



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

THIRD QUARTER REPORT

31 March 2012

(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 returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders, and the communities in which we operate.

CONTENTS

ORGANISATION	2
CHAIRMAN'S REVIEW	3
ATLAS ISLAMIC INCOME FUND	
CORPORATE INFORMATION	5
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	6
CONDENSED INTERIM INCOME STATEMENT	7
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	8
CONDENSED INTERIM DISTRIBUTION STATEMENT	9
CONDENSED INTERIM CASH FLOW STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	11
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	12
ATLAS ISLAMIC STOCK FUND	
CORPORATE INFORMATION	17
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	18
CONDENSED INTERIM INCOME STATEMENT	19
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	20
CONDENSED INTERIM DISTRIBUTION STATEMENT	21
CONDENSED INTERIM CASH FLOW STATEMENT	22
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	23
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	24

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ORGANISATION

Management Company		Management Committee	
Atlas Asset Management Limited		Chairman	Mr. M. Habib-ur-Rahman
Board of Directors of the Management Company		Members	Ms Lilly R. Dossabhoy
			Mr. Muhammad Abdul Samad
			Mr. Hassan Khan
		Secretary	Mr. M. Irfan Dhedhi
Chairman Mr. Yusuf H. Shirazi Directors Mr. Tariq Amin Mr. M. Ashraf Janjua Mr. Frahim Ali Khan Mr. Arshad P. Rana Mr. Ali H. Shirazi		Risk Management Committee	
		Chairman	Mr. Muhammad Abdul Samad
		Members	Mr. Khalid Mahmood
			Ms Qurrat-ul-Ain Jafari
Chief Executive Officer	Mr. M. Habib-ur-Rahman		Mr. Muhammad Umar Khan
Company Secretary	Ms Lilly R. Dossabhoy	Secretary	Ms Zainab Hussain
Board Committees		Chief Internal Auditor	
Audit Committee		Ms Qurrat-ul-Ain Jafari	
Chairman Mr. Tariq Amin Members Mr. M. Ashraf Janjua Mr. Frahim Ali Khan		Registered Office	
		Ground Floor, Federation House, Sharae Firdousi Clifton, Karachi - 75600	
		Tel: (92-21) 111-MUTUAL (6-888-25)	
Secretary	Ms Qurrat-ul-Ain Jafari	(92-21) 35379501-04	
Human Resource Committee		Fax: (92-21) 35379280	
Chairman Mr. Frahim Ali Khan Members Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi		Email: info@atlasfunds.com.pk	
		Website: www.atlasfunds.com.pk	
Investment Committee			
Chairman Mr. M. Habib-ur-Rahman Members Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood			
Secretary	Mr. Muhammad Umar Khan		

Third Quarter Report 2011-12

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 nine months period ended 31 March 2012 of the FY 2011-12.

The Economy

Pakistan's economy is moving in right direction after overcoming both internal and external challenges it has faced in the past few years. During the period July - February FY 12, the total exports stood at US\$ 15.19 billion. The foreign exchange reserves of the country stood at US\$ 16.51 billion as on 31 March 2012. During July - March FY 12, foreign remittances reached a record level of US\$ 9.74 billion, which is 21.45% higher than the remittances received during the corresponding period last year. CPI inflation during July - March FY 12 averaged 10.80% as compared to 14.00% during July - March FY 11. The SBP lowered its policy rate by a cumulative 200 basis points (bps) during current financial year i.e. 50 bps in July 2011 and 150 bps in October 2011. The decision was primarily driven by a high probability of meeting the 12% CPI inflation target for FY 12 and the need to revive the private investment demand in the economy.

Fund Operations - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund has increased by 7.77% to Rs.514.59 as on 31 March 2012, this works out to 10.32% on an annualized basis. The AIIF's total exposure in Government of Pakistan Ijarah Sukuks was 64% of the Net Assets with the remaining 36% in high yielding Shariah compliant bank deposits. The Net Assets of the Fund stood at Rs.447 million, with 0.869 million units outstanding as on 31 March 2012.

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated to them by the Board of Directors of Atlas Asset Management Limited has approved an interim bonus distribution of Rs.11.50 per unit (2.30% on the face value of Rs.500 per unit) on 6 April 2012. This is in addition to the first interim bonus of Rs.12.50 per unit (2.5% on the face value of Rs.500 per unit) and second interim bonus of Rs.11.50 per unit (2.30% on the face value of Rs.500 per unit), already paid.

