



**Atlas Islamic Money Market Fund**

**Atlas Islamic Income Fund**

**Atlas Islamic Stock Fund**

**Atlas Islamic Fund of Funds**

**Atlas Islamic Dedicated Stock Fund**

**ANNUAL REPORT**

**30 June 2021**



Managed By

**Atlas Asset Management**

Rated AM2+ by PACRA  
(as of December 24, 2020)



# 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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# Diversity

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



# 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). SECP also issued licenses to the Company to carry out REIT Management Services, Private Equity and Venture Capital Fund Management Services, under rule 5 of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003. AAML manages assets on behalf of retirement funds, welfare organizations, insurance companies, multinationals, NBFCs and individuals.

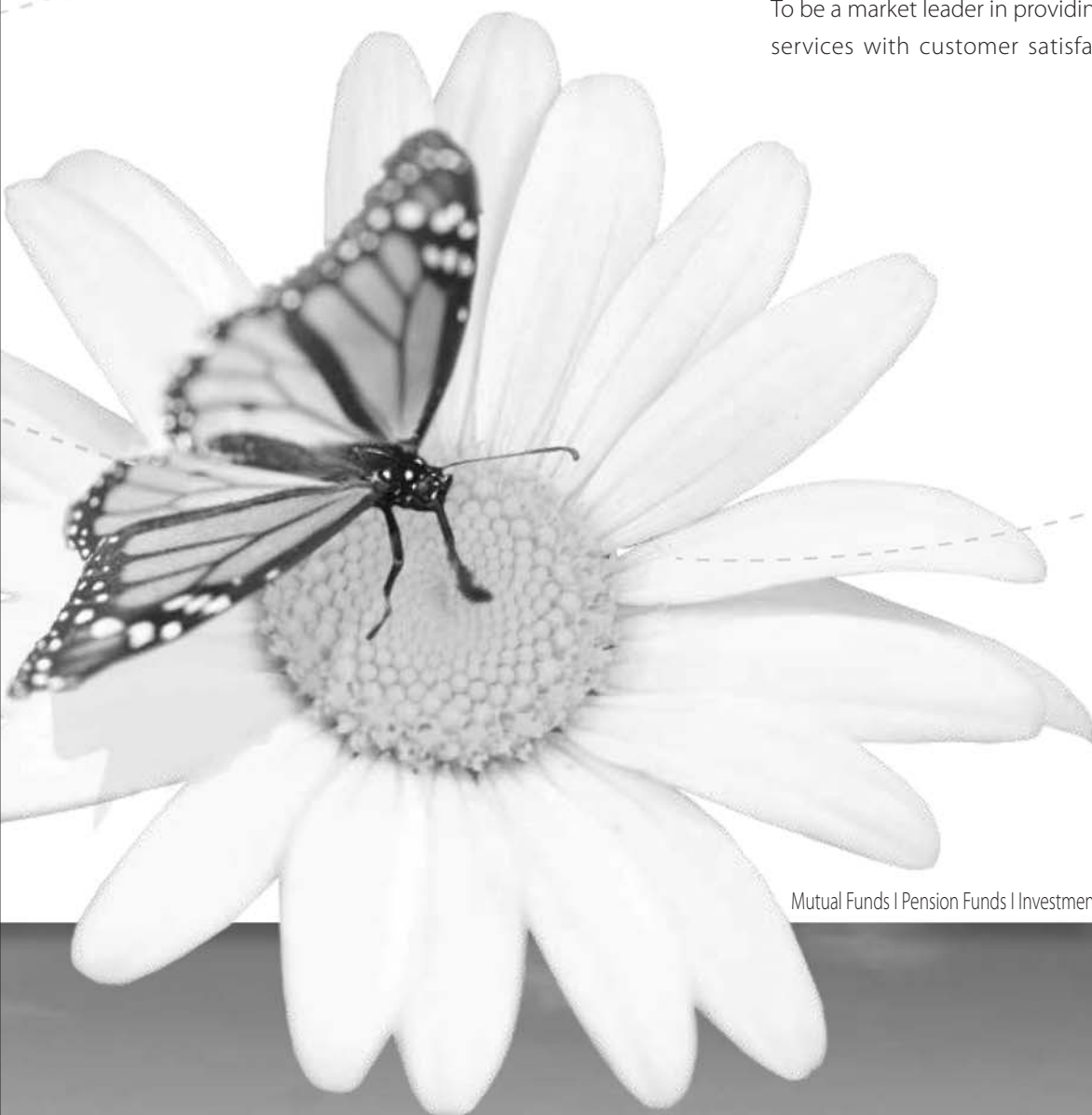
AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited (SIL). As the parent company, SIL sponsors Atlas Group projects. Atlas Group is a diversified group dealing in engineering, financial services, power generation, real estate & trading.

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.



