



**Atlas Islamic Income Fund**

**Atlas Islamic Stock Fund**

**Atlas Islamic Fund of Funds**

**Atlas Islamic Dedicated Stock Fund**

**ANNUAL REPORT**

**30 June 2020**



Managed By

**Atlas Asset Management**

Rated AM2+ by PACRA  
(as of December 26, 2019)



# MANAGING TO THE CORE!

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

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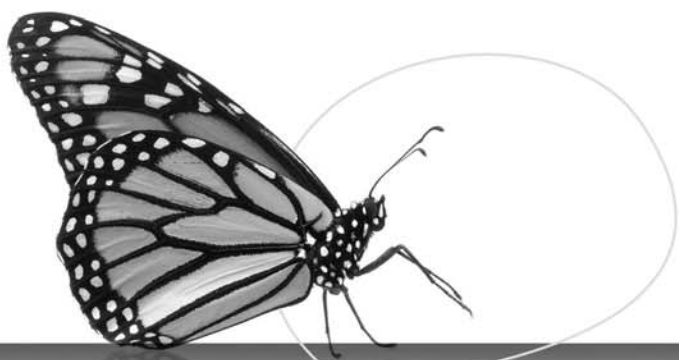
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## Diversity

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

# Remembering Our Legend

## MR. YUSUF H. SHIRAZI

FOUNDER CHAIRMAN ATLAS GROUP OF COMPANIES

Jan 1<sup>st</sup>, 1929 - Oct 20<sup>th</sup>, 2019

October 20, 2019 will be remembered as a sad day when Mr. Yusuf H. Shirazi, the Founder and Chairman of Atlas Group, left for his heavenly abode. Mr. Shirazi was a visionary with a unique business acumen. He will be long remembered as one of the most successful first generation entrepreneurs of Pakistan. After working briefly in the public and private sectors as a professional, he embarked on a long and distinguished career in private enterprise where he set up numerous successful companies in the field of engineering, finance, trading and power generation. In particular, his collaboration with Honda Motor paved the way for establishment of the Auto Industry in Pakistan. He touched countless lives by providing inspiring vision, defining new careers and creating numerous opportunities.

His legacy of professional management, integrity and 'Pakistan first' mantra will continue to inspire generations. Through his entrepreneurial zeal and perseverance, he managed to build enduring joint ventures with world-renowned foreign companies such as Honda, GS Yuasa, MAN, TOTAL, Bank of Tokyo (MUFG), Asian Development Bank, DEG and IFC.

Mr. Shirazi was highly respected as a patriot, industrialist, author and philanthropist. In recognition of his services, he was decorated with the Sitara-e-Essar and Sitara-e-Imtiaz by the Government of Pakistan. He was also bestowed National Awards by the Government of Japan.

At Atlas Asset Management Limited, we will continue to draw inspiration from his extraordinary life and be guided by his principles of the **ATLAS WAY** - a source of guidance for all our future endeavors. While we mourn his passing, we will celebrate his life with the goal to continue making his beloved Atlas Group stronger - Generation after Generation.



# Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20th August, 2002 as an unlisted public limited company. AAML as a Non-Banking Finance Company (NBFC) is licensed & regulated by Securities & Exchange Commission of Pakistan to perform Asset Management and Investment Advisory Services as per the NBFC (Establishment and Regulations) Rules, 2003 & NBFC and Notified Entities Regulations, 2008 and as a Pension Fund Manager to manage voluntary pension funds (under Voluntary Pension System Rules, 2005). AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited. AAML manages assets on behalf of retirement funds, welfare organizations, insurance companies, multinationals, NBFCs and individuals.

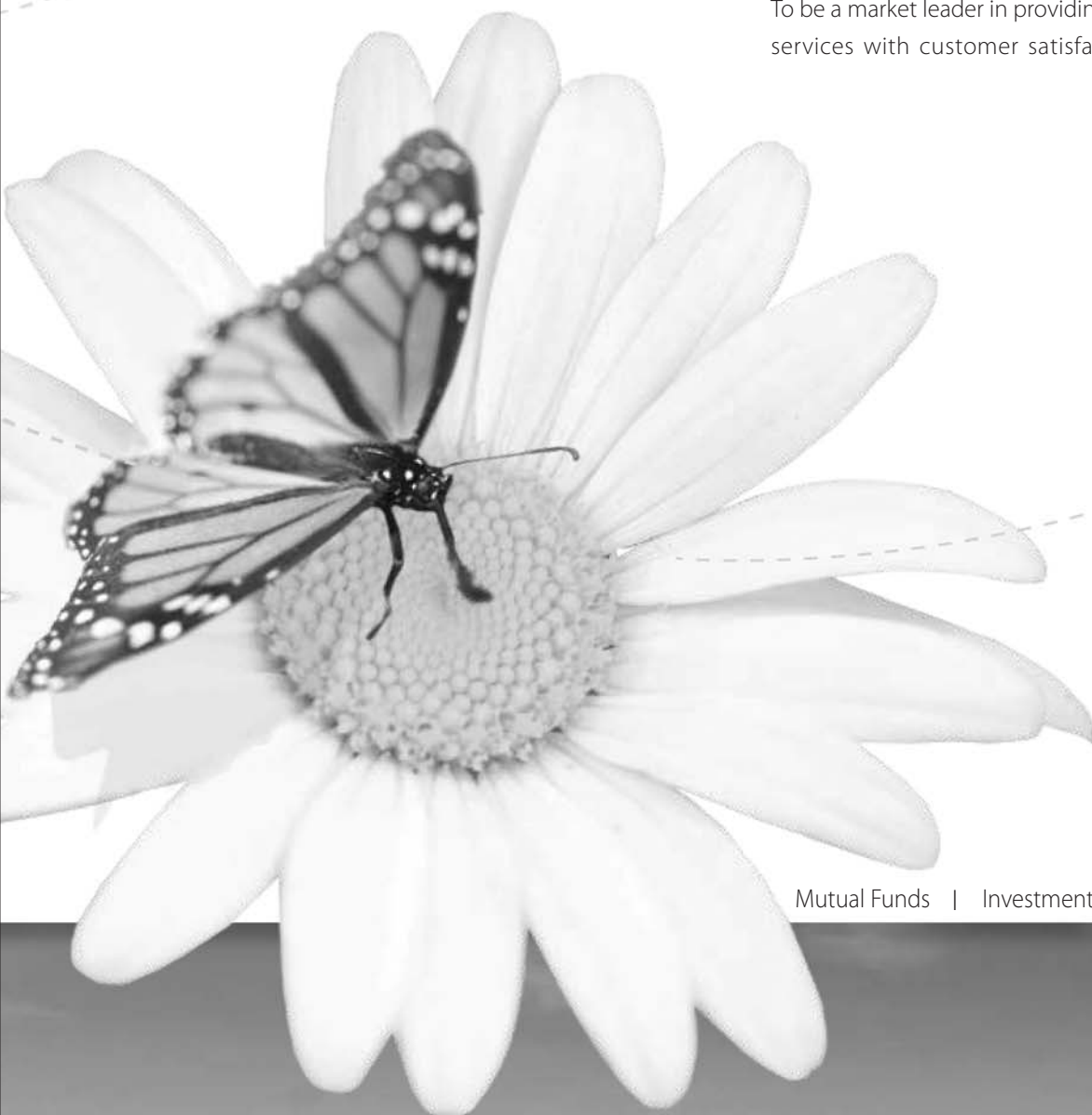
AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

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.



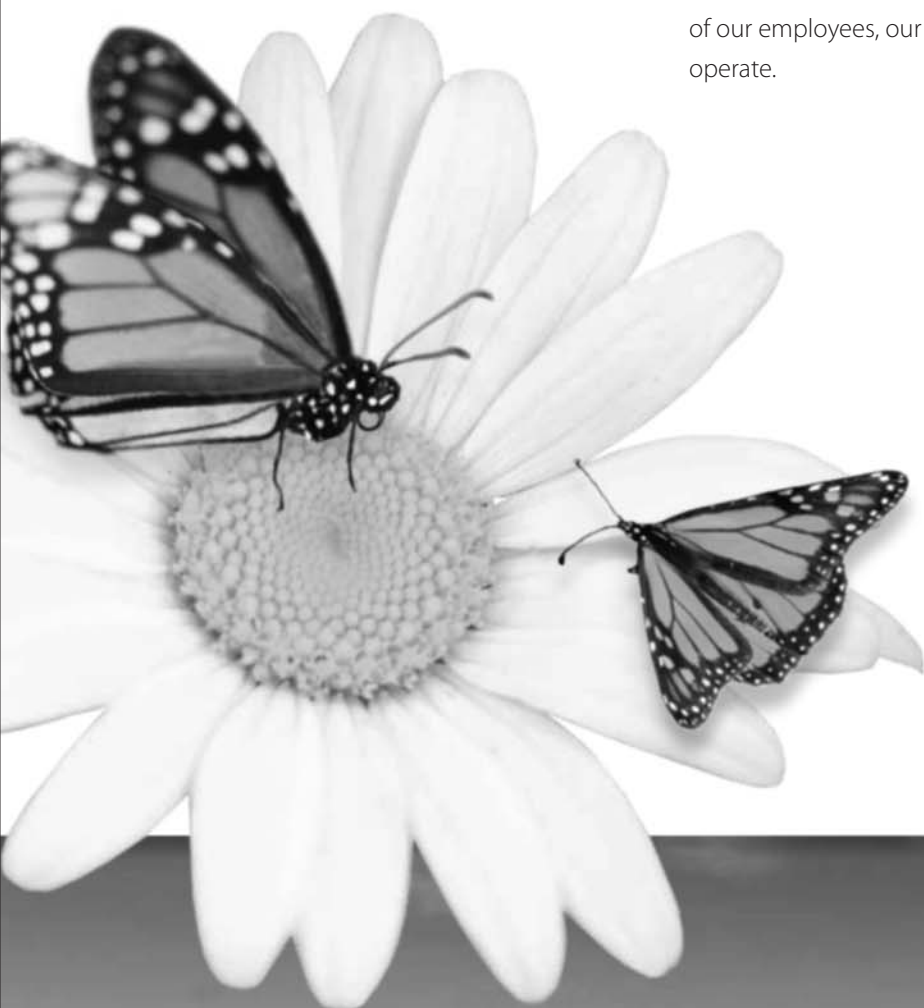
Mutual Funds | Investment Plans | Pension Funds

## 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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# Organisation

## Management Company

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Atlas Asset Management Limited

## Board of Directors of the Management Company

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**Chairman** Mr. Iftikhar H. Shirazi  
(Non-Executive Director)

**Directors** Mr. Tariq Amin  
(Independent Director)  
Ms Zehra Naqvi  
(Independent Director)  
Mr. Frahim Ali Khan  
(Non-Executive Director)  
Mr. Ali H. Shirazi  
(Non-Executive Director)  
Mr. M. Habib-ur-Rahman  
(Non-Executive Director)

**Chief Executive Officer** Mr. Muhammad Abdul Samad  
(Executive Director)

**Company Secretary** Ms Zainab Kazim

## Board Committees

### Audit Committee

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**Chairman** Mr. Tariq Amin  
**Members** Mr. Frahim Ali Khan  
Mr. M. Habib-ur-Rahman

**Secretary** Mr. M. Uzair Uddin Siddiqui

### Human Resource & Remuneration Committee

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**Chairperson** Ms Zehra Naqvi  
**Members** Mr. Frahim Ali Khan  
Mr. Ali H. Shirazi  
Mr. Muhammad Abdul Samad

**Secretary** Ms Zainab Kazim

## Investment Committee

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

## Management Committee

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**Chairman** Mr. Muhammad Abdul Samad  
**Members** Mr. Khalid Mahmood  
Ms Qurrat-ul-Ain Jafari  
Ms Mishaal H. Shirazi  
Mr. Tariq Ahmed Siddiqui  
Ms Ayesha Farooq  
Ms Zainab Kazim  
Mr. M. Kamran Ahmed  
Mr. Najam Shehzad  
**Secretary** Mr. Muhammad Umar Khan

## Risk Management Committee

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**Chairman** Mr. Muhammad Abdul Samad  
**Members** Mr. Khalid Mahmood  
**Secretary** Mr. Shaikh Owais Ahmed

## Chief Financial Officer

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Ms Qurrat-ul-Ain Jafari

## Chief Internal Auditor

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Mr. M. Uzair Uddin Siddiqui

## Registered Office

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

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## Board of Directors of the Management Company

### Mr. Iftikhar H. Shirazi

Chairman

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Mr. Iftikhar H. Shirazi graduated with a Bachelor of Science in Finance from Notre Dame De Namur University (formerly College of Notre Dame), USA, and completed his OPM from Harvard Business School, USA. He has over 30 years of corporate management experience, more particularly in the financial and trading sectors. He has to his credit, work experience at Bank of Tokyo-Mitsubishi, Yamaichi Securities, and Toyota Tsusho Corporation.

He is currently Chairman of Shirazi Investments (Pvt) Limited, Atlas Asset Management Limited, Atlas Insurance Limited, Shirazi Trading Company (Private) Limited, Atlas Foundation and Atlas Information Technology Resource Centre. He is also a member of the SAARC Chamber of Commerce & Industry, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and Karachi Chamber of Commerce & Industry (KCCI). He is also serving on the Board of Governors of the British Overseas Association. He was also a member of the Aga Khan Resource Development Committee and FPCCI Executive Committee. He has also served the Management Association of Pakistan as their Vice President.

He also enjoys membership of several other prestigious associations that include, Harvard Club of New York and Pakistan, Young Presidents Organization, Aitchison College Old Boys Association, Government College of Commerce & Economics Old Students Association and English Speaking Union. He was also President of International Club, Notre Dame De Namur (formerly College of Notre Dame), USA.

### Mr. Fahim Ali Khan

Director

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Mr. Fahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, U.S.A., Financial Management Program at Stanford University, U.S.A. and General Management Program at Insead University, France. He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently, his other directorships include Atlas Insurance Limited, Atlas Battery Limited, Atlas D.I.D. (Private) Limited, Atlas Engineering (Private) Limited, Atlas Power Limited, Atlas Energy Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Shirazi Trading Company (Private) Limited, Shirazi Investments (Private) Limited, Zhenfa Pakistan and Atlas Foundation. Earlier, he has also served on the boards of Atlas Honda Limited and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management Limited and former Atlas Investment Bank Limited.

### Mr. M. Habib-ur-Rahman

Director

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Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants in England & Wales and has attended 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 Securities and Exchange Commission of Pakistan (SECP) nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of SECP Advisory Group on Capital Markets, member of the SECP Enquiry Committee (appointed in 2001) on management of Exposure Rules by KSE / LSE and member of the SECP Enquiry Committee (appointed in 2013) on 2008 financial crisis. He was the Chief Executive Officer of Atlas Asset Management Limited from March 2004 till March 2018. His other directorships include Atlas Insurance Limited & Atlas Foundation.

### Mr. Tariq Amin

Independent Director

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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. Ali H. Shirazi

Director

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Mr. Ali H. Shirazi graduated with a BA 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 the Chief Executive Officer at Atlas Battery Limited and is a member of the Group Executive Committee, responsible for Group's financial services. He is on the Board of Atlas Asset Management Limited, Atlas Foundation, Atlas Insurance Limited, Atlas Global FZE, Atlas Venture Limited, Oyster International Holdings Limited, SF Global Holdings Limited, Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Techlogix International Limited, National Management Foundation (sponsoring body of LUMS) and Cherat Packaging Limited. Previously he has also served on the Board of National Clearing Company of Pakistan Limited (NCCPL). He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.

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## Board of Directors of the Management Company

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### Ms Zehra Naqvi Independent Director

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Ms Zehra Naqvi was the Chief Executive Officer of Chubb Insurance Pakistan, (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware, USA) from September 2005 to September 2017. She has over 35 years of work experience in the insurance sector. Prior to joining Chubb, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and Adamjee Insurance Company in Pakistan. Ms. Naqvi holds a B.Sc. Degree, and an MBA Degree from the Institute of Business Administration, Karachi University. She is a Chartered Insurer from the Chartered Insurance Institute, UK and is a Certified Director from Institute of Chartered Accountants of Pakistan. She presently serves as a Non-executive Director on the Board of Chubb Insurance Pakistan Limited and as an Independent Director on the Board of Abbott Laboratories Pakistan Limited. She has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan and of the Executive Committee of The American Business Council.

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### Mr. Muhammad Abdul Samad Chief Executive Officer

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Mr. Muhammad Abdul Samad has a vast experience of local investment management industry. He joined Atlas Asset Management Limited as a Fund Manager - Equity Funds in November 2005, and has held C-suite positions for over a decade, including the Chief Investment Officer and Chief Operating Officer positions. He also attended Advanced Management Program at INSEAD Fontainebleau, on nomination by the Atlas Group. Prior to joining AAML, Mr. Samad spearheaded the research function at National Investment Trust Limited, and was also a part of various merger, acquisition and corporate governance related matters beside research. He has a significant Board experience, where he has served as a director on the board of nineteen listed companies, including Atlas Battery Limited, Lucky Cement, Berger Paints, Mirpurkhas Sugar, amongst others. Currently, he is serving as a Director on the Board of Mutual Funds Association of Pakistan and also Chairman of its Accounts & Taxation Committee.



Give your  
**SAVINGS** the  
**ATLAS ASSET**  
**BENEFIT!**

Growth | Returns | Tax Savings

# Chairman's Review

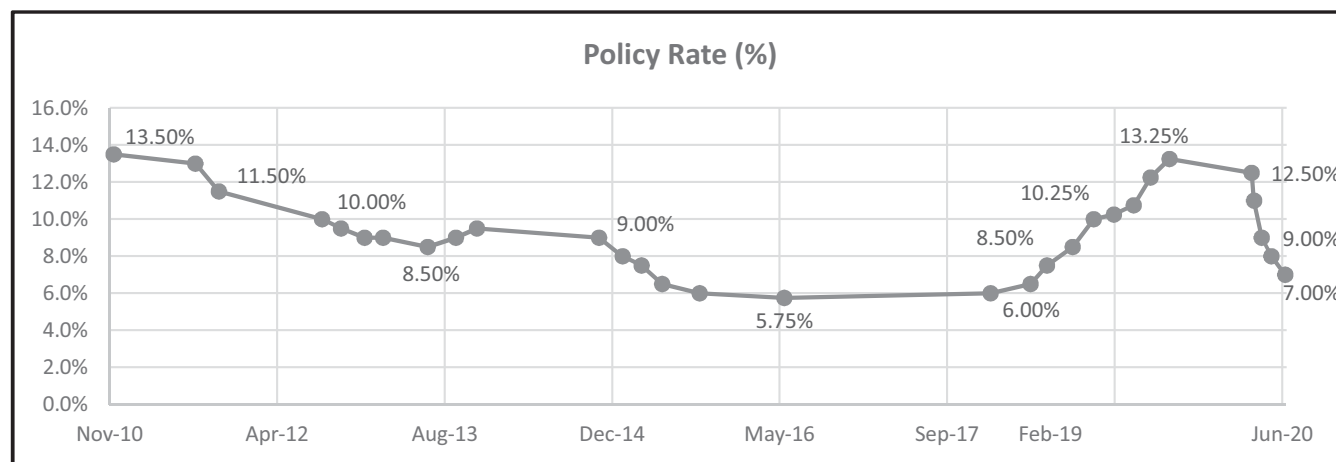
It is my pleasure to present to you the Annual Reports of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Fund of Funds (AIFO) and Atlas Islamic Dedicated Stock Fund (AIDSF) for the financial year ended June 30, 2020.

## THE ECONOMY

The government's implementation of policy and stabilization measures amid IMF program brought economic stability as both external and fiscal sector showed marked improvement. During the year, broad-based softening of domestic demand due to tight monetary policy and market-based exchange rate regime significantly improved macroeconomic indicators. CAD reduced by 77.89% to US \$2.97 billion in FY20 compared to US \$13.43 billion in FY19, largely on the back of 18.61% decline in FY20 Imports of US \$44.57 billion compared to US \$54.76 billion in FY19. Worker's Remittances of US \$23.12 billion grew by 6.36% in FY20 compared to US \$21.74 billion in FY19 offsetting the decline in Exports of 6.81% in FY20 to US \$21.39 billion compared to US \$22.96 in FY19. However, the outbreak of COVID in Feb'20 undermined growth prospects for the economy as COVID led economic challenges resulted in GDP (provisional) to contract -0.38% in FY20. Total liquid Foreign Exchange Reserves increased by 24.10% YoY to US \$17.97 billion as of June 26, 2020 (SBP's share stood at US \$11.23 billion) primarily due to significant decline in CAD, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 10.74% in FY20, slightly lower than State Bank of Pakistan's (SBP) FY20 projection range of 11% to 12% due to steep decline in international crude oil price and subdued domestic demand amid countrywide lockdowns. In order to mitigate COVID based economic woes and safeguard the economically vulnerable segment of population, the government announced its fiscal stimulus package worth Rs. 1.24 trillion. The SBP cumulatively reduced policy rate by 625bps to 7.00% in FY20 to provide liquidity support to households and businesses in order to support economic growth and employment.

## THE MONEY MARKET

The SBP reduced policy rate during Jan'20 to Jun'20 by cumulative 625bps from 13.25% to 7.00% based on improved inflation outlook and receding demand-side inflation risks in order to support growth and employment amid pandemic. The Consumer Price Index (CPI) Inflation averaged at 10.74% during FY20 compared to 6.80% in FY19. The FY20 surge in CPI inflation is majorly attributable to increase in food inflation and energy prices.

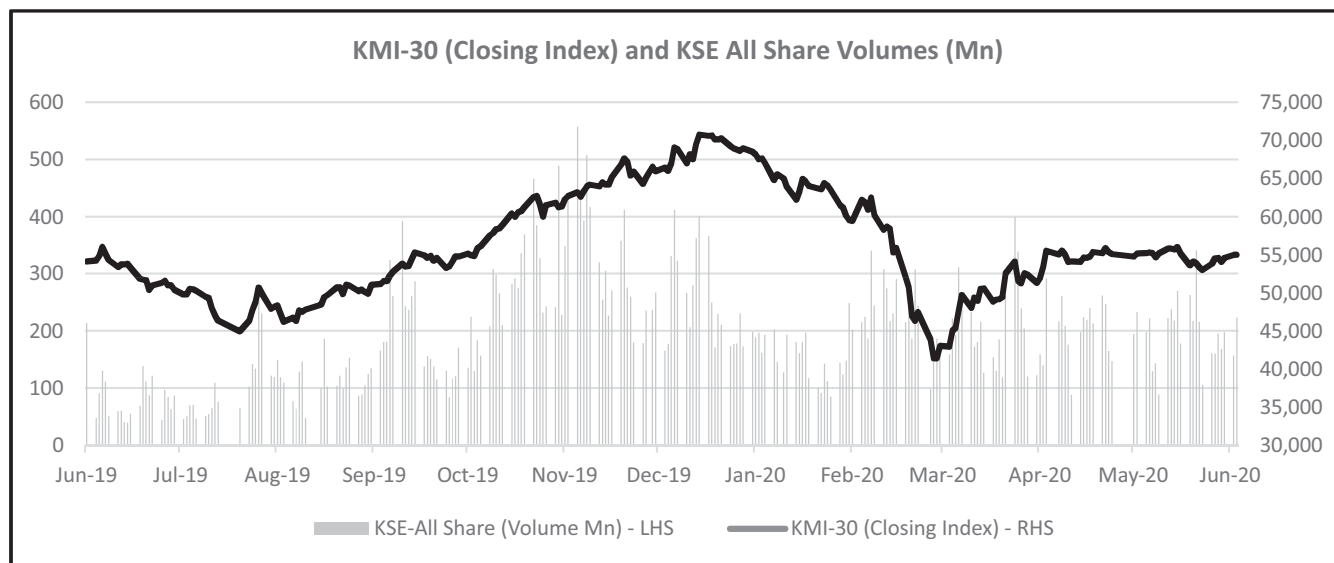


The growth in money supply (M2) witnessed an increase of 17.46% during 2019-20, which is Rs. 3,106.75 billion against the expansion of 11.26% (Rs. 1,801.33 billion) in preceding period last year. Net Foreign Assets (NFA) increased by Rs. 992.16 billion during 2019-20 as against net decline of Rs. 1,298.67 billion in the comparable period of fiscal year 2018-19.

Net Domestic Asset (NDA) of banking system grew by only 10.95% or Rs. 2,114.59 billion during 2019-20 as against an increase of 19.13% or Rs. 3,099.10 billion during the corresponding period last year. Overall NDA of the banking sector increased due to steady demand for private sector and Public Sector Enterprises (PSEs) credit. Credit to private sector increased by Rs. 196.36 billion in FY20 due to high working capital requirement of corporate sector.

## THE STOCK MARKET

The KMI-30 index increased 1.62% from 54,118.51 points as on June 28, 2019 to 54,995.25 as on June 30, 2020. The daily average volume during the year increased by 26.52% to 196.36 million shares from 155.21 million shares traded last year. Net outflow of US \$284.83 was recorded by Foreign Portfolio Investors during FY20 compared to net outflow of US \$355.95 million in FY19. On the local front, Individuals, Insurance Companies and Other Organization were net buyers of US \$213.23 million, US \$128.64 million and US \$31.56 million during FY20. Banks, Mutual Funds and Broker Proprietary Trading Accounts remained net sellers of US \$55.40 million, US \$50.22 million and US \$13.34 million, respectively.



During FY20, sectors that outperformed benchmark KSE-100 index were Pharmaceuticals, Technology & Communication, Cement, Engineering and Fertilizer that posted 56.42%, 35.41%, 33.31%, 27.64% and 8.14% returns, respectively. Sectors that underperformed KSE-100 index include Oil & Gas Marketing Companies, Oil & Gas Exploration, Commercial Banks and Power Generation & Distribution Companies that posted -3.14%, -14.26%, -16.70% and -19.19% returns, respectively.

During FY20, no new listings were made on the stock exchange. Whereas, new listings on the stock exchange in FY19 were At-Tahur Limited and Interloop Limited. The amounts raised through IPO were Rs. 770 million and Rs. 5,025 million, respectively.

The government of Pakistan in its FY21 budget has not introduced new taxes. Budget FY21 is focused on striking a balance between COVID related expenditure, controlling fiscal deficit, keeping primary balance at sustainable level, successful continuation of IMF program, keeping development expenditure at sufficient level to support economic activity and revenue mobilization. The government has set FBR tax collection target at Rs. 4,963 billion and expects to achieve it by broadening tax base and strengthening administrative controls.

## MUTUAL FUND INDUSTRY

The assets under management (AUMs) for the mutual funds industry increased by 42.62% to Rs. 772.23 billion as at June 30, 2020 from Rs. 541.46 billion as at June 30, 2019. In FY20, Money Market funds (both Conventional and Shariah Compliant) dominated in terms of AUMs representing 42% of total mutual fund industry AUMs (Rs. 325 billion) followed by Income funds (both Conventional and Shariah Compliant) representing 25% of total mutual fund industry AUMs (Rs. 196 billion) and Equity Funds representing 23% of total mutual fund industry AUMs (Rs. 178 billion). The AUM of VPS increased by 18.91% from Rs. 25.85 billion as on June 30, 2019 to Rs. 30.74 billion as on June 30, 2020. The share of Shariah Compliant VPS stood at Rs. 19.91 billion or 64.76% of total VPS.

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## **MUTUAL FUND TAXATION**

### **WORKER'S WELFARE FUND (WWF)**

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared 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, 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. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 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 May 21, 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 June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013 a constitutional petition was filed in SHC jointly by various AMCs, 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. FBR has challenged the decision of SHC in the Honorable Supreme Court of Pakistan (SCP). However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

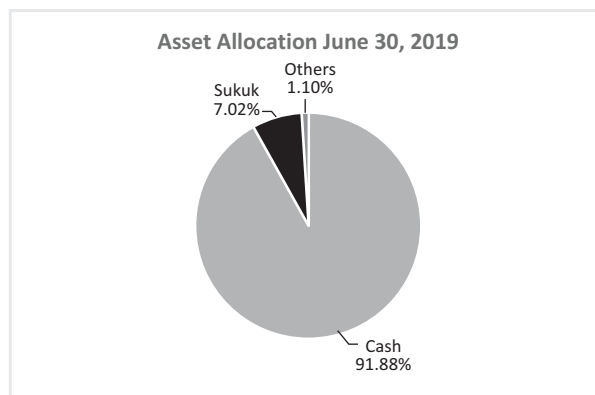
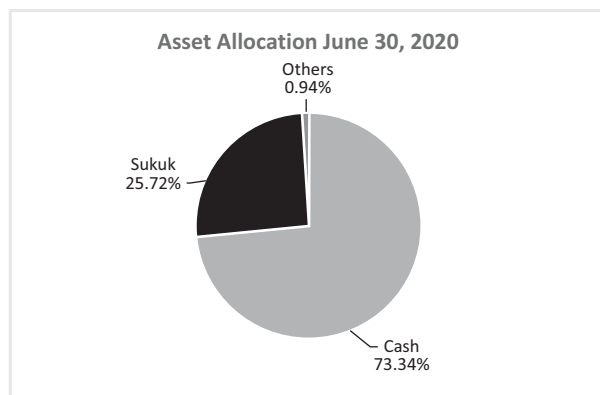
### **WITHHOLDING TAX**

With effect from July 01, 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 (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. 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, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

### **FUND OPERATIONS - AIIF**

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 11.59% to Rs. 504.89 as on June 30, 2020. The

AIIF's total exposure in Corporate Sukuks, Ijarah Sukuk, high yielding Shariah Compliant Bank Deposits and Others stood at 13.82%, 11.90%, 73.34% and 0.94%, respectively. The Net Assets of the Fund stood at Rs. 2.13 billion, with 4.23 million units outstanding as of June 30, 2020.

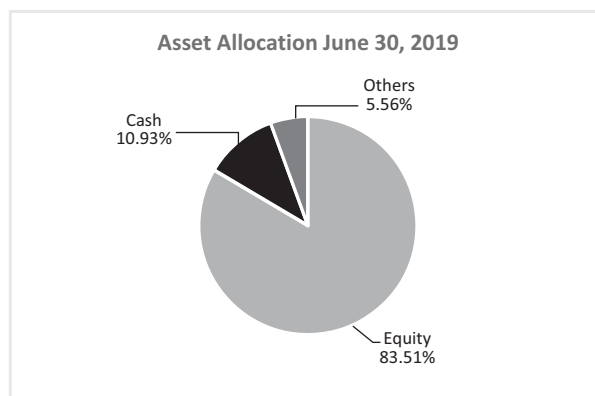
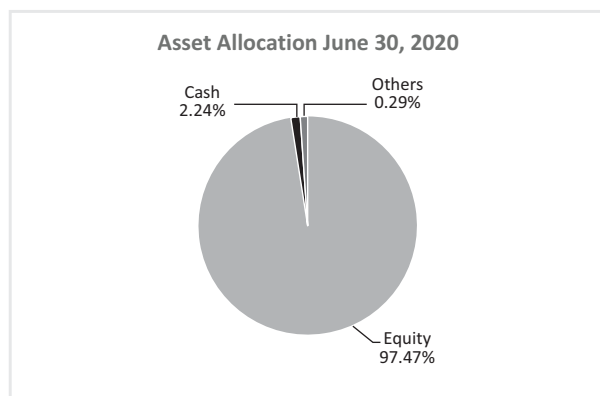


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 57.50 per unit for the period ended June 30, 2020 (11.5% on the face value of Rs. 500 per unit).

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 8,134,880 (Rs. 1.92 per unit). The scheme has also held provision for FED liability that amounted to Rs. 1,733,901 up till June 30, 2020 (Rs.0.41 per unit).

#### FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) increased by 7.51% to Rs. 455.66 as on June 30, 2020. The benchmark KMI-30 index increased by 1.62% during the same period. The KMI-30 index increased from 54,118.51 points as on June 28, 2019 to 54,995.25 points as on June 30, 2020. AISF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospect of earnings growth. AISF equity portfolio exposure stood at 97.47% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Power Generation & Distribution. The Net Assets of the Fund stood at Rs. 1.82 billion, with 4.00 million units outstanding as of June 30, 2020.





The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 6.50 per unit for the period ended June 30, 2020 (1.30% on the face value of Rs. 500 per unit).

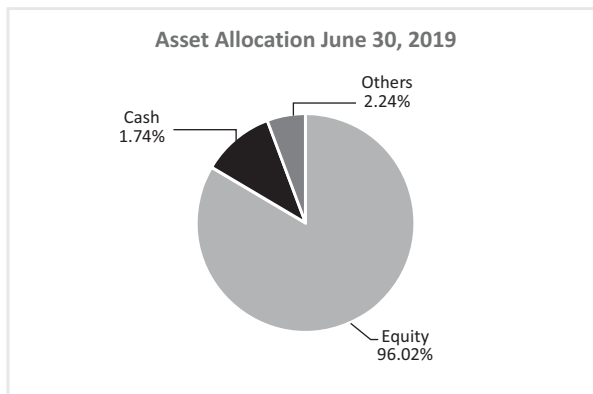
The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 19,370,923 (Rs. 4.84 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 10,453,385 up till June 30, 2020 (Rs. 2.61 per unit).

#### FUND OPERATIONS - AIFO

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 10.04% to Rs. 477.95 as on June 30, 2020. AAAIP was 25.85% and 73.53% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 10.95% to Rs. 495.35 as on June 30, 2020. AMAIP was 45.52% and 53.00% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 12.02% to Rs. 517.78 as on June 30, 2020. ACAIP was 71.08% and 28.50% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 10.15% to Rs. 498.49 as on June 30, 2020. AICPP was 74.16% and 24.35% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Dividend Plan (AIDP) increased by 7.28% (annualized basis) as on June 30, 2020 since inception of the plan on March 16, 2020. AIDP was 87.14% invested in AIIF. The Net Assets of AIFO stood at Rs. 821.79 million as of June 30, 2020.

#### FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) increased by 7.15% to Rs. 441.69 as on June 30, 2020. The benchmark KMI-30 index increased by 1.62% during the same period. The KMI-30 index increased from 54,118.51 points as on June 28, 2019 to 54,995.25 points as on June 30, 2020. AIDSF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospects of earnings growth. AIDSF equity portfolio exposure stood at 97.27% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 362.49 million, with 0.82 million units outstanding as of June 30, 2020.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Dedicated Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 1.50 per unit for the period ended June 30, 2020 (0.30% on the face value of Rs. 500 per unit).

#### RATINGS

##### • ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained "AM2+" (AM Two Plus) asset manager rating for Atlas Asset Management Limited (AAML). 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.



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- **FUND STABILITY RATING - AIIF**

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

#### **FUTURE OUTLOOK**

The State Bank of Pakistan expects FY21 inflation to be in range of 7.0% to 9.0%. Subdued demand-side inflationary risks coupled with low international crude oil prices will likely induce softening trend in headline inflation and stability in core inflation over short to medium term. On the external front, high competition among exporters amid recovery in global demand in post-COVID setting may create challenges to achieve desired export growth, whereas imports are likely to remain subdued due to low domestic demand and soft international oil prices in short to medium term. Government's fiscal stimulus package of Rs. 1.24 trillion and monetary easing by SBP in order to provide liquidity to households and businesses will likely stimulate economic growth. Moreover, declining number of daily COVID cases will eventually lead towards resumption of full-scale economic activity that will help putting the economy on growth trajectory. The IMF's Rapid Financing Instrument (RFI) of US \$1.38 billion and concessionary lending by international financial institutions (World Bank and Asian Development Bank) will shore up reserves and support government's efforts towards social sector spending. The ongoing IMF program will help mobilize further financing from multilateral and bilateral creditors and unlock potential inflows from international bond market. Going forward, government's focus towards widening tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, safeguarding jobs and addressing social needs.

ع خدا رحمت کندهای عاشقان پاک طینات را

God, please have mercy on these lovers of clean intention

#### **ACKNOWLEDGEMENT**

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

Karachi: 10 September 2020

**Iftikhar H. Shirazi**  
Chairman

# Directors' Report

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Fund of Funds (AIFO) and Atlas Islamic Dedicated Stock Fund (AIDSF) take pleasure in presenting the Annual Reports along with the audited financial statements and Auditors' Reports thereon of AIIF, AISF, AIFO and AIDSF for the year ended 30 June 2020.

## 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, AISF, AIDSF and AIFO, for the year ended 30 June 2020 and 30 June 2019 are as follows:

Particulars	AIIF		AISF		AIDSF	
	2020	2019	2020	2019	Jun 2020	Jan to Jun 2019
Earnings/ (loss) per unit – Rupees	47.53	28.70	47.51	(101.60)	32.82	(84.10)
Return	11.59%	8.48%	7.51%	(18.95)%	7.15%	(17.27)%
Net assets – Rupees million	2,134.60	1,392.23	1,823.32	1,204.99	362.49	256.53
Sales – Rupees million	3,413.33	1,509.07	1,606.15	1,204.48	163.48	317.89
Sales – in units	6,348,123	2,935,331	3,606,299	2,437,385	377,580	638,087
Redemptions – Rupees million	2,655.07	936.53	1,150.61	1,975.53	82.89	9.10
Redemptions – in units	4,883,006	1,825,835	2,407,893	3,899,413	177,084	17,906
Units outstanding at year end	4,227,883	2,762,766	4,001,514	2,803,109	820,677	620,181

Particulars	AIFO June 2020				
	Atlas Aggressive Allocation Islamic Plan (AAAIP)	Atlas Moderate Allocation Islamic Plan (AMAIP)	Atlas Conservative Allocation Islamic Plan (ACAIP)	Atlas Islamic Capital Preservation Plan (AICPP)	Atlas Islamic Dividend Plan (AIDP)
Earnings/ (loss) per unit – Rupees	44.48	50.27	58.92	47.75	36.40
Return	10.04%	10.95%	12.02%	10.15%	7.28%
Net assets – Rupees million	100.18	112.81	126.61	456.06	26.14
Sales – Rupees million	0.27	3.00	1.32	16.22	128.22
Sales – in units	555	6,139	2,560	32,529	256,433
Redemptions – Rupees million	(0.14)	(0.15)	(1.04)	(0.29)	(102.08)
Redemptions – in units	300	301	2,056	571	204,163
Units outstanding at year end	209,596	227,735	244,525	914,884	52,270

Particulars	AIFOF Jan to Jun 2019			
	Atlas Aggressive Allocation Islamic Plan	Atlas Moderate Allocation Islamic Plan	Atlas Conservative Allocation Islamic Plan	Atlas Islamic Capital Preservation Plan
Earnings/ (loss) per unit – Rupees	(55.49)	(34.34)	(5.01)	(16.47)
Return	(11.22)%	(6.91)%	(0.94)%	(2.4)%
Net assets – Rupees million	92.92	103.28	120.87	430.86
Sales – Rupees million	112.26	115.95	126.59	445.40
Sales – in units	224,529	231,886	252,942	882,930
Redemptions – Rupees million	7.72	(5.05)	(4.50)	-
Redemptions – in units	15,187	9,989	8,921	3
Units outstanding at year end	209,341	221,897	244,021	882,926

#### INCOME DISTRIBUTION - AIIF

The Investment Committee of the Management Company of AIIF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs.57.50 (2019: Rs.41.00) per unit for the FY 2019-20. The total payout for the year works out to 11.50% (2019:8.20%) on the face value of Rs.500 per unit.

