuk certificates

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

Name of the Investee Company	As at 01 July 2020	Purchased during the period	Disposed/ matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	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. 70,000)	2,000	-	-	2,000	142,551,360	141,730,680	3.86	3.40	2.33
Agritech Limited (note 5.6.1)	4,060	-	-	4,060	-	-	-	-	-

POWER GENERATION & DISTRIBUTION

The Hub Power Company Limited - Listed (face value of Rs. 100,000 per certificate)	1,500	-	-	1,500	153,217,200	153,372,900	4.18	3.68	2.14
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BANKS

Meezan Bank Limited Tier - II - Unlisted (face value of Rs. 1,000,000 per certificate)	47	-	-	47	48,175,000	48,030,616	1.31	1.15	0.67
Total as at 31 December 2020					343,943,560	343,134,196	9.35	8.24	
Total as at 30 June 2020					356,678,872	364,308,040			

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6.3.1 The terms and conditions of sukuk certificates as at 31 December 2020 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%	AA+

6.4 Government securities - Market Treasury Bills

Tenor	As at 01 July 2020	Purchased during the period	Disposed/ matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Face Value (Rupees) -----				----- Rupees -----		----- % age -----	
3 months	-	3,822,430,000	2,340,000,000	1,482,430,000	1,472,661,030	1,472,668,780	40.14	35.38
6 months	300,000,000	460,000,000	725,000,000	35,000,000	34,818,174	34,818,770	0.95	0.84
12 months	835,000,000	675,000,000	1,310,000,000	200,000,000	198,209,806	198,159,800	5.40	4.76
Total as at 31 December 2020	1,135,000,000	4,957,430,000	4,375,000,000	1,717,430,000	1,705,689,010	1,705,647,350	46.49	40.97
Total as at 30 June 2020					1,088,005,268	1,103,202,480		

6.4.1 Market treasury bills carry an average purchase yield of 7.06% to 11.98% (30 June 2020: 7.48% to 13.30%) per annum and will mature between 14 January 2021 and 11 March 2021 (30 June 2020: 24 September 2020 and 25 March 2021). The cost of these investments as on 31 December 2020 is Rs. 1,687,827,584 (30 June 2020: Rs. 1,045,141,985).

6.5 Government securities - Pakistan Investment Bonds

Tenor	As at 01 July 2020	Purchased during the period	Disposed/ matured during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
	----- Face Value (Rupees) -----				----- Rupees -----		----- % age -----	
3 Years	684,000,000	50,000,000	335,000,000	399,000,000	410,521,828	405,056,220	11.04	9.73
5 Years	75,000,000	435,000,000	-	510,000,000	520,790,496	518,281,248	14.13	12.45
10 Years	-	75,000,000	-	75,000,000	75,489,375	74,910,000	2.04	1.80
Total as at 31 December 2020	759,000,000	560,000,000	335,000,000	984,000,000	1,006,801,699	998,247,468	27.21	23.98
Total as at 30 June 2020					702,441,841	785,252,961		

6.5.1 Pakistan Investment Bonds carry purchase yield ranging from 8.12% to 12.29% (30 June 2020: 11.52% to 12.65%) per annum and will mature between 12 July 2021 and 18 June 2030 (30 June 2020: 12 July 2021 and 19 September 2024). The cost of these investments as on 31 December 2020 is Rs. 963,196,627 (30 June 2020: Rs. 702,513,897).

Atlas Income Fund

6.6 Particulars of non-compliant investments

6.6.1 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	Percentage of	
					Net assets	Gross assets
-----Rupees-----						
Listed						
Azgard Nine Limited	Term finance certificate	7,871,511	7,871,511	-	-	-
Telecard Limited	Term finance certificate	4,668,990	4,668,990	-	-	-
		12,540,501	12,540,501	-	-	-
Unlisted						
Agritech Limited-I	Term finance certificate	7,494,000	7,494,000	-	-	-
Agritech Limited-II	Term finance certificate	29,976,000	29,976,000	-	-	-
Agritech Limited-IV	Term finance certificate	11,015,000	11,015,000	-	-	-
Azgard Nine Limited-V	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 2020		81,625,501	81,625,501	-	-	-
Total as at 30 June 2020		81,625,501	81,625,501	-	-	-

6.6.2 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 2020: Rs 81.63 million), has been made in accordance with the provisioning requirements specified by the SECP.

	31 December 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
7 INTEREST / PROFIT ACCRUED		
Interest / profit on:		
Savings and term deposits	-	358,431
Margin Trading System	8,348,206	-
Term finance certificates	12,822,369	24,582,029
Pakistan Investment Bonds	20,915,002	19,550,246
Sukuk certificates	3,713,975	5,084,306
	45,799,552	49,575,012
8 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 fee to the NCCPL	-	101,582
Other receivables	8.1 8,604,251	8,604,251
	11,454,251	11,555,833

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8.1 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 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	9.1	3,553,698	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company	9.2	3,984,677	3,928,692
Federal Excise Duty payable on remuneration of the Management Company	9.3	23,582,971	23,582,971
Accounting and operational charges payable	14	604,127	530,916
		31,725,473	31,165,608

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 1.00% of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

9.2 During the period, an amount of Rs. 2,550,904 (2019: Rs. 1,681,048) 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. 2,494,919 (2019: Rs. 1,616,886) has been paid to the Management Company which acts as a collecting agent.

9.3 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 2020: 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 2020 would have been higher by Rs. 3.05 per unit (30 June 2020: Rs 3.30 per unit).

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

		31 December 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
Trustee fee payable	10.1	266,527	234,227
Sindh sales tax payable on trustee fee		34,648	30,450
Settlement charges payable		40,000	1,000
Sindh sales tax payable on settlement charges		5,200	130
		<u>346,375</u>	<u>265,807</u>

10.1 The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% (2019: 0.075%) per annum of the average annual net Net Assets of the Fund based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC.

