



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

QUARTERLY REPORT

30 September 2015

(UN-AUDITED)



Management Company

Atlas Asset Management

Rated AM2- by PACRA



Vision

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

Mission Statement

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

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

Directors Mr. Azam Faruque
(Independent Director)

Mr. Shamshad Nabi
(Independent Director)

Mr. Frahim Ali Khan
(Non-Executive Director)

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

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

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

Company Secretary Ms Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman Mr. Azam Faruque

Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman Mr. Azam Faruque

Members Mr. Shamshad Nabi
Mr. Ali H. Shirazi

Secretary Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

Chairman Mr. Frahim Ali Khan

Members Mr. Ali H. Shirazi
Mr. M. Habib-ur-Rahman

Investment Committee

Chairman Mr. M. Habib-ur-Rahman

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

Secretary Mr. Muhammad Shakeel

Management Committee

Chairman Mr. M. Habib-ur-Rahman

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

Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman

Members Mr. Muhammad Abdul Samad
Ms Zainab Hussain

Secretary Syed Bilal Ejaz

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

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Third Quarter Report 2014-15

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited financial statements of Atlas Islamic Income Fund (AIIF) and Atlas Islamic Stock Fund (AISF) for the first quarter ended 30 September 2015 of the FY 2015-16.

The Economy

During the period, July-September FY 2015-16, total exports stood at US\$ 5.2 billion as compared to US\$ 6.0 billion worth of exports reported in the same period last year. The foreign exchange reserves of the country stood at US\$ 18.35 billion as on 25 September 2015 with SBP's share of US\$ 13.41 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-September FY 2015-16 stood at US\$ 5.0 billion, which was an increase of 4.01% YoY compared to the corresponding period last year. CPI inflation for the period of July-September FY 2015-16 was recorded at 1.67%. The SBP in its latest monetary policy statement decided to cut policy rate to 6.0% from 6.5% that makes the cumulative cut of 400bps in policy rate since Nov-2014.

Fund Operations - AIIF

The Net Asset Value per unit of AIIF increased by 1.38% to Rs.508.36 as on 30 September 2015, this works out to 5.47% on an annualized basis. The AIIF's total exposure in Government of Pakistan Ijara Sukuks was 48.9% with remaining 49.9% in high yielding Shariah compliant bank deposits. The Net Assets of the Fund stood at Rs.449.42 million, with 0.88 million units outstanding as of 30 September 2015.

Fund Operations - AISF

The Net Asset Value per unit of AISF decreased by 7.78% to Rs.412.16 as on 30 September 2015. The benchmark KMI-30 index has decreased by 5.56% during the same period. The KMI-30 index has decreased from 57,271.34 points as on 30 June 2015 to 54,084.96 points as on 30 September 2015. AISF's strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. AISF's equity portfolio exposure was mainly in Fertilizers, Cement, Oil & Gas Marketing, and Power Generation & Distribution sectors. The Net Assets of the Fund stood at Rs.1.22 billion, with 2.95 million units outstanding as of 30 September 2015.

Ratings

• Asset Manager Rating

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

• Fund Stability Rating - AIIF

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

• Star Ranking - AISF

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

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Future Outlook

Pakistan's economic outlook presents promising picture on subsiding CPI inflation, strong external account position and improving GDP growth potential. SBP's forecast of average CPI inflation for FY 2015-16 of 4.50% - 5.50% looks attainable which is below the annual planned target of 6.00%. The decline in inflation has been emanating from decline in international commodity prices resulting in monetary easing of 400bps from SBP since Nov-2014. This is expected to bode well for the economy as credit off-take will strengthened further. On the external front foreign exchange reserves have crossed US\$ 20 billion in September 2015 that is an all-time high with realization of receipts from Coalition Support Fund, IMF's EFF, Privatization proceeds, Euro Bond issues and healthy remittances. Balance of trade deficit was recorded on decline as compared to the last year. Improved macro-economic condition has provided opportunity to gear up reforms that are required to broaden the tax base, reduce subsidies and achieve fiscal targets for a sustainable economic growth.

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

زندگانی کی حقیقت کوہ کن سے جا کے پوچھ
جوئے شیر و تیشہ و سنگِ گراں ہے زندگی
(Life is both hard and joy)

Acknowledgement

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

Karachi: 28 October 2015

Yusuf H. Shirazi
Chairman

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Atlas Islamic 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

Shariah Advisor

Mufti Muhammad Yahya Asim

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Al-Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
MCB Bank Limited - Islamic Banking

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 30 SEPTEMBER 2015

		30 September 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	-----
ASSETS			
Cash and Bank balances	4	228,102,736	253,953,014
Investments	5	223,490,760	166,780,000
Receivable against issue of units		222,434	31,089,640
Profit accrued	6	4,999,364	3,312,168
Deposit, prepayment & other receivable		135,336	100,000
Total assets		456,950,630	455,234,822
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	1,913,992	2,004,515
Payable to Central Depository Company of Pakistan Limited - Trustee		72,232	51,268
Annual fee payable to the Securities and Exchange Commission of Pakistan		82,602	361,895
Payable against redemption of units		-	9,203,472
Dividend payable		-	12,510,325
Accrued and other liabilities	8	5,464,767	6,656,376
Total liabilities		7,533,593	30,787,851
NET ASSETS		449,417,037	424,446,971
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		449,417,037	424,446,971
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		884,059	846,460
NET ASSET VALUE PER UNIT		508.36	501.44