#### INCOME DISTRIBUTION - AISF

The Investment Committee of the Management Company of AISF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs.6.50 (2019: Nil) per unit for the FY 2019-20. The total payout for the year works out to 1.30% (2019: Nil) on the face value of Rs.500 per unit.

#### INCOME DISTRIBUTION - AAAIP

The Investment Committee of the Management Company of AAAIP, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 10.50 (2019: Nil) per unit for the FY 2019-20. The total payout for the year works out to 2.10% (2019: Nil) on the face value of Rs.500 per unit.

#### INCOME DISTRIBUTION - AMAIP

The Investment Committee of the Management Company of AMAIP, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 21.00 (2019: Nil) per unit for the FY 2019-20. The total payout for the year works out to 4.20% (2019: Nil) on the face value of Rs.500 per unit.

#### INCOME DISTRIBUTION - ACAIP

The Investment Committee of the Management Company of ACAIP, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 37.00 (2019: Nil) per unit for the FY 2019-20. The total payout for the year works out to 7.40% (2019: Nil) on the face value of Rs.500 per unit.

#### INCOME DISTRIBUTION - AICPP

The Investment Committee of the Management Company of AICPP, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 39.00 (2019: Nil) per unit for the FY 2019-20. The total payout for the year works out to 7.80% (2019: Nil) on the face value of Rs.500 per unit.

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## **INCOME DISTRIBUTION - AIDP**

The Investment Committee of the Management Company of AIDP, under the authority delegated to them by the Board of Directors, approved an aggregate interim distribution of Rs.9.54 per unit for the FY 2019-20. The total payout for the year works out to 1.91% on the face value of Rs.500 per unit.

## **INCOME DISTRIBUTION - AIDSF**

The Investment Committee of the Management Company of AIDSF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs.1.50 (2019: Nil) per unit for the FY 2019-20. The total payout for the year works out to 0.30% (2019: Nil) on the face value of Rs.500 per unit.

## **CHAIRMAN'S REVIEW**

The review included in the Annual Report of AIIF, AISF, AIFOF and AIDSF, 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.

## **STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors states for AIIF, AISF, AIFOF and AIDSF 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 there from 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.
- Statutory payments, taxes, levies properly disclosed in the Financial Statements.
- Summaries of key financial data/ performance tables of AIIF, AISF, AIFOF and AIDSF are annexed on pages 24, 64, 107 and 163 respectively, of the Annual Report.
- The statement as to the value of investments of provident fund is not applicable in the case of these funds as these relate to retirement benefits to the employees of the Management Company, and are not chargeable to these Funds.
- The pattern of unit holdings is appended as notes 24, 22, 22 and 22 respectively to the financial statements of AIIF, AISF, AIFOF and AIDSF.

## **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY AND COMMITTEES THEREOF**

During the period, the Board of Directors of AAML included: Mr. Yusuf H. Shirazi, Chairman, Mr. Fahim Ali Khan, Director, Mr. M. Habib-ur-Rahman, Director, Mr. Tariq Amin, Independent Director, Mr. Ali H. Shirazi, Director, Ms. Zehra Naqvi, Independent Director and Mr. Muhammad Abdul Samad, Chief Executive Officer. Due to the sad demise of Mr. Yusuf H. Shirazi, Chairman, on October 20, 2019, a casual vacancy was created, which was filled by appointing Mr. Iftikhar H. Shirazi as Director in his place on November 19, 2019.

i. The current total number of Directors is 7 as follows:

- Male: 6
- Female: 1

ii. The current composition of the Board is as follows:

- Independent Directors: 2\*
- Non-Executive Directors: 4
- Executive Directors: 1
- Female Director: 1 (\*Independent Director)

Six Board Meetings were held and attended during FY 2019-20. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 28, 26, 25 and 26 respectively to the financial statements of AIIF, AISF, AIFOF and AIDSf.

Committees of the Board comprise the Audit 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. Frahim Ali Khan	Non-Executive Director	4
3	Mr. M. Habib -ur-Rahman	Non-Executive Director	3

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

Serial no.	Name of Director	Status	Meetings attended
1	Ms. Zehra Naqvi	Independent Director	1
2	Mr. Frahim Ali Khan	Non-Executive Director	1
3	Mr. Ali H. Shirazi	Non-Executive Director	1
4	Mr. M. Abdul Samad	Chief Executive Officer	1

- **Investment Committee** - fifty one 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	10
2	Mr. M. Abdul Samad	Chief Executive Officer	46
3	Mr. Khalid Mahmood (executive management)	Chief Investment Officer - Member IC	50
4	Mr. M. Umar Khan (executive management)	Head of Portfolio Management - Member IC	46
5	Mr. Fawad Javaid (executive management)	Head of Fixed Income - Member IC	49
6	Mr. Faran-ul-Haq (executive management)	Head of Equities - Secretary IC	49

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## **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.

## **RATINGS UPDATE**

### **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 26 December 2019. 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 f : fund rating) on 17 April 2020. 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 September 4, 2020, recommended the re-appointment of Ms. EY Ford Rhodes, Chartered Accountants, Karachi, being eligible as auditors of Atlas Islamic Income Fund, Atlas Islamic Stock Fund, Atlas Islamic Fund of Funds and Atlas Islamic Dedicated Stock Fund, for the financial year ending 30 June 2021.

## **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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Frahim Ali Khan**  
Director

Karachi: 10 September 2020

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# Atlas Islamic Income Fund

## Corporate Information

### Trustee

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Central Depository Company of Pakistan Limited  
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi - 74400

### Shariah Advisor

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Dr. Mufti Hassan Usmani

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Mohsin Tayebaly & Co.

### Bankers

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Al-Baraka Bank (Pakistan) Limited  
Allied Bank Limited - Islamic Banking  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking  
Meezan Bank Limited  
Soneri Bank Limited - Islamic Banking



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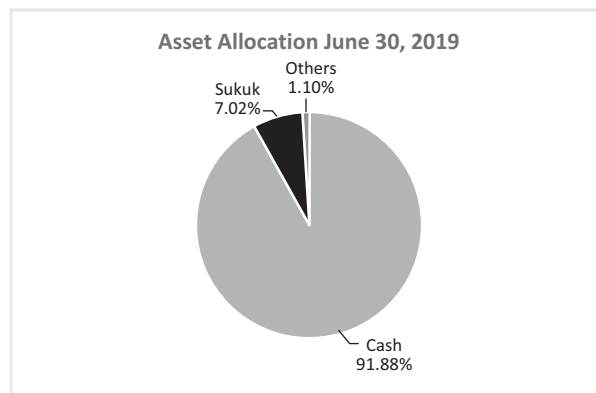
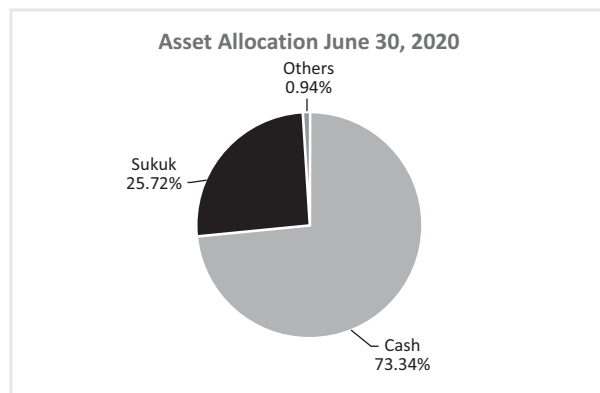
## Fund Manager's Report

Atlas Islamic Income Fund (AIIF) is an Open-ended Shariah Compliant Income Fund. The Fund has a medium risk rating and primary objective to provide investors with competitive and stable rate of current income in a Shariah Compliant manner. 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 10.74% during financial year 2019-20, as compared to 7.34% for the financial year 2018-19. The YoY upsurge in inflation rate was due to increase in energy, health and food prices.

During the year, SBP has significantly shown an expansion in monetary policy which seeks to encourage economic growth to boost aggregate demand and move towards macroeconomic stabilization. The SBP changed the monetary policy stance since March 2020 by decreasing 625 basis points as on June 30, 2020 due to the deceleration in domestic food prices, significant decline in consumer price expectations, sharp fall in global oil prices, and slowdown in external and domestic demand due to the Coronavirus pandemic. In recent monetary policy announced on June 25, 2020, SBP further decreased the policy rate by another 100 bps to 07.00%. The decision was taken on account of releasing the downside risks to growth since the MPC meeting on March 17, 2020. Going forward, the MPC continues to observe economic conditions and stands ready to take whatever further actions may become necessary in response to any adverse impact on the economy arising from the pandemic. On the other hand, an increase in domestic demand and upward revision in projected inflation would also provide grounds for tightening monetary conditions.



The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 11.59% to Rs. 504.89 as on June 30, 2020. The benchmark average six months profit rate of three- A rated scheduled Islamic Banks as selected by MUFAP stood at 6.33% for the period under review. The AIIF's total exposure in Corporate Sukuks, Ijarah Sukuk and high yielding Shariah Compliant Bank Deposits/Others stood at 13.82%, 11.90% and 74.28%, respectively. The Net Assets of the Fund stood at Rs. 2.13 billion, with 4.23 million units outstanding as of June 30, 2020.

The Investment Committee 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 aggregated interim distribution of Rs 57.50 per unit for the period ended June 30, 2020 (11.5% 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	2016-17	2017-18	2018-19	2019-20
Atlas Bachat Islamic Plan	85%	15%	9.46%	3.00%	4.37%	11%
Atlas Bachat Balanced Islamic Plan	50%	50%	17.61%	-1.48%	-5.24%	9.55%
Atlas Bachat Growth Islamic Plan	15%	85%	25.76%	-5.96%	-14.84%	8.12%

### Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	1048	556,561,919	26.07%
Insurance Companies*	8	280,140,060	13.12%
Others	10	294,432,393	13.79%
Banks/ DFIs	5	551,237,880	25.82%
Associated Companies/ Directors	4	2,374,411	0.11%
<b>Total</b>	<b>1,095</b>	<b>2,134,601,483</b>	<b>100.00</b>

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 8,134,880 (Rs. 1.92 per unit). The scheme has also held provision for FED liability that amounted to Rs. 1,733,901 up till June 30, 2020 (Rs. 0.41 per unit).

The Total Expense Ratio (TER) of the Fund is 0.95% including reversal representing Government levy, SWWF and SECP Fee of 0.29%.

During the year under review, the Investment Committee held fifty-one meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Karachi: 10 September 2020

**Fawad Javaid**  
Head of Fixed Income

## Performance Since Inception

	2020	2019	2018	2017	2016	2015
Net Assets (Rs. In '000)	2,134,601	1,392,226	872,222	1,614,259	558,553	424,447
Number of units in issue	4,227,883	2,762,766	1,653,270	3,210,424	1,113,938	846,460
Net assets value per unit (Rs.)	504.89	503.92	527.57	502.82	501.42	501.44
Net income (Rs. in '000)	200,942	79,290	56,557	37,946	24,901	15,341
Earnings per unit (Rs.)	47.53	28.70	34.21	11.82	22.35	18.12
Annual return of the fund (%)	11.59	8.48	4.92	5.97	4.97	7.21
Offer Price ** (Rs.)	504.89	503.92	527.57	502.82	501.42	501.44
Redemption Price ** (Rs.)	504.89	503.92	527.57	502.82	501.42	501.44
Highest offer price per unit (Rs.)	561.46	526.29	527.41	529.96	526.20	540.54
Lowest offer price per unit (Rs.)	504.14	503.46	503.00	502.10	501.09	501.34
Highest repurchase price per unit (Rs.)	561.46	526.29	527.41	529.96	526.20	540.54
Lowest repurchase price per unit (Rs.)	504.14	503.46	503.00	502.10	501.09	501.34
Weighted average portfolio (No. of days)	443.04	143.77	273.60	144.89	505.79	89.31

	2014	2013	2012	2011	2010	2009*
Net Assets (Rs. In '000)	520,674	526,078	462,315	379,805	346,658	255,864
Number of units in issue	1,030,979	1,047,317	920,985	738,995	679,312	494,203
Net assets value per unit (Rs.)	505.03	502.31	501.98	513.95	510.31	517.73
Net income (Rs. in '000)	39,438	46,785	42,878	31,269	26,824	15,215
Earnings per unit (Rs.)	38.25	44.67	46.56	42.31	39.49	30.79
Annual return of the fund (%)	8.22	8.65	10.11	9.90	9.22	11.50
Offer Price ** (Rs.)	505.03	507.14	506.92	519.09	515.41	522.91
Redemption Price ** (Rs.)	505.03	502.12	501.90	513.95	510.31	517.73
Highest offer price per unit (Rs.)	516.35	523.39	522.42	519.09	521.78	543.87
Lowest offer price per unit (Rs.)	503.08	507.04	506.61	506.42	505.97	506.92
Highest repurchase price per unit (Rs.)	515.50	518.21	517.25	513.95	518.14	538.49
Lowest repurchase price per unit (Rs.)	502.92	502.02	501.59	501.41	500.96	506.92
Weighted average portfolio (No. of days)	151.13	305.85	504.34	311.01	10.96	13.44

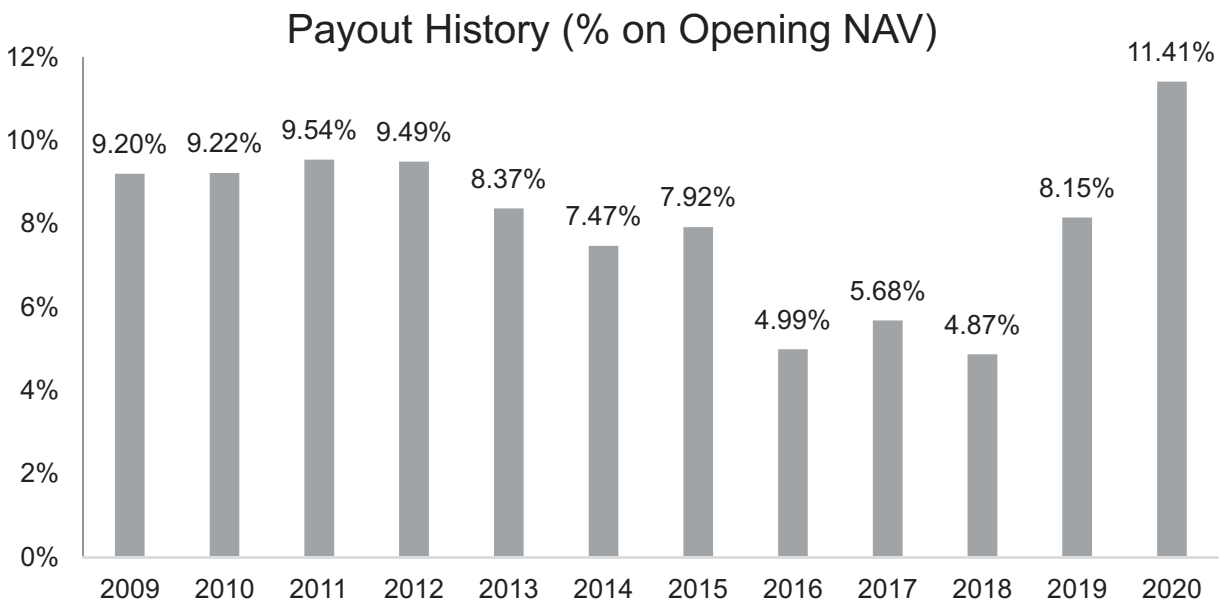
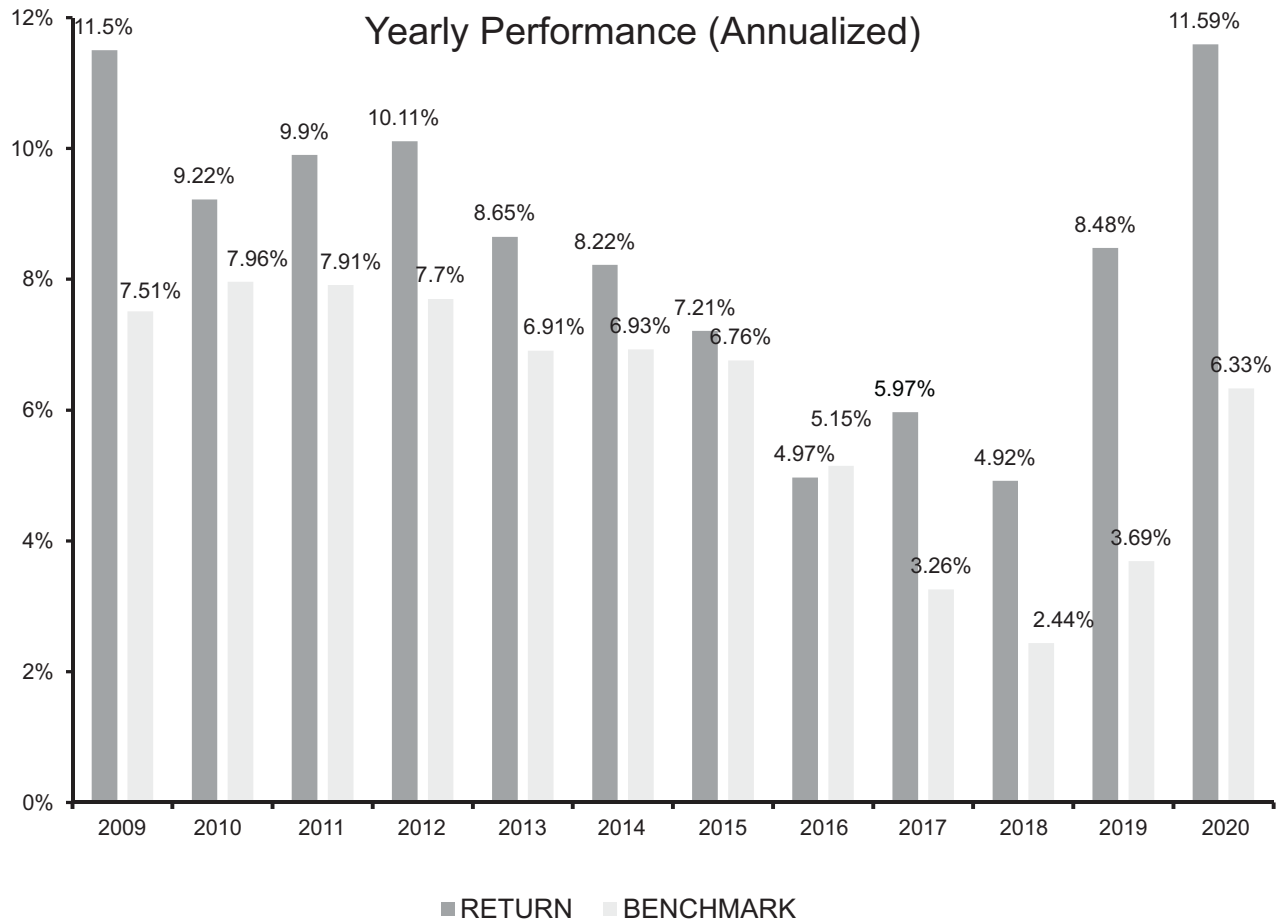
\*Period from 16 August 2008 to 30 June 2009 (Date of Launch: 14 october 2008)

\*\* Relates to announced prices.

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

## Distribution History

Distribution Detail:	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	57.50	18.00	-	28.50	25.00	40.00
First Interim distribution as a % of Ex-NAV of units	11.41	3.58	-	5.68	4.99	7.92
Date of disribution - Interim	26-Jun-20	18-Jan-19	-	20-Jun-17	24-Jun-16	29-Jun-15
Second Interim distribution cash dividend (Rs.)	-	23.00	-	-	-	-
Second Interim distribution as a % of Ex-NAV of units	-	4.57	-	-	-	-
Date of distribution - Interim	-	27-Jun-19	-	-	-	-
Final Distribution - Cash Dividend (Rs.)	-	-	24.50	-	-	-
Final Distribution as a % of Opening Ex-NAV of units	-	-	4.87	-	-	-
Distribution date	-	-	6-Jul-18	-	-	-



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# 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, 2020 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: 28 September 2020

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Islamic Income Fund (AIIF), 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 Adviser my responsibility is to express an opinion based on my review of the representations made by the management, to the extent where such compliancy can be objectively verified.

As part of my mandate as the Shariah Adviser 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 AIIF for the period ended June 30, 2020 are in compliance with the Shariah principles.

Karachi: 30 June 2020

**Dr. Mufti Hassan Usmani**  
Shariah Advisor

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# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Income Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Income Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2020, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Investment in sukuk certificates</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2020, the investments held by the Fund comprised of sukuk certificates which represent significant portion of the total assets of the Fund as at the year end.</p> <p>In view of the above, we have considered this area as a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of sukuk certificates. Our key procedure included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement and valuations on the basis of prices determined by Mutual Funds Association of Pakistan (MUFAP).</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of sukuk certificates and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the sukuk certificates portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

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a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 29 September 2020

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**



## STATEMENT OF ASSETS AND LIABILITIES

### AS AT 30 JUNE 2020

	Note	2020 -----Rupees-----	2019
<b>Assets</b>			
Cash and bank balances	4	1,584,796,999	1,308,448,955
Investments	5	555,713,327	99,898,800
Markup accrued	6	19,728,961	15,086,559
Security deposit and other receivables	7	578,941	578,941
<b>Total assets</b>		<b>2,160,818,228</b>	<b>1,424,013,255</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	3,093,850	2,465,344
Payable to Central Depository Company of Pakistan Limited - Trustee	9	149,403	180,998
Payable to the Securities and Exchange Commission of Pakistan	10	373,481	701,274
Payable against redemption of units	11	-	19,806,934
Dividend payable		332,890	390,184
Accrued expenses and other liabilities	12	22,267,509	8,242,302
<b>Total liabilities</b>		<b>26,217,133</b>	<b>31,787,036</b>
<b>NET ASSETS</b>		<b>2,134,601,095</b>	<b>1,392,226,219</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>2,134,601,095</b>	<b>1,392,226,219</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,227,883</b>	<b>2,762,766</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>504.89</b>	<b>503.92</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	Note	Rupees	Rupees
<b>INCOME</b>			
Markup income	14	217,945,587	89,258,061
<b>Gain / (loss) from investments at fair value through P&amp;L</b>			
Capital gain on sale of investments - net		201,550	-
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		558,752	(883,500)
		760,302	(883,500)
Other Income		2,014	-
<b>Total income</b>		<b>218,707,903</b>	<b>88,374,561</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	6,777,591	2,805,097
Sindh Sales Tax on remuneration of the Management Company	8.2	881,087	364,663
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,400,553	1,520,418
Sindh Sales Tax on remuneration of the Trustee	9.2	182,072	197,654
Annual fees - Securities and Exchange Commission of Pakistan	10	373,480	701,274
Accounting and operational charges	15	2,762,881	935,032
Auditors' remuneration	16	368,280	161,454
Securities transaction cost		105,469	6,780
Annual listing fee		27,500	27,501
Annual rating fee		330,412	302,319
Printing charges		20,141	14,033
Shariah advisory fee		180,000	177,415
Bank charges		20,042	37,630
Legal and professional charges		235,460	214,698
Provision for Sindh Workers' Welfare Fund	12.1	4,100,859	1,618,172
<b>Total expenses</b>		<b>17,765,827</b>	<b>9,084,140</b>
<b>Net income for the year before taxation</b>		<b>200,942,076</b>	<b>79,290,421</b>
Taxation	18	-	-
<b>Net income for the year after taxation</b>		<b>200,942,076</b>	<b>79,290,421</b>
<b>Earning per unit</b>	19		
<b>Allocation of net income for the year:</b>			
- Net income for the period after taxation		200,942,076	79,290,421
- Income already paid on units redeemed		(56,022,614)	(12,556,703)
		<b>144,919,462</b>	<b>66,733,718</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		760,302	-
- Excluding capital gains		144,159,160	66,733,718
		<b>144,919,462</b>	<b>66,733,718</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	-----Rupees-----	
<b>Net income for the year after taxation</b>	<b>200,942,076</b>	79,290,421
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>200,942,076</b>	<b>79,290,421</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2020

	2020		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	1,384,052,950	-	1,384,052,950
<b>Undistributed income brought forward</b>			
- Realised income	-	8,274,469	8,274,469
- Unrealised loss	-	(101,200)	(101,200)
<b>Net assets at the beginning of the year (Units outstanding: 2,762,766)</b> <b>(Rs. 503.92 per unit)</b>	<b>1,384,052,950</b>	<b>8,173,269</b>	<b>1,392,226,219</b>
Issue of 6,348,123 units	3,413,327,440	-	3,413,327,440
Redemption of 4,883,006 units	(2,599,049,405)	(56,022,614)	(2,655,072,019)
Total comprehensive income for the year	-	200,942,076	200,942,076
Refund of Capital	(75,772,095)	-	(75,772,095)
Cash distribution for year ended 30 June 2020 at Rs. 77.5 per unit declared on 26 June 2020	-	(141,050,526)	(141,050,526)
<b>Net assets at end of the year (Units outstanding: 4,227,883)</b> <b>(Rs. 504.89 per unit)</b>	<b>2,122,558,890</b>	<b>12,042,205</b>	<b>2,134,601,095</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	43,071,903	-
- Unrealised loss	-	(31,029,698)	-
	-	<b>12,042,205</b>	-
	2019		
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	838,131,601	-	838,131,601
<b>Undistributed income brought forward</b>			
- Realised income	-	33,308,312	33,308,312
- Unrealised income	-	782,300	782,300
<b>Net assets at the beginning of the year (Units outstanding: 1,653,270)</b> <b>(Rs. 527.57 per unit)</b>	<b>838,131,601</b>	<b>34,090,612</b>	<b>872,222,213</b>
Issue of 2,935,331 units	1,509,074,418	-	1,509,074,418
Redemption of 1,825,835 units	(923,975,063)	(12,556,703)	(936,531,766)
Total comprehensive income for the year	-	79,290,421	79,290,421
Refund of Capital	(39,178,006)	-	(39,178,006)
Cash distribution for year ended 30 June 2018 at Rs. 24.5 per unit declared on 06 July 2018	-	(28,077,890)	(28,077,890)
First interim distribution at Rs. 18.0 per unit declared on 18 January 2019	-	(21,118,754)	(21,118,754)
Second interim distribution at Rs. 23.0 per unit declared on 27 June 2019	-	(43,454,417)	(43,454,417)
<b>Net assets at end of the year (Units outstanding: 2,762,766)</b> <b>(Rs. 503.92 per unit)</b>	<b>1,384,052,950</b>	<b>8,173,269</b>	<b>1,392,226,219</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	8,274,469	-
- Unrealised (loss)	-	(101,200)	-
	-	<b>8,173,269</b>	-

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		200,942,076	79,290,421
<b>Adjustment for:</b>			
Markup income		(217,945,587)	(89,258,061)
Capital (gain) on sale of investments - net		(201,550)	-
Net unrealised (gain) / loss on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(558,752)	883,500
Provision for Sindh Workers' Welfare Fund		4,100,859	1,618,172
		<b>(214,605,030)</b>	<b>(86,756,389)</b>
<b>Decrease in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		628,506	146,302
Payable to Central Depository Company of Pakistan Limited - Trustee		(31,595)	41,475
Payable to the Securities and Exchange Commission of Pakistan		(327,793)	(186,274)
Dividend payable		(57,294)	327,727
Accrued expenses and other liabilities		9,924,348	2,741,195
		<b>10,136,172</b>	<b>3,070,425</b>
Markup received		213,303,185	76,212,571
Investments made during the year		(476,754,225)	-
Investments sold / matured during the year		21,700,000	-
<b>Net cash (used in) / generated from operating activities</b>		<b>(245,277,822)</b>	<b>71,817,028</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		3,413,327,440	1,509,074,418
Net payments against redemption of units		(2,674,878,953)	(956,416,955)
Refund of Capital		(75,772,095)	-
Cash distribution for year ended 30 June 2018 at Rs. 77.5 per unit declared on 26 June 2020 (2019: Rs. 24.5 per unit declared on 06 July 2018)		(141,050,526)	(28,077,890)
First interim distribution at Rs. 18.0 per unit declared on 18 January 2019		-	(21,118,754)
Second interim distribution at Rs. 23.0 per unit declared on 27 June 2019		-	(43,454,417)
<b>Net cash generated from financing activities</b>		<b>521,625,866</b>	<b>460,006,402</b>
<b>Net increase in cash and cash equivalents</b>		<b>276,348,044</b>	<b>531,823,430</b>
Cash and cash equivalents at the beginning of the year		1,308,448,955	776,625,525
<b>Cash and cash equivalents at the end of the year</b>	4	<b>1,584,796,999</b>	<b>1,308,448,955</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 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 was revised through the First, Second and third Supplemental Trust Deeds dated 23 June 2010, 12 November 2010 and 23 May 2017 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, Sixth, Seventh, Eighth, Ninth, Tenth and Eleventh supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016, 02 June 2017, 2 October 2019, 30 October 2019, 1 April 2020 and 1 June 2020 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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 16 – Leases  
 IFRIC 23 – Uncertainty over Income Tax Treatments  
 IFRS 3 – Business Combinations – Previously held interests in a joint operation  
 IFRS 9 – Financial instruments – Prepayment Features with Negative Compensation (Amendments)  
 IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendments)  
 IFRS 11 – Joint Arrangements – Previously held interests in a joint operation  
 IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity  
 IAS 23 – Borrowing Costs - Borrowing costs eligible for capitalisation  
 IAS 19 – Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)  
 IFRS 14 – Regulatory Deferral Accounts

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017 which became effective in the current period.

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of a Business - Amendments to IFRS 3	01 January 2020
Interest rate benchmark reform - Amendment to IFRS 9, IAS 39 and IFRS 7	01 January 2020
Definition of Material – Amendments to IAS 1 and IAS 8	01 January 2020
Covid-19-Related Rent Concessions – Amendment to IFRS 16	01 January 2020
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2020
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2020
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2020
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalised

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 January 2009
IFRS 17 - Insurance Contracts	01 January 2021

### **2.4 Critical accounting estimates and judgements**

The preparation of financial statements in accordance with the accounting and reporting 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.

### **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 applied consistently to all the years except for the changes in accounting policies as explained in note 3.1 below.

### **3.1 Financial instruments**



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

### b) Classification

#### Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

### **c) Subsequent Measurement**

#### **Debt instruments at fair value through profit or loss**

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

#### **Debt instruments at Amortised Cost**

Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## **Debt instruments at FVOCI**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss.

## **Financial liabilities**

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

### **d) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### **e) Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

### **f) Impairment of financial assets**

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

For trade and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, the Fund has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade and other receivables. The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

The expected credit losses in respect of debt securities are not considered since SECP vide its letter no.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated 24 October 2012 will be followed.

### g) **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### h) **Determination of fair value**

Debt securities (other than government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated October 24, 2012.

#### **Government securities**

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan

### 3.2 **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.

### 3.3 **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.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### 3.5 Revenue recognition

- Income on bank balances and deposits is recognised on an accrual basis.
- Gain or loss on sale of Shariah compliant debt securities and derivatives is accounted for in the year in which it arises.
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' and derivatives are included in the Income Statement in the period in which they arise.

### 3.6 Expenses

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

### 3.7 Provisions

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

### 3.8 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.

### 3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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.

### 3.10 Net asset value per unit

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

### 3.11 Earnings per unit

Earnings 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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
4	CASH AND BANK BALANCES	Note	Rupees
In local currency			
- Profit and loss sharing accounts	4.1	1,574,256,099	1,306,013,955
- Current account		5,000	5,000
- Cheques in hand	4.2	10,535,900	2,430,000
		1,584,796,999	1,308,448,955

4.1 The rate of return on these profit and loss sharing accounts ranges between 6.00% to 7.50% (30 June 2019: 3.00% to 6.50%) per annum.

4.2 This denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequent to the year end by 07 July 2020 (2019: 16 July 2019).

		2020	2019
5	INVESTMENTS	Note	-----Rupees-----
	<b>At fair value through profit or loss</b>		
	Debt securities - sukuk certificates	5.1	298,635,827 99,898,800
	Government of Pakistan - Ijarah Sukuk	5.2	257,077,500 -
			<b>555,713,327 99,898,800</b>

## 5.1 Debt securities - sukuk certificates

Particulars	Note	As at 01 July 2019	Acquired during the year	Disposed during the year	As at 30 June 2020	Carrying value as at 30 June 2020	Market value as at 30 June 2020	Unrealised depreciation as at 30 June 2020	Market value as a percentage of		
									Total Investments	Net Assets	Total Issue Size
----- Number of certificates-----      ----- Rupees -----      ----- %age -----											
<b>BANKS</b>											
Meezan Bank Limited - unlisted (Face Value Rs. 1,000,000)	5.1.1	50	-	-	50	50,000,000	51,250,000	1,250,000	9.22%	2.40%	0.71%
Meezan Bank Limited - Tier II - unlisted (Face Value Rs. 1,000,000)		-	50	-	50	50,000,000	50,717,800	717,800	9.13%	2.38%	1.25%
<b>Fertilizers</b>											
Dawood Hercules Corporation Limited Sukuk 2 - listed (Face Value Rs. 80,000)	5.1.2	500	500	-	1,000	79,840,000	81,457,920	1,617,920	14.66%	3.82%	16.67%
Dawood Hercules Corporation Limited Sukuk 1 - listed (Face Value Rs. 70,000)		-	835	-	835	57,814,575	59,030,467	1,215,892	10.62%	2.77%	16.06%
Power Generation & Distribution The Hub Power Company Limited (Face Value Rs. 100,000)	5.1.1	-	550	-	550	55,000,000	56,179,640	1,179,640	10.11%	2.63%	7.86%
<b>Total - June 30, 2020</b>						<b>292,654,575</b>	<b>298,635,827</b>	<b>5,981,252</b>	<b>53.74%</b>	<b>13.99%</b>	
<b>Total - June 30, 2019</b>						<b>100,782,300</b>	<b>99,898,800</b>	<b>(883,500)</b>	<b>100.00%</b>	<b>11.55%</b>	

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5.1.1 The cost of these investments at 30 June 2020 amounted to Rs 324,243,025 (30 June 2019: Rs. 100,000,000).

5.1.2 These carry quarterly and semi annually rate of return ranging from "3 months Kibor + 1.00%" to "3 months Kibor + 1.90%" and "6 months Kibor + 0.5% to "6 months Kibor + 0.90%" respectively, having maturity upto 09 January 2030.

### 5.2 Government of Pakistan - Ijarah Sukuk

Script	Note	As at 01 July 2019	Acquired during the year	Disposed during the year	As at 30 June 2020	Carrying value as at 30 June 2020	Market value as at 30 June 2020	Unrealised depreciation as at 30 June 2020	Market value as a percentage of	
									Total Investment	Net Assets
					-----Face Value (Rupees)-----	Rupees			-----%age-----	
Government of Pakistan Ijarah Sukuks	5.2.1	-	262,500,000	-	262,500,000	262,500,000	257,077,500	(5,422,500)	46.26%	12.04%
Total - June 30, 2020						262,500,000	257,077,500	(5,422,500)	46.26%	12.04%
Total - June 30, 2019						-	-	-	-	-

5.2.1 Investment in GOP Ijarah Sukuks carried mark up ranging between 6.63% to 7.65% (30 June 2019: Nil) per annum and were due mature between 30 April 2025 to 29 May 2025. As at 30 June 2020, the cost of these investments amounted to Rs. 262,500,000 (30 June 2019: Nil)

		2020	2019
6	MARKUP ACCRUED	Note	-----Rupees-----
	Markup accrued on:		
	- Profit and loss sharing accounts		9,257,00712,603,754
	- Sukuk certificates ad GoP Ijarah		10,471,9542,482,805
			<b>19,728,96115,086,559</b>
7	SECURITY DEPOSIT AND OTHER RECEIVABLES		
	Deposit with Central Depository Company of Pakistan Limited		100,000100,000
	Other receivables	7.1	478,941478,941
			<b>578,941578,941</b>

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 banks deducted withholding tax on 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.

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



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the banks has been shown as other receivable as at 30 June 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2020	2019
		-----Rupees-----	
Management fee	8.1	702,479	316,981
Sindh sales tax payable on remuneration of the Management Company	8.2	358,916	308,801
Federal Excise Duty payable on remuneration of the Management Company	8.3	1,733,901	1,733,901
Accounting and operational charges payable	15	298,553	105,661
		<b>3,093,850</b>	<b>2,465,344</b>

**8.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 2% of average annual net assets, within allowed expense ratio. With effect from 01 January 2020 Management Company decided to revise the management fee from 0.3% to 0.4%. Previously the Management Company was entitled to an amount not exceeding 3% of the average annual net assets and therefore charged its remuneration at a rate of 0.3% per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.

**8.2** During the year, an amount of Rs. 881,087 (2019: Rs. 364,663) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 830,972 (2019: Rs.351,667) has been paid to the Management Company which acts as the collecting agent.

**8.3** 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 8.2 above, the Management Company was of the view that further levy of FED was not justified.

On 04 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 Supreme Court of Pakistan which is pending adjudication.

With effect from 01 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 01 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 2019: Rs 1.734 million) is being retained in the financial statements of the Fund as the matter is pending before the 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 2020 would have been higher by Rs 0.41 per unit (30 June 2019: Rs 0.63 per unit).



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note	Rupees
	Trustee fee payable	9.1	131,715
	Sindh sales tax payable on trustee fee	9.2	17,123
	Settlement charges payable		500
	Sindh sales tax payable on settlement charges		65
			<b>149,403</b>
			<b>180,998</b>

9.1 With effect from June 28, 2019, the trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. Previously, the trustee fee was charged in accordance with the following slab rates:

**On net assets:**

- up to Rs.1,000 million 0.17% per annum of Net Assets
- 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

9.2 During the year, an amount of Rs. 182,072 (2019: Rs. 197,654) 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. 185,707 (2019: Rs 192,882) was paid to the Trustee which acts as a collecting agent.

		2020	2019
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	Rupees
	Annual fee payable	10.1	<b>373,481</b>
			<b>701,274</b>

10.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs. Previously, the rate of annual fee applicable to the income scheme was 0.075% of net assets.

### 11 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.

		2020	2019
12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Rupees
	Auditors' remuneration payable		320,490
	Printing charges payable		-
	Payable to shariah advisor		45,000
	Withholding tax and capital gain tax payable		13,172,128
	Annual listing fee payable		-
	Zakat payable		50,457
	Other payable		544,554
	Provision for Sindh Workers' Welfare Fund	12.1	8,134,880
			<b>22,267,509</b>
			<b>8,242,302</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

**12.1** 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, was 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. Thereafter, MUFAP had 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 SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution, 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).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from 21 May 2015 to 30 June 2019, the net asset value of the Fund as at 30 June 2020 would have been higher by Rs. 1.92 per unit (2019: Rs. 1.46 per unit).

