



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

ANNUAL REPORT

30 June 2017



Managed By

Atlas Asset Management

Rated AM2+ by PACRA



MANAGING TO THE CORE!

Even the most seemingly diminutive of creatures, hold for us a lesson. 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.

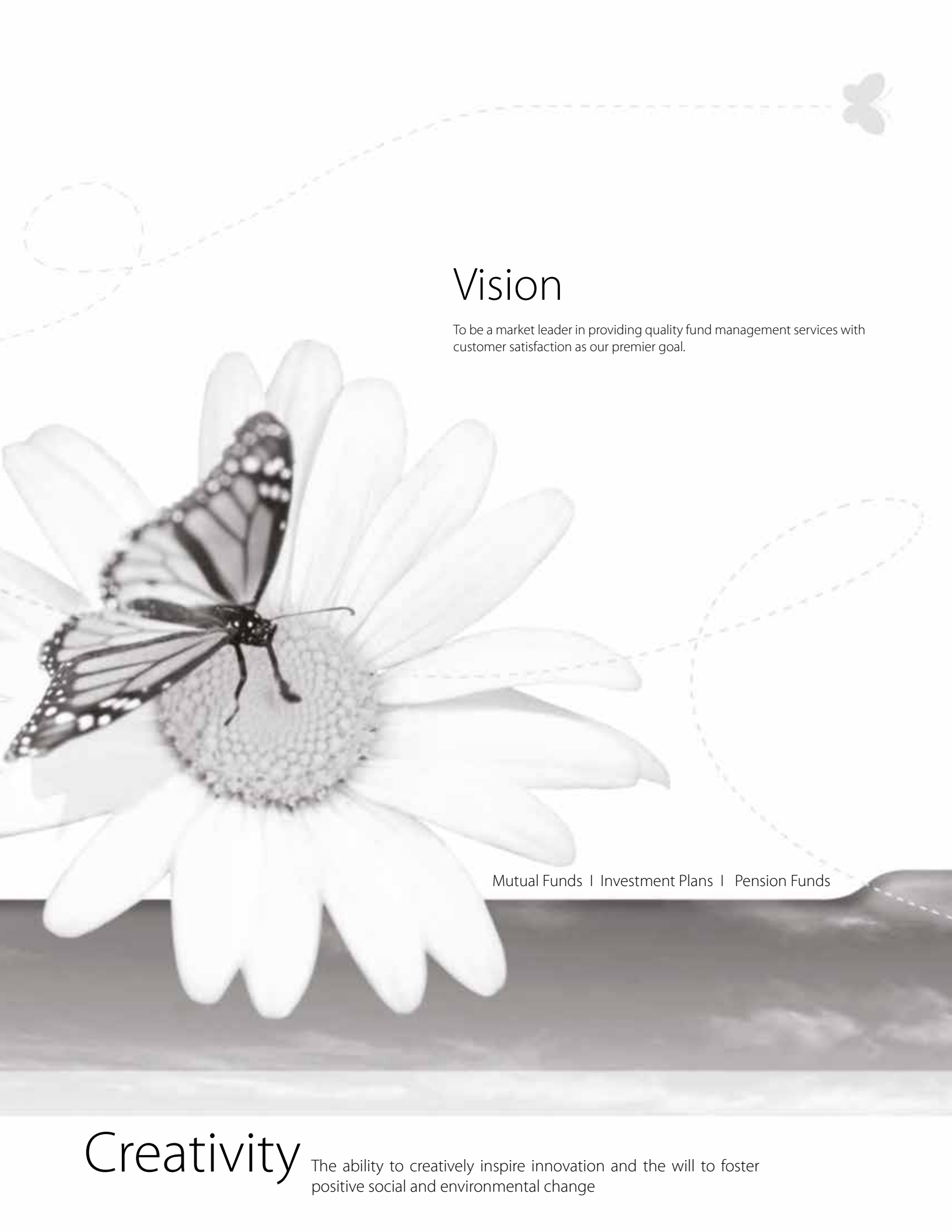


Company Profile

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

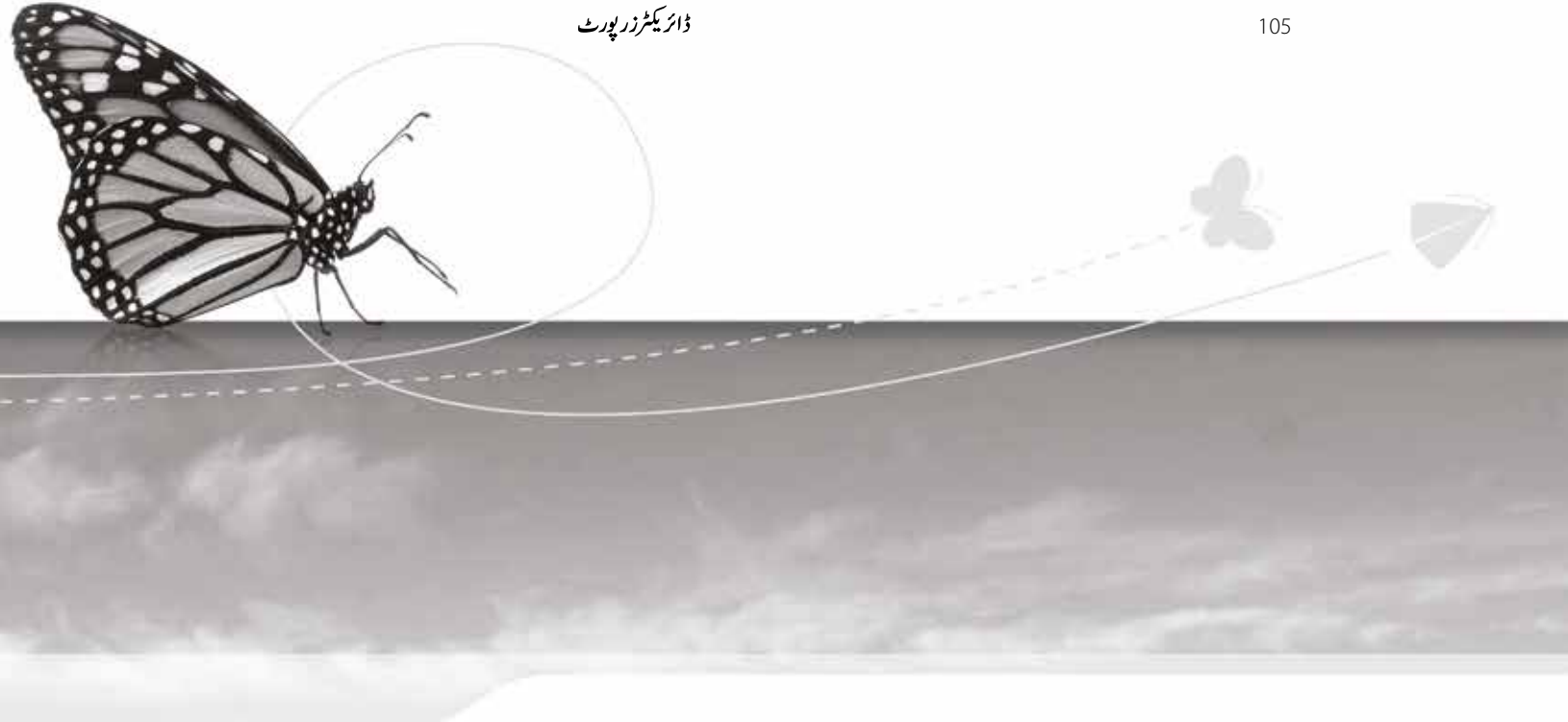
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Diversity

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

Board Evaluation Committee

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

Human Resource & Remuneration Committee

Chairman Members	Mr. Fahim Ali Khan Mr. Ali H. Shirazi Mr. M. Habib-ur-Rahman
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Investment Committee

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

Management Committee

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

Risk Management Committee

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

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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Sharae Firdousi, Clifton, Karachi - 75600
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(92-21) 35379501-04
Fax: (92-21) 35379280
Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

The above information is as at 12 September 2017.

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. Presently he is on the Board of Director of Cherat Cement Company Limited.

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 financial year ended 30 June 2017.

THE ECONOMY

During financial year 2016-17 real GDP depicted 5.3% growth, as compared to 4.7% in previous year. The growth is ten years high. CPI inflation for the financial year 2016-17 averaged at 4.16% against 2.86% recorded in financial year 2015-16. A growth of 13.69% was witnessed in the M2 (money supply) during financial year 2016-17 as compared to 13.67% in financial year 2015-16.

During financial year 2016-17 exports were US\$ 20.45 billion as compared to US\$ 20.79 billion in financial year 2015-16. Imports increased by 18.67% and stood at US\$ 53.03 billion during financial year 2016-17 as machinery imports increased on the account of infrastructure investment made under CPEC. The current account deficit stood at US\$ 12.10 billion in financial year 2016-17 as compared to a deficit of US\$ 4.87 billion in the financial year 2015-16. Pakistani workers' remittances decreased to US\$ 19.30 billion during the financial year 2016-17 showing a decline of 3.08% compared to US\$ 19.92 billion remitted during the financial year 2015-16. Foreign exchange reserves decreased to US\$ 21.40 billion at June end 2017 compared to US\$ 23.10 billion at June end 2016. On the external front FDI remain robust at US\$ 2.2 billion, which is an increase of 8.7% over previous year. External Debt and Liabilities as at 31 March 2017 stood at US\$ 77.6 billion, as against US\$ 73.9 billion as on 30 June 2016. Growth in foreign loans helped stabilize the foreign reserves of the country.

Higher Real GDP growth during financial year 2016-17, as compared to prior year was on back of Agriculture sector growth of 3.5% against previous year's growth rate of 0.3%, Large Scale Manufacturing (LSM) growth of 5.69% (11MFY17) against growth of 3.44% last year and Services sector growth of 6.0% compared to 5.6% during the previous corresponding period. The economic growth looks promising going forward on the account of improving law and order situation and increase in power generation capacities due to induction of power plants planned under CPEC.

THE MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 4.16% during financial year 2016-17, as compared to 2.86% for the financial year 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained.



The growth in money supply (M2) witnessed an increase of 13.69% during 2016-17, which is Rs. 1,756.2 billion against the expansion of 13.67% (Rs. 1,542.7 billion) in the comparable period last year. Net Foreign Assets (NFA) declined by Rs. 350.7 billion during 2016-17 as against the net expansion of Rs. 101.9 billion in the comparable period of fiscal year 2015-16. This is mainly due to higher FX liabilities incurred by some of the foreign banks operating in the country. Net Domestic Asset (NDA) of banking system grew by 9.42% or Rs. 1,112.9 billion against an increase of 5.40% or Rs. 565.7 billion during the corresponding period last year. Pick up in credit to the private sector, credit to Enterprises (PSEs) and rise in government borrowing from the banking system were the major factors of expansion. Credit to Private sector was Rs. 457.4 billion during

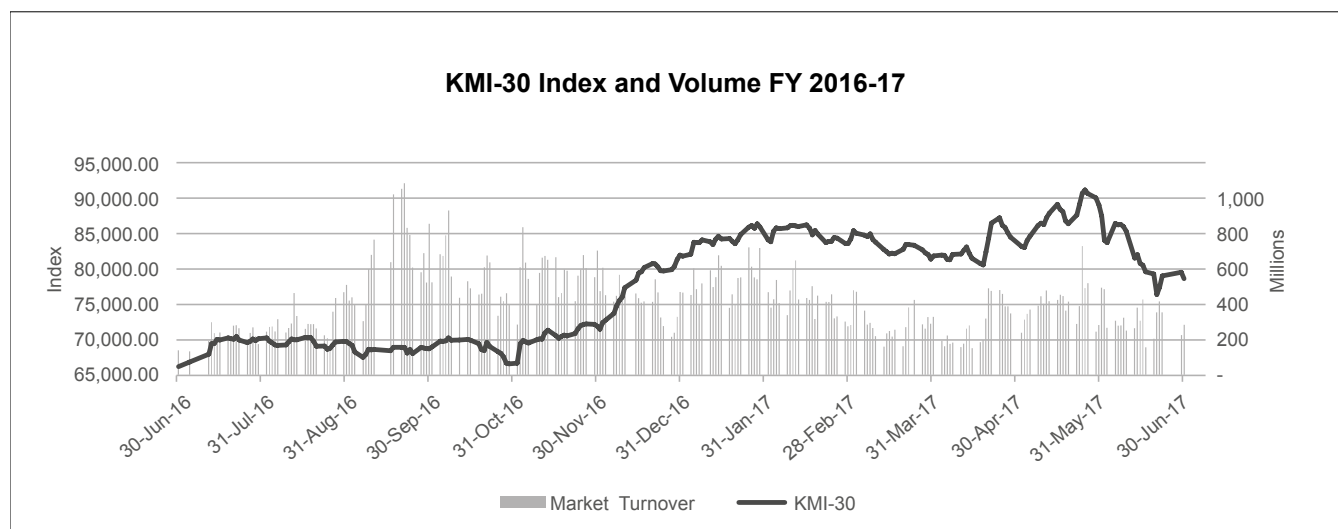
2016-17 against credit of Rs. 296.8 billion during 2015-16 due to accommodative monetary policy stance, translated to low cost of borrowing which attracted private sector to finance their businesses and investment activities.

Keeping in view the macroeconomic stability, SBP maintained policy rate at 5.75 percent during the fiscal year, which is the lowest rate since early 1970s. Healthy credit expansion, along with higher production of Kharif crops, recovery in LSM/industrial growth, uptick in CPEC related activities in energy sector and favorable business environment supported SBP's decision to keep the policy rate unchanged during 2016-17. Pakistan's foreign exchange reserves have decreased to US\$ 21.40 billion at June end 2017 compared to US\$ 23.10 billion at June end 2016. The level of foreign exchange reserves is a sign of economic stability that has been achieved due to government's economic policies and reforms. On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

THE STOCK MARKET

The KMI-30 index has increased from 66,162.77 points as on June 30, 2016 to 78,598.22 points as on June 30, 2017, increasing by 18.80%. The average volumes during the year increased by 68% to 350 million shares from 208 million shares traded last year.

Net Foreign portfolio outflow during the year was recorded at US\$652 million compared to outflow of US\$ 282 million last year. On the local front Mutual Funds, Insurance Companies, and Companies were the most active participants investing US\$ 576 million, US\$ 220 million and US\$ 127 million during the period. Banks/DFIs and Individuals, on the other hand, reduced their exposure in the equity market by US\$ 187 million and US\$ 53 million, respectively.



During the period the sectors that outperformed the market were Engineering, Automobile Assemblers, Automobile & Parts, Oil & Gas Marketing Companies and Refineries that posted 207%, 97%, 95%, 61% and 33% return, respectively. Engineering sector performed on the back of increasing volumes and Anti-dumping levied on imported products. Moreover, Automobile sector performed on increasing car sales on the back of introduction of new models and improving margins on favorable currency position and lower raw material prices. Oil & Gas Marketing Companies performed as profitability of Multi-utilities increased and is expected to increase further due to reduction in UFG losses and massive capex incurred. Sectors that remained subdued were Fertilizer, Power Generation & Distribution, Textiles and Oil and Gas Exploration posting -12%, -9%, 7% and 9% returns, respectively. Fertilizer sector remained subdued on lower International Urea prices, rising domestic inventory levels due to better gas availability and lower international commodity prices, which have resulted in poor farm economics eroding the buying power of farmers. Power Generation & Distribution underperformed the market due to reduction in tariff by NEPRA for K-Electric that is currently under review petition.

Three Stock Exchanges at Karachi, Lahore and Islamabad were merged into Pakistan Stock Exchange (PSX) on 11 January 2016 providing a single platform to investors, particularly the foreign investors. Strategic sale of forty percent of PSX shares was completed in December, 2016, which was part of the demutualization process, and PSX sold its aforementioned shares to a Chinese Led Consortium against a consideration of US\$ 85.6 million. The Consortium comprises of China Financial Futures Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange, along-with two Pakistani financial institutions (Habib Bank Limited and Pak China Investment Company Limited). The foreign investors in the

consortium are expected to benefit PSX through their diverse product offering, indigenously developed technology, managerial experience and opportunities for outreach and cross-listings. PSX was later listed on the exchange where 160 million shares (20% of PSX shares) were offered and subscribed by Institutional investors, High Net worth Individuals and General Public. Four new companies were listed on the stock exchange during 2016-17, namely, TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited. The amounts raised through IPO by TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited were Rs. 697 million, Rs. 1,700 million, Rs. 2,803 million and Rs. 4,488 million. As on 30 June 2017 the market capitalization of TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited were Rs. 2,548 million, Rs. 5,702 million, Rs. 6,038 million and Rs. 20,582 million. Three new companies were listed on the stock exchange during 2015-16, namely, Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited. The amounts raised through IPO by Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited were Rs. 2,375 million, Rs. 3,787 million and Rs. 1,812 million. As on 30 June 2016 the market capitalization of Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited were Rs. 6,452 million, Rs. 13,965 million and Rs. 6,864 million.

As on 31 May 2017 the Morgan Stanley Capital International (MSCI) upgraded Pakistan from the status of Frontier Markets to Emerging Markets. Foreign flows of approximately US\$ 450 million on May 31, 2017 from the fund managers of Emerging Market were witnessed, however, estimated outflow from fund managers of Frontier Markets of approximate US\$ 530 million on May 31, 2017 was recorded making net outflow on that day of US\$ 82 million. Net Foreign portfolio outflow during the year was recorded at US\$652 million compared to outflow of US\$282 million last year.

The Government in its budget announcement reduced corporate tax rate for non-banking companies to 30% from 31% for tax year 2017-18. However, Super Tax, introduced at 3% on profit for tax year 2014-15 and 2015-16, was extended for another year and is applicable for the tax year 2016-17.

