



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

ANNUAL REPORT

30 June 2016



Managed By

Atlas Asset Management

Rated AM2 by PACRA



MANAGING TO THE CORE!

Even the most seemingly diminutive of creatures, hold for us an education. They exhibit qualities of organization that are indeed inspirational. Planning, teamwork and controlling are attributes of a successful and solid organizational structure. At Atlas Funds these elements form the core of our institution.



Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20 August 2002 as an unlisted public limited company and is registered with the Securities and Exchange Commission of Pakistan as an asset management company for managing open-ended funds and closed-end funds. AAML is also a licensed pension fund manager to manage voluntary pension funds.

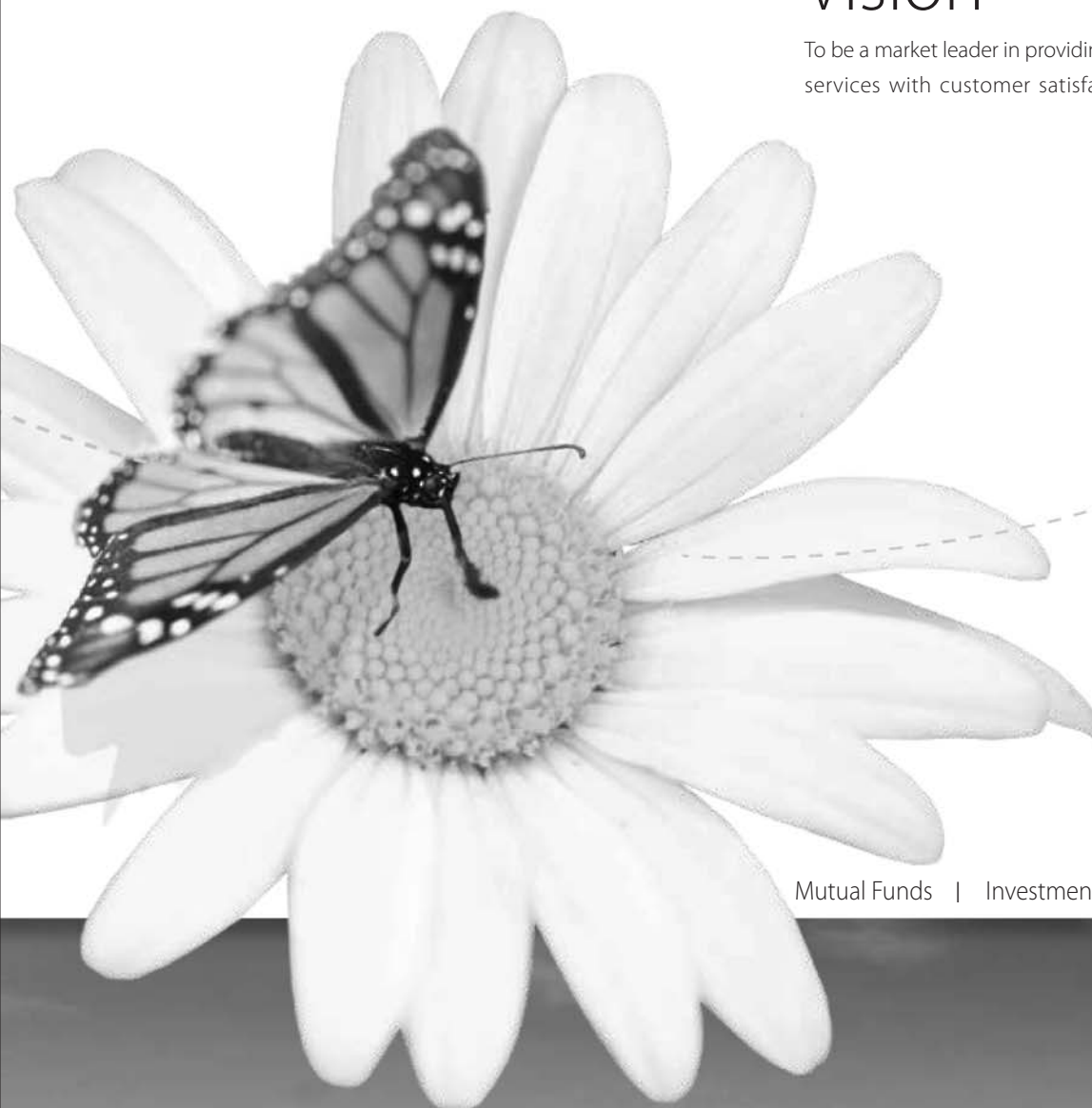
AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

AAML strives to be a market leader in providing quality fund management services with customer satisfaction as its aim, and is consistently committed to offering its investors the best possible risk adjusted returns on a diverse range of products, meeting not only the customers' current requirements but also exceeding their future expectations. With its strong emphasis on systems and controls, quality human resource and backing of Atlas Group, AAML enjoys a distinct advantage.



Vision

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



Mutual Funds | Investment Plans | Pension Funds

Creativity

The ability to creatively inspire innovation and the will to foster positive social and environmental change



Mission

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



Growth | Returns | Tax Savings

Team Work

Giving unparalleled service, creating long-term, win-win relationships and focusing on executional excellence



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Diversity

Understanding the social, cultural and financial diversity in our country and coming up with innovative plans to cater distinctive needs

Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)
Directors	Mr. Tariq Amin (Independent Director) Mr. Shamshad Nabi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director) Mr. Arshad P. Rana (Non-Executive Director)

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

Company Secretary Ms Qurrat-ul-Ain Jafari

Board Committees

Audit Committee

Chairman	Mr. Tariq Amin
Members	Mr. Shamshad Nabi Mr. Frahim Ali Khan
Secretary	Mr. M. Uzair Uddin Siddiqui

Board Evaluation Committee

Chairman	Mr. Tariq Amin
Members	Mr. Shamshad Nabi Mr. Ali H. Shirazi
Secretary	Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

Chairman	Mr. Frahim Ali Khan
Members	Mr. Ali H. Shirazi Mr. M. Habib-ur-Rahman

Investment Committee

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

Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Mr. Abbas Sajjad Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari
Secretary	Mr. Muhammad Umar Khan

Risk Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Muhammad Abdul Samad Mr. Khalid Mahmood
Secretary	Mr. Muhammad Faizan Ghori

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

The above information is as at 09 September 2016.

Board of Directors of the Management Company

Mr. Yusuf H. Shirazi Chairman

Mr. Shirazi is a Law graduate (L.L.B) with BA (Hons) and JD (Diploma in Journalism) Punjab University and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years. He is the author of five books including 'Aid or Trade' adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on economy. Mr. Shirazi is the Chairman of the Atlas Group, which among others, has joint ventures with GS Yuasa International, Honda Motor Company and MAN, to name a few. He has been the president of Karachi Chamber of Commerce and Industries for two terms. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been visiting faculty member of National Defence University, National School of Public Policy and Naval War College. He has been on the Board of Governors LUMS, GIK and FC College. Previously, he also served on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space and Upper Atmosphere Research Commission (SUPARCO).

Mr. Tariq Amin Director

Mr. Tariq Amin is the Chairman of Orkila Pakistan (Private) Limited, a leading company dealing in chemicals. He is also on the Boards of Pakistan Gum and Chemicals Limited, the Salim Habib Education Foundation and the Education City. He has varied experience both in private and public sectors. He is a law graduate from the University of Karachi. He also holds a Masters degree in English from the University of Karachi and a Post Graduate Diploma in Development Administration from the University of Leeds. Mr. Amin has been past Chairman of the Privatization Commission, Sindh. He has also been President of the Overseas Investors Chambers of Commerce & Industry (OICCI) and also the Chairman of SITE Association of Industry for four years. Mr. Amin was conferred the civil award of Chevalier De L'ordre National Du Merite by the Government of France 2001.

Mr. Shamshad Nabi Director

Mr. Shamshad Nabi is a Chartered Accountant by profession. He is a Fellow of the Institute of Chartered Accountants of England & Wales and Institute of Chartered Accountants of Pakistan. He has also completed his MBA in Finance from the University of Wales in the UK. Mr. Nabi has over 40 years working experience in the UK, Saudi Arabia and Pakistan mostly in asset management and development banking. He has had a long association with the Mutual fund industry in Pakistan, having served the NIT from 1966 to 1980 including the last four years as the NIT's Deputy Managing Director. He was the first Chief Executive Officer of the Mutual Funds Association of Pakistan from August 2007 to July 2012. During his association with the NIT, Mr. Nabi served on the Board of Directors of a large number of listed companies including ICI Pakistan Limited, Siemens Pakistan Limited, former Reckit & Colman of Pakistan Limited, Premier Tobacco Company Limited and Gul Ahmed Textiles Mills Limited besides many others. He has also served on the Board of Directors of the Karachi Stock Exchange. From 1980 until the end of 2002, Mr. Nabi worked for the Islamic Development Bank in Jeddah, Saudi Arabia for almost the entire period in the Grade of Director in the Treasury & Finance Department, Business Development Department and the Trade Finance Department. He has also worked for The Citizens Foundation in an Honorary capacity for four years as Advisor.

Mr. Fahim Ali Khan Director

Mr. Fahim Ali Khan has over 46 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from the Karachi University in 1965 and also obtained a degree in law from the same University. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management from Stanford University, USA, and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different senior positions. Currently, his other directorships include Atlas Battery Limited, Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Hi-Tech Limited, Atlas Autos (Pvt.) Limited, Atlas Metals (Pvt.) Limited and Atlas Foundation. Earlier, he has also served on the Boards of Atlas Honda Limited and Atlas Insurance Limited, and has been the CEO of Shirazi Investments (Pvt) Limited, Shirazi Trading Company (Pvt) Limited, and former Atlas Investment Bank Limited.

Mr. Arshad P. Rana Director

Mr. Arshad P. Rana is a graduate from Government College, Lahore; B.S. in Insurance & Economics from Iran and MBA from USA. He is a senior expert in insurance industry and has been affiliated with Atlas Insurance Limited, an associate company of the Atlas Group since 1991; first as General Manager and then as Chief Operating Officer before being appointed as the Chief Executive Officer of the company in March 2004. In his professional career that spans over 35 years, he has worked in Iran, USA and Middle East. Since his appointment to this position, Mr. Rana has been managing the company affairs with a professional approach having the vision to make Atlas Insurance Limited as one of the best performing companies in the market. Under his leadership, Atlas Insurance Limited has won several awards in the financial sector. Mr. Rana has been the Chairman, Insurance Association of Pakistan (IAP), Lahore Regional Committee in 2002-2003 and Vice Chairman, Central Committee (IAP) in the year 2004-2005 prior to becoming the Chairman, Insurance Association of Pakistan in 2005-2006.

Board of Directors of the Management Company

Mr. Ali H. Shirazi
Director

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is also on the Board of Atlas Insurance Limited, Atlas Battery Limited, Atlas Engineering Limited, Shirazi Capital (Pvt.) Limited, Shirazi (Pvt.) Limited, Shirazi Investments (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Venture Limited, Techlogix International Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS).

Mr. M. Habib-ur-Rahman
Chief Executive Officer

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants of England & Wales and has attended the management level programme (PMD) from Harvard Business School, USA. He has been a founding member and past Chairman / Director of the Mutual Funds Association of Pakistan. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan. He has been SECP's nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE / LSE.



Give your
SAVINGS the
ATLAS ASSET
BENEFIT!

Growth | Returns | Tax Savings

Chairman's Review

It is my pleasure to present to you the Annual Reports of Atlas Islamic Income Fund (AIIF) and Atlas Islamic Stock Fund (AISF) for the FY ended 30 June 2016.

THE ECONOMY

The economy of Pakistan has showed strong performance in FY 2015-16 with real GDP growing at 4.71% during the year which is the highest in eight years despite lower agricultural growth on account of notable decline in cotton production. CPI inflation for the FY 2015-16 averaged at 2.86% against 4.53% recorded in financial year 2014-15. The SBP reduced Discount Rate (DR) by 25bps in May-16 to stand at historic low of 6.25% (Policy Rate 5.75%). This was the second time during the year after 50bps cut in Sep-15 review to 6.5% (Policy Rate 6.00%). The expansionary monetary policy stance by SBP has seen increased expansion in credit to private sector.

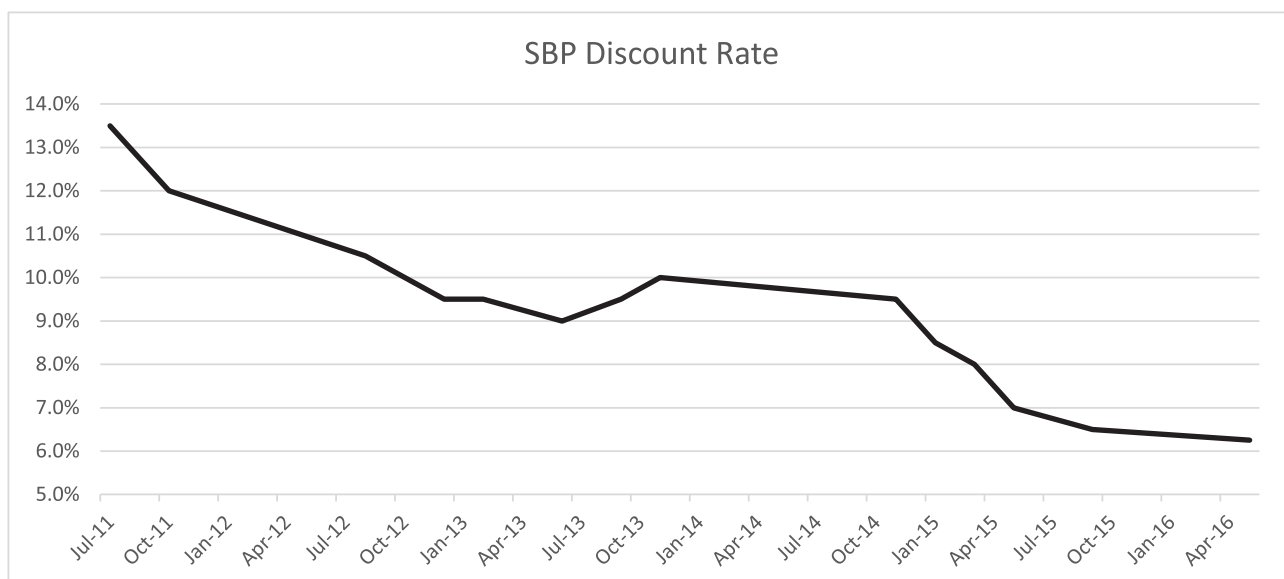
Exports during FY 2015-16 were US\$ 20.80 billion as compared to US\$ 23.67 billion in FY 2014-15. Imports declined by 2.32% and stood at US\$ 44.77 billion during FY 2015-16. The current account deficit stood at US\$ 2.53 billion in FY 2015-16 as compared to a deficit of US\$ 2.71 billion in the FY 2014-15 mainly due to CSF inflows, growth in worker's remittances and lower oil prices which reduced import bill. Foreign worker's remittances have increased to record US\$ 19.91 billion during the FY 2015-2016, showing a growth of 6.38% compared to US\$ 18.72 billion remitted during the FY 2014-15. Pakistan's foreign exchange reserves have increased to US\$ 23.08 billion at June end 2016 compared to US\$ 18.70 billion at June end 2015.

CPI was 2.86% during FY 2015-16 as compared to 4.53% for the previous corresponding year. Both food and non-food item prices increased at lower pace compared to last year. Low food prices mainly emanated from smooth supply of commodities despite floods, vigilant monitoring of prices coupled with decline in global food commodities. A growth of 11.69% was witnessed in the M2 (money supply) during FY 2015-16 as compared to 11.80% growth during the previous year corresponding period.

Real GDP growth for FY 2015-16 stood at 4.71% as compared to a growth of 4.04% in the preceding year. The Agriculture sector growth decreased by 0.19% against previous year's growth rate of 2.53%. The Large Scale Manufacturing (LSM) recorded a growth of 4.61% against growth of 3.29% last year. The Services sector recorded growth of 5.71% in FY 2015-16 as compared to 4.31% during the previous corresponding period.

THE MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 2.86% during FY 2015-16, as compared to 4.53% for the FY 2014-15. Prudent fiscal and monetary policies, stability in exchange rate, smooth supply of commodities in the market and monitoring of prices both at federal and provincial level along with fall in global commodity prices helped in moderating the headline inflation (CPI) and other inflationary indicators. The government has also passed on the benefits of lower oil prices to domestic consumers which helped in bringing the stability in prices of commodities of the CPI basket.



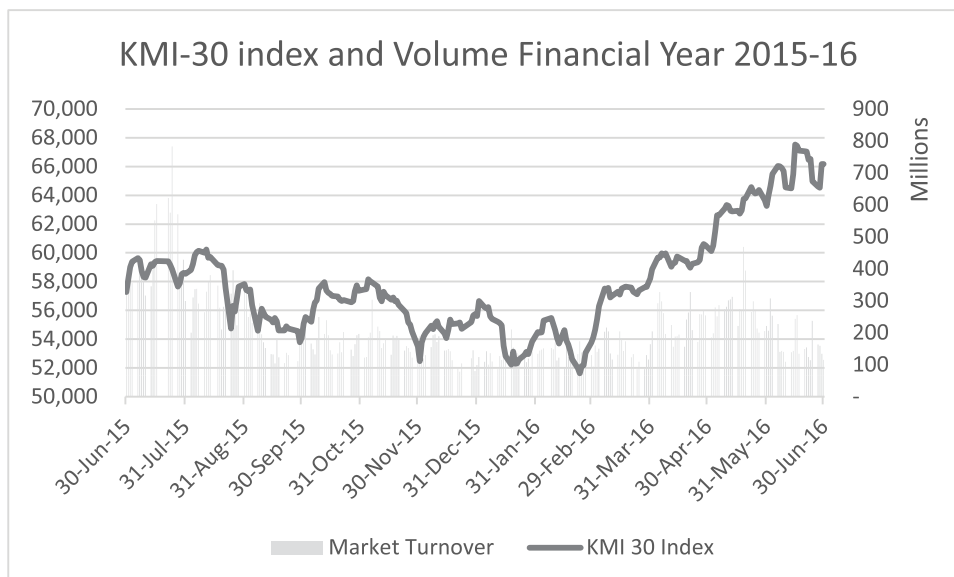
The growth in money supply (M2) witnessed an increase of 11.69% during 2015-16 to stand at Rs.1,319.2 billion against the expansion of 11.80% (Rs.1,176.4 billion) in the comparable period last year. Net Foreign Assets (NFA) witnessed expansion of Rs.105.2 billion during 2015-16 as against the net expansion of Rs.222.3 billion in the comparable period of fiscal year 2014-15. Increase in NFA during the current fiscal year was mainly due to improvement in Current Account Deficit, multi-lateral inflows excluding IMF and decline in imports stemming from lower international commodities' prices. Net Domestic Asset (NDA) of Banking system grew by 9.38% or Rs.982 billion against an increase of 8.98% or Rs.842 billion during the corresponding period last year stemming from a blend of high government borrowings from scheduled banks and retirement of borrowings earlier obtained from the SBP. Credit to Private sector was Rs.264 billion during 2015-16 against credit of Rs.138 billion during 2014-15 due to lower interest rate regime, increased economic activity and better energy and law & order situation.

Monetary policy has largely been accommodative on the back of favorable macroeconomic environment which included uptick in real GDP growth, decline in headline CPI inflation, stability in external sector including all time high level of the country's FX reserves, contained fiscal deficit due to revenue mobilization, government efforts to substitute its borrowing from SBP to commercial banks and successful completion of eleven reviews under Extended Fund Facility (EFF). Pakistan's foreign exchange reserves have increased to USD 23.08 billion at June end 2016 compared to USD 18.70 billion at the end-June 2015. The rise is mainly due to loans from ADB and World Bank, Coalition Support Fund (CSF) as well as disbursement of loans under Extended Fund Facility (EFF) by IMF and higher investment inflows. It is important to mention here that the increase in the reserves was largely attributed to rise in the reserves held by SBP. On the other hand, reserves held by commercial banks were almost stagnant during the period under review. On the back of better macroeconomic indicators and environment, SBP has adopted an accommodative monetary policy stance. Previously policy rate was reduced by 50 bps to 6.0 percent in September 2015. Policy rate remained unchanged at 6.0 percent in subsequent monetary policy meetings held in November 2015, January 2016 and April 2016. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to further reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21st May, 2016 which is the lowest rate in last 44 years reflecting improved macro-economic conditions towards the end of Fiscal Year 2016.

THE STOCK MARKET

The KMI-30 index increased from 57,271.34 points as on 30 June 2015 to 66,162.77 points as on 30 June 2016, showing a growth of 15.53%. The main drivers of return of the index were HUBC, LUCK, DAWH, ENGRO and SEARL as they contributed 7,347 points to the index and were able to beat the broader index by a huge margin.

Net Foreign portfolio outflow during the year was recorded at USD282mn compared to inflow of USD39mn last year. On the local front NBFCs were the most active participant investing USD188mn during the period. Moreover, Individual investors and Mutual Funds invested USD126mn and USD43mn in the stock market, respectively. Companies, on the other hand, reduced their exposure in the equity market by USD83mn. Sectors that outperformed the market were Pharmaceuticals, Cements and General Industries. Sectors that remained subdued were Food Producers, Fertilizer, Oil & Gas and Automobile & Parts.



Three new companies were listed on the stock exchange during the period, namely, Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited. Secondary offerings during the year were as follows: Engro Corporation sold 295 million shares of Engro Fertilizers Limited to local and foreign institutional investors and high net worth individuals during the year at a total value of approximately US\$ 184 million. During the year Public announcement of Intention was made by FrieslandCampina International Holding BV to acquire up to 51% of voting shares of Engro Foods Limited. Pakistan stands to receive US\$ 445 million in foreign exchange if the deal is completed. Similarly, shareholders of Hascol sold 18.1 million shares for US\$ 28 million to Vitol Dubai Limited, a global energy and commodity trading company.

Morgan Stanley Capital International (MSCI), the US equity indices provider, has included Pakistan Stock Exchange in its benchmark Emerging Market (EM) index. The MSCI Pakistan Index will be reclassified to emerging markets status, coinciding with the May 2017 semi-annual index review, hence, PSX would be inducted in the EM Index in June 2017. The MSCI document said Pakistan stocks will have a potential weight of 0.19 percent in the emerging market, while, currently Pakistan's weight in the MSCI Frontier Market (FM) Index is 8.9 percent. EM is a market of over a trillion dollars which is substantially higher than FM. This could attract foreign flows much higher than the outflows expected from the FM players.