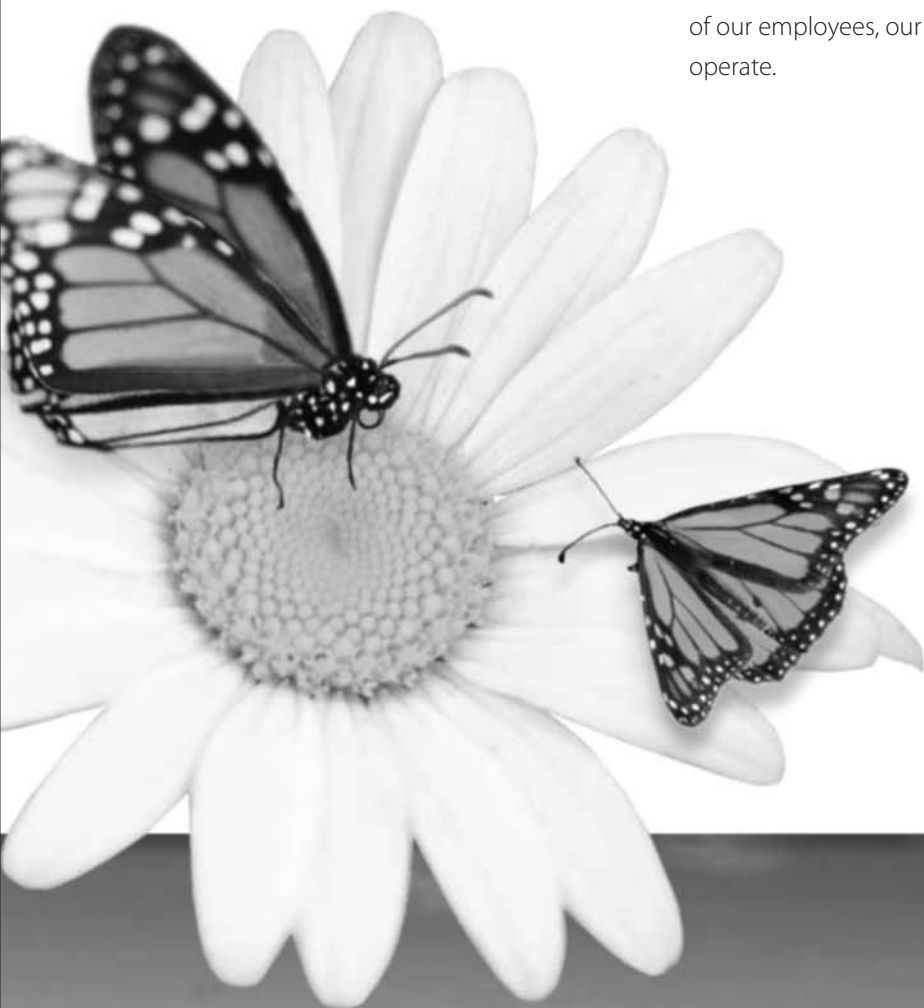
Mutual Funds | Pension Funds | Investment Advisory Services | Private Equity | REIT

## 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

---

**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

---

**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, Karachi Chamber of Commerce & Industry (KCCI) and Pakistan Japan Business Forum. He is also serving on the Board of the Forman Christian College, Ghulam Ishaq Khan Institute of Engineering Science and Technology, British Overseas Association and Employers Federation of Pakistan. He was also a member of the Aga Khan Resource Development Committee and life member of Federation of Pakistan Chambers of Commerce & Industry (FPCCI). 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 University (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 joined the Atlas Group in 1967 and has served in different positions. He has over 50 years of experience in General Management, Finance, Investment and Taxation.

He is currently Group Director Financial Affairs and Legal Matters. His other directorships include Atlas Insurance Limited, Atlas Asset Management Limited, Atlas Engineering (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Atlas Power Limited, Atlas Energy Limited, Zhenfa Pakistan New Energy Company Limited, Shirazi Trading Company (Private) Limited, Shirazi Investments (Private) Limited, and Atlas Foundation.

Earlier, he has also served on Atlas Honda Limited and Atlas Battery Limited boards and has been C.E.O of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management and former Atlas Investment Bank Limited.

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

Director

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Mr. M. Habib-ur-Rahman is a fellow of the Institute of Chartered Accountants in England & Wales. He has attended management level programme (PMD) at Harvard Business School.

Mr. Habib-ur-Rahman has a long association with Mutual Fund Industry. He held the position of General Manager Finance & Investment with National Investment Trust Limited. He was NIT nominee director on the Board of Karachi Stock Exchange and various listed companies. He worked for NIT for eleven years from 1971 to 1981 and then left NIT to join motorcycle industry, Atlas Honda Limited, where he worked for fourteen years initially as Director Finance and then as Resident Director in-charge Finance, Administration and Production. In 1995 he returned to mutual funds industry. He played an instrumental role in setting ABAMCO Limited that was the first asset management company in the private sector in Pakistan. ABAMCO was initially established as a joint venture among a leading brokerage house in Pakistan, IFC and an asset management company in US. Mr. Habib-ur-Rahman was its chief executive from 1995 to 2003. He was the Chief Executive Officer of Atlas Asset Management Limited from March 2004 till March 2018. He is a founding member and past Chairman/ Director of the Mutual Funds Association of Pakistan (MUFAP). The foundation of MUFAP was laid in 1995. Mr. Habib ur Rahman was Securities and Exchange Commission of Pakistan (SECP) nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003. He was 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 Committee (appointed in 2013) to review the 2008 financial crisis in capital market in Pakistan. Presently he also holds directorships in 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 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.

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## Board of Directors of the Management Company

### 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 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, 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.

### 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 and its predecessor companies (CIGNA and ACE) in 1990, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and with 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 has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan, the Executive Committee of The American Business Council and the Managing Committee of the Overseas Investors Chamber of Commerce & Industry.

Ms. Naqvi has represented the Insurance Association of Pakistan, on the Council of Pakistan Insurance Institute and was Chairperson of the Institute for the term of 2016. She has been a visiting faculty member at the Institute.

Ms. Naqvi has served as an Independent Director on the Board of Abbott Laboratories (Pakistan) Limited. She presently serves as a Non-Executive Director on the Board of Chubb Insurance Pakistan Limited, as an Independent Director on the Boards of Attock Petroleum Limited and IGI Life Insurance Limited.

### 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 in November 2005, and has held C-suite positions for over a decade, including the Chief Investment Officer and Chief Operating Officer positions. He is a 'Certified Director' and also attended Advanced Management Program at INSEAD Fontainebleau, France on nomination by the Atlas Group. 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