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

First Quarter Report 2015-16

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Note	2015	2014
		Rupees -----	
Income			
Markup income	10	7,266,863	12,750,072
Net unrealised diminution on remeasurement of investments classified as "financial assets at fair value through profit or loss"		(326,530)	(2,491,390)
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net		140,713	(62,277)
		7,081,046	10,196,405
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company		330,410	1,139,555
Sindh Sales Tax on Remuneration of the Management Company	7.1	53,659	198,283
Federal Excise Duty on Remuneration of the Management Company	7.2	52,866	182,329
Remuneration of Central Depository Company of Pakistan Limited - Trustee		187,233	227,910
Sindh Sales Tax on Remuneration of the Trustee		26,213	-
Annual fees - Securities and Exchange Commission of Pakistan		82,602	100,550
Auditors' remuneration		56,643	42,340
Securities transaction cost		14,683	1,500
Annual listing fee		7,541	10,000
Annual rating fee		71,148	60,500
Printing charges		77,245	68,375
Bank charges		7,634	924
Provision for Workers' Welfare Fund	8.1	-	163,283
		967,877	2,195,549
Net income for the period before taxation		6,113,169	8,000,856
Taxation	11	-	-
Net income for the period after taxation		6,113,169	8,000,856

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	2015	2014
	----- Rupees -----	
Net income for the period after taxation	6,113,169	8,000,856
Other comprehensive income	-	-
Total comprehensive income for the period after taxation	6,113,169	8,000,856

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	2015	2014
	----- Rupees -----	
Undistributed income brought forward	1,252,989	4,359,895
Net income for the period after taxation	6,113,169	8,000,856
Undistributed income carried forward	<u>7,366,158</u>	<u>12,360,752</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	30 September 2015		30 September 2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.501.44 (2014: Rs.505.03) per unit]	846,460	424,446,971	1,030,979	520,673,686
Issue of units	100,935	51,034,044	81,464	41,421,899
Redemption of units	(63,336)	(32,036,434)	(75,722)	(38,584,038)
	37,599	18,997,610	5,743	2,837,861
Element of (income) / loss and capital losses / (gains) included in prices of units issued less those in units redeemed - net	-	(140,713)	-	62,277
Net unrealised diminution on remeasurement of investments classified as "financial assets at fair value through profit or loss"	-	(326,530)	-	(2,491,390)
Other income for the period	-	6,439,699	-	10,492,246
Total comprehensive income for the period	-	6,113,169	-	8,000,856
Net assets at the end of the period [Rs.508.36 (2014: Rs.512.75) per unit]	884,059	449,417,037	1,036,721	531,574,680

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	2015	2014
Note	----- Rupees -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	6,113,169	8,000,856
Adjustment for:		
Markup income	(7,266,863)	(12,750,072)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	326,530	2,491,390
Element of (income)/loss and capital losses/(gains) included in prices of units issued less those in units redeemed - net	(140,713)	62,277
	(7,081,046)	(10,196,405)
Increase in deposit, prepayment & other receivable	(35,336)	(30,000)
(Decrease) / Increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(90,523)	231,695
Payable to Central Depository Company of Pakistan Limited	20,964	4,435
Annual fee payable to the Securities and Exchange Commission of Pakistan	(279,293)	(293,087)
Dividend payable	(12,510,325)	-
Accrued and other liabilities	(1,191,609)	217,117
	(14,050,786)	160,160
Investments made during the period	(57,037,290)	-
Markup received	5,579,667	10,631,297
Net cash (used in)/generated from operating activities	(66,511,622)	8,565,908
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	81,901,250	41,421,899
Net payments against redemption of units	(41,239,906)	(38,584,038)
Net cash generated from financing activities	40,661,344	2,837,861
Net (decrease) / increase in cash and cash equivalents	(25,850,278)	11,403,769
Cash and cash equivalents at the beginning of the period	253,953,014	282,423,544
Cash and cash equivalents at the end of the period	4 228,102,736	293,827,313

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Islamic Income Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplemental Trust Deed dated 23 June 2010, the Second Supplemental Trust Deed dated 12 November 2010, and Third Supplemental Trust Deed dated 20 September 2013, with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First Supplement dated 23 June 2010, the Second Supplement dated 12 November 2010, the Third Supplement dated 20 September 2013, Fourth Supplement dated 24 March 2015 and the fifth supplement 3 August 2015 with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2** Units of the Fund are offered for public subscription on a continuous basis since 14 October 2008, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 1.3** According to the trust deed, the objective of the Fund is to provide investors with a good and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realize capital appreciation. The investment objectives and policies are fully defined in the Fund's Offering Document.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements of the Fund and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2015.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2015.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2015.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

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

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		30 September 2015	30 June 2015
		Un-audited	Audited
4. BANK BALANCES	Note	----- Rupees -----	----- Rupees -----
In local currency			
- Profit and loss sharing accounts	4.1	228,097,736	205,237,071
- Current account		5,000	8,125,943
- Cheques in hand		-	40,590,000
		<u>228,102,736</u>	<u>253,953,014</u>

4.1 The rate of return on these profit and loss sharing accounts ranges between 4% to 6.5% (30 June 2015: 4% to 7%) per annum.