The government in its budget announcement reduced corporate tax rate for non-banking companies to 31% from 32% for tax year 2017, while it is envisioned to be brought down by 1% to 30% by next year. However, one time Super Tax, introduced at 3% on profit for Tax Year 2015, was extended for another year and is also applicable for the tax year 2016. Tax credit duration has been increased from 1 year to 2 years on new listing which would encourage private companies to raise capital from equity market.

MUTUAL FUND TAXATION

1. Finance Act - 2016:

On budgetary measures, the following amendments related to mutual fund industry were introduced in the Income Tax Ordinance 2001 through Finance Act 2016.

- Federal Excise Duty (FED) has been withdrawn.
- Increase in rate of Capital Gain Tax on companies investing in mutual funds (other than stock funds) from 12.5% (less than one year holding) to 25%.
- Filer and Non Filer concept introduced.
Rate of tax on Dividend for other than equity funds in case for Non-Filers is fixed at 15% for Individuals & AOP's, as against 10% for Filers.

2. Reopening of Assessments of prior years:

During the year ended 30 June 2014, the Additional Commissioner Inland Revenue amended the return of income filed by various mutual funds under section 120 of the Income Tax Ordinance, 2001 (Ordinance) on the plea that bonus issues declared by the funds should not have been considered as distribution of income while claiming exemption available under clause 99 of Part 1 of the Second Schedule to Ordinance. Consequently the tax demands were raised across the mutual fund industry. The industry, including the funds under management of your company on whom demand was raised went on appeal. The Commissioner Inland Revenue - Appeals decided the matter in favor of the funds. Against this decision the tax assessing officer has filed an appeal in Appellate Tribunal Inland Revenue.

3. Withholding tax on Mutual Funds:

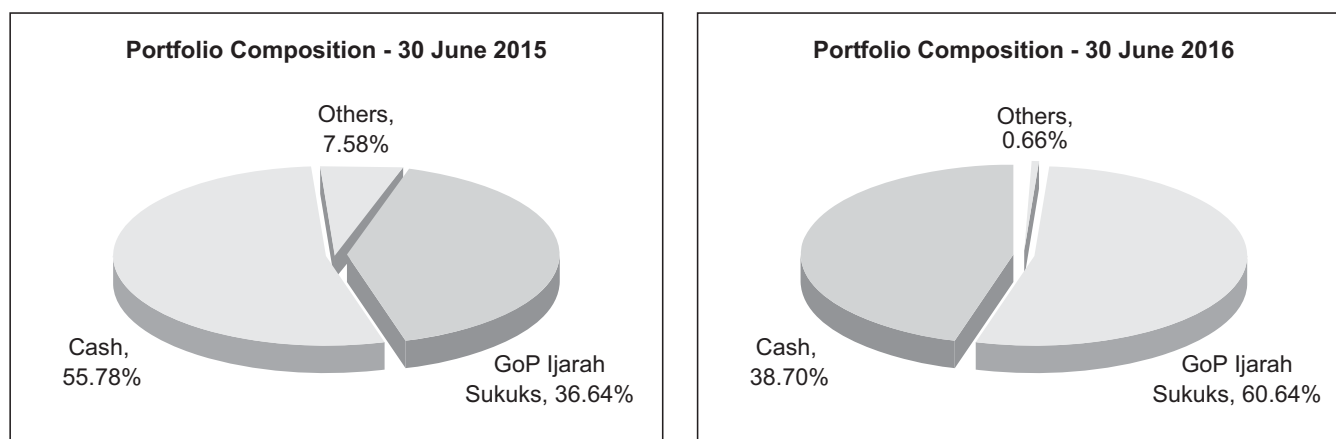
With effect from 12 May 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned commissioner of income tax by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far mutual funds and approved pension funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. However, the Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on 20 April 2016 a stay order was granted, however the document was received on 13 May 2016.

4. Super Tax:

A onetime super tax was levied on person whose income is more than Rs.500 Million for the tax year 2015 @ 3% for companies and 4% for banking companies through Finance Act, 2015. The tax has been extended for one more year. FBR is issuing notices to mutual funds whose income is exempt from tax (that includes super tax also) under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance 2001. During March 2016, notices were issued to twelve mutual funds managed by six Asset Management Companies. This includes Atlas Money Market Fund (AMF) managed by AAML. These mutual funds have filed a petition in the Honorable Sindh High Court for obtaining stay order against recovery and deciding the applicability of super tax on mutual funds. The Honorable High Court also gave "stay order" against recovery till 17 June 2016. The AMC have also appealed with Appellate Commissioner (AC). The AC decided the case in favor of the Department. AAML has gone to appeal with the Income Tax Tribunal against the judgement. Meanwhile, the Honorable High Court has granted "stay order" till 11 July 2016, the date of hearing. On 11 July 2016 the case were not taken up by the court and hence the stay order prevails till next day of hearing.

FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund has increased by 4.97% to Rs.501.42 as on 30 June 2016, which includes interim payout of total Rs.25.00 per unit. The benchmark average six months profit rate of three Islamic Banks stood at 5.14% for the period under review. The AIIF's total Exposure in Government of Pakistan Ijarah Sukuks was 60.64%, deposit with high yielding Shariah compliant bank was 38.70% and remaining 0.66% in others. The Net Assets of the Fund stood at Rs.558.55 million, with 1.11 million units outstanding as of 30 June 2016.

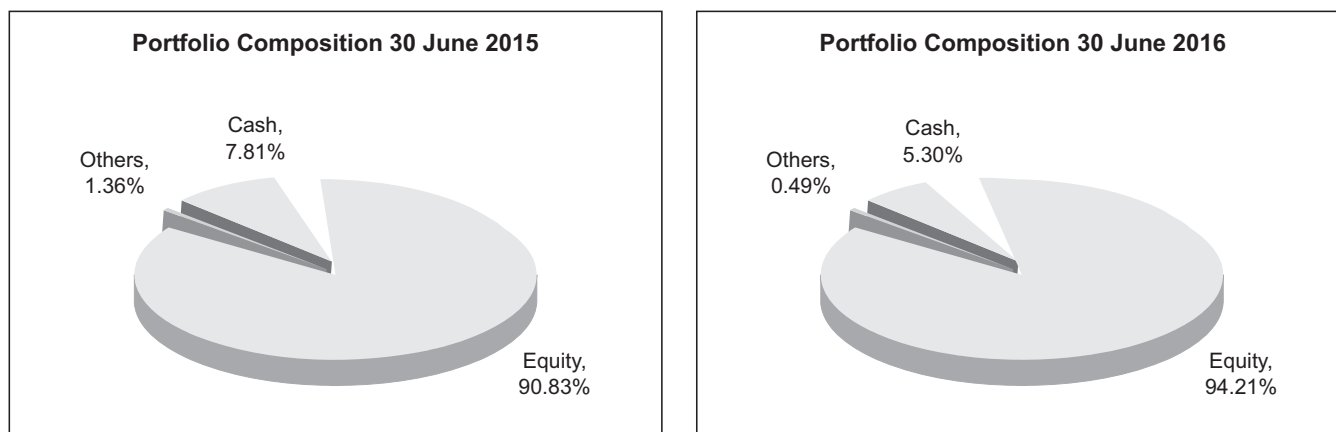


Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs.25.00 per unit (5.00% on the face value of Rs.500 per unit).

The Scheme has maintained provisions against WWF liability of Rs.4,443,900. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs.3.99/0.80%. For details please read Note 13.1 of the latest Financial Statements of the Scheme. The Finance Act 2015 excludes mutual funds and collective investment schemes from the definition of 'Industrial establishment' as under Workers Welfare Fund Ordinance, 1971 (XXXVI Of 1971). Accordingly, no further provision for WWF will be made from 01 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending in the SHC. Furthermore, Sindh workers welfare Fund Act, 2014 is not applicable on Mutual Funds and Voluntary Pension Schemes. The Scheme has provided for FED liability which amounted to Rs.1,733,901 (Rs.1.56 per unit) as on 30 June 2016.

FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund increased by 5.73% to Rs.472.57 as on 30 June 2016. The benchmark KMI-30 index increased by 15.53% during the same period. The KMI- 30 index increased from 57,271.34 points as on 30 June 2015 to 66,162.77 points as on 30 June 2016. The main drivers of return of the index were HUBC, LUCK, DAWH, ENGRO and SEARL as they contributed 7,347 points to the index and were able to beat the broader index by a huge margin. AISF's equity portfolio exposure was mainly in Oil & Gas Exploration, Cement, Fertilizer and Oil & Gas Marketing sectors. The Net Assets of your Fund stood at Rs.1.41 billion, with 2.99 million units outstanding as of 30 June 2016.



The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, in their meeting held on 11 July 2016, has approved a Nil cash dividend.

The Scheme has maintained provisions against WWF liability of Rs.21,015,392. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 7.03/1.49%. For details please read Note 12.2 of the latest Financial Statements of the Scheme. The Finance Act 2015 excludes mutual funds and collective investment schemes from the definition of 'Industrial establishment' as under Workers Welfare Fund Ordinance, 1971 (XXXVI Of 1971). Accordingly, no further provision for WWF will be made from July 01, 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending in the SHC. Furthermore, Sindh workers welfare Fund Act, 2014 is not applicable on Mutual Funds and Voluntary Pension Schemes. The Scheme has provided for FED liability which amounted to Rs.10,453,385 (Rs.3.50 per unit) as on 30 June 2016.

RATINGS

• ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset manager rating of Atlas Asset Management Limited (AAML) to "AM2" (AM Two). The rating denotes high quality as the asset manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

• FUND STABILITY RATING - 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.

FUTURE OUTLOOK

Pakistan economy has continued its upward trajectory as economic reforms have progressed and security situation has improved. Inflation markedly declined and the current account deficit has narrowed with favorable prices for oil and other commodities. Growth momentum is likely to remain assuming continued macroeconomic stability, expected improvement in energy supply and planned infrastructure investment tied to economic corridor project linking with CPEC. Industrial growth is expected to be driven by low interest rate regime, strong expansion in construction, utilities and manufacturing. The government is currently implementing a structural reform program to relieve constraints on growth by improving service delivery in energy and other infrastructure sectors, expanding fiscal space, fostering a competitive business environment, liberalizing trade and restructuring or privatizing public enterprises. Economic reform and an improving security environment should further boost business confidence and foster private investment. A sustained reform effort will be required over the medium to long term to boost productivity and potential growth, building on the progress achieved so far.

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

ع خدا رحمت کند ایں عاشقانِ پاک طینت را
God, please have mercy on these lovers of clean intention

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: 29 August 2016

Yusuf H. Shirazi
Chairman

Directors' Report

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund (AIIF) and Atlas Islamic Stock Fund (AISF) take pleasure in presenting the Annual Reports along with the audited financial statements and Auditors' Reports thereon of AIIF and AISF for the year ended 30 June 2016.

EARNINGS PER UNIT, NET ASSETS AND SALES/REDEMPTIONS SUMMARY

Earnings per unit, net assets, and summary of sales / redemption of units of the AIIF and AISF for the year ended 30 June 2016 and 30 June 2015 are as follows:

	AIIF		AISF	
	2016	2015	2016	2015
Earnings per unit - Rupees	22.35	18.12	26.79	87.69
Net assets - Rupees million	558.55	424.45	1411.79	1,415.76
Sales - Rupees million	409.92	422.72	356.71	1,061.23
Sales - in units	799,390	821,854	816,694	2,281,550
Redemptions - Rupees million	275.32	533.84	300.98	637.03
Redemptions - in units	531,912	1,006,373	683,433	1,407,787
Units outstanding at year end	1,113,938	846,460	2,987,494	2,854,233

INCOME DISTRIBUTION - AIIF

The Committee of the Board of Directors of Atlas Asset Management Limited (AAML), the Management Company of AIIF, under the authority delegated to them by the Board, in their meeting held on 24 June 2016 has approved an interim cash dividend of Rs. 25.00 per unit for the FY 2015-16, 5.00% on the face value of Rs.500 per unit (2015: Rs.4.00 per unit, 8.00% on the face value of Rs.500 per unit).

INCOME DISTRIBUTION - AISF

The Board of Directors of AAML, the Management Company of AISF, in their meeting held on 11 July 2016, approved NIL dividend for the year ended 30 June 2016 (2015: Final dividend Rs.50 per unit, 10.00% on the face value of Rs.500 per unit) as the Fund has suffered a loss when reduced by realised and unrealised capital gains.

CHAIRMAN'S REVIEW

The review included in the Annual Report of AIIF and AISF deals inter alia with the performance of these Funds for the year and future prospects. The directors endorse the contents of the review.

CORPORATE GOVERNANCE

The Company strongly believes in following the highest standards of Corporate Governance, ethics, and good business practices, which are an integral part of the Atlas Group Culture. The Code of Conduct of the Company, approved in July 2012, defines the obligations and responsibilities of all - the Board members, the employees, and the Company towards the various stakeholders, each other, and the society as a whole. The Code of Conduct is available on the Company's website.

The Board Evaluation Committee (BEC) was formed in 2014 to comply with the requirements of the Code of Corporate Governance, requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The BEC comprises of three members - both the independent directors of which one is the Chairman, and one member from the sponsor family. The CEO serves as the secretary to this committee. The BEC carried out the Board Evaluation Process.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Board of Directors states for AIIF and AISF that:

- The financial statements, prepared by the Management Company of these funds present fairly their state of affairs, the results of operations, comprehensive income for the year, cash flows, and movement in Unit Holders' Funds.
- Proper books of account of these Funds have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Summaries of key financial data/ performance tables of AIIF and AISF are annexed on pages 23 and 63 respectively, of the Annual Report.
- The statement as to the value of investments of provident fund is not applicable in the case of these funds as these relate to retirement benefits to the employees of the Management Company, and are not chargeable to these Funds.
- The pattern of unit holdings is appended as notes 24 and 22 respectively to the financial statements of AIIF and AISF.

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY AND COMMITTEES THEREOF

The Board of Directors of the Management Company comprises of one executive and six non-executive directors. A casual vacancy occurred in the Board during the year which was filled in with the approval of the Securities and Exchange Commission of Pakistan, as required by the NBFC and NE Regulations, 2008.

Five Board Meetings were held and attended during FY 2015-16. The particulars of the dates of meetings, and the directors attending, as required under the NBFC and NE Regulations, 2008, are appended as note 28 and 26 respectively to the financial statements of AIIF and AISF.

Committees of the Board comprise the Audit Committee, the Board Evaluation Committee, the Human Resource & Remuneration Committee, and the Investment Committee (which includes executive management personnel as required under the NBFC and NE Regulations, 2008). These meetings were attended by the Directors as per the following details:

Audit Committee (AC) - four AC meetings were held during the year, and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Azam Faruque	Independent Director	4
2	Mr. Shamshad Nabi	Independent Director	4
3	Mr. Fahim Ali Khan	Non-Executive Director	4

Board Evaluation Committee (BEC) - one meeting was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Azam Faruque	Independent Director	1
2	Mr. Shamshad Nabi	Independent Director	1
3	Mr. Ali H. Shirazi	Non-Executive Director	1

Human Resource & Remuneration Committee (HR& RC) - two meetings was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Frahim Ali Khan	Non-Executive Director	2
2	Mr. Ali H. Shirazi	Non-Executive Director	2
3	Mr. M. Habib-ur-Rahman	Chief Executive Officer	2

Investment Committee (IC) - 35 meetings were held during the year and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Ali H. Shirazi	Non-Executive Director	16
2	Mr. M. Habib-ur-Rahman	Chief Executive Officer	32
3	Mr. M. Abdul Samad (executive management)	Chief Operating Officer Member IC	31
4	Mr. Khalid Mahmood (executive management)	Fund Manager Member IC	31
5	Mr. M. Umar Khan (executive management)	Fund Manager Member IC	32
6	Mr. Fawad Javaid (executive management)	Fund Manager Member IC	32
7	Mr. Faran-ul-Haq (executive management)	Fund Manager Member IC	34

Mr. Azam Faruque resigned on 17 June 2016 and Mr Tariq Amin was appointed as an independent director filling the casual vacancy.

DIRECTORS' TRAINING PROGRAM REQUIREMENTS

Five members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.

CORPORATE SOCIAL RESPONSIBILITIES (CSR) & DONATIONS

As per the CSR / Donations Policy of the Company approved by the Board, each year, the Company makes a contribution of 1% of the Management Company after tax profit to donations. In addition, the Shariah Compliant Atlas Islamic Stock Fund and Atlas Islamic Income Fund, as per their Constitutive documents, are required to purify their Shariah Non-Compliant (Haram) income from the Fund. Such income, in accordance with the certification by the Shariah Advisor of these funds, is also donated to charitable institutions approved by the Shariah Advisor, on quarterly basis.

TRANSACTIONS IN UNITS OF THE FUNDS

The Directors, CEO, executives and their spouses and minor children have made no transactions in the Fund's units during the year except as disclosed in notes 20 and 18 to the respective financial statements of AIIF and AISF.

RATINGS UPDATE

ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA), assigned the asset manager rating of the Management Company at AM2 (AM Two). The rating denotes high quality as the asset manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors.

FUND STABILITY RATING - AIIF

PACRA has maintained the stability rating of the AIIF at "AA - (f)" (Double A Minus: fund rating) on 31 December 2015. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 24 August 2016, recommended the re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, being eligible as auditors of Atlas Islamic Income Fund and Atlas Islamic Stock Fund for the financial year ending 30 June 2017.

The Board approved the re-appointments.

ACKNOWLEDGEMENT

The Board of Directors of the Management Company thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee, for their dedication and hard work, and the Unit Holders, for their confidence in the Management Company.

For and on behalf of the Board

Karachi: 29 August 2016

M. Habib-ur-Rahman
Chief Executive Officer

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

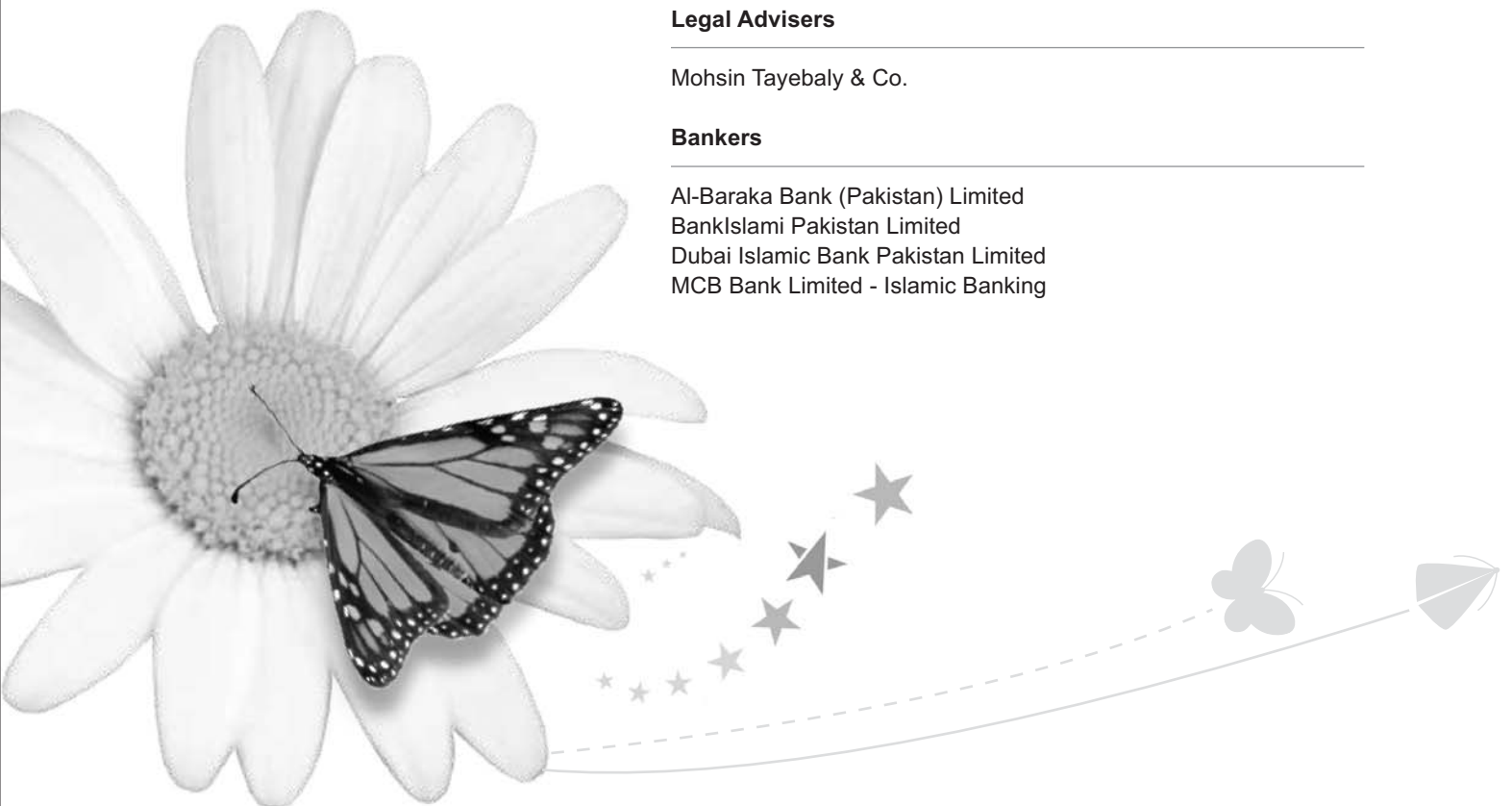
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Al-Baraka Bank (Pakistan) Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
MCB Bank Limited - Islamic Banking



Fund Manager's Report

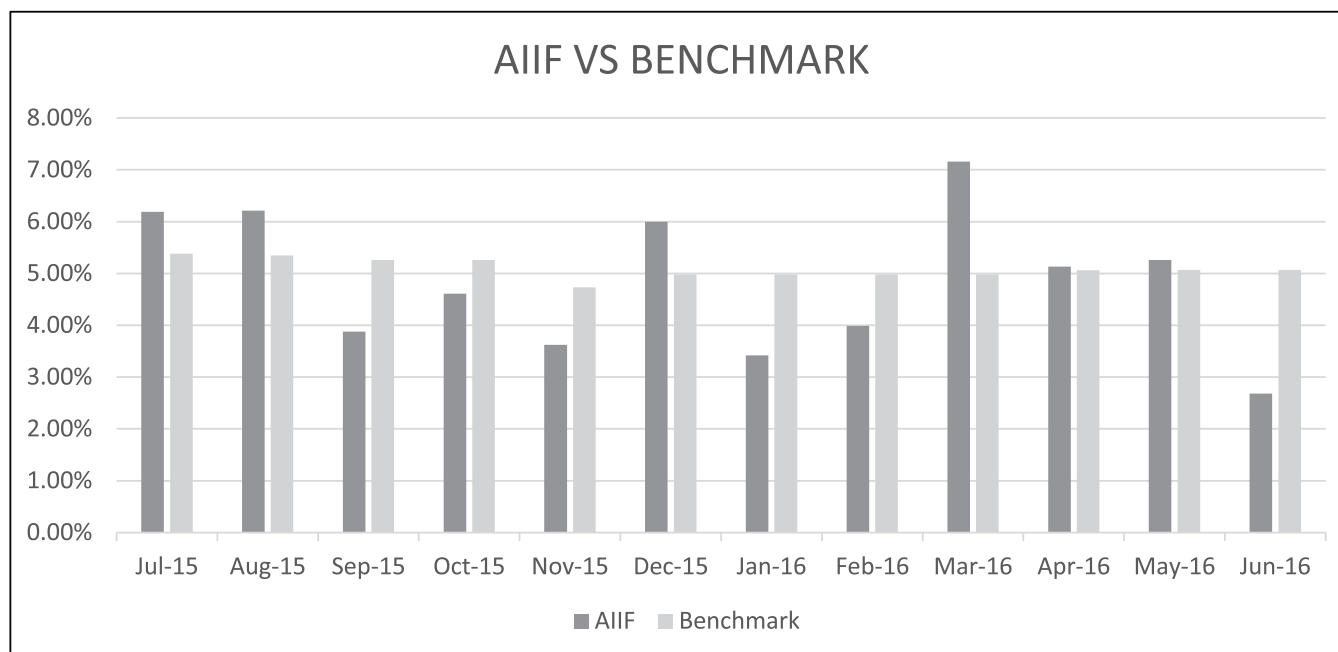
Atlas Islamic Income Fund (AIIF) is an Open-ended Shariah Compliant Income Fund. The Fund's primary objective is to provide investors with a good and stable rate of current income consistent with long-term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realize capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium and short term high quality Islamic income instruments.