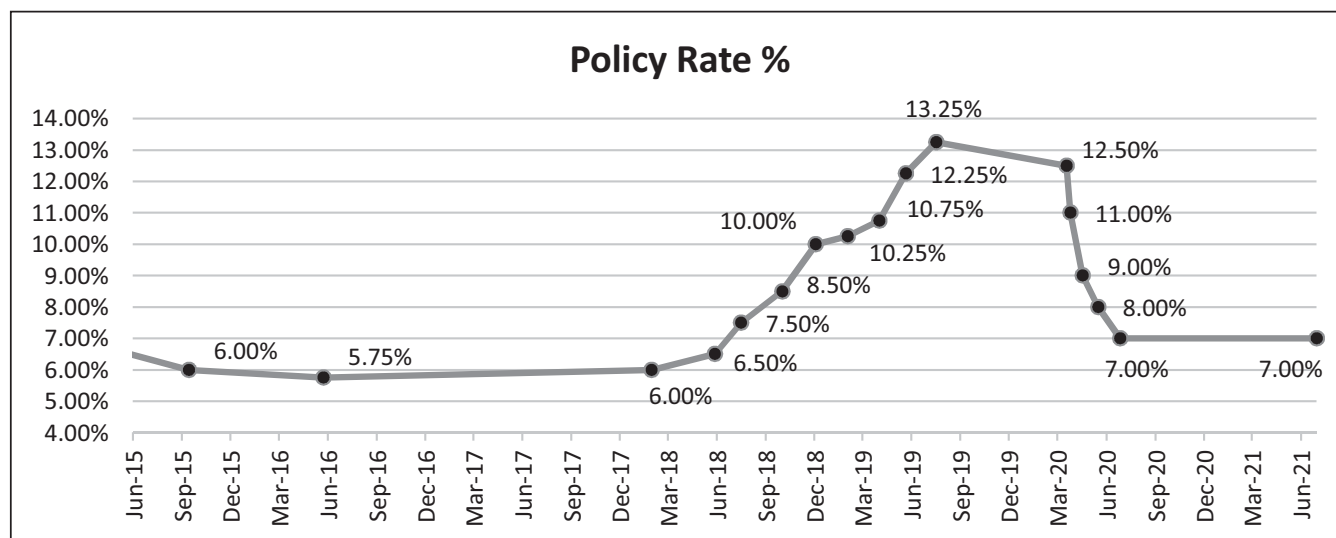
It is my pleasure to present you the Annual Reports of Atlas Islamic Money Market Fund (AIMF), Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Dedicated Stock Fund (AIDSF) and Atlas Islamic Fund of Funds (AIFO) for the financial year ended June 30, 2021.

## THE ECONOMY

After witnessing unprecedented challenges in past two years on account of COVID outbreak and macroeconomic stabilization, the economy made sharp recovery in FY21 by posting GDP growth of 3.94% compared to a negative growth of 0.47% in FY20. Economy progressed towards sustainable growth on the back of government's implementation of Rs. 1,240 billion economic stimulus package, SBP's accommodative monetary policy, targeted financial support to public/industries, and ongoing IMF program. During FY21, CAD reduced by 58.37% to US \$1.85 billion compared to US \$4.45 billion in FY20, largely on the back of 26.98% increase in FY21 Worker's Remittances of US \$29.37 billion compared to US \$23.13 billion in FY20. During FY21, Imports and Exports increased by 26.60% and 18.28% to stand at US \$56.41 billion and US \$25.30 billion, respectively. Total liquid Foreign Exchange Reserves increased by 29.18% YoY to US \$24.40 billion as of June 30, 2021 (SBP's share stood at US \$17.30 billion) primarily due to decline in CAD, stark growth in Worker's Remittances, inflows from Multilateral and Bilateral lenders for budgetary support and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 8.90% in FY21, within SBP's projected range of 7.00% to 9.00%. The State Bank maintained policy rate at 7.00% throughout FY21 in order to help economy regain growth momentum and ensure liquidity support to households and businesses.

## THE MONEY MARKET

SBP maintained policy rate at 7.00% with objective to stimulate economy and boost investor/consumer confidence, given the enforcement of sporadic lockdowns due to third and fourth wave of pandemic. Going forward, change in monetary policy stance may be witnessed if demand side pressures emerge. The Consumer Price Index (CPI) Inflation averaged at 8.90% during FY21 compared to 10.74 % in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation.



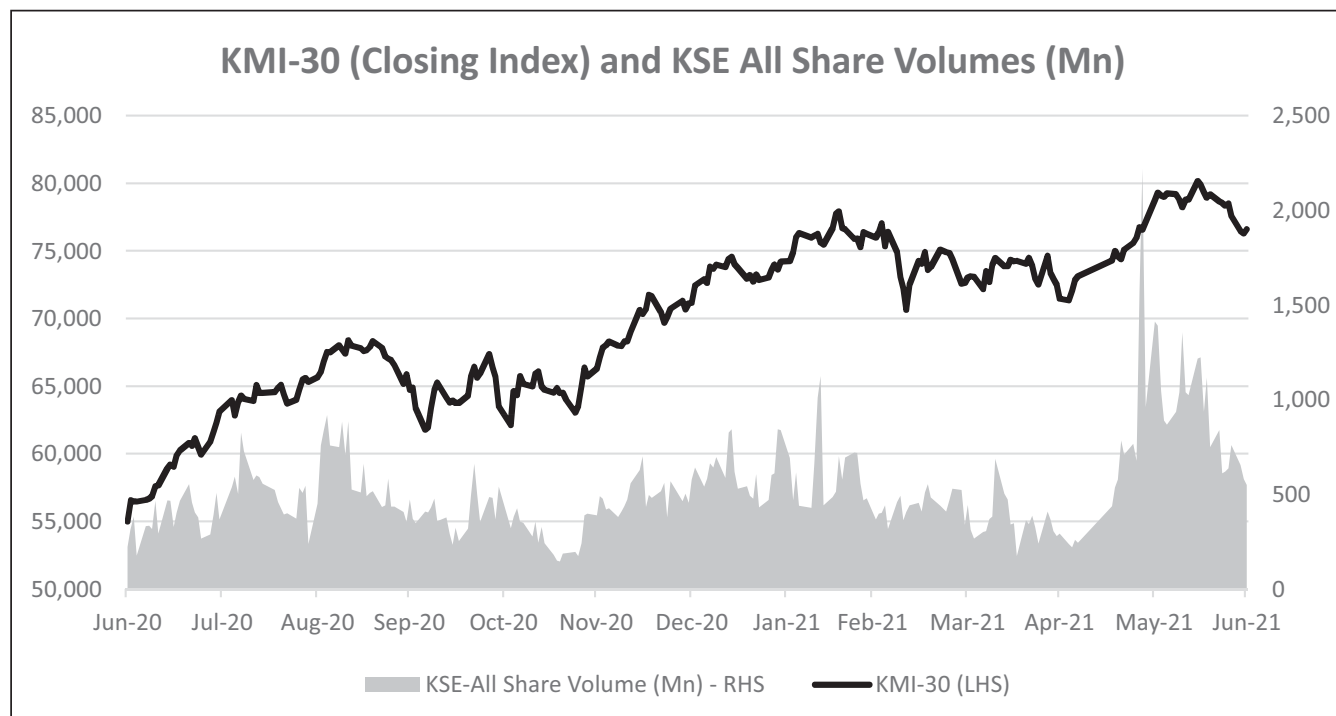
The growth in money supply (M2) witnessed an increase of 13.68% during FY21 that is Rs. 2,859 billion against an expansion of 15.74% (Rs. 2,801 billion) in FY20. Net Foreign Assets (NFA) increased by Rs. 1,008 billion during FY21 compared to an increase of Rs. 991 billion in FY20.