MUTUAL FUND TAXATION

FINANCE ACT – 2017:

An amendment was introduced in the Income Tax Ordinance, 2001 through Finance Act 2017, whereby the rate of income tax on dividend from Money Market Mutual Funds to all tax payers, other than companies, was increased from 10 % to 12.5% if the amount of dividend received is more than Rupees two and half million; for dividend amount less than Rupees two and half million, the rate of income tax will be 10%.

WORKER'S WELFARE FUND (WWF)

On 10 November 2016, the Honorable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. The Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance and that all cases pending in the Sindh High Court (SHC) or lower appellate forums will now be disposed of in light of the judgment of the SCP. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till 30 June 2015 has been reversed on 12 January 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, Workers' Welfare Fund became a provincial subject. In May 2015 the Sindh Assembly passed the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) imposing SWWF on many entities, including financial institutions.

The Sindh Revenue Board (SRB) demanded the SWWF from mutual funds on the plea that mutual funds are defined as financial institution under The Financial Institutions (Recovery of Finances) Ordinance, 2001. MUFAP has collectively on behalf of asset management companies contested that mutual funds are not financial institutions or industrial establishments but were pass through investment vehicles and did not employ workers. Mutual funds are also not included in the definition of financial institutions in the Companies Act, 2017. MUFAP has taken up the matter with the Sindh Finance Division for resolution of the matter.

Although, based on legal opinion, SWWF is not applicable on mutual funds MUFAP has recommended that the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015). Accordingly, the provision for SWWF is being made on a daily basis going forward.

FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMC's) with effect from 13 June 2013 and this was withdrawn on 30 June 2016. On 04 September 2013 a constitutional petition was filed in SHC jointly by various AMC's, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and

cannot be charged where provinces are collecting sales tax. The Federation has filed an appeal in the Honorable Supreme Court of Pakistan. However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till 30 June 2016.

REOPENING OF ASSESSMENT OF PRIOR YEARS

Commissioner Inland Revenue amended the return of income filed by mutual funds on selective basis 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. In case of funds under management of your company the assessments were revised for Tax Year 2012 and 2013 of Atlas Money Market Fund (AMF) and for Tax Year 2012 of Atlas Stock Market Fund (ASMF). 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. The Commissioner of Income Tax filed an appeal with Appellate Tribunal Inland Revenue. The Commissioner (Appeals) of Appellate Tribunal Inland Revenue (ATIR) heard the appeal and on 31 January 2017 and 14 March 2017 decided the appeals in favor of AMF and ASMF.

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. 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. The AMC have also appealed with Appellate Commissioner (AC). The AC decided the case in favor of the Department. AMC went to appeal with the Income Tax Tribunal against the judgment.

The Appellate Tribunal Inland Revenue in its judgment dated 03 February 2017 has deleted the levy of super tax on the income of the Fund as the "super tax" being of the nature of tax cannot be imposed in view of exemption from tax on any income derived by the Fund under clause (99) of Part I of the Second Schedule.

WITHHOLDING TAX

With effect from 01 July 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. 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 Honorable Supreme Court of Pakistan, on 20 April 2016 and the hearing is still pending. Meanwhile, funds applied for tax exemption certificates and required certificates were obtained.

ACCOUNTING FOR ELEMENT OF INCOME

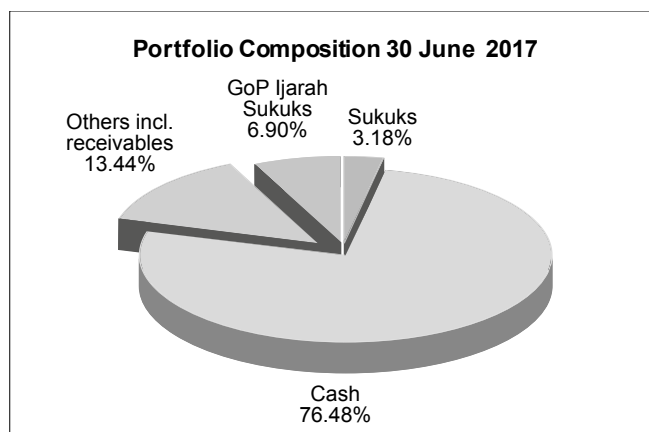
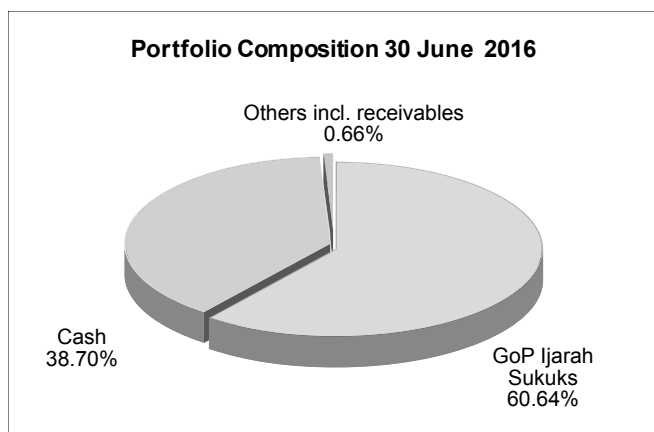
To maintain same rate of dividend (dividend equalization) the income contributed on units issued less income paid out on units redeemed (together referred as element of income) during a financial year is transferred to Income Statement. The balance in the Income Statement (of which element of income is a part) after setting off the expenses is distributed as dividend that is subjected to income tax at the applicable rate.

On 03 August 2017, Securities and Exchange Commission of Pakistan (SECP) issued a notification that described element of income as transaction of capital nature. The element of income will be routed to Unit holders' fund. Accordingly the mutual funds will now be required to distribute the dividend that will be at variable rate according to timing of issue of units and to maintain equalization and same NAV for all units, element of income will be distributed as refund of capital maintaining same payout ratio as for dividend. The dividend will be subject to income tax at the applicable rate and the refund of capital will reduce the cost of units.

Before making the notification, SECP had published the same in official gazette for public opinion. The Institute of Chartered Accountants of Pakistan had reviewed the draft notification with a view to ensuring its compliance with International Financial Reporting Standards (IFRS). Their suggestions were incorporated in the final notification.

FUND OPERATIONS – AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund has increased by 5.97% to Rs 502.82 as on 30 June 2017, which includes interim payout of total Rs. 28.50 per unit. The benchmark average six months profit rate of three Islamic Banks as selected by MUFAP stood at 3.26% for the period under review. The AIIF's total Exposure in Government of Pakistan Ijara Sukuks was 6.90%, Corporate Sukuk 3.18%, deposit with high yielding Shariah compliant bank was 76.48% and remaining 13.44% in others. The Net Assets of the Fund stood at Rs 1.61 billion, with 3.21 million units outstanding as of 30 June 2017.

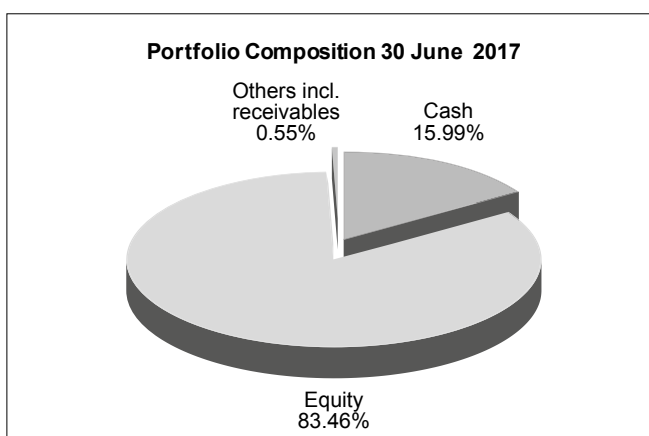
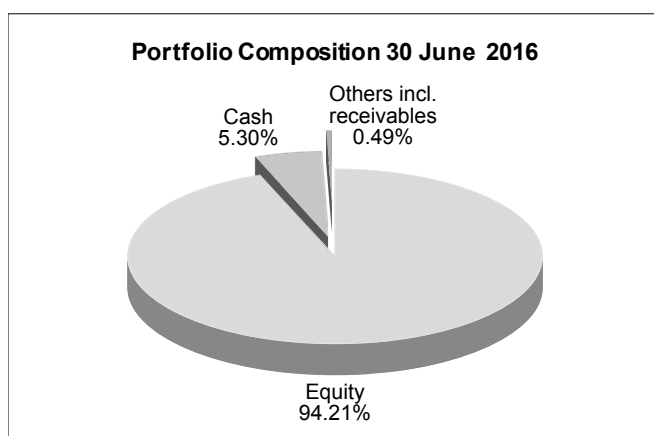


Committee of the Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved an interim cash dividend of Rs 28.50 per unit (5.70% on the face value of Rs. 500 per unit).

The Scheme had maintained prior years' provisions against WWF of Rs. 4,443,900 till 30 June 2015. After judgment of Honorable Supreme Court of Pakistan on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 1,272,428 (Rs.0.40 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 1,733,901 (Rs.0.54 per unit) as on 30 June 2017.

FUND OPERATIONS – AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund has increased by 29.25% to Rs. 610.77 as on 30 June 2017. The benchmark KMI-30 index has increased by 18.80% during the same period. The KMI- 30 index has increased from 66,162.77 points as on 30 June 2016 to 78,598.22 points as on 30 June 2017. The main drivers of return of the index were LUCK, SNGP, POL, HCAR and MARL as they contributed 7,844 points to the index and were able to beat the broader index. The AISF's equity portfolio exposure was mainly in Cement, Oil & Gas Exploration, Fertilizer and Oil & Gas Marketing sectors. The Net Assets of the Fund stood at Rs 2.48 billion, with 4.06 million units outstanding as of 30 June 2017.



The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, in their meeting held on 07 July 2017 has approved Rs. 35 per unit final cash dividend (2016: NIL).

The Scheme had maintained prior years' provisions against WWF of Rs. 21,015,392 till 30 June 2015. After the judgment of Honorable Supreme Court of Pakistan on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 15,491,188 (Rs. 3.82 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 10,453,385 (Rs.2.58 per unit) as on 30 June 2017.

RATINGS

• ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded asset manager rating of Atlas Asset Management Limited (AAML) to “AM2+” (AM Two Plus). 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 strong capacity to manage relative stability in returns and low exposure to risks.

FUTURE OUTLOOK

Pakistan economy has shown performance and security situation has shown marked improvement. Inflation has remained subdued on the back of favorable prices of crude 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 projects linked with CPEC. Stability of the external account and reserve accumulation depends upon timely inflow of budgeted bilateral and financial inflows. There is need to encourage private capital inflows and foreign direct investments in particular to improve balance-of-payments position. Improvement in productivity and competitiveness is required to enhance exports to further build foreign exchange reserves.

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

جسے اللہ رکھے اسے کون چھٹے

If Allah wills not, no one can Harm

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: 30 August 2017

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 2017.

EARNINGS PER UNIT, RETURN, NET ASSETS AND SALES/REDEMPTIONS SUMMARY

Earnings per unit, return, net assets, and summary of sales / redemption of units of the AIIF and AISF for the year ended 30 June 2017 and 30 June 2016 are as follows:

	AIIF		AISF	
	2017	2016	2017	2016
Earnings per unit – Rupees	11.82	22.35	138.51	26.79
Return	5.97%	4.97%	29.25%	5.73%
Net assets – Rupees million	1,614.26	558.55	2,478.90	1,411.79
Sales – Rupees million	5,022.64	409.92	2,079.60	356.71
Sales – in units	9,768,199	799,390	3,527,505	816,694
Redemptions – Rupees million	4,025.46	275.32	1,480.14	300.98
Redemptions – in units	7,671,713	531,912	2,456,321	683,433
Units outstanding at year end	3,210,424	1,113,938	4,058,678	2,987,494

INCOME DISTRIBUTION - AIIF

The Committee of the Board of Directors of Atlas Asset Management Limited (AAML), the Management Company of Atlas Islamic Income Fund (AIIF), under the authority delegated to them by the Board, in their meeting held on June 20, 2017 has approved an interim cash dividend of Rs. 28.50 per unit for the FY 2016-17, 5.70% on the face value of Rs. 500 per unit (2016: Rs. 25.00 per unit, 5.00% on the face value of Rs. 500 per unit). There was no final dividend.

INCOME DISTRIBUTION - AISF

The Board of Directors of the Management Company of AISF, in their meeting held on 07 July 2017, approved a final cash dividend of Rs. 35 per unit, 7% on the face value of Rs. 500 per unit) for the period ended June 30, 2017 (2016: Nil).

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. The BEC meets once in two years to evaluate the Board's performance. The next meeting of BEC is due on April, 2018.

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.
- Statutory Payments, taxes, levies properly disclosed in Financial Statements.
- Summaries of key financial data/ performance tables of AIIF and AISF are annexed on pages 22 and 62 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 25 and 23 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 Regulations, 2008.

Six Board Meetings were held and attended during FY 2016-17. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 29 and 27 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 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. Tariq Amin	Independent Director	4
2	Mr. Shamshad Nabi	Independent Director	2
3	Mr. Frahim Ali Khan	Non-Executive Director	4

Board Evaluation Committee (BEC) – No meeting held during the year

Human Resource & Remuneration Committee (HR& RC) – three meetings were held during the year and attended as follows:

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

Investment Committee – thirty five 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	13
2	Mr. M. Habib-ur-Rahman	Chief Executive Officer	23
3	Mr. M. Abdul Samad - (executive management)	Chief Operating Officer – Member IC	29
4	Mr. Khalid Mahmood - (executive management)	Chief Investment Officer – Member IC	29
5	Mr. M. Umar Khan - (executive management)	Fund Manager – Member IC	30
6	Mr. Fawad Javaid - (executive management)	Fund Manager – Member IC	34
7	Mr. Faran-ul-Haq - (executive management)	Fund Manager – Member IC	35

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 21 and 19 to the respective financial statements of AIIF and AISF.

RATINGS UPDATE

ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2016: AM2 (AM Two)] on 4 May 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

FUND STABILITY RATING – AIIF

PACRA has maintained the stability rating of the AIIF at "AA - (f)" (Double A Minus: fund rating) on 12 July 2017. 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 28 August 2017, recommended the re-appointment/appointment of M/s. A. F. Ferguson & Co., Chartered Accountants/ Ms. EY Ford Rhodes, Chartered Accountants, Karachi, being eligible as auditors of Atlas Islamic Income Fund and Atlas Islamic Stock Fund respectively, for the financial year ending 30 June 2018.

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: 30 August 2017

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
Allied Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
HBL Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited
Soneri Bank Limited - Islamic Banking
United Bank Limited - Islamic Banking



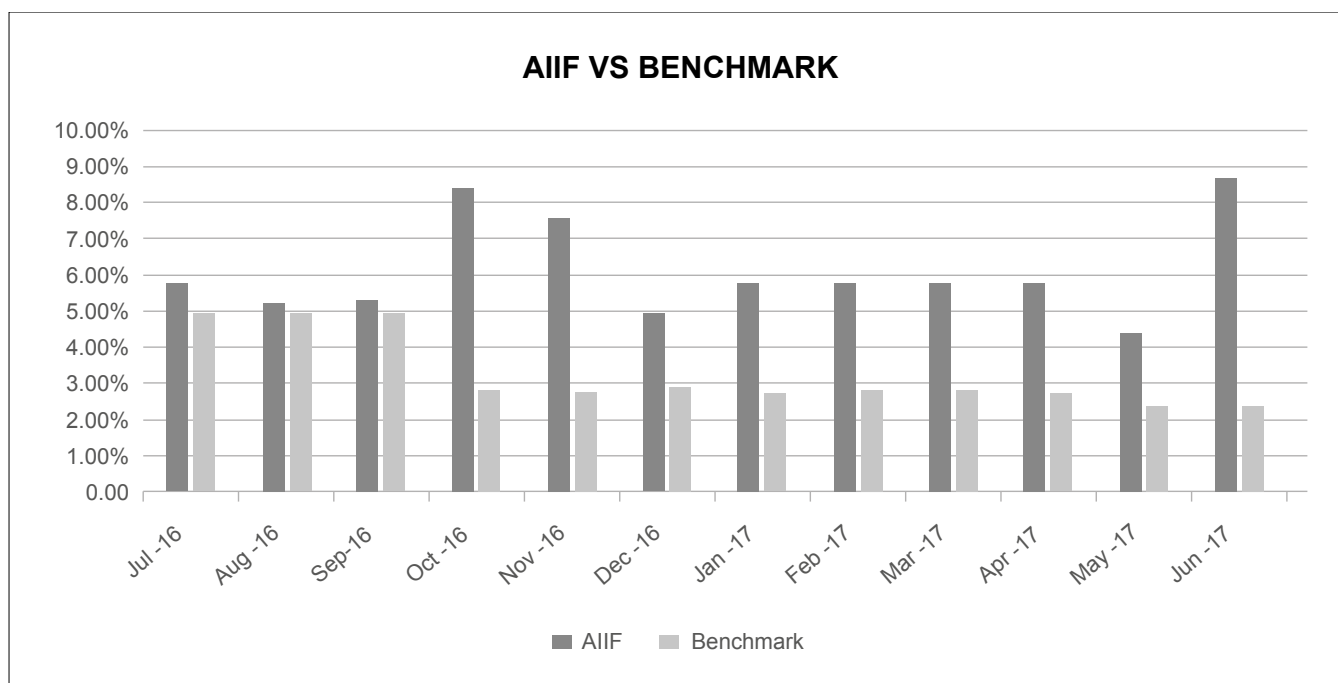
Fund Manager's Report

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.