The Fund's strategy is based on the conviction that economic environment drives long term performance, and that active management of credit risk can produce consistently superior results. Fundamental and market analysis are used to identify overall portfolio, bond market sectors, yield curve and credit positioning to provide high and sustainable rates of return. The fund employs strategies such as overall portfolio duration and yield curve positioning to deal with market and reinvestment risks.

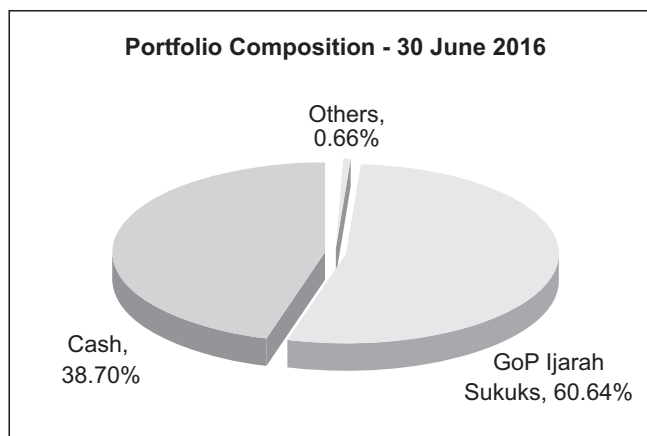
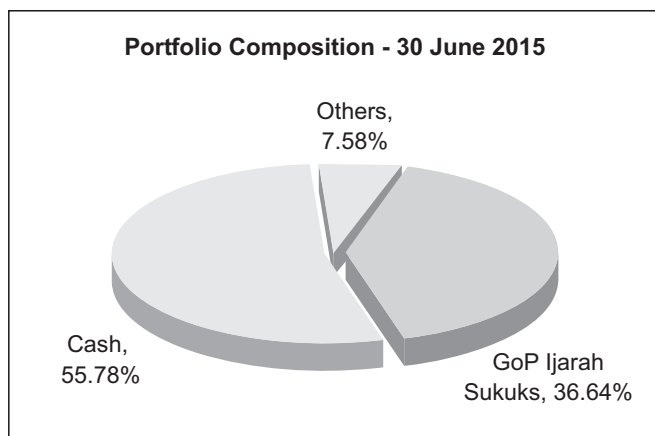
Atlas Islamic Income Fund's benchmark is average six months profit rate of three Islamic Banks.

The Consumer Price Index (CPI) on average was recorded at 2.86% during FY 2015-16, as compared to 4.53% for the FY 2014-15. Prudent fiscal and monetary policies, stability in exchange rate, smooth supply of commodities in the market and monitoring of prices both at federal and provincial level along with fall in global commodity prices helped in moderating the headline inflation (CPI) and other inflationary indicators. The government has also passed on the benefits of lower oil prices to domestic consumers which helped in bringing the stability in prices of commodities of the CPI basket.

The SBP reduced Discount Rate (DR) by 25bps in May-16 to stand at historic low of 6.25% (Policy Rate 5.75%). This was the second time during the year after 50bps cut in Sep-15 review to 6.5% (Policy Rate 6.00%). The expansionary monetary policy stance by SBP has seen increased expansion in credit to private sector.



The Net Asset Value per unit of Atlas Islamic Income Fund increased by 4.97% to Rs 501.42 as on 30 June 2016, which includes interim payout of total Rs.25.00 per unit. The benchmark average six months profit rate of three Islamic Banks stood at 5.14% for the period under review. The AIIF's total Exposure in Government of Pakistan Ijara Sukuks was 60.64%, deposit with high yielding Shariah compliant bank was 38.70% and remaining 0.66% in others as at 30 June 2016. The Net Assets of the Fund stood at Rs.558.55 million, with 1.11 million units outstanding as of 30 June 2016.



Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs.25.00 per unit (5.00% on the face value of Rs.500 per unit).

The Administrative Plans:

The Management Company is offering investment plans that allow investors focused combination investment strategic in Atlas Islamic Income fund (AIIF) and Atlas Islamic Stock Fund (AISF). The investment plans were offered from September 2008, and the returns are as under:

Administrative Plans	Proportionate investment in		Return (period ended)				
	AIIF	AISF	2011-12	2012-13	2013-14	2014-15	2015-16
Islamic Income Multiplier	85%	15%	12.7%	14.7%	10.3%	9.3%	5.1%
Islamic Balanced	50%	50%	18.8%	28.7%	15.0%	14.3%	5.4%
Islamic Growth	15%	85%	24.9%	42.7%	19.7%	19.3%	5.6%

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	251	163,365,130	29.25%
Associated companies / Directors	3	68,988,938	12.35%
Insurance Companies	1	420,344	0.08%
Bank / DFI	1	49,587,828	8.88%
Retirement Funds	4	77,938,118	13.95%
Others	7	198,252,853	35.49%
Total	267	558,553,211	100.00%

The Scheme has maintained provisions against Workers' Welfare Fund WWF liability of Rs.4,443,900. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs. 3.99/0.80%. For details please read Note 13.1 of the latest Financial Statements of the Scheme.

The Finance Act 2015 excludes mutual funds and collective investment schemes from the definition of 'Industrial establishment' as under Workers Welfare Fund Ordinance, 1971 (XXXVI Of 1971). Accordingly, no further provision for WWF will be made from 01 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending in the SHC. Furthermore, Sindh workers welfare Fund Act, 2014 is not applicable on Mutual Funds and Voluntary Pension Schemes. The Scheme has provided for Federal Excise Duty (FED) liability which amounted to Rs.1,733,901 (Rs.1.56 per unit) as on 30 June 2016.

The NAV before distribution stood at Rs.526.09 per unit and after adjustment for cash dividend stood at Rs.501.09 per unit.

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty meetings to review risk management.

Karachi: 29 August 2016

Fawad Javaid
Fund Manager

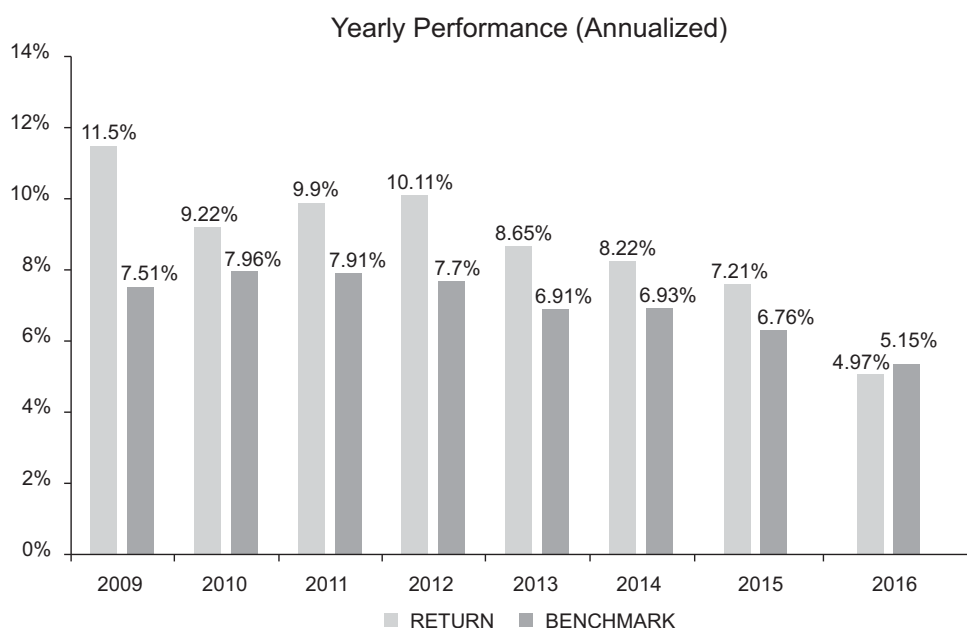
Performance Since Inception

	2016	2015	2014	2013	2012	2011	2010	2009*
Net assets (Rs. in "000")	558,553	424,447	520,674	526,078	462,315	379,805	346,658	255,864
Number of units in issue	1,113,938	846,460	1,030,979	1,047,317	920,985	738,995	679,312	494,203
Net asset value per unit (Rs.)	501.42	501.44	505.03	502.31	501.98	513.95	510.31	517.73
Net income (Rs. in "000")	24,901	15,341	39,438	46,785	42,878	31,269	26,824	15,215
Earnings per unit (Rs.)	22.35	18.12	38.25	44.67	46.56	42.31	39.49	30.79
Annual return of the Fund (%)	4.97	7.21	8.22	8.65	10.11	9.90	9.22	11.50
Offer price **	501.42	501.44	505.03	507.14	506.92	519.09	515.41	522.91
Redemption price **	501.42	501.44	505.03	502.12	501.90	513.95	510.31	517.73
Highest offer price per unit (Rs.)	526.20	540.54	516.35	523.39	522.42	519.09	521.78	543.87
Lowest offer price per unit (Rs.)	501.09	501.34	503.08	507.04	506.61	506.42	505.97	506.92
Highest repurchase price per unit (Rs.)	526.20	540.54	515.50	518.21	517.25	513.95	518.14	538.49
Lowest repurchase price per unit (Rs.)	501.09	501.34	502.92	502.02	501.59	501.41	500.96	506.92
Weighted average portfolio (No. of days)	505.79	89.31	151.13	305.85	504.34	311.01	10.96	13.44

*Period from 16 August 2008 to 30 June 2009 (Date of Launch: 14 october 2008).

** Relates to announced prices.

Note: Past performance of the funds is not indicative of future performance, and the unit price and investment return may godown, as well as up.

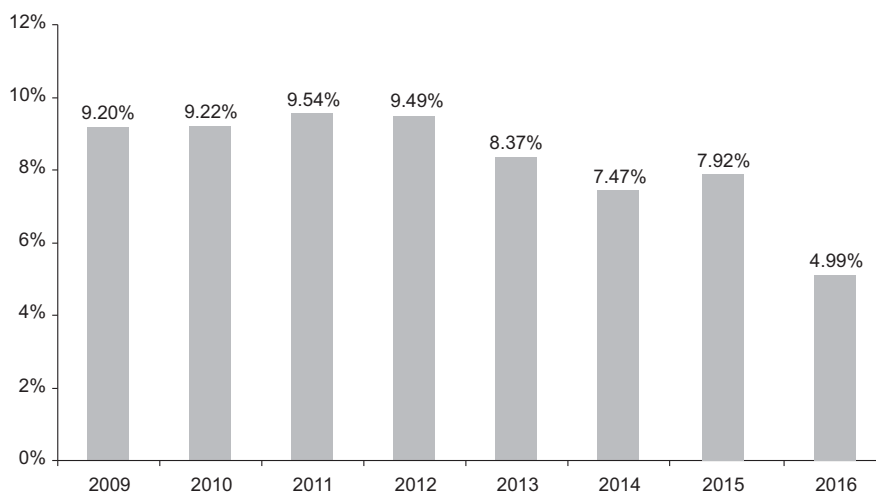


Distribution History

	2016	2015
Interim Distribution - Cash Divided	25	40
Interim Distribution as a % of Opening Ex-NAV of units	4.99%	7.92%
Distribution date	24-Jun-16	29-Jun-15

	2014	2013	2012	2011	2010	2009*
Interim distribution (Bonus)	9.00	12.00	12.50	11.00	12.50	-
Interim distribution as a % of opening Ex - NAV of units	1.79	2.39	2.50	2.20	2.49	-
Date of distribution - Interim	04 October 2013	05 October 2012	07 October 2011	12 October 2010	27 October 2009	-
Interim distribution (Bonus)	9.00	10.50	11.50	11.25	12.50	-
Interim distribution as a % of opening Ex - NAV of units	1.79	2.09	2.30	2.25	2.49	-
Date of distribution - Interim	07 January 2014	04 January 2013	06 January 2012	11 January 2011	21 January 2010	-
Interim distribution (Bonus)	9.00	8.75	11.50	12.00	11.25	30.00
Interim distribution as a % of opening Ex - NAV of units	1.79	1.74	2.30	2.40	2.24	6.00
Date of distribution - Interim	4 April 2014	5 April 2013	6 April 2012	7 April 2011	6 April 2010	24 April 2009
Interim distribution Rs.	10.50	10.75	12.00	-	-	-
Interim distribution as a % of opening Ex - NAV of units	2.09	2.14	2.40	-	-	-
Date of distribution - Interim	18 June 2014	27 June 2013	27 June 2012	-	-	-
Final Distribution (Bonus)	-	-	-	13.50	10.00	16.00
Final distribution as a % of opening Ex - NAV of units	-	-	-	2.70	1.99	3.20
Date of distribution - Final	-	-	-	7 July 2011	8 July 2010	3 July 2009

Payout History (% on opening Ex-NAV)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2016

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19 of Listing Regulations of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Islamic Income Fund, being listed at the Pakistan Stock Exchange Limited, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Name of Director
Independent Directors	Mr. Tariq Amin Mr. Shamshad Nabi
Non-Executive Directors	Mr. Yusuf H. Shirazi Mr. Frahim Ali Khan Mr. Ali H. Shirazi Mr. Arshad P. Rana
Executive Director (CEO)	Mr. M. Habib-ur-Rahman

The independent directors meet the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The three years' term of office of the previous Board was completed and the same members were re-elected unopposed for the next term of three years during the year. Further, a casual vacancy occurred on the Board on 17 June 2016, was filled up by the directors within 4 days i.e 21 June 2016 and was approved by the Securities and Exchange Commission of Pakistan on 9 August 2016, as required by the Non-Banking Finance Companies and Notified Entities Regulations, 2008.
5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose, and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. The Board Evaluation Committee (BEC) was formed in order to comply with the requirements of the CCG, 2012 requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The terms of reference of the BEC require the BEC members to carry out the assessment of the Board members' questionnaires submitted by them, to evaluate the findings therefrom, and apprise the Board in the subsequent Board meeting, with recommendations for improvement. The BEC comprises of three members - both the independent directors of which one is the Chairman of the BEC, and one member from the sponsor family. The CEO serves as the secretary to this committee.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2016

10. Five members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.
11. The Board has approved the appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
12. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
14. The Directors, CEO and Executives do not hold units other than those disclosed in note 20 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 24 to the financial statements. These transactions have been placed before the Audit Committee and as per their recommendation, approved by the Board of Directors of the Management Company.
15. The Management Company has complied with the corporate and financial reporting requirements of the Code.
16. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
17. Meetings of the Audit Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
18. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director.
19. The Board has set up an effective internal audit function headed by a full time Chief Internal Auditor who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
20. The Statutory Auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
21. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. The 'closed period' prior to the announcement of interim/financial results, and business decisions, which may materially affect the market price / net asset value, was determined and intimated to directors, employees and the stock exchange.
23. Material /price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
24. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 29 August 2016

M. Habib-ur-Rahman
Chief Executive Officer

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Income Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2016 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: September 5, 2016

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Atlas Asset Management Limited, the Management Company of **Atlas Islamic Income Fund** (the Fund) for the year ended June 30, 2016 to comply with the Listing Regulation No.5.19 of the Pakistan Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company (**Atlas Asset Management Limited**) of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2016.

Karachi: September 5, 2016

A. F. Ferguson & Co.
Chartered Accountants

REVIEW REPORT OF THE SHARIAH ADVISOR

As the Shariah Advisor of the Atlas Islamic Income Fund, I am issuing this report in accordance with clause 10.2.6 (e) of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of Atlas Asset Management Limited (AAML), the management company of the Fund, to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. As Shariah Advisor, my responsibility is to express an opinion based on my review of the representations made by the management, to the extent where such compliance can be objectively verified.

As part of my mandate as the Shariah Advisor to the Fund, I have reviewed the following, during the year:

- The modes of investment of Fund's property and its compliance with Shariah guidelines.
- The process of deployment of Fund's property and its compliance with Shariah guidelines.
- The process of purification of income and its compliance with Sharjah guidelines.

In light of the above scope, I hereby certify that all the provisions of the scheme and investments made by Atlas Islamic Income Fund for the year ended 30 June 2016 are in compliance with the Shariah principles.

Karachi: 30 June 2016

Muhammad Yahya Asim
Shariah Advisor

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ATLAS ISLAMIC INCOME FUND** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2016, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (**Atlas Asset Management Limited**) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2016 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi: September 5, 2016

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
Cash and bank balances	4	220,654,282	253,953,014
Investments	5	345,793,940	166,780,000
Receivable against issue of units	6	258,098	31,089,640
Markup accrued	7	3,298,578	3,312,168
Security deposit and other receivables	8	203,300	100,000
Total assets		570,208,198	455,234,822
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	9	2,160,379	2,004,515
Payable to Central Depository Company of Pakistan Limited - Trustee	10	90,606	51,268
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	375,854	361,895
Payable against redemption of units	12	20,000	9,203,472
Unclaimed dividend / dividend payable		61,502	12,510,325
Accrued expenses and other liabilities	13	8,946,645	6,656,376
Total liabilities		11,654,986	30,787,851
NET ASSETS		558,553,212	424,446,971
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		558,553,212	424,446,971
CONTINGENCIES AND COMMITMENTS	14		
NUMBER OF UNITS IN ISSUE		1,113,938	846,460
NET ASSET VALUE PER UNIT		501.42	501.44

The annexed notes from 1 to 32 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 -----
Income			
Markup income	15	28,471,142	43,926,638
Capital loss on maturity / sale of investments - net		(1,297,290)	(980,000)
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		1,865,940	(1,786,800)
		568,650	(2,766,800)
Element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed - net		472,062	(18,000,645)
Total income		29,511,854	23,159,193
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	9.1	1,503,413	4,101,478
Sindh Sales Tax on remuneration of the Management Company	9.2	244,154	713,657
Federal Excise Duty on remuneration of the Management Company	9.3	240,546	656,236
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	851,933	823,348
Sindh Sales Tax on remuneration of the Trustee		119,272	-
Annual fees - Securities and Exchange Commission of Pakistan	11	375,854	361,895
Accounting and operational charges	16	322,332	-
Sindh Sales Tax on accounting and operational charges		19,277	-
Auditors' remuneration	17	230,826	216,040
Securities transaction cost	18	31,213	32,471
Annual listing fee		30,000	40,000
Annual rating fee		300,960	278,400
Printing charges		161,357	276,845
Shariah advisory fee		103,979	-
Bank charges		14,338	4,667
Legal and professional charges		61,048	-
Provision for Workers' Welfare Fund	13.1	-	313,083
Total expenses		4,610,502	7,818,120
Net income for the year before taxation		24,901,352	15,341,073
Taxation	19	-	-
Net income for the year after taxation		24,901,352	15,341,073

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	----- Rupees -----	
Net income for the year after taxation	24,901,352	15,341,073
Other comprehensive income / loss	-	-
Total comprehensive income for the year	24,901,352	15,341,073

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2016 ----- Rupees -----	2015 -----
Undistributed income brought forward [Includes unrealised gain on investments of Rs 466,792] (2015: Unrealised gain on investments of Rs 3,177,800)	1,252,989	4,359,895
Net income for the year after taxation	24,901,352	15,341,073
Interim distribution at the rate of Rs. 25 per unit declared on 24 June 2016 (2015: Rs. 40 per unit declared on 29 June 2015)	(24,922,637)	(18,447,979)
Undistributed income carried forward [includes unrealised gain on investments of Rs.1,585,940] [2015: includes unrealised gain on investments of Rs.466,792]	1,231,704	1,252,989

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2016

	2016		2015	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the year [Rs.501.44 (2015: Rs.505.03) per unit]	846,460	424,446,971	1,030,979	520,673,686
Issue of units	799,390	409,918,150	821,854	422,715,077
Redemption of units	(531,912)	(275,318,562)	(1,006,373)	(533,835,531)
	267,478	134,599,588	(184,519)	(111,120,454)
Interim distribution at the rate of Rs. 25 per unit declared on 24 June 2016 (2015: Rs. 40 per unit declared on 29 June 2015)	-	(24,922,637)	-	(18,447,979)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	(472,062)	-	18,000,645
Capital loss on maturity / sale of investments - net	-	(1,297,290)	-	(980,000)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	1,865,940	-	(1,786,800)
Other net income for the year	-	24,332,702	-	18,107,873
Total comprehensive income for the year	-	24,901,352	-	15,341,073
Net assets at the end of the year [Rs.501.42 (2015: Rs.501.44) per unit]	1,113,938	558,553,212	846,460	424,446,971

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2016 ----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		24,901,352	15,341,073
Adjustment for:			
Mark-up income		(28,471,142)	(43,926,638)
Capital loss on maturity / sale of investments - net		1,297,290	980,000
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(1,865,940)	1,786,800
Element of (income) / loss and capital (gain) / losses included in issued less those in units redeemed - net		(472,062)	18,000,645
		(29,511,854)	(23,159,193)
Increase in assets			
Security deposit and other receivables		(103,300)	-
Increase/(decrease) in liabilities			
Payable to Atlas Asset Management Limited - management company		155,864	628,778
Payable to Central Depository Company of Pakistan Limited - Trustee		39,338	(18,504)
Annual fee payable to the Securities and Exchange Commission of Pakistan		13,959	(31,742)
Accrued and other liabilities		2,290,269	1,699,649
		2,499,430	2,278,181
Markup received		28,484,732	45,643,685
Investments made during the year		(348,845,290)	(30,255,001)
Investments sold/matured during the year		170,400,000	100,625,000
Net cash (used in)/generated from operating activities		(152,174,930)	110,473,745
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		440,749,692	385,687,784
Net payments against redemption of units		(284,502,034)	(524,632,059)
Cash payout against distribution		(24,922,637)	-
Dividend paid		(12,448,823)	-
Net cash generated from / (used in) financing activities		118,876,198	(138,944,275)
Net decrease in cash and cash equivalents		(33,298,732)	(28,470,530)
Cash and cash equivalents at the beginning of the year		253,953,014	282,423,544
Cash and cash equivalents at the end of the year	4	220,654,282	253,953,014

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First Supplemental Trust Deed dated 23 June 2010, the Second Supplemental Trust Deed dated 12 November 2010, and Third Supplemental Trust Deed dated 20 September 2013, with the approval of the SECP. Also, the Offering Document of the Fund has been revised through the First Supplement dated 23 June 2010, the Second Supplement dated 12 November 2010, the Third Supplement dated 20 September 2013, the Fourth Supplement dated 24 March 2015 and the Fifth Supplement dated 03 August 2015 with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML, whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2** The Fund is an open-end collective investment scheme categorised as a 'shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis since 14 October 2008, and are transferable and redeemable by surrendering them to the Fund.
- 1.3** According to the trust deed, the objective of the Fund is to provide 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 realise capital appreciation. The investment objectives and policies are fully defined in the Fund's Offering Document.