10.2 During the year, an amount of Rs. 191,318 (2019: Rs. 152,830) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 187,120 (2019: Rs 152,611) was paid to trustee which acts as collecting agent.

		31 December 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fees payable	11.1	<u>392,446</u>	<u>665,764</u>

11.1 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) at the rate of 0.02% of net assets per annum.

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		31 December 2020	30 June 2020
		Un-audited	Audited
	Note	-----Rupees-----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		368,476	499,646
NCCPL charges payable		24,445	61,366
Printing charges payable		-	5,294
Annual listing fee payable		13,863	-
Brokerage payable		84,373	84,374
Annual rating fee payable		239,806	-
Withholding tax payable		8,271	62,697,926
Capital gain tax payable		46,264	513,001
Zakat payable		1,649	1,649
Other payables		334,343	334,343
Provision for Sindh Workers' Welfare Fund	12.1	41,656,717	38,823,895
		<u>42,778,207</u>	<u>103,021,494</u>

12.1 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.

Atlas Income Fund

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 2020 would have been higher by Rs. 5.39 per unit (30 June 2020: Rs 5.43 per unit).

13 CONTINGENCIES AND COMMITMENTS

- 13.1** Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). The management company believes that distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the remaining amount of income distributed by way of cash dividend.

Open end mutual funds continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. The unit-holder who invests in the open end mutual fund during the year and redeems during the same year has effectively taken his due share of income for the year and the differential amount (proceeds received less original investment) is and should be treated as “distribution of profit”. In case of unit holder who existed at the beginning of the year and makes redemption during the year, the amount representing his due share of income from the current year’s income is and should be considered as “distribution of profit”.

In assessment for TY 2018, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

In response to the order, the Fund filed appeal with Commissioner Appeals office. In judgment dated 2018 Commissioner Appeals upheld Assessment Order passed by AC. The Fund has now initiated appeal in Appellate Tribunal, which is pending adjudication.

Meanwhile, Fund filed petition for stay in High Court of Sindh (SHC), and stay order dated January 14, 2021 has been granted by SHC. In its judgment, SHC held that since the subject matter is pending before Appellate Tribunal, therefore, the recovery of impugned demand of Rs. 138 Million will not be enforced till the final decision of Tribunal.

Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open end mutual fund. SECP agrees with MUFAPs interpretation and is also actively following up with FBR to resolve the matter at the earliest.

The management believes that the Fund has distributed required amount of income to be eligible for tax exemption under clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 and hence, no provision for taxation is required to be made in these financial statements.

- 13.2** There were no commitments outstanding as at 31 December 2020 and 30 June 2020.

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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 has charged actual expenses within the limit of 0.17% of average annual net assets of the fund.

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2020	2019	2020	2019
		Un-audited		Un-audited	
15 INTEREST INCOME		Rupees		Rupees	
Interest on:					
Saving and term deposits		13,324,754	41,415,436	2,985,318	17,407,358
Margin Trading System		24,210,011	1,526	8,712,508	142
Term finance certificates	15.1	31,249,947	50,847,753	12,843,877	27,063,565
Sukuk certificates		15,725,800	24,891,726	7,258,097	13,050,297
Government Securities		89,422,719	81,613,802	37,977,905	46,414,407
Commercial Papers			1,559,342	-	1,559,342
		173,933,231	200,329,585	69,777,705	105,495,111

15.1 This includes mark-up received on non-performing term finance certificates amounting to Rs. Nil (31 December 2019: Rs.Nil million). Furthermore in accordance with the requirements specified by the SECP, mark-up on non performing securities amounting to Rs. 83.80 million (31 December 2019: Rs. 73.99 million) based on outstanding principal has not been recognised during the period.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 1.68% (30 June 2020: 1.67%) which includes 0.31% (30 June 2020: 0.45%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

17 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders.

18 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.

Atlas Income Fund

19 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	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
19.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	19,622,336	12,931,135
Remuneration paid	19,191,667	12,437,580
Sindh Sales Tax on remuneration of the Management Company	2,550,904	1,681,048
Accounting and operational charges	3,335,794	1,970,332
Issue of Nil (2019: 1) units	-	304
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	1,471,674	1,175,614
Sindh Sales Tax on remuneration of the Trustee	191,318	152,830
Trustee fee paid	1,439,374	1,261,919
Settlement charges	265,876	3,012
Sindh Sales Tax on settlement charges	34,564	392
Atlas Foundation (Trust having common Director / Trustee)		
Issue of 63,320 (2019: 40,743) units	33,000,000	22,326,805
Redemption of 9,282 (2019: 23,074) units	5,000,000	12,000,000
Atlas Honda Limited (Group Company)		
Issue of Nil (2019: 135) units	-	71,923
Redemption of Nil (2019: Nil) units	-	-
Atlas Insurance Limited		
Issue of Nil (2019: 885,988) units	-	488,844,039
Redemption of Nil (2019: 885,988) units	-	488,994,657
Batool Benefit Trust (Trust having common Director / Trustee)		
Issue of 56,853 (2019: Nil) units	30,041,703	-
Redemption of 5,814 (2019: 22,190) units	3,036,000	11,714,568