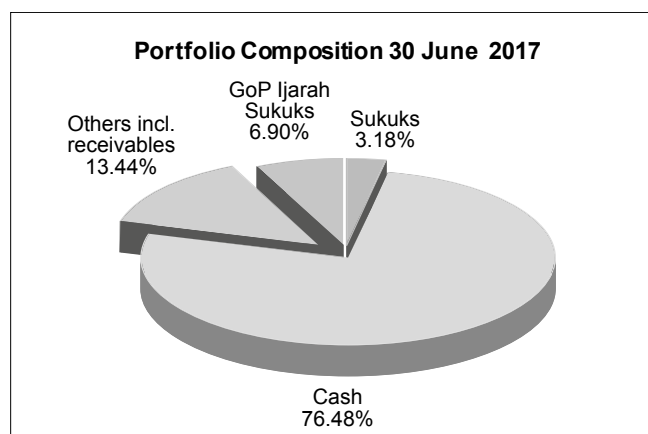
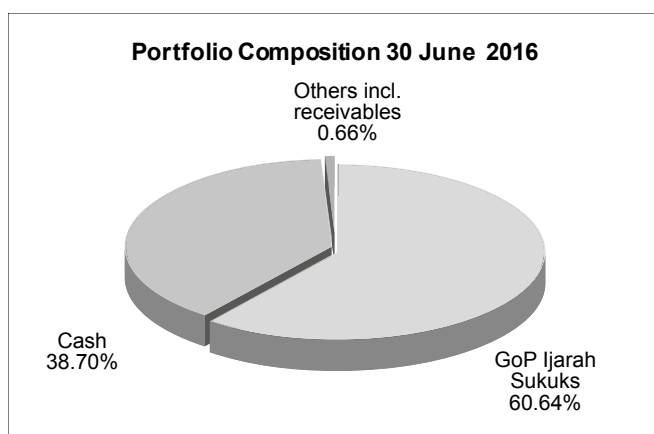
Atlas Islamic Income Fund benchmark is Six (6) months average deposit rates of three (3) -A rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

The Consumer Price Index (CPI) on average was recorded at 4.16% during financial year 2016-17, as compared to 2.86% for the financial year 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained.



On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

The Net Asset Value per unit of Atlas Islamic Income Fund increased by 5.97% to Rs 502.82 as on 30 June 2017, which includes interim payout of total Rs. 28.50 per unit. The benchmark average six months profit rate of three Islamic Banks as selected by MUFAP stood at 3.26% for the period under review. The AIIF total Exposure in Government of Pakistan Ijara Sukuks was 6.90%, Corporate Sukuk 3.18%, deposit with high yielding Shariah compliant bank was 76.48% and remaining 13.44% in others. The Net Assets of the Fund stood at Rs 1.61 billion, with 3.21 million units outstanding as of 30 June 2017.



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 28.50 per unit (5.70% 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	2012-13	2013-14	2014-15	2015-16	2016-17
Islamic Income Multiplier	85%	15%	14.7%	10.3%	9.3%	5.1%	9.5%
Islamic Balanced	50%	50%	28.7%	15.0%	14.3%	5.4%	17.6%
Islamic Growth	15%	85%	42.7%	19.7%	19.3%	5.6%	25.8%

Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage
Individual	283	185,141,179	11.47%
Associated Companies / Directors	4	699,348,854	43.32%
Insurance Companies*	9	299,649,963	18.56%
Retirement Funds	6	123,038,777	7.63%
Bank	1	49,725,871	3.08%
Others	8	257,354,531	15.94%
Total	311	1,614,259,175	100.00%

*These include investments made by 4 unit linked funds managed by insurance companies.

The Scheme had maintained prior years' provisions against WWF of Rs. 4,443,900 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 1,272,428 (Rs.0.40 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 1,733,901 (Rs.0.54 per unit) as on 30 June 2017.

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 0.53% after netting off 0.21% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc.

The NAV before distribution stood at Rs 530.60 per unit and after adjustment for cash dividend stood at Rs 502.10 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 nine meetings to review risk management.

Karachi: 30 August 2017

Fawad Javaid
Fund Manager

Performance Since Inception

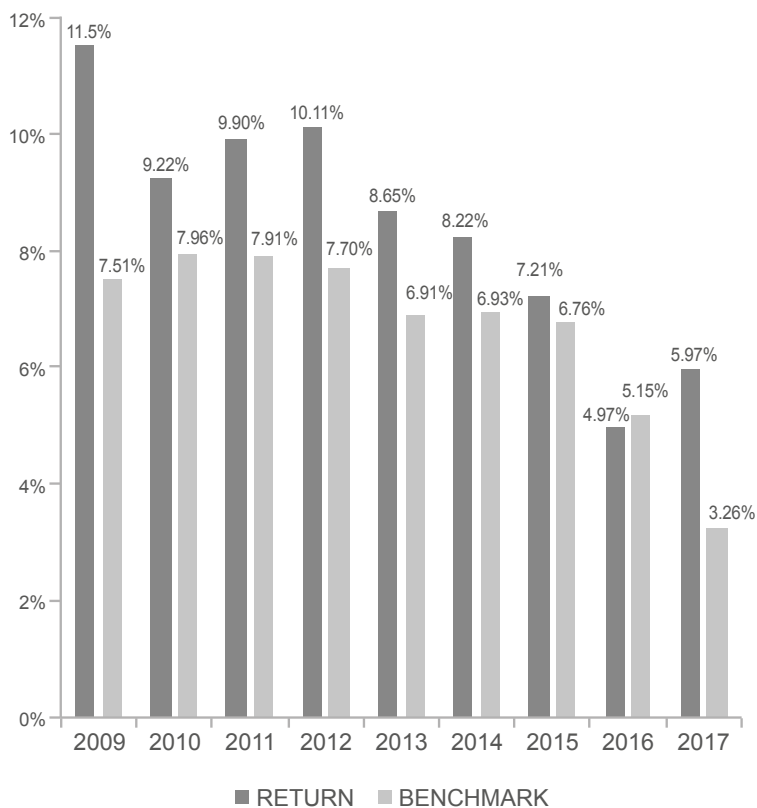
	2017	2016	2015	2014	2013	2012	2011	2010	2009*
Net Assets (Rs. In '000)	1,614,259	558,553	424,447	520,674	526,078	462,315	379,805	346,658	255,864
Number of units in issue	3,210,424	1,113,938	846,460	1,030,979	1,047,317	920,985	738,995	679,312	494,203
Net assets value per unit (Rs.)	502.82	501.42	501.44	505.03	502.31	501.98	513.95	510.31	517.73
Net income (Rs. in '000)	37,946	24,901	15,341	39,438	46,785	42,878	31,269	26,824	15,215
Earnings per unit (Rs.)	11.82	22.35	18.12	38.25	44.67	46.56	42.31	39.49	30.79
Annual return of the fund (%)	5.97	4.97	7.21	8.22	8.65	10.11	9.90	9.22	11.50
Offer Price ** (Rs.)	502.82	501.42	501.44	505.03	507.14	506.92	519.09	515.41	522.91
Redemption Price ** (Rs.)	502.82	501.42	501.44	505.03	502.12	501.90	513.95	510.31	517.73
Highest offer price per unit (Rs.)	529.96	526.20	540.54	516.35	523.39	522.42	519.09	521.78	543.87
Lowest offer price per unit (Rs.)	502.10	501.09	501.34	503.08	507.04	506.61	506.42	505.97	506.92
Highest repurchase price per unit (Rs.)	529.96	526.20	540.54	515.50	518.21	517.25	513.95	518.14	538.49
Lowest repurchase price per unit (Rs.)	502.10	501.09	501.34	502.92	502.02	501.59	501.41	500.96	506.92
Weighted average portfolio (No. of days)	144.89	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 go down, as well as up.

Yearly Performance (Annualized)

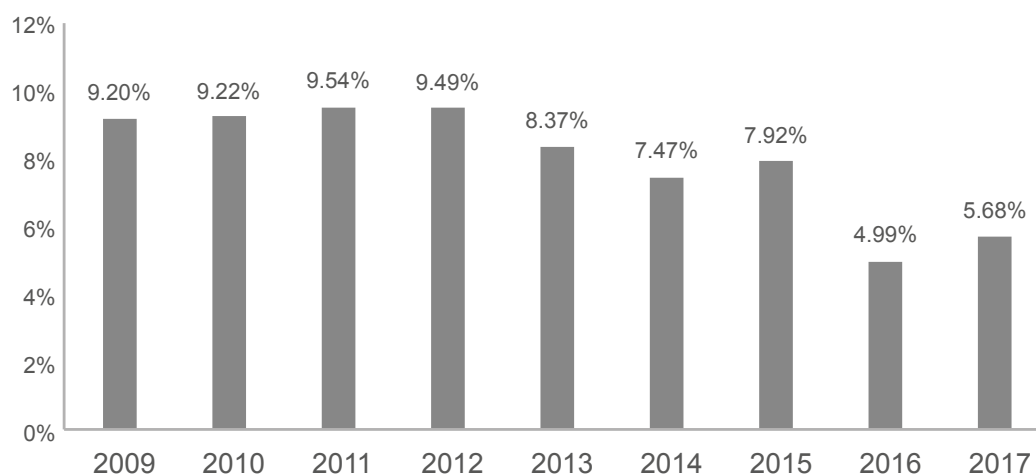


Distribution History

Distribution Detail:	2017	2016	2015
Interim Distribution - Cash Divided	28.50	25	40
Interim Distribution as a % of Opening NAV of units	5.68%	4.99%	7.92%
Distribution date	20-Jun-17	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 NAV)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2017

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. 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, including this company.
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. No casual vacancy occurred during the year.
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.

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. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was 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 21 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 25 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. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information designated by a senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles contained in the Code have been complied with.

Karachi: August 30, 2017

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, 2017 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: 15 September 2017

Aftab Ahmed Diwan
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, 2017 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 of Directors' 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, 2017.

Karachi: 13 September 2017

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 a 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 Shariah 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 2017 are in compliance with the Shariah principles.

Karachi: 30 June 2017

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, 2017, 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, 2017 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.

A. F. Ferguson & Co.
Chartered Accountants

Karachi: 13 September 2017

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

	Note	2017 -----Rupees-----	2016
ASSETS			
Cash and bank balances	4	1,254,506,788	220,654,282
Investments	5	165,338,600	345,793,940
Receivable against issue of units	6	209,743,186	258,098
Markup accrued	7	10,064,434	3,298,578
Security deposit and other receivables	8	578,941	203,300
Total assets		1,640,231,949	570,208,198
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	9	2,689,688	2,209,624
Payable to Central Depository Company of Pakistan Limited - Trustee	10	220,817	90,606
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	1,292,731	375,854
Payable against redemption of units	12	3,712,000	20,000
Dividend payable		62,457	61,502
Accrued expenses and other liabilities	13	17,995,081	8,897,400
Total liabilities		25,972,774	11,654,986
NET ASSETS		1,614,259,175	558,553,212
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		1,614,259,175	558,553,212
CONTINGENCIES AND COMMITMENTS	14		
NUMBER OF UNITS IN ISSUE		3,210,424	1,113,938
NET ASSET VALUE PER UNIT		502.82	501.42

The annexed notes from 1 to 33 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 -----Rupees-----	2016
Income			
Markup income	15	95,527,345	28,471,142
Capital gain / (loss) on maturity / sale of investments - net		2,126,235	(1,297,290)
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		3,461,700	1,865,940
		5,587,935	568,650
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		(54,037,293)	472,062
Total income		47,077,987	29,511,854
Expenses			
Remuneration of Atlas Asset Management Limited - Management Company	9.1	5,170,855	1,503,413
Sindh Sales Tax on remuneration of the Management Company	9.2	672,211	244,154
Federal Excise Duty on remuneration of the Management Company	9.3	-	240,546
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	2,175,016	851,933
Sindh Sales Tax on remuneration of the Trustee		282,752	119,272
Annual fees - Securities and Exchange Commission of Pakistan	11	1,292,731	375,854
Accounting and operational charges	16	1,581,144	322,332
Sindh Sales Tax on accounting and operational charges		126,492	19,277
Auditors' remuneration	18	237,360	230,826
Securities transaction cost		44,341	31,213
Annual listing fee and SECP supervisory fee		55,000	30,000
Annual rating fee		298,320	300,960
Printing charges		37,787	161,357
Shariah advisory fee		174,791	103,979
Bank charges		31,272	14,338
Legal and professional charges		123,760	61,048
Reversal of provision for Workers' Welfare Fund	13.1	(4,443,900)	-
Provision for Sindh Workers' Welfare Fund	13.1	1,272,428	-
Total expenses		9,132,360	4,610,502
Net income for the year before taxation		37,945,627	24,901,352
Taxation	19	-	-
Net income for the year after taxation		37,945,627	24,901,352
Earnings per unit	20		

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Net income for the year after taxation	37,945,627	24,901,352
Other comprehensive income	-	-
Total comprehensive income for the year	37,945,627	24,901,352

The annexed notes from 1 to 33 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Undistributed income brought forward [Includes unrealised gain on investments of Rs 1,585,940] (2016: Unrealised gain on investments of Rs 466,792)	1,231,704	1,252,989
Net income for the year after taxation	37,945,627	24,901,352
Cash distribution of Rs. 28.50 per unit declared on 20 June 2017 (2016: Rs. 25 per unit declared on 24 June 2016)	(33,459,700)	(24,922,637)
Undistributed income carried forward [includes unrealised gain on investments of Rs. 3,675,600] [2016: includes unrealised gain on investments of Rs. 1,585,940]	5,717,631	1,231,704

The annexed notes from 1 to 33 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

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 2017

	2017		2016	
	Units	Rupees	Units	Rupees
Net assets at the beginning of the year [Rs. 501.42 (2016: Rs. 501.44) per unit]	1,113,938	558,553,212	846,460	424,446,971
Issue of units	9,768,199	5,022,639,187	799,390	409,918,150
Redemption of units	(7,671,713)	(4,025,456,444)	(531,912)	(275,318,562)
	2,096,486	997,182,743	267,478	134,599,588
Cash distribution of Rs. 28.5 per unit declared on 20 June 2017 (2016: Rs. 25 per unit declared on 24 June 2016)	-	(33,459,700)	-	(24,922,637)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	-	54,037,293	-	(472,062)
Capital gain / (loss) on maturity / sale of investments - net	-	2,126,235	-	(1,297,290)
Net unrealised appreciation on remeasurement of investments prices of units issued less those in units redeemed - net	-	3,461,700	-	1,865,940
Other net income for the year	-	32,357,692	-	24,332,702
Total comprehensive income for the year	-	37,945,627	-	24,901,352
Net assets at the end of the year [Rs. 502.82 (2016: Rs. 501.42) per unit]	3,210,424	1,614,259,175	1,113,938	558,553,212

The annexed notes from 1 to 33 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

Note	2017	2016
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year after taxation	37,945,627	24,901,352
Adjustment for:		
Mark-up income	(95,527,345)	(28,471,142)
Capital (gain) / loss on maturity / sale of investments - net	(2,126,235)	1,297,290
Net unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	(3,461,700)	(1,865,940)
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	54,037,293	(472,062)
Reversal of provision for Workers' Welfare Fund	(4,443,900)	-
Provision for Sindh Workers' Welfare Fund	1,272,428	-
	(50,249,459)	(29,511,854)
Increase in assets		
Security deposit and other receivables	(375,641)	(103,300)
Increase in liabilities		
Payable to Atlas Asset Management Limited - management company	480,064	205,109
Payable to Central Depository Company of Pakistan Limited - Trustee	130,211	39,338
Annual fee payable to the Securities and Exchange Commission of Pakistan	916,877	13,959
Dividend payable	955	-
Accrued and other liabilities	12,269,153	2,241,024
	13,797,260	2,499,430
Markup received	88,761,489	28,484,732
Investments made during the year	(50,000,000)	(348,845,290)
Investments sold / matured during the year	236,043,275	170,400,000
Net cash generated from / (used in) operating activities	275,922,551	(152,174,930)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	4,813,154,099	440,749,692
Net payments against redemption of units	(4,021,764,444)	(284,502,034)
Cash payout against distribution	(33,459,700)	(24,922,637)
Dividend paid	-	(12,448,823)
Net cash generated from financing activities	757,929,955	118,876,198
Net increase / (decrease) in cash and cash equivalents	1,033,852,506	(33,298,732)
Cash and cash equivalents at the beginning of the year	220,654,282	253,953,014
Cash and cash equivalents at the end of the year	1,254,506,788	220,654,282

4

4

The annexed notes from 1 to 33 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated 23 June 2010 and 12 November 2010 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth and Sixth supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015 and 30 September 2016 respectively 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 has been categorised as a 'shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. 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. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3** According to the trust deed, the objective of the Fund is to provide investors 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 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.
- 1.4** Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2 BASIS OF 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 such International Financial Reporting Standards (IFRSs) 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 the 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose financial year closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended 30 June 2017.

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

The following standards, interpretations and amendments with respect to approved accounting standards were effective during the current year:

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation	01 January 2016
- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	01 January 2016

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Effective date (accounting periods beginning on or after)
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	01 January 2016
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	01 January 2016
- Amendments to IAS 27, 'Separate financial statements' on equity accounting	01 January 2016

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 2017.

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)
- Amendments to IAS 7, 'Statement of cash flows'	01 January 2017
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses	01 January 2017

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

As stated in note 2.1, the Companies Act, 2017 (the Act) has been enacted on May 30, 2017, superseding the Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended June 30, 2017.

The SECP vide its statutory notification (S.R.O) no. 756(I) / 2017 dated 03 August 2017, has amended the NBFC Regulations. The amendments define 'Element of income included in the unit price' and also specifies the accounting treatment for the said income/loss. The amendments also introduced changes in Schedule V of the NBFC Regulations, resulting in certain changes in the presentation of Income Statement and Statement of movement in reserves or Unit holder's fund. The amendments would be applicable for the accounting year ending on June 30, 2018 and will not have any impact on the per unit net asset value of the Fund.