		30 September 2015	30 June 2015
		Un-audited	Audited
5. INVESTMENTS	Note	----- Rupees -----	----- Rupees -----

At fair value through profit or loss

Government Securities

Government of Pakistan (GoP) - Ijarah Sukuks	5.1	<u>223,490,760</u>	<u>166,780,000</u>
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5.1 Government of Pakistan - Ijarah Sukuks

Script	Face Value - Rupees			As at 30 September 2015	Rupees		Percentage of	
	As at 01 July 2015	Acquired during the period	Disposed during the period		Market Value	Total investment	Net assets	
GoP - Ijarah Sukuks	165,900,000	56,900,000	-	222,800,000	223,490,760	100.00	49.73	
	<u>165,900,000</u>	<u>56,900,000</u>	<u>-</u>	<u>222,800,000</u>	<u>223,490,760</u>	<u>100.00</u>	<u>49.73</u>	

5.2 The cost of investments amounts to Rs.223,278,570/- (30 June 2015: Rs. 166,313,208/-).

5.3 The expected rate of markup ranges between 4.75% to 7.80% (30 June 2015: 4.75% to 8.34%) per annum and will mature by 25 June 2017 (30 June 2015: 25 June 2017).

		30 September 2015	30 June 2015
		Un-audited	Audited
6. PROFIT ACCRUED	Note	----- Rupees -----	----- Rupees -----
Profit and loss sharing accounts		2,047,993	782,551
GoP - Ijarah Sukuks		2,951,371	2,529,617
		<u>4,999,364</u>	<u>3,312,168</u>

7. PAYABLE TO THE MANAGEMENT COMPANY

Management fee		110,926	241,083
Sindh Sales Tax payable on remuneration of the Management Company	7.1	256,845	270,077
Federal Excise Duty payable on remuneration of the Management Company	7.2	1,546,221	1,493,355
		<u>1,913,992</u>	<u>2,004,515</u>

Atlas Islamic Income Fund

- 7.1 During the period, an amount of Rs.53,659 (2014: Rs.198,283) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.66,891 (2014: Rs.171,096) has been paid to the Management Company which acts as the collecting agent.
- 7.2 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 7.1 above, the Management Company is of the view that further levy of FED is not justified.

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

As a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund aggregating to Rs.1,546,221 with effect from 13 June 2013.

	30 September 2015	30 June 2015
	Un-audited	Audited
Note	----- Rupees -----	

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	59,337	173,430
Printing charges payable	334,896	257,650
Brokerage payable	28,079	23,000
Fund rating fee	71,148	-
Withholding tax payable	27,331	1,291,684
Provision for Workers' Welfare Fund	8.1 4,443,900	4,443,900
Zakat payable	35,213	1,849
Other payable	464,863	464,863
	<u>5,464,767</u>	<u>6,656,376</u>

- 8.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company has been providing for WWF contribution since the financial year ended 30 June 2010.

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

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

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

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has continued to maintain the provision for WWF amounting to Rs.4,443,900 (30 June 2015: Rs.4,443,900) in these financial statements. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.5.03 (30 June 2015: Rs.5.25) per unit.

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

9. CONTINGENCIES AND COMMITMENTS

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

For the Quarter Ended	
30 September 2015	30 September 2014
Un-audited	Un-audited
----- Rupees -----	

10. MARK UP INCOME

Profit and loss sharing accounts	3,849,658	6,931,1144
Government of Pakistan - Ijarah Sukuks	3,417,205	5,818,958
	<u>7,266,863</u>	<u>12,750,072</u>

11. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

Atlas Islamic Income Fund

12. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

		<u>For the Quarter Ended</u>	
		30 September 2015	30 September 2014
		Un-audited	Un-audited
Note -----		Rupees -----	Rupees -----

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

Atlas Asset Management Limited (Management Company)			
Remuneration of the management company		330,410	1,139,555
Remuneration paid		460,567	1,117,376
Sindh Sales Tax on Remuneration of the Management Company		53,659	198,283
Federal Excise Duty on Remuneration of the Management Company		52,866	182,329
Redemption of Nil (2014: 28,404) units		-	14,500,000
Dividend Paid		494,439	-
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of the Trustee		187,233	227,910
Remuneration of the Trustee paid		175,640	223,475
Sindh Sales Tax on Remuneration of the Trustee		26,213	-
Settlement charges		1,500	-
Settlement charges paid		1,000	1,500
Sindh Sales Tax on settlement charges		210	-
Hamdard Laboratories (WAQF) Pakistan (Unit Holder with more than 10% holding)			
Sale of 48,319 units (2014: N/A)	12.3	24,462,896	-
Shirazi Capital (Private) Limited (Group Company)			
Redemption of 991 (2014: Nil) units		500,000	-
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of group company)			
Dividend paid		39,733	-
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)			
Dividend paid		956,018	-
Meezan Bank Limited (Unit Holder with more than 10% holding)			
Dividend paid		3,955,774	-
Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)			
Dividend paid		771,123	-
Key Management Personnel of Management Company 12.4			
Issue of 4,885 (2014: 3,938) units		2,475,000	2,000,000
Redemption of 3,694 (2014: 1,915) units		1,870,000	975,000
Dividend paid		188,886	-