Net Domestic Asset (NDA) of banking system declined by 12.61% or Rs. 1,851 billion during FY21 against a decline of 31.60% or Rs. 2,118 billion during FY20. Credit to private sector increased by Rs. 595 billion in FY21 due to high working capital requirement of corporate sector and a surge in consumer financing.

## THE STOCK MARKET

The KMI-30 index increased 39.32% from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. The

daily average volume during FY21 increased by 168.80% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.



During the year, new listings on the stock exchange were The Organic Meat Company Limited, TPL Trakker Limited, Agha Steel Industries Limited, Panther Tyres Limited and Service Global Footwear Limited. The amounts raised through IPO by aforementioned companies were Rs. 800 million, Rs. 802 million, Rs. 3,840 million, Rs. 2,632 million and Rs. 2,175 million, respectively. During FY20, no new listings were made on the stock exchange.

The government's FY22 budget is focused on achieving inclusive and sustainable growth. Key budgetary measures include increased development expenditure as well as reduced regulatory duties, custom duties, FED and sales tax on import of raw materials and capital goods. These measures will directly benefit construction and allied industries, as well as export-oriented industries. The FY22 target for growth is set at 4.8% and is focused on striking a balance between COVID related expenditure, controlling fiscal deficit, keeping primary balance at sustainable level, successful continuation of IMF program and keeping development expenditure at sufficient level to support economic activity. The government has budgeted FY22 tax collection (FBR) at Rs. 5,829 billion and expects to achieve it by broadening tax base, strengthening administrative controls and incentivizing economic activity.

## MUTUAL FUND INDUSTRY

The assets under management (AUMs) for the mutual funds industry increased by 37.02% to Rs. 1,058.12 billion as at June 30, 2021 from Rs. 772.23 billion as at June 30, 2020. In FY21, Money Market funds (both Conventional and Shariah Compliant) dominated in terms of AUMs representing 44.16% of total mutual fund industry AUMs (Rs. 467.27 billion) followed by Income funds (both Conventional and Shariah Compliant) representing 23.17% of total mutual fund industry AUMs (Rs. 245.20 billion) and Equity Funds representing 22.34% of total mutual fund industry AUMs (Rs. 236.41 billion). The AUM of VPS increased by 27.37% from Rs. 30.74 billion as on June 30, 2020 to Rs. 39.15 billion as on June 30, 2021. The share of Shariah Compliant VPS stood at Rs. 26.20 billion or 66.93% of total VPS.

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## **MUTUAL FUND TAXATION**

### **SINDH WORKER'S WELFARE FUND (SWWF)**

Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board (SRB) has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant precaution mutual funds made provision in respect of SWWF as recommended by MUFAP from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds, for the period from May 2, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statements of the Funds.

### **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**

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 (SCP) 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.

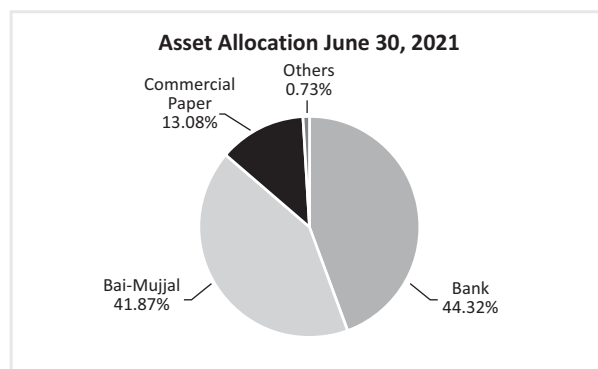
Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner Audit (AC) in case of Atlas Income Fund & other Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income and commented that the distribution by the Fund fell short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision, later subject matter was taken in Tribunal, which is pending adjudication. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

### **FUND OPERATIONS - AIMF**

The Atlas Islamic Money Market Fund (AIMF) was launched on January 07, 2021. Since its inception, AIMF provided an absolute

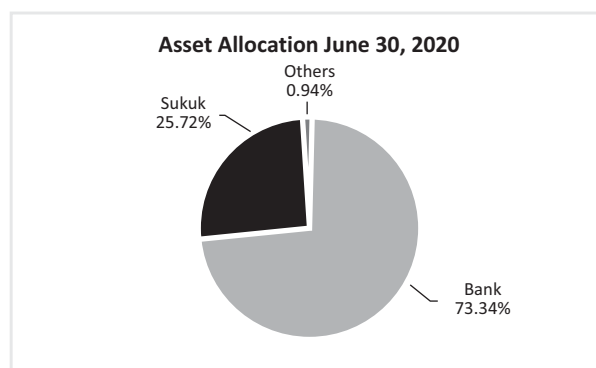
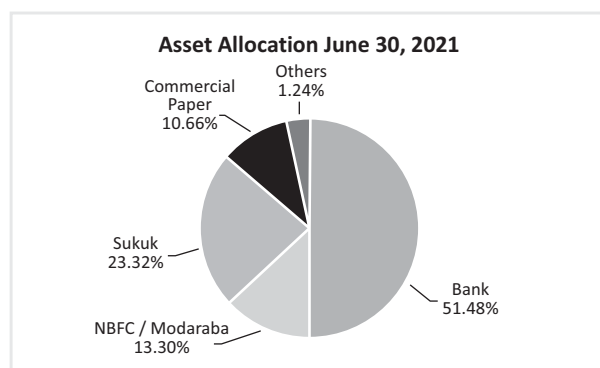


return of 2.99% as on June 30, 2021 with an annualized total return of 6.27%. The AIMF exposure in high yielding Shariah Compliant Bank Deposits stood at 44.32%, Bai Muajjal stood at 41.87%, Islamic Commercial Paper stood at 13.08% and Others stood at 0.73%. The Net Assets of your Fund stood at Rs. 636.61 million, with 1.27 million units outstanding as on June 30, 2021.



#### FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 6.35% to Rs. 505.88 as on June 30, 2021. The AIIF's total exposure in high yielding Shariah Compliant Bank Deposits, Sukuks, Placement with NBFC & Modaraba, Commercial Paper and Others stood at 51.48%, 23.32%, 13.30%, 10.66% and 1.24%, respectively. The Net Assets of the Fund stood at Rs. 2.16 billion, with 4.26 million units outstanding as of June 30, 2021.

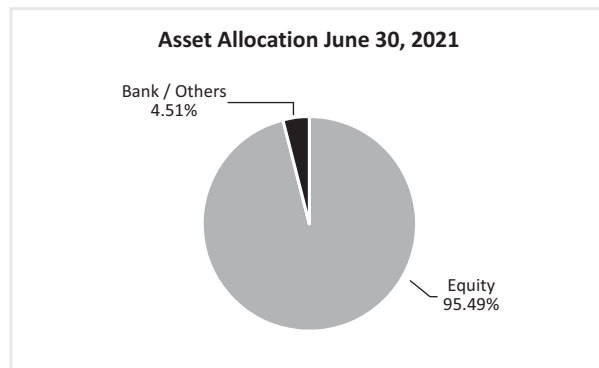


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 31.05 per unit for the period ended June 30, 2021 (6.21% on the face value of Rs. 500 per unit).

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 10,817,933 (Rs. 2.54 per unit). The scheme has also held provision for FED liability that amounted to Rs. 1,733,902 up till June 30, 2021 (Rs. 0.41 per unit).

#### FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) increased by 36.64% to Rs. 573.13 as on June 30, 2021. The benchmark KMI-30 index increased by 39.32% during the same period. The KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. 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 95.49% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks. The Net Assets of the Fund stood at Rs. 2.71 billion, with 4.72 million units outstanding as of June 30, 2021.



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. 50.00 per unit for the period ended June 30, 2021 (10.00% on the face value of Rs. 500 per unit).

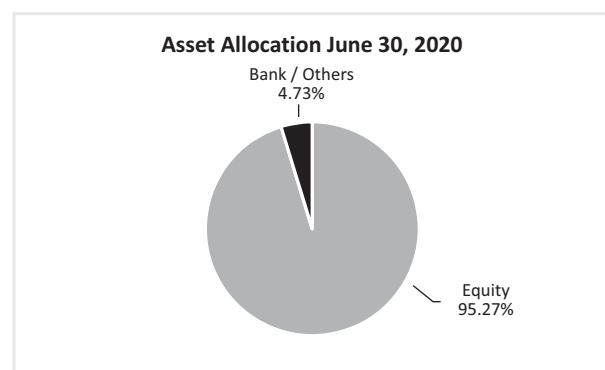
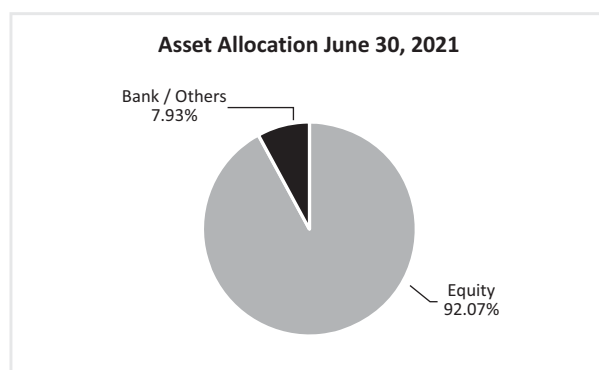
The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 33,881,485 (Rs. 7.17 per unit). The Scheme has also held provision for FED liability that amounted to Rs. 10,453,385 up till June 30, 2021 (Rs. 2.21 per unit).

#### FUND OPERATIONS - AIFO

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 28.08% to Rs. 594.48 as on June 30, 2021. AAAIP was 24.39% and 70.73% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 21.54% to Rs. 583.38 as on June 30, 2021. AMAIP was 44.83% and 52.24% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 14.15% to Rs. 567.10 as on June 30, 2021. ACAIP was 70.28% and 27.98% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 12.25% to Rs. 531.32 as on June 30, 2021. AICPP was 94.07% and 5.09% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Dividend Plan (AIDP) increased by 5.58% (annualized basis) as on June 30, 2021. AIDP was 87.74% invested in AIIF. The Net Assets of AIFO stood at Rs. 923.46 million as of June 30, 2021.

#### FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) increased by 37.80% to Rs. 596.02 as on June 30, 2021. The KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. AIDSF 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 92.07% that mainly comprised of Oil & Gas Exploration, Cement, Islamic Commercial Banks and Fertilizer. The Net Assets of the Fund stood at Rs. 327.32 million, with 0.55 million units outstanding as of June 30, 2021.





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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. 12.75 per unit for the period ended June 30, 2021 (2.55% 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.

### • FUND STABILITY RATING - AIMF

PACRA has assigned a stability rating of "AA (f)" (Double A 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.

### • 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

In FY22, economic growth is expected to pick up further from 3.94% (FY21) to 4.0% - 5.0% range taking support from measures announced in FY22 budget, accommodative monetary conditions, disbursements under SBP's TERF facility for investment and other refinance facilities. Downside risks to growth stems from resurgence of COVID cases associated with new strains of the virus both globally and domestically. Imports are expected to grow on the back of domestic recovery and rebound in global commodity prices whereby market-based flexible exchange rate system, strong inflows from Worker's Remittances, improving outlook for Exports and appropriate macroeconomic policies will likely contain the Current Account Deficit in a sustainable range of 2.0% - 3.0% of GDP in FY22. Foreign Exchange Reserves will likely continue to improve in FY22 due to adequate availability of external financing and IMF's new SDR allocation of US \$2.80 billion. Inflation is expected to range between 7.0% - 9.0% in FY22. The Monetary Policy Committee expects policy stance to remain accommodative in near term. In case of emergence of demand-led inflationary pressures or current account vulnerabilities, adjustments in policy rate will be made in order to achieve mildly positive real interest rates. 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.

روشن شَرِ ریشہ سے ہے خانہء فرہاد!

Hard work always pays rich tribute

## ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan and other Regulatory Bodies, the Board of Directors, and the Group Executive Committee for their help 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: 6 September 2021

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 Money Market Fund (AIMF), 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, AIMF, AIFO and AIDSF for the year ended 30 June 2021.