Fund Operations - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund has increased by 22.92% to Rs.373.78 as on 31 March 2012. The benchmark KMI-30 index has increased by 12.59% during the same period. The KMI-30 index has increased from 20,936 points as on 30 June 2011 to 23,571 points as on 31 March 2012. The Net Assets of the Fund stood at Rs.514 million, with 1.376 million units outstanding as of 31 March 2012. 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 Oil & Gas, Chemical, Electricity, Construction & Materials and Chemical sectors.

RATINGS

• Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2-" (AM Two Minus) to Atlas Asset Management Limited. 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. The annual review by the rating agency is currently under finalization.

• 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 low exposure to risks.

• Star Ranking - AISF

PACRA has assigned a "4 Star" short term ranking and a long term "4 Star" ranking to the Fund, for the FY 2010 - 11. The short term ranking is based on performance during the trailing twelve months period, whereas long-term star ranking is based on performance during the trailing thirty six months.

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Future Outlook

The sustainable economic growth over the medium term would call for a substantial increase in both the domestic and foreign investment in the economy. Growth prospects would largely depend upon improving the policy mix, relieving infrastructural bottlenecks especially in the energy sector, strengthening human capital, and ensuring a competitive business environment. In the short-run, successful auction of 3G license and inflows from coalition support fund will create fiscal space and lower fiscal deficit. The SBP's monetary policy is also trying to strike an appropriate balance among multiple and often competing considerations. These include bringing inflation further down, ensuring financial stability, preserving foreign exchange reserves, and supporting private investment in the economy.

Both, AIIF and AISF committed to prudent investment procedures and will continue to provide consistent long term returns to the investors.

گیسوئے تابدار کو اور بھی تابدار کر
(Let us shine more and more)

Acknowledgement

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

Karachi: 24 April 2012

Yusuf H. Shirazi
Chairman

Third Quarter Report 2011-12

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

Dr. Fazlur Rahman

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Al-Baraka Bank (Pakistan) Limited
Bank Al Habib Limited - Islamic Banking
Bank Alfalah Limited - Islamic Banking
Faysal Bank Limited - Barkat Islamic Banking

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2012

		31 March 2012 Un-audited	30 June 2011 Audited
	Note	Rupees	
Assets			
Bank balances	4	155,601,605	247,572,064
Investment	5	285,463,455	129,610,750
Mark-up accrued	6	9,593,612	5,156,336
Deferred formation cost		259,525	415,240
Prepayment		7,500	-
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Total assets		451,025,697	382,854,390
Liabilities			
Payable to the management company	7	787,008	942,242
Payable to the Trustee		63,201	54,333
Payable to the SECP		237,472	247,011
Accrued and other liabilities	8	2,624,680	1,805,868
Total liabilities		3,712,361	3,049,454
Net assets		447,313,336	379,804,937
Unit holders' fund		447,313,336	379,804,937
Number of units in issue		869,257	738,995
Net asset value per unit		514.59	513.95

The annexed notes from 1 to 13 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

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

		For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2012	2011	2012	2011
Note		Rupees -----			
Income					
Mark-up income	9	36,977,274	26,971,771	12,185,839	8,102,581
Unrealised gain / (loss) on revaluation of investment designated at fair value through income statement		86,455	(40,625)	(681,995)	(115,625)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		1,325,703	(771,116)	287,008	(221,820)
		38,389,432	26,160,030	11,790,852	7,765,136
Expenses					
Remuneration of the management company		3,166,263	3,100,939	1,080,476	714,338
Sindh Sales Tax on Remuneration of the Management Company		506,602	-	172,876	-
Remuneration of the trustee		538,269	506,258	183,683	147,939
SECP annual fee		237,472	183,125	81,035	53,576
Annual listing fee		22,500	22,500	7,500	7,500
Annual rating fee		150,000	150,000	50,000	40,000
Auditors' remuneration		134,630	135,000	48,750	45,000
Printing charges		122,379	142,875	43,100	44,625
Securities transaction cost		16,000	19,242	1,500	9,300
Bank charges		2,488	3,975	1,213	60
Amortisation of deferred formation cost		155,715	155,715	51,905	51,905
Legal and professional charges		-	70,000	-	-
Provision for Workers' Welfare Fund		666,742	433,408	201,376	133,018
		5,719,060	4,923,037	1,923,414	1,247,261
Net income for the period		32,670,372	21,236,993	9,867,438	6,517,875

The annexed notes from 1 to 13 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

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2012	2011	2012	2011
	----- Rupees -----			
Net income for the period	32,670,372	21,236,993	9,867,438	6,517,875
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	32,670,372	21,236,993	9,867,438	6,517,875

The annexed notes from 1 to 13 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