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	For the Half Year Ended	
	31 December	
	2020	2019
	Un-audited	Un-audited
	Rupees -----	
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of 48,470 (2019: Nil) units	25,500,000	-
Atlas Metals (Private) Limited		
Issue of 37,963 (2019: Nil) units	20,000,000	-
Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Issue of 225,117 (2019: Nil) units	120,000,000	-
Shirazi Investments (Private) Limited (Group Company)		
Issue of 3,868 (2019: 1,983) units	2,015,774	1,054,011
Directors and their close family members and key management personnel of the Management Company		
Issue of 20,291 (2019: 936) units	10,751,301	500,000
Redemption of 48,440 (2019: Nil) units	25,943,742	-
	31 December	30 June
	2020	2020
	Un-audited	Audited
	-----Rupees-----	
19.2 Balances as at period / year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	3,553,698	3,123,029
Sindh Sales Tax payable on remuneration of the Management Company	3,984,677	3,928,692
Federal Excise Duty payable on remuneration of the Management Company	23,582,971	23,582,971
Accounting and operational charges payable	604,127	530,916
Outstanding 100,335 (30 June 2020: 100,335) units - at net asset value	54,062,438	52,126,862
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	266,527	234,227
Sindh Sales Tax payable on remuneration of the trustee	34,648	30,450
Settlement charges payable	40,000	1,000
Sindh Sales Tax payable on settlement charges	5,200	130
Atlas Foundation (Trust having common Director / Trustee)		
Outstanding 576,971 (30 June 2020 : 522,933) units - at net asset value	310,884,081	271,679,336
Atlas Honda Limited (Group Company)		
Outstanding 564,023 (30 June 2020: 564,023) units - at net asset value	303,907,602	293,026,919
Atlas Insurance Limited (Group Company)		
Outstanding 98,569 (30 June 2020: 98,569) units - at net asset value	53,111,287	51,209,765
Atlas Metals (Private) Limited		
Outstanding 37,963 (30 June 2020: Nil) units - at net asset value	20,455,136	-

Atlas Income Fund

	31 December 2020 Un-audited	30 June 2020 Audited
	-----Rupees-----	
Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)		
Outstanding 48,470 (30 June 2020: Nil) units - at net asset value	26,116,853	-
Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 32,779 (30 June 2020: 32,779) units - at net asset value	17,662,057	17,029,710
Atlas Honda Limited - Employess Provident Fund (Retirement benefit plan of group company)		
Outstanding 67,449 (30 June 2020: 67,449) units - at net asset value	36,342,992	35,041,818
Batool Benefit Trust (Trust having common Director / Trustee)		
Outstanding 67,448 (30 June 2020: 16,408) units - at net asset value	36,342,254	8,524,427
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 262,130 (30 June 2020: 37,012) units - at net asset value	141,241,089	19,229,093
Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of group company)		
Outstanding 152,336 (30 June 2020: 152,336) units - at net asset value	82,081,602	79,142,868
Shirazi Investments (Private) Limited (Group company)		
Outstanding 3,925,631 (30 June 2020: 3,921,763) units - at net asset value	2,115,213,011	2,037,473,329
Key Management Personnel of Management Company		
Outstanding 126,785 (30 June 2020: 154,935) units -at net asset value	68,314,703	80,493,240

20 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

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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).

21 GENERAL

21.1 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subjected to limited scope review by the statutory auditors of the Fund.

21.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

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

22 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 25 February 2021.

**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

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TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Stock Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 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: 23 February 2021

Atlas Stock 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 Stock Market Fund (the Fund) as at 31 December 2020 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 2020 and 31 December 2019 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 2020.

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: 26 February 2021

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 2020

		31 December 2020	30 June 2020
		Un-audited	Audited
	Note	----- Rupees -----	
Assets			
Cash and Bank balances	4	120,685,702	75,706,293
Investments	5	9,152,741,190	6,990,442,843
Dividend receivable		8,000,200	-
Profit receivable on bank balances		12,317	413,904
Receivable against sale of investments		268,723,704	-
Advances, deposits, prepayments and other receivables	6	13,529,987	13,529,987
Total assets		9,563,693,100	7,080,093,027
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	46,800,478	39,612,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	1,048,916	736,735
Payable to the Securities and Exchange Commission of Pakistan	9	862,519	1,245,447
Payable against redemption of units		199,533,690	132,732,432
Payable against purchase of investments		47,300,691	-
Unclaimed dividend		401,733	401,733
Accrued expenses and other liabilities	10	96,427,970	63,694,863
Total liabilities		392,375,997	238,423,488
NET ASSETS		9,171,317,103	6,841,669,539
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,171,317,103	6,841,669,539
CONTINGENCIES AND COMMITMENTS	11		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		13,518,165	13,240,837
		----- Rupees -----	
NET ASSET VALUE PER UNIT		678.4439	516.7100

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 Stock Market Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2020	2019	2020	2019
----- Rupees -----					
Income					
Profit on bank balances		4,093,739	7,663,270	1,791,186	4,124,953
Dividend income		176,631,533	177,469,368	141,294,329	96,570,343
Capital gain on sale of investments - net		711,717,019	171,480,019	560,641,183	179,756,067
Net unrealised appreciation on re-measurement of investments classified as "financial assets at fair value through profit or loss"		1,502,527,817	1,003,717,726	157,982,826	1,333,556,556
		2,214,244,836	1,175,197,745	718,624,009	1,513,312,623
Total income		2,394,970,108	1,360,330,383	861,709,524	1,614,007,919
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	103,502,261	56,288,280	53,562,401	32,479,041
Sindh sales tax on remuneration of the Management Company	7.2	13,455,294	7,317,476	6,963,112	4,222,275
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	4,816,703	3,317,146	2,483,821	1,875,318
Sindh sales tax on remuneration of the trustee	8.2	626,171	431,229	322,896	243,791
Annual fee to the Securities and Exchange Commission of Pakistan	9	862,519	562,883	446,354	324,791
Accounting and operational charges	14	8,285,773	3,626,390	4,748,366	2,435,928
Auditors' remuneration		207,640	339,122	37,823	202,909
Annual listing fee		13,852	13,825	7,424	6,912
Securities transaction cost		8,218,249	6,053,500	4,932,537	4,563,955
Printing charges		31,903	23,502	31,903	13,502
Legal and professional charges		100,780	98,053	70,000	-
Provision for Sindh Workers' Welfare Fund	10.1	45,094,910	25,643,549	15,760,153	25,643,549
Bank charges		103,444	81,547	95,200	73,175
Total expenses		185,319,499	103,796,502	89,461,990	72,085,146
Net income for the period before taxation		2,209,650,609	1,256,533,881	772,247,534	1,541,922,773
Taxation	13	-	-	-	-
Net income for the period after taxation		2,209,650,609	1,256,533,881	772,247,534	1,541,922,773
Earnings per unit	15				
Allocation of net income for the period					
Net income for the period		2,209,650,609	1,256,533,881	772,247,534	1,541,922,773
Income already paid on units redeemed		(168,668,885)	(1,155,135)	(114,555,884)	(1,155,135)
		2,040,981,724	1,255,378,746	657,691,650	1,540,767,638
Accounting income / (loss) available for distribution:					
- Relating to capital gains		2,214,244,836	1,175,197,745	718,624,009	1,513,312,623
- Excluding capital gains		(173,263,112)	80,181,001	(60,932,359)	27,455,015
		2,040,981,724	1,255,378,746	657,691,650	1,540,767,638