Further, the 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	Effective date (accounting periods beginning on or after)
- IFRS 9 - Financial Instruments	01 January 2018
- IFRS 14 - Regulatory Deferral Accounts	01 January 2018
- IFRS 15 - Revenue from Contracts with Customers	01 January 2018
- IFRS 16 - Leases	01 January 2019
- IFRS 17 - Insurance contracts	01 January 2021

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 of the Fund relate to classification, valuation and impairment of financial assets (as disclosed in notes 3.2 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 Cash and cash equivalents

These comprise balances with banks, cheques in hand and short-term highly liquid investments with original maturities of three months or less.

3.2 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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

3.3 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.

3.4 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.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the management company / distributors 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 / distributors 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.

3.6 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.

3.7 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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3.8 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.

3.9 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 and is recorded in the Income Statement.

3.10 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 has been made for current and deferred taxation in these financial statements.

3.11 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 Mexpire. 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.

3.12 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.

3.13 Distributions to unit holders

Distributions to unit holders are recognised upon declaration 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.

3.14 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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3.15 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

	Note	2017	2016
		-----Rupees-----	
4 CASH AND BANK BALANCES			
In local currency			
- Profit and loss sharing accounts	4.1	1,245,001,788	214,852,779
- Current account		5,000	5,000
- Cheques in hand	4.2	9,500,000	5,796,503
		1,254,506,788	220,654,282

4.1 The rate of return on these profit and loss sharing accounts ranges between 2.00% to 5.95% (30 June 2016: 4.00% to 6.10%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequent to the year end on 4 July 2017.

	Note	2017	2016
		-----Rupees-----	
5 INVESTMENTS			
At fair value through profit or loss			
Government securities - Government of Pakistan (GoP) ijarah sukuks	5.1	113,208,900	345,793,940
Debt securities - sukuk certificates (unlisted)	5.2	52,129,700	-
		165,338,600	345,793,940

5.1 Government securities - Government of Pakistan (GoP) ijarah sukuks

Script	Face Value - Rupees				Rupees			Percentage of	
	As at 01 July 2016	Acquired during the year	Disposed during the year	As at 30 June 2017	Carrying Value as at 30 June 2017	Market Value as at 30 June 2017	Unrealised appreciation as at 30 June 2017	Total Investment	Net Assets
Government of Pakistan Ijarah Sukuks	343,400,000	-	232,400,000	111,000,000	111,876,900	113,208,900	1,332,000	68.47	7.01
	343,400,000	-	232,400,000	111,000,000	111,876,900	113,208,900	1,332,000	68.47	7.01

5.1.1 The cost of investments as at 30 June 2017 amounts to Rs. 111,663,000 (2016: Rs.344,208,000).

5.1.2 The expected rate of markup on the GoP ijarah sukuks held by fund 5.51% (2016: 3.89% to 6.10%) per annum and will mature by 18 December 2018 (2016: 15 February 2019).

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5.2 Debt securities - sukuk certificates (unlisted)

(Certificates having a face value of Rs. 1,000,000 each)

Name of the Issuer	Number of certificates				Rupees			Percentage of	
	As at 01 July 2016	Acquired during the year	Disposed during the year	As at 30 June 2017	Carrying Value as at 30 June 2017	Market Value as at 30 June 2017	Unrealised appreciation as at 30 June 2017	Total Investment	Net Assets
BANKS									
Meezan Bank Limited	50	-	-	50	50,000,000	52,129,700	2,129,700	31.53	3.23
	50	-	-	50	50,000,000	52,129,700	2,129,700	31.53	3.23

5.2.1 These certificates carry mark-up at the rate of 6 months KIBOR plus 0.50% per annum, are due to mature by 22 September 2026 and are, currently, rated AA- by JCR-VIS Credit Rating Company Limited. As at 30 June 2017, the cost of these investments amounted to Rs 50,000,000 (30 June 2016: Rs. Nil).

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 and Atlas Sovereign Liquidity Fund managed by the Management Company of the Fund.

7	MARKUP ACCRUED	Note	2017	2016
			-----Rupees-----	
	Mark-up accrued on:			
	- Profit and loss sharing accounts		8,740,209	1,023,422
	- Government of Pakistan (GoP) ijarah sukus		217,869	2,275,156
	- Sukuk certificates		1,106,356	-
			10,064,434	3,298,578

8 SECURITY DEPOSIT AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited		100,000	100,000
Withholding tax receivable	8.1	478,941	103,300
		578,941	203,300

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 2017, 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 Sukus and on bank deposit aggregates to Rs. Nil and Rs. 0.467 million (2016: 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

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 cumulative 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 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2017 -----Rupees-----	2016
	Management fee	9.1	461,858	139,375
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	327,636	287,103
	Federal Excise Duty payable on remuneration of the Management Company	9.3	1,733,901	1,733,901
	Accounting and operational charges payable	16	150,123	46,458
	Sindh Sales Tax payable on Operational Charges		16,170	2,787
			2,689,688	2,209,624

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 1.50% of the average annual net assets in case of income schemes. Previously, the Management Company was entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and, thereafter, of an amount equal to 2% of such assets. During the year, the Management Company has charged its remuneration at the rate of 0.30% (2016: 0.30%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs. 672,211 (2016: Rs.244,154) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 631,678 (2016: Rs. 227,128) has been paid to the Management Company which acts as the collecting agent.

9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 9.2 above, the Management Company was of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.734 million (30 June 2016: Rs 1.734 million) is being retained in the financial statements of the Fund as the matter is pending before the Honorable Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2016 would have been higher by Re 0.54 per unit (30 June 2016: Rs 1.56 per unit).

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note	2017	2016
			-----Rupees-----	
	Trustee fee payable	10.1	194,913	78,979
	Sindh Sales Tax payable on trustee fee		25,339	11,057
	Settlement charges payable		500	500
	Sindh Sales Tax payable on settlement charges		65	70
			220,817	90,606
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.282,752 (2016: Rs.119,272) 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.319,148 (2016: Rs.108,215) was paid to the Trustee which acts as a collecting agent.			
11	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2017	2016
			-----Rupees-----	
	Annual fee payable	11.1	1,292,731	375,854
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 holder based on their request for cash payout, managed by the Management Company.			
13	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2017	2016
			-----Rupees-----	
	Auditors' remuneration payable		174,413	173,272
	Printing charges payable		101,260	240,869
	Payable to shariah advisor		45,711	43,417
	Withholding tax payable		15,732,191	3,412,996
	Legal and professional charges payable		100,000	-
	Zakat payable		92,875	114,155
	Other payable		476,203	468,791
	Provision for Workers' Welfare Fund	13.1	-	4,443,900
	Provision for Sindh Workers' Welfare Fund	13.1	1,272,428	-
			17,995,081	8,897,400

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 13.1** The Finance Act, 2008 had 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 (CISs) / mutual funds 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 (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Honorable Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On 10 November 2016 the Honorable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments were struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) took legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums would be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) was passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP took up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF as on 12 January 2017 held by the CISs till 30 June 2015 should be reversed; and
- as a matter of abundant caution, create the provision in respect of SWWF on 12 January with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision is being made by the Fund on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2017 and 30 June 2016.

15 MARKUP INCOME

Mark-up income on:

- Profit and loss sharing accounts
- Government of Pakistan (GoP) ijarah sukuks
- Sukuk certificates

2017	2016
-----Rupees-----	
83,126,409	14,245,711
9,781,607	14,225,431
2,619,329	-
95,527,345	28,471,142

16 ACCOUNTING AND OPERATIONAL CHARGES

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.

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 0.53% after netting off 0.21% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant income scheme.

18 AUDITORS' REMUNERATION

- Audit fee
- Half yearly review of financial statements
- Review of compliance with Code of Corporate Governance
- Sindh Sales Tax on services
- Out of pocket expenses

2017	2016
-----Rupees-----	
100,000	100,000
50,000	50,000
42,000	42,000
15,360	11,520
30,000	27,306
237,360	230,826

19 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund during the year ending 30 June 2017 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

21 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 21.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors, their close family members and key management personnel of the Management Company.
- 21.2** 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.
- 21.3** 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.
- 21.4** The details of transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

	2017	2016
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	5,170,855	1,503,413
Remuneration paid	4,848,372	1,605,121
Sindh Sales Tax on remuneration of the Management Company	672,211	244,154
Federal Excise Duty on remuneration of the Management Company	-	240,546
Accounting and operational charges	1,581,144	322,332
Sindh Sales Tax on accounting and operational charges	126,492	19,277
Redemption of nil (2016: 13,101) units	-	6,889,372
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	2,175,016	851,933
Sindh sales tax on remuneration of the Trustee	282,752	119,272
Remuneration paid to the Trustee	2,059,082	824,222
Settlement charges	6,000	6,000
Sindh sales tax on settlement charges	780	840
Atlas Battery Limited		
Issue of 4,174,602 (2016: nil) units	2,151,771,453	-
Redemption of 2,980,816 (2016: nil) units	1,574,325,458	-
Outstanding 1,193,786 (2016: nil) units - at net asset value	600,259,505	-
Atlas Honda Limited (Group Company)		
Issue of 2,525,638 (2016: nil) units	1,295,587,038	-
Redemption of 2,525,638 (2016: nil) units	1,323,395,227	-

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Redemption of nil (2016: 21,308) units	-	11,080,965
Dividend Paid	-	956,018
Atlas Power Limited Staff Provident Fund (Retirement benefit plan of group company)		
Issue of 19 (2016: 16) units	9,655	8,067
Redemption of nil (2016: 670) units	-	350,000
Cash dividend	9,655	8,067
Dividend Paid	-	39,733
Outstanding 358 (2016: 339) units - at net asset value	180,007	169,864
M/S. Honda Atlas Power Product (Pvt) Limited		
Issue of 76,668 (2016: nil) units	40,000,000	-
Redemption of 76,668 (2016: nil) units	40,566,577	-
Outstanding nil (2016: nil) units - at net asset value	-	-
Shirazi Capital (Private) Limited (Group Company)		
Issue of nil (2016: 3,942) units	-	1,975,096
Redemption of 109,280 (2016: 69,750) units	56,327,298	36,000,000
Cash dividend	-	2,633,461
Outstanding nil (2016: 109,280) units - at net asset value	-	54,795,192
Shirazi Investments (Private) Limited (Group Company)		
Issue of 113,932 (2016: nil) units	58,663,159	-
Redemption of nil (2016: 57,090) units	-	29,813,892
Cash dividend	3,114,481	-
Outstanding 113,932 (2016: nil) units - at net asset value	57,287,395	-
Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of 1,149 (2016: 962) units	576,837	481,952
Cash dividend	576,837	481,952
Dividend Paid	-	771,123
Outstanding 21,389 (2016: 20,240) units - at net asset value	10,754,682	10,148,683
M/S. Atlas Insurance Limited Window Takaful Operation		
Issue of 31,008 (2016: Nil) units	16,662,791	-
Cash dividend	883,721	-
Outstanding 32,328 (2016: Nil) units - at net asset value	16,255,059	-
Meezan Bank Limited (Unit Holder with more than 10% holding)	21.5	
Dividend Paid	-	3,955,774

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Chevron Pakistan Lubricants (Private) Limited Gratuity Fund (Unit Holder with more than 10% holding)		
Issue of 8,617 (2016: 151,812) units	4,326,642	78,614,946
Cash dividend	4,326,642	3,614,946
Outstanding 160,429 (2016: 151,812) units - at net asset value	80,666,951	76,121,568
Hamdard Laboratories (WAQF) Pakistan (Unit Holder with more than 10% holding)		
Issue of 5,373 (2016: 119,904) units	2,697,536	61,743,808
Redemption of Nil (2016: 54,616) units	-	28,087,916
Cash dividend	3,596,715	3,041,216
Outstanding 131,574 (2016: 126,201) units - at net asset value	66,157,561	63,279,476
Directors and their close family members and key management personnel of the Management Company		
Issue of 18,510 (2016: 12,032) units	9,505,528	6,130,841
Redemption of 17,878 (2016: 11,472) units	9,138,000	5,828,184
Cash dividend	624,439	414,193
Outstanding 15,733 (2016: 15,102) units - at net asset value	7,910,773	7,572,200

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

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

21.7 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 2016-17.

22 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2017			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (Rupees) -----			
Financial assets				
Cash and Bank balances	1,254,506,788	-	-	1,254,506,788
Investments	-	165,338,600	-	165,338,600
Receivable against sale of units	209,743,186	-	-	209,743,186
Markup accrued	10,064,434	-	-	10,064,434
	1,474,314,408	165,338,600	-	1,639,653,008

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	As at 30 June 2017		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	2,689,688	2,689,688
Payable to Central Depository Company of Pakistan Limited - Trustee	-	220,817	220,817
Payable against redemption of units	-	3,712,000	3,712,000
Unclaimed dividend	-	62,457	62,457
Accrued expenses and other liabilities	-	897,587	897,587
	-	7,582,549	7,582,549

	As at 30 June 2016			
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Available for sale	Total
	----- (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
	224,210,958	345,793,940	-	570,004,898

	As at 30 June 2016		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to Atlas Asset Management Limited - Management Company	-	2,209,624	2,209,624
Payable to Central Depository Company of Pakistan Limited - Trustee	-	90,606	90,606
Payable against redemption of units	-	20,000	20,000
Dividend payable	-	61,502	61,502
Accrued expenses and other liabilities	-	926,349	926,349
	-	3,308,081	3,308,081

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

23.1 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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

23.2 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 2017, 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 / decrease in market interest rates as at 30 June 2017, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 14,103,404 (2016: Rs. 5,606,467).

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 2017 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 30 June 2017 can be determined as follows:

----- As at 30 June 2017 -----					
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	2.0 - 5.95	1,245,001,788	-	9,505,000	1,254,506,788
Investments	5.51 - 6.62	-	165,338,600	-	165,338,600
Receivable against sale of units		-	-	209,743,186	209,743,186
Markup accrued		-	-	10,064,434	10,064,434
		1,245,001,788	-	229,312,620	1,639,653,008
Financial Liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	2,689,688	2,689,688
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	220,817	220,817
Payable against redemption of units		-	-	3,712,000	3,712,000
Unclaimed dividend		-	-	62,457	62,457
Accrued expenses and other liabilities		-	-	897,587	897,587
		-	-	7,582,549	7,582,549
On-balance sheet gap (a)		1,245,001,788	-	221,730,071	1,632,070,459
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a + b)		1,245,001,788	-	165,338,600	
Cumulative interest rate sensitivity gap		1,245,001,788	-	165,338,600	

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

----- 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	4.0 - 6.1	214,852,779	-	5,801,503	220,654,282
Investments	3.89 - 6.1	-	345,793,940	-	345,793,940
Receiveable against sale of units		-	-	258,098	258,098
Markup accrued		-	-	3,298,578	3,298,578
		214,852,779	345,793,940	9,358,179	570,004,898
Financial Liabilities					
Payable to Atlas Asset Management Limited - Management Company		-	-	2,209,624	2,209,624
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	90,606	90,606
Payable against redemption of units		-	-	20,000	20,000
Dividend Payable		-	-	61,502	61,502
Accrued expenses and other liabilities		-	-	926,349	926,349
		-	-	3,308,081	3,308,081
On-balance sheet gap (a)		214,852,779	345,793,940	6,050,098	566,696,817
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a + b)		214,852,779	345,793,940	-	
Cumulative interest rate sensitivity gap		214,852,779	345,793,940	-	

(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 2017.

23.3 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 a majority of its assets in short term instruments in order to maintain liquidity.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2017	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
	----- Rupees -----				
Assets					
Cash and bank balances	1,254,506,788	-	-	-	1,254,506,788
Investments	-	-	-	165,338,600	165,338,600
Receivable against sale of units	209,743,186	-	-	-	209,743,186
Markup accrued	8,740,209	1,106,356	217,869	-	10,064,434
	1,472,990,183	1,106,356	217,869	165,338,600	1,639,653,008
Liabilities					
Payable to Atlas Asset Management Limited - Management Company	2,689,688	-	-	-	2,689,688
Payable to Central Depository Company of Pakistan Limited - Trustee	220,817	-	-	-	220,817
Payable against redemption of units	3,712,000	-	-	-	3,712,000
Unclaimed dividend	62,457	-	-	-	62,457
Accrued expenses and other liabilities	576,203	-	321,384	-	897,587
	7,261,165	-	321,384	-	7,582,549
Net assets / (liabilities)	1,465,729,018	1,106,356	(103,515)	165,338,600	1,632,070,459
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
	221,935,802	-	54,130,196	293,938,900	570,004,898
Liabilities					
Payable to Atlas Asset Management Limited - Management Company	2,209,624	-	-	-	2,209,624
Payable to Central Depository Company of Pakistan Limited - Trustee	90,606	-	-	-	90,606
Payable against redemption of units	20,000	-	-	-	20,000
Dividend payable	61,502	-	-	-	61,502
Accrued expenses and other liabilities	468,791	216,689	240,869	-	926,349
	2,850,523	216,689	240,869	-	3,308,081
Net assets / (liabilities)	219,085,279	(216,689)	53,889,327	293,938,900	566,696,817

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

23.4 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

	2017		2016	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	Rupees			
Bank balances	1,246,506,788	1,246,506,788	220,654,282	220,654,282
Investments	165,338,600	52,129,700	345,793,940	-
Receivable against issue of units	217,743,186	217,743,186	258,098	258,098
Markup accrued	10,064,434	10,064,434	3,298,578	3,298,578
	1,639,653,008	1,526,444,108	570,004,898	224,210,958

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities of Rs 113.21 million (2016: Rs 345.79 million) including profit receivable on such government securities of Rs 0.22 million (2016: Rs 2.28 million) is not exposed to credit risk.

23.4.1 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, investment in GOP Ijarah Sukuks and sukuk certificates

	% of financial assets	
	2017	2016
GOP Ijarah Sukuks (Government Guaranteed)	7.99	61.72
Sukuk Certificates	3.75	-
AAA	1.45	0.55
AA+	22.63	-
AA	35.77	-
AA-	11.00	-
A+	9.68	8.92
A	7.73	28.81
	100.00	100.00

The maximum exposure to credit risk before any credit enhancement as at 30 June 2017 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

23.5 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

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.

