



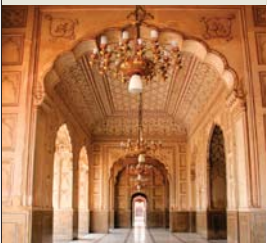
Atlas Islamic Income Fund

Atlas Islamic Stock Fund

THIRD QUARTER REPORT

31 March 2015

(UN-AUDITED)



Your Partner
on the path ahead



It Takes Skill to
Master the Game



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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Atlas Meraj

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 Lilly R. Dossabhoy

Board Committees

Audit Committee

Chairman Mr. Azam Faruque
Members Mr. Shamshad Nabi
Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

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

Secretary Mr. Muhammad Abdul Samad

Investment Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Ali H. Shirazi
Mr. Muhammad Abdul Samad
Mr. Khalid Mahmood
Mr. Muhammad Umar Khan
(Secretary)
Mr. Fawad Javaid
Mr. Faran ul Haq

Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Ms Lilly R. Dossabhoy
Mr. Abbas Sajjad

Secretary Mr. Muhammad Umar Khan

Risk Management Committee

Chairman Mr. M. Habib-ur-Rahman
Members Mr. Muhammad Abdul Samad
Ms Zainab Hussain
(Secretary)
Mr. Syed Fahad Ali

Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

Registered Office

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

Tel: (92-21) 111-MUTUAL (6-888-25)
(92-21) 35379501-04

Fax: (92-21) 35379280

Email: info@atlasfunds.com.pk

Website: www.atlasfunds.com.pk

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 nine months ended 31 March 2015 of the FY 2014-15.

The Economy

During the period July-March FY 2014-15, total exports stood at US\$17.94 billion as compared to US\$19.07 billion worth of exports reported in the same period last year. The foreign exchange reserves of the country stood at US\$16.2 billion as on 27 March 2015 with SBP's share of US\$11.1 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-March FY 2014-15 stood at US\$13.33 billion, which was an increase of 15.03% YoY. CPI inflation for the period of July-March FY 2014-15 was recorded at 5.1%. The SBP slashed Discount Rate (DR) by 50bps in the March 2015 review to 8.0%, which is the third time in FY 2014-15 after 50bps cut in November 2014 and 100bps cut in January 2015 review. This shift towards expansionary policy has been made possible due to decline in inflation, which is a result of reduction in domestic oil prices and a trickle-down effect on other items.

Fund Operations - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund increased by 5.38% to Rs.532.21 as on 31 March 2015, this works out to 7.17% on an annualized basis. The AIIF's total exposure in Government of Pakistan Ijarah Sukuks was 56.15% with remaining 43.85% in high yielding Shariah compliant bank deposits. The Net Assets of the Fund stood at Rs.467.74 million, with 0.88 million units outstanding as of 31 March 2015.

Fund Operations - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund increased by 5.01% to Rs.429.16 as on 31 March 2015. The benchmark KMI-30 index increased by 3.52% during the same period. The KMI - 30 index increased from 47,686.55 points as on 30 June 2014 to 49,363.34 points as on 31 March 2015. AISF 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 Marketing, Cement and Oil & Gas Exploration sectors. The Net Assets of the Fund stood at Rs.994.58 million, with 2.32 million units outstanding as of 31 March 2015.

Ratings

• Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus). The rating reflects the Company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

• 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" for one year, "3 Star" for three years and "3 Star" for five years ranking to the Fund for FY 2013-14. The one year ranking is based on performance during the trailing twelve months period, the three years ranking is based on performance during the trailing thirty six months and the five years ranking is based on performance during the trailing sixty months period.

Atlas Meraj

Delegation of Back office Functions by Atlas Asset Management Limited

Atlas Asset Management Limited (AAML) has entered into a Service Level Agreement (SLA) with ITMinds Limited (a wholly owned subsidiary of Central Depository Company of Pakistan Limited) for the delegation of back-office functions on 11 March 2015. ITMinds Limited will provide back office services in relation to settlement, unit management operations, NAV calculation and financial statements. The objectives for delegation of functions is to achieve better efficiencies and focus more on core business activities. The Securities and Exchange Commission of Pakistan via Circular No. 24 of 2013 dated 6 December 2013 have prescribed the requirements for delegation of functions to a Service Provider in relation to Collective Investment Schemes (CIS). Subsequent to the signing of the agreement, all necessary amendments have been incorporated in the offering documents of AIIF and AISF.

Future Outlook

Improved macro-economic outlook has been emanating from decline in CPI inflation, better foreign inflows and lower international oil prices. Large-scale Manufacturing is likely to gain traction due to recent cut in policy rate and low prices of raw materials that will boost the manufacturing sector. Credit off-take is likely to pick up with the realization of the impact of successive discount rate reductions. Thus, GDP growth rate is on course to surpass last year growth of 4.14%. With strong workers' remittances and slowing imports, current account deficit has shrunk in July-March period of FY 2014-15 as compared to same period last year. Nonetheless, with lower price impact in imports and multilateral inflows on track, the external sector outlook remains bullish. This is evident from stability in foreign exchange market and in an upward trajectory in foreign exchange reserves. Moreover, recent IMF inflows and HBL privatization proceeds will further support external account position. Structural reforms are required on fiscal side with efforts to broaden the tax base and reduce subsidies. Trade reforms, elimination of SROs and business friendly regulatory & administrative changes would also help improve business climate in the country. Improved macro-economic condition has thus opened a window of opportunity to gear up reforms to ensure improvements in the economy are sustainable.