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

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2020

	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
	2020	2019	2020	2019
	-----Rupees-----			
Net income for the period after taxation	2,209,650,609	1,256,533,881	772,247,534	1,541,922,773
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period	2,209,650,609	1,256,533,881	772,247,534	1,541,922,773

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 Stock Market Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	6,499,701,211	-	6,499,701,211
Undistributed income brought forward			
- Realised income	-	909,302,970	909,302,970
- Unrealised loss	-	(567,334,642)	(567,334,642)
Net assets at the beginning of the period (Units outstanding: 13,240,837) (Rs. 516.7100 per unit)	6,499,701,211	341,968,328	6,841,669,539
Issue of 4,515,430 units	2,815,459,028	-	2,815,459,028
Redemption of 4,238,102 units	(2,526,793,188)	(168,668,885)	(2,695,462,073)
Total comprehensive income for the period	-	2,209,650,609	2,209,650,609
Net assets at end of the period (Units outstanding: 13,518,165) (Rs. 678.4439 per unit)	6,788,367,051	2,382,950,052	9,171,317,103
Undistributed income carried forward			
- Realised income	-	1,474,155,715	-
- Unrealised gain	-	908,794,337	-
	-	2,382,950,052	-
	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	-

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 2020

	For the Half Year Ended 31 December	
	2020	2019
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	2,209,650,609	1,256,533,881
Adjustment for:		
Profit on bank balances	(4,093,739)	(7,663,270)
Dividend income	(176,631,533)	(177,469,368)
Capital gain on sale of investments - net	(711,717,019)	(171,480,019)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,502,527,817)	(1,003,717,726)
Provision for Sindh Workers' Welfare Fund	45,094,910	25,643,549
	(2,349,875,198)	(1,334,686,834)
(Increase) / decrease in assets		
Receivable against sale of investments	(268,723,704)	22,096,217
Advances, deposits, prepayment and other receivables	-	(13,675)
	(268,723,704)	22,082,542
Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	7,188,200	4,657,149
Payable to the Central Depository Company of Pakistan Limited - Trustee	312,181	210,719
Payable to the Securities and Exchange Commission of Pakistan	(382,928)	(4,872,741)
Payable against purchase of investments	47,300,691	-
Accrued expenses and other liabilities	(12,361,803)	2,973,732
	42,056,341	2,968,859
Profit received on bank balances	4,495,326	7,936,327
Dividend received	168,631,333	178,674,673
Investments made during the period	(3,823,950,931)	(2,898,506,679)
Investments sold during the period	3,875,897,420	1,624,340,734
Net cash used in operating activities	(141,818,804)	(1,140,656,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	2,815,459,028	1,516,329,893
Net payments against redemption of units	(2,628,660,815)	(515,372,182)
Net cash generated from financing activities	186,798,213	1,000,957,711
Net increase / (decrease) in cash and cash equivalents	44,979,409	(139,698,786)
Cash and cash equivalents at the beginning of the period	75,706,293	266,018,200
Cash and cash equivalents at the end of the period	120,685,702	126,319,414

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 Stock Market Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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, Twelfth, Thirteen and Fourteen 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, 5 September 2019, 25 November 2019 and 1 April 2020 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) [2019: AM2+ (AM Two plus)] on 24 December 2020
- 1.5 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

- 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 VIIIA 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 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.

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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 2020.

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, 2020.

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 2020.

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 – Amendments to Definition of a Business
 IFRS 9 – Interest Rate Benchmark Reform
 IAS 1 – Definition of Material
 IFRS 16 – COVID-19 Rent Related Concessions
 The Conceptual Framework for Financial Reporting

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

	Note	31 December	30 June
		2020	2020
		Un-audited	Audited
		-----Rupees-----	
4 CASH AND BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	115,789,546	74,051,293
- Current account		5,000	5,000
- Cheque in hand	4.2	4,891,156	1,650,000
		120,685,702	75,706,293

4.1 This rate of return on these accounts ranges between 5.50% and 7.70% (30 June 2020: 6.00% and 6.50%) per annum.

4.2 These cheques were received against issue of units which were deposited and cleared subsequent to the period end by 04 January 2020 (30 June 2020: 06 July 2020).