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended	
	31 March 2012	31 March 2011
	Rupees	
Undistributed income brought forward	10,301,134	7,001,764
Final distribution at the rate of Rs.13.50 per unit declared on 7 July 2011 (2009-10: Rs.10 per unit declared on 8 July 2010)		
- Bonus units	(8,641,358)	(6,793,124)
- Cash payout against distribution	(1,335,074)	-
	(9,976,432)	(6,793,124)
Interim distribution at the rate of Rs.12.50 per unit declared on 7 October 2011 (2010-11: Rs.11 per unit declared on 12 October 2010)		
- Bonus units	(9,227,932)	(7,672,992)
- Cash payout against distribution	(1,236,180)	-
	(10,464,112)	(7,672,992)
Interim distribution at the rate of Rs.11.50 per unit declared on 6 January 2012 (2010-11: Rs.12.25 per unit declared on 11 January 2011)		
- Bonus units	(8,920,366)	(6,855,991)
- Cash payout against distribution	(1,137,285)	-
	(10,057,651)	(6,855,991)
Net income for the period	32,670,372	21,236,993
Undistributed income carried forward	12,473,310	6,916,650

The annexed notes from 1 to 13 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

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

		For the Nine Months ended	
		31 March 2012	31 March 2011
	Note	----- Rupees -----	
Cash flows from operating activities			
Net income for the period		32,670,372	21,236,993
Adjustment for:			
Markup income		(36,977,274)	(26,971,771)
Amortisation of deferred formation cost		155,715	155,715
Unrealised (gain)/loss on revaluation of investment designated at fair value through income statement		(86,455)	40,625
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net		(1,325,703)	771,116
		(38,233,717)	(26,004,315)
Increase in prepayment		(7,500)	(57,500)
Increase/(Decrease) in liabilities			
Payable to the management company		(155,234)	(356,229)
Payable to the trustee		8,868	(6,581)
Payable to the SECP		(9,539)	(43,519)
Accrued and other liabilities		818,813	400,630
		662,908	(5,699)
Markup received		32,539,998	27,905,431
Investments made during the period		(155,766,250)	(81,755,500)
Net cash used in operating activities		(128,134,190)	(58,680,590)
Cash flows from financing activities			
Proceeds from issue of units		141,482,999	113,380,560
Payments on redemption of units		(101,610,730)	(198,566,407)
Cash payout against distribution		(3,708,539)	-
Net cash generated from / (used in) financing activities		36,163,730	(85,185,846)
Net decrease in cash and cash equivalents		(91,970,459)	(143,866,436)
Cash and cash equivalents at the beginning of the period		247,572,064	342,912,275
Cash and cash equivalents at the end of the period	4	155,601,605	199,045,839

The annexed notes from 1 to 13 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

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended			
	31 March 2012		31 March 2011	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.513.95 (2011: Rs.510.31) per unit]	738,995	379,804,937	679,312	346,658,123
Issue of units	276,734	141,482,999	223,706	113,380,560
Redemption of units	(199,710)	(101,610,730)	(392,414)	(198,566,407)
	77,024	39,872,269	(168,709)	(85,185,846)
Element of (income)/loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - net	-	(1,325,703)	-	771,116
Final distribution at the rate of Rs.13.50 per unit declared on 7 July 2011 (2009-10: Rs.10 per unit declared on 8 July 2010)				
- Bonus units	17,267	-	13,578	-
- Cash payout against distribution	-	(1,335,074)	-	-
Interim distribution at the rate of Rs.12.50 per unit declared on 7 October 2011 (2010-11: Rs.11 per unit declared on 12 October 2010)				
- Bonus units	18,277	-	15,294	-
- Cash payout against distribution	-	(1,236,180)	-	-
Interim distribution at the rate of Rs.11.50 per unit declared on 6 January 2012 (2010-11: Rs.12.25 per unit declared on 11 January 2011)				
- Bonus units	17,694	-	13,652	-
- Cash payout against distribution	-	(1,137,285)	-	-
Net income for the period	-	32,670,372	-	21,236,993
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	32,670,372	-	21,236,993
Net assets at the end of the period [Rs.514.59 (2011: Rs.512.50) per unit]	869,257	447,313,336	553,127	283,480,386

The annexed notes from 1 to 13 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

Tariq Amin
Director

Atlas Islamic Income Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

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 and the Second Supplemental Trust Deed dated 12 November 2010 with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First Supplement dated 23 June 2010 and the Second Supplement dated 12 November 2010, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 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

- 2.1 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.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Fund has adopted the following amended IFRS and IFRIC interpretations which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

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

Third Quarter Report 2011-12

		31 March 2012 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
4. BANK BALANCES			
PLS saving accounts	4.1	<u>155,601,605</u>	<u>247,572,064</u>