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

لَيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى
(انسان کو اتنا ہی ملے گا جتنی اس نے کوشش کی)

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: 27 April 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

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2015

		31 March 2015 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	202,060,925	282,423,544
Investments	5	267,534,950	239,916,800
Markup accrued	6	6,748,788	5,029,215
Prepayment		10,000	-
Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Total assets		476,454,663	527,469,559
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	7	2,745,015	1,375,737
Payable to Central Depository Company of Pakistan Limited - Trustee		67,914	69,772
Annual fee payable to the Securities and Exchange Commission of Pakistan		290,928	393,637
Accrued and other liabilities	8	5,607,120	4,956,727
Total liabilities		8,710,977	6,795,873
NET ASSETS		467,743,686	520,673,686
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		467,743,686	520,673,686
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		878,876	1,030,979
NET ASSET VALUE PER UNIT		532.21	505.03

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

Third Quarter Report 2014-15

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2015

	Note	For the Nine Months ended		For the Quarter ended	
		31 March		31 March	
		2015	2014	2015	2014
		Rupees			
Income					
Mark-up income	10	35,956,856	36,139,756	10,600,470	12,485,752
Net loss on maturity/sale of investments		-	(159,250)	-	(54,000)
Net unrealised (diminution)/appreciation on remeasurement of investments classified as "financial assets at fair value through profit or loss"		(2,636,850)	4,073,900	1,410,000	2,158,400
		(2,636,850)	3,914,650	1,410,000	2,104,400
Element of (loss)/gain and capital (losses)/ gains included in prices of units issued less those in units redeemed - net		(3,001,541)	(1,066,479)	(2,355,445)	1,407,311
		30,318,465	38,987,927	9,655,025	15,997,463
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company		3,297,199	3,895,618	1,015,019	1,271,357
Sindh Sales Tax on Remuneration of the Management Company	7.1	573,713	723,027	176,614	235,964
Federal Excise Duty on Remuneration of the Management Company	7.2	527,552	623,299	162,403	203,417
Remuneration of Central Depository Company of Pakistan Limited - Trustee		659,441	676,153	203,004	230,030
Annual Fees - Securities and Exchange Commission of Pakistan		290,928	298,305	89,561	101,484
Auditors' remuneration		158,140	110,165	57,900	41,820
Securities transaction cost		7,950	12,725	4,950	2,700
Annual listing fee		30,000	30,000	10,000	10,000
Annual rating fee		181,500	181,500	60,500	71,500
Printing charges		215,695	207,075	74,100	90,875
Bank charges		2,197	4,118	425	2,721
Provision for Workers' Welfare Fund	8.1	487,483	644,519	156,011	274,712
		6,431,798	7,406,504	2,010,487	2,536,580
Net income for the period before taxation		23,886,667	31,581,423	7,644,538	13,460,883
Taxation	11	-	-	-	-
Net income for the period after taxation		23,886,667	31,581,423	7,644,538	13,460,883

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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2015

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2015	2014	2015	2014
	----- Rupees -----			
Net income for the period after taxation	23,886,667	31,581,423	7,644,538	13,460,883
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the period after taxation	23,886,667	31,581,423	7,644,538	13,460,883

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 NINE MONTHS ENDED 31 MARCH 2015

	2015	2014
	----- Rupees -----	
Undistributed income brought forward [Includes unrealised gain on investments of Rs.3,177,800] [2014: Includes unrealised loss on investments of Rs.849,890]	4,359,895	1,411,628
Net income for the period after taxation	23,886,667	31,581,423
Interim distribution for the quarter ended 30 September 2013 at the rate of Rs.9.00 per unit declared on 4 October 2013		
- Issue of bonus units (15,691 units)	-	(7,893,789)
- Cash payout against distribution	-	(890,049)
	-	(8,783,838)
Interim distribution for the quarter ended 31 December 2013 at the rate of Rs.9.00 per unit declared on 7 January 2014		
- Issue of bonus units (12,985 units)	-	(6,559,474)
- Cash payout against distribution	-	(890,049)
	-	(7,449,523)
Undistributed income carried forward [Includes unrealised gain on investments of Rs.540,950] [2014: Includes unrealised gain on investments of Rs.3,541,950]	28,246,563	16,759,691

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 NINE MONTHS ENDED 31 MARCH 2015

	31 March 2015		31 March 2014	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period [Rs.505.03 (2014: Rs.502.31) per unit]	1,030,979	520,673,686	1,047,317	526,077,982
Issue of units	370,029	193,788,474	795,147	404,096,390
Redemption of units	(522,132)	(273,606,682)	(620,257)	(316,278,849)
	(152,103)	(79,818,208)	174,890	87,817,541
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	3,001,541	-	1,066,479
Capital loss on maturity/sale of investments - net	-	-	-	(159,250)
Net unrealised (diminution)/appreciation on remeasurement of investments classified as "financial assets at fair value through profit or loss"	-	(2,636,850)	-	4,073,900
Other net income for the period	-	26,523,517	-	27,666,773
Total comprehensive income for the period	-	23,886,667	-	31,581,423
Interim distribution for the quarter ended 30 September 2013 at the rate of Rs.9.00 per unit declared on 4 October 2013				
- Issue of bonus units	-	-	15,691	-
- Cash payout against distribution	-	-	-	(890,049)
Interim distribution for the quarter ended 31 December 2013 at the rate of Rs.9.00 per unit declared on 7 January 2014				
- Issue of bonus units	-	-	12,985	-
- Cash payout against distribution	-	-	-	(890,049)
Net assets at the end of the period [Rs.532.21 (2014: Rs.515.45) per unit]	878,876	467,743,686	1,250,884	644,763,327