## 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 2021 and 30 June 2020 are as follows:

Particulars	AIIF		AISF		AIDSF		AIMF
	2021	2020	2021	2020	2021	2020	Jan to June 2021
Earnings/ (loss) per unit - Rupees	30.84	47.53	150.55	47.51	224.32	32.82	13.02
Return	6.35%	11.59%	36.64%	7.51%	37.80%	7.15%	6.27%
Net assets - Rupees million	2,157.03	2,134.60	2,706.74	1,823.32	327.32	362.49	636.61
Sales - Rupees million	3,423.39	3,413.33	2,320.72	1,606.15	20.08	163.48	687.25
Sales - in units	6,592,099	6,348,123	4,032,321	3,606,299	36,862	377,585	1,374,497
Redemptions - Rupees million	3,405.45	2,655.07	1,924.84	1,150.61	170.93	82.89	50.64
Redemptions - in units	6,556,098	4,883,006	3,311,130	2,407,893	308,362	177,083	101,271
Units outstanding at year end	4,263,884	4,227,883	4,722,705	4,001,514	549,177	820,677	1,273,226

Particulars	AIFO June 2021				
	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	129.61	106.19	73.57	59.73	27.07
Return	28.08%	21.54%	14.15%	12.25%	5.58%
Net assets - Rupees million	128.49	133.77	138.26	495.77	27.17
Sales - Rupees million	4.17	3.50	2.04	12.40	14.98
Sales - in units	6,671	6,190	3,686	23,351	29,962
Redemptions - Rupees million	0.07	2.63	2.50	2.76	13.95
Redemptions - in units	128	4,578	4,416	5,137	27,897
Units outstanding at year end	216,140	229,306	243,795	933,099	54,336

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

#### 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. 31.05 (2020: Rs. 57.50) per unit for the FY 2020-21. The total payout for the year works out to 6.21% (2020: 11.50%) 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. 50.00 (2020: 6.50) per unit for the FY 2020-21. The total payout for the year works out to 10.00% (2020: 1.30%) 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. 17.60 (2020: 10.50) per unit for the FY 2020-21. The total payout for the year works out to 3.52% (2020: 2.10%) 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. 18.60 (2020: 21.00) per unit for the FY 2020-21. The total payout for the year works out to 3.72% (2020: 4.20%) 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. 23.90 (2020: 37.00) per unit for the FY 2020-21. The total payout for the year works out to 4.78% (2020: 7.40%) 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. 28.20 (2020: 39.00) per unit for the FY 2020-21. The total payout for the year works out to 5.64% (2020: 7.80%) on the face value of Rs.500 per unit.

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## **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. 12.75 (2020: 1.50) per unit for the FY 2020-21. The total payout for the year works out to 2.55% (2020: 0.30%) on the face value of Rs.500 per unit.

## **CHAIRMAN'S REVIEW**

The review included in the Annual Report of AIIF, AISF, AIMF, AIFO 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, AIMF, AIFO 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 AIMF, AIIF, AISF, AIFO and AIDSF are annexed on pages 23, 56, 96, 137 and 194 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, 24, 22, 22 and 22 respectively to the financial statements of AIMF, AIIF, AISF, AIFO and AIDSF.

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

During the period, the Board of Directors of AAML included: Mr. Iftikhar H. Shirazi, Chairman, Mr. Frahim 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.

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 2020-21. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 28, 27, 26, 25 and 26 respectively to the financial statements of AIMF, AIIF, AISF, AIFO and AIDS.

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. Fahim Ali Khan	Non-Executive Director	4
3	Mr. M. Habib -ur-Rahman	Non-Executive Director	4

- **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	2
2	Mr. Fahim Ali Khan	Non-Executive Director	2
3	Mr. Ali H. Shirazi	Non-Executive Director	2
4	Mr. M. Abdul Samad	Chief Executive Officer	2

- **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	21
2	Mr. M. Abdul Samad	Chief Executive Officer	47
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	52
5	Mr. Fawad Javaid (executive management)	Head of Fixed Income - Member IC	52
6	Mr. Faran-ul-Haq (executive management)	Head of Equities - Secretary IC	50

## 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

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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) [2020: AM2+ (AM Two Plus)] on 24 December 2020. 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 16 April 2021. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

### **FUND STABILITY RATING - AIMF**

PACRA has maintained the stability rating of the AIMF at "AA (f)" (Double A : f : fund rating) on 21 April 2021. 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 01, 2021, 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 Money Market Fund, Atlas Islamic Fund of Funds and Atlas Islamic Dedicated Stock Fund, for the financial year ending 30 June 2022.

## **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: 6 September 2021

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# Atlas Islamic Money Market 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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Bawaney & Partners

### Bankers

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Askari Bank Limited - Islamic Banking  
Dubai Islamic Bank Pakistan Limited



# Fund Manager's Report

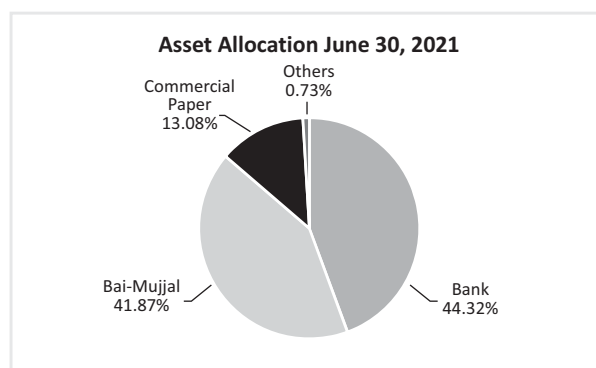
The objective of Atlas Islamic Money Market Fund (AIMF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consisting of Shariah Compliant money market instruments. The Fund invests in Shariah Compliant money market instruments with a maximum time to maturity of six months for any asset whereas, weighted average time to maturity of the fund cannot exceed 90 days. This is intended to reduce risk while maintaining liquidity. The Fund's investment strategy is based on fundamental credit analysis of counterparties. The Fund primarily invests in short term government securities/bank deposits and other short term money market instruments. The Fund will make periodic payout to the unit holders, which shall be reinvested.