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	30 September 2015	30 June 2015
	Un-audited	Audited
	Note -----	Rupees -----

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

Atlas Asset Management Limited (Management Company)

Remuneration payable to the management company	110,926	241,083
Sindh Sales Tax payable on remuneration of the management company	256,845	270,077
Federal Excise Duty payable on remuneration of the Management Company	1,546,221	1,493,355
Outstanding 13,101 (30 June 2015: 13,101) - at net asset value	6,659,849	6,569,192
Cash dividend	-	494,439

Central Depository Company of Pakistan Limited (Trustee)

Remuneration payable to trustee	62,861	51,268
Sindh Sales Tax payable on remuneration of Trustee	8,801	-
Settlement Charges Payable	500	-
Sindh Sales Tax payable on settlement charges	70	-

Atlas Power Limited Staff Provident Fund

(Retirement benefit plan of group company)

Outstanding 993 (30 June 2015: 993) - at net asset value	504,964	498,090
Dividend payable	-	39,733

Atlas Group of Companies, Management Staff Gratuity Fund

(Retirement benefit plan of group company)

Outstanding 21,308 (30 June 2015: 21,308) units - at net asset value	10,832,088	10,684,637
Dividend payable	-	956,018

Hamdard Laboratories (WAQF) Pakistan

(Unit Holder with more than 10% holding)

Outstanding 109,232 units (30 June 2015: N/A) - at net asset value 12.3	55,528,939	-
---	------------	---

Meezan Bank Limited (Unit Holder with more than 10% holding)

Outstanding 98,894 (30 June 2015: 98,894) units - at net asset value	50,273,937	49,589,588
Dividend payable	-	3,955,774

Shirazi Capital (Private) Limited (Group Company)

Outstanding 174,097 (30 June 2015: 175,088) units - at net asset value	88,503,812	87,796,000
--	------------	------------

Shirazi Investments (Private) Limited (Group Company)

Outstanding 57,090 (30 June 2015: 57,090) units - at net asset value	29,022,060	28,627,000
--	------------	------------

Shirazi Trading Company (Private) Limited Employees Provident Fund

(Retirement benefit plan of a Group Company)

Outstanding 19,278 (30 June 2015: 19,278) units - at net asset value	9,800,203	9,666,799
Dividend payable	-	771,123

Key Management Personnel of Management Company 12.4

Outstanding 15,732 (30 June 2015: 14,542) units - at net asset value	7,997,734	7,291,650
Dividend payable	-	188,886

Atlas Islamic Income Fund

12.3 Holding being less than 10% in Financial period 2014-15, disclosure is not applicable.

12.4 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs. 4 million and above, as set by the Board of Directors of the Management Company for FY 2015-16.

12.5 The transactions with related parties/connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

13. GENERAL

Figures have been rounded off to the nearest Rupee.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 October 2015.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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Atlas Islamic Stock 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

Shariah Advisor

Mufti Muhammad Yahya Asim

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Al-Baraka Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Bank Alfalah Limited - Islamic Banking

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 30 SEPTEMBER 2015

		30 September 2015 Un-audited	30 June 2015 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	13,987,756	117,843,272
Investments	5	1,203,355,578	1,369,931,242
Profit receivable on bank balances		391,710	270,413
Dividend receivable		22,161,300	2,723,000
Receivable against sale of investments		7,840,000	10,935,816
Receivable against issue of units		280,999	4,015,071
Deposits, Prepayment and other receivables		2,823,401	2,600,000
Total assets		1,250,840,744	1,508,318,814
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	10,718,609	9,699,170
Payable to Central Depository Company of Pakistan Limited		223,805	209,836
Payable to the Securities and Exchange Commission of Pakistan		316,892	918,764
Payable against purchase of investments		160,000	53,519,424
Payable against redemption of units		-	4,935,913
Accrued and other liabilities	7	23,887,701	23,272,926
Total liabilities		35,307,007	92,556,033
NET ASSETS		1,215,533,737	1,415,762,781
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,215,533,737	1,415,762,781
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		2,949,210	2,854,233
NET ASSET VALUE PER UNIT		412.16	496.02

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	2015	2014
Note	----- Rupees -----	-----
INCOME		
Profit on bank balances	1,370,173	1,660,794
Dividend income	23,129,925	16,132,500
Capital gain on sale of investments - net	8,040,286	8,638,959
Net unrealized diminution on re-measurement of investments classified as financial assets at fair value through profit or loss ¹	(122,003,861)	(9,381,778)
	(113,963,575)	(742,819)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	1,066,015	182,833
	(88,397,462)	17,233,308
EXPENSES		
Remuneration of Atlas Asset Management Limited - Management Company	6,671,408	4,220,289
Sindh sales tax on remuneration of the Management Company	6.1 1,083,437	734,330
Federal Excise Duty on remuneration of the Management Company	6.2 1,067,425	675,246
Remuneration of Central Depository Company of Pakistan Limited - Trustee	584,937	422,027
Sindh sales tax on remuneration of the Trustee	81,891	-
Annual fee - Securities and Exchange Commission of Pakistan	316,892	200,462
Auditors' remuneration	86,006	66,380
Securities transaction cost	1,092,098	539,631
Annual listing fee	10,073	10,000
Annual ranking fee	32,678	25,000
Printing charges	76,415	68,375
Bank charges	7,217	5,990
Provision for Workers' Welfare Fund	7.2 -	205,312
	11,110,477	7,173,042
Net (loss) / income for the period before taxation	(99,507,939)	10,060,266
Taxation	9 -	-
Net (loss) / income for the period after taxation	(99,507,939)	10,060,266