## 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2020 and 30 June 2019.

## 14 MARKUP INCOME

Markup income on:

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

Note	2020	2019
	Rupees	
	180,473,150	79,489,800
	34,841,408	9,768,261
	2,631,029	0
	<b>217,945,587</b>	<b>89,258,061</b>

## 15 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 and onwards for allocation of such expenses to the Fund.

## 16 AUDITORS' REMUNERATION

- Audit fee
- Half yearly review of financial statements
- Other Certifications
- Income Certification
- Code of Corporate Governance
- Sindh Sales Tax on services
- Out of pocket expenses
- Prior year adjustment

Note	2020	2019
	Rupees	
	175,000	100,000
	55,000	50,000
	-	(42,000)
	55,000	50,000
	50,000	-
	28,800	19,200
	25,000	40,000
	(20,520)	(55,746)
	<b>368,280</b>	<b>161,454</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2020 is 0.96% (2019: 0.97%) which includes 0.30% (2019: 0.31%) 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 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 paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

## 19 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.

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 20.1 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 and their close family members and key management personnel of the Management Company.
- 20.2 Transactions with connected persons essentially comprise sale and repurchase 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.
- 20.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 20.4 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2020	2019
	-----Rupees-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	6,777,591	2,805,097
Remuneration paid	6,392,093	2,705,125
Sindh Sales Tax on remuneration of the Management Company	881,087	364,663
Accounting and operational charges	2,762,881	935,032
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,400,553	1,520,418
Sindh sales tax on remuneration of the Trustee	182,072	197,654
Remuneration paid to the Trustee	1,428,513	1,483,715
Settlement charges	11,194	6,000
Sindh sales tax on settlement charges	1,455	780

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	-----Rupees-----	
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 3 (2019: 3) units	1,636	1,784
Dividend declared	1,925	2,038
Outstanding 37 (2019: 33) units - at net asset value	18,543	16,871
<b>Honda Atlas Power Product (Private) Limited</b>		
Issue of 6 (2019: 1,761) units	3,220	886,946
Redemption of 41,015 (2019: 41,015) units	-	20,728,635
Dividend declared	3,788	964,797
Outstanding 72 (2019: 66) units - at net asset value	36,484	33,194
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 33 (2019: 5,077) units	17,081	2,557,937
Redemption of Nil (2019: 115,059) units	-	60,000,000
Dividend declared	228,502	2,946,611
Outstanding 3,983 (2019: 3,950) units - at net asset value	2,010,840	1,990,351
<b>Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of Nil(2019: 1,842) units	-	927,771
Redemption of Nil (2019: 23,231) units	-	11,955,677
Dividend declared	-	927,771
Outstanding Nil (2019: Nil) units - at net asset value	-	-
<b>Atlas Insurance Limited Window Takaful Operations</b>		
Issue of 78,570 (2019: 74,392) units	40,000,000	38,443,331
Redemption of 78,570 (2019:106,719) units	42,024,750	54,685,805
Dividend declared	-	2,236,925
Payable against redemption of units	-	18,776,901
Outstanding Nil (2019: Nil) units - at net asset value	-	-
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 157,383 (2019: 614,603) units	84,049,891	313,305,508
Redemption of 63,831 (2019: 9,666) units	34,000,000	5,000,000
Dividend declared	31,330,235	13,305,508
Outstanding 698,489 (2019: 604,937) units - at net asset value	352,660,251	304,840,054
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 23,421 (2019: 68,470) units	12,350,132	35,464,610
Redemption of 28,861 (2019: 10,520) units	15,400,000	5,400,000
Dividend declared	2,164,920	2,215,273
Outstanding 52,511 (2019: 57,950) units - at net asset value	26,512,035	29,202,014
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 33,588 (2019: 118,969) units	17,583,753	61,692,768
Redemption of 34,049 (2019: 12,644) units	18,150,000	6,500,000
Dividend declared	4,808,641	4,056,011
Outstanding 105,864 (2019: 106,325) units - at net asset value	53,449,498	53,579,077

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	-----Rupees-----	
<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 41,579 (2019: 192,321) units	21,623,611	99,691,423
Redemption of 34,900 (2019: 9,436) units	18,600,000	4,800,000
Dividend declared	9,116,062	6,793,212
Outstanding 189,564 (2019: 182,884) units - at net asset value	95,708,773	92,159,042
<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 217,557 (2019: Nil) units	119,545,675	-
Redemption of 172,108 (2019: Nil) units	96,000,000	-
Dividend declared	354,877	-
Outstanding 45,449 (2019: Nil) units - at net asset value	22,946,705	-
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 7,342 (2019: 49,939) units	3,820,702	25,601,349
Redemption of 3,115 (2019: 60,877) units	1,692,536	31,198,865
Dividend declared	258,739	566,950
Outstanding 9,001 (2019: 4,774) units - at net asset value	4,544,698	2,405,794
<b>20.5</b> Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.		

### 21 FINANCIAL INSTRUMENTS BY CATEGORY

	----- As at 30 June 2020 -----			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	----- (Rupees) -----			
<b>Financial assets</b>				
Cash and bank balances	1,584,796,999	-	-	1,584,796,999
Investments	-	555,713,327	-	555,713,327
Markup accrued	19,728,961	-	-	19,728,961
Security deposit and other receivables	100,000	-	-	100,000
	<b>1,604,625,960</b>	<b>555,713,327</b>	<b>-</b>	<b>2,160,339,287</b>
	----- As at 30 June 2020 -----			
		At fair value through profit or loss	At amortised Cost	Total
		----- (Rupees) -----		
<b>Financial liabilities</b>				
Payable to Atlas Asset Management Limited - Management Company	-	-	3,093,850	3,093,850
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	149,403	149,403
Payable against redemption of units	-	-	-	-
Unclaimed dividend	-	-	332,890	332,890
Accrued expenses and other liabilities	-	-	910,044	910,044
	<b>-</b>	<b>-</b>	<b>4,486,187</b>	<b>4,486,187</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	----- As at 30 June 2019 -----			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	----- (Rupees) -----			
<b>Financial assets</b>				
Cash and bank balances	1,308,448,955	-	-	1,308,448,955
Investments	-	99,898,800	-	99,898,800
Markup accrued	15,086,559	-	-	15,086,559
Security deposit and other receivables	100,000	-	-	100,000
	<u>1,323,635,514</u>	<u>99,898,800</u>	<u>-</u>	<u>1,423,534,314</u>
	----- As at 30 June 2019 -----			
	At fair value through profit or loss	Other financial liabilities	Total	
	----- (Rupees) -----			
<b>Financial liabilities</b>				
Payable to Atlas Asset Management Limited - Management Company	-	2,465,344	2,465,344	
Payable to Central Depository Company of Pakistan Limited - Trustee	-	180,998	180,998	
Payable against redemption of units	-	19,806,934	19,806,934	
Unclaimed Dividend	-	390,184	390,184	
Accrued expenses and other liabilities	-	767,140	767,140	
	<u>-</u>	<u>23,610,600</u>	<u>23,610,600</u>	

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

During the year ended June 30, 2020, the global economic environment including Pakistan has been severely affected by the COVID -19 outbreak. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat. The State Bank of Pakistan has also responded to the crisis by cutting the policy rate by 225 bps to 11% in March '20, by 200 bps to 9% on April '20, by 100 bps to 8% in May '20 and again by 100 bps to 7% in June '20. SECP has also provided certain relaxation to the asset management companies in Pakistan for specific period.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

### 22.2 Market risk

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

#### (i) Profit rate risk

Profit rate risk is the risk that the Fund's income will fluctuate due to changes in the market profit rates. As of

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020, the Fund is exposed to such risk in respect of bank balances and corporate sukuk securities. 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 and investment in corporate sukuk 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, 2020, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 21,299,694 (2019: Rs. 14,059,128 ).

### 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 2020 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 2020 can be determined as follows:

----- As at 30 June 2020 -----						
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) -----					
<b>Financial Assets</b>						
Cash and bank balances	6.0 - 7.5	1,574,256,099	-	-	10,540,900	1,584,796,999
Investments	6.63-15.81	-	-	555,713,327	-	555,713,327
Markup accrued		-	-	-	19,728,961	19,728,961
Security deposit and other receivables		-	-	-	100,000	100,000
		<b>1,574,256,099</b>	<b>-</b>	<b>555,713,327</b>	<b>30,369,861</b>	<b>2,160,339,287</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	3,093,850	3,093,850
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	149,403	149,403
Payable against redemption of units		-	-	-	-	-
Unclaimed dividend		-	-	-	332,890	332,890
Accrued expenses and other liabilities		-	-	-	910,044	910,044
		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,486,187</b>	<b>4,486,187</b>
<b>On-balance sheet gap (a)</b>		<b>1,574,256,099</b>	<b>-</b>	<b>555,713,327</b>	<b>25,883,674</b>	<b>2,155,853,100</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a + b)</b>		<b>1,574,256,099</b>	<b>-</b>	<b>555,713,327</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>1,574,256,099</b>	<b>1,574,256,099</b>	<b>2,129,969,426</b>		



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June 2019						
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)					
<b>Financial Assets</b>						
Cash and bank balances	6.0 - 13.0	1,306,013,955	-	-	2,435,000	1,308,448,955
Investments	11.35 - 13.80	-	-	99,898,800	-	99,898,800
Markup accrued		-	-	-	15,086,559	15,086,559
Security deposit and other receivables					100,000	100,000
		<b>1,306,013,955</b>	<b>-</b>	<b>99,898,800</b>	<b>17,621,559</b>	<b>1,423,534,314</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	2,465,344	2,465,344
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	180,998	180,998
Payable against redemption of units		-	-	-	19,806,934	19,806,934
Unclaimed Dividend		-	-	-	390,184	390,184
Accrued expenses and other liabilities		-	-	-	767,140	767,140
		<b>-</b>	<b>-</b>	<b>-</b>	<b>23,610,600</b>	<b>23,610,600</b>
<b>On-balance sheet gap (a)</b>		<b>1,306,013,955</b>	<b>-</b>	<b>99,898,800</b>	<b>(5,989,041)</b>	<b>1,399,923,714</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a + b)</b>		<b>1,306,013,955</b>	<b>-</b>	<b>99,898,800</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>1,306,013,955</b>	<b>1,306,013,955</b>	<b>1,405,912,755</b>		

### (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 2020.

## 22.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

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

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

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

	----- As at 30 June 2020 -----					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
<b>2020</b>	----- Rupees -----					
<b>Assets</b>						
Cash and bank balances	1,584,796,999	-	-	-	-	1,584,796,999
Investments	-	-	-	555,713,327	-	555,713,327
Markup accrued	9,257,007	10,471,954	-	-	-	19,728,961
Security deposit and other receivables	-	-	-	478,941	100,000	578,941
	<b>1,594,054,006</b>	<b>10,471,954</b>	<b>-</b>	<b>556,192,268</b>	<b>100,000</b>	<b>2,160,818,228</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	3,093,850	-	-	-	-	3,093,850
Payable to Central Depository Company of Pakistan Limited - Trustee	149,403	-	-	-	-	149,403
Payable against redemption of units	-	-	-	-	-	-
Dividend payable	332,890	-	-	-	-	332,890
Accrued expenses and other liabilities	544,554	-	365,490	-	-	910,044
	<b>4,120,697</b>	<b>-</b>	<b>365,490</b>	<b>-</b>	<b>-</b>	<b>4,486,187</b>
<b>Net assets / (liabilities)</b>	<b>1,589,933,309</b>	<b>10,471,954</b>	<b>(365,490)</b>	<b>556,192,268</b>	<b>100,000</b>	<b>2,156,332,041</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

----- As at 30 June 2019 -----						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>2019</b>						
<b>Assets</b>						
Cash and bank balances	1,308,448,955	-	-	-	-	1,308,448,955
Investments	-	-	-	99,898,800	-	99,898,800
Markup accrued	12,603,754	2,482,805	-	-	-	15,086,559
Security deposit and other receivables	-	-	-	478,941	100,000	578,941
	<b>1,321,052,709</b>	<b>2,482,805</b>	<b>-</b>	<b>100,377,741</b>	<b>100,000</b>	<b>1,424,013,255</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	2,465,344	-	-	-	-	2,465,344
Payable to Central Depository Company of Pakistan Limited - Trustee	180,998	-	-	-	-	180,998
Payable against redemption of units	19,806,934	-	-	-	-	19,806,934
Dividend payable	390,184	-	-	-	-	390,184
Accrued expenses and other liabilities	480,166	-	286,974	-	-	767,140
	<b>23,323,626</b>	<b>-</b>	<b>286,974</b>	<b>-</b>	<b>-</b>	<b>23,610,600</b>
<b>Net assets / (liabilities)</b>	<b>1,297,729,083</b>	<b>2,482,805</b>	<b>(286,974)</b>	<b>100,377,741</b>	<b>100,000</b>	<b>1,400,402,655</b>

### 22.4 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.

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- Rupees -----				
Bank balances	1,584,796,999	1,584,796,999	1,308,448,955	1,308,448,955
Investments	555,713,327	555,713,327	99,898,800	99,898,800
Markup accrued	19,728,961	19,728,961	15,086,559	15,086,559
Security deposit and other receivables	578,941	578,941	578,941	578,941
	<b>2,160,818,228</b>	<b>2,160,818,228</b>	<b>1,424,013,255</b>	<b>1,424,013,255</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 22.4.1 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks ,investment in GOP ijarah sukuks and corporate sukuks. The credit rating profile of above mentioned is as follows:

### Ratings of amounts placed with banks, investment in GOP ijarah sukuks and corporate sukuk certificates

	% of financial assets exposed	
	2020	2019
GOP Ijarah Sukuks (Government Guaranteed)	12.55	-
Sukuk Certificates	10.60	7.11
AAA	30.70	17.80
AA+	0.33	0.13
AA	23.11	23.59
AA-	19.67	-
A+	3.04	51.38
A	-	-
	<b>100</b>	<b>100</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2020 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

## 22.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. 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 rates announced by Financial Market Association of Pakistan and fair value of corporate sukuks is determined on the basis of rates announced by MUFAP. The fair value of financial assets and liabilities of the Fund, other than government securities, approximates their carrying amount due to short term maturities of these instruments.

## 22.6 Fair value hierarchy

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

Level 1: quoted prices (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.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020, the Fund has investments at fair value through profit or loss measured using level 2 valuation technique. Particulars regarding their cost and market value are given in note 5.1 and 5.2.

### 23 UNIT HOLDERS FUND RISK MANAGEMENT

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

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has 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 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

### 24 UNIT HOLDING PATTERN OF THE FUND

Category	2020			2019		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	1048	556,561,919	26.07%	756	388,012,110	27.87%
Insurance Companies*	8	280,140,060	13.12%	9	33,519,818	2.41%
Others	10	294,432,393	13.79%	3	6,666,199	0.48%
Banks/ DFIs	5	551,237,880	25.82%	4	479,784,663	34.46%
Associated Companies/ Directors	4	2,374,411	0.11%	3	2,040,435	0.15%
Retirement Funds	19	449,854,820	21.07%	12	281,118,138	20.19%
Public Limited Companies	-	-	0.00%	8	201,084,856	14.44%
	<b>1,095</b>	<b>2,134,601,483</b>	<b>100%</b>	<b>795</b>	<b>1,392,226,219</b>	<b>100%</b>

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

### 25 LIST OF TOP BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of brokers	2020	2019
	Percentage of commission paid %	
Invest Capital Markets Limited	-	100
	-	<b>100</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 26 MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	20 Years
Mr. Ali H. Shirazi	Director	Masters in Law	16.5 years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	16 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	12 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	12 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	9 Years

## 27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Sovereign Fund Atlas Money Market Fund Atlas Income Fund

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Director	Meeting held on					
	04 July 2019	26 September 2019	30 October 2019	27 February 2020	29 April 2020	26 June 2020
Mr. Yusuf H. Shirazi *	L	P	-	-	-	-
Mr. Iftikhar H. Shirazi ** (Appointed Chairman w.e.f. Feb. 27, 2020)	-	-	-	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Fahim Ali Khan	L	P	P	P	P	P
Mr. Ali H. Shirazi	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. Muhammad Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	P	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	P	P	L	P	P

P Present

L Leave of absence

\* Mr. Yusuf H. Shirazi passed away on October 20, 2019.

\*\* Mr. Iftikhar H. Shirazi appointed as chairman on February 27, 2020.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 29 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 28 December 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Moreover, PACRA has maintained the stability rating of the Fund at "AA- (f)" [2019: "AA- (f)"] on 17 April 2020.

### 30 GENERAL

The figures have been rounded off to the nearest Rupee.

### 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 10 September 2020.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Islamic Stock Fund

## Corporate Information

### Trustee

Central Depository Company of Pakistan Limited  
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal  
Karachi - 74400

### Shariah Advisor

Dr. Mufti Hassan Usmani

### Auditors

EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

Mohsin Tayebaly & Co.

### Bankers

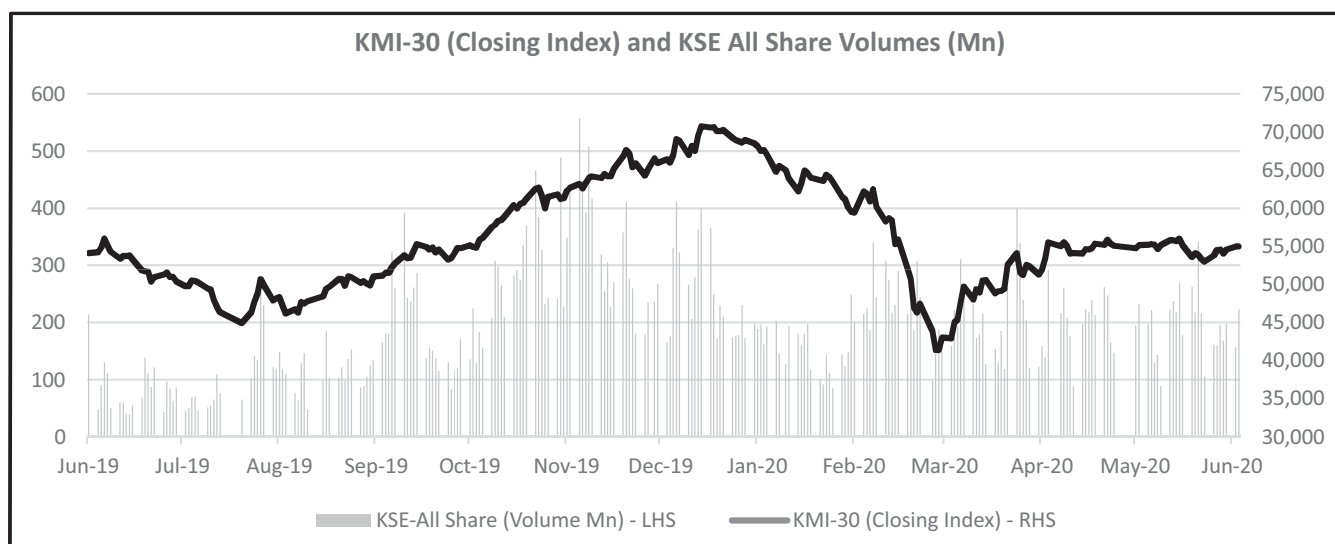
Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking



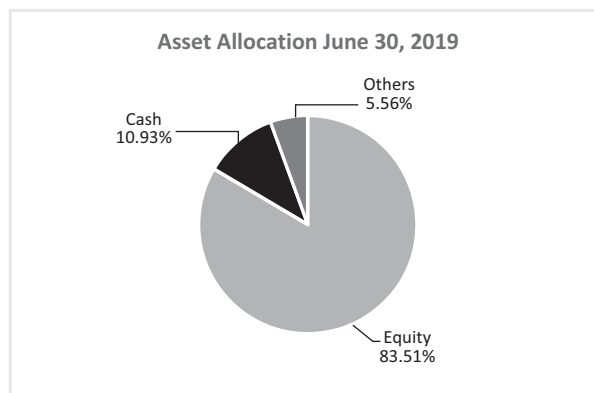
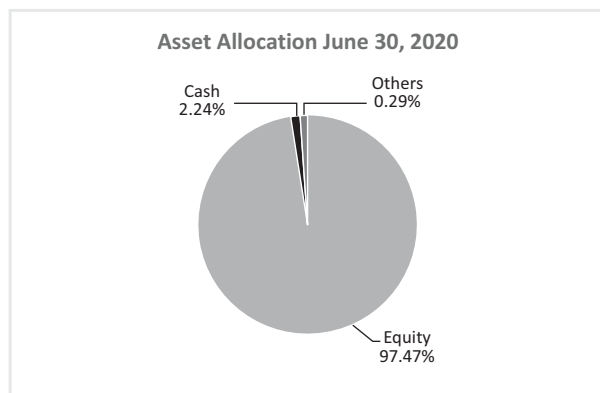
## Fund Manager's Report

Atlas Islamic Stock Fund (AISF) is an open-ended equity fund. The fund has a high-risk rating with the objective to provide long term capital growth from an actively managed portfolio invested in Shariah compliant listed companies in Pakistan. 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 1.62% from 54,118.51 points as on June 28, 2019 to 54,995.25 as on June 30, 2020. The daily average volume during the year increased by 26.52% to 196.36 million shares from 155.21 million shares traded last year. Net outflow of US \$284.83 was recorded by Foreign Portfolio Investors during FY20 compared to net outflow of US \$355.95 million in FY19. On the local front, Individuals, Insurance Companies and Other Organization were net buyers of US \$213.23 million, US \$128.64 million and US \$31.56 million during FY20. Banks, Mutual Funds and Broker Proprietary Trading Accounts remained net sellers of US \$55.40 million, US \$50.22 million and US \$13.34 million, respectively. During FY20, sectors that outperformed benchmark KSE-100 index were Pharmaceuticals, Technology & Communication, Cement, Engineering and Fertilizer that posted 56.42%, 35.41%, 33.31%, 27.64% and 8.14% returns, respectively. Sectors that underperformed KSE-100 index were Oil & Gas Marketing Companies, Oil & Gas Exploration, Commercial Banks and Power Generation & Distribution Companies that posted -3.14%, -14.26%, -16.70% and -19.19% returns, respectively.



The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) increased by 7.51% to Rs. 455.66 as on June 30, 2020. The benchmark KMI-30 index increased by 1.62% during the same period. The KMI-30 index increased from 54,118.51 points as on June 28, 2019 to 54,995.25 points as on June 30, 2020. AISF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospect of earnings growth. AISF's equity portfolio exposure stood at 97.47% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Power Generation & Distribution. The Net Assets of the Fund stood at Rs. 1.82 billion, with 4.00 million units outstanding as of June 30, 2020.





The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 6.50 per unit for the period ended June 30, 2020 (1.30% 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	2016-17	2017-18	2018-19	2019-20
Atlas Bachat Islamic Plan	85%	15%	9.46%	3.00%	4.37%	11%
Atlas Bachat Balanced Islamic Plan	50%	50%	17.61%	-1.48%	-5.24%	9.55%
Atlas Bachat Growth Islamic Plan	15%	85%	25.76%	-5.96%	-14.84%	8.12%

#### Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	654	206,527,611	11.33%
Retirement Funds	12	565,800,982	31.03%
Associated Companies/ Directors	8	733,737,798	40.24%
Others	7	163,347,245	8.96%
Insurance Companies	3	153,901,482	8.44%
<b>Total</b>	<b>684</b>	<b>1,823,315,118</b>	<b>100.00</b>

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 19,370,923 (Rs. 4.84 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 10,453,385 up till June 30, 2020 (Rs. 2.61 per unit).

The Total Expense Ratio (TER) of the Fund is 3.46% including expenses representing Government levy, SWWF and SECP Fee of 0.64%.

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

Karachi: 10 September 2020

**Faran-UI-Haq**  
Head of Equities

## 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

AISF	Resolution	For	Against	Abstain
Number	150	150	-	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

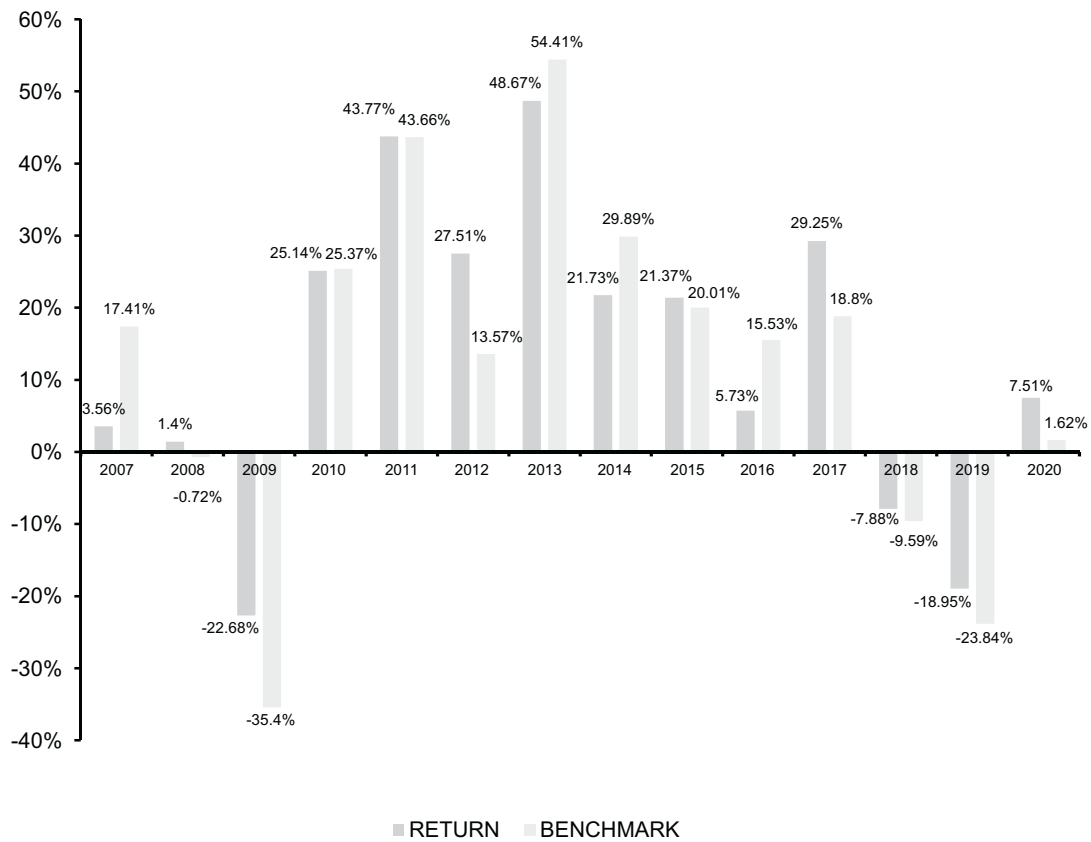
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007*
Net Assets (Rs. in '000)	1,823,315	1,204,994	2,262,189	2,478,898	1,411,789	1,415,763	809,364	974,606	510,953	318,777	252,773	417,775	597,788	512,580
Number of units in issue	4,001,514	2,803,109	4,265,137	4,058,678	2,987,494	2,854,233	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.)	455.66	429.88	530.39	610.77	472.57	496.02	408.67	483.55	387.74	409.09	484.55	387.22	509.83	517.79
Net (loss) / income (Rs. in '000)	190,108	(284,783)	(184,177)	562,154	80,049	250,274	137,439	320	110,717	97,396	114,084	(122,217)	9,319	17,489
Earnings per unit (Rs.)	47.51	(101.60)	(43.18)	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 (%)	7.51	(18.95)	(7.88)	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.)	465.96	439.60	530.39	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.)	455.66	429.88	530.39	610.77	472.57	496.02	408.67	476.36	381.94	402.95	477.28	381.41	502.18	510.03
Distribution (Rs.)	6.50	-	-	35.00	-	50.00	45.00	110.00	62.50	105.00	200.00	-	9.00	15.00
Distribution as a % of Opening Ex- NAV of units	1.51	-	-	7.41	-	12.23	12.05	33.82	20.55	36.90	51.65	-	1.79	3.00
Date of Distribution	30-Jun-20	-	-	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.)	577.53	570.53	595.15	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.)	351.78	427.74	484.26	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) (Rs.)	564.77	557.92	595.15	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) (Rs.)	344.01	418.29	484.26	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)

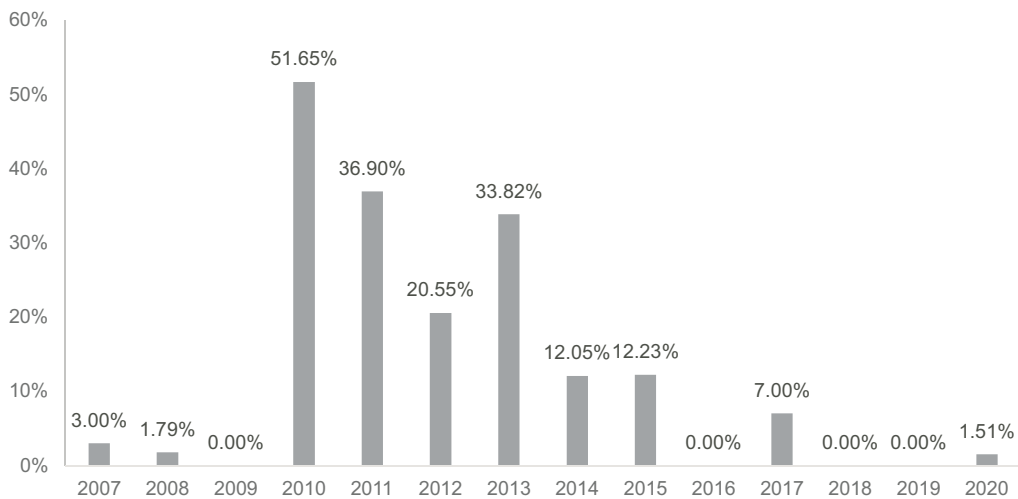
\*\* Relates to announced prices.

**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 Ex-NAV)



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## 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, 2020 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: 28 September 2020

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser 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 a Shariah Adviser 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 Adviser 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 June 30, 2020 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 Adviser 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 2020

**Dr. Mufti Hassan Usmani**  
Shariah Advisor

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# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Stock Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2020, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Equity investments</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2020, the investments held by the Fund comprised of listed shares which represent significant portion of the total assets of the Fund as at the year end.</p> <p>In view of the above, we have considered this area as a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement, related reconciliations and re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at 30 June 2020.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

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a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 29 September 2020

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**



# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2020

	Note	2020 ----- Rupees -----	2019 -----
<b>ASSETS</b>			
Bank balances	4	42,077,624	156,269,884
Investments	5	1,834,162,742	1,193,804,060
Profit receivable on bank balances		261,877	1,045,961
Receivable against sale of investments		-	72,714,091
Dividend receivable		138,000	541,157
Security deposits and other receivable	6	5,197,419	5,197,419
<b>Total assets</b>		<b>1,881,837,662</b>	<b>1,429,572,572</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	7	16,364,057	14,879,795
Payable to Central Depository Company of Pakistan Limited - Trustee	8	266,731	235,939
Payable to the Securities and Exchange Commission of Pakistan	9	289,352	1,563,199
Payable against redemption of units	10	17,508,280	190,404,182
Accrued expenses and other liabilities	11	24,094,124	17,495,849
<b>Total liabilities</b>		<b>58,522,544</b>	<b>224,578,964</b>
<b>NET ASSETS</b>		<b>1,823,315,118</b>	<b>1,204,993,608</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,823,315,118</b>	<b>1,204,993,608</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,001,514</b>	<b>2,803,109</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>455.66</b>	<b>429.88</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 -----Rupees-----	2019
<b>INCOME</b>			
Profit on bank balances		5,800,719	11,583,695
Dividend income		65,485,654	76,255,360
<b>Gain / (loss) from investments at fair value through P&amp;L</b>			
Capital gain / (loss) on sale of investments - net		115,862,830	(92,475,499)
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	53,142,025	(233,060,257)
		<b>169,004,855</b>	<b>(325,535,756)</b>
<b>Total income</b>		<b>240,291,228</b>	<b>(237,696,701)</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	32,145,340	32,909,473
Sindh sales tax on remuneration of the Management Company	7.2	4,178,894	4,278,231
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	2,446,737	2,645,474
Sindh sales tax on remuneration of the Trustee	8.2	318,076	343,912
Annual fee - Securities and Exchange Commission of Pakistan	9	289,377	1,563,200
Accounting and operational charges	13	2,134,859	1,645,474
Shariah advisory fee		291,667	299,996
Auditors' remuneration	15	456,945	251,675
Securities transaction cost		3,786,441	2,878,842
Annual listing fee		27,500	27,500
Printing charges		-	13,525
Provision for Sindh Workers Welfare Fund		3,879,735	-
Legal and professional charges		195,500	177,978
Bank charges		32,228	51,431
		<b>50,183,299</b>	<b>47,086,711</b>
<b>Net income / (loss) for the year before taxation</b>		<b>190,107,929</b>	<b>(284,783,412)</b>
Taxation	16	-	-
<b>Net income / (loss) for the year after taxation</b>		<b>190,107,929</b>	<b>(284,783,412)</b>
<b>Earnings per unit</b>	17		
<b>Allocation of net income for the year</b>			
- Net earnings for the year after taxation		190,107,929	-
- Income already paid on units redeemed		(17,889,423)	-
		<b>172,218,506</b>	<b>-</b>
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		169,004,855	-
-Excluding capital gains		3,213,651	-
		<b>172,218,506</b>	<b>-</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	-----Rupees-----	
<b>Net income / (loss) for the year after taxation</b>	<b>190,107,929</b>	<b>(284,783,412)</b>
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b>190,107,929</b>	<b>(284,783,412)</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

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Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2020

	2020		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	982,676,383	-	982,676,383
<b>Undistributed income brought forward</b>			
- Realised income	-	429,780,302	429,780,302
- Unrealised loss	-	(207,463,077)	(207,463,077)
<b>Net assets at the beginning of the year (Units outstanding: 2,803,109) (Rs. 429.88 per unit)</b>	<b>982,676,383</b>	<b>222,317,225</b>	<b>1,204,993,608</b>
Issue of 3,606,299 units	1,606,149,166	-	1,606,149,166
Redemption of 2,407,893 units	(1,132,724,951)	(17,889,423)	(1,150,614,374)
Total comprehensive income for the year	-	190,107,929	190,107,929
Refund of element	(3,754,568)	-	(3,754,568)
Final cash dividend declared for the year ended 30 June 2020 Rs. 6.50 per unit declared on 30 June 2020	-	(22,177,847)	(22,177,847)
Shariah non-compliant income set-aside for charity	-	(1,388,796)	(1,388,796)
<b>Net assets at end of the year (Units outstanding: 4,001,514) (Rs. 455.66 per unit)</b>	<b>1,452,346,030</b>	<b>370,969,088</b>	<b>1,823,315,118</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	410,531,817	-
- Unrealised loss	-	(39,562,729)	-
	-	<b>370,969,088</b>	-

	2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,753,727,127	-	1,753,727,127
<b>Undistributed income brought forward</b>			
- Realised income	-	487,686,197	487,686,197
- Unrealised income	-	20,775,594	20,775,594
<b>Net assets at the beginning of the year (Units outstanding: 4,265,137) (Rs. 530.39 per unit)</b>	<b>1,753,727,127</b>	<b>508,461,791</b>	<b>2,262,188,918</b>
Issue of 2,437,385 units	1,204,476,169	-	1,204,476,169
Redemption of 3,899,413 units	(1,975,526,913)	-	(1,975,526,913)
Total comprehensive loss for the year	-	(284,783,412)	(284,783,412)
Shariah non-compliant income set-aside for charity	-	(1,361,154)	(1,361,154)
<b>Net assets at end of the year (Units outstanding: 2,803,109) (Rs. 429.88 per unit)</b>	<b>982,676,383</b>	<b>222,317,225</b>	<b>1,204,993,608</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	429,780,302	-
- Unrealised loss	-	(207,463,077)	-
	-	<b>222,317,225</b>	-

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 -----Rupees-----	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the year after taxation		190,107,929	(284,783,412)
<b>Adjustments for:</b>			
Profit on bank balances		(5,800,719)	(11,583,695)
Dividend income		(65,485,654)	(76,255,360)
Capital (gain) / loss on sale of investments - net		(115,862,830)	92,475,499
Net unrealised (gain) / loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(53,142,025)	233,060,257
Provision for Sindh Workers Welfare Fund		3,879,735	-
		<b>(236,411,493)</b>	<b>237,696,701</b>
<b>Decrease / (increase) in assets</b>			
Security deposits and other receivable		72,714,091	(68,689,091)
<b>Increase / (decrease) in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		1,484,262	(1,634,725)
Payable to Central Depository Company of Pakistan Limited - Trustee		30,792	(76,009)
Payable to the Securities and Exchange Commission of Pakistan		(1,273,847)	(746,431)
Payable against purchase of investments		-	(9,043,890)
Accrued expenses and other liabilities		1,329,744	(1,165,601)
		<b>1,570,951</b>	<b>(12,666,656)</b>
Profit received on bank balances		6,584,803	12,473,988
Dividend received		65,888,811	77,183,987
Investments made during the year		(1,568,362,351)	(1,366,449,048)
Investments sold during the year		1,097,008,540	1,827,552,476
<b>Net cash (used in) / generated from operating activities</b>		<b>(370,898,719)</b>	<b>422,318,945</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		1,606,149,166	1,204,476,169
Net payments against redemption of units		(1,323,510,276)	(1,785,296,798)
Refund of element		(3,754,568)	-
Dividend paid		(22,177,847)	-
<b>Net cash generated from / (used in) financing activities</b>		<b>256,706,475</b>	<b>(580,820,629)</b>
<b>Net decrease in cash and cash equivalents during the year</b>		<b>(114,192,244)</b>	<b>(158,501,684)</b>
Cash and cash equivalents at the beginning of the year		156,269,884	314,771,568
<b>Cash and cash equivalents at the end of the year</b>	4	<b>42,077,640</b>	<b>156,269,884</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 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 was revised through the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010 and 23 May 2017, respectively 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, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth and Thirteen Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015, 29 September 2016, 2 June 2017, 25 May 2018, 5 September 2019, 25 November 2019, 01 April 2020 and 01 June 2020 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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- "Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

### 2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 16 – Leases

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

IFRIC 23 – Uncertainty over Income Tax Treatments  
 IFRS 3 – Business Combinations – Previously held interests in a joint operation  
 IFRS 9 – Financial instruments – Prepayment Features with Negative Compensation (Amendments)  
 IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendments)  
 IFRS 11 – Joint Arrangements – Previously held interests in a joint operation  
 IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity  
 IAS 23 – Borrowing Costs – Borrowing costs eligible for capitalisation  
 IAS 19 – Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)  
 IFRS 14 – Regulatory Deferral Accounts

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017 which became effective in the current period.

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of a Business - Amendments to IFRS 3	January 01, 2020
Interest rate benchmark reform - Amendment to IFRS 9, IAS 39 and IFRS 7	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020
Covid-19-Related Rent Concessions – Amendment to IFRS 16	June 01, 2020
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2020
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2020
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

of applicability in Pakistan.

## Standard or Interpretation

## IASB Effective date (annual periods beginning on or after)

IFRS 1 - First-time Adoption of International Financial Reporting Standards

01 January 2009

IFRS 17 - Insurance Contracts

01 January 2023

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the 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 including expectations of future events that are believed to be reasonable under the circumstances, the results 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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.

## 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 as below. These policies have been applied consistently to all years except for the changes in accounting policies as explained in the note 3.1 below.

### 3.1 Financial instruments

#### a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

#### b) Classification

##### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL.

### Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

### **c) Subsequent Measurement**

#### **Financial assets (equity and debt instruments) at fair value through profit or loss**

Financial assets (both equity and debt) at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

#### **Debt instruments at Amortised Cost**

Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio.