Atlas Islamic Money Market Fund benchmark is three (3) months average deposit rates of Three (3) AA rated Islamic Banks or Islamic windows of conventional bank as Selected by MUFAP

The Consumer Price Index (CPI) Inflation averaged at 8.9% during FY21 compared to 10.7% in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation. During FY21, the SBP maintained policy rate at 7.00% with an aim to stimulate economy and boost investor & consumer confidence, given the enforcement of sporadic lockdowns due to the third & fourth wave of the pandemic. Going forward, accommodation witnessed in monetary policy may be reduced if economy reaches full potential and demand side pressures emerge.

## FUND OPERATIONS - AIMF

The Atlas Islamic Money Market Fund (AIMF) was launched on January 07, 2021. Since its inception, AIMF provided an absolute return of 2.99% as on June 30, 2021 with an annualized total return of 6.27%. The AIMF exposure in high yielding Shariah Compliant Bank Deposits stood at 44.32%, Bai Muajjal stood at 41.87%, Islamic Commercial Paper stood at 13.08% and Others stood at 0.73%. The Net Assets of your Fund stood at Rs. 636.61 million, with 1.27 million units outstanding as on June 30, 2021.



## Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated Companies	4	362,527,357	56.95%
Individuals	52	43,540,769	6.84%
Others	6	127,836,573	20.08%
Retirement Funds	6	102,708,238	16.13%
<b>Total</b>	<b>68</b>	<b>636,612,937</b>	<b>100.00%</b>

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 338,463 (Rs. 0.27 per unit).

The Total Expense Ratio (TER) of the Fund is 0.66% including Government levy, SWWF and SECP Fee of 0.16%.

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

Karachi: 6 September 2021

**Fawad Javaid**  
Head of Fixed Income



## Performance Since Inception

	2021*
Net assets (Rs. in '000)	636,613
Number of units in issue	1,273,226
Net asset value per unit (Rs.)	500.00
Net income / (loss) (Rs. in '000)	16,585
Earnings / (loss) per unit (Rs.)	13.03
Annual return of the Fund (%)	6.27
Offer price ** (Rs.)	500.00
Redemption price ** (Rs.)	500.00
Distribution Per Unit (Rs.)	14.73
Distribution as a % of opening Ex- NAV of units	2.95
Date of distribution ***	Various Dates
Highest offer price (Rs.)	500.00
Lowest offer price (Rs.)	500.00
Highest repurchase price per unit (Rs.)	500.00
Lowest repurchase price per unit (Rs.)	500.00

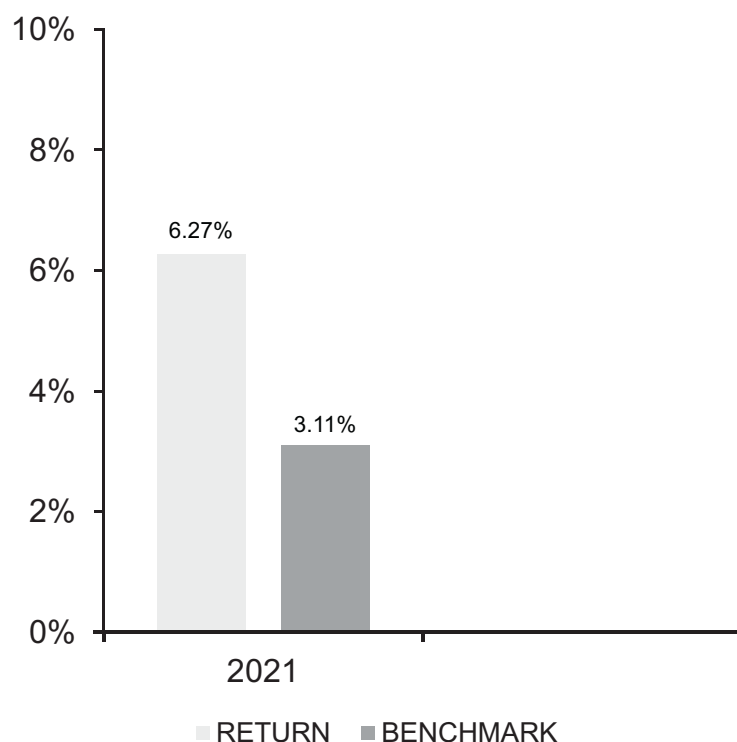
\* For the period from 07 January 2021 to 30 June 2021 (Date of Launch: 07 January 2021)

\*\* Relates to announced prices.

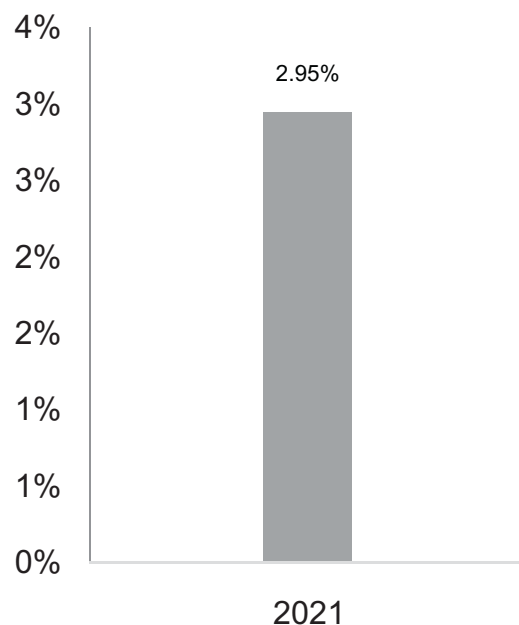
\*\*\* Various dates of distributions as the fund distribute its profit on daily basis where applicable.

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

### Yearly Performance (Annualized)



### Payout History (% on Opening 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 Money Market 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, 2021 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: 30 September 2021

**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 Money Market Fund (AIMF), I am issuing this report in accordance with clause 11.4 (c) 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 AIMF for the period ended June 30, 2021 are in compliance with the Shariah principles.

There are investments made by AIMF 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 2021

**Dr. Mufti Hassan Usmani**  
Shariah Advisor

# INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of **Atlas Islamic Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2021, 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 2021, 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 Islamic securities</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2021, the investments held by the Fund comprised of Islamic securities 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 Islamic commercial papers and Islamic letter of placements. 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><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 Islamic investments portfolio and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investments 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 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.