2. BASIS OF PREPERATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, 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. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deeds, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

2.2 Standards, interpretations and amendments applicable to the financial statements for the year ended 30 June 2016

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 – Separate Financial Statements – (Amended)
- IAS 28 – Investment in Associates and Joint Ventures – (Amended)

The adoption of the above amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements of the Fund for the year ended 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- IFRS 2: "Share-based Payments" – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
- IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investment in Associates – Investment Entities": Applying the Consolidation Exception (Amendment)	01 January 2016
- IFRS 10 "Consolidated Financial Statements" and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
- IFRS 11 "Joint Arrangements" - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
- IAS 1 – "Presentation of Financial Statements" - Disclosure Initiative (Amendment)	01 January 2016
- IAS 7 "Financial Instruments: Disclosures" - Disclosure Initiative - (Amendment)	01 January 2017
- IAS 12 "Income Taxes" – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
- IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
- IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture Bearer Plants (Amendment)	01 January 2016
- IAS 27 "Separate Financial Statements" – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after 1 July 2016 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
- IFRS 14 - Regulatory Deferral Accounts	01 January 2016
- IFRS 15 - Revenue from Contracts with Customers	01 January 2017

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgements that have a significant effect on the financial statements relate to classification, valuation and impairment of financial assets (as disclosed in notes 3.1 and 5 to these financial statements).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through profit or loss or available-for-sale investment, as appropriate.

All investments are initially measured at fair value. In the case of investments classified as available for sale, transaction cost directly related to the acquisition is also added to the fair value of investment on initial recognition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment.

Investments are categorised as follows:

Investments at fair value through profit or loss

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

Available-for-sale

Investments which are not classified as 'at fair value through profit or loss' are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in the statement of comprehensive income is taken to the income statement. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3.2 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or are impaired.

3.3 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.4 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the distribution company / management company during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the distribution company and the management company as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

3.5 Revenue recognition

- Markup income on Government Securities is recognised using effective markup method at the rate of return implicit in the instrument.
- Income on bank balances and deposits is recognised on an accrual basis.
- Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.
- Gain or loss on sale of Shariah compliant debt securities and derivatives is accounted for in the year in which it arises.

3.6 Expenses

All expenses chargeable to the Fund including remuneration of management company, trustee, and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.7 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called "element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" is created.

Upon sale and redemption of units, the amount representing net income / loss and capital gains / losses is accounted for in net asset value and included in the sale / redemption price is taken to the element account.

The element is computed to the extent that it is represented by the increase / decrease in net income / loss and capital gain / losses earned / incurred during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

3.9 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income by the year end in order to avail this tax exemption. Accordingly, no provision is made for current and deferred taxation in these financial statements.

3.10 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the income statement.

3.11 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.12 Distribution to unit holders

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.13 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at year end.

3.14 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.15 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

	Note	2016 ----- Rupees -----	2015 -----
4. CASH AND BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	214,852,779	205,237,071
- Current account		5,000	8,125,943
- Cheques in hand	4.2	5,796,503	40,590,000
		220,654,282	253,953,014

4.1 The rate of return on these profit and loss sharing accounts ranges between 4.0% to 6.1% (30 June 2015: 4.00% to 7.00%) per annum.

4.2 These cheques were received against issue of units which were cleared subsequent to the year end on 4 July 2016 (2015: 2 July 2015).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
5. INVESTMENTS			
At fair value through profit or loss			
Government Securities			
Government of Pakistan (GoP) - Ijarah Sukuks	5.1	345,793,940	166,780,000

5.1 Government of Pakistan - Ijarah Sukuks

Script	Face Value - Rupees				Rupees	Percentage of	
	As at 01 July 2015	Acquired during the year	Disposed during the year	As at 30 June 2016	Market value 30 June 2016	Total investments	Net assets
Government of Pakistan Ijarah Sukuks	165,900,000	347,900,000	170,400,000	343,400,000	345,793,940	100.00	61.91
	165,900,000	347,900,000	170,400,000	343,400,000	345,793,940	100.00	61.91

5.2 The cost of investments as at 30 June 2016 amounts to Rs. 344,208,000/- (2015: Rs.166,313,208/-).

5.3 The expected rate of markup ranges between 3.89% to 6.10% (2015: 4.75% to 8.34%) per annum and will mature by 15 February 2019 (2015: 25 June 2017).

6. RECEIVABLE AGAINST ISSUE OF UNITS

This represents receivable against units issued to the unit holders based on their request for transfer of units from Atlas Islamic Stock Fund, managed by the Management Company of the Fund.

	Note	2016 Rupees	2015 Rupees
7. MARKUP ACCRUED			
On profit and loss sharing accounts		1,023,422	782,551
On GoP - Ijarah Sukuks		2,275,156	2,529,617
		3,298,578	3,312,168

8. SECURITY DEPOSIT AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Advances and other receivables	8.1	103,300	-
		203,300	100,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

- 8.1** As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, during the year ended 30 June 2016, several Companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II 66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The amount of tax withheld during the year on profit on Ijarah Sukuks and on bank deposit aggregates to Rs. 0.012 million and Rs. 0.091 million respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from profit on Ijara Sukuk and bank deposits by the Funds has been shown as other receivable as at 30 June 2016 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
9. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Management fee	9.1	139,375	241,083
Sindh Sales Tax payable on remuneration of the Management Company	9.2	287,103	270,077
Federal Excise Duty payable on remuneration of the Management Company	9.3	1,733,901	1,493,355
		2,160,379	2,004,515

- 9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Previously the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. During the year ended 30 June 2016, the Management Company has charged its remuneration at the rate of 0.3% (2015: 0.85%) per annum of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.
- 9.2** During the year, an amount of Rs. 244,154 (2015: Rs.713,657) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 227,128 (2015: Rs. 633,337) has been paid to the Management Company which acts as the collecting agent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

- 9.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 9.2 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 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 till the date of the next hearing. Pending decision of the Honorable SHC, the Fund stopped making payment in respect of FED.

In a recent order of the SHC, all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. However, as a matter of abundant caution full provision for FED on remuneration of the Management Company is being retained in the financial statements of the Fund from 13 June 2013 till 30 June 2016 as the management believes that the Federal government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.1.56 (2015: Rs.1.34) per unit.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

	Note	2016	2015
		Rupees	
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY			
Trustee fee payable	10.1	78,979	51,268
Sindh Sales Tax payable on trustee fee		11,057	-
Settlement charges payable		500	-
Sindh Sales Tax payable on settlement charges		70	-
		90,606	51,268

- 10.1** The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs.1,000 million Rs.0.6 million or 0.17% per annum of Net Assets, whichever is higher.
- Rs.1,000 million to Rs.5,000 million Rs.1.7 million plus 0.085% per annum of Net Assets exceeding Rs.1,000 million
- exceeding Rs.5,000 million Rs.5.1 million plus 0.07% per annum of Net Assets exceeding Rs.5,000 million

- 10.2** During the year, an amount of Rs. 119,272 (2015: Rs Nil) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 108,215 (2015: Rs Nil) was paid to the Trustee which acts as a collecting agent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			

Annual fee payable	11.1	<u>375,854</u>	<u>361,895</u>
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11.1 In accordance with the NBFC Regulations, the Fund is required to pay SECP an amount equal to 0.075% of average annual net assets of the Fund as annual fee.

12. PAYABLE AGAINST REDEMPTION OF UNITS

This represents payable against units redeemed to the unit holders based on their request for cash payout or transfer of units from the Fund to other funds, managed by the Management Company.

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
13. ACCRUED AND OTHER LIABILITIES			

Auditors' remuneration payable		173,272	173,430
Printing charges payable		240,869	257,650
Brokerage payable		-	23,000
Payable to shariah advisor		43,417	-
Withholding tax payable		3,412,996	1,291,684
Provision for Workers' Welfare Fund	13.1	4,443,900	4,443,900
Zakat payable		114,155	1,849
Accounting and operational charges payable	16	46,458	-
Sindh Sales Tax payable on Operational Charges		2,787	-
Other payable		468,791	464,863
		<u>8,946,645</u>	<u>6,656,376</u>

13.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs.0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication.

The Finance Act, 2015 introduced an amendment under which mutual funds and collective investment schemes have been excluded from the definition of industrial establishment. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable for tax year 2016. The provision made till June 30, 2015 has not been reversed as the law suit referred to in the previous paragraph is still pending in the SHC.

Although the Management Company is hopeful that the case will be decided in favour of the Funds, it has retained the provision in the financial information as at 30 June 2016 in respect of the liability towards WWF amounting to Rs.4,443,900 (2015: Rs.4,443,900). Had the same not been made the net asset value per unit of the Fund would have been higher by Rs.3.99 (2015: Rs.5.25) per unit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2016 and 30 June 2015.

15. MARKUP INCOME

	2016	2015
	Rupees	
Profit and loss sharing accounts	14,245,711	21,098,143
Government of Pakistan - Ijarah Sukuks	14,225,431	22,828,495
	28,471,142	43,926,638

16. ACCOUNTING AND OPERATIONAL CHARGES

The Management Company has outsourced its back office accounting function to IT Minds Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Expenses invoiced by IT Minds Limited are charged to the Funds as, in accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged actual amount of accounting and operational charges to the Fund being lower than 0.1% per annum of the average annual net assets of the Fund for the period from 25 November 2015 to 30 June 2016.

	2016	2015
	Rupees	
Audit fee	100,000	100,000
Half yearly review of financial statements	50,000	50,000
Review of compliance with Code of Corporate Governance	42,000	42,000
Sindh Sales Tax on services	11,520	9,600
Out of pocket expenses	27,306	14,440
	230,826	216,040

18. SECURITIES TRANSACTION COST

This represents brokerage and settlement charges.

19. TAXATION

The income of the Fund 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. The management has distributed more than 90% of the Fund's net accounting income earned during the year as interim cash dividend to the unit holders. Accordingly, no provision has been made for taxation in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

20. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

20.1 Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.

20.2 Transactions with connected persons essentially comprise issue and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

20.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

20.4 The details of transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

	2016	2015
	----- Rupees -----	-----
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	1,503,413	4,101,478
Remuneration paid	1,605,121	4,209,256
Sindh Sales Tax on remuneration of the Management Company	244,154	713,657
Federal Excise Duty on remuneration of the Management Company	240,546	656,236
Issue of Nil (2015: 740) units	-	370,829
Redemption of 13,101 (2015: 69,542) units	6,889,372	36,000,000
Cash dividend	-	494,439
Outstanding Nil (2015: 13,101) units at the year end	-	6,569,192
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	851,933	823,348
Sindh sales tax on remuneration of the Trustee	119,272	-
Remuneration paid to the Trustee	824,222	841,852
Settlement charges	6,000	6,025
Sindh sales tax on settlement charges	840	-
Atlas Foundation (Group Company)		
Redemption of Nil (2015: 962) units	-	508,911
Atlas Honda Limited (Group Company)		
Redemption of Nil (2015: 138,839) units	-	74,928,795
Atlas Insurance Limited (Group Company)		
Issue of Nil (2015: 161,936) units	-	86,100,000
Redemption of Nil (2015: 334,318) units	-	178,108,680

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

20. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS (Continued...)

	2016	2015
	----- Rupees -----	
Atlas Group of Companies, Management Staff Gratuity Fund		
(Retirement benefit plan of group company)		
Redemption of 21,308 (2015: 30,921) units	11,080,965	16,070,000
Cash dividend	-	956,018
Dividend payable	-	956,018
Dividend Paid	956,018	-
Outstanding Nil (2015: 21,308) units at the year end	-	10,684,637
Payable against redemption of units	-	1,300,000
Atlas Power Limited Staff Provident Fund		
(Retirement benefit plan of group company)		
Issue of 16 (2015: Nil) units	8,067	-
Redemption of 670 (2015: Nil) units	350,000	-
Cash dividend	8,067	39,733
Dividend payable	-	39,733
Dividend Paid	39,733	-
Outstanding 339 (2015: 993) units at the year end	169,864	498,090
Shirazi Capital (Private) Limited (Group Company)		
Issue of 3,942 (2015: 175,088) units	1,975,096	87,796,000
Redemption of 69,750 (2015: Nil) units	36,000,000	-
Cash dividend	2,633,461	-
Outstanding 109,280 (2015: 175,088) units at the year end	54,795,192	87,796,000
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2015: 57,090) units	-	28,627,000
Redemption of 57,090 (2015: Nil) units	29,813,892	-
Outstanding Nil (2015: 57,090) units at the year end	-	28,627,000
Shirazi Trading Company (Private) Limited Employees Provident Fund		
(Retirement benefit plan of a Group Company)		
Issue of 962 (2015: Nil) units	481,952	-
Cash dividend	481,952	771,123
Dividend payable	-	771,123
Dividend Paid	771,123	-
Outstanding 20,240 (2015: 19,278) units at the year end	10,148,683	9,666,799
Meezan Bank Limited (Unit Holder with more than 10% holding)	20.5	
Cash dividend	-	3,955,774
Dividend payable	-	3,955,774
Dividend Paid	3,955,774	-
Outstanding Nil (2015: 98,894) units at the year end	-	49,589,588

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

20. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS (Continued...)

	Note	2016 ----- Rupees -----	2015 -----
Chevron Pakistan Lubricants (Private) Limited Gratuity Fund			
(Unit Holder with more than 10% holding)	20.6		
Issue of 151,812 Units (2015: Nil)		78,614,946	-
Cash dividend		3,614,946	-
Outstanding 151,812 units at the year end		76,121,568	-
Hamdard Laboratories (WAQF) Pakistan	20.6		
(Unit Holder with more than 10% holding)			
Issue of 119,904 Units		61,743,808	-
Redemption of 54,616 units		28,087,916	-
Cash dividend		3,041,216	-
Outstanding 126,201 (2015: 60,913) units at the year end		63,279,476	-
Key Management Personnel of Management Company			
Issue of 12,032 (2015: 6,686) units		6,130,841	3,429,810
Redemption of 11,472 (2015:10,686) units		5,828,184	5,530,532
Cash dividend		414,193	555,343
Dividend payable		-	188,886
Outstanding 15,102 (2015: 14,542) units at the year end		7,572,200	7,291,650

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

20.6 Holding being less than 10% in corresponding period, disclosure is not applicable.

20.7 Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

21. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2016			Total
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	
	Rupees			
Financial assets				
Cash and Bank balances	220,654,282	-	-	220,654,282
Investments	-	345,793,940	-	345,793,940
Receivable against sale of units	258,098	-	-	258,098
Markup accrued	3,298,578	-	-	3,298,578
Security deposit and other receivables	100,000	-	-	100,000
	224,310,958	345,793,940	-	570,104,898

	As at 30 June 2016			Total
	Liabilities at fair value through profit or loss	Other financial liabilities		
	Rupees			
Financial liabilities				
Payable to Atlas Asset Management Limited - Management Company	-	2,160,379		2,160,379
Payable to Central Depository Company of Pakistan Limited - Trustee	-	90,606		90,606
Payable against redemption of units	-	20,000		20,000
Unclaimed dividend	-	61,502		61,502
Accrued expenses and other liabilities	-	972,807		972,807
	-	3,305,294		3,305,294

	As at 30 June 2015			Total
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	
	Rupees			
Financial assets				
Cash and Bank balances	253,953,014	-	-	253,953,014
Investments	-	166,780,000	-	166,780,000
Receivable against sale of units	31,089,640	-	-	31,089,640
Mark up accrued	3,312,168	-	-	3,312,168
Security deposit and other receivables	100,000	-	-	100,000
	288,454,822	166,780,000	-	455,234,822

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

21. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

	As at 30 June 2015		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
		Rupees	
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	2,004,515	2,004,515
Payable to Central Depository Company of Pakistan Limited - Trustee	-	51,268	51,268
Payable against redemption of units	-	9,203,472	9,203,472
Dividend payable	-	12,510,325	12,510,325
Accrued expenses and other liabilities	-	918,943	918,943
	-	24,688,523	24,688,523

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

22.1 The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the management company supervises the overall risk management approach within the Fund. The Fund may be exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

22.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

(i) Profit rate risk

Profit rate risk is the risk that the Fund's income will fluctuate due to changes in the market profit rates. As of 30 June 2016, the Fund is exposed to such risk in respect of bank balances and GOP Ijarah Sukuks. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which exposes the fund to cash flow interest rate risk. In case of 100 basis points increase in market interest rates as at 30 June 2016, with all other variables held constant, the net income for the year and net assets would have been higher by Rs. 5,606,467 (2015: Rs.3,720,171). In case of 100 basis points decrease in market interest rates as at 30 June 2016, with all other variables held constant, the net income for the year and net assets would have been lower by Rs.5,606,467 (2015: Rs.3,720,171).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of the impact on the Fund's net assets of the future movements in profit rates.

Yield / profit rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

The fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2016 can be determined as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

----- As at 30 June 2016 -----

	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield/profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	Percentage	----- Rupees -----				
Financial Assets						
Cash and bank balances	4.00 - 6.10	214,852,779	-	-	5,801,503	220,654,282
Investments	3.89 - 6.10	-	345,793,940	-	-	345,793,940
Receivable against sale of units		-	-	-	258,098	258,098
Markup accrued		-	-	-	3,298,578	3,298,578
Security deposit and other receivables		-	-	-	100,000	100,000
		214,852,779	345,793,940	-	9,458,179	570,104,898
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	2,160,379	2,160,379
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	90,606	90,606
Payable against redemption of units		-	-	-	20,000	20,000
Unclaimed dividend		-	-	-	61,502	61,502
Accrued expenses and other liabilities		-	-	-	972,807	972,807
		-	-	-	3,305,294	3,305,294
Total profit rate sensitivity gap		214,852,779	345,793,940	-	6,152,885	566,799,604

----- As at 30 June 2015 -----

	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield/profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	Percentage	----- Rupees -----				
Financial Assets						
Cash and bank balances	4.00 - 7.00	205,237,071	-	-	48,715,943	253,953,014
Investments	4.75 - 8.34	-	166,780,000	-	-	166,780,000
Receivable against sale of units		-	-	-	31,089,640	31,089,640
Markup accrued		-	-	-	3,312,168	3,312,168
Security deposit and other receivables		-	-	-	100,000	100,000
		205,237,071	166,780,000	-	83,217,751	455,234,822
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	2,004,515	2,004,515
Payable against redemption of units		-	-	-	9,203,472	9,203,472
Dividend payable		-	-	-	12,510,325	12,510,325
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	51,268	51,268
Accrued expenses and other liabilities		-	-	-	918,943	918,943
		-	-	-	24,688,523	24,688,523
Total profit rate sensitivity gap		205,237,071	166,780,000	-	58,529,228	430,546,299

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Equity price risk

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of 30 June 2016.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2016	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Assets					
Cash and bank balances	220,654,282	-	-	-	220,654,282
Investments	-	-	51,855,040	293,938,900	345,793,940
Receivable against sale of units	258,098	-	-	-	258,098
Markup accrued	1,023,422	-	2,275,156	-	3,298,578
Security deposit and other receivables	-	-	-	100,000	100,000
	221,935,802	-	54,130,196	294,038,900	570,104,898
Liabilities					
Payable to Atlas Asset Management Limited - Management Company	2,160,379	-	-	-	2,160,379
Payable to Central Depository Company of Pakistan Limited - Trustee	90,606	-	-	-	90,606
Payable against redemption of units	20,000	-	-	-	20,000
Unclaimed dividend	61,502	-	-	-	61,502
Accrued expenses and other liabilities	468,791	263,147	240,869	-	972,807
	2,801,278	263,147	240,869	-	3,305,294
Net assets / (liabilities)	219,134,524	(263,147)	53,889,327	294,038,900	566,799,604

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2015	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rupees				
Assets					
Cash and Bank balances	253,953,014	-	-	-	253,953,014
Investments	-	-	144,660,000	22,120,000	166,780,000
Receivable against sale of units	31,089,640	-	-	-	31,089,640
Markup accrued	-	782,551	2,529,617	-	3,312,168
Security deposit and other receivables	-	-	-	100,000	100,000
	285,042,654	782,551	147,189,617	22,220,000	455,234,822
Liabilities					
Payable to Atlas Asset Management Limited - Management Company	2,004,515	-	-	-	2,004,515
Payable to Central Depository Company of Pakistan Limited - Trustee	51,268	-	-	-	51,268
Payable against redemption of units	9,203,472	-	-	-	9,203,472
Dividend payable	12,510,325	-	-	-	12,510,325
Accrued expenses and other liabilities	464,863	196,430	257,650	-	918,943
	24,234,443	196,430	257,650	-	24,688,523
Net assets / (liabilities)	260,808,211	586,121	146,931,967	22,220,000	430,546,299

22.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. As of 30 June 2016, 61.91% (2015: 39.29%) of Fund's Net Assets are invested in securities which are guaranteed by the Government of Pakistan. The Fund's maximum exposure to credit risk (excluding government guaranteed securities) as of 30 June 2016 amounts to Rs.224,414,257 (2015: Rs.288,454,822).