4.1 The expected rate of return on these accounts ranges between 5% to 11.00% (30 June 2011: 5% to 11.80%) per annum.

5. INVESTMENTS - at fair value through income statement

Government Securities Ijarah Sukuks	5.1	<u>285,463,455</u>	<u>129,610,750</u>
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5.1 Government of Pakistan - Ijarah Sukuks

Script	Face Value - Rupees				Rupees	Percentage of	
	At the beginning of the period	Acquired during the period	Disposed during the period	At the end of the period	Market Value	Total investment	Net assets
Government of Pakistan	129,000,000	155,000,000	-	284,000,000	285,463,455	100.00	63.82
	<u>129,000,000</u>	<u>155,000,000</u>	<u>-</u>	<u>284,000,000</u>	<u>285,463,455</u>	<u>100.00</u>	<u>63.82</u>

5.2 The cost of investments amounts to Rs.285,067,250/- (30 June 2011: 129,301,000/-).

5.3 The expected rate of markup ranges between 11.67% to 11.94% (30 June 2011:13.45% to 13.71%) per annum and will mature by 02 March 2015.

		31 March 2012 Un-audited	30 June 2011 Audited
	Note	----- Rupees -----	-----
6. MARK - UP ACCRUED			
Bank balances		1,452,055	2,442,123
GOP - Ijarah Sukuks		8,141,557	2,714,213
		<u>9,593,612</u>	<u>5,156,336</u>

7. PAYABLE TO THE MANAGEMENT COMPANY - Related party

Management fee		371,768	319,382
Payable in respect of formation cost		415,240	622,860
		<u>787,008</u>	<u>942,242</u>

8. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		117,345	153,171
Printing charges payable		108,300	122,500
Rating fee payable		150,000	-
Zakat payable		493	5,491
Withholding tax payable		202	3,860
Provision for Workers' Welfare Fund	8.1	2,162,839	1,496,097
Sindh Sales Tax payable on Remuneration of the Management Company		59,483	-
Other payable		26,018	24,749
		<u>2,624,680</u>	<u>1,805,868</u>

Atlas Islamic Income Fund

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 Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

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

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.2,162,839 (30 June 2011: Rs.1,496,097) in these financial statements.

For the Nine Months ended		For the Quarter ended	
31 March		31 March	
2012	2011	2012	2011
----- Rupees -----			

9. MARK-UP INCOME

PLS saving accounts	19,140,085	24,422,231	5,654,789	6,059,478
GOP - Ijarah Sukuks	17,837,189	2,549,540	6,531,050	2,043,103
	<u>36,977,274</u>	<u>26,971,771</u>	<u>12,185,839</u>	<u>8,102,581</u>

For the Nine Months ended	
31 March	31 March
2012	2011
Un-audited	Un-audited
----- Rupees -----	

10. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

10.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	3,166,263	3,100,939
Remuneration paid	3,113,877	3,249,548
Sindh Sales Tax on Remuneration of the Management Company	506,602	-
Formation cost paid	207,620	207,620
Sale of Nil (2011: 15,757) units	-	8,000,000
Bonus of 1,233 (2011: Nil) units	620,203	-

Third Quarter Report 2011-12

For the Nine Months ended	
31 March 2012	31 March 2011
Un-audited	Un-audited
----- Rupees -----	

10.1 Transactions for the period (Continued...)

Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	538,269	506,258
Settlement charges	4,500	4,500
Atlas Fund of Funds (Fund under common management)		
Sale of 48,678 (2011: Nil) units	25,000,000	-
Bonus of 934 (2011: 4,917) units	471,182	2,465,454
Redemption of 20,336 (2011: 33,296) units	10,263,531	16,810,154
Atlas Foundation (Group Company)		
Bonus of 4,207 (2011: 3,315) units	2,116,715	1,662,580
Atlas Honda Limited		
Bonus of 8,085 (2011: 6,371) units	4,067,650	3,194,948
Atlas Insurance Limited		
Bonus of Nil (2011: 4,140) units	-	2,074,237
Redemption of Nil (2011: 101,889) units	-	51,280,977
Key Management Personnel of Management Company		
Sale of 2,455 (2011: 4,642) units	1,247,691	2,356,413
Bonus of 292 (2011: 225) units	146,892	112,803
Redemption of 4,147 (2011: 2,687) units	2,109,997	1,365,490
	31 March 2012	30 June 2011
	Un-audited	Audited
	----- Rupees -----	