	Note	31 December	30 June
		2020	2020
		Un-audited	Audited
		-----Rupees-----	
5 INVESTMENTS			
At fair value through profit or loss			
- Investment in listed equity securities	5.1	9,152,741,190	6,990,442,843

Atlas Stock Market Fund

5.1 Listed equity securities

At fair value through profit or loss - equity securities

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

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
	-----Number of Shares-----				-----Rupees-----		-----% age-----			
COMMERCIAL BANKS										
BankIslami Pakistan Limited	8,284,250	-	-	8,284,250	-	-	-	-	-	-
Meezan Bank Limited	3,161,135	1,081,200	200,063	1,240,500	3,201,898	223,011,516	334,406,227	3.65	3.65	0.18
Bank Alfalah Limited	3,307,500	4,012,631	-	3,307,500	4,012,631	141,117,645	141,766,253	1.55	1.55	0.36
Bank Al Habib Limited	5,975,175	500,000	-	3,515,058	2,960,117	159,437,112	206,024,143	2.25	2.25	0.20
The Bank Of Punjab	5,174,500	-	-	-	5,174,500	43,465,800	47,967,615	0.52	0.52	0.35
Faysal Bank Limited	5,100,943	-	-	-	5,100,943	71,056,136	88,144,295	0.96	0.96	0.49
Habib Bank Limited (Note 5.3)	3,633,600	1,208,800	-	27,000	4,839,500	505,658,930	636,981,112	6.96	6.95	0.41
Habib Metropolitan Bank Limited	4,211,500	628,000	-	-	4,839,500	139,232,405	188,692,105	2.06	2.06	0.34
MCB Bank Limited	415,300	1,053,115	-	25,000	1,443,415	249,496,707	267,435,931	2.92	2.92	0.05
United Bank Limited (Note 5.3)	2,078,325	3,090,138	-	-	5,168,463	579,098,165	650,502,753	7.11	7.09	0.42
	41,342,228	11,573,884	200,063	16,399,308	36,716,867	2,111,574,416	2,561,920,434	27.99	27.93	
INSURANCE										
Adamiqee Insurance Company Limited	1,576,500	-	-	1,576,500	-	-	-	-	-	-
EFU Life Assurance Limited	-	173,700	-	146,100	27,600	5,599,176	5,768,952	0.06	0.06	0.01
Jubilee Life Insurance Company Limited	-	120,100	-	48,100	72,000	26,744,631	28,662,480	0.31	0.31	0.04
Pakistan Reinsurance Company Limited	1,028,500	150,000	-	-	1,178,500	28,170,840	32,432,320	0.35	0.35	0.39
	2,605,000	443,800	-	1,770,700	1,278,100	60,514,647	66,863,752	0.73	0.73	
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	1,850,000	500,000	-	1,850,000	500,000	18,146,955	18,375,000	0.20	0.20	0.12
Interloop Limited	3,000	753,500	-	78,000	678,500	39,563,870	46,185,495	0.50	0.50	0.08
Kohinoor Textile Mills Limited	1,507,500	931,000	-	314,500	2,124,000	91,956,940	144,899,280	1.58	1.58	7.01
Nishat (Chunian) Limited	869,500	-	-	869,500	-	-	-	-	-	-
Nishat Mills Limited	650,000	1,290,500	-	250,000	1,690,500	151,297,140	172,042,185	1.88	1.88	0.48
	4,880,000	3,475,000	-	3,362,000	4,993,000	300,964,905	381,501,960	4.17	4.16	
CEMENT										
Attock Cement Pakistan Limited	388,600	198,500	-	136,500	450,600	59,990,471	67,612,530	0.74	0.74	0.33
Cherat Cement Company Limited	1,309,400	-	-	665,000	644,400	56,172,348	94,204,836	1.03	1.03	0.33
D.G. Khan Cement Company Limited	987,500	-	-	150,000	837,500	71,463,875	95,960,750	1.05	1.05	0.19
Fauji Cement Company Limited	30,500	5,300,000	-	-	5,330,500	108,135,880	115,511,935	1.26	1.26	0.39
Kohat Cement Company Limited	551,500	-	-	151,500	400,000	54,980,000	87,696,000	0.96	0.96	0.20
Lucky Cement Limited	740,500	67,000	-	32,500	775,000	369,767,103	539,469,750	5.89	5.88	0.24
Maple Leaf Cement Factory Limited	45,000	-	-	45,000	-	-	-	-	-	-
Pioneer Cement Limited	3,609,000	-	-	2,802,500	806,500	50,841,760	83,311,450	0.91	0.91	0.36
	7,662,000	5,565,500	-	3,983,000	9,244,500	771,351,437	1,083,767,251	11.84	11.82	
POWER GENERATION & DISTRIBUTION										
K-Electric Limited (face value Rs. 3.5 per share)	6,750,000	-	-	-	6,750,000	20,317,500	26,392,500	0.29	0.29	0.02
Lalpir Power Limited	2,950,000	2,404,000	-	500,000	4,854,000	61,184,895	62,228,280	0.68	0.68	1.28
Nishat Chunian Power Limited	619,000	-	-	619,000	-	-	-	-	-	-
Pakgen Power Limited	4,208,500	-	-	-	4,208,500	50,544,085	82,907,450	0.91	0.90	1.13
The Hub Power Company Limited	6,148,820	900,000	-	250,000	6,798,820	501,627,492	539,350,391	5.89	5.88	0.52
	20,676,320	3,304,000	-	1,369,000	22,611,320	633,673,972	710,878,621	7.77	7.75	
OIL & GAS MARKETING COMPANIES										
Hi-Tech Lubricants Limited	2,000	1,051,000	-	2,000	1,051,000	45,671,860	46,012,780	0.50	0.50	0.91
Pakistan State Oil Company Limited	1,169,153	559,024	-	87,500	1,640,677	280,334,032	353,237,758	3.86	3.85	0.35
Shell Pakistan Limited	264,700	-	-	264,700	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,565,200	1,700,000	-	3,264,202	998	44,813	44,331	0.00	0.00	0.00
	3,001,053	3,310,024	-	3,618,402	2,692,675	326,050,705	399,294,869	4.36	4.35	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	353,669	-	-	68,340	285,329	352,852,108	382,289,501	4.18	4.17	0.21
Oil & Gas Development Company Limited	3,003,100	997,000	-	-	4,000,100	437,981,614	415,090,377	4.54	4.53	0.09
Pakistan Oilfield Limited	533,020	59,000	-	25,000	567,020	201,966,131	224,205,378	2.45	2.44	0.20
Pakistan Petroleum Limited (Note 5.3)	2,148,602	1,064,000	-	-	3,212,602	292,129,658	290,194,339	3.17	3.16	0.12
	6,038,391	2,120,000	-	93,340	8,065,051	1,284,929,511	1,311,779,595	14.33	14.30	
ENGINEERING										
Agha Steel Industries Limited	-	3,163,867	-	1,344,000	1,819,867	61,243,984	71,720,958	0.78	0.78	0.32
Aisha Steel Mills Limited	-	7,500,000	-	7,500,000	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	-	405,000	-	-	405,000	35,969,364	34,064,550	0.37	0.37	0.52
International Industries Limited	300,000	120,000	-	420,000	-	-	-	-	-	-
International Steels Limited	-	490,000	-	490,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	213	-	-	-	213	8,494	16,130	0.00	0.00	0.00
	300,213	11,678,867	-	9,754,000	2,225,080	97,221,842	105,801,638	1.16	1.15	