22.4.1 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and investment in GOP Ijarah Sukuks. The credit rating profile of balances with banks and investment in GOP Ijarah Sukuks is as follows:

Rating of amount placed with banks and investment in GOP Ijarah Sukuks

	% of financial assets	
	2016	2015
GOP Ijarah Sukuks (Government Guaranteed)	61.72	39.93
AAA	0.55	-
A+	8.92	-
A	28.81	60.07
	100.00	100.00

The maximum exposure to credit risk before any credit enhancement as at 30 June 2016 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

22.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair value of financial assets and liabilities of the Fund, other than government securities, approximates their carrying amount due to short term maturities of these instruments.

22.6 Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2016, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique.

23. UNIT HOLDERS FUND RISK MANAGEMENT

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

24. UNIT HOLDING PATTERN OF THE FUND

Category	2016			2015		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	251	163,365,130	29.25%	265	138,299,224	32.58%
Associated Companies/ Directors	3	68,988,938	12.35%	7	148,764,896	35.05%
Insurance Companies	1	420,344	0.08%	2	11,676,628	2.75%
Retirement Funds	4	77,938,118	13.95%	1	238,944	0.06%
Banks/ DFIs	1	49,587,828	8.88%	1	49,592,447	11.68%
Others	7	198,252,853	35.49%	4	75,874,832	17.88%
	267	558,553,211	100.00%	280	424,446,971	100.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

25. LIST OF TOP BROKERS BY PERCENTAGE OF THE COMMISSION PAID

	2016	2015
Name of broker	Percentage of commission paid	
Global Securities Pakistan Limited	75.26	-
Invest Capital Markets Limited	15.82	100.00
Next Capital Limited	8.92	-
	100.00	100.00

26. THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	48 Years
Mr. Ali H. Shirazi	Director	Masters in Law	12.5 Years
Mr. M. Abdul Samad	Chief Operating Officer	MBA M.Com	16 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	12 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	8 Years
Mr. Fawad Javaid	Fund Manager	CMA	8 Years
Mr. Faran-ul-Haq	Fund Manager	B. A, CFA	5 Years

27. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Fund Manager	CMA	Atlas Money Market Fund Atlas Sovereign Liquid Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

28. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the management company of the Fund, and the attendance of the Board members are given below:

Name of Directors	Meeting held on				
	07 Jul. 2015	31 Aug. 2015	28 Oct. 2015	26 Feb. 2016	28 Apr. 2016
Mr. Yusuf H. Shirazi	P	P	P	P	L
Mr. Azam Faruque	P	P	P	P	P
Mr. Shamshad Nabi	P*	P	P	P	P
Mr. Frahim Ali Khan	P	L	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P
Mr. Arshad P. Rana	P*	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari (CFO and Company Secretary) (With effect from 1st August 2015)	N/A	P	P	P	P
Ms. Lilly R. Dossabhoy (CFO and Company Secretary) (Resigned on 1st July 2015)	P	N/A	N/A	N/A	N/A
Mr. Azam Faruque (Director) (Resigned on 17th June 2016)					

* Attended through video conference.

P Present

L Leave of absence

Ms. Lilly R. Dossabhoy resigned from the post of Chief Financial Officer and Company Secretary on 1 July 2015 and Ms. Qurrat-ul-ain was appointed in her place as the new Chief Financial Officer and Company Secretary.

29. RATING OF THE FUND AND THE MANAGEMENT COMPANY

Pursuant to the updated Asset Manager Rating Methodology and Rating Scale, the Pakistan Credit Rating Agency Limited (PACRA) has harmonised the asset manager rating of the Management Company to the new scale whereby the Management Company has been assigned a rating of AM2 (AM Two) [2015: AM2- (AM Two minus)] on 8 June 2016.

PACRA has maintained the stability rating of "AA- (f)" (Double A Minus - fund rating) for the Fund on 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

31. GENERAL

The figures have been rounded off to the nearest Rupee.

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 29 August 2016.

**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

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

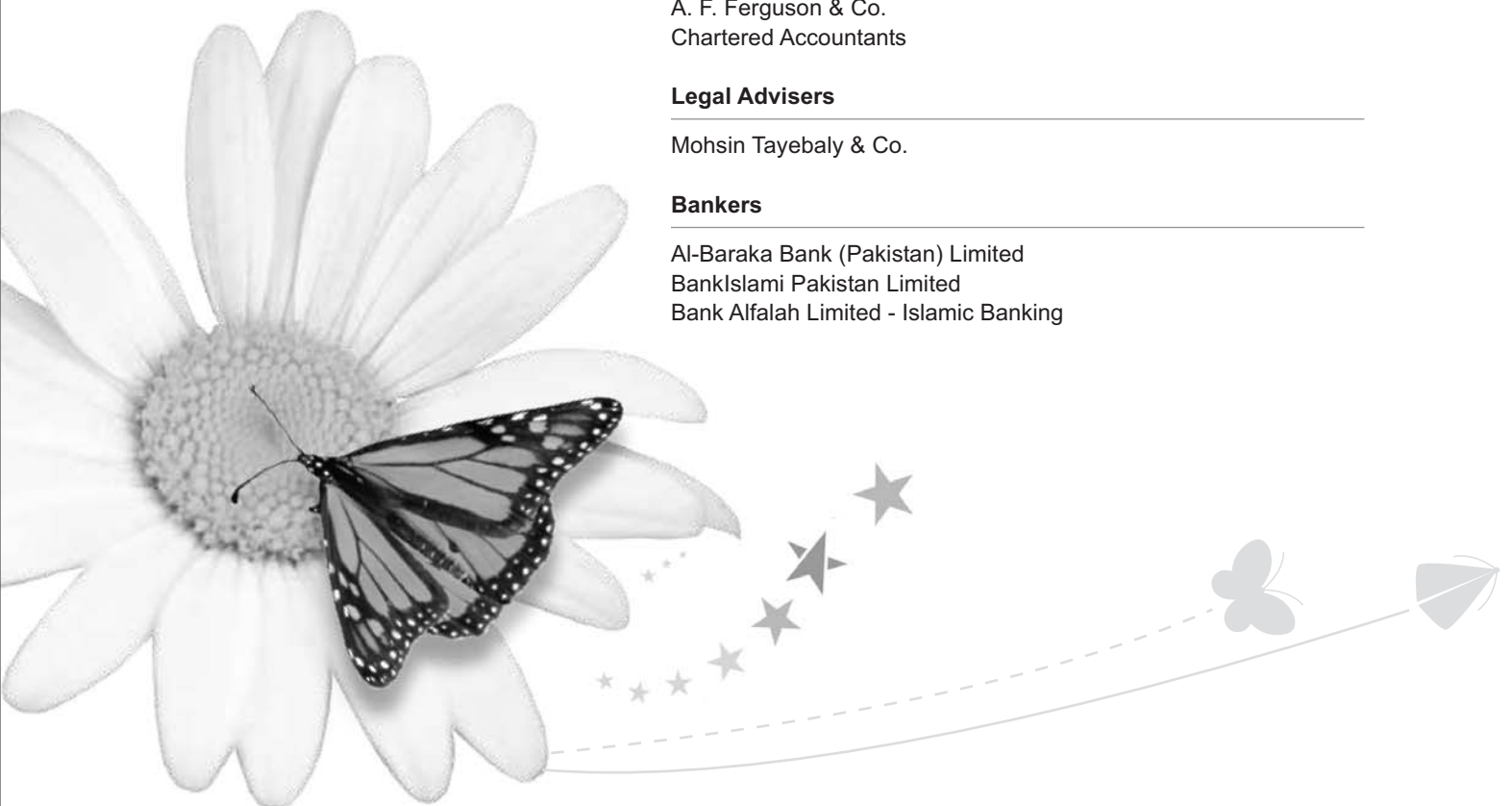
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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



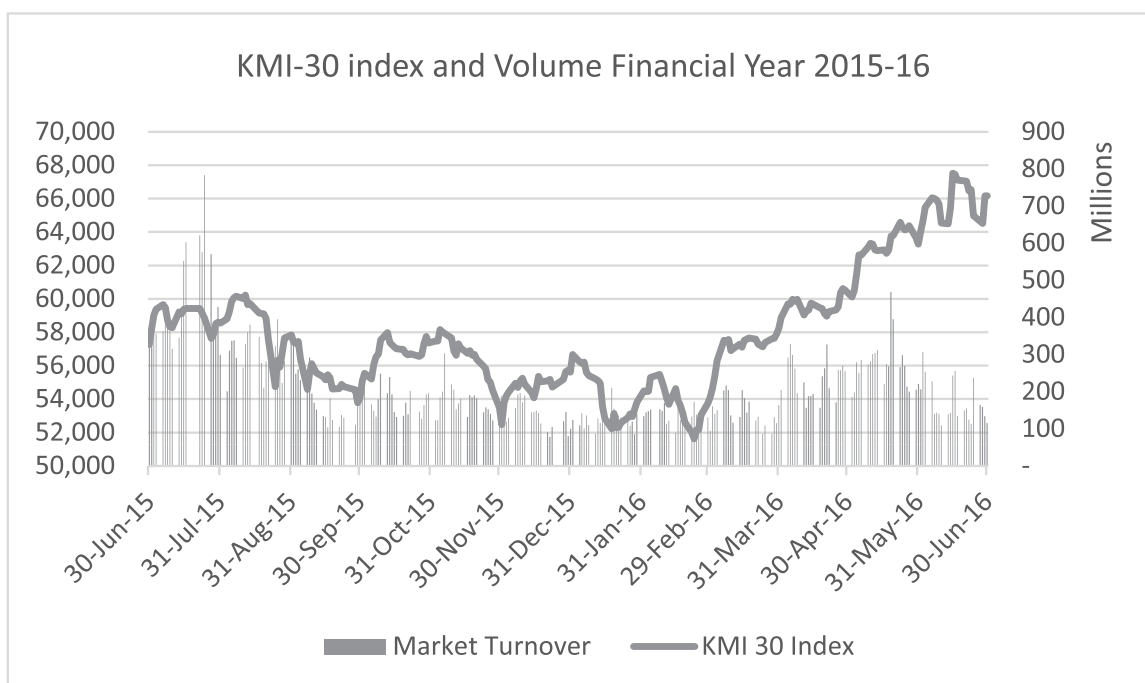
Fund Manager's Report

Atlas Islamic Stock Fund (AISF) is an open-ended equity fund. The objective of AISF is to maximize Unit Holders returns on their Investments while at all times observing prudent Investment practices, the highest professional standards, all applicable law, and the Shariah Code. The Fund's strategy revolves around Shariah Compliance while making investments in stocks with attractive fundamentals and a potential to outperform the market to generate high returns. The Fund observes the investment limitations as set out by the Shariah code, according to the guidance of the Shariah Advisors and emphasizes on medium to long term investment views, by making investment decisions based upon fundamental analysis. The Fund makes use of portfolio management skills for sector and stock selection in order to efficiently manage the fund's portfolio.

KMI - 30 Index serves as the performance benchmark of Atlas Islamic Stock Fund.

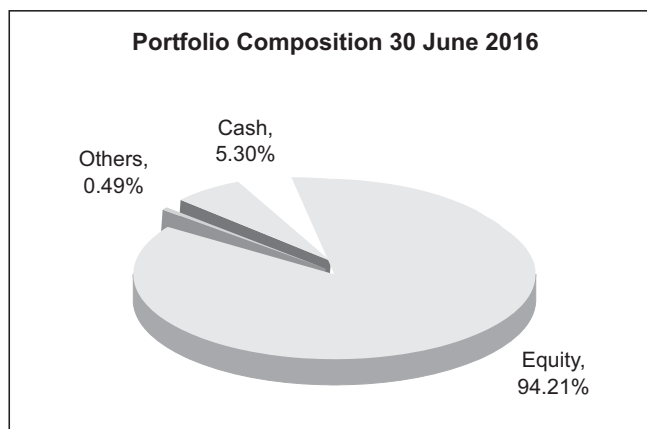
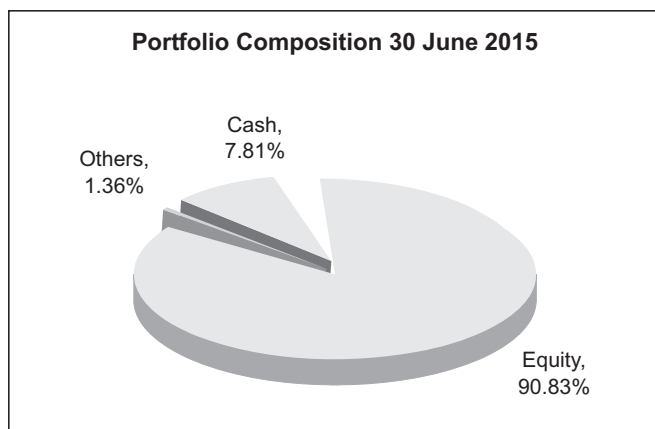
The KMI-30 index increased from 57,271.34 points as on 30 June 2015 to 66,162.77 points as on 30 June 2016, showing a growth of 15.53%. The main drivers of return of the index were HUBC, LUCK, DAWH, ENGRO and SEARL as they contributed 7,347 points to the index and were able to beat the broader index by a huge margin. Net Foreign portfolio outflow during the year was recorded at US\$ 282 million compared to inflow of US\$ 39 million last year. On the local front NBFCs were the most active participant investing US\$ 188 million during the period. Moreover, Individual investors and Mutual Funds invested US\$ 126 million and US\$ 43 million in the stock market, respectively. Companies, on the other hand, reduced their exposure in the equity market by US\$ 83 million.

During the said period sectors that outperformed were Pharmaceuticals, Cements and General Industries.



The Net Asset Value per unit of Atlas Islamic Stock Fund increased by 5.73% to Rs.472.57 as on 30 June 2016. The benchmark KMI-30 index increased by 15.53% during the same period. The KMI - 30 index increased from 57,271.34 points as on 30 June 2015 to 66,162.77 points as on 30 June 2016. The main drivers of return of the index were HUBC, LUCK, DAWH, ENGRO and SEARL as they contributed 7,347 points to the index and were able to beat the broader index by a huge margin. Major underperformance of the fund came from HUBC, DAWH and SEARL that increased by 46%, 49% and 130% while the fund was underweight in the respective scrips.

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 Exploration, Cement, Fertilizer and Oil & Gas Marketing sectors. The Net Assets of the Fund stood at Rs.1.41 billion, with 2.99 million units outstanding as of 30 June 2016.



The Administrative Plans:

The management company is offering investment plans that allow investors focused combination investment strategic in Atlas Islamic Income fund (AIIF) and Atlas Islamic Stock Fund (AISF). The investment plans were offered from September 2008, and the returns are as under:

Administrative Plans	Proportionate investment in		Return (period ended)				
	AIIF	AISF	2011-12	2012-13	2013-14	2014-15	2015-16
Islamic Income Multiplier	85%	15%	12.7%	14.7%	10.3%	9.3%	5.1%
Islamic Balanced	50%	50%	18.8%	28.7%	15.0%	14.3%	5.4%
Islamic Growth	15%	85%	24.9%	42.7%	19.7%	19.3%	5.6%

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	386	139,858,050	9.91%
Associated companies / Directors	9	1,030,912,346	73.02%
Retirement Funds	11	232,432,108	16.46%
Others	3	8,586,740	0.61%
Total	409	1,411,789,244	100.00%

The Scheme has maintained provisions against Workers' Welfare Fund WWF liability of Rs.21,015,392. If the same were not made the NAV per unit/return of the Scheme would be higher by Rs.7.03/1.49%. For details please read Note 12.2 of the latest Financial Statements of the Scheme.

The Finance Act 2015 excludes mutual funds and collective investment schemes from the definition of 'Industrial establishment' as under Workers Welfare Fund Ordinance, 1971 (XXXVI Of 1971). Accordingly, no further provision for WWF will be made from 01 July 2015. However, provision made till 30 June 2015 has not been reversed as the above law suit is still pending in the SHC. Furthermore, Sindh workers welfare Fund Act, 2014 is not applicable on Mutual Funds and Voluntary Pension Schemes. The Scheme has provided for Federal Excise Duty (FED) liability which amounted to Rs.10,453,385 (Rs.3.50 per unit) as on 30 June 2016.

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, in their meeting held on 11 July 2016, has approved a Nil cash dividend.

During the year under review, the Investment Committee held thirty-five meetings to review investment of the Fund and the Risk Committee held twenty meetings to review risk management.

Karachi: 29 August 2016

Faran-UI-Haq
Fund Manager

Supplementary Non Financial Information as required under clause 38 A (g) of NBFC and NE Regulations, 2008

Summary of actual proxies voted by Atlas Islamic Stock Fund

	Resolution	For	Against	Abstain
Number	9	9	Nil	N/A
(%)	100%	100%	-	-

Note: The Proxy voting policy of the Atlas Islamic Stock Fund (AISF) is available on the website of Atlas Asset Management Limited and detailed information regarding actual proxies voted by the Company in respect of the Fund is also available without charge, upon request, to all unit holders.

Performance Since Inception

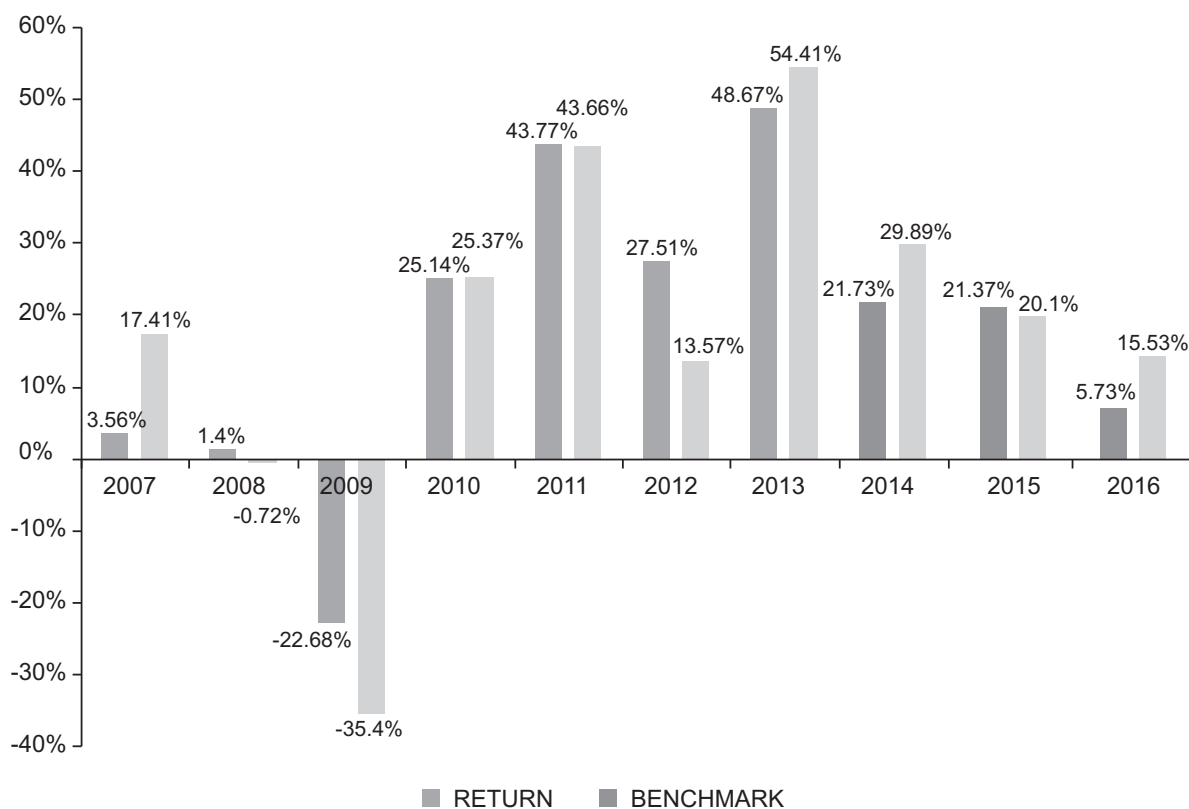
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007*
Net Assets (Rs. In " 000 ")	1,411,789	1,415,763	809,364	974,606	510,953	318,777	252,773	417,775	597,788	512,580
Number of units in issue	2,987,494	2,854,233	1,980,470	2,015,536	1,317,773	779,243	521,664	1,078,902	1,172,525	989,930
Net asset value per unit	472.57	496.02	408.67	483.55	387.74	409.09	484.55	387.22	509.83	517.79
Net income / (loss) (Rs. In " 000 ")	80,049	250,274	137,439	319,844	110,717	97,396	114,084	(122,217)	9,319	17,489
Earnings per unit	26.79	87.69	69.40	158.69	84.02	124.99	218.69	(113.28)	7.95	17.67
Annual return of the fund (%)	5.73	21.37	21.73	48.67	27.51	43.77	25.14	(22.68)	1.40	3.56
Offer Price **	472.57	496.02	408.67	488.45	391.64	413.18	489.40	391.09	514.93	522.97
Redemption Price **	472.57	496.02	408.67	476.36	381.94	402.95	477.28	381.41	502.18	510.03
Distribution Rs.	-	50	45.00	110.00	62.50	105.00	200.00	-	9.00	15.00
Distribution as a % of Opening Ex-NAV of units	-	12.23	12.05	33.82	20.55	36.90	51.65	-	1.79	3.00
Date of distribution	-	7-Jul-15	24-Jun-14	4-Jul-13	5-Jul-12	7-Jul-11	8-Jul-10	-	4-Jul-08	20-Jul-07
Highest offer price per unit	488.05	507.30	453.25	513.39	402.82	423.05	562.83	488.69	603.50	525.33
Lowest offer price per unit	390.34	388.08	381.62	340.83	288.51	293.27	409.30	238.43	464.43	508.46
Highest redemption price per unit (after applicable back-end load)	488.05	507.30	453.25	500.69	392.85	412.58	548.90	476.59	588.56	512.33
Lowest redemption price per unit (after applicable back-end load)	390.34	388.08	381.62	332.40	281.37	286.01	399.17	232.53	452.93	495.88

* Period from 17 October 2006 to 30 June 2007 Date of Launch: January 15, 2007.