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 NINE MONTHS ENDED 31 MARCH 2015

	2015	2014
	Note -----	Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	23,886,667	31,581,423
Adjustment for:		
Mark-up income	(35,956,856)	(36,139,756)
Capital loss on sale/maturity of investments - net	-	159,250
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,636,850	(4,073,900)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	3,001,541	1,066,479
	(30,318,465)	(38,987,927)
Increase in prepayment	(10,000)	(70,500)
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - management company	1,369,278	550,756
Payable to Central Depository Company of Pakistan Limited - Trustee	(1,858)	19,080
Annual fee payable to the Securities and Exchange Commission of Pakistan	(102,709)	(125,231)
Accrued and other liabilities	650,393	1,036,044
	1,915,104	1,480,649
Investments made during the period	(30,255,000)	(16,111,000)
Investments sold / matured during the period	-	102,500,000
Markup received	34,237,283	32,592,644
Net cash (used in)/generated from operating activities	(544,411)	112,985,289
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	193,788,474	404,096,390
Net payments against redemption of units	(273,606,682)	(316,278,849)
Cash payout against distribution	-	(1,780,098)
Net cash (used in)/generated from financing activities	(79,818,208)	86,037,443
Net (decrease)/increase in cash and cash equivalents	(80,362,619)	199,022,732
Cash and cash equivalents at the beginning of the period	282,423,544	157,248,565
Cash and cash equivalents at the end of the period	4 202,060,925	356,271,297

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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 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 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, the Second Supplement dated 12 November 2010, Third Supplement dated 20 September 2013 and the Fourth Supplement dated 24 March 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, 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. BASIS OF PREPARATION

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 2014.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 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 2014.

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 2014.

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 2014.

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	31 March 2015	30 June 2014
	Un-audited	Audited
Note	Rupees	

4. BANK BALANCES

In local currency			
- Profit and loss sharing accounts	4.1	<u>202,060,925</u>	<u>282,423,544</u>

4.1 The expected rate of return on these profit and loss sharing accounts range between 6.50% to 7.85% (30 June 2014: 6.50% to 9.15%) per annum.

5. INVESTMENTS

At fair value through profit or loss

Government Securities

Government of Pakistan (GOP) - Ijarah Sukuks	5.1	<u>267,534,950</u>	<u>239,916,800</u>
----------------------------------------------	-----	--------------------	--------------------

5.1 Government of Pakistan - Ijarah Sukuks

Script	Face Value - Rupees			At the end of the period	Rupees		Percentage of	
	At the beginning of the period	Acquired during the period	Disposed during the period		Market Value	Total investment	Net assets	
Government of Pakistan Ijarah Sukuks	235,900,000	30,000,000	-	265,900,000	267,534,950	100.00	57.20	
	<u>235,900,000</u>	<u>30,000,000</u>	<u>-</u>	<u>265,900,000</u>	<u>267,534,950</u>	<u>100.00</u>	<u>57.20</u>	

5.2 The cost of investments amounts to Rs.266,994,000/- (30 June 2014: Rs.236,739,000/-).

5.3 The expected rate of markup ranges between 7.49% to 9.98% (30 June 2014: 7.98% to 9.98%) per annum and the instruments will mature by 25 June 2017 (30 June 2014: 25 June 2017).

	31 March 2015	30 June 2014
	Un-audited	Audited
Note	Rupees	

6. MARKUP ACCRUED

On profit and loss sharing accounts		1,372,409	1,879,332
On GOP - Ijarah Sukuks		5,376,379	3,149,883
		<u>6,748,788</u>	<u>5,029,215</u>

7. PAYABLE TO THE MANAGEMENT COMPANY - RELATED PARTY

Management fee		1,015,019	348,861
Sindh Sales Tax payable on remuneration of the Management Company	7.1	365,325	189,757
Federal Excise Duty payable on remuneration of the Management Company	7.2	1,364,671	837,119
		<u>2,745,015</u>	<u>1,375,737</u>

7.1 During the period, an amount of Rs.573,713 (2014: Rs.723,027) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.398,145 (2014: Rs.618,423) has been paid to the Management Company which acts as the collecting agent.

Atlas Islamic Income Fund

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 with effect from 13 June 2013. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.1.55 (30 June 2014: Re.0.81) per unit.

	31 March 2015	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	

8. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		115,530	134,210
Printing charges payable		210,500	228,000
Rating fee payable		181,500	-
Withholding tax payable		16,427	4
Provision for Workers' Welfare Fund	8.1	4,618,300	4,130,817
Other payable		464,863	463,696
		5,607,120	4,956,727

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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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 a judgement of 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.4,618,300 (30 June 2014: Rs.4,130,817) 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.5.25 (30 June 2014: Rs.4.01) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2015 and as at 30 June 2014.