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Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2020	Carrying value as at 31 December 2020	Market value as at 31 December 2020	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
	-----Number of Shares-----				-----Rupees-----		-----% age-----			
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	71,060	6,400	-	-	77,460	78,772,036	92,793,982	1.01	1.01	0.10
Millat Tractors Limited	84,850	-	-	4,850	80,000	56,492,800	87,527,200	0.96	0.95	0.16
	155,910	6,400	-	4,850	157,460	135,264,836	180,321,182	1.97	1.97	
AUTOMOBILE PARTS & ACCESSORIES										
Thal Limited (face value of Rs. 5 per share)	248,000	143,700	-	-	391,700	142,747,015	185,148,756	2.02	2.02	0.48
	248,000	143,700	-	-	391,700	142,747,015	185,148,756	2.02	2.02	
CABLES & ELECTRICAL GOODS										
Pak Elektron Limited	-	2,788,000	-	2,788,000	-	-	-	-	-	-
TPL Corporation Limited	-	1,198,500	-	1,198,500	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	611,500	-	611,500	-	-	-	-	-	-
	-	4,598,000	-	4,598,000	-	-	-	-	-	-
TRANSPORT										
Pakistan International Bulk Terminal Limited	4,897,500	1,000,000	-	1,397,500	4,500,000	43,932,940	57,870,000	0.63	0.63	0.25
	4,897,500	1,000,000	-	1,397,500	4,500,000	43,932,940	57,870,000	0.63	0.63	
TECHNOLOGY & COMMUNICATIONS										
Avanceon Limited	-	1,470,500	-	1,470,000	500	19,254	46,423	0.00	0.00	0.00
Pakistan Telecommunication Company Limited	-	4,124,500	-	-	4,124,500	41,025,227	37,532,950	0.41	0.41	0.11
Systems Limited	1,627,050	500	-	927,550	700,000	128,587,349	293,461,000	3.21	3.20	0.57
TRG Pakistan Limited - Class 'A'	-	4,700,000	-	3,700,000	1,000,000	73,241,235	91,410,000	1.00	1.00	0.18
	1,627,050	10,295,500	-	6,097,550	5,825,000	242,873,065	422,450,375	4.62	4.61	
FERTILIZER										
Engro Corporation Limited	1,126,700	935,001	-	410,000	1,651,701	495,804,998	507,666,819	5.55	5.54	0.29
Engro Fertilizers Limited (Note 5.3)	3,163,500	100,000	-	1,750,000	1,513,500	91,338,753	95,698,065	1.05	1.04	0.11
Fauji Fertilizer Bin Qasim Limited	1,520,500	-	-	-	1,520,500	24,267,180	38,499,060	0.42	0.42	0.16
Fauji Fertilizer Bin Qasim Limited - L&R	-	-	581,340	581,340	-	-	-	-	-	-
Fauji Fertilizer Company Limited	1,146,000	372,800	-	446,000	1,072,800	117,099,040	116,398,800	1.27	1.27	0.08
	6,956,700	1,407,801	581,340	3,187,340	5,758,501	728,509,971	758,263,284	8.28	8.27	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	129,200	-	-	129,200	-	-	-	-	-	-
AGP Limited	523,000	-	-	523,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	362,000	326,000	-	362,000	326,000	58,256,694	62,536,580	0.68	0.68	0.10
Highnoon Laboratories Limited	132,320	80,100	-	-	212,420	116,011,486	127,411,640	1.39	1.39	0.61
The Searle Company Limited	706,602	148,900	69,529	300,656	624,375	116,113,495	138,284,268	1.51	1.51	0.29
	1,853,122	555,000	69,529	1,314,856	1,162,795	290,381,675	328,232,488	3.59	3.58	
CHEMICALS										
Archroma Pakistan Limited	113,450	-	-	113,450	-	-	-	-	-	-
Berger Paints Pakistan Limited	-	489,000	-	233,000	236,000	22,602,981	23,424,000	0.26	0.26	1.25
Engro Polymer & Chemicals Limited	5,340,000	268,000	-	3,481,500	2,126,500	58,016,978	101,030,015	1.10	1.10	0.23
ICI Pakistan Limited	72,000	20,000	-	42,000	50,000	35,247,534	38,004,500	0.42	0.41	0.05
Lotte Chemical Pakistan Limited	5,500,000	500,000	-	6,000,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	126,000	-	-	126,000	40,974,244	39,060,000	0.43	0.43	0.59
	11,025,450	1,403,000	-	9,869,950	2,558,500	156,841,737	201,518,515	2.20	2.20	
PAPER & BOARD										
Packages Limited	57,200	174,800	-	32,000	200,000	83,328,193	119,384,000	1.30	1.30	0.22
	57,200	174,800	-	32,000	200,000	83,328,193	119,384,000	1.30	1.30	
VANASPATI & ALLIED INDUSTRIES										
Unity Foods Limited	53,000	3,800,000	-	3,853,000	-	-	-	-	-	-
	53,000	3,800,000	-	3,853,000	-	-	-	-	-	-
LEATHER & TANNERIES										
Bata Pakistan Limited	59,600	4,000	-	1,760	61,840	84,048,317	94,728,986	1.03	1.03	0.82
Service Industries Limited	80,475	15,500	20,118	-	116,093	77,541,143	96,838,976	1.06	1.06	0.49
	140,075	19,500	20,118	1,760	177,933	161,589,460	191,567,962	2.09	2.09	
FOODS & PERSONAL CARE PRODUCTS										
At-Tahur Limited	2,462,500	-	246,250	450,000	2,258,750	35,380,255	45,536,400	0.50	0.50	1.40
National Foods Limited (face value of Rs. 5 per share)	72,200	-	350	72,200	350	70,132	76,438	0.00	0.00	0.00
	2,534,700	-	246,600	522,200	2,259,100	35,450,387	45,612,838	0.50	0.50	
GLASS & CERAMICS										
Tariq Glass Industries Limited	230,250	-	-	230,250	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited (face value Rs.5)	-	1,094,500	-	1,094,500	-	-	-	-	-	-
	230,250	1,094,500	-	1,324,750	-	-	-	-	-	-
MISCELLANEOUS										
Synthetic Products Enterprises Limited	900,000	-	-	900,000	-	-	-	-	-	-
TPL Properties Limited	-	4,357,000	-	-	4,357,000	43,012,659	40,563,670	0.44	0.44	1.33
Tb-Pack Films Limited	-	16,500	-	16,500	-	-	-	-	-	-
	900,000	4,373,500	-	916,500	4,357,000	43,012,659	40,563,670	0.44	0.44	
Total as at 31 December 2020						7,650,213,373	9,152,741,190	100.00	99.80	
Total as at 30 June 2020						7,113,226,257	6,990,442,843			