#### **Debt instruments at FVOCI**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss.

#### **Equity instruments at FVOCI**

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

#### **Financial liabilities**

#### **Financial liabilities measured at amortised cost**

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

### d) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### e) **Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

### f) **Impairment of financial assets**

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

For trade and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, the Fund has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade and other receivables. The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

### g) **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### h) **Determination of fair value**

The equity securities are valued on the basis of closing quoted market prices available at Pakistan Stock Exchange (PSX)

## 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 **Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events,

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

### 3.4 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.

### 3.5 Distribution to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### 3.7 Revenue recognition

- 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.
- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised appreciation / (loss) 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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 3.8 Expenses

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

## 3.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

## 3.10 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.

## 3.11 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 of EPU is not practicable.

		2020	2019
4	Note	Rupees	
In local currency			
- Profit and loss sharing accounts	4.1	38,649,598	155,671,677
- Current account		79,208	78,207
- Cheque in hand	4.2	3,348,818	520,000
		<b>42,077,624</b>	<b>156,269,884</b>

4.1 The rate of return on these profit and loss sharing accounts ranges between 7.35% to 7.75% (30 June 2019: 6.00% to 12.30%) per annum.

4.2 This denotes cheques received against issue of units which were deposited and cleared in the bank account subsequent to the year end by 20 July 2020 (30 June 2019: 02 July 2019).

		2020	2019
5	Note	Rupees	
At fair value through profit or loss			
- Listed equity securities	5.1	1,834,162,742	1,193,804,060
		<b>1,834,162,742</b>	<b>1,193,804,060</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 5.1 Listed equity securities

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

Name of Investee Company	As at 01 July 2019	Purchases during the year	Bonus / Right shares during the year/ (Write off)	Sales during the year	As at 30 June 2020	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
-----Number of shares----- Rupees----- % age -----										
<b>At fair value through profit or loss - listed equity securities</b>										
<b>Inv. Bank/Inv. Companies/Securities Co.</b>										
Dawood Hercules Corporation Limited	200,000	-	-	200,000	-	-	-	-	-	-
	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Banks</b>										
Bankislami Pakistan Limited	1,111,000	3,100,500	210,600	1,300,000	3,122,100	35,849,845	23,603,076	1.29	1.29	0.28
Meezan Bank Limited	1,530,692	845,000	-	332,000	2,043,692	164,140,062	140,708,194	7.67	7.72	0.16
	<b>2,641,692</b>	<b>3,945,500</b>	<b>210,600</b>	<b>1,632,000</b>	<b>5,165,792</b>	<b>199,989,907</b>	<b>164,311,270</b>	<b>8.96</b>	<b>9.01</b>	
<b>Textile Composite</b>										
Interloop Limited	351,438	427,000	-	778,000	438	19,743	19,237	0.00	0.00	0.00
Kohinoor Textile Mills Limited	680,500	7,000	-	287,000	400,500	10,066,722	14,221,755	0.78	0.78	0.13
Nishat Mills Limited	80,000	951,400	-	606,400	425,000	27,173,932	33,154,250	1.81	1.82	0.12
	<b>1,111,938</b>	<b>1,385,400</b>	<b>-</b>	<b>1,671,400</b>	<b>825,938</b>	<b>37,260,397</b>	<b>47,395,242</b>	<b>2.58</b>	<b>2.60</b>	
<b>Cement</b>										
Attock Cement Pakistan Limited	143,900	170,000	-	143,500	170,400	19,523,239	21,236,952	1.16	1.16	0.12
Cherat Cement Company Limited	215,000	625,000	21,500	528,000	333,500	17,427,464	29,071,195	1.58	1.59	0.17
D.G. Khan Cement Company Limited	239,000	912,500	-	795,000	356,500	25,203,531	30,420,145	1.66	1.67	0.08
Fauji Cement Company Limited	-	950,000	-	450,000	500,000	8,363,390	8,440,000	0.46	0.46	0.04
Kohat Cement Company Limited	142,950	240,000	-	182,500	200,450	22,025,013	27,551,853	1.50	1.51	0.10
Lucky Cement Limited (see note 5.3)	184,900	217,700	-	59,600	343,000	138,022,014	158,321,940	8.63	8.68	0.11
Maple Leaf Cement Factory Limited	-	195,000	-	195,000	-	-	-	-	-	-
	<b>925,750</b>	<b>3,310,200</b>	<b>21,500</b>	<b>2,353,600</b>	<b>1,903,850</b>	<b>230,564,651</b>	<b>275,042,085</b>	<b>15.00</b>	<b>15.08</b>	
<b>Refinery</b>										
Attock Refinery Limited	-	30,000	-	30,000	-	-	-	-	-	-
National Refinery Limited	-	25,000	-	25,000	-	-	-	-	-	-
	<b>-</b>	<b>55,000</b>	<b>-</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Power Generation &amp; Distribution</b>										
K-Electric Limited (face value Rs. 3.5)	3,200,000	-	-	-	3,200,000	14,048,000	9,632,000	0.53	0.53	0.01
The Hub Power Company Limited (see note 5.3)	1,328,280	1,465,000	-	400,000	2,393,280	183,199,931	173,512,800	9.46	9.52	0.18
	<b>4,528,280</b>	<b>1,465,000</b>	<b>-</b>	<b>400,000</b>	<b>5,593,280</b>	<b>197,247,931</b>	<b>183,144,800</b>	<b>9.99</b>	<b>10.04</b>	
<b>Oil &amp; Gas Marketing Companies</b>										
Attock Petroleum Limited	50,400	78,300	-	61,900	66,800	17,992,793	20,387,360	1.11	1.12	0.07
Hi-Tech Lubricants Limited	-	347,000	-	310,000	37,000	1,129,875	1,120,360	0.06	0.06	0.03
Pakistan State Oil Company Limited* (see note 5.3)	377,800	268,000	70,712	240,500	476,012	70,702,150	75,286,058	4.10	4.13	0.10
Shell Pakistan Limited	-	101,300	-	-	101,300	17,902,780	18,495,354	1.01	1.01	0.09
Sui Northern Gas Pipelines Limited	199,700	640,500	-	-	840,200	47,228,188	45,874,920	2.50	2.52	0.13
	<b>627,900</b>	<b>1,435,100</b>	<b>70,712</b>	<b>612,400</b>	<b>1,521,312</b>	<b>154,955,786</b>	<b>161,164,052</b>	<b>8.79</b>	<b>8.84</b>	
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	69,965	36,260	9,045	29,480	85,790	78,721,091	106,092,204	5.78	5.82	0.06
Oil & Gas Development Company Limited	1,131,000	1,200,012	-	357,300	1,973,712	214,709,708	215,134,608	11.73	11.80	0.05
Pakistan Oilfields Limited	183,700	46,000	-	64,000	165,700	64,512,256	58,099,391	3.17	3.19	0.06
Pakistan Petroleum Limited (see note 5.3)	702,725	354,000	145,745	319,500	882,970	101,066,339	76,624,137	4.18	4.20	0.03
	<b>2,087,390</b>	<b>1,636,272</b>	<b>154,790</b>	<b>770,280</b>	<b>3,108,172</b>	<b>459,009,394</b>	<b>455,950,340</b>	<b>24.86</b>	<b>25.01</b>	
<b>Engineering</b>										
International Industries Limited	244,500	153,000	31,000	353,000	75,500	7,939,097	6,925,615	0.38	0.38	0.06
International Steels Limited	100,000	250,000	-	350,000	-	-	-	-	-	-
	<b>344,500</b>	<b>403,000</b>	<b>31,000</b>	<b>703,000</b>	<b>75,500</b>	<b>7,939,097</b>	<b>6,925,615</b>	<b>0.38</b>	<b>0.38</b>	
<b>Automobile Assembler</b>										
Millat Tractors Limited	-	41,000	-	4,000	37,000	22,764,340	26,127,920	1.42	1.43	0.07
	<b>-</b>	<b>41,000</b>	<b>-</b>	<b>4,000</b>	<b>37,000</b>	<b>22,764,340</b>	<b>26,127,920</b>	<b>1.42</b>	<b>1.43</b>	
<b>Automobile Parts &amp; Accessories</b>										
THAL Limited	-	26,700	-	26,700	-	-	-	-	-	-
	<b>-</b>	<b>26,700</b>	<b>-</b>	<b>26,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	As at 01 July 2019	Purchases during the year	Bonus / Right shares during the year/ (Write off)	Sales during the year	As at 30 June 2020	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
	-----Number of shares-----			-----Rupees-----		----- % age -----				
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	-	295,500	-	295,500	-	-	-	-	-	-
	-	<b>295,500</b>	-	<b>295,500</b>	-	-	-	-	-	-
<b>Technology &amp; Communications</b>										
Pakistan Telecommunication Company Limited	-	900,000	-	900,000	-	-	-	-	-	-
Systems Limited	226,200	505,000	-	403,200	328,000	41,502,571	60,247,040	3.28	3.30	0.27
	<b>226,200</b>	<b>1,405,000</b>	-	<b>1,303,200</b>	<b>328,000</b>	<b>41,502,571</b>	<b>60,247,040</b>	<b>3.28</b>	<b>3.30</b>	
<b>Fertilizer</b>										
Engro Corporation Limited	456,000	308,656	-	343,000	421,656	115,363,827	123,511,476	6.73	6.77	0.07
Engro Fertilizers Limited	1,150,000	1,746,681	-	1,612,000	1,284,681	80,144,905	77,440,571	4.22	4.25	0.10
Fatima Fertilizer Company Limited	-	69,000	-	-	69,000	1,619,508	1,844,370	0.10	0.10	0.01
	<b>1,606,000</b>	<b>2,124,337</b>	-	<b>1,955,000</b>	<b>1,775,337</b>	<b>197,128,240</b>	<b>202,796,417</b>	<b>11.06</b>	<b>11.12</b>	
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	10,000	73,500	-	28,500	55,000	19,684,230	36,465,000	1.99	2.00	0.06
AGP Limited	61,000	84,500	-	145,000	500	39,364	54,870	0.00	0.00	0.00
Ferozsons Laboratories Limited	44,100	14,500	-	58,600	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	59,000	40,800	-	14,800	85,000	9,739,035	14,796,800	0.81	0.81	0.03
Hightnoon Laboratories Limited	-	55,050	4,805	-	59,855	26,507,391	30,004,112	1.64	1.65	-
The Searle Company Limited*	70,230	173,800	(158)	56,000	187,872	33,107,145	37,429,739	2.04	2.05	0.09
	<b>244,330</b>	<b>442,150</b>	<b>4,647</b>	<b>302,900</b>	<b>388,227</b>	<b>89,077,165</b>	<b>118,750,521</b>	<b>6.47</b>	<b>6.51</b>	
<b>Chemicals</b>										
Archroma Pakistan Limited	-	31,750	-	31,750	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	2,000	1,905,500	-	45,000	1,862,500	54,328,035	46,525,250	2.54	2.55	0.20
ICI Pakistan Limited	-	69,700	-	49,700	20,000	14,073,932	13,894,200	0.76	0.76	0.02
Lotte Chemical Pakistan Limited	-	1,000,000	-	-	1,000,000	10,486,530	9,950,000	0.54	0.55	0.07
	<b>2,000</b>	<b>3,006,950</b>	-	<b>126,450</b>	<b>2,882,500</b>	<b>78,888,497</b>	<b>70,369,450</b>	<b>3.84</b>	<b>3.86</b>	
<b>Paper &amp; Board</b>										
Cherat Packaging Limited	14,600	-	-	14,600	-	-	-	-	-	-
Packages Limited	-	52,500	-	19,000	33,500	11,728,807	11,631,535	0.63	0.64	0.04
	<b>14,600</b>	<b>52,500</b>	-	<b>33,600</b>	<b>33,500</b>	<b>11,728,807</b>	<b>11,631,535</b>	<b>0.63</b>	<b>0.64</b>	
<b>Vanaspati &amp; Allied Industries</b>										
Unity Foods Limited	-	1,700,000	-	1,700,000	-	-	-	-	-	-
	-	<b>1,700,000</b>	-	<b>1,700,000</b>	-	-	-	-	-	-
<b>Leather &amp; Tanneries</b>										
Bata Pakistan Limited	-	16,000	-	-	16,000	22,797,702	21,489,600	1.17	1.18	0.21
	-	<b>16,000</b>	-	-	<b>16,000</b>	<b>22,797,702</b>	<b>21,489,600</b>	<b>1.17</b>	<b>1.18</b>	
<b>Foods &amp; Personal Care Products</b>										
Al Shaheer Corporation Limited*	6,499	-	(6,499)	-	-	-	-	-	-	-
At-Tahur Limited	-	697,500	-	-	697,500	13,925,650	12,017,925	0.66	0.66	0.43
National Foods Limited (Face value Rs. 5)	900	16,400	-	17,300	-	-	-	-	-	-
	<b>7,399</b>	<b>713,900</b>	<b>(6,499)</b>	<b>17,300</b>	<b>697,500</b>	<b>13,925,650</b>	<b>12,017,925</b>	<b>0.66</b>	<b>0.66</b>	
<b>Miscellaneous</b>										
Shifa International Hospital Limited	-	10,000	-	10,000	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	185,000	-	21,500	163,500	6,540,000	6,798,330	0.37	0.37	0.18
	-	<b>195,000</b>	-	<b>31,500</b>	<b>163,500</b>	<b>6,540,000</b>	<b>6,798,330</b>	<b>0.37</b>	<b>0.37</b>	
<b>Glass &amp; Ceramics</b>										
Tariq Glass Industries Limited	-	280,000	25,000	150,000	155,000	9,700,582	10,000,600	0.55	0.55	0.14
	-	<b>280,000</b>	<b>25,000</b>	<b>150,000</b>	<b>155,000</b>	<b>9,700,582</b>	<b>10,000,600</b>	<b>0.55</b>	<b>0.55</b>	
<b>Total as at 30 June 2020</b>						<b>1,781,020,716</b>	<b>1,834,162,742</b>	<b>100.00</b>	<b>100.00</b>	
<b>Total as at 30 June 2019</b>						<b>1,426,864,317</b>	<b>1,193,804,060</b>	<b>100.00</b>	<b>99.07</b>	

\* Bonus shares were withheld @5% vide section 236M of ITO, 2001. AMC's filed various suits and obtained stay orders from time to time. Later, Supreme Court judgement dated June 27, 2018 held that suits must only be entertained on condition of depositing 50% of tax demand to tax authorities. SHC issued notices to deposit 50% of tax demand and later dismissed the cases. Therefore, withheld bonus shares have been excluded from the portfolio.



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5.2 The cost of listed equity securities as at 30 June 2020 is Rs. 1,873,725,471 (30 June 2019: Rs. 1,401,267,137).

5.3 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	
	2020	2019	2020	2019
			-----Rupees-----	
The Hub Power Company Limited	200,000	200,000	14,500,000	15,750,000
Pakistan Petroleum Company Limited	135,000	135,000	11,715,300	19,498,050
Pakistan State Oil Company Limited	110,000	110,000	17,397,600	18,659,300
Lucky Cement Limited	75,000	75,000	34,618,500	28,535,250
	<b>520,000</b>	<b>520,000</b>	<b>78,231,400</b>	<b>82,442,600</b>

### 6 ADVANCE, SECURITY DEPOSITS AND OTHER RECEIVABLES

Held with:

- National Clearing Company of Pakistan Limited
- Central Depository Company of Pakistan Limited

Other receivables

Note	2020	2019
	----- Rupees -----	
	2,500,000	2,500,000
	100,000	100,000
6.1	2,597,419	2,597,419
	<b>5,197,419</b>	<b>5,197,419</b>

6.1 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 (30 June 2019: 2.597 million).

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 Funds managed by the Company to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit received on bank deposits by the Funds has been shown as other receivable as at 30 June 2020 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 2020

		2020	2019
	Note	Rupees	Rupees
<b>7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>			
Remuneration of the Management Company	7.1	3,625,897	2,432,078
Sindh sales tax payable on remuneration of the Management Company	7.2	2,027,926	1,872,730
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges payable	13	256,849	121,602
		<b>16,364,057</b>	<b>14,879,795</b>

**7.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. With effect from 01 January 2020 the Management Company decided to revise the management fee from 2% to 2.4%. Previously the Management Company was entitled to an amount not exceeding 2% per annum of the average annual net assets and therefore charged 2% of the average annual net assets per annum. The fee is payable to the Management Company monthly in arrears.

**7.2** During the year, an amount of Rs. 4,178,894 (2019: Rs. 4,278,231 ) 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. 4,023,698 (2019: Rs. 4,458,328) has been paid to the Management Company which acts as the collecting agent.

**7.3** 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 7.2 above, the Management Company is of the view that further levy of FED is not justified.

On 04 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 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 01 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 2019: Rs 10.453 million) is being retained in the financial statements of the Fund as the matter is pending before the 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 2020 would have been lower by Rs 2.61 per unit (30 June 2019: Rs 3.73 per unit).

		2020	2019
	Note	Rupees	Rupees
<b>8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY</b>			
Trustee fee	8.1	233,046	203,796
Sindh sales tax payable on trustee fee	8.2	30,295	26,493
Settlement charges		3,000	5,000
Sindh sales tax payable on settlement charges		390	650
		<b>266,731</b>	<b>235,939</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 8.1 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

- 8.2 During the year, an amount of Rs. 318,076 (2019: Rs. 343,912) 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. 314,274 (2019: Rs. 352,916) was paid to the Trustee which acts as a collecting agent.

		2020	2019
	Note	----- Rupees -----	-----
<b>9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>			
Annual fee payable	9.1	<b>289,352</b>	<b>1,563,199</b>

- 9.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets.

### 10 PAYABLE AGAINST REDEMPTION OF UNITS

This represents payable against units redeemed to the unit holders based on their request for cash payout, managed by the Management Company.

		2020	2019
	Note	----- Rupees -----	-----
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		355,967	212,760
Printing charges payable		-	80,403
Rating fee payable		140,000	140,000
Charity payable	11.1	261,000	509,911
Transaction charges payable		238,712	381,863
Withholding tax and capital gain payable		3,318,111	333,678
Payable to shariah advisor		66,667	75,000
Provision for Sindh Workers' Welfare Fund	11.2	19,370,923	15,491,187
Annual listing fee payable		-	-
Zakat payable		72,760	1,063
Others		269,984	269,984
		<b>24,094,124</b>	<b>17,495,849</b>

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 11.1** The Shariah Advisor of the Fund has certified an amount of Rs. 1,388,796 (30 June 2019: Rs. 1,361,154) against dividend income, as Shariah non-compliant income during the year, which has accordingly been marked to charity.
- 11.2** 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. 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 01 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.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2020 would have been higher by Rs. 4.84 per unit (30 June 2019: Rs. 5.53 per unit).

### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2020 and 30 June 2019.

### 13 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company has charged expenses at the rate of 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 onwards for allocation of such expenses to the Fund.

### 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2020 is 3.46% (30 June 2019: 2.87%) which includes 0.64%

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(30 June 2019: 0.42%) representing government levies on the Fund such as 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.

### 15 AUDITORS' REMUNERATION

	2020	2019
	----- Rupees -----	
Audit fee	200,000	132,000
Half yearly review of financial statements	72,600	66,000
Certification charges	110,500	55,000
Out of pocket expenses	30,000	20,000
Sindh sales tax on services	33,048	21,840
Prior year adjustment	10,797	(43,165)
	<u>456,945</u>	<u>251,675</u>

### 16 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 paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

### 17 EARNING PER UNIT

Earning 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 earning per unit is not practicable.

### 18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1 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.
- 18.2 Transactions with connected persons essentially comprise issue and redemption of units, fee on account of managing the affairs of the Fund, sales load and other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 18.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.
- 18.4 The details of transactions carried out by the Fund with connected persons during the year and the balances with them at the year end are as follows:

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	-----Rupees-----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	32,145,340	32,909,473
Remuneration paid	30,951,521	34,294,831
Sindh sales tax on remuneration of the Management Company	4,178,894	4,278,231
Accounting and operational charges billed	2,134,859	1,645,474
Remuneration payable to the Management Company	3,625,897	2,432,078
Issue of 36,766 (2019: 80) units	15,240,853	35,014
Redemption of Nil (2019: 53,685) units	-	28,096,956
Dividend declared	236,623	
Outstanding 36,846 (2019:80) units - at net asset value	16,789,185	34,266
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	2,446,737	2,645,474
Sindh sales tax on remuneration of the Trustee	318,076	343,912
Remuneration paid	2,417,487	2,714,740
Remuneration payable to the Trustee	233,046	203,796
Settlement charges	112,883	127,970
Sindh sales tax on settlement charges	14,675	16,636
<b>Atlas Battery Limited (Group company)</b>		
Redemption of Nil (2019: 871,977) units	-	471,388,683
<b>Atlas Insurance Limited (Group company)</b>		
Issue of 641,787 (2019: 862,877) units	253,679,091	429,000,000
Redemption of Nil (2019: 1,180,177) units	-	557,475,513
Dividend declared	2,932,830	-
Payable against redemption of units	-	173,005,962
Outstanding 641,787 (2019: Nil) units - at net asset value	292,436,618	-
<b>Atlas Foundation (Group company)</b>		
Dividend declared	673,723	-
Outstanding 103,650 (2019: 103,650) units - at net asset value	47,229,030	44,556,940
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 2,672 (2019: 120) units	1,186,405	52,681
Redemption of Nil (2019:584,537) units	-	300,000,000
Dividend declared	1,143,628	-
Outstanding 178,081 (2019: 175,409) units - at net asset value	81,144,311	75,404,914

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	-----Rupees-----	
<b>Atlas Honda Limited Employee Provident Fund</b>		
<b>(Retirement benefit plan of group company)</b>		
Issue of 1,638 (2019: Nil ) units	744,568	-
Dividend declared	744,568	-
Outstanding 116,187 (2019: 114,549) units - at net asset value	52,941,568	49,242,276
<b>Atlas Insurance Limited Staff Provident Fund Trust</b>		
<b>(Retirement benefit plan of group company)</b>		
Redemption of Nil (2019: 11,314) units	-	5,743,918
<b>Atlas Group of Companies, Management Staff Gratuity Fund</b>		
<b>(Retirement benefit plan of group company)</b>		
Issue of 47,517 (2019: 11,267)	20,988,226	5,000,000
Redemption of 30,082 (2019: Nil) units	15,500,000	-
Dividend declared	918,655	-
Outstanding 154,208 (2019: 136,774) units - at net asset value	70,266,580	58,796,279
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 1,329 (2019: Nil)	604,307	-
Dividend declared	710,950	-
Outstanding 110,706 (2019: 109,377) units - at net asset value	50,444,358	47,018,970
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 442,192 (2019: Nil) units	180,000,000	-
Dividend declared	2,874,247	-
Outstanding 442,192 (2019: Nil) units - at net asset value	201,489,168	-
<b>Shirazi Investments (Private) Limited Employee Provident Fund</b>		
<b>(Retirement benefit plan of group company)</b>		
Issue of 5,219 (2019: Nil) units	2,197,542	-
Dividend declared	183,628	-
Outstanding 30,826 (2019: 25,607) units - at net asset value	14,045,961	11,007,904
<b>Directors and their close family members and key management personnel and executives of the Management Company</b>		
Issue of 20,968 (2019: 35,340) units	9,043,754	17,455,441
Redemption of 14,351 (2019: 28,029) units	6,471,155	15,203,412
Dividend declared	10,631,052	-
Outstanding 134,720 (2019: 143,381) units - at net asset value	61,386,454	61,636,372

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 19 FINANCIAL INSTRUMENTS BY CATEGORY

----- As at 30 June 2020-----			
At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			
<b>Financial Assets</b>			
Bank balances	42,077,624	-	42,077,624
Investments	-	1,834,162,742	1,834,162,742
Profit receivable on bank balances	261,877	-	261,877
Receivable against sale of investments	-	-	-
Dividend receivable	138,000	-	138,000
Security Deposit	2,600,000	-	2,600,000
<b>45,077,501</b>	<b>1,834,162,742</b>	<b>-</b>	<b>1,879,240,243</b>

----- As at 30 June 2020-----		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----		
<b>Financial Liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	-	16,364,057
Payable to Central Depository Company of Pakistan Limited - Trustee	-	266,731
Payable against redemption of units	-	17,508,280
Accrued expenses and other liabilities	-	1,405,090
<b>-</b>	<b>35,544,158</b>	<b>35,544,158</b>

----- As at 30 June 2019-----			
At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			
<b>Financial Assets</b>			
Bank balances	156,269,884	-	156,269,884
Investments	-	1,193,804,060	1,193,804,060
Profit receivable on bank balances	1,045,961	-	1,045,961
Receivable against sale of investments	72,714,091	-	72,714,091
Dividend receivable	541,157	-	541,157
Security Deposit	2,600,000	-	2,600,000
<b>233,171,093</b>	<b>1,193,804,060</b>	<b>-</b>	<b>1,426,975,153</b>



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	----- As at 30 June 2019-----		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
<b>Financial Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	14,879,795	14,879,795
Payable to Central Depository Company of Pakistan Limited - Trustee	-	235,939	235,939
Payable against redemption of units	-	190,404,182	190,404,182
Accrued expenses and other liabilities	-	1,670,984	1,670,984
	-	<b>207,190,900</b>	<b>207,190,900</b>

### 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

During the year ended June 30, 2020, the global economic environment including Pakistan has been severely affected by the COVID -19 outbreak. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat. The State Bank of Pakistan has also responded to the crisis by cutting the policy rate by 225 bps to 11% in March '20, by 200 bps to 9% on April '20, by 100 bps to 8% in May '20 and again by 100 bps to 7% in June '20. SECP has also provided certain relaxation to the asset management companies in Pakistan for specific period.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

#### 20.2 Market risk

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

##### (i) Profit rate risk

Profit rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market profit rates. As of 30 June 2020, 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 30 June 2020, with all other variables



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

held constant, the net income for the year and net assets would have been higher / lower by Rs. 386,496 (2019: Rs. 1,556,717).

### 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 2020 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 30 June 2020 can be determined as follows:

----- As at 30 June 2020 -----					
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) -----				
<b>Financial Assets</b>					
Bank balances	7.35 - 7.75	42,077,624	-	-	42,077,624
Investments		-	-	1,834,162,742	1,834,162,742
Profit receivable on bank balances		-	-	261,877	261,877
Receivable against sale of investments		-	-	-	-
Dividend receivable		-	-	138,000	138,000
Security Deposit		-	-	2,600,000	2,600,000
		42,077,624	-	1,837,162,619	1,879,240,243
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	16,364,057	16,364,057
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	266,731	266,731
Payable against redemption of units		-	-	17,508,280	17,508,280
Accrued expenses and other liabilities		-	-	1,405,090	1,405,090
		-	-	35,544,158	35,544,158
<b>On-balance sheet gap (a)</b>		42,077,624	-	1,801,618,461	1,843,696,085
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		42,077,624	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		42,077,624	42,077,624	42,077,624	-

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

----- As at 30 June 2019 -----					
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) -----				
<b>Financial Assets</b>					
Bank balances	6.0 - 12.30	156,269,884	-	-	156,269,884
Investments		-	-	1,193,804,060	1,193,804,060
Profit receivable on bank balances		-	-	1,045,961	1,045,961
Receivable against sale of investments		-	-	72,714,091	72,714,091
Dividend receivable		-	-	541,157	541,157
Security Deposit		-	-	2,600,000	2,600,000
		156,269,884	-	1,270,705,269	1,426,975,153
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	14,879,795	14,879,795
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	235,939	235,939
Payable against redemption of units		-	-	190,404,182	190,404,182
Accrued expenses and other liabilities		-	-	1,670,984	1,670,984
		-	-	207,190,900	207,190,900
On-balance sheet gap (a)		156,269,884	-	1,063,514,369	1,219,784,253
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a + b)		156,269,884	-	-	-
Cumulative interest rate sensitivity gap		156,269,884	156,269,884	156,269,884	-

### (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.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

In case of 5% increase / decrease in KMI 30 index on 30 June 2020, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 91,708,137 (2019: 59,690,203) 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 2020 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

### 20.3 Liquidity risk

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

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

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

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

	As at 30 June 2020					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
	Rupees					
<b>Financial Assets</b>						
Bank balances	42,077,624	-	-	-	-	42,077,624
Investments	-	-	-	-	1,834,162,742	1,834,162,742
Profit receivable on bank balances	261,877	-	-	-	-	261,877
Receivable against sale of investments	-	-	-	-	-	-
Dividend receivable	138,000	-	-	-	-	138,000
Security Deposit	-	-	-	-	2,600,000	2,600,000
	<b>42,477,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,836,762,742</b>	<b>1,879,240,243</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	16,364,057	-	-	-	-	16,364,057
Payable to Central Depository Company of Pakistan Limited - Trustee	266,731	-	-	-	-	266,731
Payable against redemption of units	17,508,280	-	-	-	-	17,508,280
Accrued expenses and other liabilities	238,712	756,394	409,984	-	-	1,405,090
	<b>34,377,780</b>	<b>756,394</b>	<b>409,984</b>	<b>-</b>	<b>-</b>	<b>35,544,158</b>
<b>Net assets / (liabilities)</b>	<b>8,099,721</b>	<b>(756,394)</b>	<b>(409,984)</b>	<b>-</b>	<b>1,836,762,742</b>	<b>1,843,696,085</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

----- As at 30 June 2019 -----						
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
----- Rupees -----						
<b>Financial Assets</b>						
Bank balances	156,269,884	-	-	-	-	156,269,884
Investments	-	-	-	-	1,193,804,060	1,193,804,060
Profit receivable on bank balances	1,045,961	-	-	-	-	1,045,961
Receivable against sale of investments	72,714,091	-	-	-	-	72,714,091
Dividend receivable	541,157	-	-	-	-	541,157
Security Deposit	-	-	-	-	2,600,000	2,600,000
	<b>230,571,093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196,404,060</b>	<b>1,426,975,153</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	14,879,795	-	-	-	-	14,879,795
Payable to Central Depository Company of Pakistan Limited - Trustee	235,939	-	-	-	-	235,939
Payable against redemption of units	190,404,182	-	-	-	-	190,404,182
Accrued expenses and other liabilities	381,863	798,734	490,387	-	-	1,670,984
	<b>205,901,779</b>	<b>798,734</b>	<b>490,387</b>	<b>-</b>	<b>-</b>	<b>207,190,900</b>
<b>Net assets / (liabilities)</b>	<b>24,669,314</b>	<b>(798,734)</b>	<b>(490,387)</b>	<b>-</b>	<b>1,196,404,060</b>	<b>1,219,784,253</b>

## 20.4 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.

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	42,077,624	42,077,624	156,269,884	156,269,884
Profit receivable on bank balances	261,877	261,877	1,045,961	1,045,961
Receivable against sale of investments	-	-	72,714,091	72,714,091
Dividend receivable	138,000	138,000	541,157	541,157
Security Deposit	2,600,000	2,600,000	2,600,000	2,600,000
	<b>45,077,501</b>	<b>45,077,501</b>	<b>233,171,093</b>	<b>233,171,093</b>

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 1,834.163 million (2019: Rs 1,193.804 million) are not exposed to credit risk.

### 20.4.1 Credit quality of financial assets

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Ratings of amounts placed with banks	% of financial assets exposed to credit risk	
	2020	2019
AAA	12.17	0.11
AA+	0.22	0.01
AA	0.02	-
A+	87.59	15.03
A	-	84.85
	<b>100.00</b>	<b>100.00</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2020 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

## Concentration of credit risk

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

## 20.5 Fair value of financial instruments

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

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

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

## 20.6 Fair value hierarchy

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

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

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

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

### 22 UNIT HOLDING PATTERN OF THE FUND

Category	2020			2019		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	654	206,527,611	11.33	608	158,569,535	13.16
Retirement Funds	12	565,800,982	31.03	9	343,790,095	28.53
Associated Companies/ Directors	8	733,737,798	40.24	7	214,816,265	17.82
Others	7	163,347,245	8.96	5	63,775,602	5.29
Insurance Companies	3	153,901,482	8.44	5	198,538,486	16.48
Banks/DFIs/NBFC	-	-	-	1	18,671	0.00
Public Limited Companies	-	-	-	4	225,484,954	18.72
	<b>684</b>	<b>1,823,315,118</b>	<b>100.00</b>	<b>639</b>	<b>1,204,993,608</b>	<b>100.00</b>

### 23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2020		2019	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Private) Limited	7.76%	Optimus Capital Management (Private) Limited	9.91%
Taurus Securities Limited	7.06%	AlFalah Securities (Private) Limited	8.16%
Habib Metropolitan Financial Services Limited	6.62%	Taurus Securities Limited	7.34%
AlFalah Securities (Private) Limited	6.36%	Topline Securities Limited	7.02%
Shajar Capital Pakistan (Private) Limited	5.66%	Intermarket Securities Limited	5.08%
Topline Securities Limited	5.49%	Shajar Capital Pakistan (Private) Limited	4.49%
AKD Securities Limited	5.48%	IGI Finex Securities Limited	4.28%
Pearl Securities Limited	5.21%	Pearl Securities Limited	4.05%
Insight Securities (Private) Limited	5.03%	Al Habib Capital Markets (Private) Limited	3.44%
BMA Capital Management Limited	4.81%	Axis Global Limited	3.37%

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 24 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	20 Years
Mr. Ali H. Shirazi	Director	Masters in Law	16.5 years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	16 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	12 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	12 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	9 Years

## 25 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	Atlas Stock Market Fund Atlas Islamic Dedicated Stock Fund Atlas Islamic Fund of Funds

## 26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Director	Meeting held on					
	04 July 2019	26 September 2019	30 October 2019	27 February 2020	29 April 2020	26 June 2020
Mr. Yusuf H. Shirazi *	L	P	-	-	-	-
Mr. Iftikhar H. Shirazi ** (Appointed Chairman w.e.f. Feb. 27, 2020)	-	-	-	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Fahim Ali Khan	L	P	P	P	P	P
Mr. Ali H. Shirazi	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. Muhammad Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	P	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	P	P	L	P	P

P Present

L Leave of absence

\* Mr. Yusuf H. Shirazi passed away on October 20, 2019.

\*\* Mr. Iftikhar H. Shirazi appointed as chairman on February 27, 2020.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 27 RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019: AM2+ (AM Two Plus)] on 26 December 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

### 28 GENERAL

**28.1** Figures have been rounded off to the nearest Rupee.

**28.2** Units have been rounded off to the nearest decimal place.

### 29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 10 September 2020.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



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# Atlas Islamic Fund of Funds

## Corporate Information

### Trustee

Central Depository Company of Pakistan Limited  
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal  
Karachi - 74400

### Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

### Auditors

EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

Bawaney & Partners

### Bankers

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

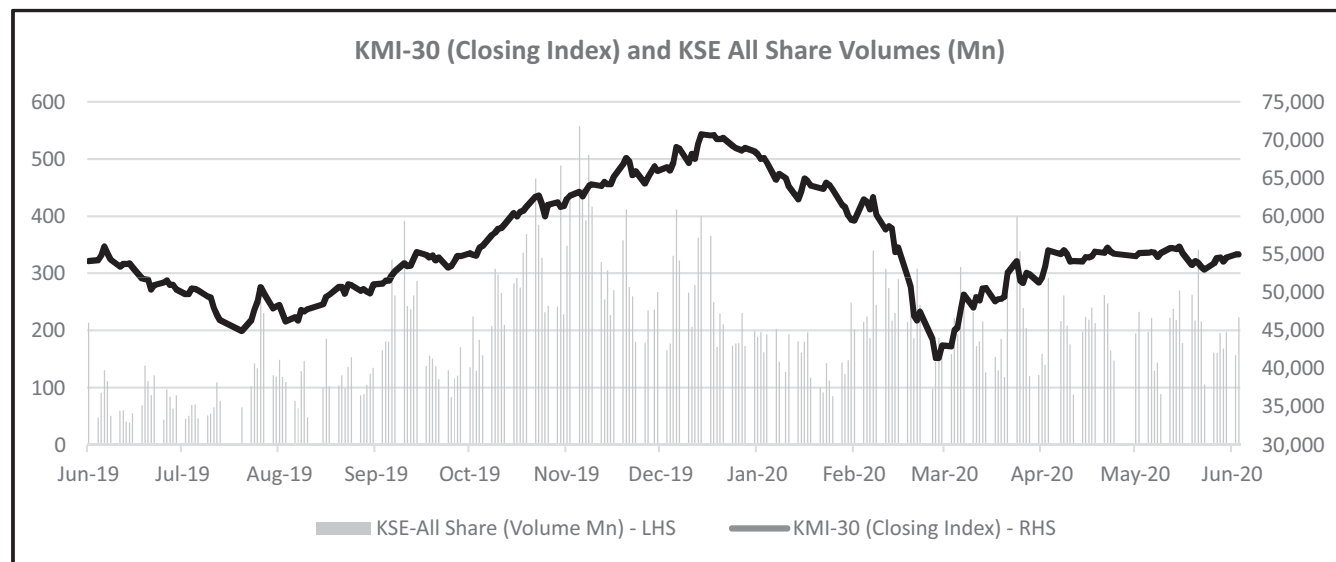


## Fund Manager's Report

The objective of Atlas Islamic Fund of Funds (AIFO) is to provide unit holders the opportunity to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income Schemes (Atlas Islamic Income Fund) and Shariah Compliant Equity based Collective Investment Schemes (Atlas Islamic Dedicated Stock Fund). Currently AIFO comprises of five plans i.e. Atlas Aggressive Allocation Islamic Plan (AAAIP), Atlas Moderate Allocation Islamic Plan (AMAIP), Atlas Conservative Allocation Islamic Plan (ACAIP), Atlas Islamic Capital Preservation Plan (AICPP) and Atlas Islamic Dividend Plan (AIDP). The AAAIP and AMAIP have a high-risk rating, while the ACAIP, AICPP and AIDP have a medium risk rating, respectively.

The benchmark of each allocation Plan will be the weighted average return of KMI-30 Index, and Six months average deposit rates of three (3) A rated Islamic Banks or Islamic windows of conventional banks as selected by MUFAP based on the actual proportion of investment in Equity, Income schemes and bank deposit made by the respective allocation Plan.

The KMI-30 index increased 1.62% from 54,118.51 points as on June 28, 2019 to 54,995.25 as on June 30, 2020. The daily average volume during the year increased by 26.52% to 196.36 million shares from 155.21 million shares traded last year. Net outflow of US \$284.83 was recorded by Foreign Portfolio Investors during FY20 compared to net outflow of US \$355.95 million in FY19. On the local front, Individuals, Insurance Companies and Other Organization were net buyers of US \$213.23 million, US \$128.64 million and US \$31.56 million during FY20. Banks, Mutual Funds and Broker Proprietary Trading Accounts remained net sellers of US \$55.40 million, US \$50.22 million and US \$13.34 million, respectively.



During FY20, sectors that outperformed benchmark KSE-100 index were Pharmaceuticals, Technology & Communication, Cement, Engineering and Fertilizer that posted 56.42%, 35.41%, 33.31%, 27.64% and 8.14% returns, respectively. Sectors that underperformed KSE-100 index were Oil & Gas Marketing Companies, Oil & Gas Exploration, Commercial Banks and Power Generation & Distribution Companies that posted -3.14%, -14.26%, -16.70% and -19.19% returns, respectively.