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	2015	2014
	----- Rupees -----	
Net (loss) / income for the period after taxation	(99,507,939)	10,060,266
Other comprehensive income / (loss)	-	-
Total comprehensive (loss) / income for the period	(99,507,939)	10,060,266

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	2015	2014
	----- Rupees -----	
Undistributed income brought forward	338,826,471	89,513,943
Cash dividend declared for the year ended 30 June 2015 at the rate of Rs.50 per unit on 7 July 2015	(142,711,650)	-
Net (loss) / income for the period after taxation	(99,507,939)	10,060,266
Shariah non-compliant income set-aside for charity	7.1 (359,136)	(175,294)
Undistributed income carried forward	96,247,746	99,398,916

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	30 September 2015		30 September 2014	
	Units	Rupees	Units	Rupees
Net assets at beginning of the year [Rs. 496.02 (2014: Rs.408.67) per unit]	2,854,233	1,415,762,781	1,980,470	809,363,692
Issue of units	228,229	101,952,372	246,455	101,674,107
Redemption of units	(133,252)	(58,536,676)	(196,056)	(80,894,848)
	94,977	43,415,696	50,399	20,779,260
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	(1,066,015)	-	(182,833)
Cash dividend declared for the year ended 30 June 2015 at the rate of Rs.50 per unit on 7 July 2015	-	(142,711,650)	-	-
Capital gain on sale of investments - net	-	8,040,286	-	8,638,959
Net unrealized diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(122,003,861)	-	(9,381,778)
Other net income for the period	-	14,455,636	-	10,803,085
Total comprehensive (loss)/income for the period	-	(99,507,939)	-	10,060,266
Shariah non-compliant income set-aside for charity	-	(359,136)	-	(175,294)
Net assets at end of the period [Rs.412.16 (2014: Rs.413.54) per unit]	2,949,210	1,215,533,737	2,030,869	839,845,091

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	2015	2014
Note	----- Rupees -----	-----
Cash flows from operating activities		
Net (loss)/income for the period after taxation	(99,507,939)	10,060,266
Adjustments for:		
Profit receivable on bank balances	(1,370,173)	(1,660,794)
Dividend income	(23,129,925)	(16,132,500)
Capital gain on sale of investments - net	(8,040,286)	(8,638,959)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	122,003,861	9,381,778
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(1,066,015)	(182,833)
	88,397,462	(17,233,308)
Decrease / (increase) in assets		
(Receivable) / payable against sale / purchase of investments	3,095,816	6,581,463
Deposits, Prepayment and other receivables	(223,401)	4,695,000
	2,872,415	11,276,463
Increase / (decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	1,019,439	926,240
Payable to Central Depository Company of Pakistan Limited	13,969	15,822
Payable to the Securities and Exchange Commission of Pakistan	(601,872)	(674,452)
Payable against purchase of investments	(53,359,424)	(19,755,364)
Accrued and other liabilities	255,639	77,248
	(52,672,249)	(19,410,506)
Investments made during the period	(633,475,719)	(274,153,366)
Investments sold during the period	686,087,808	204,623,754
Profit received on bank balances	1,248,876	1,956,218
Dividend received	3,691,625	6,305,000
Net cash used in from operating activities	(3,357,721)	(76,575,479)
Cash flows from financing activities		
Net receipts from issuance of units	105,686,444	101,674,107
Net payments against redemption of units	(63,472,589)	(80,894,848)
Cash payout distribution	(142,711,650)	-
Net cash (used in) / generated from financing activities	(100,497,795)	20,779,259
Net decrease in cash and cash equivalents during the period	(103,855,516)	(55,796,220)
Cash and cash equivalents at the beginning of the period	117,843,272	124,718,193
Cash and cash equivalents at the end of the period 4	13,987,756	68,921,973

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Atlas Islamic Stock Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted by a trust deed entered into on 29 May 2004 between Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, and Fifth Supplemental Trust Deeds dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, and 4 December 2009 respectively, with the approval of the SECP. The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated 21 June 2005, 24 July 2006, 29 October 2007, 6 March 2008, 4 December 2009, 14 October, 2013, 24 March 2015 and 3 August 2015 respectively, with the approval of the SECP. The registered office of AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 15 January 2007 and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 1.3 According to the trust deed, the objective of the Fund is to provide one window facility to invest in diversified, professionally managed investment portfolio of shariah compliant securities, such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding TDRs) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 " Interim Financial Reporting", the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements of the Fund and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2015.