23.6 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 (unadjusted) in active markets for identical assets or liabilities.

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 2017, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique.

24 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 historically maintained and complied with the requirement of minimum fund size at all times during the current year.

In accordance with the risk management policies as stated in note 23, 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.

25 UNIT HOLDING PATTERN OF THE FUND

Category	2017			2016		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	283	185,141,179	11.47%	251	163,365,130	29.25%
Insurance Companies*	9	299,649,963	18.56%	1	420,344	0.08%
Others	8	257,354,531	15.94%	7	198,252,853	35.49%
Banks/ DFIs	1	49,725,871	3.08%	1	49,587,828	8.88%
Associated Companies/ Directors	4	699,348,854	43.32%	3	68,988,938	12.35%
Retirement Funds	6	123,038,777	7.63%	4	77,938,119	13.95%
	311	1,614,259,175	100.00%	267	558,553,212	100.00%

* These include investments made by 4 unit linked funds managed by insurance companies.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

26 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of brokers	2017	2016
	Percentage of commission paid %	
JS Global Capital Limited	75.93	-
Next Capital Limited	24.07	8.92
Global Securities Pakistan Limited	-	75.26
Invest Capital Markets Limited	-	15.82
	100.00	100.00

27 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	49 Years
Mr. Ali H. Shirazi	Director	Masters in Law	13.5 years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	17 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	13 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	9 Years
Mr. Fawad Javaid	Fund Manager	CMA	9 Years
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	6 Years

28 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

29 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	Meetings held on					
	11 July 2016	29 August 2016	27 October 2016	27 February 2017	27 April 2017	12 June 2017
Mr. Yusuf H. Shirazi	P	P	P	P	L	P
Mr. Tariq Amin	N/A**	P	P	P	P	P
Mr. Shamshad Nabi	P	L	L	P	P	P*
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. Arshad P. Rana	L	L	P	P	P	P*
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms. Qurrat-ul-ain Jafari (Chief Financial Officer and Company Secretary)	P	P	P	P	P	P

* Attended through teleconference call.

** Joined w.e.f 09 August 2016

P Present

L Leave of absence

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

30 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2016: AM2 (AM Two)] on 4 May 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

PACRA has maintained the stability rating of "AA- (f)" (Double A Minus - fund rating) for the Fund on 12 July 2017.

31 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged 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 have been made in these financial statements during the current year.

32 GENERAL

The figures have been rounded off to the nearest Rupee.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 30 August 2017.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

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
Bank Alfalah Limited - Islamic Banking
BankIslami Pakistan Limited
Habib Bank Limited - Islamic Banking
Meezan Bank Limited



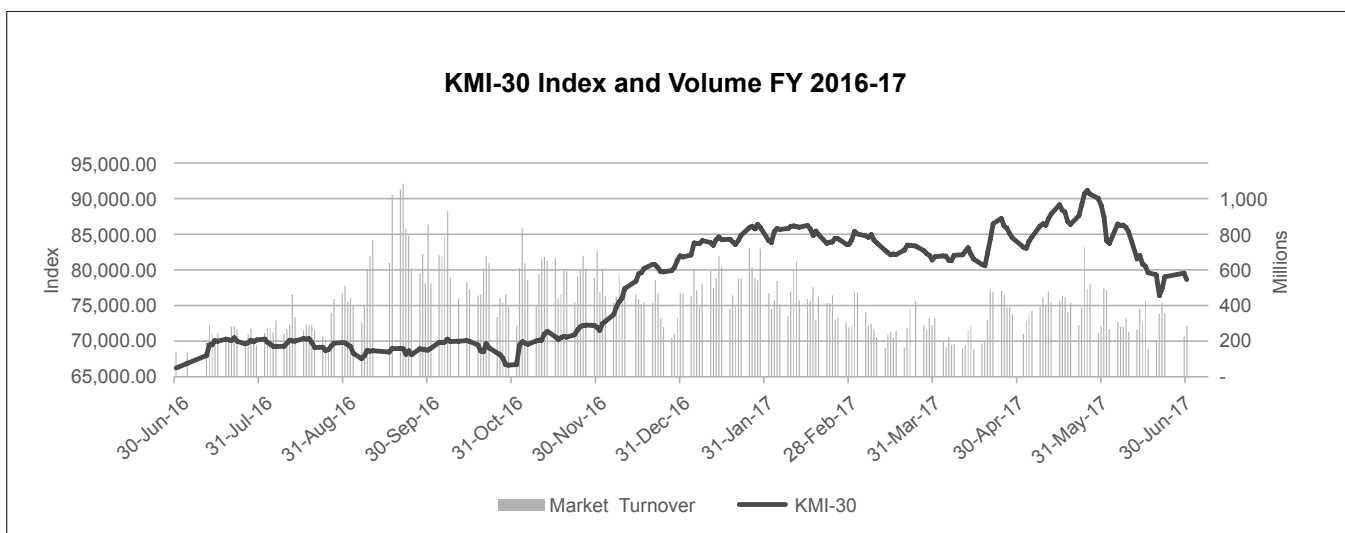
Fund Manager's Report

Atlas Islamic Stock Fund (AISF) is an open-ended equity Fund. The objective of AISF's is to maximize Unit Holders returns on their Investments while at all times observing prudent Investment practices, the highest professional standards, all applicable laws 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.

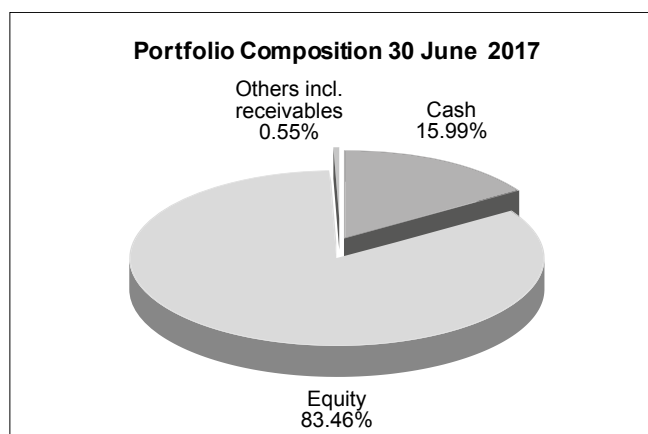
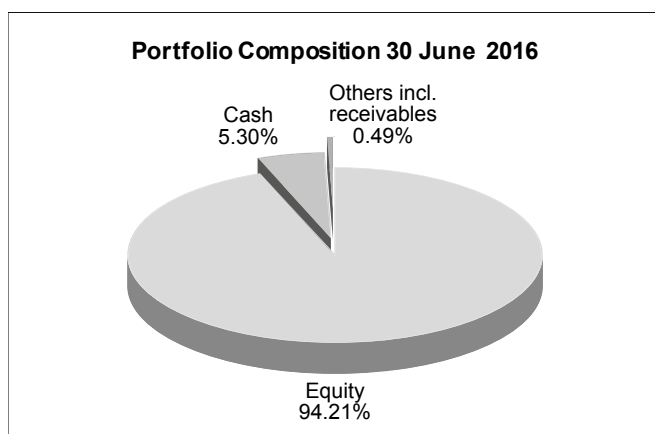
KMI – 30 Index serves as the performance benchmark of Atlas Islamic Stock Fund.

The KMI-30 index increased from 66,162.77 points as on 30 June 2016 to 78,598.22 points as on 30 June 2017, increasing by 18.80%. The average volumes during the year increased by 68% to 350 million shares from 208 million shares traded last year. Net Foreign portfolio outflow during the year was recorded at US\$652mn compared to outflow of US\$282mn last year. On the local front Mutual Funds, Insurance Companies and Companies were the most active participants investing US\$576mn, US\$220mn and US\$127mn during the period. Banks/DFIs and Individuals, on the other hand, reduced their exposure in the equity market by US\$187mn and US\$53mn, respectively.

During the period the sectors that outperformed the market were Engineering, Automobile Assemblers, Automobile & Parts, Oil & Gas Marketing Companies and Refinery that posted 207%, 97%, 95%, 61% and 33% return, respectively.



The Net Asset Value per unit of Atlas Islamic Stock Fund increased by 29.25% to Rs. 610.77 as on 30 June 2017. The benchmark KMI-30 index increased by 18.80% during the same period. The KMI- 30 index increased from 66,162.77 points as on 30 June 2016 to 78,598.22 points as on 30 June 2017. The main drivers of return of the index were LUCK, SNGP, POL, HCAR and MARI as they contributed 7,844 points to the index and were able to beat the broader index. The AISF's equity portfolio exposure was mainly in Cement, Oil & Gas Exploration, Fertilizer and Oil & Gas Marketing sectors. The Net Assets of the Fund stood at Rs 2.48 billion, with 4.06 million units outstanding as of 30 June 2017.



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	2012-13	2013-14	2014-15	2015-16	2016-17
Islamic Income Multiplier	85%	15%	14.7%	10.3%	9.3%	5.1%	9.5%
Islamic Balanced	50%	50%	28.7%	15.0%	14.3%	5.4%	17.6%
Islamic Growth	15%	85%	42.7%	19.7%	19.3%	5.6%	25.8%

Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage
Individual	488	198,447,968	8.01%
Retirement Funds	14	322,052,692	12.99%
Associated Companies / Directors	10	1,801,336,252	72.66%
Insurance Companies*	1	10,293,794	0.42%
Others	6	146,768,050	5.92%
Total	519	2,478,898,756	100.00%

* These include investments made by 4 unit linked funds managed by insurance companies.

The Scheme had maintained prior years' provisions against WWF of Rs. 21,015,392 till 30 June 2015. After Honorable Supreme Court of Pakistan judgment on 10 November 2016, this provision was reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 15,491,188 (Rs. 3.82 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 10,453,385 which is Rs.2.58 per unit as on 30 June 2017.

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, in their meeting held on 07 July 2017, has approved Rs. 35 final cash dividend (7.00% on the face value of Rs. 500 per unit).

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 0.53% after netting off 0.21% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc.

The NAV before distribution stood at Rs 610.77 per unit and after adjustment for cash dividend stood at Rs 575.77 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 nine meetings to review risk management.

Date: 30 August 2017

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	234	234	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

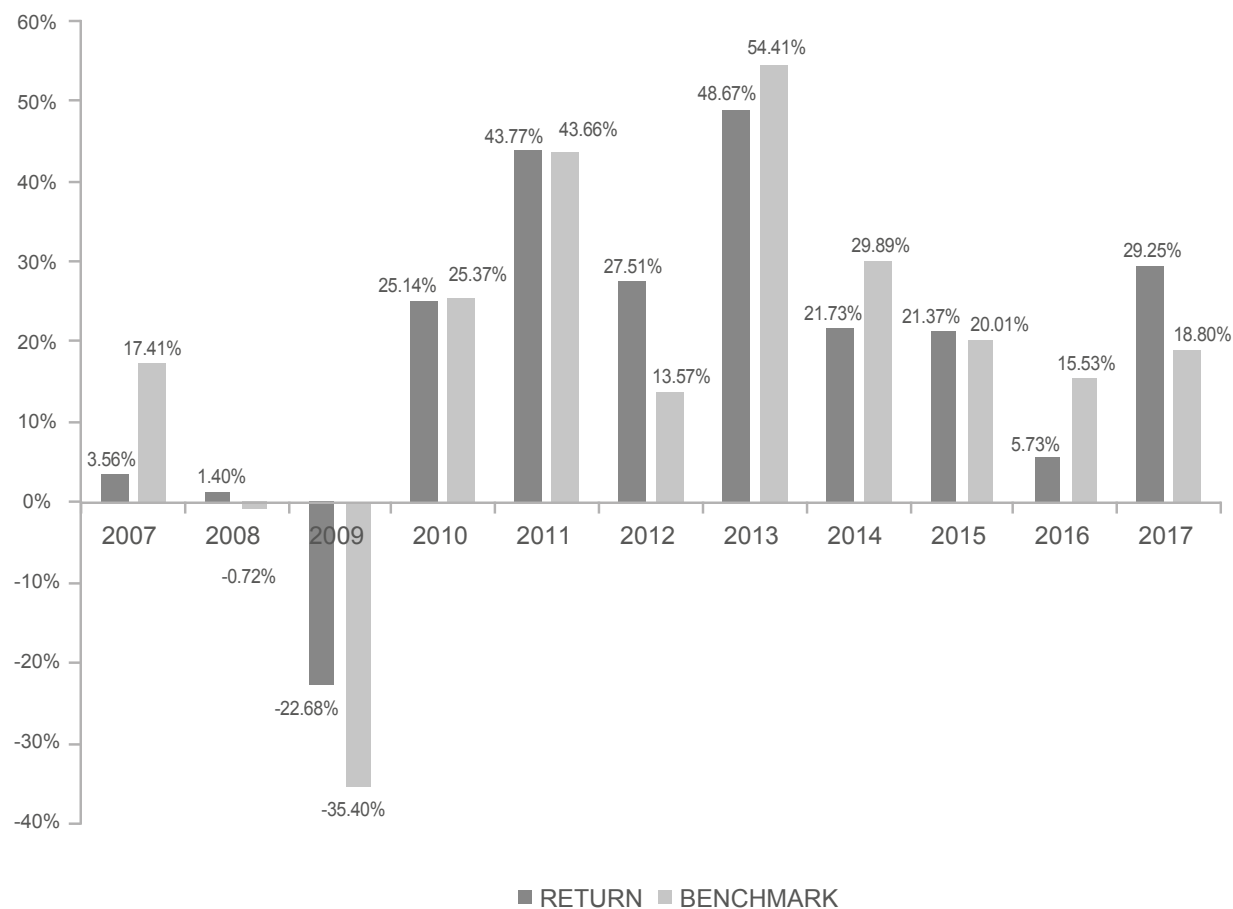
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007*
Net Assets (Rs. in '000)	2,478,898	1,411,789	1,415,763	809,364	974,606	510,953	318,777	252,773	417,775	597,788	512,580
Number of units in issue	4,058,678	2,987,494	2,854,233	1,980,470	2,015,536	1,317,773	779,243	521,664	1,078,902	1,172,525	989,930
Net assets value per unit (Rs.)	610.77	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)	562,154	80,049	250,274	137,439	319,844	110,717	97,396	114,084	(122,217)	9,319	17,489
Earnings per unit (Rs.)	138.51	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 (%)	29.25	5.73	21.37	21.73	48.67	27.51	43.77	25.14	(22.68)	1.40	3.56
Offer Price ** (Rs.)	610.77	472.57	496.02	408.67	488.45	391.64	413.18	489.40	391.09	514.93	522.97
Redemption Price ** (Rs.)	610.77	472.57	496.02	408.67	476.36	381.94	402.95	477.28	381.41	502.18	510.03
Distribution (Rs.)	35.00	-	50	45.00	110.00	62.50	105.00	200.00	-	9.00	15.00
Distribution as a % of Opening Ex-NAV of units	7.41	-	12.23	12.05	33.82	20.55	36.90	51.65	-	1.79	3.00
Date of Distribution	7-Jul-17	-	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 (Rs.)	677.62	488.05	507.30	453.25	513.39	405.82	423.05	562.83	488.69	603.50	525.33
Lowest offer price per unit (Rs.)	493.88	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)	677.62	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)	493.88	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

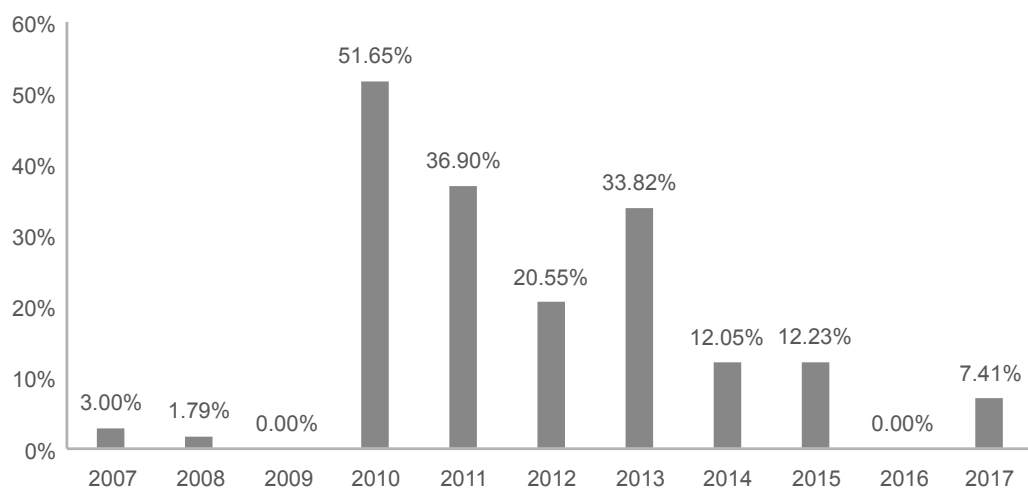
** Relates to announced prices.

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 NAV)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2017

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, including this company.
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. No casual vacancy occurred during the year.
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 2017

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. No new appointment of the Chief Financial Officer & Company Secretary and Chief Internal Auditor was 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 19 to the financial statements "Transactions with Related Parties/Connected Persons", and as disclosed in the pattern of unit holdings disclosed in note 23 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. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information designated by a senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles contained in the Code have been complied with.

Karachi: August 30, 2017

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, 2017 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: 15 September 2017

Aftab Ahmed Diwan
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, 2017 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 of Directors' 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, 2017.

Karachi: 13 September 2017

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 2017 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 2017

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, 2017, 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, 2017 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.