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 10.04% to Rs. 477.95 as on June 30, 2020. AAAIP was 25.85% and 73.52% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 10.95% to Rs. 495.35 as on June 30, 2020. AMAIP was 45.52% and 53.00% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 12.02% to Rs. 517.78 as on June 30, 2020. ACAIP was 71.08% and 28.50% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 10.15% to Rs. 498.49 as on June 30, 2020. AICPP was 74.16% and 24.35% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Dividend Plan (AIDP) increased by 7.28% (annualized basis) as on June 30, 2020 since inception of the plan on March 16, 2020. AIDP was 87.13% invested in AIIF. The Net Assets of AIFO stood at Rs. 821.79 million as of June 30, 2020.

### The Allocation Plans:

The following investment plans are offered from January 07, 2019 and the returns are as under:

### The Allocation Plans:

The following investment plans are offered from January 07, 2019 and the returns are as under:

Allocation Plans	Asset Allocation (% of Total Asset)		Return (period ended)	Bench Mark
	AIDSF	AIIF	FY20	FY20
Atlas Aggressive Allocation Islamic Plan	73.53	25.85	10.04%	7.24%
Atlas Moderate Allocation Islamic Plan	53.00	45.52	10.95%	8.63%
Atlas Conservative Allocation Islamic Plan	28.50	71.08	12.02%	9.23%
Atlas Islamic Capital Preservation Plan	24.35	74.16	10.15%	7.36%
Atlas Islamic Dividend Plan	-	87.14	**7.28%	**6.19%

\*\*Actual Return from March 16, 2020 - Annualized

Breakdown of Unit holding by type for Atlas Aggressive Allocation Islamic Plan (AAAIP) is as follows:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individual	8	568,393	0.57%
Associated companies / Directors	2	99,608,760	99.43%
<b>Total</b>	<b>10</b>	<b>100,177,153</b>	<b>100.00%</b>

Breakdown of Unit holding by type for Atlas Moderate Allocation Islamic Plan (AMAIP) is as follows:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individual	14	8,804,124	7.80%
Associated companies / Directors	2	104,003,485	92.20%
<b>Total</b>	<b>16</b>	<b>112,807,608</b>	<b>100.00%</b>

Breakdown of Unit holding by type for Atlas Conservative Allocation Islamic Plan (ACAIP) is as follows:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individual	19	1,416,623	1.12%
Associated companies / Directors	2	125,193,140	98.88%
<b>Total</b>	<b>21</b>	<b>126,609,763</b>	<b>100.00%</b>

Breakdown of Unit holding by type for Atlas Islamic Capital Preservation Plan (AICPP) is as follows:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individual	35	36,374,849	7.98%
Associated companies / Directors	2	5,374,747.73	1.18%
Retirement Funds	2	212,251,069	46.54%
Others	2	202,055,825	44.30%
<b>Total</b>	<b>41</b>	<b>456,056,491</b>	<b>100.00%</b>

Breakdown of Unit holding by type for Atlas Islamic Dividend Plan (AIDP) is as follows:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individual	5	5,776,148	22.10%
Associated companies / Directors	1	20,358,957	77.90%
<b>Total</b>	<b>6</b>	<b>26,135,105</b>	<b>100.00%</b>

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The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Fund of Funds, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 10.50 per unit for AAAIP, Rs. 21.00 for AMAIP, Rs. 37.00 for ACAIP and Rs. 39.00 for AICPP for the period ended June 30, 2020.

The Expense Ratio of AAAIP is 0.62%, AMAIP is 0.64%, ACAIP is 0.64%, AICPP is 0.54% and AIDP is 0.12% including expenses representing Government levy of AAAIP is 0.22%, AMAIP is 0.24%, ACAIP is 0.26%, AICPP is 0.23% and AIDP is 0.01%

During the year under review, the Investment Committee held fifty-one meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Karachi: 10 September 2020

**Faran-UI-Haq**  
Head of Equities

## Performance Since Inception

	30 June 2020				
	AAAIP	AMAIP	ACAIP	AICPP	AIDP**
Net Assets (Rs. in '000)	100,177	112,808	126,610	456,056	26,135
Number of units in issue	209,596	227,735	244,525	914,884	52,270
Net assets value per unit (Rs.)	477.95	495.35	517.78	498.49	500.00
Net (loss) / income (Rs. in '000)	9,323	11,447	14,408	43,685	1,903
Earnings per unit (Rs.)	44.48	50.27	58.92	47.75	36.40
Annual return of the fund (%)	10.04	10.95	12.02	10.15	7.28
Offer Price ***	488.75	506.54	529.48	-	500.00
Redemption Price *** (Rs.)	477.95	495.35	517.78	484.41	500.00
Distribution	10.50	21.00	37.00	39.00	9.54
Distribution as a % of Opening Ex- NAV of units	2.37	4.51	7.47	7.99	1.91
Date of Distribution	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20
Highest offer price per unit (Rs.)	562.55	568.17	576.49	-	500.00
Lowest offer price per unit (Rs.)	404.92	441.81	493.22	-	499.47
Highest redemption price per unit (after applicable back-end load) (Rs.)	550.12	555.61	563.75	541.92	500.00
Lowest redemption price per unit (after applicable back-end load) (Rs.)	395.97	432.05	482.32	457.87	499.47

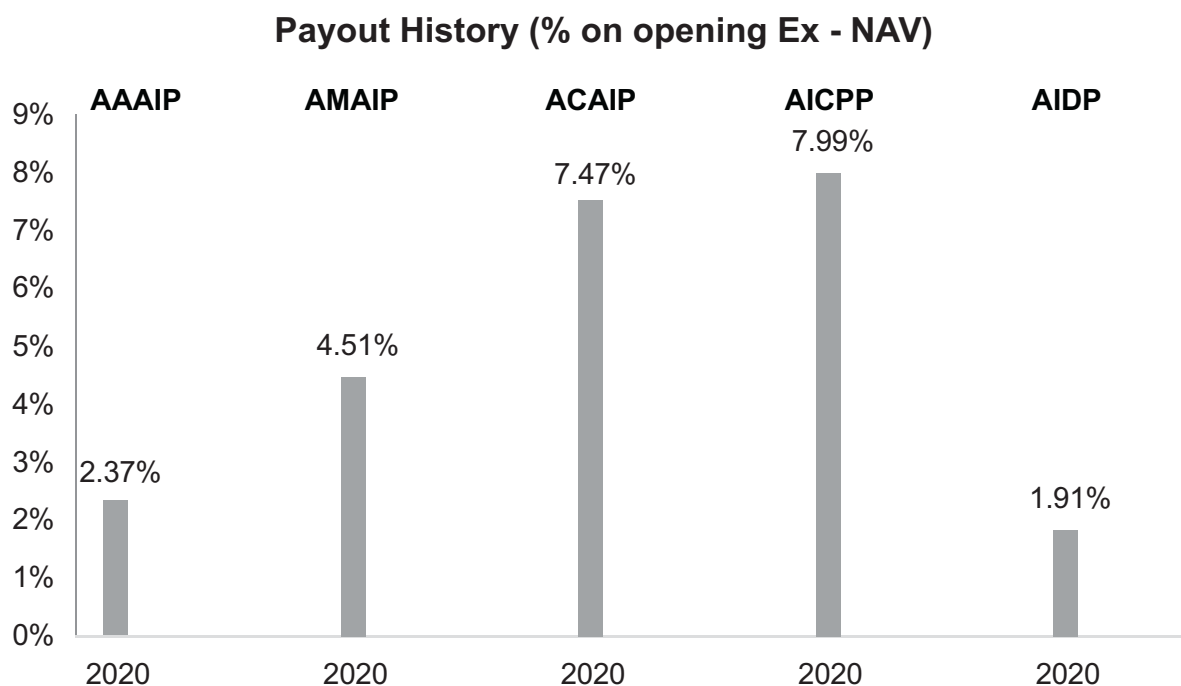
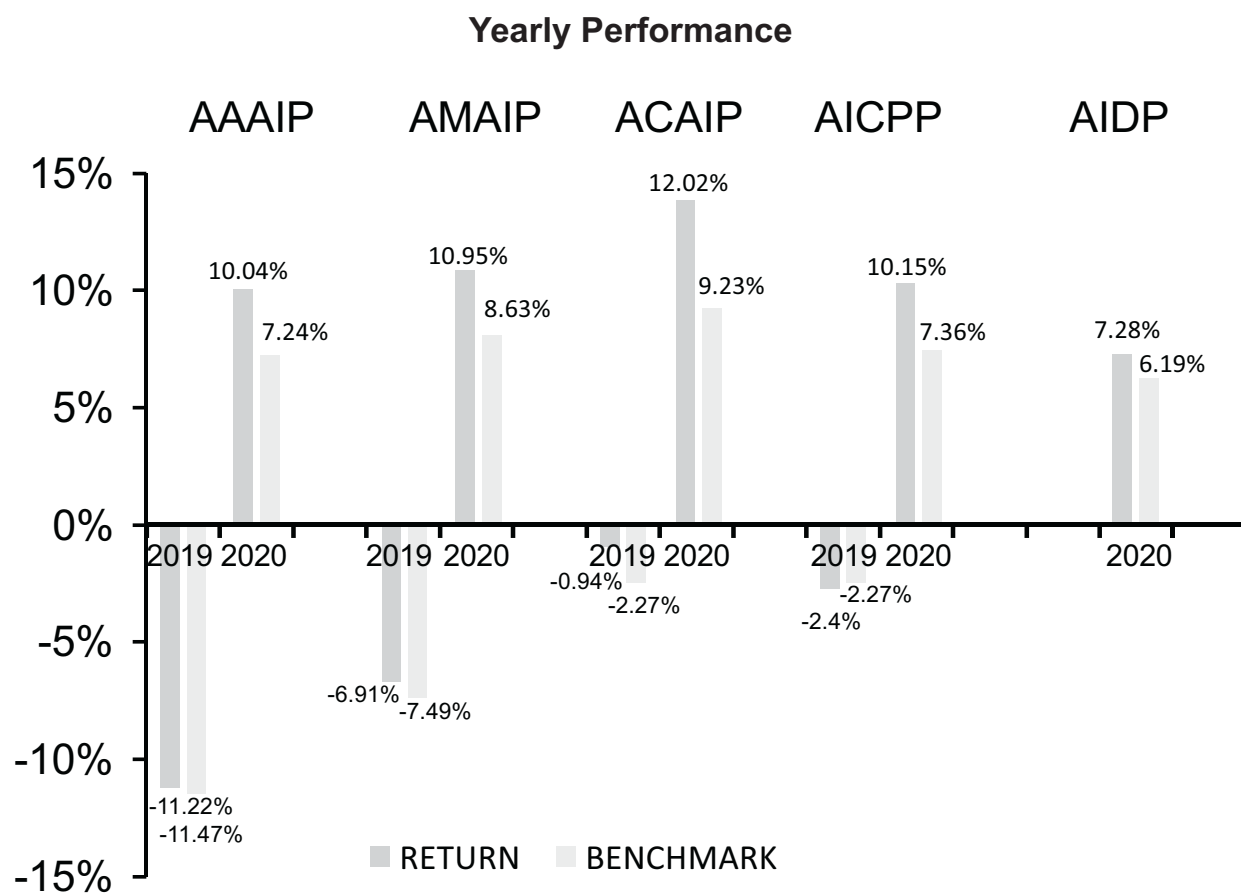
	30 June 2019*			
	AAAIP	AMAIP	ACAIP	AICPP
Net Assets (Rs. in '000)	92,924	103,279	120,868	430,862
Number of units in issue	209,341	221,897	244,021	882,926
Net assets value per unit (Rs.)	443.89	465.44	495.32	487.99
Net (loss) / income (Rs. in '000)	(11,616)	(7,620)	(1,223)	(14,540)
Earnings per unit (Rs.)	(55.49)	(34.34)	(5.01)	(16.47)
Annual return of the fund (%)	(11.22)	(6.91)	(0.94)	(2.40)
Offer Price ***	453.92	475.96	506.51	-
Redemption Price *** (Rs.)	443.89	465.44	495.32	474.20
Distribution	-	-	-	-
Distribution as a % of Opening Ex- NAV of units	-	-	-	-
Date of Distribution	-	-	-	-
Highest offer price per unit (Rs.)	527.31	523.37	518.75	517.05
Lowest offer price per unit (Rs.)	444.39	467.22	498.89	-
Highest redemption price per unit (after applicable back-end load) (Rs.)	515.66	511.80	507.29	500.00
Lowest redemption price per unit (after applicable back-end load) (Rs.)	434.57	456.89	487.86	466.47

\*Period from 07 January 2019 to 30 June 2019 (Date of Launch: January 07, 2019)

\*\*Period from 16 March 2020 to 30 June 2020 (Date of Launch: January 16, 2020)

\*\*\* 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.



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## 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 Fund of Funds (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, 2020 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: 28 September 2020

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Islamic Fund of Funds (AIFO), I am issuing this report in accordance with clause 11.3 (b) 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 Adviser, my responsibility is to express an opinion based on my review of the representations made by the management, to the extent where such compliancy can be objectively verified.

For screening investment in equities, I have advised a criteria and procedure to be followed in ensuring Shariah compliance in equity investments.

As part of my mandate as the Shariah Adviser 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 June 30, 2020 are in compliance with the Shariah principles.

There are investments made by AIFO where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Fund Manager, in consultation with me, the Shariah Board 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 2020

**Dr. Mufti Muhammad Wasie Fasih Butt**  
Shariah Advisor



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# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Fund of Funds Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Fund of Funds** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2020, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2020, and of its financial performance and its cash flows for the period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Investment in units of mutual funds</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the period ended 30 June 2020, the investments held by the Fund comprised of units of mutual funds which represent significant portion of the total assets of the Fund as at the period end.</p> <p>In view of the above, we have considered this area as a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed substantive audit procedures on period-end balance of portfolio including review of statements of account, related reconciliations and re-performance of investment valuations on the basis of net asset values declared by the respective mutual funds.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment in units of mutual funds and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investments in units of mutual funds portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

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a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 29 September 2020

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2020

	2020						2019					
	Aggressive			Moderate			Conservative			Islamic Capital		
	Allocation	Islamic Plan	Islamic Plan	Allocation	Islamic Plan	Islamic Plan	Allocation	Islamic Plan	Islamic Plan	Preservation	Plan	Total
<b>ASSETS</b>	<b>Rupees</b>											
Bank balances	4	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
Investments - net	5	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110
Profit receivable on deposit with banks		2,585	5,157	1,886	205,585	31,351	246,564	28,826	29,473	39,541	235,529	333,369
Prepayment and other receivables	6	10,674	9,063	10,318	40,550	-	70,605	10,673	9,063	10,318	40,550	70,604
Deferred Formation cost	7	168,162	168,162	168,162	168,162	-	672,648	224,215	224,215	224,215	224,215	896,860
<b>Total assets</b>		<b>102,573,798</b>	<b>117,415,046</b>	<b>134,650,009</b>	<b>475,515,623</b>	<b>26,335,265</b>	<b>856,489,741</b>	<b>93,301,308</b>	<b>103,663,969</b>	<b>121,263,242</b>	<b>431,454,893</b>	<b>749,683,412</b>
<b>LIABILITIES</b>	<b>Rupees</b>											
Payable to Atlas Asset Management Company - Management Company	8	14,666	16,831	19,816	75,342	6,703	133,358	289,268	290,209	293,107	328,355	1,200,940
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	6,614	7,522	8,673	30,639	1,696	55,144	8,847	9,747	11,246	40,315	70,155
Payable to the Securities and Exchange Commission of Pakistan	10	19,785	22,292	25,701	91,396	4,871	164,045	46,308	49,506	54,200	141,709	291,723
Accrued expenses and other liabilities	11	2,355,580	4,560,793	7,986,056	19,261,755	186,890	34,351,074	32,520	35,311	37,080	82,617	187,528
<b>Total liabilities</b>		<b>2,396,645</b>	<b>4,607,438</b>	<b>8,040,246</b>	<b>19,459,132</b>	<b>200,160</b>	<b>34,703,621</b>	<b>376,944</b>	<b>384,773</b>	<b>395,633</b>	<b>592,996</b>	<b>1,750,346</b>
<b>NET ASSETS</b>		<b>100,177,153</b>	<b>112,807,608</b>	<b>126,609,763</b>	<b>456,056,491</b>	<b>26,135,105</b>	<b>821,786,120</b>	<b>92,924,364</b>	<b>103,279,196</b>	<b>120,867,609</b>	<b>430,861,897</b>	<b>747,933,066</b>
<b>UNIT HOLDERS' FUND</b> (AS PER STATEMENT ATTACHED)		<b>100,177,153</b>	<b>112,807,608</b>	<b>126,609,763</b>	<b>456,056,491</b>	<b>26,135,105</b>	<b>821,786,120</b>	<b>92,924,364</b>	<b>103,279,196</b>	<b>120,867,609</b>	<b>430,861,897</b>	<b>747,933,066</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>209,596</b>	<b>227,735</b>	<b>244,525</b>	<b>914,884</b>	<b>52,270</b>		<b>209,341</b>	<b>221,897</b>	<b>244,021</b>	<b>882,926</b>	
<b>NET ASSET VALUE PER UNIT</b>		<b>477.95</b>	<b>495.35</b>	<b>517.78</b>	<b>498.49</b>	<b>500.00</b>		<b>443.89</b>	<b>465.44</b>	<b>495.32</b>	<b>487.99</b>	
<b>FACE VALUE PER UNIT</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	
<b>Contingencies and commitments</b>	12											

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ittikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

<b>INCOME</b>	
Profit on deposits with banks	
Dividend income	
<b>Gain / (loss) from investments at fair value through P&amp;L</b>	
Capital gain / (loss) on sale of investments	
at fair value through income statement - net	
Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss	
<b>Total income</b>	
<b>EXPENDITURE</b>	
Payable to Alias Asset Management Company - Management Company	
Sindh sales tax on remuneration of the Management Company	
Accounting & Operational charges	
Payable to Central Depository Company of Pakistan - Trustee	
Sindh sales tax on remuneration of the Trustee	
Annual fee - Securities and Exchange Commission of Pakistan	
Auditor's remuneration	
Amortization of preliminary expenses and flotation costs	
Annual Listing fee	
Printing charges	
Legal and Professional Charges	
Shariah advisory fee	
Bank charges	
Provision for Sindh Workers' Welfare Fund	
<b>Net income / (loss) for the year / period before taxation</b>	
<b>Taxation</b>	
<b>Net income / (loss) for the year / period after taxation</b>	
<b>Earnings per unit</b>	
<b>Allocation of net income for the year / period:</b>	
Net income for the period after taxation	
Income already paid on units redeemed	
<b>Accounting income available for distribution:</b>	
-Relating to capital gains	
-Excluding capital gains	

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

For the period from 16 March 2020 to 30 June 2020											For the period from 07 January 2019 to 30 June 2019										
-2020-											-2019-										
Aggressive Allocation Islamic Plan		Moderate Allocation Islamic Plan		Conservative Allocation Islamic Plan		Islamic Capital Preservation Plan		Islamic Dividend Plan		Total		Aggressive Allocation Islamic Plan		Moderate Allocation Islamic Plan		Conservative Allocation Islamic Plan		Islamic Capital Preservation Plan		Total	
Rupees--											Rupees--										
105,787		113,245		115,365		830,740		307,826		1,472,963		193,221		188,521		224,966		1,044,581		1,651,309	
2,985,370		5,674,378		9,913,501		36,441,737		2,345,675		57,340,660		2,215,272		4,056,011		6,793,212		13,305,507		26,370,002	
2,439,295		2,835,395		3,229,521		5,367,290		1,325,715		15,197,216		25,235		(44,595)		(65,917)		69,883		(15,394)	
4,440,550		3,539,712		1,976,171		3,501,006		(1,924,685)		11,532,754		(13,696,545)		(11,451,923)		(7,796,635)		(26,246,685)		(61,161,785)	
6,879,845		6,375,107		5,205,692		8,868,296		(598,970)		26,729,970		(13,671,310)		(11,496,518)		(7,852,552)		(28,176,802)		(61,197,182)	
9,951,002		12,162,730		15,234,558		46,140,773		2,054,531		85,543,593		(11,262,817)		(7,251,986)		(834,354)		(13,826,714)		(33,175,871)	
8.1	6,956	8,098	7,835	67,204	33,356	123,452	20,336	20,985	23,257	75,478	140,056										
8.2	904	1,053	1,019	8,737	4,337	16,050	2,643	2,728	3,023	9,811	18,205										
16	144,397	161,832	186,138	661,779	40,267	1,194,413	48,746	52,112	57,054	149,168	307,080										
9.1	69,674	78,021	89,955	319,888	16,581	574,119	48,746	52,112	57,054	149,168	307,080										
9.2	9,058	10,143	11,694	41,985	2,156	74,636	6,337	6,774	7,417	19,392	39,920										
10.1	19,785	22,292	25,701	91,397	4,871	164,046	46,308	49,506	54,200	141,709	291,723										
13	47,332	37,800	46,310	211,668	8,533	351,643	37,200	39,175	41,445	67,180	185,000										
	56,054	56,053	56,054	56,053	-	224,214	56,053	56,053	56,053	224,212	226,804										
	3,244	3,643	4,201	14,942	719	26,749	77,076	78,268	78,537	2,919	16,629										
	834	2,500	2,585	2,500	-	8,419	2,755	2,919	3,169	7,786											
	72,434	89,100	89,100	55,767	-	306,401	-	-	-	-	-										
	6,389	7,183	8,283	29,444	1,434	52,733	4,551	4,821	5,171	10,454	24,997										
	926	4,102	3,237	3,668	812	12,745	2,464	2,815	1,934	24,009	31,222										
11.1	190,280	233,618	294,049	891,523	38,829	1,648,279	-	-	-	-	-										
	628,247	715,438	826,161	2,456,155	151,888	4,777,899	353,215	368,268	388,314	713,131	1,822,928										
	9,322,755	11,447,292	14,408,397	43,694,618	1,902,633	80,765,695	(11,616,032)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)										
15	-	-	-	-	-	-	-	-	-	-	-										
	9,322,755	11,447,292	14,408,397	43,694,618	1,902,633	80,765,695	(11,616,032)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)										
17	44.48	50.27	58.92	47.75	36.40	(55.49)	(34.34)	(5.01)	(16.47)	(16.47)	(16.47)										
	9,322,755	11,447,292	14,408,397	43,694,618	1,902,633	(11,616,032)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)	(34,998,799)										
	9,321,406	11,447,292	14,387,750	43,694,618	1,902,633	(11,616,032)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)	(34,998,799)										
	6,879,845	6,375,107	5,205,692	8,868,296	1,325,715	25,235	-	-	-	69,883											
	2,441,561	5,072,185	9,182,058	34,816,322	576,918	(11,641,267)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)	(34,998,799)										
	9,321,406	11,447,292	14,387,750	43,694,618	1,902,633	(11,616,032)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)	(34,998,799)										

For Atlas Asset Management Limited  
(Management Company)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ittikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2020

For the period from  
16 March 2020 to

30 June 2020

For the period from 07 January 2019 to 30 June 2019

	2020					30 June 2020		For the period from 07 January 2019 to 30 June 2019				
	Rupees					Rupees						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total	
Net income / (loss) for the year / period after taxation	9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	80,765,695	(11,616,032)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)	
Other Comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income / (loss) for the year / period	9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	80,765,695	(11,616,032)	(7,620,254)	(1,222,668)	(14,539,845)	(34,998,799)	

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ittikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND

## FOR THE YEAR ENDED 30 JUNE 2020

For the period from 16 March 2020 to 30 June 2020									
Rupees									
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Plan	Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Plan
104,540,396	110,899,450	122,090,277	445,401,742	-	782,931,865	-	-	-	-
2,080,513	3,831,669	6,583,967	13,706,840	-	26,182,989	-	-	-	-
(13,696,545)	(11,451,923)	(7,798,635)	(28,246,685)	-	(61,181,788)	-	-	-	-
92,924,364	103,279,196	120,867,609	430,861,897	-	747,933,066	-	-	-	-
Issue of units									
Capital value (at net assets value per unit at the beginning of period)									
Aggressive - units 555 (2019: 224,528)	265,732	-	-	-	265,732	112,261,109	-	-	112,261,109
Moderate - units 6,139 (2019: 231,886)	-	2,995,112	-	-	2,995,112	-	115,949,600	-	115,949,600
Conservative - units 2,560 (2019: 252,942)	-	-	1,323,417	-	1,323,417	-	-	126,589,590	126,589,590
Preservation - units 32,529 (2019: 882,929)	-	-	-	16,215,425	16,215,425	-	-	-	445,403,437
Dividend - units 256,433	-	-	-	128,216,559	128,216,559	-	-	-	-
Total proceed on issuance of units	265,732	2,995,112	1,323,417	16,215,425	148,016,245	112,261,109	115,949,600	126,589,590	800,203,736
Redemption of units									
Capital value (at net assets value per unit at the beginning of period)									
Aggressive - units 300 (2019: 15,187)	(135,799)	-	-	-	(135,799)	(7,720,713)	-	-	(7,720,713)
Moderate - units 301 (2019: 9,989)	-	(152,400)	-	-	(152,400)	-	(5,050,150)	-	(5,050,150)
Conservative - units 2,056 (2019: 8,921)	-	-	(1,016,128)	-	(1,016,128)	-	-	(4,499,313)	(4,499,313)
Preservation - units 571 (2019: 3)	-	-	-	(293,568)	(293,568)	-	-	-	(1,695)
Dividend - units 204,163	(1,349)	-	-	(102,081,454)	(102,081,454)	-	-	-	-
Income paid on redemption of unit	(137,148)	(152,400)	(20,647)	(293,568)	(103,701,345)	(7,720,713)	(5,050,150)	(4,499,313)	(1,695)
Total Comprehensive Income / (loss) for the period	9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	(11,616,032)	(7,620,254)	(1,222,689)	(14,539,845)
Refund of Capital	-	(32,845)	(7)	-	(32,852)	-	-	-	-
Distributions during the period	(2,198,550)	(4,728,747)	(8,952,878)	(34,411,881)	(1,902,633)	-	-	-	-
Net Income for the period less distribution	7,124,205	6,685,700	5,455,512	9,272,737	28,538,154	(11,616,032)	(7,620,254)	(1,222,689)	(14,539,845)
Net assets at the end of the year / period	100,177,153	112,807,608	126,609,763	456,056,497	821,786,120	92,924,364	103,279,196	120,867,609	430,861,897
(Units: AAAP 209,596, AMAAP 227,735, ACAIP 244,525 & AICPP 914,884, AIDP 52,270)									
(2019: Units: AAAAP 209,341, AMAAP 221,897, ACAIP 244,021 & AICPP 882,926)									
Capital Value									
Un distributed Income									
- Realised income	2,994,497	5,015,587	8,188,915	11,929,312	1,924,685	2,080,513	3,831,669	6,583,967	13,706,840
- Unrealised (loss)	(7,487,673)	(5,950,141)	(3,956,718)	(17,196,420)	(1,924,685)	(13,696,545)	(11,451,923)	(7,786,635)	(28,246,685)
Net assets at the end of the year / period	100,177,153	112,807,608	126,609,763	456,056,497	26,135,105	92,924,364	103,279,196	120,867,609	430,861,897
Net assets value per unit at beginning of the year / period									
Net assets value per unit at end of the year / period	443.89	465.44	495.32	487.99	-	-	-	-	-
Net assets value per unit at end of the year / period									
477.95	495.35	517.78	498.49	500.00	443.89	465.44	495.32	487.99	

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited  
(Management Company)

Qurrat-ul-Ain Jafari  
Chief Financial Officer

Muhammad Abdul Samad  
Chief Executive Officer

Ittikhar H. Shirazi  
Chairman

Tariq Amin  
Director



# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

For the period from 16 March 2020 to 30 June 2020										For the period from 07 January 2019 to 31 March 2019									
-----2020-----										-----Rupees-----									
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total				
CASH FLOWS FROM OPERATING ACTIVITIES																			
Net income / (loss) for the period after taxation																			
9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	80,765,695	(11,616,032)	(7,620,264)	(1,222,668)	(14,539,845)	(34,998,799)	(1,616,032)	(7,620,264)	(1,222,668)	(14,539,845)	(34,998,799)				
Adjustments for:																			
Profit on deposits with banks (105,787)	(113,245)	(115,365)	(830,740)	(307,826)	(1,472,963)	(193,221)	(188,521)	(224,986)	(1,044,581)	(1,651,309)	(193,221)	(188,521)	(224,986)	(1,044,581)	(1,651,309)				
Dividend income (2,965,370)	(5,674,378)	(9,913,501)	(36,441,737)	(2,345,675)	(57,340,660)	(2,215,272)	(4,056,011)	(6,783,212)	-	(13,064,495)	(2,215,272)	(4,056,011)	(6,783,212)	-	(13,064,495)				
(Gain) / loss on sale of investments at fair value through income statement - net (2,439,295)	(2,835,395)	(3,229,521)	(5,367,290)	(1,325,715)	(15,197,216)	(25,235)	44,595	65,917	(69,883)	15,394	(25,235)	44,595	65,917	(69,883)	15,394				
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss Provision for Short Workers Welfare Fund (4,440,550)	(3,539,712)	(1,976,171)	(3,501,006)	1,924,685	(11,532,754)	13,696,545	11,451,923	7,786,635	28,246,685	61,181,788	(440,550)	(3,539,712)	(1,976,171)	(3,501,006)	1,924,685				
190,280	223,618	294,049	891,523	38,829	1,648,279	(353,215)	(366,260)	(388,314)	12,592,376	11,482,579	(437,587)	(481,820)	(532,112)	(1,564,632)	(113,069)				
Decrease / (Increase) in assets																			
Prepayment and other receivables Deferred Formation cost (1)	-	-	-	-	(1)	(224,215)	(224,215)	(224,215)	(224,215)	(886,860)	56,053	56,053	56,053	(40,550)	(967,464)				
56,052	56,053	56,053	56,053	-	224,211	(234,888)	(233,278)	(234,533)	(264,765)	(967,464)									
Increase in liabilities																			
Payable to Atlas Asset Management Company - Management Company Payable to Central Depository Company of Pakistan Limited - Trustee (2,233)	(2,225)	(2,573)	(9,676)	1,696	(15,011)	289,269	290,209	293,107	328,365	1,200,940	(274,603)	(273,378)	(273,291)	(253,013)	6,703				
(26,523)	(27,214)	(28,499)	(50,313)	4,871	(127,678)	8,847	9,747	11,246	40,315	70,155	(28,523)	(27,214)	(28,499)	(50,313)	4,871				
Exchange Commission of Pakistan Accrued expenses and other liabilities 2,132,800	4,291,864	7,654,927	18,287,615	148,061	32,515,267	46,308	49,506	54,200	141,709	291,723	2,132,800	4,291,864	7,654,927	18,287,615	148,061				
1,829,441	3,989,047	7,350,564	17,974,613	161,331	31,304,996	376,544	384,773	395,633	592,996	1,750,346	1,829,441	3,989,047	7,350,564	17,974,613	161,331				
132,028	137,561	153,020	860,683	276,475	1,559,767	164,395	159,048	185,445	809,052	1,317,940	132,028	137,561	153,020	860,683	276,475				
2,965,370	5,674,378	9,913,501	36,441,736	2,345,675	57,340,659	2,215,272	4,056,011	6,783,212	-	13,064,495	2,965,370	5,674,378	9,913,501	36,441,736	2,345,675				
(28,005,368)	(35,944,377)	(40,553,500)	(118,441,737)	(119,545,675)	(342,290,658)	(116,482,888)	(122,629,524)	(132,629,375)	(456,305,507)	(828,048,292)	(28,005,368)	(35,944,377)	(40,553,500)	(118,441,737)	(119,545,675)				
24,780,000	28,770,000	30,440,000	82,000,000	96,000,000	261,980,000	11,000,000	9,000,000	5,800,000	5,000,000	30,800,000	24,780,000	28,770,000	30,440,000	82,000,000	96,000,000				
(127,971)	(1,362,438)	153,021	860,682	(20,823,625)	(21,400,232)	(103,113,219)	(109,414,465)	(119,841,718)	(450,496,455)	(782,865,657)	(127,971)	(1,362,438)	153,021	860,682	(20,823,625)				
1,319,535	2,200,842	7,027,526	17,326,716	(20,875,263)	6,993,356	(102,971,163)	(109,262,970)	(119,680,618)	(450,168,224)	(770,600,396)									
CASH FLOWS FROM FINANCING ACTIVITIES																			
Receipts against Issuance of units																			
265,730	2,995,112	1,323,416	16,215,425	128,216,559	149,016,242	112,261,109	115,949,600	126,589,590	445,403,437	800,203,736	(2,198,550)	(4,728,747)	(8,952,878)	(1,902,633)	(52,194,689)				
(2,198,550)	(4,728,747)	(8,952,878)	(34,411,981)	(1,902,633)	(52,194,689)	(7,720,713)	(5,050,150)	(4,499,313)	(1,695)	(17,271,971)									
-	(32,845)	(7)	-	-	(32,852)														
(137,148)	(152,400)	(1,036,775)	(293,567)	(102,081,454)	(103,701,344)														
(2,069,968)	(1,918,880)	(8,666,244)	(18,490,023)	24,232,472	(6,912,643)	104,540,396	110,899,450	122,090,277	445,401,742	782,931,865	(2,069,968)	(1,918,880)	(8,666,244)	(18,490,023)	24,232,472				
(750,433)	281,962	(1,638,718)	(1,163,307)	3,357,209	86,713	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469									
1,216,018	1,268,212	2,021,345	7,825,894	-	12,331,469	-	-	-	-	-									
465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469									

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ittikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 1 LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Atlas Islamic Fund of Funds (the Fund) is an open-ended Fund constituted under a trust deed entered into on 20 August 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First, Second and Third supplements dated 05 September 2019, 14 February 2020 and 01 April 2020 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.

**1.2** The Fund is an open-ended Shariah compliant fund of funds and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 07, 2019. Subsequent to the Initial Public Offering, the offer of units of the Allocation Plans at the Initial Offer Price discontinued. The units of the Allocation Plans could then be purchased at their Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The duration of the fund is perpetual, however, the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The objective of the Fund is to generate return on investments as per the respective Allocation Plan by investing in Shariah complaint mutual funds in line with the risk tolerance of the investor. The Management Company has appointed Dr. Mufti Muhammad Wasie Fasih Butt as its Shariah Advisor to ensure that the activities of the Funds are in compliance with the principles of Shariah.

During the period, Atlas Islamic Dividend Plan (AIDP) was launched on March 16, 2020 through one day IPO. It is also a Shariah Compliant Allocation Plan under Atlas Islamic Fund of Funds.

The investment objectives and policies of each allocation plan are as follows:

#### **Atlas Aggressive Allocation Islamic Plan (AAAIIP)**

The "Aggressive Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide capital appreciation. It shall invest at least 65% and 25% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term.

#### **Atlas Moderate Allocation Islamic Plan (AMAIIP)**

The "Moderate Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide a mix of capital appreciation and stable returns. It shall invest at least 45% and 45% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to medium for long term.

#### **Atlas Conservative Allocation Islamic Plan (ACAIP)**

The "Conservative Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide stable

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

returns. It shall invest at least 20% and 70% of its net assets in Shariah Compliant Equity Funds and Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

### **Atlas Islamic Capital Preservation Plan (AICPP)**

The Atlas Islamic Capital Preservation Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Income based Collective Investment Schemes and Shariah Compliant saving Accounts & Term Deposits, while aiming to provide capital preservation upon maturity of the allocation plan.

### **Atlas Islamic Dividend Plan (AIDP)**

The Atlas Islamic Dividend Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide competitive return along with dividend through dynamic asset allocation between Shariah Compliant Income and Shariah Compliant Money Market based Collective Investment Schemes and Shariah Compliant/Islamic Banks/Islamic banks window saving Accounts, while aiming to provide Dividend to the investors on the daily basis of profit earned/appreciation in NAV if any. Dividend received by Unit holder shall be reinvested., This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

**1.3** The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2019. AM2+ (AM Two Plus)] on 26 December 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

**1.4** The 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..

**1.5** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these financial statements give a true and fair view of the state of affairs of the Fund as at 30 June 2020.

## **2 BASIS OF PREPERATION**

### **2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

### 2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 16 – Leases  
 IFRIC 23 – Uncertainty over Income Tax Treatments  
 IFRS 3 – Business Combinations – Previously held interests in a joint operation  
 IFRS 9 – Financial Instruments – Prepayment Features with Negative Compensation (Amendments)  
 IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendments)  
 IFRS 11 – Joint Arrangements – Previously held interests in a joint operation  
 IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity  
 IAS 23 – Borrowing Costs - Borrowing costs eligible for capitalisation  
 IAS 19 – Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)  
 IFRS 14 – Regulatory Deferral Accounts

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017 which became effective in the current period.

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of a Business - Amendments to IFRS 3	January 01, 2020
Interest rate benchmark reform - Amendment to IFRS 9, IAS 39 and IFRS 7	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020
Covid-19-Related Rent Concessions – Amendment to IFRS 16	June 01, 2020
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2020
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2020
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

### Standard or Interpretation

**IASB Effective date (annual periods beginning on or after)**

IFRS 1 - First-time Adoption of International Financial Reporting Standards  
IFRS 17 - Insurance Contracts

01 July 2009  
01 January 2023

### 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the 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 including expectations of future events that are believed to be reasonable under the circumstances, the results 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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.

### 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 as below. These policies have been applied consistently to all years except for the changes in accounting policies as explained in the note 3.1 below.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 3.1 Financial instruments

#### a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

#### b) Classification

##### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL.

##### Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
  - How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
  - The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
  - How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

### c) Subsequent Measurement

Financial assets (equity and debt instruments) at fair value through profit or loss

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

Financial assets (both equity and debt) at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

### **Debt instruments at Amortised Cost**

Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio.

### **Debt instruments at FVOCI**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss.

### **Equity instruments at FVOCI**

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

### **Financial liabilities**

#### **Financial liabilities measured at amortised cost**

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

#### **d) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement<sup>1</sup>), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### e) **Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

### f) **Impairment of financial assets**

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

For trade and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, the Fund has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade and other receivables. The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

### g) **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 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 **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.

### 3.4 **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.



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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

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.

### 3.5 Distribution to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of unit lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### 3.7 Revenue recognition

- 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.
- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised appreciation / (loss) 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.