10.2 Outstanding balances/Investments held as at period / year end

Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	371,768	319,382
Sindh Sales Tax payable on Remuneration of the Management Company	59,483	-
Payable in respect of formation cost	415,240	622,860
Units in issue 17,367 (30 June 2011: 16,134) - at net asset value	8,936,980	8,292,273
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	63,201	54,333
Atlas Fund of Funds (Fund under common management)		
Units in issue 29,275 (30 June 2011: Nil) - at net asset value	15,064,698	-
Atlas Foundation (Group Company)		
Units in issue 59,273 (30 June 2011: 55,066) - at net asset value	30,501,360	28,301,017

Atlas Islamic Income Fund

31 March 2012 Un-audited	30 June 2011 Audited
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Rupees	

10.2 Outstanding balances/Investments held as at period/year end (Continued...)

Atlas Honda Limited (Group Company)		
Units in issue 113,904 (30 June 2011: 105,819) - at net asset value	58,613,874	54,385,517
<u>Key Management Personnel of Management Company</u>		
Units in issue 2,863 (30 June 2011: 4,263) - at net asset value	1,473,487	2,191,193

10.3 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. SUBSEQUENT EVENT - INTERIM DISTRIBUTION TO UNIT HOLDERS PER UNIT

The Board of Directors of the management company, have delegated the authority for approval of interim distribution of the Fund to the Investment Committee (IC). Accordingly, the IC, in their meeting held on 6 April 2012, approved an interim distribution of Rs.11.50 per unit (2011: Rs.12) on the face value of Rs.500 each i.e. 2.30% (2011: 2.40%) amounting to Rs.10,428,380/- (2011: Rs.6,647,572/-), on behalf of the Board of Directors of the Management Company.

12. GENERAL

Figures have been rounded off to the nearest Rupee.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 24 April 2012.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Third Quarter Report 2011-12

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

Dr. Fazlur Rahman

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2012

		31 March 2012 Un-audited	30 June 2011 Audited
	Note	Rupees	
Assets			
Bank balances	4	68,055,352	38,990,980
Receivable against sale of securities		12,192,473	10,291,261
Investments	5	445,903,235	282,234,914
Dividend receivable		7,862,500	1,950,000
Prepayment		7,500	-
Income accrued on bank balances		321,052	300,602
Security deposits		2,600,000	2,600,000
Total assets		536,942,112	336,367,757
Liabilities			
Payable against purchase of securities		14,448,795	11,529,973
Payable to the management company		802,722	804,606
Payable to the trustee		85,273	62,540
Payable to SECP		271,586	255,407
Accrued and other liabilities	6	7,008,156	4,938,555
Total liabilities		22,616,532	17,591,081
Net assets		514,325,580	318,776,676
Unit holders' fund		514,325,580	318,776,676
Number of units in issue		1,376,011	779,243
Net asset value per unit		373.78	409.09

The annexed notes from 1 to 9 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

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2012	2011	2012	2011
Note -----	Rupees -----			
Income				
Dividend income	26,357,626	13,392,363	11,615,001	4,775,000
Income on bank balances	1,328,850	4,327,392	446,214	1,711,509
Net gain on investments at fair value through income statement (held-for-trading)				
Net gain on sale of investments	32,088,681	64,929,149	23,544,242	31,842,507
Net unrealised gain/(loss) on revaluation of investments	41,092,409	16,153,607	64,420,614	(7,826,489)
	73,181,090	81,082,756	87,964,856	24,016,018
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net	9,083,022	(44,312,299)	6,681,077	(581,866)
	109,950,588	54,490,212	106,707,148	29,920,661
Expenses				
Remuneration of the management company	7,655,781	5,791,644	2,276,194	2,002,416
Sindh Sales Tax on Remuneration of the Management Company	1,224,925	-	364,191	-
Remuneration of the trustee	583,763	525,532	213,131	172,620
SECP annual fee	271,586	183,414	101,232	63,415
Annual listing fee	22,500	22,500	7,500	7,500
Annual rating fee	75,000	75,000	25,000	25,000
Securities transaction cost	1,528,600	1,144,098	519,530	562,151
Auditors' remuneration	171,742	172,043	61,125	59,543
Printing charges	97,954	108,250	43,125	30,740
Legal and professional charges	-	35,000	-	-
Bank charges	7,991	15,921	2,290	4,343
Provision for Workers Welfare Fund	1,966,215	928,336	1,966,215	539,858
	13,606,057	9,001,738	5,579,533	3,467,586
Net income for the period	96,344,531	45,488,474	101,127,615	26,453,075

The annexed notes from 1 to 9 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

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2012	2011	2012	2011
	----- Rupees -----			
Net income for the period	96,344,531	45,488,474	101,127,615	26,453,075
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	96,344,531	45,488,474	101,127,615	26,453,075