Atlas Stock Market Fund

5.2 The cost of listed equity securities as at 31 December 2020 is Rs. 8,243,946,853 (30 June 2020: Rs. 7,557,777,485).

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 2020	30 June 2020	31 December 2020	30 June 2020
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Fertilizers Limited	425,000	425,000	26,872,750	25,619,000
United Bank Limited	170,000	100,000	21,396,200	10,336,000
Habib Bank Limited	60,000	60,000	7,936,800	5,812,200
Pakistan Petroleum Limited	297,000	297,000	26,828,010	25,773,660
	952,000	882,000	83,033,760	67,540,860

6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		31 December 2020	30 June 2020
	Note	Un-audited	Audited
		-----Rupees-----	
Security deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Withholding tax deducted	6.1	10,929,987	10,929,987
		13,529,987	13,529,987

6.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, 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.

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7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December 2020	30 June 2020
		Un-audited	Audited
		-----Rupees-----	
Remuneration of the Management Company	7.1	18,799,512	13,608,253
Sindh Sales Tax payable on remuneration of the Management Company	7.2	5,412,983	4,738,119
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,988	20,301,988
Accounting and operational charges payable	14	2,285,995	963,918
		46,800,478	39,612,278

- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 2.4% (30 June 2020: 2.4%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 7.2 During the period, an amount of Rs. 13,455,294 (2019: Rs. 7,317,476) 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. 12,780,430 (2019: Rs. 6,839,158) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.2, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the 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 2020: 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 2020 would have been higher by Rs. 1.50 (30 June 2020: Rs. 1.53) per unit.

Atlas Stock Market Fund

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	31 December	30 June
		2020	2020
		Un-audited	Audited
-----Rupees-----			
Remuneration Payable to Trustee	8.1	868,243	648,978
SST on Trustee fee payable @13%	8.2	112,873	84,367
Payable to against CDS charges		60,000	3,000
SST on CDS Charges @ 13%		7,800	390
		1,048,916	736,735

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

On net assets:	Tariff per annum
-up to Rs 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Assets, whichever is higher
-exceeding Rs 1,000 million	Rs. 2.0 million plus 0.10% per annum of Net Assets amount exceeding Rs 1,000 million

8.2 During the year, an amount of Rs. 626,172 (2019: Rs. 431,229) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 597,666 (2019: Rs. 415,657) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	31 December	30 June
	2020	2020
	Un-audited	Audited
-----Rupees-----		
Annual fees payable	862,519	1,245,447

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).

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December	30 June
		2020	2020
		Un-audited	Audited
-----Rupees-----			
Auditors' remuneration payable		339,326	481,582
NCCPL charges payable		25,000	25,000
Withholding and capital gain tax payable		2,312,951	15,621,799
Transaction charges payable		3,956,443	2,919,420
Sales load payable		65,909	27,614
Annual listing fee payable		13,852	-
Zakat payable		48,093	48,075
Provision for Sindh Workers' Welfare Fund	10.1	89,666,396	44,571,373
		96,427,970	63,694,863

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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, 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 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 2020 would have been higher by Rs. 6.63 per unit (30 June 2020: Rs. 3.37 per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2020 and 30 June 2020.