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 this condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 30 September 2015.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2015.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

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

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	30 September	30 June
	2015	2015
	Un-audited	Audited
Note	----- Rupees -----	-----

4. BANK BALANCES

In local currency

- Profit and loss sharing accounts	4.1	13,979,856	116,267,538
- Current account		7,900	1,575,734
		13,987,756	117,843,272

4.1 The rate of return on these profit and loss sharing accounts ranges between 4% to 6.5% (30 June 2015: 4% to 7%) per annum.

5. INVESTMENTS

At fair value through profit or loss - held for trading	5.1	1,203,355,578	1,358,056,242
- Investment in listed equity securities		-	11,875,000
- Investment through book building of shares of Al Shaheer Corporation Limited		1,203,355,578	1,369,931,242

5.1 Listed equity securities

At Fair value through profit or loss

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

Name of Investee Company	Number of shares held					Rupees		Percentage of		
	As at 01 July 2015	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 September 2015	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market value as a percentage of paid up capital of investee company held
AUTOMOBILE ASSEMBLER										
Honda Atlas Cars (Pakistan) Limited	-	20,000	-	20,000	-	-	-	-	-	-
Indus Motor Company Limited	-	160	-	-	160	160,000	160,224	0.01	0.01	0.01
Millat Tractors Limited	20,000	-	-	-	20,000	13,716,400	12,493,600	1.04	1.03	1.03
Pak Suzuki Motor Company Limited	-	50,200	-	-	50,200	23,045,218	20,811,414	1.73	1.71	0.06
Sazgar Engineering Works Limited	-	34,500	-	34,500	-	-	-	-	-	-
	20,000	104,860	-	54,500	70,360	36,921,618	33,465,238	2.78	2.75	
CABLE & ELECTRICAL GOODS										
Pak Elektron Limited	150,000	390,000	-	-	540,000	42,382,353	38,928,600	3.24	3.20	0.14
CEMENT										
Attock Cement Pakistan Limited	276,600	20,000	-	-	296,600	56,559,960	51,851,612	4.31	4.27	0.26
Cherat Cement Limited	-	175,000	-	-	175,000	16,184,205	15,088,500	1.25	1.24	0.10
Fauji Cement Company Limited	1,400,000	400,000	-	1,400,000	400,000	14,234,880	13,392,000	1.11	1.10	0.03
Kohat Cement Limited	100,000	125,000	-	-	225,000	47,545,344	42,966,000	3.57	3.53	0.15
Lucky Cement Limited	215,000	70,000	-	82,500	202,500	106,749,488	106,656,750	8.86	8.77	0.06
Pioneer Cement Limited	100,000	200,000	-	-	300,000	26,528,440	26,022,000	2.16	2.14	0.13
	2,091,600	990,000	-	1,482,500	1,599,100	267,802,317	255,976,862	21.27	21.06	

Atlas Islamic Stock Fund

Name of Investee Company	Number of shares held					Rupees		Percentage of		
	As at 01 July 2015	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 September 2015	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market value as a percentage of paid up capital of investee company held
Held for trading equity securities (Continued...)										
COMMERCIAL BANKS										
Meezan Bank Limited	472,500	172,500	-	-	645,000	27,117,580	32,559,600	2.71	2.68	0.06
FERTILIZER										
Dawood Hercules Corporation Limited	-	256,000	-	-	256,000	32,107,464	26,972,160	2.24	2.22	0.05
Engro Fertilizers Limited	875,000	525,000	-	687,500	712,500	65,995,581	63,982,500	5.32	5.26	0.05
Engro Corporation Limited	525,000	125,000	-	265,000	385,000	116,776,990	114,876,300	9.55	9.45	0.07
Fauji Fertilizer Bin Qasim Limited	375,000	-	-	375,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	200,000	552,300	-	202,300	550,000	74,294,939	67,897,500	5.64	5.59	0.04
	1,975,000	1,458,300	-	1,529,800	1,903,500	289,174,974	273,728,460	22.75	22.52	
FOOD & PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	125,000	-	-	-	125,000	11,875,000	10,262,500	0.85	0.84	0.14
GLASS & CERAMICS										
Ghani Glass Limited	700,000	-	-	700,000	-	-	-	-	-	-
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	100	-	-	-	100	46,860	36,318	-	-	-
Pakistan Oilfields Limited	257,000	60,000	-	267,000	50,000	16,273,408	14,696,500	1.22	1.21	0.02
Pakistan Petroleum Limited	900,000	-	-	200,000	700,000	114,982,000	83,398,000	6.93	6.86	0.04
	1,157,100	60,000	-	467,000	750,100	131,302,268	98,130,818	8.15	8.07	
OIL AND GAS MARKETING COMPANIES										
Attock Petroleum Limited	130,600	-	-	70,300	60,300	34,203,366	30,165,075	2.51	2.48	0.07
Pakistan State Oil Company Limited	395,000	30,000	-	90,000	335,000	128,905,086	96,610,650	8.03	7.95	0.12
Sui Northern Gas Pipelines Limited	1,200,000	225,000	-	625,000	800,000	22,948,003	25,144,000	2.09	2.07	0.13
	1,725,600	255,000	-	785,300	1,195,300	186,056,455	151,919,725	12.62	12.50	
PAPER & BOARD										
Packages Limited	-	60,000	-	-	60,000	34,091,685	32,010,000	2.66	2.63	0.07
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	-	11,550	-	-	11,550	8,155,790	7,547,925	0.63	0.62	0.01
Ferozsons Laboratories Limited	-	45,000	-	20,500	24,500	19,714,304	18,544,050	1.54	1.53	0.08
Highnoon Laboratories Limited	-	7,300	-	7,300	-	-	-	-	-	-
	-	63,850	-	27,800	36,050	27,870,094	26,091,975	2.17	2.15	

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Name of Investee Company	Number of shares held					Rupees		Percentage of		
	As at 01 July 2015	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 September 2015	Carrying Cost	Market Value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Market value as a percentage of paid up capital of investee company held

Held for trading equity securities (Continued...)