The annexed notes from 1 to 9 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

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	Note	For the Nine Months ended	
		31 March 2012	31 March 2011
		Rupees	
Accumulated loss brought forward		(15,476,034)	(8,185,471)
Final distribution for the year ended 30 June 2011 at the rate of Rs.105 per unit declared on 07 July 2011 (2010: Rs.200 per unit declared on 08 July 2010)		(81,820,514)	(104,332,820)
Net income for the period		96,344,531	45,488,474
Shariah non-compliant income set-aside for charity	6.1	(446,436)	(237,241)
Accumulated loss carried forward		(1,398,453)	(67,267,058)

The annexed notes from 1 to 9 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

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

	Note	For the Nine Months ended	
		31 March 2012	31 March 2011
		Rupees	
Cash flows from operating activities			
Net income for the period		96,344,531	45,488,474
Adjustments for:			
Dividend income		(26,357,626)	(13,392,363)
Income on bank balances		(1,328,850)	(4,327,392)
Net gain on sale of investments		(32,088,681)	(64,929,149)
Net unrealised gain on revaluation of investments		(41,092,409)	(16,153,607)
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net		(9,083,022)	44,312,299
		(109,950,588)	(54,490,212)
(Decrease)/Increase in assets			
Receivables against sale of securities		(1,901,212)	(7,243,227)
Prepayment		(7,500)	(7,500)
		(1,908,712)	(7,250,727)
Increase/(decrease) in liabilities			
Payable against purchase of securities		2,918,822	(242,681)
Payable to the management company		(1,884)	80,286
Payable to the trustee		22,733	1,918
Payable to SECP		16,179	(180,780)
Accrued and other liabilities		1,623,165	447,063
		4,579,015	105,805
		(10,935,754)	(16,146,660)
Dividend received		20,445,126	9,867,363
Income on bank balances received		1,308,400	4,008,650
Investments made during the period		(695,253,662)	(555,988,196)
Investments sold during the period		604,766,431	643,475,576
Net cash (used in)/generated from operating activities		(79,669,459)	85,216,732
Cash flows from financing activities			
Proceeds from issue of units		331,375,903	108,678,641
Payment on redemption of units		(222,642,072)	(166,880,283)
Net cash generated from/(used in) financing activities		108,733,831	(58,201,643)
Net increase in cash and cash equivalents		29,064,372	27,015,089
Cash and cash equivalents at the beginning of the period		38,990,980	13,142,095
Cash and cash equivalents at the end of the period	4	68,055,352	40,157,184

The annexed notes from 1 to 9 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

Tariq Amin
Director

Third Quarter Report 2011-12

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

	For the Nine Months ended			
	31 March 2012		31 March 2011	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.409.09 (2011: Rs.484.55) per unit]	779,243	318,776,676	521,664	252,773,167
Issue of units	995,423	331,375,903	306,117	108,678,641
Redemption of units	(667,721)	(222,642,072)	(491,889)	(166,880,283)
	327,702	108,733,831	(185,773)	(58,201,643)
Element of (income)/loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - net	-	(9,083,022)	-	44,312,299
Issue of bonus units	269,067	-	366,659	-
Net income for the period	-	96,344,531	-	45,488,474
Other comprehensive income	-	-	-	-
Total comprehensive income	-	96,344,531	-	45,488,474
Shariah non-compliant income set-aside for charity	-	(446,436)	-	(237,241)
Net assets as at the end of the period [Rs.373.78 (2011: Rs.404.43) per unit]	1,376,011	514,325,580	702,550	284,135,056

The annexed notes from 1 to 9 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

Tariq Amin
Director

Atlas Islamic Stock Fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed was revised through the First Supplemental Trust Deed dated 29 October 2007, Second Supplemental Trust Deed dated 06 March 2008, Third Supplemental Trust Deed dated 04 December 2009 and the Fourth Supplemental Trust Deed dated 23 June 2010 with the approval of the SECP. Also, the Offering Document of the Fund was revised through the First, Second, Third and Fourth Supplements, dated 29 October 2007, 06 March 2008, 04 December 2009 and 23 June 2010 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund are offered for public subscription on a continuous basis since 15 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

- 2.1 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.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Fund has adopted the following amended IFRS and IFRIC interpretations which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements - Clarification of statement of changes in equity
- IAS 34 - Interim Financial Reporting - Significant events and transactions
- IFRIC 13 - Customer Loyalty Programmes - Fair value of award credits

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

Third Quarter Report 2011-12

	31 March 2012 Un-audited	30 June 2011 Audited
Note	----- Rupees -----	-----

4. BANK BALANCES

In PLS saving accounts	4.1	68,055,352	38,990,980
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4.1 The expected rate of return on these accounts ranges between 5% to 11% (30 June 2011: 5% to 11.80%) per annum.