### 3.8 Expenses

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 3.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

### 3.10 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.

### 3.11 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 of EPU is not practicable.

## 4. BANK BALANCES

	2020					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
In local currency						
Profit and loss sharing accounts	4.1					
	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182
	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182
2019						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note	Rupees-----					
In local currency						
Profit and loss sharing accounts	4.1					
	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469	
	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469	

4.1 These carry interest rate ranging between 6.50% to 9.90% (30 June 2019: 4.00% to 12.30%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 5 INVESTMENTS - NET

2020

At fair value through profit or loss  
- Held for Trading

Note

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
-----Rupees-----						
101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742	

2019

At fair value through profit or loss  
- Held for Trading

Note

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total

5.1 At fair value through profit or loss - Listed equity securities

5.1.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2019	Purchases during the period	Sales during the period	As at 30 June 2020	Carrying Value as at 30 June 2020	Market Value as at 30 June 2020	Appreciation/ (diminution) as at 30 June 2020	Market Value as a % of net assets of Plan	Market Value as a % of total value of investments of Plan

Numbers

Rupees

%age

#### Aggressive Allocation Plan

Atlas Islamic Income Fund	57,960	23,421	28,861	52,511	26,862,184	26,512,035	(350,149)	26.47	26.01
Atlas Islamic Dedicated Stock Fund	151,414	38,049	18,725	170,737	70,624,058	75,414,757	4,790,699	75.28	73.99
	209,364	61,470	47,586	223,248	97,486,242	101,926,792	4,440,550	101.75	100.00

#### Moderate Allocation Plan

Atlas Islamic Income Fund	106,325	33,588	34,049	105,864	53,876,456	53,449,498	(426,958)	47.38	46.20
Atlas Islamic Dedicated Stock Fund	117,448	44,751	21,305	140,894	58,266,322	62,232,992	3,966,670	55.17	53.80
	223,773	78,339	55,354	246,758	112,142,778	115,682,490	3,539,712	102.55	100.00

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

[illegible]

## Conservative Allocation Plan

Atlas Islamic Income Fund	182,885	41,579	34,900	189,564	96,086,596	95,708,774	(377,822)	75.59	71.38
Atlas Islamic Dedicated Stock Fund	64,938	45,638	23,689	86,887	36,024,249	38,378,242	2,353,993	30.31	28.62
	247,823	87,218	58,589	276,452	132,110,845	134,087,016	1,976,171	105.90	100.00

## Islamic Capital Preservation Plan

Atlas Islamic Income Fund	604,937	157,383	63,831	698,489	356,561,927	352,660,251	(3,901,676)	77.33	75.28
Atlas Islamic Dedicated Stock Fund	286,381	83,358	107,619	262,120	108,315,806	115,778,488	7,402,682	25.39	24.72
	891,318	240,741	171,450	960,609	464,937,733	468,438,739	3,501,006	102.72	100.00

## Islamic Dividend Plan

Atlas Islamic Income Fund	-	217,557	172,108	45,449	24,871,390	22,946,705	(1,924,685)	87.80	100.00
	-	217,557	172,108	45,449	24,871,390	22,946,705	(1,924,685)	87.80	100.00
Total as at 30 June 2020	1,572,278	685,324	505,087	1,752,516	831,548,988	843,081,742	11,532,754		
Total as at 30 June 2019	-	1,632,450	60,172	1,572,278	797,232,898	736,051,110	(61,181,788)		

## 6 OTHER RECEIVABLES

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Aggressive Allocation	100%	0%	0%	0%	0%	100%
Moderate Allocation	0%	100%	0%	0%	0%	100%
Conservative Allocation	0%	0%	100%	0%	0%	100%
Islamic Capital Preservation Plan	0%	0%	0%	100%	0%	100%
Islamic Dividend Plan	0%	0%	0%	0%	100%	100%
Total	100%	100%	100%	100%	100%	500%

## Note

Rupees				
10,674	9,063	10,318	40,550	-
10,674	9,063	10,318	40,550	70,605
2019				

Advance tax receivable

Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total
Islamic Plan	Islamic Plan	Islamic Plan		

### Note

	Note	Rupees	
Advance tax receivable	6.1	10,674	9,063
		10,318	40,550
			70,605

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

## 6.1

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 banks deducted withholding tax on 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 withholding.

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 Funds managed by the Company 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 CISOs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISOs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from the profit received on bank deposits by the Funds has been shown as other receivable as at 30 June 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

## 7 DEFERRED FORMATION COST

2020						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan			
Note	Rupees-----					
	224,215	224,215	224,215	224,215	-	896,860
	56,053	56,053	56,053	56,053	-	224,212
	168,162	168,162	168,162	168,162	-	672,648
2019						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan		Total
	Islamic Plan	Islamic Plan	Islamic Plan			
Note	Rupees-----					
	280,268	280,268	280,268	280,268	56,053	1,121,072
	56,053	56,053	56,053	56,053	56,053	224,212
	224,215	224,215	224,215	224,215	224,215	896,860

Opening balance	7.1
Less: Amortisation for the period	

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**7.1 Preliminary expenses and floatation costs** represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortized over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

**8 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED - Management Company**

	2020						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
	Islamic Plan	Islamic Plan	Islamic Plan				
	-----Rupees-----						
Remuneration of the Management Company	8.1	302	588	143	4,901	2,707	8,641
Sindh Sales Tax on remuneration of the Management Company	8.2	39	76	18	637	352	1,122
Front and backend load payable to the Management Company		113	-	1,017	3,955	-	5,085
Accounting and operational charges reimbursable by the Fund		14,212	16,167	18,638	65,849	3,644	118,510
		14,666	16,831	19,816	75,342	6,703	133,358

	2019				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total
Remuneration of the Management Company	8.1	1,037	1,162	1,656	7,483
Sindh Sales Tax on remuneration of the Management Company	8.2	134	152	214	972
Front and backend load payable to the Management Company		-	-	1,016	3,955
Preliminary expenses and floatation charges payable		280,268	280,268	280,268	1,121,072
Accounting and operational charges reimbursable by the Fund		7,830	8,627	9,953	35,677
		<b>289,269</b>	<b>290,209</b>	<b>293,107</b>	<b>328,355</b>
					<b>1,200,940</b>

**8.1** In accordance with the provisions of the NBFC Regulations, no Management fee shall be charged in case the investment of the fund is made in CIS of Atlas Asset Management Limited (AAML). Further as per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I)/2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the limit of 1% of the average annual net assets, within allowed expense ratio limit in case investment is made in Cash/ Near Cash instruments, savings and term deposits made with Islamic banks or Islamic banking windows of commercial banks and therefore has charged its remuneration accordingly. The remuneration for the last period ended 30 June 2019 was also charged in the same manner.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**8.2** During the period, an amount of Rs. 16,050 (2019: 18,205) was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 16,400 (2019: 16,733) has been paid to the Management Company which acts as a collecting agent.

**9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY**

	2020					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan			
	-----Rupees-----					
Trustee fee	5,853	6,656	7,675	27,114	1,501	48,799
	761	866	998	3,525	195	6,345
Sindh Sales Tax payable on trustee fee	6,614	7,522	8,673	30,639	1,696	55,144

Trustee fee  
Sindh Sales Tax payable on trustee fee

**Note**

9.1

9.2

	2019				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total
Trustee fee	9.1	8,626	9,953	35,677	62,086
Sindh Sales Tax payable on trustee fee	9.2	1,121	1,293	4,638	8,069
	8,847	9,747	11,246	40,315	70,155

Trustee fee  
Sindh Sales Tax payable on trustee fee

**9.1** With effect from June 28, 2019, the trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.07% p.a. of Net Assets based on the letter no. CDC/CEOL-112/01/2019 dated June 27, 2019 issued by CDC. Previously, the trustee fee was charged in accordance with the following slab rates:

## Net assets

**Fee**

- upto Rs 1,000 million

0.1% per annum of net assets

- On an amount exceeding Rs. 1,000 million

Rs 1.0 million plus 0.075% per annum of net assets exceeding Rs. 1,000 million

**9.2** During the year, an amount of Rs. 74,636 (2019: 39,920) 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. 87,923 (2019: 31,851) was paid to the Trustee which acts as a collecting agent.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

2020					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan
Note	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Total
-----Rupees-----					
Annual SECP fee payable	19,785	22,292	25,701	91,396	4,871
10.1	19,785	22,292	25,701	91,396	4,871
					164,045
	19,785	22,292	25,701	91,396	4,871
					164,045

2019					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan
Note	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Total
-----Rupees-----					
Annual SECP fee payable	46,308	49,506	54,200	141,709	-
10.1	46,308	49,506	54,200	141,709	-
	46,308	49,506	54,200	141,709	-
					245,415
	46,308	49,506	54,200	141,709	-
					245,415

10.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% per annum of the average annual net assets on all categories of CISs. Previously, the rate of annual fee applicable to the fund of funds scheme was 0.095% of net assets.

### 11 ACCRUED EXPENSES AND OTHER LIABILITIES

2020					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan
Note	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Total
-----Rupees-----					
Auditors' remuneration payable	46,970	36,111	41,949	145,180	8,533
Withholding tax payable	330,680	710,474	1,352,186	5,075,503	138,382
Shariah advisory fee payable	2,402	2,589	2,814	7,767	1,146
Printing charges payable	921	477	-	-	-
Provision for Sindh Workers' Welfare Fund	190,260	233,618	294,049	891,523	38,829
Annual rating fee payable	16,495	16,513	16,411	5,526	-
Dividend Payable	1,767,852	3,560,552	6,278,647	13,136,256	-
					24,743,307
	2,355,580	4,560,334	7,986,056	19,261,755	186,890
					34,350,615



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

2019						
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
Islamic Plan	Islamic Plan	Islamic Plan				
-----Rupees-----						
Auditors' remuneration payable	27,503	29,153	31,314	64,627	-	152,597
Withholding tax payable	302	1,126	261	4,116	-	5,805
Shariah advisory fee payable	1,960	2,113	2,336	6,088	-	12,497
Printing charges payable	2,755	2,919	3,169	7,786	-	16,629
	32,520	35,311	37,080	82,617	-	187,528

**11.1** 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, was 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. Thereafter, MUFAP had 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 SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution, 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 May 21, 2015).

In the repealed Companies Ordinance 1984, and the now applicable Companies Act, 2017 mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on Asset Management Company and not on the mutual funds.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2020 would have been higher by Rs. 0.91 per unit (30 June 2019: Rs. Nil per unit), Rs. 1.03 per unit (30 June 2019: Rs. Nil per unit), Rs. 1.20 per unit (30 June 2019: Rs. Nil per unit), Rs. 0.97 per unit (30 June 2019: Rs. Nil per unit) and Rs. 0.74 per unit for AAAIP, AMAIP, ACAIP, AICPP and AIDP respectively.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2020 and 30 June 2019.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 13 AUDITORS' REMUNERATION

For the period from  
16 March 2020 to  
30 June 2020

2020						
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
41,112	29,326	33,825	120,296	5,792	230,352	
6,369	7,153	8,250	29,341	1,413	52,525	
2,802	3,147	3,630	12,910	622	23,111	
3,184	3,576	4,125	14,670	706	26,262	
(6,135)	(5,403)	(3,520)	34,451	-	19,393	
<b>47,332</b>	<b>37,800</b>	<b>46,310</b>	<b>211,668</b>	<b>8,533</b>	<b>351,643</b>	

Audit fee  
Code of Corporate Governance  
Income certification charges  
Out of pocket expenses  
Prior year adjustment

For the Period from 07 January 2019 to 30 June 2019

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
22,760	24,110	25,859	52,272	125,001
8,979	9,279	9,380	2,362	30,000
3,641	3,858	4,137	8,364	20,000
1,820	1,928	2,069	4,182	9,999
<b>37,200</b>	<b>39,175</b>	<b>41,445</b>	<b>67,180</b>	<b>185,000</b>

Audit fee  
NAV certification charges  
Income certification charges  
Out of pocket expenses

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund is as follows :

----- 2020 -----						For the period from 16 March 2020 to 30 June 2020	
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan			
0.62	0.64	0.64	0.54	0.12			
0.22	0.26	0.24	0.23	0.01			

Total expense ratio  
Government Levies and SECP Fee

### 2019

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	
----- age % -----				

Total expense ratio  
Government Levies and SECP Fee

0.35 0.34 0.32 0.32  
0.06 0.06 0.05 0.05

### 15 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 paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

### 16 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company has charged expenses at the rate of 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

" March 2020 onwards for allocation of such expenses to the Fund.

## 17 EARNING PER UNIT

Earning 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.

## 18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company 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 and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale 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.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 18.1 Details of transaction with related parties during the period are as follows:

For the period from 16 March 2020 to 30 June 2020						
----- 2020 -----						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
-----Rupees-----						
<b>Atlas Asset Management Limited - Management Company</b>						
Remuneration for the period	6,956	8,098	7,835	67,204	33,359	123,452
Sindh sales tax on remuneration of the Management Company	904	1,053	1,019	8,737	4,337	16,050
Remuneration paid	7,691	8,672	9,348	69,786	30,652	126,149
Formation cost	56,054	56,053	56,054	56,053	-	224,214
Accounting & operational charges	144,397	161,832	186,138	661,779	40,267	1,194,413
Issuance in amounts	94,539	180,756	1,249,723	-	20,078,461	21,603,479
Issue of units	199	366	2,417	-	40,157	43,139
Dividend declared	2,079,826	212,654	1,470,262	-	98,202	3,860,945

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

For the period from  
16 March 2020 to  
30 June 2020

	2020					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration of the Trustee	69,674	78,021	89,955	319,888	16,581	574,119
Sindh Sales Tax on remuneration of the Trustee	9,058	10,143	11,694	41,585	2,156	74,636
Remuneration paid	71,651	79,991	92,233	328,451	15,080	587,406
<b>Shirazi Investments (Private) Limited - Group Company</b>						
Dividend declared	106,462	4,188,885	7,386,644	15,454,419	-	27,136,411
<b>Atlas Honda Limited - Group Company</b>						
Issuance in amounts	-	-	-	13,136,256	-	13,136,256
Issue of units	-	-	-	26,389	-	26,389
Dividend declared	-	-	-	15,454,419	-	15,454,419
<b>Lucky Commodities (Private) Limited (Unit Holder with more than 10% holding)</b>						
Issuance in amounts	-	-	-	-	100,392,307	100,392,307
Issue of units	-	-	-	-	200,785	200,785
Dividend declared	-	-	-	-	491,012	491,012
<b>Atlas Islamic Dedicated Stock Fund - Fund managed by Management Company</b>						
Purchase in Rupees	15,655,237	18,360,624	18,727,686	34,391,846	-	87,135,393
Purchase of units	38,049	44,751	45,638	83,358	-	211,796
Redemption in Rupees	9,380,000	10,620,000	11,840,000	48,000,000	-	79,840,000
Redemption of units	18,725	21,305	23,689	107,619	-	171,338
Dividend Entitlement	255,237	210,624	129,889	391,846	-	987,598
<b>Atlas Islamic Income Fund - Fund managed by Management Company</b>						
Purchase in Rupees	12,350,132	17,583,753	21,623,611	84,049,891	119,545,675	255,153,062
Purchase of units	23,421	33,588	41,579	157,383	217,557	473,528
Redemption in Rupees	15,400,000	18,150,000	18,600,000	34,000,000	96,000,000	182,150,000
Redemption of units	28,861	34,049	34,900	63,831	172,108	333,748
Dividend Entitlement	2,710,132	5,463,753	9,783,611	36,049,891	2,345,675	54,007,387

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

For the period from  
16 March 2020 to  
30 June 2020

2020							10 March 2020 to 30 June 2020
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total		
-----Rupees-----							
Issuance in amounts	178,247	-	231,860	-	-		
Issue of units	5,353	-	2,463	-	-		
Redemption in Rupees	-	-	-	-	2,998		
Redemption of units	4,993	-	1,997	-	6,997		
Dividend declared	209,702	-	272,776	-	482,478		

### Directors and their close family members and key management personnel of the Management Company

For the period from 07 January 2019 to 30 June 2019

Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
-----Rupees-----				

### Atlas Asset Management Limited - Management Company

Remuneration for the period	17,233	17,729	18,965	54,836	108,763
Sindh sales tax on remuneration of the Management Company	2,240	2,305	2,465	7,129	14,139
Remuneration paid	16,098	16,646	17,690	30,141	80,575
Formation cost	15,361	15,361	15,361	15,816	61,899
Accounting & operational charges	24,591	25,698	26,877	40,705	117,872
Issuance in amounts	4,045	10,000,000	19,970,845	-	29,974,890
Issue of units	9	20,000	39,737	-	59,746
Redemption in amount	-	5,000,000	-	-	5,000,000
Redemption of units	-	9,889	-	-	9,889

### Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	24,591	25,698	26,877	40,705	117,872
Sindh Sales Tax on remuneration of the Trustee	3,197	3,341	3,494	5,292	15,324
Remuneration paid	15,796	16,315	16,465	3,014	51,591

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

For the period from 07 January 2019 to 30 June 2019

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan		
	-----Rupees-----				
<b>Shirazi Investments (Private) Limited - Group Company</b>					
Issuance in amounts	99,039,349	99,735,352	99,819,514	200,000,000	498,594,215
Issue of units	198,079	199,471	199,639	396,267	993,456
<b>Atlas Honda Limited - Group Company</b>					
Issuance in amounts	-	-	-	200,000,000	200,000,000
Issue of units	-	-	-	396,267	396,267
<b>Atlas Islamic Dedicated Stock Fund - Fund managed by Management Company</b>					
Purchase in Rupees	78,028,277	56,936,757	29,928,953	138,000,000	302,893,987
Purchase of units	155,900	113,676	59,650	275,477	604,704
Redemption in Rupees	5,600,000	2,500,000	1,000,000	-	9,100,000
Redemption of units	11,029	4,951	1,926	-	17,906
<b>Atlas Islamic Income Fund - Fund managed by Management Company</b>					
Purchase in Rupees	34,190,240	59,354,586	95,582,179	300,000,000	489,127,005
Purchase of units	65,937	114,322	184,155	588,166	952,580
Redemption in Rupees	2,400,000	2,500,000	1,400,000	-	6,300,000
Redemption of units	4,720	4,912	2,759	-	12,391
Dividend Entitlement	940,678	1,717,418	2,683,325	-	5,341,421
<b>Directors and their close family members and key management personnel of the Management Company</b>					
Issuance in amounts	2,568,000	2,500,000	-	3,500,000	8,568,000
Issue of units	5,145	4,993	-	6,997	17,135
Redemption in Rupees	2,644,251	-	-	-	2,644,251
Redemption of units	5,145	-	-	-	5,145



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

2020

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

	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Rupees						
<b>Atlas Asset Management Limited (Management Company)</b>						
Remuneration payable to the management company	302	588	143	4,901	2,707	8,641
Sindh Sales tax payable on remuneration of the Management Company	39	76	18	637	352	1,122
Sales Load Payable	113	-	1,017	3,955	-	5,085
Accounting and operational charges payable	14,212	16,167	18,638	65,849	3,644	118,510
Outstanding amount - at net asset value	4,936,732	5,197,180	21,826,444	-	20,078,461	52,038,817
Outstanding units	10,329	10,492	42,154	-	40,157	103,132
<b>Central Depository Company of Pakistan Limited (Trustee)</b>						
Trustee fee payable	5,853	6,656	7,675	27,114	1,501	48,799
Sindh Sales tax payable on remuneration of trustee	761	866	998	3,525	195	6,345
<b>Shirazi Investments (Private) Limited - Group Company</b>						
Outstanding amount - at net asset value	94,671,714	98,807,813	103,369,096	197,535,218	-	494,383,841
Outstanding units	198,079	199,471	199,639	396,267	-	993,456
<b>Atlas Honda Limited</b>						
Outstanding amount - at net asset value	-	-	-	210,689,683	-	210,689,683
Outstanding units	-	-	-	422,656	-	422,656
<b>Lucky Commodities (Private) Limited (Unit Holder with more than 10% holding)</b>						
Outstanding amount - at net asset value	-	-	-	-	100,392,307	-
Outstanding units	-	-	-	-	200,785	-
<b>Atlas Islamic Dedicated Stock Fund</b>						
Outstanding amount - at net asset value	75,414,757	62,232,992	38,378,242	115,778,488	-	291,804,479
Outstanding units	170,737	140,894	86,887	262,120	-	660,639
<b>Atlas Islamic Income Fund</b>						
Outstanding amount - at net asset value	26,512,035	53,449,498	95,708,774	352,660,251	22,946,705	528,330,558
Outstanding units	52,511	105,864	189,564	698,489	45,449	1,046,428
<b>Directors and their close family members and key management personnel of the Management Company</b>						
Outstanding amount - at net asset value	-	5,125,040	-	3,718,744	-	8,843,784
Outstanding units	-	10,346	-	7,460	-	17,806



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

2019					
Rupees					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total
<b>Atlas Asset Management Limited (Management Company)</b>					
Remuneration payable to the management company	1,037	1,162	1,656	7,483	11,338
Sindh Sales tax payable on remuneration of the Management Company	134	152	214	972	1,472
Sales Load Payable	-	-	1,016	3,955	4,971
Preliminary expenses and floatation charges payable	280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges payable	7,830	8,627	9,953	35,677	62,087
Outstanding amount - at net asset value	4,496,533	4,709,470	19,682,443	-	28,888,446
Outstanding units	10,130	10,118	39,737	-	59,985
<b>Central Depository Company of Pakistan Limited (Trustee)</b>					
Trustee fee payable	7,830	8,626	9,953	35,677	62,086
Sindh Sales tax payable on remuneration of trustee	1,017	1,121	1,293	4,638	8,069
<b>Shirazi Investments (Private) Limited - Group Company</b>					
Outstanding amount - at net asset value	87,925,153	92,841,644	98,885,203	193,374,413	473,026,414
Outstanding units	198,079	199,471	199,639	396,267	993,456
<b>Atlas Honda Limited - Group Company</b>					
Outstanding amount - at net asset value	-	-	-	193,374,413	193,374,413
Outstanding units	-	-	-	396,267	396,267
<b>Atlas Islamic Dedicated Stock Fund - Fund managed by Management Company</b>					
Outstanding amount - at net asset value	67,211,233	54,664,997	26,860,400	139,751,064	288,487,694
Outstanding units	151,414	117,448	64,938	286,381	620,181
<b>Atlas Islamic Income Fund - Fund managed by Management Company</b>					
Outstanding amount - at net asset value	25,723,323	49,488,001	90,586,534	295,203,236	461,001,094
Outstanding units	57,950	106,325	182,885	604,937	952,097
<b>Directors and their close family members and key management personnel of the Management Company</b>					
Outstanding amount - at net asset value	3,018	2,323,900	-	3,414,527	5,741,445
Outstanding units	7	4,993	-	6,997	11,997

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 19 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2020

	Aggressive Allocation Islamic Plan			Moderate Allocation Islamic Plan		
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income
<b>Financial assets</b>						
Bank balances	465,585	-	-	465,585	1,550,174	-
Investments - net	-	101,926,792	-	101,926,792	-	-
Profit receivable on deposit with banks	2,585	-	-	2,585	5,157	-
	<b>468,170</b>	<b>101,926,792</b>	<b>-</b>	<b>102,394,962</b>	<b>1,555,331</b>	<b>-</b>
					<b>115,682,490</b>	<b>117,237,821</b>

	At fair value through profit or loss	At amortised Cost	Total	At fair value through profit or loss	At amortised Cost	Total
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	-	14,666	14,666	-	16,831	16,831
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	6,614	6,614	-	7,522	7,522
Accrued expenses and other liabilities	-	3,323	3,323	-	3,066	3,066
	<b>-</b>	<b>24,603</b>	<b>24,603</b>	<b>-</b>	<b>27,419</b>	<b>27,419</b>

30 June 2020

	Conservative Allocation Islamic Plan			Islamic Capital Preservation Plan		
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income
<b>Financial assets</b>						
Bank balances	382,627	-	-	382,627	6,662,587	-
Investments - net	-	134,087,016	-	134,087,016	-	-
Profit receivable on deposit with banks	1,886	-	-	1,886	205,585	-
	<b>384,513</b>	<b>134,087,016</b>	<b>-</b>	<b>134,471,529</b>	<b>6,868,172</b>	<b>-</b>
					<b>468,438,739</b>	<b>475,306,911</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### Financial liabilities

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

	At fair value through profit or loss	At amortised Cost	Total	At fair value through profit or loss	At amortised Cost	Total
-----Rupees-----						
-	-	19,816	19,816	-	75,342	75,342
-	-	8,673	8,673	-	30,639	30,639
-	-	2,814	2,814	-	7,767	7,767
-	-	31,303	31,303	-	113,748	113,748

### 30 June 2020

### Islamic Dividend Plan

### Financial assets

Bank balances  
Investments - net  
Profit receivable on deposit with banks

	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
-----Rupees-----				
3,357,209	-	-	-	3,357,209
-	22,946,705	-	-	22,946,705
31,351	-	-	-	31,351
3,388,560	22,946,705	-	-	26,335,265

### Financial liabilities

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

	At fair value through profit or loss	At amortised Cost	Total
-----Rupees-----			
-	6,703	-	6,703
-	498	-	498
-	7,786	-	7,786
-	14,987	-	14,987

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 19 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2019	Aggressive Allocation Islamic Plan				Moderate Allocation Islamic Plan			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
<b>Financial assets</b>	Rupees				Rupees			
Bank balances	1,216,018	-	-	1,216,018	1,268,212	-	-	1,268,212
Investments - net	-	91,821,576	-	91,821,576	-	102,133,006	-	102,133,006
Profit receivable on deposit with banks	28,826	-	-	28,826	29,473	-	-	29,473
	<b>1,244,844</b>	<b>91,821,576</b>	<b>-</b>	<b>93,066,420</b>	<b>1,297,685</b>	<b>102,133,006</b>	<b>-</b>	<b>103,430,691</b>
<b>Financial liabilities</b>	Rupees				Rupees			
Payable to Atlas Asset Management Limited - Management Company	-				-			
Payable to the Central Depository Company of Pakistan Limited - Trustee	-				-			
Accrued expenses and other liabilities	-				-			
	<b>330,334</b>				<b>330,334</b>			
	<b>334,141</b>				<b>334,141</b>			
30 June 2019	Conservative Allocation Islamic Plan				Islamic Capital Preservation Plan			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
<b>Financial assets</b>	Rupees				Rupees			
Bank balances	2,021,345	-	-	2,021,345	7,825,894	-	-	7,825,894
Investments - net	-	118,967,823	-	118,967,823	-	423,128,705	-	423,128,705
Profit receivable on deposit with banks	39,541	-	-	39,541	235,529	-	-	235,529
	<b>2,060,886</b>	<b>118,967,823</b>	<b>-</b>	<b>121,028,709</b>	<b>8,061,423</b>	<b>423,128,705</b>	<b>-</b>	<b>431,190,128</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### Financial liabilities

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

	At fair value through profit or loss	At amortised Cost	Total	At fair value through profit or loss	At amortised Cost	Total
		Rupees-----			Rupees-----	
	-	293,107	293,107	-	328,355	328,355
	-	11,246	11,246	-	40,315	40,315
	-	36,819	36,819	-	78,501	78,501
	-	<b>341,172</b>	<b>341,172</b>	-	<b>447,171</b>	<b>447,171</b>

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

During the year ended June 30, 2020, the global economic environment including Pakistan has been severely affected by the COVID -19 outbreak. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat. The State Bank of Pakistan has also responded to the crisis by cutting the policy rate by 225 bps to 11% in March '20, by 200 bps to 9% on April '20, by 100 bps to 8% in May '20 and again by 100 bps to 7% in June '20. SECP has also provided certain relaxation to the asset management companies in Pakistan for specific period.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

### 20.1 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 2020, 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 4,656 (2019: Rs. 12,160), Rs. 15,502 (2019: Rs. 12,682), Rs. 3,826 (2019: Rs. 20,213), Rs. 66,626 (2019: Rs. 78,259) and Rs. 33,572, for AAAP, AMAIP, ACAIP, AICPP and AIDP respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

### 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 2020 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, 2020 can be determined as follows:

30 June 2020	Aggressive Allocation Islamic Plan					Moderate Allocation Islamic Plan				
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk		Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
	Effective yield / profit rate	Up to three months	More than three months and up to one year	More than one year	Total	Effective yield / profit rate	Up to three months	More than three months and up to one year	More than one year	Total
<b>Financial assets</b>										
Bank balances	6.50 - 7.00	465,585	-	-	465,585	6.50 - 7.00	1,550,174	-	-	1,550,174
Investments	-	-	-	101,926,792	101,926,792	-	-	-	115,882,490	115,882,490
Profit receivable on deposit with banks	465,585	-	-	2,585	2,585	1,550,174	-	-	5,157	5,157
		465,585	-	101,929,377	102,394,962		1,550,174	-	115,887,647	117,437,821
<b>Financial liabilities</b>										
Payable to Alias Asset Management Limited - Management Company	-	-	-	14,666	14,666	-	-	-	16,831	16,831
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	6,614	6,614	-	-	-	7,522	7,522
Accrued expenses and other liabilities	-	-	-	3,323	3,323	-	-	-	3,086	3,086
		-	-	24,603	24,603		-	-	27,419	27,419
On-balance sheet gap (a)	465,585	-	-	101,904,774	102,370,359	1,550,174	-	-	115,880,228	117,430,402
Off-balance sheet financial instruments	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)	465,585	-	-	-	-	1,550,174	-	-	-	-
Cumulative interest rate sensitivity gap	465,585	465,585	465,585	465,585		1,550,174	1,550,174	1,550,174	1,550,174	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

Conservative Allocation Islamic Plan

Islamic Capital Preservation Plan

Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Effective yield / profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / profit rate risk	Total

<b>Financial assets</b>					
Bank balances	6,501 - 7,001	382,627	-	-	382,627
Investments	-	-	-	134,087,016	134,087,016
Profit receivable on deposit with banks	-	-	-	1,886	1,886
		382,627	-	134,088,902	134,471,529
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company	-	-	-	19,816	19,816
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	6,673	6,673
Accrued expenses and other liabilities	-	-	-	2,814	2,814
		-	-	31,303	31,303
On-balance sheet gap (a)	-	-	-	-	-
Off-balance sheet financial instruments	382,627	-	-	134,087,599	134,440,226
Off-balance sheet gap (b)	-	-	-	-	-
Total interest rate sensitivity gap (a+b)	382,627	-	-	-	-
Cumulative interest rate sensitivity gap	382,627	382,627	382,627	-	765,254

30 June 2020

Daily Dividend Plan

Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Effective yield / profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / profit rate risk	Total

<b>Financial assets</b>					
Bank balances	6,5	3,357,209	-	-	3,357,209
Investments	-	-	-	22,946,705	22,946,705
Profit receivable on deposit with banks	-	-	-	31,351	31,351
		3,357,209	-	22,978,056	26,335,265
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company	-	-	-	6,703	6,703
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	498	498
Accrued expenses and other liabilities	-	-	-	7,786	7,786
	-	-	-	14,987	14,987
On-balance sheet gap (a)	-	-	-	-	-
Off-balance sheet financial instruments	3,357,209	-	-	22,963,069	26,320,278
Off-balance sheet gap (b)	-	-	-	-	-
Total interest rate sensitivity gap (a+b)	3,357,209	-	-	-	-
Cumulative interest rate sensitivity gap	3,357,209	3,357,209	3,357,209	-	6,714,418



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

30 June 2019

Aggressive Allocation Islamic Plan

Moderate Allocation Islamic Plan

Effective yield/ profit rate	Exposed to yield/ profit rate risk			Not exposed to yield/ profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees

<b>Financial assets</b>					
Bank balances	9.5-10.25	12.6,018	-	-	12.6,018
Investments	-	-	-	91,821,576	91,821,576
Profit receivable on deposit with banks	-	-	-	28,826	28,826
		<u>12,6,018</u>	<u>-</u>	<u>91,850,402</u>	<u>93,066,420</u>

### Financial liabilities

Payable to Alias Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

		-	-	289,269	289,269
		-	-	8,947	8,947
		-	-	32,218	32,218
		<u>-</u>	<u>-</u>	<u>330,334</u>	<u>330,334</u>
		<u>12,6,018</u>	<u>-</u>	<u>91,820,068</u>	<u>92,736,066</u>

On-balance sheet gap (a)

		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>12,6,018</u>	<u>-</u>	<u>91,820,068</u>	<u>92,736,066</u>

Off-balance sheet financial instruments

		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Off-balance sheet gap (b)

		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Total interest rate sensitivity gap (a+b)

		<u>1,216,018</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Cumulative interest rate sensitivity gap

		<u>1,216,018</u>	<u>1,216,018</u>	<u>1,216,018</u>	<u>-</u>
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30 June 2019

Conservative Allocation Islamic Plan

Islamic Capital Preservation Plan

Effective yield/ profit rate	Exposed to yield/ profit rate risk			Not exposed to yield/ profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

Rupees

<b>Financial assets</b>					
Bank balances	9.5-10.25	2,021,345	-	-	2,021,345
Investments	-	-	-	118,967,823	118,967,823
Profit receivable on deposit with banks	-	-	-	39,541	39,541
		<u>2,021,345</u>	<u>-</u>	<u>119,007,364</u>	<u>121,028,709</u>

### Financial liabilities

Payable to Alias Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

		-	-	293,107	293,107
		-	-	11,246	11,246
		-	-	36,819	36,819
		<u>-</u>	<u>-</u>	<u>341,172</u>	<u>341,172</u>
		<u>2,021,345</u>	<u>-</u>	<u>118,966,192</u>	<u>120,987,537</u>

Off-balance sheet financial instruments

		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Off-balance sheet gap (b)

		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Total interest rate sensitivity gap (a+b)

		<u>2,021,345</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Cumulative interest rate sensitivity gap

		<u>2,021,345</u>	<u>2,021,345</u>	<u>2,021,345</u>	<u>-</u>
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### (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) Price risk

Other 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 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.

A reasonably possible change of 5% increase or decrease in fair values of investee funds at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs.5,096,340 , Rs.5,784,125 , Rs. 6,704,351, Rs. 23,421,937 and Rs.1,147,335 for AAAP, AMAIP, ACAIP, AICPP and AIDP respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

## 20.2 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 off. The Fund's listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange Limited.

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 THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

### Aggressive Allocation Islamic Plan

Financial					
Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	instruments without fixed maturity	Total
Rupees					
465,585	-	-	-	-	465,585
-	-	-	-	101,926,792	101,926,792
2,585	-	-	-	-	2,585
468,170	-	-	-	101,926,792	102,394,962

#### Financial assets

Bank balances  
Investments  
Profit receivable on deposit with banks

#### Financial liabilities

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

#### Net assets / (liabilities)

30 June 2020

### Conservative Allocation Islamic Plan

Financial					
Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	instruments without fixed maturity	Total
Rupees					
382,627	-	-	-	-	382,627
-	-	-	-	134,087,016	134,087,016
1,886	-	-	-	-	1,886
384,513	-	-	-	134,087,016	134,471,529

#### Financial assets

Bank balances  
Investments  
Profit receivable on deposit with banks

#### Financial liabilities

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

#### Net assets / (liabilities)

### Moderate Allocation Islamic Plan

Financial					
Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	instruments without fixed maturity	Total
Rupees					
1,550,174	-	-	-	-	1,550,174
-	-	-	-	115,682,490	115,682,490
5,157	-	-	-	-	5,157
1,555,331	-	-	-	115,682,490	117,237,821

#### Financial assets

Bank balances  
Investments  
Profit receivable on deposit with banks

#### Financial liabilities

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

#### Net assets / (liabilities)

30 June 2020

### Islamic Capital Preservation Plan

Financial					
Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	instruments without fixed maturity	Total
Rupees					
7,825,894	-	-	-	-	7,825,894
-	-	-	-	423,128,705	423,128,705
235,529	-	-	-	-	235,529
8,061,423	-	-	-	423,128,705	431,190,128

#### Financial assets

Bank balances  
Investments  
Profit receivable on deposit with banks

#### Financial liabilities

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

#### Net assets / (liabilities)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

Islamic Dividend Plan

**Financial assets**  
Bank balances  
Investments  
Profit receivable on deposit with banks

**Financial liabilities**  
Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities

**Net assets / (liabilities)**  
30 June 2019

**Financial assets**  
Bank balances  
Investments  
Profit receivable on deposit with banks  
**Financial liabilities**  
Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities  
**Net assets / (liabilities)**

Aggressive Allocation Islamic Plan							Moderate Allocation Islamic Plan						
Rupees							Rupees						
Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total		Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total	
1,216,018	-	-	-	-	1,216,018		1,268,212	-	-	-	-	1,268,212	
-	-	-	-	91,821,576	91,821,576		-	-	-	-	102,133,006	102,133,006	
28,826	-	-	-	-	28,826		29,473	-	-	-	-	29,473	
<b>1,244,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,821,576</b>	<b>93,066,420</b>		<b>1,297,685</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,133,006</b>	<b>103,430,691</b>	
289,289	-	-	-	-	289,289		290,209	-	-	-	-	290,209	
8,847	-	-	-	-	8,847		9,747	-	-	-	-	9,747	
-	32,218	-	-	-	32,218		-	34,185	-	-	-	34,185	
<b>298,116</b>	<b>32,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>330,334</b>		<b>299,956</b>	<b>34,185</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>334,141</b>	
<b>946,728</b>	<b>(32,218)</b>	<b>-</b>	<b>-</b>	<b>91,821,576</b>	<b>92,736,066</b>		<b>997,729</b>	<b>(34,185)</b>	<b>-</b>	<b>-</b>	<b>102,133,006</b>	<b>103,096,550</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

30 June 2019

30 June 2019	Conservative Allocation Islamic Plan						Islamic Capital Preservation Plan																	
	Financial					Financial	Financial																	
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	instruments without fixed maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	instruments without fixed maturity	Total												
<b>Financial assets</b>	Rupees--												Rupees--											
Bank balances	2,021,345	-	-	-	-	2,021,345	7,825,894	-	-	-	-	7,825,894												
Investments	-	-	-	-	118,967,823	118,967,823	-	-	-	-	423,128,705	423,128,705												
Receivable against issue of units	-	-	-	-	-	-	-	-	-	-	-	-												
Profit receivable on deposit with banks	39,541	-	-	-	-	39,541	235,529	-	-	-	-	235,529												
	2,060,886	-	-	-	118,967,823	121,028,709	8,061,423	-	-	-	423,128,705	431,190,128												
<b>Financial liabilities</b>																								
Payable to Atlas Asset Management Limited - Management Company	283,107	-	-	-	-	283,107	328,355	-	-	-	-	328,355												
Payable to the Central Depository Company of Pakistan Limited - Trustee	11,246	-	-	-	-	11,246	40,315	-	-	-	-	40,315												
Accrued expenses and other liabilities	-	36,819	-	-	-	36,819	-	78,501	-	-	-	78,501												
	304,353	36,819	-	-	304,353	341,172	368,670	78,501	-	-	-	447,171												
<b>Net assets / (liabilities)</b>	1,756,533	(36,819)	-	-	118,663,470	120,687,537	7,692,753	(78,501)	-	-	423,128,705	430,742,957												

### 20.3 Credit risk

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

Balance as per statement of assets and liabilities

Balance as per statement of assets and liabilities

	Rupees						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	Islamic Dividend	Total	
	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	
Bank balances	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182	
Investments	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742	
Profit receivable on bank balances	2,585	5,157	1,886	205,585	31,351	246,564	
	102,394,962	117,237,821	134,471,529	475,306,911	26,335,265	855,746,488	

	Rupees						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	Islamic Dividend	Total	
	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	
Bank balances	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182	
Investments	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742	
Profit receivable on bank balances	2,585	5,157	1,886	205,585	31,351	246,564	
	102,394,962	117,237,821	134,471,529	475,306,911	26,335,265	855,746,488	

30 June 2019

Balance as per statement of assets and liabilities

Maximum exposure

	Balance as per statement of assets and liabilities					Maximum exposure				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	Islamic Dividend	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	Islamic Dividend
Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Total	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Total
-----Rupees-----										
Bank balances	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
Investments	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110
Profit receivable on bank balances	28,826	29,473	39,541	235,529	333,369	28,826	29,473	39,541	235,529	333,369
	93,066,420	103,430,691	121,028,709	431,190,128	748,715,948	93,066,420	103,430,691	121,028,709	431,190,128	748,715,948

### 20.3.1 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

	30 June 2020					30 June 2019				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	Islamic Dividend	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital	Islamic Dividend
	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Total	Islamic Plan	Islamic Plan	Islamic Plan	Islamic Plan	Total
AAA	1.30	0.47	21.43	0.07	-	0.08	1.30	0.47	21.43	0.08
AA+	-	-	-	0.44	-	13.69	-	-	-	-
A+	-	-	-	99.49	-	49.69	-	-	-	-
AA	60.36	1.85	0.96	-	-	4.34	60.36	1.85	0.96	-
A	38.34	97.68	77.61	-	100.00	32.20	38.34	97.68	77.61	-
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

30 June 2019

	% of financial assets exposed to credit risk				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total
AAA	-	-	-	0.13	0.08
AA+	-	-	-	21.57	13.69
A+	-	-	-	78.30	49.69
AA	16.16	21.82	3.08	-	4.34
A	83.84	78.18	96.92	-	32.20
	100.00	100.00	100.00	100.00	100.00

The maximum exposure to credit risk before any credit enhancement as at 30 June 2020 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with Banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

### 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.

Financial assets which are tradeable 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.