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2015	2014	2015	2014
	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees			

10. MARK UP INCOME

Profit and loss sharing accounts	18,588,337	12,041,175	4,859,672	5,385,510
Government of Pakistan- Ijarah Sukuks	17,368,519	24,098,581	5,740,798	7,100,242
	35,956,856	36,139,756	10,600,470	12,485,752

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 as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to 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 Nine Months ended</u>	
31 March 2015	31 March 2014
Un-audited	Un-audited
Note -----	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	3,297,199	3,895,618
Remuneration paid	2,631,041	3,865,145
Sindh Sales Tax on Remuneration of the Management Company	573,713	723,027
Federal Excise Duty on Remuneration of the Management Company	527,552	623,299
Formation cost paid	-	207,620
Issue of Nil (2014: 58,235) units	-	29,500,000
Bonus of Nil (2013: 636) units	-	320,828
Redemption of 69,542 (2014: 3,946) units	36,000,000	2,000,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	659,441	676,153
Remuneration of the Trustee paid	661,299	657,073
Settlement charges paid	4,500	5,525
Atlas Foundation (Trust having Common Director/Trustee)		
Bonus of Nil (2014: 32) units	-	16,232
Redemption of 962 (2014: 66,510) units	508,911	33,500,000
Atlas Honda Limited (Group Company)		
Bonus of Nil (2014: 4,666) units	-	2,352,378
Atlas Insurance Limited (Group Company)		
Issue of 161,936 (2014: 385,855) units	86,100,000	196,400,000
Bonus of Nil (2014: 924) units	-	466,937
Redemption of 162,000 (2014: Nil) units	86,133,780	-
<u>Key Management Personnel of Management Company</u> 12.3		
Issue of 5,657 (2014: 20,412) units	2,900,000	10,325,198
Bonus of Nil (2014: 650) units	-	327,702
Redemption of 10,686 (2014: 8,282) units	5,530,532	4,190,106

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31 March 30 June
2015 2014
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	1,015,019	348,861
Sindh Sales Tax payable on remuneration of the management company	365,325	189,757
Federal Excise Duty payable on remuneration of the Management Company	1,364,671	837,119
Units in issue 12,361 (30 June 2014: 81,903) - at net asset value	6,578,636	41,363,401
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to trustee	67,914	69,772
Security deposit	100,000	100,000
Atlas Foundation (Trust having Common Director/Trustee)		
Units in issue Nil (30 June 2014: 962) - at net asset value	-	485,861
Atlas Honda Limited (Group Company)		
Units in issue 138,839 (30 June 2014: 138,839) - at net asset value	73,891,666	70,118,013
Atlas Insurance Limited (Group Company)		
Units in issue 172,318 (30 June 2014: 172,382) - at net asset value	91,709,530	87,058,004
Meezan Bank Limited (Holding more than 10%)	12.5	
Units in issue 98,894 (30 June 2014: N/A) - at net asset value	52,632,568	-
Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Units in issue 19,278 (30 June 2014: 19,278) - at net asset value	10,259,985	9,736,007
Key Management Personnel of Management Company	12.3	
Units in issue 13,512 (30 June 2014: 18,542) - at net asset value	7,191,429	9,363,957

12.3 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 the FY 2014-15.

12.4 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.

12.5 Holding being less than 10% as at 30 June 2014, disclosure was not applicable.

Atlas Islamic Income Fund

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 27 April 2015.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Third Quarter Report 2014-15

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

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 MARCH 2015

		31 March 2015 Un-audited	30 June 2014 Audited
	Note	----- Rupees -----	-----
ASSETS			
Bank balances	4	21,464,191	124,718,193
Investments	5	995,511,223	731,505,934
Profit receivable on bank balances		156,991	641,037
Dividend receivable		11,308,750	675,000
Receivable against sale of investments		5,096,750	6,581,463
Deposits, prepayments and other receivables		2,610,000	7,325,000
Total assets		1,036,147,905	871,446,627
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	6	11,532,786	5,046,869
Payable to Central Depository Company of Pakistan Limited - Trustee		193,846	130,161
Payable to the Securities and Exchange Commission of Pakistan		629,347	874,914
Payable against purchase of investments		11,455,052	39,376,880
Accrued and other liabilities	7	17,758,351	16,654,111
Total liabilities		41,569,382	62,082,935
NET ASSETS		994,578,523	809,363,692
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		994,578,523	809,363,692
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		2,317,527	1,980,470
NET ASSET VALUE PER UNIT		429.16	408.67

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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2015