A. F. Ferguson & Co.
Chartered Accountant

Karachi: 13 September 2017

Engagement Partner: Salman Hussain

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2017

	Note	2017	2016
		-----Rupees-----	
ASSETS			
Bank balances	4	442,628,274	76,854,269
Investments	5	2,310,721,597	1,367,162,490
Profit receivable on bank balances		2,078,198	396,343
Dividend receivable		8,034,160	1,485,300
Receivable against issue of units	6	-	225,000
Security deposits and other receivable	7	5,197,419	5,074,830
Total assets		2,768,659,648	1,451,198,232
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	8	17,686,027	14,857,995
Payable to Central Depository Company of Pakistan Limited - Trustee	9	378,232	244,758
Payable to the Securities and Exchange Commission of Pakistan	10	2,184,540	1,262,204
Payable against purchase of investments		32,143,394	-
Payable against redemption of units	11	219,844,446	492,980
Accrued expenses and other liabilities	12	17,524,253	22,551,051
Total liabilities		289,760,892	39,408,988
NET ASSETS		2,478,898,756	1,411,789,244
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		2,478,898,756	1,411,789,244
CONTINGENCIES AND COMMITMENTS	13		
NUMBER OF UNITS IN ISSUE		4,058,678	2,987,494
NET ASSET VALUE PER UNIT		610.77	472.57

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		-----Rupees-----	
INCOME			
Profit on bank balances		13,855,981	5,498,369
Dividend income		91,144,325	59,969,335
Capital gain / (loss) on sale of investments - net		247,778,066	(26,055,055)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		176,579,916	88,885,893
		424,357,982	62,830,838
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		93,256,667	(3,735,639)
		622,614,955	124,562,903
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	45,990,386	26,572,723
Sindh sales tax on remuneration of the Management Company	8.2	5,978,750	4,315,411
Federal Excise Duty on remuneration of the Management Company	8.3	-	4,251,635
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	3,302,260	2,328,634
Sindh sales tax on remuneration of the Trustee		429,294	326,009
Annual fee - Securities and Exchange Commission of Pakistan	10	2,184,540	1,262,204
Accounting and operational charges	14	2,264,390	802,733
Sindh Sales Tax on accounting and operational charges		181,151	47,878
Shariah advisory fee		345,401	205,492
Auditors' remuneration	16	309,920	314,154
Securities transaction cost		4,592,648	3,615,986
Annual listing fee and SECP supervisory fee		55,000	40,000
Annual ranking fee		-	152,760
Printing charges		125,897	161,500
Legal and professional charges		123,760	85,618
Bank charges		101,564	30,804
Reversal of provision for Workers' Welfare Fund	12.2	(21,015,392)	-
Provision for Sindh Workers' Welfare Fund	12.2	15,491,188	-
		60,460,757	44,513,541
Net income for the year before taxation		562,154,198	80,049,362
Taxation	17	-	-
Net income for the year after taxation		562,154,198	80,049,362
Earnings per unit	18		

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

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Net income for the year after taxation	562,154,198	80,049,362
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	562,154,198	80,049,362

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 -----Rupees-----	2016
Undistributed income brought forward [includes unrealised gain on investments of Rs. 88,885,893] (2016: Includes unrealised gain on investments of Rs. 80,129,906)		275,395,025	338,826,471
Final cash dividend declared for the year ended 30 June 2016: Rs. Nil (2016: Rs. 50 per unit declared on 7 July 2015 for the year ended 30 June 2015)		-	(142,711,650)
Net income for the year after taxation		562,154,198	80,049,362
Shariah non-compliant income set-aside for charity	12.1	(1,253,789)	(769,158)
Undistributed income carried forward [includes unrealised gain on investments of Rs. 228,218,318] (2016: includes unrealised gain on investments of Rs. 88,885,893)		836,295,434	275,395,025

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

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	Units	Rupees	Units	Rupees
Net assets at beginning of the year [Rs. 472.57 (2016: Rs. 496.02) per unit]	2,987,494	1,411,789,244	2,854,233	1,415,762,781
Issue of units	3,527,505	2,079,603,184	816,694	356,707,124
Redemption of units	(2,456,321)	(1,480,137,414)	(683,433)	(300,984,854)
	1,071,184	599,465,770	133,261	55,722,270
Element of (income) / loss and capital gains / (losses) included in prices of units issued less those in units redeemed - net	-	(93,256,667)	-	3,735,639
Final cash dividend for the year ended 30 June 2016 Rs. NIL (2016: Rs. 50 per unit declared on 7 July 2015 for the year ended 30 June 2015)	-	-	-	(142,711,650)
Capital gain / (loss) on sale of investments - net	-	247,778,066	-	(26,055,055)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	176,579,916	-	88,885,893
Other net income for the year	-	137,796,216	-	17,218,524
Total comprehensive income for the year	-	562,154,198	-	80,049,362
Shariah non-compliant income set-aside for charity	-	(1,253,789)	-	(769,158)
Net assets at end of the year [Rs. 610.77 (2016: Rs. 472.57) per unit]	4,058,678	2,478,898,756	2,987,494	1,411,789,244

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		562,154,198	80,049,362
Adjustments for:			
Profit on bank balances		(91,144,325)	(5,498,369)
Dividend income		(13,855,981)	(59,969,335)
Capital (gain) / loss on sale of investments - net		(247,778,066)	26,055,055
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(176,579,916)	(88,885,893)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		(93,256,667)	3,735,639
Reversal of provision for Workers' Welfare Fund		(21,015,392)	-
Provision for Sindh Workers' Welfare Fund		15,491,188	-
		(628,139,159)	(124,562,903)
(Increase) / decrease in assets			
Security deposits and other receivable		(122,589)	(2,474,830)
Receivable against sale of investments		-	10,935,816
		(122,589)	8,460,986
Increase / (decrease) in liabilities			
Payable to Atlas Asset Management Limited - Management Company		2,828,032	5,158,825
Payable to Central Depository Company of Pakistan Limited - Trustee		133,474	34,922
Payable to the Securities and Exchange Commission of Pakistan		922,336	343,440
Payable against purchase of investments		32,143,394	(53,519,424)
Accrued and other liabilities		(756,383)	(1,491,033)
		35,270,853	(49,473,270)
Profit received on bank balances		12,174,126	5,372,439
Dividend received		84,595,465	61,207,035
Investments made during the year		(2,608,813,137)	(1,915,229,083)
Investments sold during the year		2,089,612,012	1,980,828,673
Net cash (used in) / generated from operating activities		(453,268,231)	46,653,239
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		2,079,828,184	360,497,195
Net payments against redemption of units		(1,260,785,948)	(305,427,787)
Dividend paid		-	(142,711,650)
Net cash generated from / (used in) financing activities		819,042,236	(87,642,242)
Net increase / (decrease) in cash and cash equivalents during the year		365,774,005	(40,989,003)
Cash and cash equivalents at the beginning of the year		76,854,269	117,843,272
Cash and cash equivalents at the end of the year	4	442,628,274	76,854,269

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third and Fourth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009 and 23 June 2010 with the approval of the Securities and Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015 and 29 September 2016 respectively, 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 has been categorised as a 'shariah compliant equity scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis from 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 investors to invest in 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 term deposit receipts) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.
- 1.4** The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS 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 such International Financial Reporting Standards (IFRSs) 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 the 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its press release dated 20 July 2017 allowed Companies whose financial year closes on or before 30 June 2017 to prepare the financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended 30 June 2017.

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

The following standards, interpretations and amendments with respect to approved accounting standards were effective during the current year:

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation	01 January 2016
- Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	01 January 2016

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Effective date (accounting periods beginning on or after)
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	01 January 2016
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	01 January 2016
- Amendments to IAS 27, 'Separate financial statements' on equity accounting	01 January 2016

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 2017.

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)
- Amendments to IAS 7, 'Statement of cash flows'	01 January 2017
- Amendments to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealised losses	01 January 2017

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

As stated in note 2.1, the Companies Act, 2017 (the Act) has been enacted on 30 May 2017, superseding the Companies Ordinance, 1984. The Act does not impact the financial statements of the Fund for the year ended June 30, 2017.

The SECP vide its statutory notification (S.R.O) no. 756(I) / 2017 dated 03 August 2017, has amended the NBFC Regulations. The amendments define 'Element of income included in the unit price' and also specifies the accounting treatment for the said income/loss. The amendments also introduced changes in Schedule V of the NBFC Regulations, resulting in certain changes in the presentation of Income Statement and Statement of movement in reserves or Unit holder's fund. The amendments would be applicable for the accounting year ending on June 30, 2018 and will not have any impact on the per unit net asset value of the Fund.

In accordance with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Securities and Exchange Commission of Pakistan (SECP) has issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby selling and marketing expenses have been allowed to be charged to open end equity, asset allocation and index funds upto a maximum of 0.4% per annum of net assets of the fund or actual expenses, whichever is less for a period of three years (from January 1, 2017 till December 31, 2019). These circulars, however, set down certain preconditions to be met by the AMCs in order to become eligible to charge selling and marketing expenses to collective investment schemes (CISs). During the year ended June 30, 2017, the Management Company has not availed benefit of charging any selling and marketing expenses to the Fund.

Further, the 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	Effective date (accounting periods beginning on or after)
- IFRS 9 - Financial Instruments	01 January 2018
- IFRS 14 - Regulatory Deferral Accounts	01 January 2018
- IFRS 15 - Revenue from Contracts with Customers	01 January 2018
- IFRS 16 - Leases	01 January 2019
- IFRS 17 - Insurance contracts	01 January 2021

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

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.

3.12 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 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.

4	BANK BALANCES	Note	2017	2016
			-----Rupees-----	-----
	In local currency			
	- Profit and loss sharing accounts	4.1	442,218,003	76,841,269
	- Current account		250,271	13,000
	- Cheque in hand	4.2	160,000	-
			442,628,274	76,854,269

4.1 The rate of return on these profit and loss sharing accounts ranges between 2.00% to 5.60% (30 June 2016: 4.5% to 6.10%) per annum.

4.2 This denotes cheque received against issue of units which was deposited and cleared in the bank account subsequent to the year end on 4 July 2017.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

5

INVESTMENTS

Note

2017

2016

-----Rupees-----

At fair value through profit or loss

- Listed equity securities

5.1

2,310,721,597

1,367,162,490

2,310,721,597

1,367,162,490

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.

Name of Investee Company	Note	Number of shares					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
		As at 01 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017					
At fair value through profit or loss - equity securities											
----- Number of shares held -----											
-----Rupees-----											
----- %age -----											
BANKS											
Meezan Bank Limited		1,600,000	194,000	-	1,159,500	634,500	30,644,008	50,125,500	2.17	2.03	0.06
		1,600,000	194,000	-	1,159,500	634,500	30,644,008	50,125,500	2.17	2.03	
TEXTILE COMPOSITE											
Nishat Mills Limited		500,000	125,000	-	145,000	480,000	54,748,772	76,166,400	3.30	3.08	0.14
		500,000	125,000	-	145,000	480,000	54,748,772	76,166,400	3.30	3.08	
CEMENT											
Cherat Cement Company Limited		142,000	83,000	-	50,000	175,000	24,398,122	31,286,500	1.35	1.27	0.10
D.G. Khan Cement Company Limited		400,000	360,000	-	480,000	280,000	53,109,097	59,684,800	2.58	2.41	0.06
Dewan Cement Limited		-	800,000	-	800,000	-	-	-	-	-	-
Fauji Cement Company Limited		1,510,000	1,865,000	-	975,000	2,400,000	92,010,220	98,472,000	4.26	3.97	0.17
Kohat Cement Company Limited		76,500	223,500	-	10,800	289,200	78,105,614	66,301,992	2.87	2.67	0.19
Lucky Cement Limited	5.3	132,500	155,000	-	102,500	185,000	150,501,356	154,708,100	6.70	6.24	0.06
Pioneer Cement Limited		350,000	511,500	-	339,000	522,500	64,429,909	67,925,000	2.94	2.74	0.23
		2,611,000	3,998,000	-	2,757,300	3,851,700	462,554,318	478,378,392	20.70	19.30	
REFINERY											
Attock Refinery Limited		-	40,000	-	40,000	-	-	-	-	-	-
National Refinery Limited		60,000	16,450	-	46,450	30,000	16,728,584	21,779,700	0.94	0.88	0.04
		60,000	56,450	-	86,450	30,000	16,728,584	21,779,700	0.94	0.88	
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	5.3	550,000	1,675,000	-	1,025,000	1,200,000	141,051,260	140,916,000	6.10	5.68	0.10
K-Electric Limited (Face value Rs. 3.5)		3,800,500	5,949,500	-	5,750,000	4,000,000	34,561,765	27,600,000	1.19	1.11	0.01
		4,350,500	7,624,500	-	6,775,000	5,200,000	175,613,025	168,516,000	7.29	6.79	
OIL & GAS MARKETING COMPANIES											
Attock Petroleum Limited		85,000	80,900	-	60,800	105,100	56,952,947	65,837,793	2.85	2.66	0.13
Hi-Tech Lubricants Limited		250,000	200,000	-	450,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	5.3	285,000	-	-	50,000	235,000	88,233,100	91,027,250	3.94	3.67	0.09
Sui Northern Gas Pipelines Limited		-	1,370,000	-	720,000	650,000	49,069,667	96,798,000	4.19	3.90	0.10
Sui Southern Gas Company Limited		-	850,000	-	450,000	400,000	16,571,395	14,564,000	0.63	0.59	0.05
		620,000	2,500,900	-	1,730,800	1,390,100	210,827,109	268,227,043	11.61	10.82	

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

Name of Investee Company	Note	Number of shares					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
		As at 01 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017					

At fair value through profit or loss - equity securities ----- Number of shares held ----- Rupees ----- %age -----

OIL & GAS EXPLORATION COMPANIES

Mari Petroleum Company Limited		116,000	95,550	-	117,040	94,510	106,210,814	148,913,736	6.44	6.01	0.09
Oil & Gas Development Company Limited		470,000	1,400,000	-	1,094,500	775,500	117,396,910	109,105,095	4.72	4.40	0.02
Pakistan Oilfields Limited		209,700	282,300	-	301,900	190,100	81,593,213	87,094,315	3.77	3.51	0.08
Pakistan Petroleum Limited	5.3	550,000	920,200	-	710,200	760,000	125,764,073	112,586,400	4.87	4.54	0.04
		1,345,700	2,698,050	-	2,223,640	1,820,110	430,965,010	457,699,546	19.80	18.46	

ENGINEERING

Amreli Steels Limited		520,000	230,000	-	750,000	-	-	-	-	-	-
International Industries Limited		-	496,500	-	281,500	215,000	52,663,035	79,242,550	3.43	3.20	0.18
International Steels Limited		-	155,000	-	55,000	100,000	14,294,893	12,789,000	0.55	0.52	0.02
Mughal Iron And Steel Industries Limited		150,000	304,500	-	454,500	-	-	-	-	-	-
		670,000	1,186,000	-	1,541,000	315,000	66,957,928	92,031,550	3.98	3.72	

AUTOMOBILE ASSEMBLER

Atlas Honda Limited		-	32,000	-	2,000	30,000	18,778,345	18,120,900	0.78	0.73	0.03
Millat Tractors Limited		31,900	-	-	19,400	12,500	7,128,125	17,180,500	0.74	0.69	0.03
Pak Suzuki Motor Company Limited		35,000	63,200	-	71,200	27,000	20,396,299	21,069,720	0.91	0.85	0.03
		66,900	95,200	-	92,600	69,500	46,302,769	56,371,120	2.43	2.27	

AUTOMOBILE PARTS & ACCESSORIES

Agriauto Industries Limited (face value Rs. 5)		40,000	70,000	-	30,000	80,000	17,963,547	34,552,000	1.50	1.39	0.28
Thal Limited (face value Rs. 5)		42,800	60,000	-	47,800	55,000	33,077,085	33,331,650	1.44	1.34	0.07
		82,800	130,000	-	77,800	135,000	51,040,632	67,883,650	2.94	2.73	

CABLES & ELECTRICAL GOODS

Pak Elektron Limited		-	700,000	-	275,000	425,000	34,231,035	46,886,000	2.03	1.89	0.09
Pakistan Cables Limited		-	2,000	-	-	2,000	623,975	640,000	0.03	0.03	0.01
		-	702,000	-	275,000	427,000	34,855,010	47,526,000	2.06	1.92	

TRANSPORT

Pakistan National Shipping Corporation		-	151,000	-	151,000	-	-	-	-	-	-
		-	151,000	-	151,000	-	-	-	-	-	

TECHNOLOGY & COMMUNICATIONS

Pakistan Telecommunication Company Limited		1,306,500	1,793,500	-	1,600,000	1,500,000	25,235,685	23,415,000	1.01	0.94	0.04
		1,306,500	1,793,500	-	1,600,000	1,500,000	25,235,685	23,415,000	1.01	0.94	

FERTILIZER

Dawood Hercules Corporation Limited		-	500,000	-	100,000	400,000	55,420,894	54,544,000	2.36	2.20	0.08
Engro Fertilizers Limited		1,150,000	2,575,000	-	725,000	3,000,000	197,591,245	165,720,000	7.17	6.69	0.22
Engro Corporation Limited		295,000	430,000	-	285,000	440,000	140,468,528	143,400,400	6.21	5.78	0.08
		1,445,000	3,505,000	-	1,110,000	3,840,000	393,480,667	363,664,400	15.74	14.67	

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

Name of Investee Company	Note	Number of shares					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
		As at 01 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017					

At fair value through profit or loss - equity securities

----- Number of shares held -----

-----Rupees-----

----- %age -----

PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited
Ferozsons Laboratories Limited
Glaxosmithkline Pakistan Limited
The Searle Company Limited

25,000	9,050	-	-	34,050	26,542,500	31,823,130	1.38	1.28	0.03
-	30,000	-	30,000	-	-	-	-	-	-
-	215,000	-	70,000	145,000	31,715,596	28,553,400	1.24	1.15	0.05
-	22,500	2,250	24,500	250	153,020	128,000	0.01	0.01	0.00
25,000	276,550	2,250	124,500	179,300	58,411,116	60,504,530	2.63	2.44	

CHEMICALS

Akzo Nobel Pakistan Limited
Archroma Pakistan Limited
Engro Polymer & Chemicals Limited
ICI Pakistan Limited
Lotte Chemical Pakistan Limited
Sitara Chemical Industries Limited

-	75,000	-	75,000	-	-	-	-	-	-
-	12,500	-	-	12,500	8,748,750	8,909,875	0.39	0.36	0.04
-	1,475,000	-	350,000	1,125,000	35,286,610	41,062,500	1.78	1.66	0.17
-	12,500	-	12,500	-	-	-	-	-	-
-	1,988,500	-	488,500	1,500,000	17,820,422	14,775,000	0.64	0.60	0.10
-	68,850	-	38,850	30,000	13,499,999	13,338,600	0.58	0.54	0.14
-	3,632,350	-	964,850	2,667,500	75,355,781	78,085,975	3.39	3.16	

FOODS & PERSONAL CARE PRODUCTS

Al Shaheer Corporation Limited
Engro Foods Limited
Fauji Foods Limited
Treet Corporation Limited

261,250	170,500	59,963	485,000	6,713	332,822	269,259	0.01	0.01	0.00
100,000	-	-	100,000	-	-	-	-	-	-
-	100,000	-	100,000	-	-	-	-	-	-
-	250,000	-	250,000	-	-	-	-	-	-
361,250	520,500	59,963	935,000	6,713	332,822	269,259	0.01	0.01	

GLASS & CERAMICS

Tariq Glass Industries Limited

-	192,700	-	192,000	700	88,445	77,532	-	-	0.00
-	192,700	-	192,000	700	88,445	77,532	-	-	

MODARABA

First Equity Modaraba

-	1,000,000	-	1,000,000	-	-	-	-	-	-
-	1,000,000	-	1,000,000	-	-	-	-	-	

MISCELLANEOUS

Shifa International Hospitals Limited

50,000	-	-	50,000	-	-	-	-	-	-
50,000	-	-	50,000	-	-	-	-	-	

Total as at 30 June 2017

2,134,141,681 2,310,721,597 100.00 93.22

Total as at 30 June 2016

1,278,276,597 1,367,162,490

* Nil value due to rounding off.