### 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.

Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days which is considered as Level 1 valuation. Fair value of remaining financial assets is not significantly different from their carrying value.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

## 22 UNIT HOLDING PATTERN OF THE FUND

30 June 2020	Aggressive Allocation Islamic Plan			Moderate Allocation Islamic Plan			Conservative Allocation Islamic Plan			Islamic Capital Preservation Plan			Islamic Dividend Plan		
Category	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	8	568,393	0.57	14	8,804,124	7.80	19	1,416,623	0.57	35	36,374,849	7.98	5	5,776,148	0.57
Retirement Funds	-	-	-	-	-	-	-	-	-	2	5,374,747.73	1.18	-	-	-
Associated Companies/ Directors	2	99,608,760	99.43	2	104,003,485	92.20	2	125,193,140	99.43	2	212,251,069	46.54	1	20,358,957	99.43
Others	-	-	-	-	-	-	-	-	-	2	202,055,825	44.30	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks/DFIs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10	100,177,153	100.00	16	100,177,153	100.00	21	126,609,763	100.00	41	456,056,491	100.00	6	26,135,105	100.00

30 June 2019	Aggressive Allocation Islamic Plan			Moderate Allocation Islamic Plan			Conservative Allocation Islamic Plan			Islamic Capital Preservation Plan		
Category	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	8	502,618	0.54	17	5,728,801	5.55	25	2,300,751	1.90	34	32,685,848	7.59
Retirement Funds	-	-	-	-	-	-	-	-	-	2	4,879,345	1.13
Associated Companies/ Directors	2	92,421,746	99.46	2	97,553,395	94.45	2	118,566,859	98.10	4	389,191,173	90.33
Others	-	-	-	-	-	-	-	-	-	1	4,105,531	0.95
	10	92,924,364	100.00	19	103,282,196	100.00	27	120,867,610	100.00	41	430,861,897	100.00

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 23 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	20 Years
Mr. Ali H. Shirazi	Director	Masters in Law	16.5 Years
Mr. Khailid Mehmood	Chief Investment Officer	MBA - Finance	16 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	12 Years
Mr. Fawad Javid	Head of Fixed Income	CMA	12 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	9 Years

### 24 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	Atlas Stock Market Fund Atlas Islamic Stock Fund Atlas Islamic Dedicated Stock Fund

### 26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Director	Meeting held on					
	04 July 2019	26 September 2019	30 October 2019	27 February 2020	29 April 2020	26 June 2020
Mr. Yusuf H. Shirazi *	L	P	-	-	-	-
Mr. Iftikhar H. Shirazi ** (Appointed Chairman w.e.f. Feb. 27, 2020)	-	-	-	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Frahim Ali Khan	L	P	P	P	P	P
Mr. Ali H. Shirazi	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. Muhammad Abdul Samad	P	P	P	P	P	P
Ms Qurat-ul-ain Jafari (Chief Financial Officer)	P	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	P	P	L	P	P



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## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

P Present

L Leave of absence

\* Mr. Yusuf H. Shirazi passed away on October 20, 2019.

\*\* Mr. Ittikhar H. Shirazi appointed as chairman on February 27, 2020.

#### 26 GENERAL

26.1 Figures have been rounded off to the nearest Rupee unless otherwise stated.

26.2 Units have been rounded off to the nearest decimal place.

26.3 For all plans except AIDP, the comparative figures are for the period from 07 January 2019 to 30 June 2019 and hence, are not comparable with the current year figures. For AIDP, there were no comparative figures to report as this is the first year of operation of the plan.

#### 27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 10 September 2020.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ittikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Islamic Dedicated Stock Fund

## Corporate Information

### Trustee

Central Depository Company of Pakistan Limited  
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal  
Karachi - 74400

### Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

### Auditors

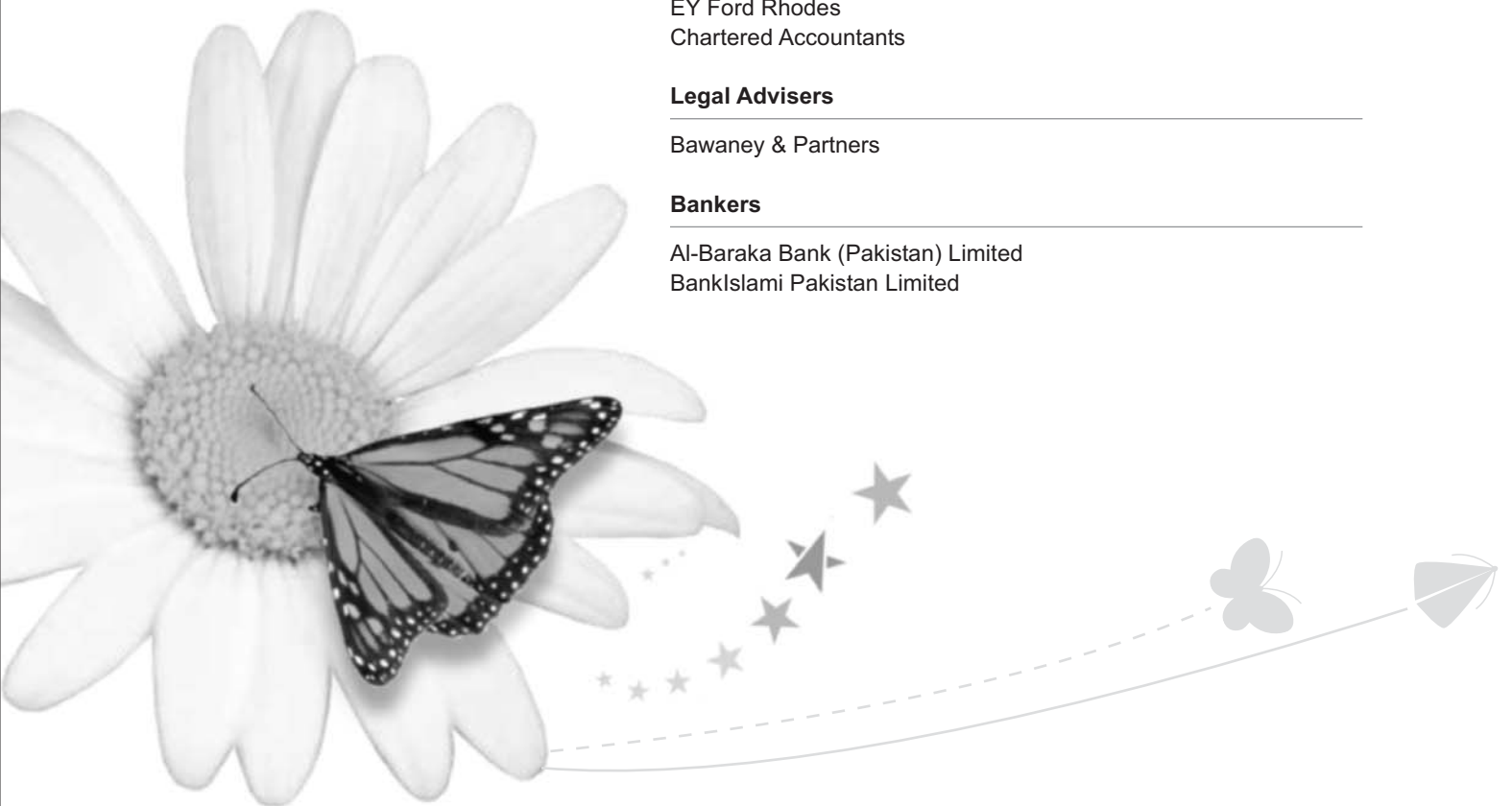
EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

Bawaney & Partners

### Bankers

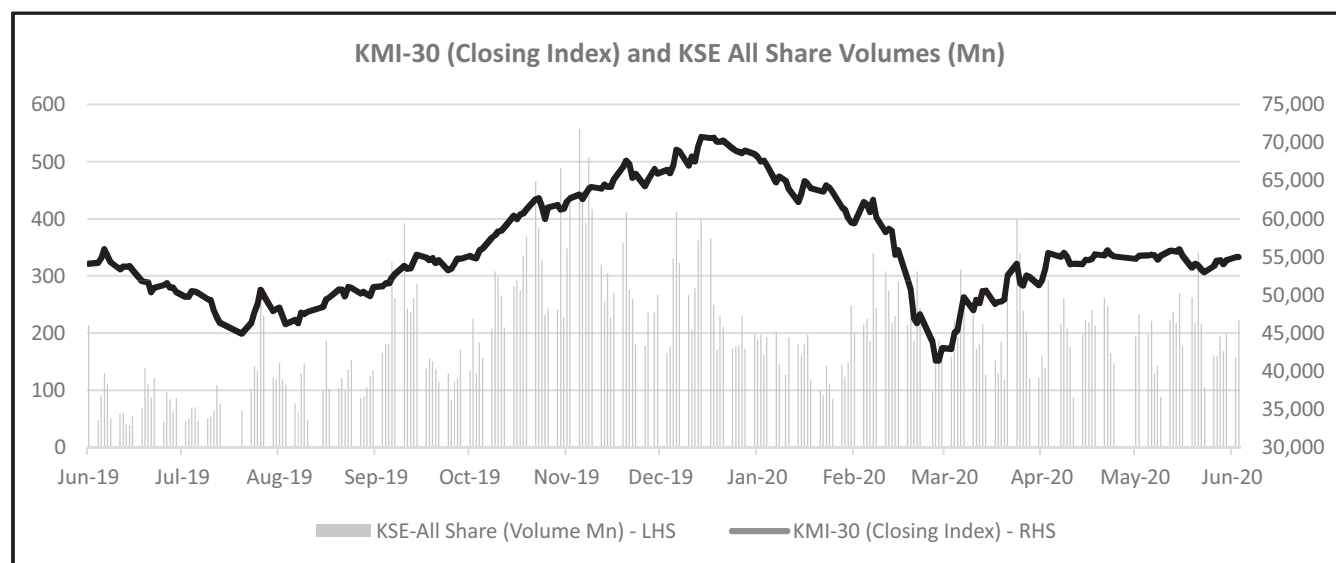
Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited



## Fund Manager's Report

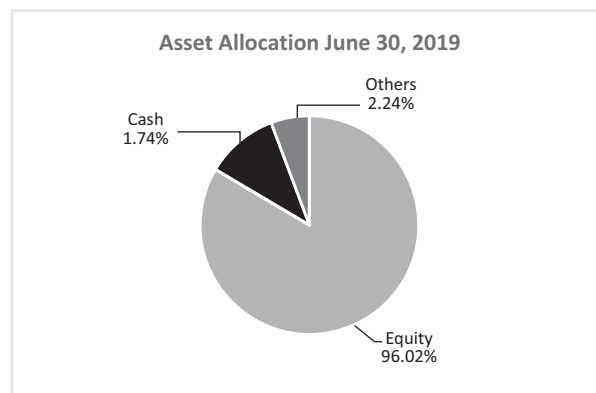
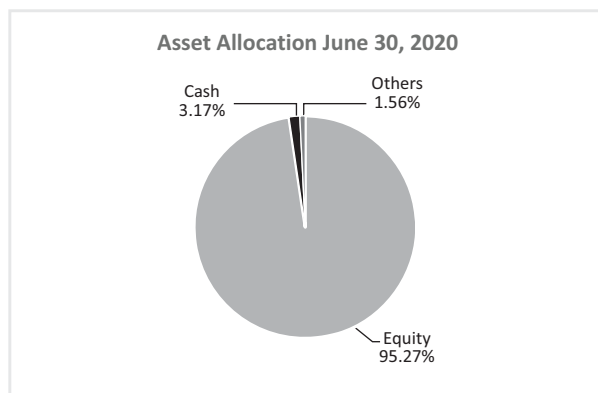
Atlas Islamic Dedicated Stock Fund (AIDSF) is an open-ended equity fund. The fund has a high-risk rating with the objective to provide long term capital growth from an actively managed portfolio invested in Shariah compliant listed companies in Pakistan. The Fund's strategy revolves around Shariah Compliance 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 Dedicated Stock Fund.

The KMI-30 index increased 1.62% from 54,118.51 points as on June 28, 2019 to 54,995.25 as on June 30, 2020. The daily average volume during the year increased by 26.52% to 196.36 million shares from 155.21 million shares traded last year. Net outflow of US \$284.83 was recorded by Foreign Portfolio Investors during FY20 compared to net outflow of US \$355.95 million in FY19. On the local front, Individuals, Insurance Companies and Other Organization were net buyers of US \$213.23 million, US \$128.64 million and US \$31.56 million during FY20. Banks, Mutual Funds and Broker Proprietary Trading Accounts remained net sellers of US \$55.40 million, US \$50.22 million and US \$13.34 million, respectively.



During FY20, sectors that outperformed benchmark KSE-100 index were Pharmaceuticals, Technology & Communication, Cement, Engineering and Fertilizer that posted 56.42%, 35.41%, 33.31%, 27.64% and 8.14% returns, respectively. Sectors that underperformed KSE-100 index were Oil & Gas Marketing Companies, Oil & Gas Exploration, Commercial Banks and Power Generation & Distribution Companies that posted -3.14%, -14.26%, -16.70% and -19.19% returns, respectively.

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) increased by 7.15% to Rs. 441.69 as on June 30, 2020. The benchmark KMI-30 index increased by 1.62% during the same period. The KMI-30 index increased from 54,118.51 points as on June 28, 2019 to 54,995.25 points as on June 30, 2020. AIDSF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospects of earnings growth. AIDSF equity portfolio exposure stood at 95.27% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 362.49 million, with 0.82 million units outstanding as of June 30, 2020.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Dedicated Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 1.50 per unit for the period ended June 30, 2020 (0.30% on the face value of Rs. 500 per unit).

#### Breakdown of Unit Holding By Size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated Companies/ Directors	4	291,798,306	80.50%
Retirement Funds	2	70,690,436	19.50%
<b>Total</b>	<b>6</b>	<b>362,488,742</b>	<b>100.00%</b>

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 549,620 (Rs. 0.67 per unit).

The Total Expense Ratio (TER) of the Fund is 3.62% including expenses representing Government levy and SECP Fee of 0.53%.

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

Karachi: 10 September 2020

**Faran-UI-Haq**  
Head of Equities

## 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 Dedicated Stock Fund

	Resolution	For	Against	Abstain
<b>Number</b>	147	147	-	N/A
<b>(%)</b>	100%	100%	-	-

**Note:** The Proxy voting policy of the Atlas Islamic Dedicated 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.

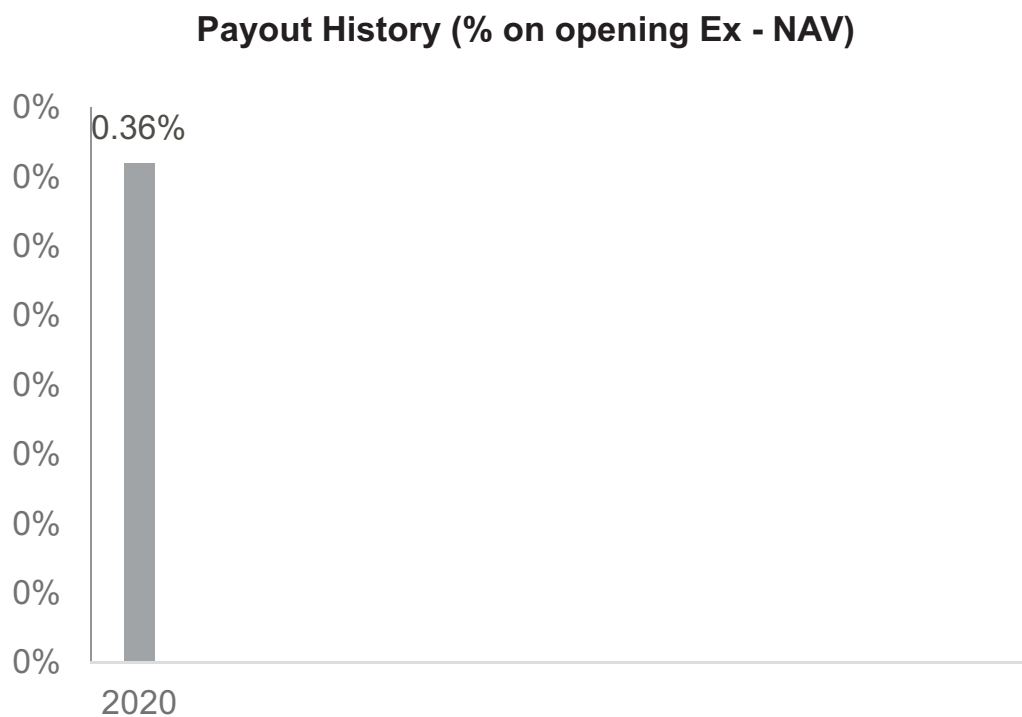
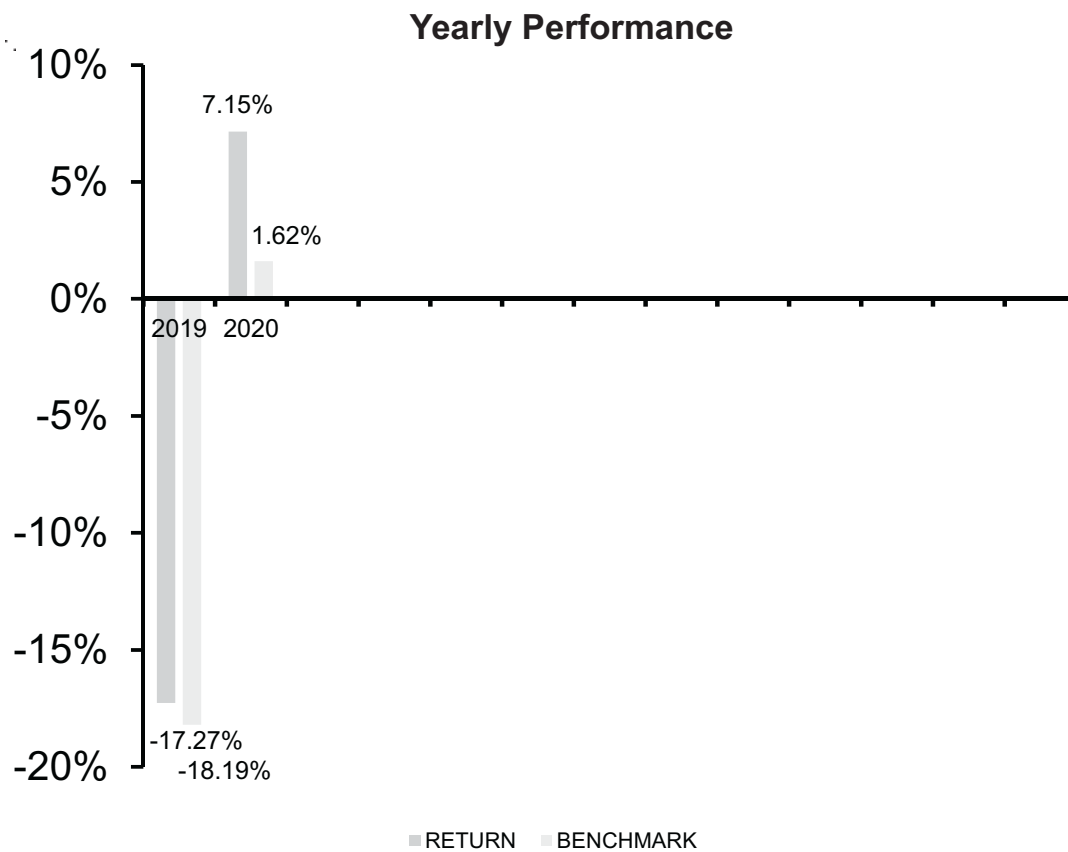
### Performance Since Inception

	2020	2019*
Net Assets (Rs. in '000)	362,489	256,527
Number of units in issue	820,677	620,181
Net assets value per unit (Rs.)	441.69	413.63
Net (loss) / income (Rs. in '000)	26,931	(52,158)
Earnings per unit (Rs.)	32.82	(84.10)
Annual return of the fund (%)	7.15	(17.27)
Offer Price ** (Rs.)	451.68	422.98
Redemption Price ** (Rs.)	441.69	413.63
Distribution	1.50	-
Distribution as a % of Opening Ex- NAV of units	0.36	-
Date of Distribution	30-Jun-20	-
Highest offer price per unit (Rs.)	549.41	533.64
Lowest offer price per unit (Rs.)	340.50	411.79
Highest redemption price per unit (after applicable back-end load) (Rs.)	537.27	521.85
Lowest redemption price per unit (after applicable back-end load) (Rs.)	332.97	402.69

\*Period from 10 January 2019 to 30 June 2019 (Date of Launch: January 10, 2019)

\*\* Relates to announced prices.

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



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# 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 Dedicated 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, 2020 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: 28 September 2020

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Islamic Dedicated Stock Fund (AIDSF), I am issuing this report in accordance with clause 11.3 (b) 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 Adviser, my responsibility is to express an opinion based on my review of the representations made by the management, to the extent where such compliancy 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 Adviser 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 June 30, 2020 are in compliance with the Shariah principles.

There are investments made by AIDSF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Fund Manager, in consultation with me, the Shariah Board 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 2020

**Dr. Mufti Muhammad Wasie Fasih Butt**  
Shariah Advisor



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# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Dedicated Stock Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Dedicated Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2020, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2020, and of its financial performance and its cash flows for the period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Equity investments</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the period ended 30 June 2020, the investments held by the Fund comprised of listed shares which represent significant portion of the total assets of the Fund as at the year end.</p> <p>In view of the above, we have considered this area as a key audit matter.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed substantive audit procedures on period-end balance of portfolio including review of custodian's statement, related reconciliations and re-performance of investment valuations on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at 30 June 2020.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

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a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Karachi: 29 September 2020

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2020

	Note	2020 Rupees	2019
<b>ASSETS</b>			
Bank balances	4	11,892,473	4,490,047
Investments	5	357,745,101	248,332,196
Receivable against sale of investment		1,615,350	932,900
Profit receivable on bank balances		166,871	21,465
Dividend receivable		-	431,875
Deferred formation cost	6	666,645	888,860
Advances, deposits and other receivables	7	3,412,741	3,515,578
<b>Total assets</b>		<b>375,499,181</b>	<b>258,612,921</b>
<b>LIABILITIES</b>			
Payable Against Redemption of Units		9,000,000	-
Payable to Atlas Asset Management Limited - Management Company	8	868,226	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee	9	71,475	54,810
Payable to the Securities and Exchange Commission of Pakistan	10	68,922	104,474
Payable against purchase of investments		1,607,480	-
Accrued expenses and other liabilities	11	1,394,336	302,079
<b>Total liabilities</b>		<b>13,010,439</b>	<b>2,085,777</b>
<b>NET ASSETS</b>		<b>362,488,742</b>	<b>256,527,144</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>362,488,742</b>	<b>256,527,144</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>820,677</b>	<b>620,181</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>441.69</b>	<b>413.63</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

		2020	For the Period from 10 January 2019 to 30 June 2019
	Note	Rupees	
<b>INCOME</b>			
Profit on bank balances		723,662	726,956
Dividend income		15,978,413	5,400,600
<b>Gain / (loss) from investments at fair value through P&amp;L</b>			
Capital gain / (loss) on sale of investments - net		30,115,901	(5,838,674)
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	(7,395,464)	(48,527,514)
		<b>22,720,437</b>	<b>(54,366,188)</b>
<b>Total loss</b>		<b>39,422,512</b>	<b>(48,238,632)</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	7,391,393	2,199,498
Sindh sales tax on remuneration of the Management Company	8.2	960,881	285,935
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	689,211	219,949
Sindh sales tax on remuneration of the Trustee	9.2	89,597	28,593
Annual fee - Securities and Exchange Commission of Pakistan	10	68,922	104,474
Accounting and operational charges	13	510,264	109,975
Shariah advisory fee		52,500	25,000
Auditors' remuneration	15	363,152	167,400
Securities transaction cost		1,222,677	542,128
Printing charges		20,601	5,959
Amortisation of formation cost	6	222,215	222,215
Legal and professional charges		223,067	-
Annual listing fee		125,616	-
Provision for Sindh Workers Welfare Fund		549,620	-
Bank charges		1,398	8,228
		<b>12,491,114</b>	<b>3,919,354</b>
<b>Net income / (loss) for the year / period before taxation</b>		<b>26,931,398</b>	<b>(52,157,986)</b>
Taxation	16	-	-
<b>Net income / (loss) for the year / period after taxation</b>		<b>26,931,398</b>	<b>(52,157,986)</b>
<b>Earnings per unit</b>	17		
<b>Allocation of net income for the year / period</b>			
- Net income for the year after taxation		26,931,398	(52,157,986)
- Income already paid on units redeemed		(3,443,166)	-
		<b>23,488,232</b>	<b>(52,157,986)</b>
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		30,115,901	-
-Excluding capital gains		(6,627,669)	(52,157,986)
		<b>23,488,232</b>	<b>(52,157,986)</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020 -----Rupees-----	For the Period from 10 January 2019 to 30 June 2019 -----Rupees-----
<b>Net income / (loss) for the year / period after taxation</b>	<b>26,931,398</b>	<b>(52,157,986)</b>
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income / (loss) for the year / period</b>	<b>26,931,398</b>	<b>(52,157,986)</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

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Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2020

	30 June 2020		
	Capital Value	Undistributed income	Net Assets
	Rupees		
Capital value	308,793,987	-	308,793,987
<b>Undistributed income brought forward</b>			
- Realised loss	-	(3,739,329)	(3,739,329)
- Unrealised loss	-	(48,527,514)	(48,527,514)
<b>Net assets at the beginning of the period</b> (Units outstanding: 620,181) (Rs. 413.63 per un	<b>308,793,987</b>	<b>(52,266,843)</b>	<b>256,527,144</b>
Issue of 377,580 units	163,479,190	-	163,479,190
Redemption of 177,084 units	(79,449,451)	(3,443,166)	(82,892,617)
Refund of Capital	(16,756)	-	(16,756)
Final cash dividend declared for the year ended 30 June 2020 Rs. 1.5 per unit declared on 30 June 2020	-	(1,210,093)	(1,210,093)
Total comprehensive income for the period	-	26,931,398	26,931,398
Shariah non-compliant income set-aside for charity	-	(329,525)	(329,525)
<b>Net assets at end of the period</b> (Units outstanding: 820,677) (Rs. 441.69 per unit)	<b>392,806,970</b>	<b>(30,318,228)</b>	<b>362,488,742</b>
<b>Undistributed income carried forward</b>			
- Realised loss	-	(727,397)	-
- Unrealised loss	-	(29,590,832)	-
	-	<b>(30,318,228)</b>	-
<b>For the Period from 10 January 2019 to 30 June 2019</b>			
	Capital Value	Undistributed income	Net Assets
	Rupees		
<b>Net assets at the beginning of the period</b>	-	-	-
Issue of 638,087 units	317,893,987	-	317,893,987
Redemption of 17,906 units	(9,100,000)	-	(9,100,000)
Total comprehensive loss for the period	-	(52,157,986)	(52,157,986)
Shariah non-compliant income set-aside for charity	-	(108,857)	(108,857)
<b>Net assets at end of the period (Units outstanding: 620,181)</b> (Rs. 413.63 per unit)	<b>308,793,987</b>	<b>(52,266,843)</b>	<b>256,527,144</b>
<b>Undistributed loss carried forward</b>			
- Realised loss	-	(3,739,329)	-
- Unrealised loss	-	(48,527,514)	-
	-	<b>(52,266,843)</b>	-

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2020

		For the Period from 10 January 2019 to 30 June 2019
Note	2020	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period after taxation	26,931,398	(52,157,986)
<b>Adjustments for:</b>		
Profit on bank balances	(723,662)	(726,956)
Dividend income	(15,978,413)	(5,400,600)
Capital (gain) / loss on sale of investments - net	(30,115,901)	5,838,674
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	7,395,464	48,527,514
Provision for sindh workers' welfare fund	549,620	-
Amortisation of formation cost	222,215	222,215
	<b>(38,650,677)</b>	<b>48,460,847</b>
<b>Increase in assets</b>		
Receivable against sale of investments	(682,450)	(932,900)
Deferred formation cost	-	(1,111,075)
Advances, deposits and other receivables	102,837	(3,515,578)
	<b>(579,613)</b>	<b>(5,559,553)</b>
<b>Increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(756,188)	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee	16,665	54,810
Payable to the Securities and Exchange Commission of Pakistan	(35,552)	104,474
Payable Against Redemption of Units	9,000,000	-
Payable against purchase of investments	1,607,480	-
Accrued expenses and other liabilities	542,637	302,079
	<b>10,375,042</b>	<b>2,085,777</b>
Profit received on bank balances	578,256	705,491
Dividend received	16,410,288	4,968,725
Investments made during the period	(369,878,231)	(337,616,046)
Investments sold during the period	283,185,763	34,917,662
<b>Net cash (used in) operating activities</b>	<b>(71,627,774)</b>	<b>(304,195,083)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	163,479,190	317,893,987
Net payments against redemption of units	(82,892,617)	(9,100,000)
Shariah non-compliant income set-aside for charity	(329,525)	(108,857)
Refund of Capital	(16,756)	-
Cash payout against distribution	(1,210,093)	-
<b>Net cash generated from financing activities</b>	<b>79,030,199</b>	<b>308,685,130</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>7,402,426</b>	<b>4,490,047</b>
Cash and cash equivalents at the beginning of the period	4,490,047	-
<b>Cash and cash equivalents at the end of the period</b>	<b>11,892,473</b>	<b>4,490,047</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Dedicated Stock Fund (the Fund) is an open-ended shariah compliant scheme constituted under a trust deed entered into on 03 September 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The offering document of the Fund was revised through the First, Second, Third and Fourth supplements date 8 August 2019, 5 September 2019, 25 November 2019 and 1 April 2020 respectively with the approval of SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahr-e-Firdousi, Clifton, Karachi. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 09 October 2018.
- 1.2 The Fund is an open-ended Shariah compliant fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on 10 January 2019. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 According to the Trust Deed, the principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

### 2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 16 – Leases

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRS 3 – Business Combinations – Previously held interests in a joint operation

IFRS 9 – Financial instruments – Prepayment Features with Negative Compensation (Amendments)

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendments)  
 IFRS 11 – Joint Arrangements – Previously held interests in a joint operation  
 IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity  
 IAS 23 – Borrowing Costs - Borrowing costs eligible for capitalisation  
 IAS 19 – Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)  
 IFRS 14 – Regulatory Deferral Accounts

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017 which became effective in the current period.

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of a Business - Amendments to IFRS 3	January 01, 2020
Interest rate benchmark reform - Amendment to IFRS 9, IAS 39 and IFRS 7	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020
Covid-19-Related Rent Concessions – Amendment to IFRS 16	June 01, 2020
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2020
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2020
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 January 2009
IFRS 17 - Insurance Contracts	01 January 2023

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the 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 including expectations of future events that are believed to be reasonable under the circumstances, the results 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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.

## 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 as below. These policies have been applied consistently to all years except for the changes in accounting policies as explained in the note 3.1 below.

### 3.1 Financial instruments

#### a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### b) Classification

#### Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL.

#### Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

### **c) Subsequent Measurement**

#### **Financial assets (equity and debt instruments) at fair value through profit or loss**

Financial assets (both equity and debt) at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

#### **Debt instruments at Amortised Cost**

Under IFRS 9, after initial measurement, such debt instruments are subsequently measured at amortised cost. Under Regulation 66 of NBFC Regulations, debt securities are required to be carried at fair value. The Fund has not used this classification for its investment portfolio.

#### **Debt instruments at FVOCI**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss.

#### **Equity instruments at FVOCI**

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

### **Financial liabilities**

#### **Financial liabilities measured at amortised cost**

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

#### **d) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

#### **e) Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

#### **f) Impairment of financial assets**

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

For trade and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, the Fund has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade and other receivables. The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### g) **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### h) **Determination of fair value**

The equity securities are valued on the basis of closing quoted market prices available at Pakistan Stock Exchange (PSX)

### 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 **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.

### 3.4 **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.

### 3.5 **Distribution to unit holders**

Distributions to the unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

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.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

## 3.7 Revenue recognition

- 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.
- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised appreciation / (loss) 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.

## 3.8 Expenses

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

## 3.9 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

## 3.10 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.

## 3.11 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 of EPU is not practicable.

		2020	2019
4	BANK BALANCES	Note	Rupees
	In local currency		
	- Profit and loss sharing accounts	4.1	11,892,473
			4,490,047
			<u>11,892,473</u>
			<u>4,490,047</u>

- 4.1 The rate of return on these profit and loss sharing accounts ranges between 6.50% to 7.00% (30 June 2019:6.00% to 11.00%) per annum.

		2020	2019
5	INVESTMENTS	Note	Rupees
	At fair value through profit or loss		
	- Listed equity securities	5.1	357,745,101
			248,332,196
			<u>357,745,101</u>
			<u>248,332,196</u>



**NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

### 5.1 At fair value through profit or loss - Listed equity securities

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

Name of Investee Company	As at 1 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	Number of shares				Rupees		& age			
Inv. Bank/Inv. Companies/Securities Co.										
Dawood Hercules Corporation Limited	23,800	-	-	23,800	-	-	-	-	-	-
	23,800	-	-	23,800	-	-	-	-	-	-
Banks										
Bankislami Pakistan Limited	241,000	805,000	48,100	275,000	819,100	9,560,617	6,192,396	1.73	1.71	0.07
Meezan Bank Limited (Note 5.3)	308,400	272,500	-	132,500	448,400	37,154,431	30,872,340	8.63	8.52	0.03
	549,400	1,077,500	48,100	407,500	1,267,500	46,715,048	37,064,736	10.36	10.23	
Textile Composite										
Interloop Limited	67,500	92,500	-	160,000	-	-	-	-	-	-
Kohinoor Textile Mills Limited	140,000	20,000	-	69,000	91,000	2,440,761	3,231,410	0.90	0.89	0.03
Nishat Mills Limited	26,100	123,500	-	148,100	1,500	108,717	117,015	0.03	0.03	0.00
	233,600	236,000	-	377,100	92,500	2,549,478	3,348,425	0.94	0.92	
Cement										
Attock Cement Pakistan Limited	21,600	54,000	-	21,500	54,100	6,016,741	6,742,462	1.88	1.86	0.04
Cherat Cement Company Limited	48,500	142,000	4,850	128,500	66,850	3,433,482	5,827,315	1.63	1.61	0.03
D.G. Khan Cement Company Limited	80,500	210,000	-	219,000	71,500	5,379,737	6,101,095	1.71	1.68	0.02
Fauji Cement Company Limited	-	59,000	-	59,000	-	-	-	-	-	-
Kohat Cement Company Limited	-	80,000	-	43,500	36,500	4,494,001	5,016,925	1.40	1.38	0.02
Gharibwal Cement Company Limited	-	100,000	-	-	100,000	1,607,480	1,628,000	0.46	0.45	0.02
Lucky Cement Limited	37,900	60,200	-	28,500	69,600	28,875,298	32,125,968	8.98	8.86	0.02
Maple Leaf Cement Factory Limited	35,000	40,000	-	75,000	-	-	-	-	-	-
	223,500	745,200	4,850	575,000	398,550	49,806,739	57,441,765	16.06	15.85	
Refinery										
National Refinery Limited	-	5,500	-	5,500	-	-	-	-	-	-
	-	5,500	-	5,500	-	-	-	-	-	-
Power Generation & Distribution										
K-Electric Limited (face value Rs. 3.5)	528,500	-	-	23,000	505,500	2,219,145	1,521,555	0.43	0.42	0.00
The Hub Power Company Limited	263,903	259,000	-	67,000	455,903	36,227,588	33,052,968	9.24	9.12	0.04
	792,403	259,000	-	90,000	961,403	38,446,733	34,574,523	9.66	9.54	
Oil & Gas Marketing Companies										
Attock Petroleum Limited	14,400	11,500	-	18,400	7,500	2,154,055	2,289,000	0.64	0.63	0.01
HI-Tech Lubricants Limited	-	125,000	-	85,000	40,000	1,108,624	1,211,200	0.34	0.33	0.03
Pakistan State Oil Company Limited	69,500	38,500	13,900	46,500	75,400	11,509,852	11,925,264	3.33	3.29	0.02
Shell Pakistan Limited	-	20,000	-	-	20,000	2,927,067	3,651,600	1.02	1.01	0.02
Sui Northern Gas Pipelines Limited	43,000	91,000	-	38,000	96,000	6,312,304	5,241,600	1.47	1.45	0.02
	126,900	286,000	13,900	187,900	238,900	24,011,902	24,318,664	6.80	6.71	
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	13,280	14,360	2,088	12,360	17,368	16,786,688	21,478,137	6.00	5.93	0.01
Oil & Gas Development Company Limited (Note 5.3)	234,500	165,000	-	118,100	281,400	34,852,522	30,672,600	8.57	8.46	0.01
Pakistan Oilfields Limited	41,000	19,900	-	15,100	45,800	18,223,328	16,058,854	4.49	4.43	0.02
Pakistan Petroleum Limited (Note 5.3)	167,200	143,400	38,440	100,200	248,840	29,427,423	21,594,335	6.04	5.96	0.01
	455,980	342,660	40,528	245,760	593,408	99,289,961	89,803,926	25.10	24.77	
Engineering										
International Industries Limited	56,800	49,800	7,980	98,700	15,880	1,827,644	1,456,672	0.41	0.40	0.01
International Steels Limited	21,000	40,000	-	61,000	-	-	-	-	-	-
	77,800	89,800	7,980	159,700	15,880	1,827,644	1,456,672	0.41	0.40	
Automobile Assembler										
Millat Tractors Limited	-	6,200	-	-	6,200	4,040,132	4,378,192	1.22	1.21	0.01
	-	6,200	-	-	6,200	4,040,132	4,378,192	1.22	1.21	0.01
Automobile Parts & Accessories										
Thal Limited (Face Value Rs. 5)	-	6,200	-	6,200	-	-	-	-	-	-
	-	6,200	-	6,200	-	-	-	-	-	-

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	As at 1 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	----- Number of shares -----				----- Rupees -----		----- % age -----			
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	-	90,000	-	90,000	-	-	-	-	-	-
	-	90,000	-	90,000	-	-	-	-	-	-
<b>Technology &amp; Communications</b>										
Pakistan Telecommunication Terminal Limited	-	400,000	-	400,000	-	-	-	-	-	-
Systems Limited	-	115,500	-	55,500	60,000	7,588,770	11,020,800	3.08	3.04	0.05
	-	515,500	-	455,500	60,000	7,588,770	11,020,800	3.08	3.04	
<b>Fertilizer</b>										
Engro Corporation Limited (Note 5.3)	95,420	72,500	-	81,500	86,420	24,346,521	25,314,146	7.08	6.98	0.01
Engro Fertilizers Limited	279,000	356,500	-	366,000	269,500	17,686,150	16,245,460	4.54	4.48	0.02
	374,420	429,000	-	447,500	355,920	42,032,671	41,559,606	11.62	11.47	
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	-	11,200	-	2,700	8,500	2,882,111	5,635,500	1.58	1.55	0.01
AGP LIMITED	8,500	33,500	-	-	42,000	3,432,345	4,609,080	1.29	1.27	0.02
Ferozsons Laboratories Limited	14,000	3,100	-	17,100	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	12,500	11,200	-	3,500	20,200	2,311,423	3,516,416	0.98	0.97	0.01
Highnoon Laboratories Limited	-	9,450	945	-	10,395	4,404,714	5,210,806	1.46	1.44	0.03
The Searle Company Limited	25,000	42,400	-	32,000	35,400	6,222,123	7,052,742	1.97	1.95	0.02
	60,000	110,850	945	55,300	116,495	19,252,716	26,024,544	7.27	7.18	
<b>Chemicals</b>										
Archroma Pakistan Limited	-	8,700	-	8,700	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	50,000	353,000	-	78,000	325,000	9,730,543	8,118,500	2.27	2.24	0.04
ICI Pakistan Limited	-	16,250	-	11,600	4,650	3,097,397	3,230,401	0.90	0.89	0.01
	50,000	377,950	-	98,300	329,650	12,827,940	11,348,901	3.17	3.13	
<b>Paper &amp; Board</b>										
Cherat Packaging Limited	5,400	-	-	5,400	-	-	-	-	-	-
Packages Limited	-	6,800	-	800	6,000	2,157,407	2,083,260	0.58	0.57	0.01
	5,400	6,800	-	6,200	6,000	2,157,407	2,083,260	0.58	0.57	
<b>Vanaspati &amp; Allied Industries</b>										
Unity Foods Limited	-	445,000	-	445,000	-	-	-	-	-	-
	-	445,000	-	445,000	-	-	-	-	-	-
<b>Leather &amp; Tanneries</b>										
Bata Pakistan Limited	-	4,420	-	-	4,420	6,678,655	5,936,502	1.66	1.64	0.06
	-	4,420	-	-	4,420	6,678,655	5,936,502	1.66	1.64	0.06
<b>Foods &amp; Personal Care Products</b>										
At-Tahur Limited	-	228,500	-	-	228,500	4,505,990	3,937,055	1.10	1.09	0.14
National Foods Limited (Face Value Rs. 5)	-	5,000	-	5,000	-	-	-	-	-	-
	-	233,500	-	5,000	228,500	4,505,990	3,937,055	1.10	1.09	
<b>Glass &amp; Ceramics</b>										
Tariq Glass Industries Limited	-	67,000	13,500	43,500	37,000	2,388,829	2,387,240	0.67	0.66	0.03
	-	67,000	13,500	43,500	37,000	2,388,829	2,387,240	0.67	0.66	
<b>Miscellaneous</b>										
Synthetic Products Enterprises Limited	-	50,000	-	24,500	25,500	1,019,949	1,060,290	0.30	0.29	0.03
	-	50,000	-	24,500	25,500	1,019,949	1,060,290	0.30	0.29	0.03
<b>Total as at 30 June 2020</b>						365,140,564	357,745,101	100.00	98.69	
<b>Total as at 30 June 2019</b>						296,859,710	248,332,196	100.00	96.81	

5.2 The cost of listed equity securities as at 30 June 2020 is Rs. 387,335,932 (30 June 2019 is Rs. 296,859,710.)

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 5.3** Investments include following shares which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP:

	Number of shares		Market value	
	2020	2019	2020	2019
			----- Rupees -----	
Engro Corporation Limited	4,500	4,500	1,318,140	1,195,200
Meezan Bank Limited	1,000	-	68,850	-
Oil & Gas Development Company Limited	50,000	50,000	5,450,000	6,574,500
Pakistan Petroleum Limited	30,000	30,000	2,603,400	4,332,900
	<b>85,500</b>	<b>84,500</b>	<b>9,440,390</b>	<b>12,102,600</b>

	Note	2020	2019
		----- Rupees -----	-----
<b>6 DEFERRED FORMATION COST</b>			
Deferred formation cost		888,860	1,111,075
Amortisation of formation cost		(222,215)	(222,215)
	<b>6.1</b>	<b>666,645</b>	<b>888,860</b>

- 6.1** Formation cost represents expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

	Note	2020	2019
		----- Rupees -----	-----
<b>7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>			
<b>Security deposits with:</b>			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	102,534
Margin deposit with NCCPL		-	152,423
Other receivables	<b>7.1</b>	<b>812,741</b>	<b>760,621</b>
		<b>3,412,741</b>	<b>3,515,578</b>

- 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. 0.81 million (2019: Rs. 0.76 million).