	For the Nine Months ended		For the Quarter ended	
	31 March		31 March	
	2015	2014	2015	2014
Note	----- Rupees -----			
INCOME				
Profit on bank balances	3,314,390	13,770,318	892,778	4,160,802
Dividend income	43,871,251	43,300,050	15,747,501	11,438,800
Capital gain on sale of investments - net	64,203,912	73,354,360	38,852,680	35,419,082
Net unrealized (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(69,924,298)	38,985,792	(84,797,577)	(20,990,329)
	(5,720,386)	112,340,152	(45,944,897)	14,428,753
Element of gain/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net	30,497,464	(39,303,918)	36,199,959	(33,914,487)
	71,962,719	130,106,602	6,895,341	(3,886,132)
EXPENSES				
Remuneration of Atlas Asset Management Limited - Management Company	13,249,461	14,660,017	4,774,613	4,421,366
Sindh Sales Tax on remuneration of the Management Company 6.1	2,305,406	2,720,899	830,782	820,605
Federal Excise Duty on remuneration of the Management Company 6.2	2,119,914	2,345,603	763,938	707,419
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,316,247	1,457,303	468,763	442,068
Annual fee - Securities and Exchange Commission of Pakistan	629,347	696,350	226,794	210,018
Auditors' remuneration	217,460	189,927	75,540	63,270
Securities transaction cost	2,478,186	1,993,390	1,374,480	726,455
Annual listing fee	30,000	30,000	10,000	10,000
Annual rating fee	123,300	75,000	31,900	25,000
Printing charges	215,694	207,075	74,100	90,875
Bank charges	18,065	17,636	7,218	4,574
Provision for Workers' Welfare Fund 7.2	985,193	2,114,268	(34,856)	(228,156)
	23,688,273	26,507,468	8,603,272	7,293,494
Net income/(loss) for the period before taxation	48,274,446	103,599,134	(1,707,931)	(11,179,626)
Taxation 9	-	-	-	-
Net income/(loss) for the period after taxation	48,274,446	103,599,134	(1,707,931)	(11,179,626)

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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2015

	For the Nine Months ended		For the Quarter ended	
	31 March 2015	2014	31 March 2015	2014
	----- Rupees -----			
Net income/(loss) for the period after taxation	48,274,446	103,599,134	(1,707,931)	(11,179,626)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	48,274,446	103,599,134	(1,707,931)	(11,179,626)

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 NINE MONTHS ENDED 31 MARCH 2015

	Note	2015 ----- Rupees -----	2014 -----
Undistributed income brought forward [Includes unrealised gain on investments of Rs.94,012,969] (2014: Includes unrealised gain on investments of Rs.108,232,074)		89,513,943	249,650,779
Final distribution of bonus units for the year ended 30 June 2013 Rs.110 per unit declared on 04 July 2013		-	(221,708,993)
Net income for the period after taxation		48,274,446	103,599,134
Shariah non-compliant income set-aside for charity	7.1	(804,580)	(609,309)
Undistributed income carried forward [Includes unrealised loss on investments of Rs.39,476,168] (2014: Includes unrealised gain on investments of Rs.71,166,719)		136,983,809	130,931,611

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 NINE MONTHS ENDED 31 MARCH 2015

	31 March 2015		31 March 2014	
	Units	Rupees	Units	Rupees
Net assets at beginning of the period [Rs.408.67 (2014: Rs.483.55) per unit]	1,980,470	809,363,692	2,015,536	974,605,786
Issue of units	1,573,767	720,716,115	521,775	216,513,653
Redemption of units	(1,236,710)	(552,473,687)	(1,288,581)	(542,258,009)
	337,057	168,242,428	(766,806)	(325,744,356)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	(30,497,464)	-	39,303,918
Final distribution of bonus units for the year ended 30 June 2013 at the rate of Rs.110 per unit declared on 4 July 2013	-	-	593,519	-
Capital gain on sale of investments - net	-	64,203,912	-	73,354,360
Net unrealized (diminution)/appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	(69,924,298)	-	38,985,792
Other net income/(loss) for the period	-	53,994,832	-	(8,741,018)
Total comprehensive income for the period	-	48,274,446	-	103,599,134
Shariah non-compliant income set-aside for charity	-	(804,580)	-	(609,309)
Net assets at end of the period [Rs.429.16 (2014: Rs.429.45) per unit]	2,317,527	994,578,523	1,842,249	791,155,173

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 NINE MONTHS ENDED 31 MARCH 2015

	2015	2014
	Note ----- Rupees -----	----- Rupees -----
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period after taxation	48,274,446	103,599,134
Adjustments for:		
Profit on bank balances	(3,314,390)	(13,770,318)
Dividend income	(43,871,251)	(43,300,050)
Capital gain on sale of investments - net	(64,203,912)	(73,354,360)
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	69,924,298	(38,985,792)
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed - net	(30,497,464)	39,303,918
	(71,962,719)	(130,106,602)
(Increase)/decrease in assets		
Receivable against sale of investments	1,484,713	26,690,486
Deposits, prepayment and other receivables	4,715,000	(10,000)
	6,199,713	26,680,486
Increase/(decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	6,485,917	2,491,914
Payable to Central Depository Company of Pakistan Limited - Trustee	63,685	(20,408)
Payable to the Securities and Exchange Commission of Pakistan	(245,567)	36,462
Payable against purchase of investments	(27,921,828)	(19,465,734)
Accrued and other liabilities	299,660	1,448,339
	(21,318,133)	(15,509,427)
Investments made during the period	(1,419,703,261)	(1,012,784,829)
Investments sold during the period	1,149,977,587	1,337,952,415
Profit received on bank balances	3,798,436	13,364,963
Dividend received	33,237,501	39,397,600
	(232,689,737)	377,930,149
Net cash (used in)/generated from operating activities	(271,496,430)	362,593,740
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	720,716,115	216,513,653
Net payments against redemption of units	(552,473,687)	(542,258,009)
Net cash generated from/(used in) financing activities	168,242,428	(325,744,356)
Net (decrease)/increase in cash and cash equivalents during the period	(103,254,002)	36,849,384
Cash and cash equivalents at the beginning of the period	124,718,193	85,170,897
Cash and cash equivalents at the end of the period 4	21,464,191	122,020,281

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 THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2015

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 Securities & Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth and the Sixth Supplements, dated 29 October 2007, 06 March 2008, 04 December 2009, 23 June 2010, 20 September 2013 and 24 March 2015, respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 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. BASIS OF PREPARATION

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 a full set of financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2014.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 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 2014.