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 4.29% (30 June 2020: 3.13%) which includes 1.42% (30 June 2020: 0.46%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio net of government levies is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity 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

Atlas Stock Market Fund

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 net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. Based on the above, 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 has charged expenses at the rate of 0.17% of the average annual net assets of the Fund upto 2 December 2020 and charged expenses at the rate of 0.30% 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 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	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
16.1 Transactions during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	103,502,261	56,288,280
Sindh Sales Tax on remuneration of the Management Company	13,455,294	7,317,476
Remuneration paid	98,311,002	52,608,904
Accounting and operational charges	8,285,773	3,626,390
Issue of 28,121 (2019: 41,570) units	14,984,586	19,809,866
Redemption of 136,928 (2019: Nil) units	88,000,000	-

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	For the Half Year Ended	
	31 December	
	2020	2019
	Un-audited	Un-audited
	----- Rupees -----	
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	4,816,703	3,317,146
Sindh Sales Tax on remuneration of the Trustee	626,171	431,229
Remuneration paid	4,597,438	3,130,669
Settlement charges	298,718	141,646
Sindh Sales Tax on settlement charges	38,833	18,414
Atlas Battery Limited (Group Company)		
Redemption of Nil (2019: 5) units	-	2,347
Atlas Foundation (Group Company)		
Issue of 23,822 (2019: Nil) units	14,000,000	-
Atlas Insurance Limited (Group Company)		
Issue of 162,581 (2019: Nil) units	100,000,000	-
Redemption of 22,157 (2019: Nil) units	15,000,000	-
Atlas Metals (Private) Limited		
Issue of 30,727 (2019: Nil) units	20,000,000	-
Atlas Honda Limited (Group Company)		
Issue of Nil (2019: 1,146) units	-	537,873
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 92,485 (2019: Nil) units	60,000,000	-
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Issue of 2,013 (2019: 10,521) units	1,250,000	5,000,000
Redemption of 12,990 (2019: 16,653) units	8,000,000	9,500,000
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Redemption of 11,310 (2019: Nil) units	7,246,299	-
Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)		
Redemption of 619,931 (2019: 16,653) units	400,000,000	-
Sindh Province Pension Fund (Unit Holder with more than 10% holding)		
Issue of Nil (2019: 961,763) units	-	536,000,000
CDC-Trustee Punjab Pension Fund Trust		
Issue of 557,374 (2019: Nil) units	350,000,000	-
Sindh General Provident Investment Fund (Unit Holder with more than 10% holding)		
Issue of Nil (2019: 1,099,069) units	-	504,000,000
Directors and their close family members and key management personnel of the Management Company		
Issue of 21,450 (2019: 284,664) units	13,354,363	151,478,115
Redemption of 1,988 (2019: 510) units	1,275,000	254,369

Atlas Stock Market Fund

16.2 Details of balances with related parties as at the period / year end are as follows:	31 December	30 June
	2020	2020
	Un-audited	Audited
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	18,799,512	13,608,253
Sindh Sales tax payable on remuneration of the Management Company	5,412,983	4,738,119
Federal Excise Duty payable on remuneration of the Management Company	20,301,988	20,301,988
Accounting and operational charges payable	2,285,995	963,918
Outstanding 97,754 (30 June 2020: 206,561) units - at net asset value	66,320,503	106,731,932
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	868,243	648,978
Sindh Sales tax payable on remuneration of trustee	112,873	84,367
Settlement charges payable	60,000	3,000
Sindh Sales tax payable on settlement charges	7,800	390
Atlas Honda Limited (Group Company)		
Outstanding 28,216 (30 June 2020: 28,216) units - at net asset value	19,142,715	14,579,293
Atlas Foundation (Group Company)		
Outstanding 892,898 (30 June 2020: 869,076) units - at net asset value	605,781,158	449,060,074
Atlas Group of Companies Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 123,249 (30 June 2020: 134,226) units - at net asset value	83,617,290	69,355,779
Atlas Honda Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 99,795 (30 June 2020: 99,795) units - at net asset value	67,705,265	51,565,041
Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 22,236 (30 June 2020: 22,236) units - at net asset value	15,086,083	11,489,720
Atlas Insurance Limited (Group Company)		
Outstanding 253,753 (30 June 2020: 113,329) units - at net asset value	172,157,246	58,558,370
Atlas Metals (Private) Limited		
Outstanding 30,727 (30 June 2020: Nil) units - at net asset value	20,846,711	-
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 213,744 (30 June 2020: 213,744) units - at net asset value	145,013,383	110,443,716
Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement Benefit plan of a Group Company)		
Outstanding 124,520 (30 June 2020: 32,035) units - at net asset value	84,480,072	16,553,033
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement Benefit plan of a Group Company)		
Outstanding 15,239 (30 June 2020: 26,549) units - at net asset value	10,338,547	13,717,917

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	31 December 2020	30 June 2020
	Un-audited	Audited
	-----Rupees-----	
Shirazi Investments (Private) Limited (Group Company) (Unit Holder with more than 10% holding)		
Outstanding 4,110,034 (30 June 2020: 4,729,966) units - at net asset value	2,788,427,662	2,444,020,517
Sindh Province Pension Fund (Unit Holder with more than 10% holding)		
Outstanding 1,452,355 (30 June 2020: Nil) units - at net asset value	985,341,120	-
CDC-Trustee Punjab Pension Fund Trust (Unit Holder with more than 10% holding)		
Outstanding 1,360,129 (30 June 2020: Nil) units - at net asset value	922,770,812	-
Directors and their close family members and key management personnel of the Management Company		
Outstanding 1,251,613 (30 June 2020: 1,232,151) units - at net asset value	849,149,540	636,664,632

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 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

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

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

The Fund recognises equity securities at fair value which is determined using the rate at which they are quoted on Pakistan Stock Exchange Limited (Level 1). Fair value of remaining financial assets is not significantly different from their carrying value.

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 2020 and 31 December 2019 have not been subject to limited scope review by the statutory auditors of the Fund.

Atlas Stock Market Fund

18.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

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

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

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 25 February 2021.

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

Qurrat-ul-Ain Jafari
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Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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