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 Funds managed by the Company 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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit received on bank deposits by the Funds has been shown as other receivable as at 30 June 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		2020	2019
8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note ----- Rupees -----	
	Remuneration of the Management Company	8.1	723,020
	Sindh sales tax payable on remuneration of the Management Company	8.2	93,992
	Accounting and operational charges payable	13	51,214
	Formation cost payable		-
			1,111,075
			<b>868,226</b>
			<b>1,624,414</b>

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company set the maximum limit of 2.5% of average annual net assets, within allowed expense. Previously, the Management Company was entitled to an amount not exceeding 2% of the average annual net assets and therefore charged its remuneration at a rate of 2% per annum of the average annual net assets. On 01 March 2020 Management Company decided to revise the management fee from 2.00% to 2.40%. The fee is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 960,881 (2019: 285,935) 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. 923,443 (2019: 229,381) has been paid to the Management Company which acts as the collecting agent.

		2020	2019
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note ----- Rupees -----	
	Trustee fee	9.1	60,251
	Sindh sales tax payable on trustee fee	9.2	7,834
	Settlement charges		3,000
	Sindh sales tax payable on settlement charges		390
			650
			<b>71,475</b>
			<b>54,810</b>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.2% p.a. of Net Assets.

9.2 During the year, an amount of Rs. 89,597 (2019: 28,593) 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. 87,419 (2019: 22,937) was paid to the Trustee which acts as a collecting agent.

		2020	2019
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note ----- Rupees -----	
	Annual fee payable	10.1	68,922
			<b>104,474</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 10.1** In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.075% of net assets.

		2020	2019
	Note	Rupees	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		276,589	134,999
Transaction charges payable		394,618	44,263
Withholding tax and capital gain payable		104,745	13,408
Payable to Shariah Advisor		15,000	12,500
Provision for Sindh Workers' Welfare Fund		549,620	-
Printing charges payable		-	5,959
Charity payable	11.1	53,764	90,950
		<b>1,394,336</b>	<b>302,079</b>

- 11.1** The Shariah Advisor of the Fund, has certified an amount of Rs. 329,525 against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2020 and 30 June 2019.

### 13 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company has charged expenses at the rate 0.1% of the average annual net assets of the Fund for the period from 01 July 2019 to 30 September 2019, 0.15% of the average annual net assets of the Fund from 01 October 2019 till 04 March 2020 and 0.17% of the average annual net assets of the Fund from 05 March 2020 for allocation of such expenses to the Fund.

### 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2020 is 3.62 % which includes 0.53% (30 June 2019 is 1.67% which includes 0.25%) representing government levies on the Fund such as 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.

	2020	For the Period from 10 January 2019 to 30 June 2019
	Rupees	
<b>15 AUDITORS' REMUNERATION</b>		
Audit fee	165,000	125,000
Half Yearly fee	40,000	-
Certification charges	22,000	20,000
Code of Corporate Governance	50,000	-
Out of pocket expenses	25,000	10,000
Sindh sales tax on services	24,160	12,400
Prior year adjustment	36,992	-
	<b>363,152</b>	<b>167,400</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 16 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 paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

## 17 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.

## 18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company 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 and their close family members and key management personnel of the Management Company.
- 18.2** Transactions with connected persons essentially comprise sale 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.
- 18.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 18.4** The details of transactions carried out by the Fund with connected persons during the period and the balances with them at the period end are as follows:

	2020	For the Period from 10 January 2019 to 30 June 2019
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	7,391,393	2,199,498
Remuneration paid	7,103,406	1,764,465
Sindh sales tax on remuneration of the Management Company	960,881	285,935
Accounting and operational charges billed	510,264	109,975
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	689,211	219,949
Sindh sales tax on remuneration of the Trustee	89,597	28,593
Remuneration paid	672,464	176,445
Settlement charges	29,354	24,647
Sindh sales tax on settlement charges	3,816	3,204

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	For the Period from 10 January 2019 to 30 June 2019
	----- Rupees -----	
<b>Shirazi Investments (Private) Limited Employee Provident Fund</b>		
Issue of 10,497 (2019: Nil) units	5,015,691	-
Dividend declared	15,691	-
Outstanding 10,497 (2019: Nil) units - at net asset value	4,636,206	-
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Issue of 38,049 (2019: 162,443) units	15,655,237	81,028,277
Redemption of 18,725 (2019:11,029) units	9,380,000	5,600,000
Dividend declared	255,237	-
Outstanding of 170,738 (2019:151,414) units at net asset value	75,413,050	62,629,378
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Issue of 155,163 (2019: Nil) units	71,223,560	-
Redemption of 5,616 (2019: Nil) units	3,000,000	-
Dividend declared	206,804	-
Outstanding of 149,547 (2019: Nil) units at net asset value	66,053,424	-
<b>Atlas Moderate Allocation Islamic Plan</b>		
Issue of 44,751 (2019:122,399) units	18,360,624	60,936,757
Redemption of 21,305 (2019:4,951) units	10,620,000	2,500,000
Dividend declared	210,624	-
Outstanding 140,894 (2019:117,448) units at net asset value	62,231,583	48,579,954
<b>Atlas Conservative Allocation Islamic Plan</b>		
Issue of 45,638 (2019: 66,864) units	18,729,889	32,928,953
Redemption of 23,689 (2019:1,926) units	11,840,000	1,000,000
Dividend declared	129,889	-
Outstanding 86,888 (2019: 64,938) units at net asset value	38,377,373	26,860,400
<b>Atlas Islamic Capital Preservation Plan</b>		
Issue of 83,358 (2019:286,381) units	34,391,846	143,000,000
Redemption of 107,619 (2019:Nil) units	48,000,000	-
Dividend declared	391,846	-
Outstanding 262,120 (2019:286,381) units at net asset value	115,775,867	118,455,813

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

### 19 FINANCIAL INSTRUMENTS BY CATEGORY

-----As at 30 June 2020-----			
Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			
<b>Financial Assets</b>			
Bank balances	11,892,473	-	11,892,473
Investments	-	357,745,101	357,745,101
Receivable against sale of investment	1,615,350	-	1,615,350
Profit receivable on bank balances	166,871	-	166,871
Dividend receivable	-	-	-
Advances, deposits and other receivables	2,600,000	-	2,600,000
<b>16,274,694</b>	<b>357,745,101</b>	<b>-</b>	<b>374,019,795</b>

-----As at 30 June 2020-----			
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			
<b>Financial Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	868,226	868,226
Payable to Central Depository Company of Pakistan Limited - Trustee	-	71,475	71,475
Payable Against Redemption of Units	-	9,000,000	9,000,000
Payable against purchase of investments	-	1,607,480	1,607,480
Accrued expenses and other liabilities	-	739,971	739,971
	<b>-</b>	<b>12,287,152</b>	<b>12,287,152</b>

-----As at 30 June 2019-----			
Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----			
<b>Financial Assets</b>			
Bank balances	4,490,047	-	4,490,047
Investments	-	248,332,196	248,332,196
Receivable against sale of investment	932,900	-	932,900
Profit receivable on bank balances	21,465	-	21,465
Dividend receivable	431,875	-	431,875
Advances, deposits and other receivables	2,754,957	-	2,754,957
<b>8,631,244</b>	<b>248,332,196</b>	<b>-</b>	<b>256,963,440</b>



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	As at 30 June 2019		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
<b>Financial Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	1,624,414	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee	-	54,810	54,810
Accrued expenses and other liabilities	-	288,671	288,671
	<b>-</b>	<b>1,967,895</b>	<b>1,967,895</b>

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

During the year ended June 30, 2020, the global economic environment including Pakistan has been severely affected by the COVID-19 outbreak. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat. The State Bank of Pakistan has also responded to the crisis by cutting the policy rate by 225 bps to 11% in March '20, by 200 bps to 9% on April '20, by 100 bps to 8% in May '20 and again by 100 bps to 7% in June '20. SECP has also provided certain relaxation to the asset management companies in Pakistan for specific period.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

### 20.2 Market risk

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

#### (i) Profit rate risk

Profit rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market profit rates. As of 30 June 2020, 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 30 June 2020, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 118,925 (2019: 44,900).

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 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 2020 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 30 June 2020 can be determined as follows:

----- As at 30 June 2020 -----					
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)				
<b>Financial Assets</b>					
Bank balances	6.5 - 7.0	11,892,473	-	-	11,892,473
Investments		-	-	357,745,101	357,745,101
Receivable against sale of investment		-	-	1,615,350	1,615,350
Profit receivable on bank balances		-	-	166,871	166,871
Dividend receivable		-	-	-	-
Advances,deposits and other receivables		-	-	2,600,000	2,600,000
		11,892,473	-	362,127,322	374,019,795
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	868,226	868,226
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	71,475	71,475
Payable Against Redemption of Units		-	-	9,000,000	9,000,000
Payable against purchase of investments		-	-	1,607,480	1,607,480
Accrued expenses and other liabilities		-	-	739,971	739,971
		-	-	12,287,152	12,287,152
<b>On-balance sheet gap (a)</b>		11,892,473	-	349,840,170	361,732,643
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		11,892,473	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		11,892,473	11,892,473	11,892,473	-

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

----- As at 30 June 2019 -----					
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) -----				
<b>Financial Assets</b>					
Bank balances	6.0 - 11.0	4,490,047	-	-	4,490,047
Investments		-	-	248,332,196	248,332,196
Receivable against sale of investment		-	-	932,900	932,900
Profit receivable on bank balances		-	-	21,465	21,465
Dividend receivable		-	-	431,875	431,875
Advances, deposits and other receivables		-	-	2,754,957	2,754,957
		<b>4,490,047</b>	<b>-</b>	<b>252,473,393</b>	<b>256,963,440</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	1,624,414	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	54,810	54,810
Accrued expenses and other liabilities		-	-	288,671	288,671
		<b>-</b>	<b>-</b>	<b>1,967,895</b>	<b>1,967,895</b>
<b>On-balance sheet gap (a)</b>		<b>4,490,047</b>	<b>-</b>	<b>250,505,498</b>	<b>254,995,545</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a + b)</b>		<b>4,490,047</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>4,490,047</b>	<b>4,490,047</b>	<b>4,490,047</b>	<b>4,490,047</b>

### (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 2020, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 17,887,255 (2019: 12,416,610) and

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

### 20.3 Liquidity risk

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

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

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 period.

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

	As at 30 June 2020					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
	Rupees					
<b>Financial Assets</b>						
Bank balances	11,892,473	-	-	-	-	11,892,473
Investments	-	-	-	-	357,745,101	357,745,101
Receivable against sale of investment	1,615,350	-	-	-	-	1,615,350
Profit receivable on bank balances	166,871	-	-	-	-	166,871
Dividend receivable	-	-	-	-	-	-
Advances, deposits and other receivables	-	-	-	-	2,600,000	2,600,000
	<b>13,674,694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360,345,101</b>	<b>374,019,795</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	868,226	-	-	-	-	868,226
Payable to Central Depository Company of Pakistan Limited - Trustee	71,475	-	-	-	-	71,475
Payable Against Redemption of Units	9,000,000	-	-	-	-	9,000,000
Payable against purchase of investments	1,607,480	-	-	-	-	1,607,480
Accrued expenses and other liabilities	394,618	345,353	-	-	-	739,971
	<b>11,941,799</b>	<b>345,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,287,152</b>
<b>Net assets / (liabilities)</b>	<b>1,732,895</b>	<b>(345,353)</b>	<b>-</b>	<b>-</b>	<b>360,345,101</b>	<b>361,732,643</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	As at 30 June 2019					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
	Rupees					
<b>Financial Assets</b>						
Bank balances	4,490,047	-	-	-	-	4,490,047
Investments	-	-	-	-	248,332,196	248,332,196
Receivable against sale of investment	932,900	-	-	-	-	932,900
Profit receivable on bank balances	21,465	-	-	-	-	21,465
Dividend receivable	431,875	-	-	-	-	431,875
Advances,deposits and other receivables	-	-	-	-	2,754,957	2,754,957
	<b>5,876,287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>251,087,153</b>	<b>256,963,440</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	1,624,414	-	-	-	-	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee	54,810	-	-	-	-	54,810
Accrued expenses and other liabilities	44,263	244,408	-	-	-	288,671
	<b>1,723,487</b>	<b>244,408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,967,895</b>
<b>Net assets / (liabilities)</b>	<b>4,152,800</b>	<b>(244,408)</b>	<b>-</b>	<b>-</b>	<b>251,087,153</b>	<b>254,995,545</b>

### 20.4 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, receivable against sale of investment, profit receivable on bank balances and advances, deposits and other receivables.

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.

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	11,892,473	11,892,473	4,490,047	4,490,047
Receivable against sale of investment	1,615,350	1,615,350	932,900	932,900
Profit receivable on bank balances	166,871	166,871	21,465	21,465
Dividend receivable	-	-	431,875	431,875
Advances, deposits and other receivables	2,600,000	2,600,000	2,754,957	2,754,957
	<b>16,274,694</b>	<b>16,274,694</b>	<b>8,631,244</b>	<b>8,631,244</b>

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 357.745 million is not exposed to credit risk (2019: Rs 248.332 million).

#### 20.4.1 Credit quality of financial assets

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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Ratings of amounts placed with banks	% of financial assets exposed to credit risk	
	2020	2019
A+	70.35	92.26
A	29.65	7.74
	<b>100.00</b>	<b>100.00</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2020 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

### 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 Fund's portfolio of financial assets is mainly held with credit worthy counterparties.

### 20.5 Fair value of financial instruments

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

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

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

### 20.6 Fair value hierarchy

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

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

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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.

## 22 UNIT HOLDING PATTERN OF THE FUND

Category	2020			2019		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Associated Companies/ Directors	4	291,798,306	80.50	4	256,527,144	100.00
Retirement Funds	2	70,690,436	19.50	-	-	-
	<b>6</b>	<b>362,488,742</b>	<b>100.00</b>	<b>4</b>	<b>256,527,144</b>	<b>100.00</b>

## 23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2020		2019	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Private) Limited	9.13	Shajar Capital Pakistan (Private) Limited	9.68
Habib Metropolitan Financial Services Limited	7.97	Intermarket Securities Limited	9.47
Standard Capital Securities (Pvt) Limited	7.69	Taurus Securities Limited	8.61
Topline Securities Limited	7.38	Optimus Capital Management (Private) Limit	8.20
Next Capital Limited	7.04	Pearl Securities Limited	8.05
Shajar Capital Pakistan (Pvt) Limited	6.78	IGI Finex Securities Limited	5.79
BIPL Securities Limited	6.20	BIPL Securities Limited	5.09
Taurus Securities Limited	5.85	ABA Ali Habib Securities (Private) Limited	4.90
Insight Securities (Private) Limited	5.69	AlFalsh Securities (Private) Limited	4.48
Pearl Securities Limited	5.47	Foundation Securities (Private) Limited	4.46

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## 24 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	20 Years
Mr. Ali H. Shirazi	Director	Masters in Law	16.5 years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	16 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	12 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	12 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	9 Years

## 25 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	Atlas Stock Market Fund Atlas Islamic Stock Fund Atlas Islamic Fund of Funds

## 26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

Name of Director	Meeting held on					
	04 July 2019	26 September 2019	30 October 2019	27 February 2020	29 April 2020	26 June 2020
Mr. Yusuf H. Shirazi *	L	P	-	-	-	-
Mr. Iftikhar H. Shirazi ** (Appointed Chairman w.e.f. Feb. 27, 2020)	-	-	-	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Fahim Ali Khan	L	P	P	P	P	P
Mr. Ali H. Shirazi	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	L	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. Muhammad Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	P	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	P	P	L	P	P

P Present

L Leave of absence

\* Mr. Yusuf H. Shirazi passed away on October 20, 2019.

\*\* Mr. Iftikhar H. Shirazi appointed as chairman on February 27, 2020.



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 27 RATING OF THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) on 26 December 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

### 28 GENERAL

**28.1** Figures have been rounded off to the nearest Rupee.

**28.2** These financial statements have been prepared for the year ended 30 June 2020. As the previous financial statements were prepared for the period from 10 January 2020 to 30 June 2020, the corresponding figures reported in these financial statements in respect of Income Statement, Statement of Comprehensive Income, Statement of Movement in Unit holders' fund, Cash flow Statement are not comparable.

**28.3** Units have been rounded off to the nearest decimal place.

### 29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 10 September 2020.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

تازہ ترین درج بندی

۱۵۱۵ جات فیچر کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پیکرا) نے مینجمنٹ کمپنی کی ایسٹ فیچر درجہ بندی اے ایم ۲+ (اے ایم ٹو پلس) ترتیب دی ہے۔  
(۲۰۱۹ء: اے ایم ۲+ (اے ایم ٹو پلس)) تاریخ ۲۶ دسمبر ۲۰۱۹ء کو یہ درجہ بندی کمپنی کی تجربہ کار ٹیم، منظم سرمایہ کاری نظام اور ہم آہنگ معیاری نظام اور طریقہ کار کی عکاسی کرتی ہے۔

مستحکم درجہ بندی۔ اے آئی آئی ایف

پیکرانے اے آئی آئی ایف کی درجہ بندی برائے استحکام فنڈ ترتیب دی ہے ”(اے اے - ایف)“ ”(ڈبل اے مائنس: فنڈ ریٹنگ) بتاریخ ۱۷ اپریل ۲۰۲۰ء کو۔ فنڈ کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

آڈیٹرز

بورڈ آف ڈائریکٹران کی آڈٹ کمیٹی نے اپنی میٹنگ منعقدہ ۴ ستمبر ۲۰۱۹ء میں، میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹینٹس کراچی، کو اٹلس اسلامک انکم فنڈ، اٹلس اسلامک اشاک فنڈ، اٹلس اسلامک فنڈ آف فنڈز اور اٹلس اسلامک ڈیڈیکلیڈ اشاک فنڈ کیلئے دوبارہ بطور اہل تقرری کیلئے تجویز کیا، برائے اختتام سال ۳۰ جون ۲۰۲۱ء۔

توثیق

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹران، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی قابل قدر حمایت، مدد اور رہنمائی کا شکریہ ادا کرتے ہیں۔ مینجمنٹ کمپنی کے ملازمین اور رٹسٹری کا ان کی لگن اور محنت کیلئے، اور مینجمنٹ کمپنی پر یونٹ ہولڈرز کے اعتماد کا بھی بورڈ شکریہ ادا کرتا ہے۔

از طرف اور بجانب بورڈ

فراہیم علی خان

ڈائریکٹر

کراچی: ۱۰ ستمبر، ۲۰۲۰ء

محمد عبدالصمد

چیف ایگزیکٹو آفیسر

۲۰۱۹-۲۰ء مالیاتی سال کے دوران چھ بورڈ میٹنگ منعقد کی گئیں اور اس میں شرکت کی گئی۔ میٹنگز کی تاریخیں اور شریک ہونیوالے ڈائریکٹران کی تفصیلات، جیسا کہ این بی ایف سی کے قواعد و ضوابط ۲۰۰۸ء کے تحت درکار ہے، اے آئی آئی ایف، اے آئی ایس ایف، اے آئی ایف او ایف، اور اے آئی ڈی ایس ایف کی مالیاتی تفصیلات کے نوٹس ۲۸، ۲۶، ۲۵ اور ۲۶ میں بالترتیب منسلک ہیں۔

بورڈ کی کمیٹیوں میں شامل ہیں آڈٹ کمیٹی، ہیومن ریسورس اینڈ ری مینوریشن کمیٹی، اور انویسٹمنٹ کمیٹی (جس میں ایگزیکٹو مینجمنٹ کے افراد شامل ہیں جیسا کہ این بی ایف سی قواعد ۲۰۰۸ء میں درکار ہے)۔ مندرجہ ذیل تفصیل کے مطابق ان میٹنگز میں ڈائریکٹران نے شرکت کی تھی۔

• آڈٹ کمیٹی (اے سی)۔ چار اے سی میٹنگز دوران سال منعقد کی گئیں، اور درج ذیل شرکت کی گئی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب طارق امین	آزاد ڈائریکٹر	۴
۲	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۴
۳	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۳

\*

• ہیومن ریسورس اینڈ ری مینوریشن کمیٹی (ایچ آر اینڈ آری)۔ ایک میٹنگ منعقد ہوئی دوران سال اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	محترمہ زہرا نقوی	آزاد ڈائریکٹر	۱
۲	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۱
۳	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱
	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۱

• انویسٹمنٹ کمیٹی۔ اکاؤنٹ میٹنگز منعقد ہوئیں دوران سال اور شریک کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱۰
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۴۶
۳	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر رکن آئی سی	۵۰
۴	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	ہیڈ آف پورٹ فولیو مینجمنٹ۔ رکن آئی سی	۴۶
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف فکسڈ انکم۔ رکن آئی سی	۴۹
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف اکیویٹیز۔ سیکریٹری آئی سی	۴۹

ادارے پر عائد معاشرتی ذمہ داریاں اور (سی ایس آر) 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 تائیدی 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۔

بورڈ کے ڈائریکٹران کی جانب سے ڈیٹن نامہ

بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ (اے آئی آئی ایف)، (اے آئی ایس ایف)، (اے آئی ایف او ایف) اور (اے آئی ڈی ایس ایف) کہ:

☆ منتظم کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے تمام فنڈز کی کارکردگی، سالانہ آمدنی، کیش فلو اور یونٹ ہولڈرز کے سرمائے میں نقل و حرکت کی ایک منصفانہ تصویر پیش کرتے ہیں۔

☆ تمام فنڈز کے کھاتوں کو مناسب طریقہ سے تیار کیا گیا ہے۔

☆ گوشواروں کی تیاری میں حساب داری کے اصولوں کو تسلسل کے ساتھ لاگو کیا جا رہا ہے اور گوشواروں کی تیاری میں احتیاط اور فہم 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 اگر انہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔

☆ اندرونی 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۔

☆ مالی اعداد و شمار میں قانونی ادائیگی، ٹیکس، محصولات کا صحیح انکشاف کیا گیا ہے۔

☆ اہم مالیاتی اعداد و شمار / کارکردگی کے چارٹ، (اے آئی آئی ایف)، (اے آئی ایس ایف)، (اے آئی ایف او ایف) اور (اے آئی ڈی ایس ایف) کی سالانہ رپورٹس کے صفحات ۲۳، ۶۴، ۱۰۷ اور ۱۶۳ 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 (اے آئی آئی ایف)، (اے آئی ایس ایف)، (اے آئی ایف او ایف) اور (اے آئی ڈی ایس ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۳، ۲۲، ۲۲ اور ۲۲ میں دیا گیا ہے۔

مینجمنٹ کمپنی اور کمیٹی کے بورڈ آف ڈائریکٹران

اس عرصے کے دوران، اے اے ایم ایل کے بورڈ آف ڈائریکٹرز میں شامل ہیں۔ جناب یوسف ایچ شیرازی، چیئرمین، مسٹر فہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ زہرہ نقوی، آزاد ڈائریکٹر اور مسٹر محمد عبدالصمد، چیف ایگزیکٹو آفیسر۔ مسٹر یوسف ایچ شیرازی، چیئرمین، کے ۲۰۱۹ اکتوبر ۲۰۱۹ کو انفس ناک موت کے سبب، ایک عارضی طور پر خالی آسامی پیدا ہو گئی، جسے ۱۹ نومبر ۲۰۱۹ کو مسٹر افتخار ایچ شیرازی کو ان کی جگہ ڈائریکٹر مقرر کر کے بھردیا گیا۔

☆ ڈائریکٹرز کی موجودہ کل تعداد درج ذیل ہیں۔

مرد: ۶

عورت: ۱

☆ بورڈ کی موجودہ تشکیل مندرجہ ذیل ہیں۔

آزاد ڈائریکٹر: ۲\*

غیر ایگزیکٹو ڈائریکٹرز: ۴

ایگزیکٹو ڈائریکٹرز: ۱

خواتین ڈائریکٹر: ۱ (\* آزاد ڈائریکٹر)

### تقسیم آمدن۔ اے سی اے آئی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے سی اے آئی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ۳۷.۰۰ روپے فی یونٹ منافع (۲۰۱۹: صفر فی یونٹ پورے سال کیلئے) برائے اختتام مالیاتی سال ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۷.۴۰ فیصد (۲۰۱۹ء: صفر فی یونٹ عبوری منافع، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد)۔

### تقسیم آمدن۔ اے آئی سی پی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی سی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ۳۹.۰۰ روپے فی یونٹ منافع (۲۰۱۹: صفر فی یونٹ پورے سال کیلئے) برائے اختتام مالیاتی سال ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۷.۸۰ فیصد (۲۰۱۹ء: صفر فی یونٹ عبوری منافع، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد)۔

### تقسیم آمدن۔ اے آئی ڈی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی ڈی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں مجموعی طور پر ۹.۵۴ روپے فی یونٹ منافع برائے اختتام مالیاتی سال ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱.۹۱ فیصد۔

### تقسیم آمدن۔ اے آئی ڈی ایس ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی ڈی ایس ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ۱.۵۰ روپے فی یونٹ منافع (۲۰۱۹: صفر فی یونٹ پورے سال کیلئے) برائے اختتام مالیاتی سال ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۰.۳۰ فیصد (۲۰۱۹ء: صفر فی یونٹ عبوری منافع، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد)۔

### جیئر مین کا جائزہ:

اے آئی آئی ایف، اے آئی ایس ایف، اے آئی ایف او ایف اور اے آئی ڈی ایس ایف کی سالانہ رپورٹ میں شامل جائزہ منجملہ طور پر اس سال کے فنڈز کی کارکردگی اور اسکے آئندہ لائحہ عمل سے متعلق ہے۔ ڈائریکٹران اس جائزے کے مندرجات کی توثیق کرتے 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۔

اے آئی ایف او ایف جنوری ۲۰۱۹ء تا جون ۲۰۱۹ء				تفصیلات
اٹلس ایگریسیو ایلو کیشن	اٹلس موڈریٹ ایلو کیشن	اٹلس کنزرویٹو ایلو کیشن	اٹلس اسلامک کیپیٹل	
اسلامک پلان	اسلامک پلان	اسلامک پلان	پریریشن پلان	
آمدنی/(خسارہ) فی یونٹ - روپے	(۵۵.۴۹)	(۳۴.۳۴)	(۵.۰۱)	(۱۶.۴۷)
ریٹرن	(۱۱.۲۲) فیصد	(۶.۹۱) فیصد	(۰.۹۴) فیصد	(۲.۴) فیصد
مجموعی اثاثہ جات - ملین روپے	۹۲.۹۲	۱۰۳.۲۸	۱۲۰.۸۷	۴۳۰.۸۶
فروخت - ملین روپے	۱۱۲.۲۶	۱۱۵.۹۵	۱۲۶.۵۹	۴۴۵.۴۰
فروخت - بالحاظ یونٹس	۲۲۴,۵۲۹	۲۳۱,۸۸۶	۲۵۲,۹۴۲	۸۸۲,۹۳۰
ریڈمپشن - ملین روپے	۷.۷۲	(۵.۰۵)	(۴.۵۰)	-
ریڈمپشن - بالحاظ یونٹس	۱۵,۱۸۷	۹,۹۸۹	۸,۹۲۱	۳
یونٹس بقایا جات بوقت اختتام سال	۲۰۹,۳۴۱	۲۲۱,۸۹۷	۲۴۴,۰۲۱	۸۸۲,۹۲۶

#### تقسیم آمدن - اے آئی آئی ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی آئی ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ۵۷.۵۰ روپے فی یونٹ منافع (۲۰۱۹: ۴۱.۰۰ روپے فی یونٹ پورے سال کیلئے) برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱۱.۵۰ فیصد (۲۰۱۹ء: ۴۱.۰۰ روپے فی یونٹ عبوری منافع، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۸.۲۰ فیصد)۔

#### تقسیم آمدن - اے آئی ایس ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی ایس ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ۶.۵۰ روپے فی یونٹ منافع (۲۰۱۹: ۲.۰۰ روپے فی یونٹ پورے سال کیلئے) برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱.۳۰ فیصد (۲۰۱۹ء: ۲.۰۰ روپے فی یونٹ عبوری منافع، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد)۔

#### تقسیم آمدن - اے اے آئی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے اے آئی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ۱۰.۵۰ روپے فی یونٹ منافع (۲۰۱۹: ۲.۰۰ روپے فی یونٹ پورے سال کیلئے) برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۲.۱۰ فیصد (۲۰۱۹ء: ۲.۰۰ روپے فی یونٹ عبوری منافع، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد)۔

#### تقسیم آمدن - اے ایم اے آئی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایم اے آئی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں ۲۱.۰۰ روپے فی یونٹ منافع (۲۰۱۹: ۲.۰۰ روپے فی یونٹ پورے سال کیلئے) برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۰ء کیلئے فی یونٹ تقسیم کا اعلان کیا، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۲.۲۰ فیصد (۲۰۱۹ء: ۲.۰۰ روپے فی یونٹ عبوری منافع، ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد)۔

## ڈائریکٹرز رپورٹ:

اٹلس ایسیٹ منجمنٹ لمیٹڈ، (اے اے ایم ایل) منظم برائے اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف) "اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف)، اٹلس اسلامک فنڈ آف فنڈز (اے آئی ایف او ایف) اور اٹلس اسلامک ڈیڈ ویکیٹیڈ اسٹاک فنڈ (اے آئی ڈی ایس ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کے آڈٹ شدہ مالیاتی نتائج برائے اختتام سال ۲۰۲۰ء، آڈیٹرز کی رپورٹ کے ہمراہ پیش کرتے ہوئے دلی مسرت محسوس کرتے ہیں۔

آمدنی فی یونٹ، ریٹرن، مجموعی اثاثہ جات اور خلاصہ فروخت / تلافی

آمدنی فی یونٹ، ریٹرن، مجموعی اثاثہ جات، اور اے آئی ایف اور اے آئی ایس ایف کا خلاصہ فروخت / تلافی برائے اختتام سال ۲۰۲۰ء اور ۲۰۱۹ء درج ذیل ہیں۔

تفصیلات		اے آئی آئی ایف		اے آئی ایس ایف		اے آئی ڈی ایس ایف	
		۲۰۲۰ء	۲۰۱۹ء	۲۰۲۰ء	۲۰۱۹ء	۲۰۲۰ء	جوری تا جون ۲۰۱۹ء
آمدنی / (خسارہ) فی یونٹ - روپے		۴۷.۵۳	۲۸.۷۰	۴۷.۵۱	(۱۰۱.۶۰)	۳۲.۸۲	(۸۴.۱۰)
ریٹرن		۱۱.۵۹ فیصد	۸.۴۸ فیصد	۷.۵۱ فیصد	(۱۸.۹۵) فیصد	۷.۱۵ فیصد	(۱۷.۲۷) فیصد
مجموعی اثاثہ جات - ملین روپے		۲,۱۳۴.۶۰	۱,۳۹۲.۲۳	۱,۸۲۳.۳۲	۱۲۰۴.۹۹	۳۶۲.۴۹	۲۵۶.۵۳
فروخت - ملین روپے		۳,۴۱۳.۳۳	۱,۵۰۹.۰۷	۱,۶۰۶.۱۵	۱,۲۰۴.۴۸	۱۶۳.۴۸	۳۱۷.۸۹
فروخت - بالحاظ یونٹس		۶,۳۴۸,۱۲۳	۲,۹۳۵,۳۳۱	۳,۶۰۶,۲۹۹	۲,۴۳۷,۳۸۵	۳۷۷,۵۸۰	۶۳۸,۰۸۷
ریڈیمیشن - ملین روپے		۲,۶۵۵.۰۷	۹۳۶.۵۳	۱,۱۵۰.۶۱	۱,۹۷۵.۵۳	۸۲.۸۹	۹.۱۰
ریڈیمیشن - بالحاظ یونٹس		۴,۸۸۳,۰۰۶	۱,۸۲۵,۸۳۵	۲,۴۰۷,۸۹۳	۳,۸۹۹,۴۱۳	۱۷۷,۰۸۴	۱۷,۹۰۶
یونٹس بقایا جات بوقت اختتام سال		۴,۲۲۷,۸۸۳	۲,۷۶۲,۷۶۶	۴,۰۰۱,۵۱۴	۲,۸۰۳,۱۰۹	۸۲۰,۶۷۷	۶۲۰,۱۸۱

اے آئی ایف او ایف جون ۲۰۲۰ء						تفصیلات
اٹلس ایگریسیو ایلوکیشن اسلامک پلان	اٹلس موڈریٹ ایلوکیشن اسلامک پلان	اٹلس کنزرویٹو ایلوکیشن اسلامک پلان	اٹلس اسلامک کیپیٹل پریزرویشن پلان	اٹلس اسلامک ڈیویڈنڈ پلان		
۴۴.۴۸	۵۰.۲۷	۵۸.۹۲	۴۷.۷۵	۳۶.۴۰		آمدنی / (خسارہ) فی یونٹ - روپے
۱۰.۰۴ فیصد	۱۰.۹۵ فیصد	۱۲.۰۲ فیصد	۱۰.۱۵ فیصد	۷.۲۸ فیصد		ریٹرن
۱۰۰.۱۸	۱۱۲.۸۱	۱۲۶.۶۱	۲۵۶.۰۶	۲۶.۱۴		مجموعی اثاثہ جات - ملین روپے
۰.۲۷	۳.۰۰	۱.۳۲	۱۶.۲۲	۱۲۸.۲۲		فروخت - ملین روپے
۵۵۵	۶,۱۳۹	۲,۵۶۰	۳۲,۵۲۹	۲۵۶,۴۳۳		فروخت - بالحاظ یونٹس
(۰.۱۴)	(۰.۱۵)	(۱.۰۲)	(۰.۲۹)	(۱۰۲.۰۸)		ریڈیمیشن - ملین روپے
۳۰۰	۳۰۱	۲,۰۵۶	۵۷۱	۲۰۴,۱۶۳		ریڈیمیشن - بالحاظ یونٹس
۲۰۹,۵۹۶	۲۲۷,۷۳۵	۲۴۴,۵۲۵	۹۱۴,۸۸۴	۵۲,۲۷۰		یونٹس بقایا جات بوقت اختتام سال



















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