5.2 The cost of listed equity securities as at 30 June 2017 is Rs. 2,082,503,279 (2016: Rs. 1,278,276,597).

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

- 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	
	2017	2016	2017	2016
			----- Rupees-----	
Hub Power Company Limited	200,000	200,000	23,486,000	24,012,000
Pakistan Petroleum Company Limited	135,000	135,000	19,998,900	20,931,750
Pakistan State Oil Company Limited	110,000	110,000	42,608,500	41,300,600
Lucky Cement Limited	75,000	75,000	62,719,500	48,638,250
			148,812,900	134,882,600

6 RECEIVABLE AGAINST ISSUE OF UNITS

This denotes units issued to unitholders based on their requests for transfer of units received on or before 30 June 2017 in respect of which amounts were received subsequent to that date.

7	SECURITY DEPOSITS AND OTHER RECEIVABLE	Note	2017	2016
			-----Rupees-----	
	Held with:			
	National Clearing Company of Pakistan Limited		2,500,000	2,500,000
	Central Depository Company of Pakistan Limited		100,000	100,000
	Withholding tax receivable	7.1	2,597,419	2,474,830
			5,197,419	5,074,830

- 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, 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. 2.597 million (2016: 2.474 million). The amount of tax withheld during the year on dividend and profit on bank deposits aggregates to Rs. nil and Rs. 0.148 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 favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honorable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Honorable 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 received on bank deposits by the Funds has been shown as other receivable as at 30 June 2017 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2017	2016
			-----Rupees-----	
	Remuneration of the Management Company	8.1	4,793,989	2,387,299
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	2,179,779	1,890,784
	Federal Excise Duty payable on remuneration of the Management Company	8.3	10,453,385	10,453,385
	Accounting and operational charges payable	14	239,698	119,365
	Sindh Sales Tax on accounting and operational charges		19,176	7,162
			17,686,027	14,857,995

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, thereafter at the rate of 2% of such assets. During the year ended 30 June 2017, the Management Company has charged its remuneration at the rate of 2% (2016: 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. 5,978,750 (2016: Rs. 4,315,411) 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. 5,689,755 (2016: Rs. 3,716,751) 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 Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 10.453 million (30 June 2016: Rs 10.453 million) is being retained in the financial statements of the Fund as the matter is pending before the Honorable Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2016 would have been higher by Rs 2.58 per unit (30 June 2016: Rs 3.50 per unit).

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note	2017	2016
			-----Rupees-----	
	Trustee fee	9.1	324,719	201,334
	Sindh Sales Tax payable on trustee fee	9.2	42,213	28,187
	Settlement charges		10,000	13,366
	Sindh Sales Tax payable on settlement charges		1,300	1,871
			378,232	244,758

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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. 429,294 (2016: Rs 326,009) 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. 415,268 (2016: Rs 297,822) was paid to the Trustee which acts as a collecting agent.

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2017	2016
			-----Rupees-----	
	Annual fee payable	10.1	2,184,540	1,262,204

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 includes Rs. 209,326,439 (30 June 2016: Rs. 258,098) and Rs. 2,089,195 (30 June 2016: Rs. Nil) in relation to Atlas Islamic Income Fund and Atlas Income Fund which were settled subsequent to year end in the month of July 2017 (30 June 2016: July 2016).

12	ACCRUED AND OTHER LIABILITIES	Note	2017	2016
			-----Rupees-----	
	Auditors' remuneration payable		223,432	232,455
	Printing charges payable		141,155	240,862
	Rating fee payable		140,000	140,000
	Charity payable	12.1	189,888	87,061
	Transaction charges payable		613,844	499,266
	Legal and professional charges payable		100,000	-
	Withholding tax and Capital gain payable		188,577	29,728
	Payable to Shariah Advisor		85,713	85,307
	Provision for Workers' Welfare Fund	12.2	-	21,015,392
	Provision for Sindh Workers' Welfare Fund	12.2	15,491,188	-
	Others		350,456	220,980
			17,524,253	22,551,051

12.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 1,253,789 (30 June 2016: Rs. 769,158) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity. An amount of Rs. 1,255,137 was paid to the charities approved by the Shariah Advisor during the current period which include Rs. 87,061 related to previous year.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

12.2 The Finance Act, 2008 had 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 (CISs) / mutual funds 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 (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Honorable Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Honorable Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. However, it may be stated that under Companies Act, 2017 mutual funds are explicitly excluded from the definition of financial institution. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, on 12 January 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from 21 May 2015 to 12 January 2017. Thereafter, the provision is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2017 and 30 June 2016.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

14 ACCOUNTING AND OPERATIONAL CHARGES

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.

Keeping in view the aforementioned provisions, the Management Company charged accounting and operational charges to the Fund in respect of the back office accounting function outsourced to ITMINDS Limited (a subsidiary of the Central Depository Company of Pakistan Limited, the Trustee and a connected person of the Fund). Periodic invoices are raised to the Fund for services allowed under the NBFC Regulations, 2008.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2017 is 2.63% which includes 1.10% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

16 AUDITORS' REMUNERATION

	2017	2016
	-----Rupees-----	
Audit fee	120,000	120,000
Half yearly review of financial statements	60,000	60,000
Review of statement of compliance with Code of Corporate Governance	39,600	39,600
Sindh Sales Tax on Services	20,736	15,552
Out of pocket expenses	69,584	79,002
	309,920	314,154

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended 30 June 2017 subsequent thereto to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

18 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors, their close family members and key management personnel of the Management Company or for any of the connected persons of the Management Company.
- 19.2** 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.
- 19.3** 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.
- 19.4** 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:

	2017	2016
	-----Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the management company	45,990,386	26,572,723
Remuneration paid	43,583,696	26,390,720
Sindh sales tax on remuneration of the Management Company	5,978,750	4,315,411
Federal Excise Duty on remuneration of the Management Company	-	4,251,635
Accounting and operational charges	2,264,390	802,733
Sindh Sales Tax on accounting and operational charges	181,151	47,878
Remuneration payable to the Management Company	4,793,989	2,387,299
Issue of Nil (2016: 25,377) units	-	11,643,546
Redemption of 11,971 (2016: Nil) units	7,500,000	-
Cash dividend	-	1,878,338
Outstanding 50,973 (2016: 62,944) units - at net asset value	31,132,779	29,745,506
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	3,302,260	2,328,634
Sindh sales tax on remuneration of the Trustee	429,294	326,009
Remuneration paid	3,178,875	2,291,570
Remuneration payable to the Trustee	324,719	201,334
Settlement charges	188,900	171,102
Sindh sales tax on settlement charges	24,557	23,396
Atlas Battery Limited (Group Company)		
Issue of 1,160,763 (2016: 78,281) units	662,253,087	35,000,000
Redemption of 320,875 (2016: Nil) units	200,000,000	-
Cash dividend	-	19,528,495
Dividend paid	-	19,528,495
Outstanding 1,308,739 (2016: 468,851) units - at net asset value	799,338,519	221,564,637
Atlas Honda Limited (Group Company)		
Cash dividend	-	36,072,632
Dividend paid	-	36,072,632
Outstanding 721,453 (2016: 721,453) units - at net asset value	440,641,849	340,936,871

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Shirazi Investments (Private) Limited (Group Company)		
Issue of Nil (2016: 5,074) units	-	2,263,134
Redemption of Nil (2016: 56,803) units	-	24,927,926
Cash dividend	-	2,586,439
Atlas Insurance Limited (Group company)		
Issue of 731,162 (2016: 329,289) units	408,487,682	142,794,812
Redemption of 819,021 (2016: 291,844) units	477,893,034	126,822,113
Cash dividend	-	28,565,499
Outstanding 520,896 (2016: 608,755) units - at net asset value	318,147,650	287,679,178
Atlas Foundation (Group company)		
Issue of 9,784 (2016: 80,216) units	5,000,000	34,368,126
Cash dividend	-	420,716
Outstanding 98,414 (2016: 88,630) units - at net asset value	60,108,319	41,884,211
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)		
Cash dividend	-	5,399,235
Dividend paid	-	5,399,235
Outstanding 107,985 (2016: 107,985) units - at net asset value	65,953,998	51,030,328
Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of group company)		
Redemption of 15,780 (2016: Nil) units	9,860,449	-
Cash dividend	-	2,895,879
Dividend paid	-	2,895,879
Outstanding 42,138 (2016: 57,918) units - at net asset value	25,736,626	27,370,108
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)		
Issue of Nil (2016: 2,744) units	-	1,223,666
Cash dividend	-	1,223,666
Outstanding 27,217 (2016: 27,217) units - at net asset value	16,623,327	12,861,859
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Redemption of 8,078 (2016: Nil) units	5,000,000	-
Cash dividend	-	3,123,021
Dividend paid	-	3,123,021
Outstanding 54,383 (2016: 62,460) units - at net asset value	33,214,894	29,516,919
Batools Benefit Trust (Trust having common Director / Trustee)		
Issue of Nil (2016: 9,277) units	-	4,137,705
Cash dividend	-	4,728,806
Outstanding 103,853 (2016: 103,853) units - at net asset value	63,430,297	49,077,840

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	-----Rupees-----	
Atlas Insurance Limited Window Takaful Operation		
Issue of 40,327 (2016: Nil) units	24,000,000	-
Outstanding 40,327 (2016: Nil) units - at net asset value	24,630,522	-
Cherat Cement Company Limited Employees Provident Fund		
Issue of 3,274 (2016: Nil) units	2,096,423	-
Outstanding 3,274 (2016: Nil) units - at net asset value	1,999,919	-
Directors and their close family members and key management personnel of the Management Company		
Issue of 408 (2016: 17,006) units	249,421	7,592,214
Redemption of 24,539 (2016: 9,006) units	15,067,318	3,947,614
Cash dividend	-	6,059,709
Dividend Paid	-	40,037
Outstanding 126,891 (2016: 151,022) units - at net asset value	77,501,216	71,368,467

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

19.6 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 2016-17.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	-----As at 30 June 2017-----			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	----- (Rupees) -----			
Financial Assets				
Bank balances	442,628,274	-	-	442,628,274
Investments	-	2,310,721,597	-	2,310,721,597
Profit receivable on bank balances	2,078,198	-	-	2,078,198
Dividend receivable	8,034,160	-	-	8,034,160
	452,740,632	2,310,721,597	-	2,763,462,229

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Financial Liabilities

Payable to Atlas Asset Management Limited - Management Company	-	17,686,027	17,686,027
Payable to Central Depository Company of Pakistan Limited - Trustee	-	378,232	378,232
Payable against purchase of investments	-	32,143,394	32,143,394
Payable against redemption of units	-	219,844,446	219,844,446
Payable against purchase of investments	-	1,844,488	1,844,488
	-	271,896,587	271,896,587

As at 30 June 2017		
Liabilities at fair value through profit or loss	Other financial liabilities	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 issue of units	225,000	-	-	225,000
	78,960,912	1,367,162,490	-	1,446,123,402

As at 30 June 2016			
Loans and receivables	At fair value through profit or loss	Available for sale	Total
(Rupees)			

Financial Liabilities

Payable to Atlas Asset Management Limited - Management Company	-	14,857,995	14,857,995
Payable to Central Depository Company of Pakistan Limited - Trustee	-	244,758	244,758
Payable against purchase of investments	-	-	-
Payable against redemption of units	-	492,980	492,980
Accrued expenses and other liabilities	-	1,505,931	1,505,931
	-	17,101,664	17,101,664

As at 30 June 2016		
Liabilities at fair value through profit or loss	Other financial liabilities	Total
(Rupees)		

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

21.1 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.

21.2 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 2017, 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 exposes the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2017, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 4,422,180 (2016: Rs. 768,413).

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 2017 is not necessarily indicative of the impact on the Fund's net assets of the future movement 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, 2017 can be determined as follows:

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

As at June 30, 2017						
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit raterisk Total		
	Upto three months	More than three months and upto one year	More than one year			
Percentage	(Rupees)					
Financial Assets						
Cash and Bank balances	2.0 - 5.95	442,218,003	-	-	410,271	442,628,274
Investments	-	-	-	-	2,310,721,597	2,310,721,597
Markup accrued		-	-	-	2,078,198	2,078,198
Dividend receivable					8,034,160	8,034,160
		442,218,003	-	-	2,321,244,226	2,763,462,229
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	17,686,027	17,686,027
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	378,232	378,232
Payable against Purchase of Investment					32,143,394	32,143,394
Payable against redemption of units		-	-	-	219,844,446	219,844,446
Accrued expenses and other liabilities		-	-	-	1,844,488	1,844,488
		-	-	-	271,896,587	271,896,587
On-balance sheet gap (a)		442,218,003	-	-	2,049,347,639	2,491,565,642
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		442,218,003	-	-		
Cumulative interest rate sensitivity gap		442,218,003	-	-		

As at June 30, 2016						
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit raterisk Total		
	Upto three months	More than three months and upto one year	More than one year			
Percentage	(Rupees)					
Financial Assets						
Cash and Bank balances	4.0 - 6.1	76,841,269	-	-	13,000	76,854,269
Investments		-	-	-	1,367,162,490	1,367,162,490
Markup accrued		-	-	-	396,343	396,343
Dividend receivable		-	-	-	1,485,300	1,485,300
Receiveable against sale of units		-	-	-	225,000	225,000
		76,841,269	-	-	1,369,282,133	1,446,123,402
Financial Liabilities						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	14,857,995	14,857,995
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	244,758	244,758
Payable against Purchase of investments		-	-	-	-	-
Payable against redemption of units		-	-	-	492,980	492,980
Accrued expenses and other liabilities		-	-	-	1,505,931	1,505,931
		-	-	-	17,101,664	17,101,664
On-balance sheet gap (a)		76,841,269	-	-	1,352,180,469	1,429,021,738
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a + b)		76,841,269	-	-		
Cumulative interest rate sensitivity gap		76,841,269	-	-		

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(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, 2017, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 8,544,101 (2016: 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, 2017 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

21.3 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.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. Furthermore, the SECP now requires asset management companies to arrange committed credit lines from banks/DFIs equivalent to 10% of the net assets in case of equity schemes. These approved limits are required to be reviewed by the AMCs at least on a quarterly basis against the net assets of the Funds. Accordingly, the Management Company has obtained current finance from Bank Islami Pakistan Limited with an approved limit of Rs 431 million on behalf of the Fund. The facility bears interest at commercial rates but remained unutilised till the year ended June 30, 2017.