5. INVESTMENTS - at fair value through income statement

Listed equity securities - held - for - trading	5.1	445,903,235	282,234,914
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Number of shares					Rupees	Percentage of		
At the beginning of the period	Acquired during the period	Bonus shares during the period	Disposed during the period	At the end of the period	Market Value	Total investments	Net assets	Paid-up Capital of Investee company

5.1. Listed equity securities - held for trading

(Ordinary shares have a face value of Rs.10/- each unless stated otherwise)

OIL & GAS

Attock Petroleum Limited	65,000	85,000	-	80,000	70,000	31,727,500	7.12	6.17	0.10
Attock Refinery Limited	25,000	150,000	-	175,000	-	-	-	-	-
Oil & Gas Development Company Limited	-	75,000	-	75,000	-	-	-	-	-
National Refinery Limited	-	135,000	-	135,000	-	-	-	-	-
Pakistan Oilfields Limited	100,000	196,500	-	101,500	195,000	71,221,800	15.97	13.85	0.08
Pakistan Petroleum Limited	145,000	357,456	10,000	112,456	400,000	73,116,000	16.40	14.22	0.03
Pakistan State Oil Company Limited	50,000	91,948	-	41,948	100,000	24,932,000	5.59	4.85	0.06
	385,000	1,090,904	10,000	720,904	765,000	200,997,300	45.08	39.09	

CHEMICALS

Fauji Fertilizer Bin Qasim Limited	800,000	700,000	-	1,500,000	-	-	-	-	-
Fauji Fertilizer Company Limited	250,000	422,500	130,000	577,500	225,000	28,089,000	6.30	5.46	0.03
ICI Pakistan Limited	178,000	219,151	-	297,151	100,000	12,839,000	2.88	2.50	0.07
Lotte Pakistan PTA Limited	300,000	1,275,000	-	1,575,000	-	-	-	-	-
	1,528,000	2,616,651	130,000	3,949,651	325,000	40,928,000	9.18	7.96	

CONSTRUCTION & MATERIALS (CEMENT)

D G Khan Cement Company Limited	300,000	1,868,519	-	1,368,519	800,000	29,096,000	6.53	5.66	0.18
Lucky Cement Limited	175,000	787,500	-	662,500	300,000	34,035,000	7.63	6.62	0.09
	475,000	2,656,019	-	2,031,019	1,100,000	63,131,000	14.16	12.27	

GENERAL INDUSTRIALS

Thal Limited (Face value Rs.5/- each)	50,000	14,050	12,810	76,860	-	-	-	-	-
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ENGINEERING

Millat Tractors Limited	-	30,000	-	30,000	-	-	-	-	-
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PERSONAL GOODS (TEXTILE)

Nishat Mills Limited	-	925,000	-	925,000	-	-	-	-	-
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Atlas Islamic Stock Fund

Number of shares						Rupees	Percentage of		
At the beginning of the period	Acquired during the period	Bonus shares during the period	Disposed during the period	At the end of the period		Market Value	Total investments	Net assets	Paid-up Capital of Investee company

5.1. Listed equity securities - held for trading (Continued...)

(Ordinary shares have a face value of Rs.10/- each unless stated otherwise)

FIXED LINE TELECOMMUNICATION

Pakistan Telecommunication Company Limited	700,000	3,800,000	-	1,500,000	3,000,000	36,930,000	8.28	7.18	0.08
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ELECTRICITY

The Hub Power Company Limited	900,000	1,440,272	-	500,000	1,840,272	69,249,435	15.53	13.46	0.16
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COMMERCIAL BANKS

Meezan Bank Limited	294,686	1,320,174	125,000	514,860	1,225,000	34,667,500	7.77	6.74	0.15
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Market value of investments as at 31 March 2012

445,903,235	100.00	86.69
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5.2 The cost of held for trading investments as on 31 March 2012 is Rs.403,137,339 (30 June 2011: Rs.274,708,021).

5.3 The above investments include 45,000, 45,000, 75,000, 100,000, 1,000,000 and 300,000 shares of Pakistan Oilfields Limited, Pakistan Petroleum Limited, Fauji Fertilizer Company Limited, Lucky Cement Limited, Pakistan Telecommunication Company Limited and The Hub Power Company Limited. The aggregate market value of shares pledged amounts to Rs.68,968,350 (30 June 2011: Rs.63,184,850).