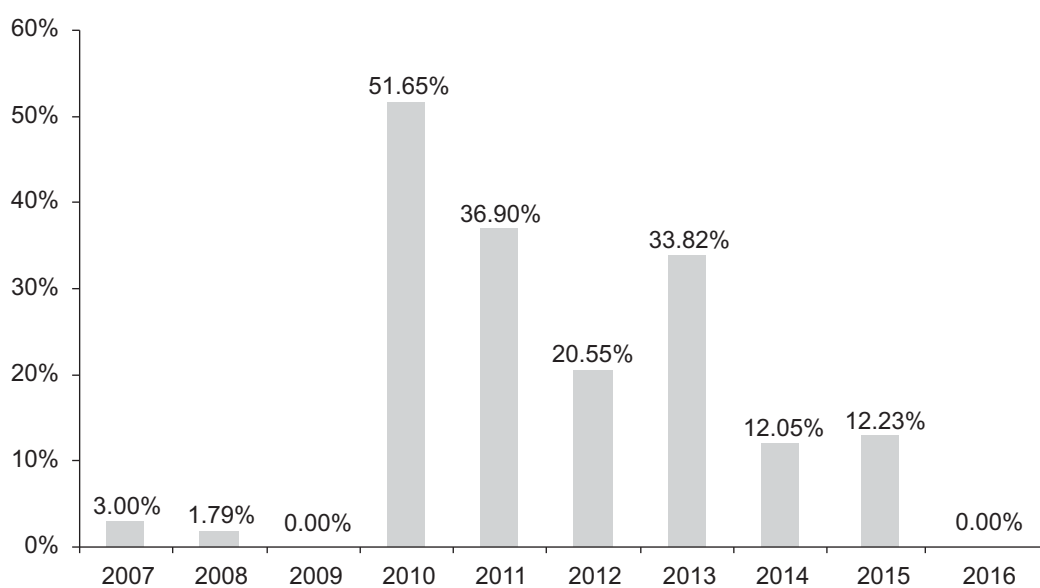
** Relates to announced prices.

Note: Past performance of the funds is not indicative of future performance, and the unit price and investment return may go down, as well as up.

Yearly Performance



Payout History (% on opening Ex-NAV)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2016

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19 of Listing Regulations of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Islamic Stock Fund, being listed at the Pakistan Stock Exchange Limited, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the board includes:

Category	Name of Director
Independent Directors	Mr. Tariq Amin Mr. Shamshad Nabi
Non-Executive Directors	Mr. Yusuf H. Shirazi Mr. Fahim Ali Khan Mr. Ali H. Shirazi Mr. Arshad P. Rana
Executive Director (CEO)	Mr. M. Habib-ur-Rahman

The independent directors meet the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The three years' term of office of the previous Board was completed and the same members were re-elected unopposed for the next term of three years during the year. Further, a casual vacancy occurred on the Board on 17 June 2016, was filled up by the directors within 4 days i.e 21 June 2016 and was approved by the Securities and Exchange Commission of Pakistan on 9 August 2016, as required by the Non-Banking Finance Companies and Notified Entities Regulations, 2008.
5. The Management Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose, and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. The Board Evaluation Committee (BEC) was formed in order to comply with the requirements of the CCG, 2012 requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The terms of reference of the BEC require the BEC members to carry out the assessment of the Board members' questionnaires submitted by them, to evaluate the findings therefrom, and apprise the Board in the subsequent Board meeting, with recommendations for improvement. The BEC comprises of three members - both the independent directors of which one is the Chairman of the BEC, and one member from the sponsor family. The CEO serves as the secretary to this committee.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2016

10. Five members of the Board of Directors of the Management Company are exempt from the requirements of the Directors' Training Program as per the proviso to Clause 5.19.7 of the Pakistan Stock Exchange Regulations, whilst the remaining two Board members have completed their Directors' certification programs from institutes meeting the criteria specified by the Securities & Exchange Commission of Pakistan.
11. The Board has approved the appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor made during the year. The terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor have been approved by the Board.
12. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
14. The Directors, CEO and Executives do not hold units other than those disclosed in note 18 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 22 to the financial statements. These transactions have been placed before the Audit Committee and as per their recommendation, approved by the Board of Directors of the Management Company.
15. The Management Company has complied with the corporate and financial reporting requirements of the Code.
16. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
17. Meetings of the Audit Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
18. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director.
19. The Board has set up an effective internal audit function headed by a full time Chief Internal Auditor who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
20. The Statutory Auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
21. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. The 'closed period' prior to the announcement of interim/financial results, and business decisions, which may materially affect the market price / net asset value, was determined and intimated to directors, employees and the stock exchange.
23. Material/price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
24. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 29 August 2016

M. Habib-ur-Rahman
Chief Executive Officer

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Stock Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2016 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: September 5, 2016

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Atlas Asset Management Limited, the Management Company of **Atlas Islamic Stock Fund** (the Fund) for the year ended June 30, 2016 to comply with the Listing Regulation No.5.19 of the Pakistan Stock Exchange Limited where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company (**Atlas Asset Management Limited**) of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2016.

Karachi: September 5, 2016

A. F. Ferguson & Co.
Chartered Accountants

REVIEW REPORT OF THE SHARIAH ADVISOR

As the Shariah Advisor of the Atlas Islamic Stock Fund (AISF), I am issuing this report in accordance with clause 2.3.4 (V) of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of Atlas Asset Management Limited (AAML), the management company of the Fund, to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. As Shariah Advisor, my responsibility is to express an opinion, based on my review of the representations made by the management, to the extent where such compliance can be objectively verified.

For screening investment in equities, I have advised a criteria on the basis of the following: (i) nature of business, (ii) interest bearing debt in relation to the total assets, (iii) illiquid assets in relation to the total assets, (iv) investment in non-Shariah compliant activities to total assets and income from non-compliant investments to gross revenues, and (v) net liquid assets per share vs share price.

As part of my mandate as the Shariah Advisor to the Fund, I have reviewed the following, during the year:

- The modes of investment of Fund's property and its compliance with Shariah guidelines.
- The process of deployment of Fund's property and its compliance with Shariah guidelines.
- The process of purification of income and its compliance with Shariah guidelines.

In light of the above scope, I hereby certify that all the provisions of the scheme and investments made by the Fund for the year ended 30 June 2016 are in compliance with the Shariah principles.

There are investments made by AISF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company, in consultation with me, the Shariah Advisor of the Fund, have determined the Haram portion of the income of the Fund and marked to charity in order to purify the whole income.

Karachi: 30 June 2016

Muhammad Yahya Asim
Shariah Advisor

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ATLAS ISLAMIC STOCK FUND** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2016, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (**Atlas Asset Management Limited**) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2016 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Karachi: September 5, 2016

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 -----
ASSETS			
Bank balances	4	76,854,269	117,843,272
Investments	5	1,367,162,490	1,369,931,242
Profit receivable on bank balances		396,343	270,413
Dividend receivable		1,485,300	2,723,000
Receivable against sale of investments		-	10,935,816
Receivable against issue of units	6	225,000	4,015,071
Security deposits and other receivable	7	5,074,830	2,600,000
Total assets		1,451,198,232	1,508,318,814
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	8	14,731,468	9,699,170
Payable to Central Depository Company of Pakistan Limited - Trustee	9	244,758	209,836
Payable to the Securities and Exchange Commission of Pakistan	10	1,262,204	918,764
Payable against purchase of investments		-	53,519,424
Payable against redemption of units	11	492,980	4,935,913
Accrued and other liabilities	12	22,677,578	23,272,926
Total liabilities		39,408,988	92,556,033
NET ASSETS		1,411,789,244	1,415,762,781
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,411,789,244	1,415,762,781
CONTINGENCIES AND COMMITMENTS	13		
NUMBER OF UNITS IN ISSUE		2,987,494	2,854,233
NET ASSET VALUE PER UNIT		472.57	496.02

The annexed notes from 1 to 30 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 -----
INCOME			
Profit on bank balances		5,498,369	3,966,313
Dividend income		59,969,335	54,636,051
Capital (loss) / gain on sale of investments - net		(26,055,055)	107,158,838
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		88,885,893	55,731,332
		62,830,838	162,890,170
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(3,735,639)	67,106,049
		124,562,903	288,598,583
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	26,572,723	19,342,358
Sindh sales tax on remuneration of the Management Company	8.2	4,315,411	3,365,573
Federal Excise Duty on remuneration of the Management Company	8.3	4,251,635	3,094,781
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	2,328,634	1,870,207
Sindh sales tax on remuneration of the Trustee		326,009	-
Annual fee - Securities and Exchange Commission of Pakistan	10	1,262,204	918,764
Accounting and operational charges	14	802,733	-
Sindh Sales Tax on accounting and operational charges		47,878	-
Shariah advisory fee		205,492	-
Auditors' remuneration	15	314,154	293,000
Securities transaction cost	16	3,615,986	3,838,329
Annual listing fee		40,000	40,000
Annual rating fee		152,760	155,200
Printing charges		161,500	276,694
Legal and professional charges		85,618	-
Bank charges		30,804	21,685
Provision for Workers' Welfare Fund	12.2	-	5,107,640
		44,513,541	38,324,231
Net income for the year before taxation		80,049,362	250,274,352
Taxation	17	-	-
Net income for the year after taxation		80,049,362	250,274,352

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	----- Rupees -----	
Net income for the year after taxation	80,049,362	250,274,352
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	80,049,362	250,274,352

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 -----
Undistributed income brought forward [includes unrealised gain on investments of Rs. 80,129,906] (2015: unrealised gain of Rs. 94,012,969)		338,826,471	89,513,943
Final cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 50 per unit on 7 July 2015 (2015: Nil)		(142,711,650)	-
Net income for the year after taxation		80,049,362	250,274,352
Shariah non-compliant income set-aside for charity	12.1	(769,158)	(961,824)
Undistributed income carried forward [includes unrealised gain on investments of Rs. 88,885,893] (2015: unrealised gain of Rs. 80,129,906)		275,395,025	338,826,471

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2016

	2016		2015	
	Units	Rupees	Units	Rupees
Net assets at beginning of the year [Rs.496.02 (2015: Rs.408.67) per unit]	2,854,233	1,415,762,781	1,980,470	809,363,692
Issue of units	816,694	356,707,124	2,281,550	1,061,226,788
Redemption of units	(683,433)	(300,984,854)	(1,407,787)	(637,034,178)
	133,261	55,722,270	873,763	424,192,610
Element of (income) / loss and capital gains / (losses) included in prices of units issued less those in units redeemed - net	-	3,735,639	-	(67,106,049)
Final cash dividend declared for the year ended 30 June 2015 at the rate of Rs. 50 per unit on 7 July 2015 (2015: Nil)	-	(142,711,650)	-	-
Capital (loss) / gain on sale of investments - net	-	(26,055,055)	-	107,158,838
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	88,885,893	-	55,731,332
Other net income for the year	-	17,218,524	-	87,384,182
Total comprehensive income for the year	-	80,049,362	-	250,274,352
Shariah non-compliant income set-aside for charity	-	(769,158)	-	(961,824)
Net assets at end of the year [Rs.472.57 (2015: Rs.496.02) per unit]	2,987,494	1,411,789,244	2,854,233	1,415,762,781

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		80,049,362	250,274,352
Adjustments for:			
Profit on bank balances		(5,498,369)	(3,966,313)
Dividend income		(59,969,335)	(54,636,051)
Capital loss / (gain) on sale of investments - net		26,055,055	(107,158,838)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(88,885,893)	(55,731,332)
Element of loss / (income) and capital (gains) / losses included in prices of units issued less those in units redeemed - net		3,735,639	(67,106,049)
		(124,562,903)	(288,598,583)
(Increase) / decrease in assets			
Security deposits and other receivable		(2,474,830)	4,725,000
Receivable against sale of investments		10,935,816	(4,354,353)
		8,460,986	370,647
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		5,032,298	4,652,301
Payable to Central Depository Company of Pakistan Limited - Trustee		34,922	79,675
Payable to the Securities and Exchange Commission of Pakistan		343,440	43,850
Payable against purchase of investments		(53,519,424)	14,142,544
Accrued and other liabilities		(1,364,506)	5,656,991
		(49,473,270)	24,575,361
Profit received on bank balances		5,372,439	4,336,937
Dividend received		61,207,035	52,588,051
Investments made during the year		(1,915,229,083)	(2,186,092,421)
Investments sold during the year		1,980,828,673	1,710,557,283
Net cash generated from / (used in) operating activities		46,653,239	(431,988,373)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		360,497,195	1,057,211,717
Net payments against redemption of units		(305,427,787)	(632,098,265)
Dividend paid		(142,711,650)	-
Net cash (used in) / generated from financing activities		(87,642,242)	425,113,452
Net decrease in cash and cash equivalents during the year		(40,989,003)	(6,874,921)
Cash and cash equivalents at the beginning of the year		117,843,272	124,718,193
Cash and cash equivalents at the end of the year	4	76,854,269	117,843,272

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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 6 March 2008, Third Supplemental Trust Deed dated 4 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 Sixth Supplements, dated 29 October 2007, 6 March 2008, 4 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, whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2** The Fund is an open-end collective investment scheme categorised as a 'shariah compliant equity scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is listed on the Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore Stock Exchange and Islamabad Stock Exchange have amalgamated). The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis 15 January 2007 and are transferable and redeemable by surrendering them to the Fund.
- 1.3** According to the trust deed, the objective of the Fund is to provide one window facility to invest in a diversified and 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

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, 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 Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The Fund has adopted the following accounting standards, amendments and interpretations of IFRSs which became effective for the current year:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 – Separate Financial Statements – (Amended)
- IAS 28 – Investment in Associates and Joint Ventures – (Amended)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following revised standards, interpretations and amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretation and amendments:

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- IFRS 2: "Share-based Payments" – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
- IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investment in Associates – Investment Entities": Applying the Consolidation Exception (Amendment)	01 January 2016
- IFRS 10 "Consolidated Financial Statements" and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
- IFRS 11 "Joint Arrangements" - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
- IAS 1 – "Presentation of Financial Statements" - Disclosure Initiative (Amendment)	01 January 2016
- IAS 7 "Financial Instruments: Disclosures" - Disclosure Initiative - (Amendment)	01 January 2017
- IAS 12 "Income Taxes" – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
- IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
- IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture Bearer Plants (Amendment)	01 January 2016
- IAS 27 "Separate Financial Statements" – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after 1 July 2016 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
- IFRS 14 - Regulatory Deferral Accounts	01 January 2016
- IFRS 15 - Revenue from Contracts with Customers	01 January 2017

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgements that have a significant effect on the financial statements relate to classification, valuation and impairment of financial assets (as disclosed in notes 3.1 and 5 to these financial statements).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Financial assets

3.1.1 Classification

The Fund classifies its financial assets in the following categories: Financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as at fair value through profit or loss if they are acquired for the purpose of selling in the near term.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.1.2 Regular way contracts

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within two days after transaction date as per the stock exchange regulations.

3.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3.1.4 Subsequent measurement

a) Equity securities

Subsequent to initial recognition, financial investment in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

Net gains and losses arising on such revaluation is taken to the income statement for securities carried at fair value through profit or loss.

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised. At this time, the cumulative gain or loss, previously recognised in other comprehensive income, is shown as part of net income for the year.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains and losses are also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.1.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in other comprehensive income is reclassified to 'income statement'. Impairment losses recognised on equity instruments are not reversed through the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of provision is determined based on the provisioning criteria specified by the SECP.

3.1.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of assets and liabilities only when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.1.7 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.2 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

3.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.4 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement. Presently, the Fund does not have any derivative instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

3.5 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

3.7 Distribution to unit holders

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called "element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed" (the element) is created.

Upon sale and redemption of units, the amount representing net income / loss and capital gains / losses is accounted for in net asset value and included in the sale / redemption price is taken to the Income Statement.

The element is computed to the extent that it is represented by the increase / decrease in net income / loss and capital gains / losses earned / incurred during the year.

3.9 Revenue recognition

- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Interest income on bank balances, placements and deposits is recognised on an accrual basis.
- Unrealised appreciation / (diminution) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Element of income / loss and capital gains / losses in prices of units issued less those in units redeemed is recognised when the units are issued and redeemed at the transaction date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

3.10 Expenses

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.11 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income at the year end in order to avail this tax exemption. Accordingly, no provision is made for current and deferred taxation in these financial statements.

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.13 Earnings per unit

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

	Note	2016 Rupees	2015 Rupees
4. BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	76,841,269	116,267,538
- Current account		13,000	1,575,734
		76,854,269	117,843,272

4.1 The rate of return on these profit and loss sharing accounts ranges between 4.5% to 6.10% (30 June 2015: 4% to 7%) per annum.

5. INVESTMENTS

At fair value through profit or loss

- Listed equity securities	5.1	1,367,162,490	1,358,056,242
- Investment through book building for 125,000 Ordinary shares of Al-Shaheer Corporation Limited		-	11,875,000
		1,367,162,490	1,369,931,242

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

5.1 Listed equity securities

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

		Number of shares held				Rupees		Percentage of			
Name of Investee Company	Note	As at 01 July 2015	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2016	Carrying Cost	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held*
At fair value through profit or loss - equity securities											
COMMERCIAL BANKS											
							-				
Meezan Bank Limited		472,500	1,127,500	-	-	1,600,000	67,540,955	68,000,000	4.97	4.82	0.16
		472,500	1,127,500	-	-	1,600,000	67,540,955	68,000,000	4.97	4.82	
REAL ESTATE INVESTMENT TRUST											
Dolmen City Reit		2,000,000	-	-	2,000,000	-	-	-	-	-	-
		2,000,000	-	-	2,000,000	-	-	-	-	-	
TEXTILE COMPOSITE											
Kohinoor Textile Mills Limited		-	300,000	-	300,000	-	-	-	-	-	-
Nishat Mills Limited		75,000	650,000	-	225,000	500,000	48,943,177	53,950,000	3.95	3.82	0.14
		75,000	950,000	-	525,000	500,000	48,943,177	53,950,000	3.95	3.82	
CEMENT											
Attock Cement Pakistan Limited		276,600	20,000	-	296,600	-	-	-	-	-	-
Cherat Cement Company Limited		-	242,000	-	100,000	142,000	14,469,615	16,978,940	1.24	1.20	0.08
D.G. Khan Cement Company Limited		-	450,000	-	50,000	400,000	60,792,129	76,196,000	5.57	5.40	0.09
Fauji Cement Company Limited		1,400,000	2,510,000	-	2,400,000	1,510,000	51,566,327	54,058,000	3.95	3.83	0.11
Kohat Cement Company Limited		100,000	197,300	-	220,800	76,500	17,546,499	20,036,880	1.47	1.42	0.05
Lucky Cement Limited	5.3	215,000	114,600	-	197,100	132,500	68,804,265	85,927,575	6.29	6.09	0.04
Maple Leaf Cement Factory Limited		-	50,000	-	50,000	-	-	-	-	-	-
Pioneer Cement Limited		100,000	540,500	-	290,500	350,000	30,940,494	37,590,000	2.75	2.66	0.15
		2,091,600	4,124,400	-	3,605,000	2,611,000	244,119,329	290,787,395	21.27	20.60	
REFINERY											
Attock Refinery Limited		-	225,000	-	225,000	-	-	-	-	-	-
National Refinery Limited		-	173,000	-	113,000	60,000	15,356,529	28,524,000	2.09	2.02	0.08
		-	398,000	-	338,000	60,000	15,356,529	28,524,000	2.09	2.02	
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	5.3	800,000	200,000	-	450,000	550,000	52,984,635	66,033,000	4.83	4.68	0.05
K-Electric Limited		2,000,000	3,600,500	-	1,800,000	3,800,500	28,050,990	30,632,030	2.24	2.17	0.04
Lalpir Power Limited		1,500,000	947,500	-	2,447,500	-	-	-	-	-	-
Pakgen Power Limited		1,150,000	115,000	-	1,265,000	-	-	-	-	-	-
		5,450,000	4,863,000	-	5,962,500	4,350,500	81,035,625	96,665,030	7.07	6.85	
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited		130,600	39,700	-	85,300	85,000	46,617,160	37,190,900	2.72	2.63	0.10
Hi-Tech Lubricants Limited		-	250,000	-	-	250,000	15,131,465	14,792,500	1.08	1.05	0.22
Pakistan State Oil Company Limited	5.3	395,000	55,000	-	165,000	285,000	108,718,765	107,006,100	7.83	7.58	0.10
Shell Pakistan Limited		-	25,000	-	25,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited		1,200,000	725,000	-	1,925,000	-	-	-	-	-	-
		1,725,600	1,094,700	-	2,200,300	620,000	170,467,390	158,989,500	11.63	11.26	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

5.1 Listed equity securities (Continued...)

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

		Number of shares held				Rupees		Percentage of			
Name of Investee Company	Note	As at 01 July 2015	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2016	Carrying Cost	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held*
At fair value through profit or loss - equity securities											
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited											
Oil & Gas Development Company Limited		100	130,900	-	15,000	116,000	74,719,053	105,353,520	7.71	7.46	0.11
Pakistan Oilfields Limited	5.3	-	470,000	-	-	470,000	67,341,395	64,892,900	4.75	4.60	0.00
Pakistan Petroleum Limited	5.3	257,000	319,700	-	367,000	209,700	68,042,620	72,866,556	5.33	5.16	0.09
		900,000	125,000	-	475,000	550,000	85,838,329	85,277,500	6.24	6.04	0.03
		1,157,100	1,045,600	-	857,000	1,345,700	295,941,397	328,390,476	24.02	23.26	