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:

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

-----As at 30 June 2017-----

Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
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-----Rupees-----

Financial Assets

Bank balances	442,628,274	-	-	-	442,628,274
Investments	-	-	-	2,310,721,597	2,310,721,597
Profit receivable on bank balances	2,078,198	-	-	-	2,078,198
Dividend receivable	8,034,160	-	-	-	8,034,160
	452,740,632	-	-	2,310,721,597	2,763,462,229

Financial Liabilities

Payable to Atlas Asset Management Limited - Management Company	17,686,027	-	-	-	17,686,027
Payable to Central Depository Company of Pakistan Limited - Trustee	378,232	-	-	-	378,232
Payable against Purchase of Investment	32,143,394	-	-	-	32,143,394
Payable against redemption of units	219,844,446	-	-	-	219,844,446
Accrued expenses and other liabilities	613,844	599,033	631,611	-	1,844,488
	270,665,943	599,033	631,611	-	271,896,587

Net assets / (liabilities)

182,074,689	(599,033)	(631,611)	-	2,310,721,597	2,491,565,642
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-----As at 30 June 2016-----

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	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
Receivables against sale of units	225,000	-	-	-	225,000
	78,960,912	-	-	1,367,162,490	1,446,123,402

Financial Liabilities

Payable to Atlas Asset Management Limited - Management Company	14,857,995	-	-	-	14,857,995
Payable to Central Depository Company of Pakistan Limited - Trustee	244,758	-	-	-	244,758
Payable against purchase of investments	-	-	-	-	-
Payable against redemption of units	492,980	-	-	-	492,980
Accrued expenses and other liabilities	499,266	404,823	601,842	-	1,505,931
	16,094,999	404,823	601,842	-	17,101,664

Net assets / (liabilities)

62,865,913	(404,823)	(601,842)	-	1,367,162,490	1,429,021,738
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NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

21.4 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable, deposit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

	2017		2016	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	442,628,274	442,628,274	76,854,269	76,854,269
Investments	2,310,721,597	-	1,367,162,490	-
Profit receivable on bank balances	2,078,198	2,078,198	396,343	396,343
Dividend receivable	8,034,160	8,034,160	1,485,300	1,485,300
Receivable against issue of units	-	-	225,000	225,000
	2,763,462,229	452,740,632	1,446,123,402	78,960,912

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs 2,310.722 million (2016: Rs 1,367.162 million) is not exposed to credit risk.

21.4.1 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	
	2017	2016
AAA	-	-
AA+	0.12	-
AA	0.00	0.01
A+	-	80.53
A	99.88	19.46
	100.00	100.00

The maximum exposure to credit risk before any credit enhancement as at 30 June 2017 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.

21.5 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.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

21.6 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.

22 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.

23 UNIT HOLDING PATTERN OF THE FUND

Category	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	488	198,447,968	8.01%	386	139,858,050	9.91%
Retirement Funds	14	322,052,692	12.99%	11	232,432,108	16.46%
Associated Companies/ Directors*	10	1,801,336,252	72.66%	9	1,030,912,346	73.02%
Others	6	146,768,050	5.92%	3	8,586,740	0.61%
Insurance Companies	1	10,293,794	0.42%	-	-	0.00%
	519	2,478,898,756	100.00%	409	1,411,789,244	100.00%

* These include investments made by a window takaful operations of an associated company.

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2017		2016	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Shajar Capital Pakistan (Private) Limited	7.26%	Optimus Capital Management (Private) Limited	9.78%
JS Global Capital Limited	6.93%	Shajar Capital Pakistan (Private.) Limited	8.93%
Optimus Capital Management (Private) Limited	6.90%	Taurus Securities Limited	7.27%
AlFalah Securities (Private) Limited	6.27%	Habib Metropolitan Financial Services Limited	6.76%
Topline Securities (Private) Limited	6.24%	JS Global Capital Limited	6.10%
Habib Metropolitan Financial Services Limited	6.01%	IGI Finex Securities Limited	6.06%
Next Capital Limited	5.28%	Next Capital Limited	5.65%
IGI Finex Securities Limited	5.23%	Global Securities Pakistan Limited	5.60%
Global Securities Pakistan Limited	5.19%	Topline Securities (Private) Limited	5.15%
Intermarket Securities (Private) Limited	4.98%	Al-Hoqani Securities & Investment Corporation (Private) Limited	4.87%

25 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	49 Years
Mr. Ali H. Shirazi	Director	Masters in Law	13.5 years
Mr. M. Abdul Samad	Chief Operating Officer	MBA, M.Com	17 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	13 Years
Mr. Muhammad Umar Khan	Fund Manager	MSc - Finance	9 Years
Mr. Fawad Javaid	Fund Manager	CMA	9 Years
Mr. Faran-ul-Haq	Fund Manager	B.A, CFA	6 Years

26 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

NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

27 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					
	11 July 2016	29 Aug. 2016	27 Oct. 2016	27 Feb. 2017	27 Apr. 2017	12 Jun. 2017
Mr. Yusuf H. Shirazi	P	P	P	P	L	P
Mr. Tariq Amin	N/A**	P	P	P	P	P
Mr. Shamshad Nabi	P	L	L	P	P	P*
Mr. Frahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. Arshad P. Rana	L	L	P	P	P	P*
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms. Qurrat-ul-ain Jafari	P	P	P	P	P	P

* Attended through teleconference call.

** Joined w.e.f 09 August 2016

P Present

L Leave of absence

28 RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2016: AM2 (AM Two)] on 4 May 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

29 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of Management Company in the meeting held on 07 July 2017, approved a final cash dividend of Rs. 35 Per unit on the face value of Rs. 500 each (i.e 7%) amounting to Rs. 142,053,721. The financial statements of the fund for the year ended 30 June 2017 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending 30 June 2018.

30 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged 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 have been made in these financial statements during the current year.

31 GENERAL

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 30 August 2017.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

ادارے پر عائد معاشرتی ذمے داریاں اور عطیات:

بورڈ سے منظور شدہ کمپنی کے عطیات دینے کے اصول و ضوابط کے تحت ہر سال کمپنی، منتظم کمپنی کے منافع، بعد از ادائیگی محصول، کا ایک فیصد عطیہ کرتی ہے۔ اس کے علاوہ شرعی اصولوں پر عمل پیرا ”ٹلس اسلامک اسٹاک فنڈ“ اور ”ٹلس اسلامک انکم فنڈ“ کی تاسیسی دستاویزات کے تحت یہ لازم ہے کہ فنڈز کی آمدنی کو اس میں شامل حرام جزو سے پاک کیا جائے۔ شرعی مشیر کی تصدیق کے بعد اس طرح کی آمدنی کو سہ ماہی بنیادوں پر، شرعی مشیر کی جانب سے منظور کردہ خیراتی اداروں کو عطیہ کر دیا جاتا ہے۔

یونٹس کے سودے:

دوران سال ڈائریکٹر صاحبان، چیف ایگزیکٹو آفیسر، اُن کی بیویوں اور زیر کفالت بچوں نے فنڈز کے یونٹس کی خرید و فروخت نہیں کی، سوائے ان کے جن کی تفصیل ٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، ٹلس اسلامک اسٹاک فنڈ (اے آئی آئی ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۱ اور ۱۹ میں 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 پلس کے درجہ پر ۲۴ مئی ۲۰۱۷ کو فائز کیا ہے (۲۰۱۶ میں اے ایم ٹو کے درجے پر تھی)۔ یہ درجہ اس بات کی نشاندہی کرتا ہے کہ منتظم کمپنی میں مختلف النوع سرمایہ کاری خطرات سے بہتر طریقے سے نمٹنے 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):

۱۲ جولائی ۲۰۱۷ کو (پی اے سی آر اے) نے اس فنڈ کو اے اے منفی ایف (ڈبل اے منفی 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 ۲۸ اگست ۲۰۱۷ کو میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کراچی کو دوبارہ ٹلس اسلامک انکم فنڈ اور میسرز ای وائی فورڈ رہوڈ، چارٹرڈ اکاؤنٹنٹس، کراچی کو ٹلس اسلامک اسٹاک فنڈ کے ۳۰ جون ۲۰۱۸ کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز تعیناتی کی منظوری دی۔ بورڈ آف ڈائریکٹرز نے آڈیٹرز کی تعیناتی کی توثیق کر دی ہے۔

اقرار نامہ

منتظم کمپنی کا بورڈ آف ڈائریکٹرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا ان کی مسلسل اور قابل قدر رہنمائی پر شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین اور اسٹشیاں کا ان کی انتھک 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

ایم حبیب الرحمن

چیف ایگزیکٹو آفیسر

کراچی: ۳۰ اگست ۲۰۱۷ء

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

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

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

☆ بورڈ ایویلویشن کمیٹی (بی ای سی)، دوران سال (بی ای سی) کا کوئی اجلاس منعقد نہیں ہوا۔

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

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

☆ 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 / افسر کا نام	عہدہ	تعداد شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱۳
۲	جناب ایم حبیب الرحمن	چیف ایگزیکٹو آفیسر	۲۳
۳	جناب ایم عبدالصمد (ایگزیکٹو مینجمنٹ)	چیف آپریٹنگ آفیسر، ممبر (آئی سی)	۲۹
۴	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر، ممبر (آئی سی)	۲۹
۵	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	فنانس مینجر، ممبر (آئی سی)	۳۰
۶	جناب نواز جاوید (ایگزیکٹو مینجمنٹ)	فنانس مینجر، ممبر (آئی سی)	۳۴
۷	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	فنانس مینجر، سیکریٹری (آئی سی)	۳۵

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 ۵.۱۹.۷ کے تحت ڈائریکٹرز کے تربیتی پروگرام سے استثنیٰ حاصل ہے۔ جبکہ بقیہ دو ڈائریکٹر صاحبان سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی شرائط پر پورا اترنے والے منظور شدہ اداروں سے مطلوبہ سرٹیفیکٹ حاصل کر چکے ہیں۔

کارپوریٹ نظم و ضبط:

کمپنی کارپوریٹ نظم و ضبط 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 لاینفک ہے۔ جولائی ۲۰۱۲ء میں کارپوریٹ نظم و ضبط 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۔ یہ ضابطہ اخلاق کمپنی کی ویب سائٹ پر دستیاب ہے۔

کارپوریٹ نظم و ضبط کے تقاضوں کو مد نظر رکھتے ہوئے ۲۰۱۴ء میں بورڈ ایویو لیشن 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 چیئرمین ہیں، جبکہ دوسرے سرپرست خاندان کی نمائندگی کرتے ہیں۔ بورڈ ایویو لیشن کمیٹی کا اگلا اجلاس اپریل ۲۰۱۸ء میں منعقد ہوگا۔

کارپوریٹ نظم و ضبط 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 پونٹ 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 وہ بین الاقوامی معیارات جو پاکستان میں لاگو ہوتے ہیں، کو مد نظر رکھا گیا ہے اور اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔
- ☆ اندورنی نظم و ضبط کا نظام موثر نگرانی میں مستحکم بنیادوں پر نافذ ہے۔
- ☆ فنڈز کے مستقل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔
- ☆ کارپوریٹ نظم و ضبط کے اصولوں سے، جن کی تفصیل لسٹنگ قواعد میں دی گئی ہے، کوئی انحراف نہیں ہے کیا گیا ہے۔
- ☆ قانونی ادائیگیوں، ٹیکس اور عائد کردہ محصولات کو مالیاتی گوشواروں میں مناسب طور پر ظاہر کر دیا 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 ۲۲ اور ۶۲ 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 ۲۵ اور ۲۳ 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۔ دوران سال اتفاقہ طور پر بورڈ میں کوئی آسامی خالی نہیں ہوتی۔

مالیاتی سال ۲۰۱۶ء کے دوران بورڈ کے چھ اجلاس منعقد ہوئے۔ این بی ایف سی قواعد ۲۰۰۸ء 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 ۲۹ اور ۲۷، میں ظاہر کر دیے گئے ہیں۔

ڈائریکٹر رپورٹ:

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف) اور اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کے آڈٹ شدہ مالیاتی نتائج برائے اختتام سال ۲۰۱۷ء، 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 ایس ایف		اے آئی آئی ایف		تفصیلات
۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷	
۲۶.۷۹	۱۳۸.۵۱	۲۲.۳۵	۱۱.۸۲	آمدنی فی یونٹ (روپے)
۵.۷۳ فیصد	۲۹.۲۵ فیصد	۴.۹۷ فیصد	۵.۹۷ فیصد	منافع
۱۰,۴۱۱,۷۹	۲,۴۷۸,۹۰	۵۵۸,۵۵	۱,۶۱۲,۲۶	خالص اثاثہ جات (روپے بلین میں)
۳۵۶.۷۱	۲,۰۷۹.۶۰	۴۰۹.۹۲	۵۰۰,۲۲۶	پینس کی فروخت (روپے بلین میں)
۸۱۶,۶۹۴	۳,۵۲۷,۵۰۵	۷۹۹,۳۹۰	۹,۷۶۸,۱۹۹	پینس کی فروخت (کل پینس)
۳۰۰.۹۸	۱,۴۸۰,۱۴	۲۷۵.۳۲	۴,۰۲۵,۴۶	پینس کی خرید (روپے بلین میں)
۶۸۳,۴۳۳	۲,۴۵۲,۳۲۱	۵۳۱,۹۱۲	۷,۶۷۱,۷۱۳	پینس کی خرید (کل پینس)
۲,۹۸۷,۴۹۴	۴,۰۵۸,۶۷۸	۱,۱۱۲,۹۳۸	۳,۲۱۰,۴۲۴	سال کے آخر میں واجب الادا پینس

(اے آئی آئی ایف) اور (اے آئی ایس ایف) کی آمدنی فی یونٹ، خالص اثاثہ جات اور پینس کی خرید و فروخت کا جدول برائے اختتام مالی سال ۲۰۱۶ء۔ ۲۰۱۷ء حسب ذیل ہے:

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 ۲۰ جون ۲۰۱۷ء میں برائے مالی سال ۲۰۱۶-۱۷ء کے لئے ۲۸.۵۰ روپے عبوری منافع منقسمہ فی یونٹ، ۵۰۰ روپے قیمت والے یونٹ کا ۷.۷۰ فیصد کی منظوری دی، (۲۰۱۶ء کے لیے عبوری منافع منقسمہ ۵۰۰ روپے قیمت والے یونٹ کے لئے ۲۵.۰۰ روپے، ۵.۰۰ فیصد فی یونٹ تھا)۔ کسی حتمی منافع منقسمہ کا اعلان نہیں کیا گیا۔

تقسیم آمدنی برائے (اے آئی ایس ایف):

اٹلس ایسٹ مینجمنٹ لیمیٹڈ، منتظم برائے اٹلس اسلامک انکم فنڈ (اے آئی ایس ایف)، کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ ۱۱ جولائی ۲۰۱۷ء میں برائے اختتام مالی سال ۲۰۱۶-۱۷ء کے لئے ۳۵.۰۰ روپے منافع منقسمہ فی یونٹ، ۵۰۰ روپے قیمت والے یونٹ کا ۷.۰۰ فیصد کی منظوری دی، (۲۰۱۶ء کے لیے منافع منقسمہ نہیں تھا)۔

چیزیں کا جائزہ:








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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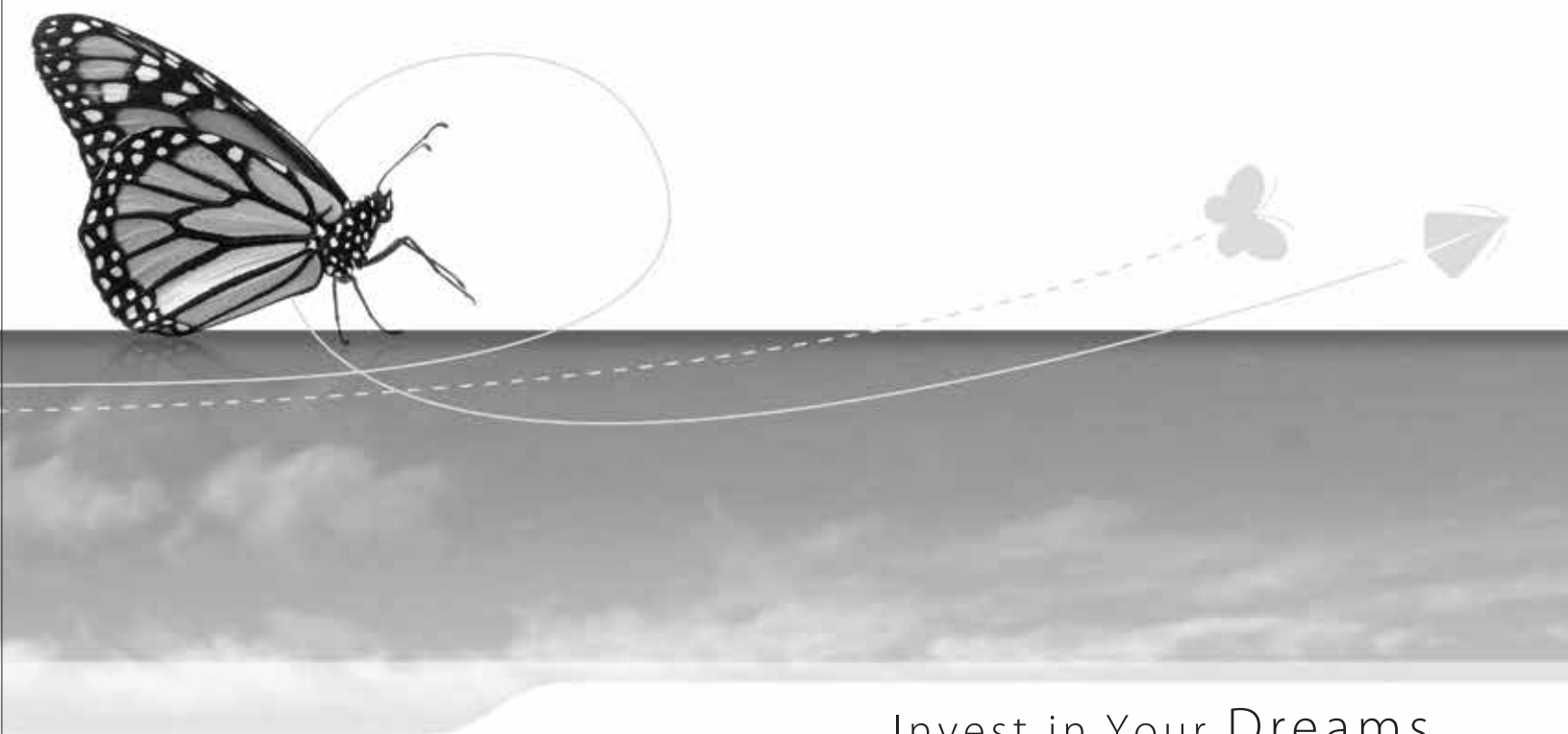


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