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 were applied to the financial statements as at and for the year ended 30 June 2014.

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 2014.

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	31 March 2015 Un-audited	30 June 2014 Audited
Note	----- Rupees -----	

4. BANK BALANCES

In local currency

In profit and loss saving accounts	4.1	<u>21,464,191</u>	<u>124,718,193</u>
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4.1 The expected rate of return on these profit and loss sharing accounts ranges between 6.5% to 7.85% (30 June 2014: 6.5% to 9.15%) per annum.

5. INVESTMENTS

At fair value through profit or loss

- Listed equity securities - Held for trading	5.1	<u>995,511,223</u>	<u>731,505,934</u>
-----------------------------------------------	-----	--------------------	--------------------

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 2014	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 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										
COMMERCIAL BANKS										
Meezan Bank Limited	1,546,000	200,000	-	1,621,000	125,000	5,636,529	5,512,500	0.55	0.55	0.01
TEXTILE COMPOSITE										
Kohinoor Textile Mills Limited	-	1,050,000	-	500,000	550,000	29,124,725	23,182,500	2.33	2.33	0.22
Nishat Mills Limited	300,000	1,220,200	-	445,200	1,075,000	128,681,875	109,843,500	11.03	11.04	0.31
	300,000	2,270,200	-	945,200	1,625,000	157,806,600	133,026,000	13.36	13.37	
CEMENT										
Attock Cement Pakistan Limited	100,000	287,000	-	125,000	262,000	53,719,662	47,408,900	4.76	4.77	0.23
D G Khan Cement Company Limited	500,000	315,000	-	465,000	350,000	33,959,931	39,130,000	3.93	3.93	0.08
Fauji Cement Company Limited	500,000	566,500	-	1,066,500	-	-	-	-	-	-
Kohat Cement Limited	-	80,000	-	80,000	-	-	-	-	-	-
Lafarge Pakistan Cement Limited	500,000	500,000	-	1,000,000	-	-	-	-	-	-
Lucky Cement Limited	90,000	173,000	-	45,000	218,000	96,938,032	97,214,920	9.77	9.77	0.07
Maple Leaf Cement Limited	-	60,000	-	60,000	-	-	-	-	-	-
Pioneer Cement Limited	-	35,000	-	35,000	-	-	-	-	-	-
	1,690,000	2,016,500	-	2,876,500	830,000	184,617,625	183,753,820	18.46	18.47	

Atlas Islamic Stock Fund

Name of Investee Company	Number of shares held					Rupees		Percentage of		
	As at 01 July 2014	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 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...)										
REFINERY										
Attock Refinery Limited	25,000	110,000	-	25,000	110,000	22,194,425	16,918,000	1.70	1.70	0.13
National Refinery Limited	50,000	80,000	-	100,000	30,000	6,250,619	5,727,000	0.58	0.58	0.04
	75,000	190,000	-	125,000	140,000	28,445,044	22,645,000	2.28	2.28	
POWER GENERATION & DISTRIBUTION										
The Hub Power Company Limited	1,235,000	597,000	-	832,000	1,000,000	68,375,819	85,380,000	8.58	8.58	0.09
Lalpir Power Limited	-	1,202,500	-	650,000	552,500	16,935,020	16,503,175	1.66	1.66	0.15
Pakgen Power Limited	1,000,000	1,531,000	-	1,381,000	1,150,000	29,223,728	32,085,000	3.22	3.23	0.31
	2,235,000	3,330,500	-	2,863,000	2,702,500	114,534,567	133,968,175	13.46	13.47	
OIL AND GAS MARKETING COMPANIES										
Attock Petroleum Limited	1,800	132,600	-	29,950	104,450	56,365,021	54,308,778	5.46	5.46	0.13
Hascol Petroleum Limited	-	300,000	-	100,000	200,000	20,871,570	18,370,000	1.85	1.85	0.22
Pakistan State Oil Company Limited	150,000	240,000	-	60,000	330,000	126,188,666	113,652,000	11.42	11.43	0.12
Sui Northern Gas Pipelines Limited	500,000	300,000	-	800,000	-	-	-	-	-	-
	651,800	972,600	-	989,950	634,450	203,425,257	186,330,778	18.73	18.74	
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	10,000	-	2,000	11,900	100	31,119	51,588	0.01	0.01	-
Oil and Gas Development Company Limited	325,000	122,000	-	447,000	-	-	-	-	-	-
Pakistan Oilfields Limited	150,000	207,500	-	161,400	196,100	83,755,059	64,018,806	6.43	6.44	0.08
Pakistan Petroleum Limited	250,500	542,000	-	260,500	532,000	101,883,676	82,284,440	8.27	8.27	0.03
	735,500	871,500	2,000	880,800	728,200	185,669,854	146,354,834	14.71	14.72	
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	46,500	-	-	46,500	-	-	-	-	-	-
Millat Tractors Limited	25,000	5,000	-	30,000	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	45,000	55,000	-	40,000	60,000	20,207,223	20,790,000	2.09	2.09	0.07
	116,500	60,000	-	116,500	60,000	20,207,223	20,790,000	2.09	2.09	
AUTOMOBILE PARTS & ACCESSORIES										
Agriauto Industries Limited	36,000	-	-	36,000	-	-	-	-	-	-
TECHNOLOGY & COMMUNICATION										
Pakistan Telecommunication Company Limited	500,000	600,000	-	1,100,000	-	-	-	-	-	-