POWER GENERATION & DISTRIBUTION

K-Electric Limited	2,000,000	600,000	-	1,000,000	1,600,000	12,698,000	11,296,000	0.94	0.93	0.01
Lalpir Limited	1,500,000	847,500	-	347,500	2,000,000	62,848,610	58,340,000	4.85	4.80	0.53
Pakgen Power Limited	1,150,000	-	-	200,000	950,000	28,509,500	26,552,500	2.21	2.18	0.26
The Hub Power Company Limited	800,000	100,000	-	450,000	450,000	42,318,820	44,208,000	3.67	3.64	0.04
	5,450,000	1,547,500	-	1,997,500	5,000,000	146,374,930	140,396,500	11.67	11.55	

REFINERY

Attock Refinery Limited	-	50,000	-	-	50,000	12,287,737	9,549,500	0.79	0.79	0.06
National Refinery Limited	-	90,000	-	-	90,000	22,747,261	19,792,800	1.64	1.63	0.11
	-	140,000	-	-	140,000	35,034,998	29,342,300	2.44	2.41	

TECHNOLOGY & COMMUNICATION

Pakistan Telecommunication Company Limited	650,000	1,550,000	-	-	2,200,000	45,968,312	38,258,000	3.18	3.15	0.06
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TEXTILE COMPOSITE

Kohinoor Textile Mills Limited	-	300,000	-	-	300,000	21,366,855	21,165,000	1.76	1.74	0.12
Nishat Mills Limited	75,000	-	-	75,000	-	-	-	-	-	-
	75,000	300,000	-	75,000	300,000	21,366,855	21,165,000	1.76	1.74	

REAL ESTATE INVESTMENT TRUST

Dolmen City Reit	2,000,000	-	-	-	2,000,000	22,020,000	21,120,000	1.76	1.74	0.09
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Total as at 30 September 2015 1,325,359,439 1,203,355,578 100.00 99.00

Total as at 30 June 2015 1,302,324,910 1,358,056,242

5.2 The cost of listed securities as at 30 September 2015 is Rs.1,236,213,113 (30 June 2015: Rs.1,289,801,336).

Atlas Islamic Stock Fund

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

	Number of shares		Market value	
	30 September 2015 Un-audited	30 June 2015 Audited	30 September 2015 Un-audited	30 June 2015 Audited
	----- Rupees -----			
The Hub Power Company Limited	200,000	700,000	19,648,000	65,499,000
Pakistan Petroleum Limited	135,000	-	16,083,900	-
Pakistan State Oil Company Limited	110,000	50,000	31,722,900	19,289,500
Lucky Cement Limited	75,000	75,000	39,502,500	38,971,500
Pakistan Oilfields Limited	-	57,000	-	23,017,740
	520,000	882,000	106,957,300	-

30 September
2015
Un-audited

30 June
2015
Audited

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

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

Remuneration of the Management Company		2,051,459	2,205,296
Sindh Sales Tax payable on remuneration of the Management Company	6.1	1,397,974	1,292,124
Federal Excise Duty payable on remuneration of the Management Company	6.2	7,269,176	6,201,750
		10,718,609	9,699,170

6.1 During the period, an amount of Rs.1,083,437 (30 Sep 2014: Rs.734,330) 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.977,587 (2014: Rs.624,331) has been paid to the Management Company which acts as the collecting agent.

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

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

As a matter of abundant caution, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013.

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	Note	30 September 2015	30 June 2015
		Un-audited	Audited
		Rupees	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		76,604	230,110
Printing charges payable		333,915	257,500
Ranking fee payable		160,278	127,600
Charity payable	7.1	359,136	157,244
Transaction charges payable		1,696,579	939,644
Withholding tax payable		81,043	452,126
Zakat payable		71,853	409
Provision for Workers' Welfare Fund	7.2	21,015,392	21,015,392
Others		92,901	92,901
		23,887,701	23,272,926

7.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 359,136 (30 June 2015: Rs.157,244) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity and shall be paid in due course of time.

7.2 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) / pension funds whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

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

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

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

In view of the pending decision, the Management Company of the Fund, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 21,015,392 (30 June 2015: Rs. 21,015,392) in these financial statements. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs. 7.13 (2015: Rs. 7.36) per unit.

The Finance Act, 2015 has excluded Mutual Fund and Collective Investment Scheme from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. However, provision made till June 30, 2015 has not been reversed as the above lawsuit is pending the SHC.

Atlas Islamic Stock Fund

8. CONTINGENCIES AND COMMITMENTS

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

9. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision has been made for taxation in these condensed interim financial statements.

10. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

		For the Quarter Ended	
		30 September 2015	30 September 2014
		Un-audited	Un-audited
		----- Rupees -----	

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

Atlas Asset Management Limited (Management Company)			
Remuneration of the management company	6,671,408	4,220,289	
Remuneration paid	6,825,245	4,079,294	
Sindh sales tax on remuneration of the Management Company	1,083,437	734,330	
Federal Excise Duty on remuneration of the Management Company	1,067,425	675,246	
Issue of 25,377 (2014: 37,567) units	11,643,546	15,400,000	
Cash Dividend	1,878,338	-	
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of the Trustee	584,937	422,027	
Sindh sales tax on remuneration of the Trustee	81,891	-	
Remuneration paid	592,853	407,926	
Settlement charges	57,054	20,584	
Sindh sales tax on settlement charges	7,988	-	
Atlas Battery Limited (Group Company)			
Cash Dividend	19,528,495	-	
Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of group company)			
Cash Dividend	2,895,879	-	
Atlas Foundation (Group company)			
Issue of 825 (2014: Nil) units	368,126	-	
Cash Dividend	420,716	-	
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)			
Cash Dividend	3,123,021	-	
Atlas Honda Limited (Group Company)			
Issue of Nil (2014: 72,908) units	-	30,000,000	
Cash Dividend	36,072,632	-	
Atlas Insurance Limited (Group company)			
Issue of 62,876 (2014: 82,947) units	27,994,812	34,500,000	
Redemption of Nil (2014: 83,000) units	-	34,337,930	
Cash Dividend	28,565,500	-	

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	For the Quarter Ended	
	30 September 2015	30 September 2014
	Un-audited	Un-audited
Note	----- Rupees -----	
10.1 Details of transactions with related parties during the period are as follows: (Continued...)		
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of 9,277 (2014: Nil) units	4,137,705	-
Cash Dividend	4,728,806	-
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)		
Issue of 2,744 (2014: Nil) units	1,223,666	-
Cash Dividend	1,223,666	-
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)		
Cash Dividend	5,399,235	-
Shirazi Investments (Private) Limited (Group Company)		
Issue of 5,074 (2014: Nil) units	2,263,134	-
Cash Dividend	2,586,439	-
Key Management Personnel of the Management Company 10.3		
Issue of 14,845 (2014: 2,368) units	6,586,213	949,834
Redemption of 3,532 (2014: Nil) units	1,550,000	-
Cash Dividend	6,059,709	-
	30 September 2015	30 June 2015
	Un-audited	Audited
	----- Rupees -----	
10.2 Details of balances with related parties as at the period/year end are as follows:		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	2,051,459	2,205,296
Sindh Sales Tax payable on remuneration of the management company	1,397,974	1,292,124
Federal Excise Duty payable on remuneration of the Management Company	7,269,176	6,201,750
Outstanding 62,944 (30 June 2015: 37,567) units - at net asset value	25,943,051	18,633,867
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to trustee	184,541	192,457
Sindh sales tax payable on remuneration of the Trustee	25,836	-
Settlement charges payable	11,779	17,379
Sindh sales tax payable on settlement charges	1,649	-
Atlas Battery Limited (Group Company)		
Outstanding 390,570 (30 June 2015: 390,570) units - at net asset value	160,977,288	193,730,479
Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of group company)		
Outstanding 57,918 (30 June 2015: 57,918) units - at net asset value	23,871,307	28,728,275
Atlas Foundation (Group company)		
Outstanding 9,240 (30 June 2015: 8,414) units - at net asset value	3,808,226	4,173,672

Atlas Islamic Stock Fund

30 September 30 June
2015 2015
Un-audited Audited
Note ----- Rupees -----

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

Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 62,460 (30 June 2015: 62,460) units - at net asset value	25,743,685	30,981,616
Atlas Honda Limited (Group Company)		
Outstanding 721,453 (30 June 2015: 721,453) units - at net asset value	297,353,918	357,854,935
Atlas Insurance Limited (Group Company)		
Outstanding 634,186 (30 June 2015: 571,310) units - at net asset value	261,386,109	283,381,181
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 103,853 (30 June 2015: 94,576) units - at net asset value	42,804,077	46,911,642
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 56,803 (30 June 2015: 51,729) units - at net asset value	23,411,858	25,658,507
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)		
Outstanding 27,217 (2015: 24,473) units - at net asset value	11,217,690	12,139,252
Atlas Honda Limited Employee Provident Fund		
Outstanding 107,985 (2015: 107,985) units - at net asset value	44,506,973	53,562,569
Key Management Personnel of management company 10.3		
Outstanding 132,507 (30 June 2015: 121,194) units - at net asset value	54,614,025	60,114,740

10.3 For the purpose of this disclosure, transactions by the Board of Directors, and key management personnel falling within the scope of "executive" under the Code of Corporate Governance, 2012 are included herein. The term "executive" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary, Chief Internal Auditor, and executives of the Management Company of the Fund whose gross remuneration is Rs. 4 million and above, as set by the Board of Directors of the Management Company for FY 2015-16.

10.4 The transactions with related parties/connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

11. GENERAL

Figures have been rounded off to the nearest Rupee.

12. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors of the management company on 28 October 2015.

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

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Yusuf H. Shirazi
Chairman

Azam Faruque
Director

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