ENGINEERING

Amreli Steels Limited		-	520,000	-	-	520,000	28,152,265	24,450,400	1.79	1.73	0.18
Crescent Steel & Allied Products Limited		-	50,000	-	50,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited		-	200,000	-	50,000	150,000	10,688,790	10,078,500	0.74	0.71	0.12
		-	770,000	-	100,000	670,000	38,841,055	34,528,900	2.53	2.45	

AUTOMOBILE ASSEMBLER

Honda Atlas Cars (Pakistan) Limited		-	92,500	-	92,500	-	-	-	-	-	-
Indus Motor Company Limited		-	18,000	-	18,000	-	-	-	-	-	-
Millat Tractors Limited		20,000	11,900	-	-	31,900	19,638,848	18,190,975	1.33	1.29	0.07
Pak Suzuki Motor Company Limited		-	79,500	-	44,500	35,000	15,905,414	13,375,250	0.98	0.95	0.04
Sazgar Engineering Works Limited		-	34,500	-	34,500	-	-	-	-	-	-
		20,000	236,400	-	189,500	66,900	35,544,262	31,566,225	2.31	2.24	

AUTOMOBILE PARTS & ACCESSORIES

Agriauto Industries Limited (face value Rs.5)		-	40,000	-	-	40,000	8,189,419	7,810,000	0.57	0.55	0.14
Thal Limited (face value Rs.5)		-	42,800	-	-	42,800	10,525,436	12,113,256	0.89	0.86	0.05
		-	82,800	-	-	82,800	18,714,855	19,923,256	1.46	1.41	

CABLES & ELECTRICAL GOODS

Pak Elektron Limited		150,000	790,000	-	940,000	-	-	-	-	-	-
Pak Elektron Limited - Letter of Right		-	-	75,000	75,000	-	-	-	-	-	-
		150,000	790,000	75,000	1,015,000	-	-	-	-	-	

TECHNOLOGY & COMMUNICATIONS

Pakistan Telecommunication Company Limited		650,000	2,856,500	-	2,200,000	1,306,500	20,382,160	19,636,695	1.44	1.39	0.03
		650,000	2,856,500	-	2,200,000	1,306,500	20,382,160	19,636,695	1.44	1.39	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

5.1 Listed equity securities (Continued...)

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

Name of Investee Company	Number of shares held					Rupees		Percentage of		
	As at 01 July 2015	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2016	Carrying Cost	Market value	Market Value as a percentage of total Investments	Market Value as a percentage of net assets	Percentage of Paid up capital of investee company held*
At fair value through profit or loss - equity securities										
FERTILIZER										
Dawood Hercules Corporation Limited	-	300,000	-	300,000	-	-	-	-	-	-
Engro Fertilizers Limited	875,000	1,500,000	-	1,225,000	1,150,000	87,801,274	74,152,000	5.42	5.25	0.09
Engro Corporation Limited	525,000	320,000	-	550,000	295,000	88,069,721	98,226,150	7.18	6.96	0.06
Fatima Fertilizer Company Limited	-	675,000	-	675,000	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	375,000	558,500	-	933,500	-	-	-	-	-	-
Fauji Fertilizer Company Limited	200,000	1,364,100	-	1,564,100	-	-	-	-	-	-
	1,975,000	4,717,600	-	5,247,600	1,445,000	175,870,994	172,378,150	12.61	12.21	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	-	25,000	-	-	25,000	16,817,854	18,850,000	1.38	1.34	0.03
Ferozsons Laboratories Limited	-	70,300	-	70,300	-	-	-	-	-	-
Hignoon Laboratories Limited	-	7,300	-	7,300	-	-	-	-	-	-
The Searle Company Limited	-	32,500	-	32,500	-	-	-	-	-	-
	-	135,100	-	110,100	25,000	16,817,854	18,850,000	1.38	1.34	
CHEMICALS										
Ghani Gases Limited	-	600,000	-	600,000	-	-	-	-	-	-
Ghani Gases Limited - Letter of Right	-	-	408,000	408,000	-	-	-	-	-	-
	-	600,000	408,000	1,008,000	-	-	-	-	-	
PAPER & BOARD										
Packages Limited	-	72,400	-	72,400	-	-	-	-	-	-
	-	72,400	-	72,400	-	-	-	-	-	
FOODS & PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	-	200,000	61,250	-	261,250	17,723,330	13,639,863	1.00	0.97	0.21
Engro Foods Limited	-	100,000	-	-	100,000	15,782,000	16,333,000	1.19	1.16	0.01
	-	300,000	61,250	-	361,250	33,505,330	29,972,863	2.19	2.12	
GLASS & CERAMICS										
Ghani Glass Limited	700,000	-	-	700,000	-	-	-	-	-	-
	700,000	-	-	700,000	-	-	-	-	-	
MISCELLANEOUS										
Shifa International Hospitals Limited	-	50,000	-	-	50,000	15,195,685	15,000,000	1.10	1.06	0.09
	-	50,000	-	-	50,000	15,195,685	15,000,000	1.10	1.06	
Total as at 30 June 2016						1,278,276,597	1,367,162,490	100.00	96.84	
Total as at 30 June 2015						1,302,324,910	1,358,056,242			

* Nil value due to rounding off.

5.2 The cost of listed equity securities as at 30 June 2016 is Rs.1,278,276,597 (2015: Rs.1,289,801,336).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

	Number of shares		Market value	
	2016	2015	2016	2015
			-----Rupees-----	
Hub Power Company Limited	200,000	700,000	24,012,000	65,499,000
Pakistan Petroleum Company Limited	135,000	-	20,931,750	-
Pakistan State Oil Company Limited	110,000	50,000	41,300,600	19,289,500
Lucky Cement Limited	75,000	75,000	48,638,250	38,971,500
Pakistan Oilfields Limited	-	57,000	-	23,017,740
			134,882,600	146,777,740

6. RECEIVABLE AGAINST ISSUE OF UNITS

This represents receivable against units issued to the unit holders based on their request for issue of units (30 June 2015: Transfer of units from Atlas Sovereign Liquid Fund managed by the Management Company of the Fund). Amount of Rs.225,000 (30 June 2015: Rs. 4,015,071) in respect of these transactions was received subsequent to the year end.

	Note	2016	2015
		----- Rupees -----	----- Rupees -----

7. SECURITY DEPOSITS AND OTHER RECEIVABLE

Held with:

National Clearing Company of Pakistan Limited		2,500,000	2,500,000
Central Depository Company of Pakistan Limited		100,000	100,000
Other receivables	7.1	2,474,830	-
		5,074,830	2,600,000

- 7.1** As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, during the year ended 30 June 2016, several Companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. Such deductions aggregate to Rs.2.475 million is case of AISF. The amount of tax withheld during the year on dividend and profit on bank deposits aggregates to Rs.2.449 million and Rs.0.026 million respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit receive on bank deposits by the Funds has been shown as other receivable as at 30 June 2016 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 -----
8. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Remuneration of the Management Company	8.1	2,387,299	2,205,296
Sindh Sales Tax payable on remuneration of the Management Company	8.2	1,890,784	1,292,124
Federal Excise Duty payable on remuneration of the Management Company	8.3	10,453,385	6,201,750
		14,731,468	9,699,170

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Previously the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and, at the rate of 2% of such assets. During the year ended 30 June 2016, the Management Company has charged its remuneration at the rate of 2% (2015: 2%) per annum of the average annual net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 4,315,411 (2015: Rs. 3,365,573) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 3,716,751 (2015: Rs. 2,769,565) has been paid to the Management Company which acts as the collecting agent.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 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 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 till the date of the next hearing. Pending decision of the Honorable SHC, the Fund stopped making payment in respect of FED.

In a recent order of the SHC, all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside. However, as a matter of abundant caution full provision for FED on remuneration of the Management Company is being retained in the financial statements of the Fund from 13 June 2013 till 30 June 2016 as the management believes that the Federal government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs. 3.50 (2015: Rs. 2.17) per unit.

With effect from 1 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY			
Trustee fee	9.1	201,334	192,457
Sindh Sales Tax payable on trustee fee	9.2	28,187	-
Settlement charges		13,366	17,379
Sindh Sales Tax payable on settlement charges		1,871	-
		244,758	209,836

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

On net assets:

- up to Rs. 1,000 million Rs. 0.7 million or 0.20% per annum of Net Asset Value whichever is higher
- On an amount exceeding Rs.1,000 million Rs. 2.0 million plus 0.10% per annum of Net Asset Value exceeding Rs. 1,000 million

9.2 During the year, an amount of Rs. 326,009 (2015: Rs Nil) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 297,822 (2015: Rs Nil) was paid to the Trustee which acts as a collecting agent.

	Note	2016 Rupees	2015 Rupees
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable	10.1	1,262,204	918,764

10.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the Securities and Exchange Commission of Pakistan an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.

11. PAYABLE AGAINST REDEMPTION OF UNITS

This includes payable against units redeemed to the unit holders based on their request for transfer of units from the Fund to other funds managed by the Management Company. Amount of Rs. 258,098 (30 June 2015: Rs. 2,732,775), Rs. Nil (30 June 2015: Rs. 1,313,734), and Rs. Nil (30 June 2015: Rs. 782,306) in respect of these transactions were paid to Atlas Islamic Income Fund, Atlas Sovereign Liquid Fund and Atlas Income Fund subsequent to year end in the month of July 2016 (30 June 2015: July 2015).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 ----- Rupees -----	2015 -----
12.ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration payable		232,455	230,110
Printing charges payable		240,862	257,500
Rating fee payable		140,000	127,600
Charity payable	12.1	87,061	157,244
Transaction charges payable		499,266	939,644
Withholding tax payable		29,728	452,126
Payable to Shariah Advisor		85,307	-
Zakat payable		-	409
Provision for Workers' Welfare Fund	12.2	21,015,392	21,015,392
Accounting and operational charges payable	14	119,365	-
Sindh Sales Tax on accounting and operational charges		7,162	-
Others		220,980	92,901
		22,677,578	23,272,926

12.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 769,158 (30 June 2015: Rs. 961,824) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity. An amount of Rs. 839,341 was paid to the charities approved by the Shariah Advisor during the current period which include Rs.157,244 related to previous year.

12.2 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court challenging the applicability of WWF on CISs which is pending adjudication.

The Finance Act, 2015 introduced an amendment under which mutual funds and collective investment schemes have been excluded from the definition of industrial establishment. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable for tax year 2016. The provision made till 30 June 2015 has not been reversed as the law suit referred to in the previous paragraph is still pending in the SHC.

Although the Management Company is hopeful that the case will be decided in favour of the Funds, it has retained the provision in the financial information as at June 30, 2016 in respect of the liability towards WWF amounting to Rs.21,015,392 (30 June 2015: Rs. 21,015,392). Had the same not been made, the net asset value per unit of the Fund would have been higher by Rs. 7.03 (2015: Rs. 7.36) per unit.

13.CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2016 and 30 June 2015.

14.ACCOUNTING AND OPERATIONAL CHARGES

The Management Company has outsourced its back office accounting function to IT Minds Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Expenses invoiced by IT Minds Limited are charged to the Funds as, in accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged actual amount of accounting and operational charges to the Fund being lower than 0.1% per annum of the average annual net assets of the Fund for the period from 25 November 2015 to 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
15.AUDITORS' REMUNERATION			
Audit fee		120,000	120,000
Half yearly review of financial statements		60,000	60,000
Certification charges		39,600	39,600
Review of statement of compliance with Code of Corporate Governance		39,600	39,600
Sindh Sales Tax on Services		15,552	12,960
Out of pocket expenses		39,402	20,840
		314,154	293,000

16.SECURITIES TRANSACTION COST

This represents brokerage, federal excise duty, capital value tax and settlement charges.

17.TAXATION

The income of the Fund 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.

18.TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1** Connected persons include Atlas Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and key management personnel of the Management Company.
- 18.2** Transactions with connected persons essentially comprise issue and redemption of units, fee on account of managing the affairs of the Fund, sales load and other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 18.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

18.4 The details of transactions carried out by the Fund with connected persons during the year and the balances with them at the year end are as follows:

	2016	2015
	----- Rupees -----	----- Rupees -----
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	26,572,723	19,342,358
Remuneration paid	26,390,720	18,380,846
Sindh Issues tax on remuneration of the Management Company	4,315,411	3,365,573
Federal Excise Duty on remuneration of the Management Company	4,251,635	3,094,781
Remuneration payable to the Management Company	2,387,299	2,205,296
Issue of 25,377 (2015: 37,567) units	11,643,546	15,400,000
Cash dividend	1,878,338	-
Outstanding 62,944 (2015: 37,567) units - at net asset value	29,745,506	18,633,867
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,328,634	1,870,207
Sindh sales tax on remuneration of the Trustee	326,009	-
Remuneration paid	2,291,570	1,802,127
Remuneration payable to the Trustee	201,334	192,457
Settlement charges	171,102	167,502
Sindh sales tax on settlement charges	23,396	-
Atlas Battery Limited (Group Company)		
Issue of 78,281 (2015: 203,937) units	35,000,000	99,978,051
Cash dividend	19,528,495	-
Dividend paid	19,528,495	-
Outstanding 468,851 (2015: 390,570) units - at net asset value	221,564,637	193,730,479
Atlas Honda Limited (Group Company)		
Issue of Nil (2015: 794,360) units	-	377,937,485
Redemption of Nil (2015: 197,270) units	-	94,263,590
Cash dividend	36,072,632	-
Dividend paid	36,072,632	-
Outstanding 721,453 (2015: 721,453) units - at net asset value	340,936,871	357,854,935
Shirazi Investments (Private) Limited (Group Company)		
Issue of 5,074 (2015: 51,729) units	2,263,134	25,000,000
Redemption of 56,803 (2015: Nil) units	24,927,926	-
Cash dividend	2,586,439	-
Outstanding Nil (2015: 51,729) units - at net asset value	-	25,658,507
Atlas Insurance Limited (Group company)		
Issue of 329,289 (2015: 529,279) units	142,794,812	234,200,000
Redemption of 291,844 (2015: 372,400) units	126,822,113	161,402,744
Cash dividend	28,565,499	-
Outstanding 608,755 (2015: 571,310) units - at net asset value	287,679,178	283,381,181
Atlas Foundation (Group company)		
Issue of 80,216 (2015: 8,414) units	34,368,126	4,000,000
Cash dividend	420,716	-
Outstanding 88,630 (2015: 8,414) units - at net asset value	41,884,211	4,173,672

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

18. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS (Continued..)

	2016	2015
	----- Rupees -----	
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)		
Issue of Nil (2015: 107,985) units	-	52,500,000
Redemption of Nil (2015: 109,373) units	-	52,263,020
Cash dividend	5,399,235	-
Dividend paid	5,399,235	-
Outstanding 107,985 (2015: 107,985) units - at net asset value	51,030,328	53,562,569
Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of group company)		
Cash dividend	2,895,879	-
Dividend paid	2,895,879	-
Outstanding 57,918 (2015: 57,918) units - at net asset value	27,370,108	28,728,275
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)		
Issue of 2,744 (2015: 24,473) units	1,223,666	11,500,000
Cash dividend	1,223,666	-
Outstanding 27,217 (2015: 24,473) units - at net asset value	12,861,859	12,139,252
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Issue of Nil (2015: 11,204) units	-	5,400,000
Cash dividend	3,123,021	-
Dividend paid	3,123,021	-
Outstanding 62,460 (2015: 62,460) units - at net asset value	29,516,919	30,981,616
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of 9,277 (2015: 55,078) units	4,137,705	25,000,000
Cash dividend	4,728,806	-
Outstanding 103,853 (2015: 94,576) units - at net asset value	49,077,840	46,911,642
Iftikhar Shirazi Family Trust (Trust having common Director / Trustee)		
Redemption of Nil (2015: 39,124) units	-	19,423,655
Service Provident Fund Trust (Unit holder with more than 10% holding)		
Redemption of Nil (2015: 259,666) units	-	113,396,260
Key Management Personnel of the Management Company		
Issue of 17,006 (2015: 22,592) units	7,592,214	10,592,058
Redemption of 9,006 (2015: 63,923) units	3,947,614	29,630,475
Cash dividend	6,059,709	-
Dividend Paid	40,037	-
Outstanding 129,194 (2015: 121,194) units - at net asset value	61,053,440	60,114,740

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

18.5 Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

18.6 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 2015-16.

19. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2016			Total
	Loans and receivables	At fair value through profit or loss	Available for sale	
	Rupees			
Financial Assets				
Bank balances	76,854,269	-	-	76,854,269
Investments	-	1,367,162,490	-	1,367,162,490
Profit receivable on bank balances	396,343	-	-	396,343
Dividend receivable	1,485,300	-	-	1,485,300
Receivable against issue of units	225,000	-	-	225,000
Security deposits and other receivable	2,600,000	-	-	2,600,000
	81,560,912	1,367,162,490	-	1,448,723,402

	As at 30 June 2016			Total
	Liabilities at fair value through profit or loss	Other financial liabilities		
	Rupees			
Financial Liabilities				
Payable to Atlas Asset Management Limited - Management Company	-	14,731,468		14,731,468
Payable to Central Depository Company of Pakistan Limited - Trustee	-	244,758		244,758
Payable against redemption of units	-	492,980		492,980
Accrued and other liabilities	-	1,632,458		1,632,458
	-	17,101,664		17,101,664

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

19. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

	As at 30 June 2015			Total
	Loans and receivables	At fair value through profit or loss	Available for sale	
	Rupees			
Financial Assets				
Bank balances	117,843,272	-	-	117,843,272
Investments	-	1,369,931,242	-	1,369,931,242
Profit receivable on bank balances	270,413	-	-	270,413
Dividend receivable	2,723,000	-	-	2,723,000
Receivable against sale of investment	10,935,816	-	-	10,935,816
Receivable against issue of units	4,015,071	-	-	4,015,071
Security deposits and other receivable	2,600,000	-	-	2,600,000
	138,387,572	1,369,931,242	-	1,508,318,814

	As at 30 June 2015		Total
	Liabilities at fair value through profit or loss	Other financial liabilities	
	Rupees		
Financial Liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	9,699,170	9,699,170
Payable to Central Depository Company of Pakistan Limited - Trustee	-	209,836	209,836
Payable against purchase of investments	-	53,519,424	53,519,424
Payable against redemption of units	-	4,935,913	4,935,913
Accrued and other liabilities	-	1,804,999	1,804,999
	-	70,169,342	70,169,342

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- 20.1** The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

20.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

(i) Profit rate risk

Profit rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market profit rates. As of 30 June 2016, the Fund is exposed to such risk on its balances held with banks. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase in market interest rates as at 30 June 2016, with all other variables held constant, the net income for the year and net assets would have been higher by Rs. 768,413 (2015: Rs. 1,162,675). In case of 100 basis points decrease in market interest rates as at 30 June 2016, with all other variables held constant, the net income for the year and net assets would have been lower by Rs. 768,413 (2015: Rs.1,162,675).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change overtime. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of the impact on the Fund's net assets of the future movement in profit rates.

As stated above that out of the total financial assets of Rs.1,448,723,402 (2015: Rs.1,508,318,814) assets aggregating to Rs. 76,841,269 (2015: Rs.116,267,538) are subject to yield / interest rate risk. These represents bank balances having effective yield of 4.5% to 6.10% (2015: 4% to 7.00%).

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Equity price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 5% increase / decrease in KMI 30 index on 30 June, 2016, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 68,358,125 and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change overtime. Accordingly, the sensitivity analysis prepared as of 30 June, 2016 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily redemptions, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange.

The fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

----- As at 30 June 2016 -----						
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed manturity	Total
----- Rupees -----						
Financial Assets						
Bank balances	76,854,269	-	-	-	-	76,854,269
Investments	-	-	-	-	1,367,162,490	1,367,162,490
Profit receivable on bank balances	396,343	-	-	-	-	396,343
Dividend receivable	1,485,300	-	-	-	-	1,485,300
Receivable against sale of investments	-	-	-	-	-	-
Receivable against sale of units	225,000	-	-	-	-	225,000
Security deposits and other receivable	2,600,000	-	-	-	2,600,000	5,200,000
	81,560,912	-	-	-	1,369,762,490	1,451,323,402
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company	14,731,468	-	-	-	-	14,731,468
Payable to Central Depository Company of Pakistan Limited - Trustee	244,758	-	-	-	-	244,758
Payable against redemption of units	492,980	-	-	-	-	492,980
Accrued expenses and other liabilities	625,793	404,823	601,842	-	-	1,632,458
	16,094,999	404,823	601,842	-	-	17,101,664
Net assets / (liabilities)	65,465,913	(404,823)	(601,842)	-	1,369,762,490	1,434,221,738

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

----- As at 30 June 2015 -----

	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
----- Rupees -----						
Financial Assets						
Bank balances	117,843,272	-	-	-	-	117,843,272
Investments	-	-	-	-	1,369,931,242	1,369,931,242
Profit receivable on bank balances	270,413	-	-	-	-	270,413
Dividend receivable	2,723,000	-	-	-	-	2,723,000
Receivable against sale of investments	10,935,816	-	-	-	-	10,935,816
Receivable against sale of units	4,015,071	-	-	-	-	4,015,071
Security deposits and other receivable	2,600,000	-	-	-	-	2,600,000
	138,387,572	-	-	-	1,369,931,242	1,508,318,814
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company	9,699,170	-	-	-	-	9,699,170
Payable to Central Depository Company of Pakistan Limited - Trustee	209,836	-	-	-	-	209,836
Payable against purchase of investments	53,519,424	-	-	-	-	53,519,424
Payable against redemption of units	4,935,913	-	-	-	-	4,935,913
Accrued expenses and other liabilities	939,644	387,354	478,001	-	-	1,804,999
	69,303,987	387,354	478,001	-	-	70,169,342
Net assets / (liabilities)	69,083,585	(387,354)	(478,001)	-	1,369,931,242	1,438,149,472

20.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, dividend receivable, receivable against sale of units and security deposit. Credit risk also arises from the inability of the relevant brokerage house or the counter party to fulfill their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc. The settlement risk of default on equity securities is considered minimal due to inherent systematic measures taken therein. The fund's policy is to enter into financial contracts in accordance with internal risk management policies and instrument guidelines approved by the Investment Committee. The Fund's maximum exposure to credit risk as of 30 June 2016 amounts to Rs.1,448,723,402 (2015: Rs.1,508,318,814).