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Name of Investee Company	Number of shares held				Rupees		Percentage of			
	As at 01 July 2014	Purchases during the period	Bonus shares during the period	Sales during the period	As at 31 March 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...)										
FERTILIZER										
Engro Corporation Limited	-	555,000	-	95,000	460,000	118,532,193	118,174,000	11.87	11.88	0.09
Fauji Fertilizer Bin Qasim Limited	-	1,620,000	-	1,200,000	420,000	20,550,240	19,521,600	1.96	1.96	0.04
Fauji Fertilizer Company Limited	300,000	1,150,000	-	1,412,300	37,700	4,737,619	5,023,148	0.50	0.51	0.003
	300,000	3,325,000	-	2,707,300	917,700	143,820,052	142,718,748	14.33	14.35	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	-	13,500	-	-	13,500	6,912,316	6,714,090	0.67	0.68	0.01
The Searle Company Limited	50,000	53,700	-	100,000	3,700	780,478	780,478	0.08	0.08	0.004
	50,000	67,200	-	100,000	17,200	7,692,794	7,494,568	0.75	0.76	
PAPER & BOARD										
Packages Limited	-	20,000	-	20,000	-	-	-	-	-	-
GLASS & CERAMICS										
Ghani Glass Limited	-	180,000	-	-	180,000	13,579,975	12,916,800	1.30	1.30	0.15
MISCELLANEOUS										
Synthetic Products Enterprises Limited	-	200,000	-	200,000	-	-	-	-	-	-
Total as at 31 March 2015						1,065,435,520	995,511,223	100.00	100.09	
Total as at 30 June 2014						665,008,298	731,505,934			

5.2 The cost of listed equity securities as at 31 March 2015 is Rs.1,034,987,391 (30 June 2014: Rs.637,492,965).

5.3 The above investments include the following 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	
	31 March 2015	30 June 2014	31 March 2015	30 June 2014
	Un-audited	Audited	Un-audited	Audited
	----- Rupees -----			
Lucky Cement Limited	75,000	75,000	33,445,500	30,772,500
The Hub Power Company Limited	700,000	700,000	59,766,000	41,118,000
Pakistan State Oil Company Limited	50,000	-	17,220,000	-
Pakistan Oilfields Limited	57,000	57,000	18,608,220	32,735,100
Fauji Fertilizer Company Limited	-	75,000	-	8,418,750
			129,039,720	113,044,350

Atlas Islamic Stock Fund

Note	31 March 2015	30 June 2014
	Un-audited	Audited
	Rupees	
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		
	4,774,613	1,243,784
Remuneration of the Management Company		
Sindh Sales Tax payable on remuneration of the Management Company	6.1 1,531,290	696,116
Federal Excise Duty payable on remuneration of the Management Company	6.2 5,226,883	3,106,969
	11,532,786	5,046,869

6.1 During the period, an amount of Rs.2,305,406 (31 March 2014: Rs.2,720,899) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs.1,470,232 (31 March 2014: Rs.2,377,189) 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 was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honourable 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. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.2.26 (30 June 2014: Rs.1.57) per unit.

Note	31 March 2015	30 June 2014
	Un-audited	Audited
	Rupees	
7. ACCRUED AND OTHER LIABILITIES		
	154,570	193,560
Auditors' remuneration payable		
Printing charges payable	210,500	228,000
Rating fee payable	95,700	100,000
Charity payable	7.1 227,656	105,885
NCCPL charges payable	37,856	17,103
Withholding tax payable	42,010	10,588
Zakat payable	4,213	1,495
Provision for Workers' Welfare Fund	7.2 16,892,945	15,907,752
Others	92,901	89,728
	17,758,351	16,654,111

7.1 The Shariah Advisor of the Fund, has certified an amount of Rs.804,580 (30 June 2014: Rs.715,194) against dividend income, as shariah non-compliant income during the period, which has accordingly been marked to charity. Out of this, an amount Rs.576,924 has already been paid to the charities approved by the Shariah Advisor during the period. The balance amount of Rs.227,656 (30 June 2014: Rs.105,885) shall be paid in due course of time.

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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 (CISs)/mutual funds/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 the Federal Board of Revenue (FBR) to several mutual funds (CISs)/pension funds for the collection of WWF including some of the mutual funds and the pension funds managed by the AMC. In respect of such show cause notices, certain (CISs)/pension funds have been granted stay by the Honourable SHC on the basis of the pending Constitutional Petition as referred to 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 the 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 a judgement of 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.16,892,945 (30 June 2014: Rs.15,907,752) in these condensed interim financial statements. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs.7.29 (30 June 2014: Rs.8.03) per unit.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2015 and as at 30 June 2014.

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 as cash dividend amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income, other than unrealized capital gains to 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.