Note	31 March 2012	30 June 2011
	Un-audited	Audited
	----- Rupees -----	-----

6. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		131,347	180,000
Printing charges payable		108,375	147,000
Rating fee payable		75,000	100,000
Charity payable	6.1	199,498	116,325
NCCPL charges payable		20,000	20,000
Withholding tax payable		3,455	7,476
Zakat payable		2,425	662
Sales load payable to distributors		-	2,228
Sindh Sales Tax payable on Remuneration of the Management Company		128,436	-
Provision for Workers' Welfare Fund	6.2	6,282,127	4,315,912
Others		57,493	48,952
		<u>7,008,156</u>	<u>4,938,555</u>

6.1 According to the Trust Deed of the Fund, where a portion of the Fund's income has been earned from Shariah non-compliant avenues, such portion of income of the Fund is to be purified directly by the management company of the Fund. The Shariah Advisor of the Fund, has certified an amount of Rs.446,436 (30 June 2011: Rs.353,566) against dividend income, as Shariah non-compliant income, which has accordingly been marked to charity, out of which Rs.246,938 has already been paid to the charities approved by the Shariah Advisor. The remaining Rs.199,498 shall be paid in due course of time.

Third Quarter Report 2011-12

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

Subsequent to the year ended 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that Mutual Funds are not liable to contribute to WWF on the basis of their income. In December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same, whereafter, show cause notices were issued by Federal Board of Revenue (FBR) to several Mutual Funds (CISs)/Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs)/Pension Funds including the Fund have been granted stay by Honorable SHC on the basis of the Pending Constitutional petition as referred above.

Subsequent to the year ended 30 June 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs.6,282,127 (30 June 2011: Rs.4,315,912) in these financial statements.

For the Nine Months ended	
31 March 2012	31 March 2011
Un-audited	Un-audited
----- Rupees -----	

7. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

7.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	7,655,781	5,791,644
Remuneration paid	7,657,665	5,711,358
Sindh Sales Tax on Remuneration of the Management Company	1,224,925	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	583,763	525,532
Settlement charges	29,780	30,441
Atlas Fund of Funds (Fund under Common Management)		
Sale 235,313 (2011: Nil) units	78,000,000	-
Bonus 6,873 (2011: Nil) units	2,089,916	-
Redemption of 164,945 (2011: Nil) units	56,543,202	-
Atlas Insurance Limited (Group Company)		
Sale 410,047 (2011: 227,586) units	136,600,000	80,500,000
Bonus 52,341 (2011: 70,397) units	15,916,479	20,031,565
Redemption of 266,578 (2011: 246,555) units	91,833,160	86,449,088

Atlas Islamic Stock Fund

For the Nine Months ended	
31 March 2012	31 March 2011
Un-audited	Un-audited
----- Rupees -----	----- Rupees -----

7.1 Transactions for the period (Continued...)

Atlas Battery Limited (Group Company) Sale 45,160 (2011: Nil) units	15,000,000	-
Shirazi Investments (Private) Limited Employees Provident Fund (Retirement Benefit Plan of a Group Company) Sale 10,138 (2011: Nil) units	2,960,000	-
<u>Key Management Personnel of management company</u>		
Sales 24,937 (2011: 7,207) units	7,675,915	2,643,174
Bonus 19,439 (2011: 23,203) units	5,911,381	6,602,388
Redemption of 11,101 (2011: 3,067) units	3,632,183	1,020,178
	31 March 2012	30 June 2011
	Un-audited	Audited
	----- Rupees -----	----- Rupees -----

7.2 Outstanding balances / investments held as at period end / year end

Atlas Asset Management Limited (Management Company) Remuneration payable to the management company	802,722	804,606
Sindh Sales Tax payable on Remuneration of the Management Company	128,436	-
Central Depository Company of Pakistan Limited (Trustee) Remuneration payable to trustee	80,273	57,540
Settlement charges payable	5,000	5,000
Atlas Fund of Funds (Fund under Common Management) Units in issue 97,144 (30 June 2011: 19,904) - at net asset value	36,310,472	8,142,512
Atlas Insurance Limited (Group Company) Units in issue 347,395 (30 June 2011: 151,586) - at net asset value	129,849,447	62,012,118
Atlas Battery Limited (Group Company) Units in issue 45,160 (30 June 2011: Nil) - at net asset value	16,880,024	-
Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company) Units in issue 10,138 (30 June 2011: Nil) - at net asset value	3,789,319	-
<u>Key Management Personnel of management company</u>		
Units in issue 89,574 (30 June 2011: 56,299) - at net asset value	33,481,201	23,031,302

7.3 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.

Third Quarter Report 2011-12

8. GENERAL

Figures have been rounded off to the nearest rupee.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 24 April 2012.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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