20.4.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks. The credit rating profile of balances with banks is as follows:

Ratings of amount placed with Banks	% of financial assets exposed to credit risk	
	2016	2015
AA	0.01	-*
A+	80.53	24.08
A	19.46	75.92
	100.00	100.00

*Nil value due to rounding off

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The maximum exposure to credit risk before any credit enhancement as at 30 June 2016 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial assets is mainly held with credit worthy counterparties.

20.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

20.6 Fair value hierarchy

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

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

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

21. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

22. UNIT HOLDING PATTERN OF THE FUND

Category	2016			2015		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	386	139,858,050	9.91%	369	142,283,104	10.05%
Associated Companies/ Directors	9	1,030,912,346	73.02%	15	1,132,564,246	80.00%
NBFCs	-	-	-	1	20,455	0.00%
Retirement Funds	11	232,432,108	16.46%	5	102,686,510	7.25%
Others	3	8,586,740	0.61%	4	38,208,466	2.70%
	409	1,411,789,244	100.00%	394	1,415,762,781	100.00%

23. LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2016		2015	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Private) Limited	9.78%	Shajar Capital Pakistan (Pvt.) Limited	9.83%
Shajar Capital Pakistan (Private.) Limited	8.93%	Taurus Securities Limited	9.00%
Taurus Securities Limited	7.27%	Optimus Capital Management (Pvt.) Limited	8.48%
Habib Metropolitan Financial Services Limited	6.76%	Arif Habib Limited	6.14%
JS Global Capital Limited	6.10%	Invest & Finance Securities Limited	5.55%
IGI Finex Securities Limited	6.06%	Al Habib Capital Markets (Pvt.) Limited	5.01%
Next Capital Limited	5.65%	Sherman Securities (Pvt.) Limited	4.90%
Global Securities Pakistan Limited	5.60%	IGI Finex Securities Limited	4.76%
Topline Securities (Private) Limited	5.15%	Next Capital Limited	4.40%
Al-Hoqani Securities & Investment Corporation (Private) Limited	4.87%	Global Securities Pakistan Limited	4.38%

24. THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	48 Years
Mr. Ali H. Shirazi	Director	Masters in Law	12.5 Years
Mr. M. Abdul Samad	Chief Operating Officer	MBA M.Com	16 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	12 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	8 Years
Mr. Fawad Javaid	Fund Manager	CMA	8 Years
Mr. Faran-ul-Haq	Fund Manager	B. A, CFA	5 Years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

25. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	Atlas Stock Market Fund

26. MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the management company of the Fund, and the attendance of the Board members are given below:

Name of Directors	Meeting held on				
	07 Jul. 2015	31 Aug. 2015	28 Oct. 2015	26 Feb. 2016	28 Apr. 2016
Mr. Yusuf H. Shirazi	P	P	P	P	L
Mr. Azam Faruque	P	P	P	P	P
Mr. Shamshad Nabi	P*	P	P	P	P
Mr. Frahim Ali Khan	P	L	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P
Mr. Arshad P. Rana	P*	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari (CFO and Company Secretary) (With effect from 1st August 2015)	N/A	P	P	P	P
Ms. Lilly R. Dossabhoy (CFO and Company Secretary) (Resigned on 1st July 2015)	P	N/A	N/A	N/A	N/A
Mr. Azam Faruque (Director) (Resigned on 17th June 2016)					

* Attended through video conference.

P Present

L Leave of absence

Ms. Lilly R. Dossabhoy resigned from the post of Chief Financial Officer and Company Secretary on 1 July 2015 and Ms. Qurrat-ul-ain was appointed in her place as the new Chief Financial Officer and Company Secretary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

27. RATING OF THE FUND AND THE MANAGEMENT COMPANY

Pursuant to the updated Asset Manager Rating Methodology and Rating Scale, the Pakistan Credit Rating Agency Limited (PACRA) has harmonised the asset manager rating of the Management Company to the new scale whereby the Management Company has been assigned a rating of AM2 (AM Two) [2015: AM2- (AM Two minus)] on 8 June 2016.

PACRA has assigned a "3 Star" rating for one year, "3 Star" rating for three years and "4 Star" rating for five years to the Fund for the year ended 30 June 2015 on 13 August 2015.

28. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

29. GENERAL

Figures have been rounded off to the nearest Rupee.

30. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 29 August 2016.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

ڈائریکٹر صاحبان کے لئے تربیتی پروگرام کی شرط:

منتظم کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ ممبران کو پاکستان اسٹاک ایکسچینج قواعد کی شق نمبر ۵.۱۹ کے تحت ڈائریکٹرز کے تربیتی پروگرام سے استثنیٰ حاصل ہے۔ جبکہ بقیہ دو ڈائریکٹر صاحبان سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی شرائط پر پورا اترنے والے منظور شدہ اداروں سے مطلوبہ سرٹیفکیٹ حاصل کر چکے ہیں۔

یونٹس کے سودے:

دوران سال ڈائریکٹر صاحبان، چیف ایگزیکٹو آفیسر، بیویوں اور زیر کفالت بچوں نے فنڈز کے یونٹس کی خرید و فروخت نہیں کی، سوائے ان کے جن کی تفصیل اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۱۸ اور ۲۰ میں دے دی گئی ہے۔

تازہ ترین درجہ بندی:

منتظم کمپنی کی درجہ بندی:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پی اے سی آر اے)، نے منتظم کمپنی کو اے ایم ۲ کے درجہ پر فائز کیا ہے۔ یہ درجہ اس بات کی نشاندہی کرتا ہے کہ منتظم کمپنی میں مختلف النوع سرمایہ کاری خطرات سے بہتر طریقے سے نپٹنے کی صلاحیت موجود ہے اور کمپنی سرمایہ کاری کے اعلیٰ معیار اور مرتبے کی شرائط پر پوری اترتی ہے۔

مستحکم فنڈ درجہ بندی (اے آئی آئی ایف):

۳۱ دسمبر ۲۰۱۵ کو (پی اے سی آر اے) نے اس فنڈ کو اے منفی ایف ڈبل اے - (ایف) کے درجے میں برقرار رکھا ہے۔ یہ درجہ بندی سرمایہ کاری کے کم خطرے اور اس پر حاصل ہونے والی آمدنی میں استحکام کی صلاحیت کو ظاہر کرتی ہے۔

آڈیٹرز:

بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی نے اپنے اجلاس منعقدہ ۲۴ اگست ۲۰۱۶ کو میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کراچی کو اٹلس منی مارکیٹ فنڈ، اٹلس انکم فنڈ اور اٹلس اسٹاک مارکیٹ فنڈ کے ۳۰ جون ۲۰۱۶ کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز دوبارہ تعیناتی کی منظوری دی۔
بورڈ آف ڈائریکٹرز نے آڈیٹرز کی دوبارہ تعیناتی کی توثیق کر دی ہے۔

اقرار نامہ

منتظم کمپنی کا بورڈ آف ڈائریکٹرز، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا ان کی مسلسل اور قابل قدر رہنمائی پر شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین اور اسٹیٹسٹس کی انھیں محنت اور خلوص کے لئے اور یونٹ ہولڈرز کا منتظم کمپنی پر بھرپور اعتماد کرنے کے لیے بھی تہہ دل سے شکر گزار ہے۔

از طرف بورڈ

محمد حبیب الرحمن

چیف ایگزیکٹو آفیسر

کراچی: ۲۹ اگست ۲۰۱۶ء

بورڈ کی قائم کردہ کمیٹیاں، آڈٹ، بورڈ ایویلویشن، ہیومن ریسورس اینڈ ریمونیریشن اور انوسٹمنٹ کمیٹی (جس میں این بی ایف سی قواعد ۲۰۰۸ء کے تحت منظم کمپنی کے افسران بھی شامل ہیں)، میں ڈائریکٹر صاحبان کی شرکت کے اعداد و شمار مندرجہ ذیل ہیں۔

☆ آڈٹ کمیٹی (ای سی)۔ دوران سال (ای سی) کے چار اجلاس منعقد ہوئے اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب اعظم فاروق	انڈیپنڈنٹ ڈائریکٹر	۴
۲	جناب شمشاد نبی	انڈیپنڈنٹ ڈائریکٹر	۴
۳	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۴

☆ بورڈ ایوالتون کمیٹی (بی ای سی)، دوران سال (بی ای سی) کا ایک اجلاس منعقد ہوا اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب اعظم فاروق	انڈیپنڈنٹ ڈائریکٹر	۱
۲	جناب شمشاد نبی	انڈیپنڈنٹ ڈائریکٹر	۱
۳	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱

☆ ہیومن ریسورس اینڈ ریمونیریشن کمیٹی (ایچ اینڈ آر سی) دوران سال (ایچ اینڈ آر سی) کے دو اجلاس منعقد ہوئے اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب فراہیم علی خان	انڈیپنڈنٹ ڈائریکٹر	۲
۲	جناب علی ایچ شیرازی	انڈیپنڈنٹ ڈائریکٹر	۲
۳	جناب محمد حبیب الرحمن	چیف ایگزیکٹو آفیسر	۲

☆ انویسٹمنٹ کمیٹی (آئی سی) دوران سال (آئی سی) کے ۳۵ اجلاس منعقد ہوئے جس میں شرکت کے اعداد و شمار مندرجہ ذیل ہیں:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱۶
۲	جناب محمد حبیب الرحمن	چیف ایگزیکٹو آفیسر	۳۲
۳	جناب محمد عبدالصمد (ایگزیکٹو مینجمنٹ)	چیف آپریٹنگ آفیسر، ممبر (آئی سی)	۳۱
۴	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر، ممبر (آئی سی)	۳۱
۵	جناب محمد عمران خان (ایگزیکٹو مینجمنٹ)	فنانس مینجر، ممبر (آئی سی)	۳۲
۶	جناب نواد جاوید (ایگزیکٹو مینجمنٹ)	فنانس مینجر، ممبر (آئی سی)	۳۲
۷	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	فنانس مینجر، سیکریٹری (آئی سی)	۳۴

جناب اعظم فاروق نے مورخہ ۱۷ جون ۲۰۱۶ء کو استعفیٰ دے دیا اور اس طرح اتفاقہ طور پر خالی ہونے والی آسامی پر جناب طارق امین صاحب کا بحیثیت خود مختار ڈائریکٹر کے تقرر کیا گیا۔

کارپوریٹ نظم وضبط:

کمپنی کارپوریٹ نظم وضبط کے معیارات، ضابطہ اخلاق اور بہترین کاروباری طریقوں پر سختی سے عمل کرنے پر یقین رکھتی ہے۔ اور یہ سب اٹلس گروپ کی کاروباری تہذیب کا ایک جزو لا ینفک ہے۔ جولائی ۲۰۱۲ میں کارپوریٹ نظم وضبط کے اصولوں کی منظوری دی گئی جس میں بورڈ کے ممبران، ملازمین اور کمپنی پر مختلف حلقوں، آپس کے معاملات اور معاشرے کی فلاح و بہبود کے سلسلے میں عائد کردہ فرائض اور ذمہ داریوں کو صراحت کے ساتھ بیان کر دیا گیا ہے۔

کارپوریٹ نظم وضبط کے تقاضوں کو مد نظر رکھتے ہوئے ۲۰۱۴ میں بورڈ ایویویشن کمیٹی کا قیام عمل میں لایا گیا تاکہ بورڈ کی سالانہ کارکردگی کو جانچنے کے طریقہ کار پر عمل ہو سکے، بی ای سی تین ممبران پر مشتمل ہے، دو خود مختار ڈائریکٹر جس میں سے ایک کمیٹی کے چیئر مین ہیں، جبکہ دوسرے سرپرست خاندان کی نمائندگی کرتے ہیں۔ بی ای سی نے بورڈ کی کارکردگی جانچنے کا عمل مکمل کر لیا ہے۔

کارپوریٹ نظم وضبط کے اصولوں پر عمل درآمد:

- ☆ بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف) کے:
 - ☆ منتظم کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے تمام فنڈز کی کارکردگی، سالانہ آمدنی، کیش فلو اور یونٹ ہولڈرز کے سرمائے میں نقل و حرکت کی ایک منصفانہ تصویر پیش کرتے ہیں۔
 - ☆ تمام فنڈز کے کھاتوں کو مناسب طریقہ سے تیار کیا گیا ہے۔
 - ☆ گوشواروں کی تیاری میں حساب داری کے اصولوں کو تسلسل کے ساتھ لاگو کیا جا رہا ہے اور گوشواروں کی تیاری میں احتیاط اور فہم و فراست کا استعمال کیا جا رہا ہے۔
 - ☆ گوشواروں کی تیاری میں بین الاقوامی معیارات کو مد نظر رکھا گیا ہے اور اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔
 - ☆ اندرونی نظم وضبط کا نظام موثر نگرانی میں مستحکم بنیادوں پر نافذ ہے۔
 - ☆ فنڈز کے مستقل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔
 - ☆ کارپوریٹ نظم وضبط کے اصولوں سے، جن کی تفصیل لسٹنگ قواعد میں دی گئی ہے، کوئی انحراف نہیں کیا گیا ہے۔
 - ☆ اہم مالیاتی اعداد و شمار / کارکردگی کے چارٹ، اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف) کی سالانہ رپورٹس کے صفحات ۲۳، اور ۶۳ پر علی الترتیب شائع کئے گئے ہیں۔
 - ☆ کفالتی فنڈ کی سرمایہ کاری کی قدر کے گوشوارے کا اطلاق میوچل فنڈ پر نہیں ہوتا کیوں کہ ملازمین کے ریٹائرمنٹ فوائد سے متعلق اخراجات منتظم کمپنی برداشت کرتی ہے۔
 - ☆ یونٹس کی ملکیت کا انداز اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۴ اور ۲۲ میں دیا گیا ہے۔

منتظم کمپنی کا بورڈ آف ڈائریکٹرز اور مختلف کمیٹیاں:

منتظم کمپنی کا بورڈ آف ڈائریکٹرز ایک ایگزیکٹیو اور چھ نان ایگزیکٹیو ڈائریکٹرز پر مشتمل ہے۔ این بی ایف سی قواعد ۲۰۰۸ کے تحت دوران سال اتفاقہ طور پر ڈائریکٹرز کی خالی ہونے والی آسامی کو سیکوریٹیز اینڈ اینچینج کمیشن آف پاکستان کی منظوری سے پر کیا جاتا ہے۔

مالیاتی سال ۱۶-۲۰۱۵ کے دوران بورڈ کے پانچ اجلاس منعقد ہوئے۔ این بی ایف سی قواعد ۲۰۰۸ کے تحت اجلاس منعقد ہونے کی تاریخ اور شریک ہونے والے ڈائریکٹرز سے متعلق اعداد و شمار اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۸ اور ۲۶، میں ظاہر کر دیے گئے ہیں۔

ڈائریکٹرز رپورٹ:

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف) اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کے آڈٹ شدہ مالیاتی نتائج برائے اختتام سال ۲۰۱۶ء، آڈیٹرز کی رپورٹ کے ہمراہ پیش کرتے ہوئے دلی مسرت محسوس کرتے ہیں۔

آمدنی فی یونٹ، خالص اثاثہ جات اور خرید و فروخت کا خلاصہ:

(اے آئی آئی ایف) اور (اے آئی ایس ایف) کی آمدنی فی یونٹ، خالص اثاثہ جات اور یونٹس کی خرید و فروخت کا جدول برائے اختتام مالی سال ۲۰۱۵ء - ۲۰۱۶ء حسب ذیل ہے:

اے آئی ایس ایف		اے آئی آئی ایف		
۲۰۱۵	۲۰۱۶	۲۰۱۵	۲۰۱۶	
۸۷.۶۹	۲۶.۷۹	۱۸.۱۲	۲۲.۳۵	آمدنی فی یونٹ (روپے)
۱,۰۴۱,۷۶	۱,۰۴۱,۷۹	۴۲۴.۲۵	۵۵۸.۵۵	خالص اثاثہ جات
۱,۰۶۱,۲۳	۳۵۶.۷۱	۴۲۴.۷۲	۴۰۹.۹۲	یونٹس کی فروخت (روپے پلین میں)
۲,۲۸۱,۵۵۰	۸۱۶,۶۹۴	۸۲۱,۸۵۴	۷۹۹,۳۹۰	یونٹس کی فروخت (گل یونٹس)
۶۳۷.۰۳	۳۰۰.۹۸	۵۳۳.۸۴	۲۷۵.۳۲	یونٹس کی خرید (روپے پلین میں)
۱,۰۴۰,۷۷۸	۶۸۳,۴۳۳	۱,۰۰۶,۳۷۳	۵۳۱,۹۱۲	یونٹس کی خرید (گل یونٹس)
۲,۸۵۴,۲۳۳	۲,۹۸۷,۴۹۴	۸۴۶,۴۶۰	۱,۱۱۳,۹۳۸	سال کے آخر میں واجب الادا یونٹس

تقسیم آمدنی برائے (اے آئی آئی ایف):

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، کے بورڈ آف ڈائریکٹرز کی کمیٹی نے بورڈ کے تفویض کردہ اختیارات کے تحت اپنے اجلاس منعقدہ ۲۴ جون ۲۰۱۶ء میں ۲۵.۰۰ روپے عبوری منافع منقسمہ فی یونٹ، ۵۰۰ روپے قیمت والے یونٹ کا ۵.۰۰ فیصد کی منظوری دی، (۲۰۱۵ء کے لیے عبوری منافع منقسمہ ۵۰۰ روپے قیمت والے یونٹ کے لئے ۴.۰۰ روپے، ۸.۰۰ فیصد فی یونٹ تھا)

تقسیم آمدنی برائے (اے آئی ایس ایف):

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف)، کے بورڈ آف ڈائریکٹرز نے سرمائے پر حاصل شدہ اور غیر حاصل شدہ تخفیف سے پہنچنے والے نقصان کے پیش نظر اپنے اجلاس منعقدہ ۱۱ جولائی ۲۰۱۶ء میں برائے اختتام مالی سال ۲۰۱۵ء کے لیے کسی منافع کی منظوری نہیں دی، (سال ۲۰۱۵ء کے لئے حتمی منافع ۵۰۰ روپے قیمت والے یونٹ کے لئے ۵۰ روپے فی یونٹ یعنی ۱۰ فیصد تھا)۔

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
یہ جائزہ اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، اور اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف) کی سالانہ رپورٹس میں شامل ہے جو کہ منجملہ دوسرے پہلوؤں کے، فنڈز کی کارکردگی اور مستقبل کے امکانات و توقعات کا بھی احاطہ کرتا ہے۔ بورڈ میں شامل ڈائریکٹر صاحبان اس جائزے کے مندرجات سے متفق ہیں اور اس کی تصدیق کرتے ہیں۔










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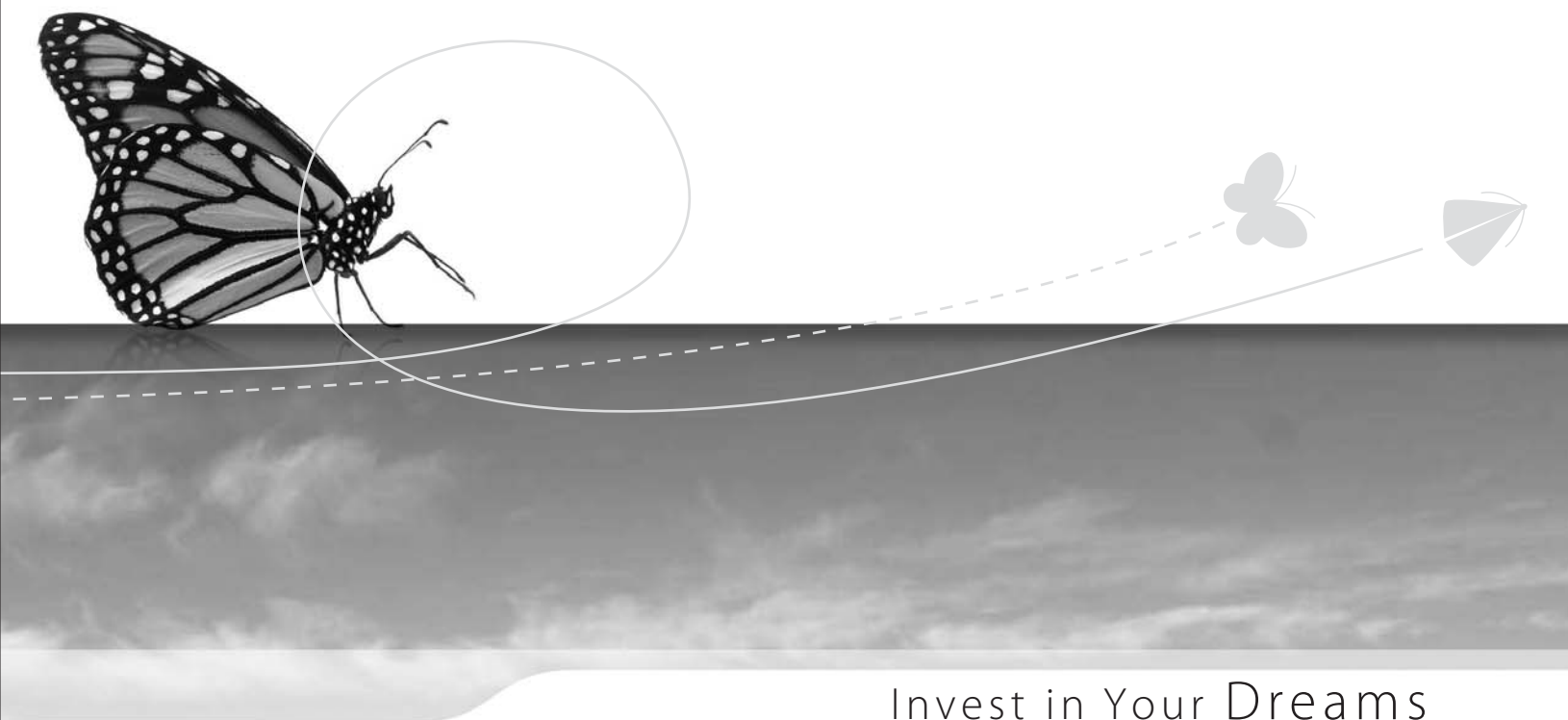


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