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10. TRANSACTIONS WITH CONNECTED PERSONS/OTHER RELATED PARTIES

Note	For the Nine Months ended	
	31 March 2015	31 March 2014
	Un-audited	Un-audited

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	13,249,461	14,660,017
Remuneration paid	9,718,632	14,857,416
Sindh sales tax on remuneration of the Management Company	2,305,406	2,720,899
Federal Excise Duty on remuneration of the Management Company	2,119,914	2,345,603
Issue of 37,567 (2014: Nil) units	15,400,000	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,316,247	1,457,303
Remuneration paid	1,266,476	1,476,040
Settlement charges	107,916	100,623
Atlas Battery Limited (Group Company)		
Bonus Nil (2014: 39,523) units	-	14,763,929
Redemption of Nil (2014: 6,011) units	-	2,500,000
Atlas Foundation (Trust having common Director/Trustee)		
Issue of 8,414 (2014: Nil) units	4,000,000	-
Atlas Honda Limited (Group Company)		
Issue of 478,417 (2014: Nil) units	227,937,485	-
Bonus Nil (2014: 28,966) units	-	10,820,169
Redemption of 197,270 (2014: 127,331) units	94,263,590	54,604,607
Atlas Insurance Limited (Group company)		
Issue of 513,360 (2014: 277,736) units	226,700,000	116,400,000
Bonus Nil (2014: 100,234) units	-	37,442,472
Redemption of 372,400 (2014: 345,900) units	161,402,744	143,927,763
Batools Benefit Trust (Trust having common Director/Trustee)		
Issue of 55,079 (2014: Nil) units	25,000,000	-
Bonus Nil (2014: 8,075) units	-	3,016,426
Ifikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Bonus Nil (2014: 7,999) units	-	2,987,925
Shirazi Investments (Private) Limited (Group Company)		
Issue of 51,729 (2014: Nil) units	25,000,000	-
Sindh Province Pension Fund (Unit holder with more than 10% holding)		
Bonus Nil (2013: 85,722) units	-	32,021,425
Redemption of Nil (2014: 190,000) units	-	81,789,300
Service Provident Fund Trust (Unit holder with more than 10% holding)		
Bonus Nil (2014: 53,087) units	-	19,830,724
Redemption of 259,666 (2014: N/A) units	113,396,260	-
Key Management Personnel of the Management Company 10.3		
Issue of 6,535 (2014: 506) units	2,757,059	200,000
Bonus Nil (2014: 37,304) units	-	13,934,836
Redemption of 45,159 (2014: 17,416) units	20,265,688	7,070,906

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	31 March 2015	30 June 2014
	Un-audited	Audited
Note	----- Rupees -----	----- Rupees -----

10.2 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	4,774,613	1,243,784
Sindh Sales Tax payable on remuneration of the Management Company	1,531,290	696,116
Federal Excise Duty payable on remuneration of the Management Company	5,226,883	3,106,969
Outstanding 37,567 (30 June 2014: Nil) units - at net asset value	16,122,153	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to trustee	174,148	124,377
Settlement charges payable	19,698	5,784
Security deposit	100,000	100,000
Atlas Battery Limited (Group Company)		
Outstanding 186,633 (30 June 2014: 186,633) units - at net asset value	80,095,394	76,271,285
Atlas Foundation (Trust having common Director/Trustee)		
Outstanding 8,414 (30 June 2014: Nil) units - at net asset value	3,611,090	-
Atlas Honda Limited (Group Company)		
Outstanding 405,510 (30 June 2014: 124,363) units - at net asset value	174,028,622	50,823,281
Atlas Insurance Limited (Group Company)		
Outstanding 555,391 (30 June 2014: 414,431) units - at net asset value	238,351,813	169,365,706
Batools Benefit Trust (Trust having common Director/Trustee)		
Outstanding 94,576 (30 June 2014: 39,498) units - at net asset value	40,588,283	16,141,444
Iftikhar Shirazi Family Trust (Trust having common Director/Trustee)		
Outstanding 39,124 (30 June 2014: 39,124) units - at net asset value	16,790,589	15,988,932
Shirazi Investments (Private) Limited (Group Company)		
Outstanding 51,729 (30 June 2014: Nil) units - at net asset value	22,199,921	-
Service Provident Fund Trust (Unit holder with more than 10% holding)		
Outstanding Nil (30 June 2014: 259,666) units - at net asset value	-	106,117,815
Key Management Personnel of the Management Company 10.3		
Outstanding 123,901 (30 June 2014: 162,525) units - at net asset value	53,173,242	66,418,934

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 the FY 2014-15.

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.

Atlas Islamic Stock Fund

11. GENERAL

11.1 Figures have been rounded off to the nearest Rupee.

11.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements during the period.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the management company on 27 April 2015.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director

Head Office

Ground Floor, Federation House, Sharae Firdousi,
Clifton, Karachi-75600. Ph: (92-21) 35379501- 04
Fax: (92-21) 35379280 UAN: 111- MUTUAL (6-888-25)
Website: www.atlasfunds.com.pk

Lahore Office

C/o. Atlas Honda Limited,
1-Mcleod Road, Lahore.
Ph: (92-42) 37225015-17
Fax: (92-42) 37351119

Rawalpindi Office

C/o. Atlas Honda Limited,
60, Bank Road, Saddar, Rawalpindi.
Tel: (92-51) 5856411
Fax: (92-51) 5120497