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- 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 Mr. Arslan Khalid.

Karachi: 20 September 2021

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

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2021

		30 June 2021
	Note	----- Rupees -----
<b>Assets</b>		
Bank balances	4	282,877,302
Investments	5	350,806,346
Markup accrued	6	3,364,300
Prepayments and other receivables	7	494,442
Deferred Formation cost	8	782,291
<b>Total assets</b>		<b>638,324,680</b>
<b>Liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	9	897,019
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	53,922
Payable to the Securities and Exchange Commission of Pakistan	11	53,533
Accrued expenses and other liabilities	12	707,269
<b>Total liabilities</b>		<b>1,711,743</b>
<b>NET ASSETS</b>		<b>636,612,937</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>636,612,937</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	
		<b>Number of units</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,273,226</b>
		<b>----- Rupees -----</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>500.0000</b>

The annexed notes from 1 to 31 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# INCOME STATEMENT

FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

		From 07 January 2021 to 30 June 2021 --- Rupees ---
	Note	
<b>Income</b>		
Mark up Income	14	18,424,989
Capital loss on sale of investments - net		(72,909)
<b>Total income</b>		<b>18,352,080</b>
<b>Expenses</b>		
Payable to Atlas Asset Management Company - Management Company	9.1	133,928
Sindh sales tax on remuneration of the Management Company	9.2	17,411
Accounting & Operational charges	15	150,000
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	10.1	174,106
Sindh sales tax on remuneration of the Trustee	10.2	22,634
Annual fee - Securities and Exchange Commission of Pakistan	11.1	53,533
Auditor's remuneration	16	216,000
Transaction Charges		60,810
Amortization of preliminary expenses and floatation costs		61,493
Annual Listing fee		294,040
Fund Rating Fee		78,260
Shariah advisory fee		40,000
Bank charges		9,084
Legal and Professional Charges		123,000
Provision for Sindh Workers' Welfare Fund	12.1	338,356
<b>Total expenses</b>		<b>1,772,655</b>
<b>Net income for the period before taxation</b>		<b>16,579,425</b>
<b>Taxation</b>	18	-
<b>Net income for the period after taxation</b>		<b>16,579,425</b>
<b>Earning per unit</b>	19	
<b>Allocation of net income for the period:</b>		
Net income for the period after taxation		16,579,425
Income already paid on units redeemed		-
		<b>16,579,425</b>
<b>Accounting income available for distribution:</b>		
- Relating to capital gains		-
- Excluding capital gains		16,579,425
		<b>16,579,425</b>

The annexed notes from 1 to 31 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



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## STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

From 07  
January 2021  
to 30 June  
2021  
---- Rupees ----

Net income for the period after taxation

16,579,425

Other comprehensive income for the period

-

**Total comprehensive income for the period**

**16,579,425**

The annexed notes from 1 to 31 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

	From 07 January 2021 to 30 June 2021		
	Capital value	Undistributed income	Net assets
	Rupees		
Issue of 1,374,497 units	687,248,509	-	687,248,509
Redemption of 101,271 units	(50,635,572)	-	(50,635,572)
Dividend Distributions	-	(16,579,425)	(16,579,425)
Total comprehensive income for the period	-	16,579,425	16,579,425
<b>Net assets at end of the year (Units outstanding: 1,273,226) (Rs. 500.00 per unit)</b>	<b>636,612,937</b>	<b>-</b>	<b>636,612,937</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	-	-
- Unrealised income	-	-	-
	-	-	-

The annexed notes from 1 to 31 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

From 07  
January 2021 to  
30 June 2021

Note ---- Rupees ----

## CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period after taxation	16,579,425
<b>Adjustments for:</b>	
Interest income	(18,424,989)
Loss on sale of investments at fair value through income statement - net	72,909
Amortization of preliminary expenses and floatation costs	61,493
Provision for Sindh Workers' Welfare Fund	338,356
	(17,952,231)
<b>Increase in assets</b>	
Prepaid and other receivables	(494,442)
Deferred Formation cost	(782,290)
	(1,276,733)
<b>Increase in liabilities</b>	
Payable to Atlas Asset Management Company - Management Company	897,018
Payable to Central Depository Company of Pakistan Limited - Trustee	53,922
Payable to the Securities and Exchange Commission of Pakistan	53,533
Accrued expenses and other liabilities	307,420
	1,311,895
Markup received	15,060,688
Investments - net	(350,879,255)
<b>Net cash used in from operating activities</b>	<b>(337,156,210)</b>

## CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance of units	687,248,509
Dividend Distribution	(16,579,425)
Payments against redemption of units	(50,635,572)
<b>Net cash generated from financing activities</b>	<b>620,033,512</b>
<b>Net increase in cash and cash equivalents</b>	<b>282,877,302</b>
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>282,877,302</b>

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The annexed notes from 1 to 31 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

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 17 September 2020 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. 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 money market 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 07 January 2021, 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 Atlas Islamic Money Market Fund (AIMF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of Shariah Compliant money market instruments.
- 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 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.

## 2 BASIS OF PREPARATION

### 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 PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these 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)
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

## 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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable on remuneration of management company as disclosed in notes 12.1 and 7.1 respectively.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 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.

### 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

##### 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. Given the objectives of the Fund, all investments have been classified as FVTPL.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

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'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; 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 etc.

### **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. Given the objectives of the Fund, all investments have been classified as FVTPL.

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 fair value through profit or loss**

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

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

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. The Fund has not used this classification for its investment portfolio.

### **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."

#### **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 debt securities are valued on the basis of rates announced 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.



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

### 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 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 Distributions to unit holders

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

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

### 3.6 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

- 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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

- 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 the 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 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders.

## 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.

## 3.12 Preliminary expenses and floatation costs

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from January 07, 2021 in accordance with the Trust Deed and the NBFC Regulations.

4 BANK BALANCES	Note	2021
		---- Rupees ----
In local currency		
- Profit and loss sharing accounts	4.1	282,877,302
		<u>282,877,302</u>

- 4.1 The rate of return on these profit and loss sharing accounts ranges between 4.5% to 6.5% per annum.

5 INVESTMENTS	Note	2021
		---- Rupees ----
At fair value through profit or loss		
- Investment in Islamic Commercial Paper	5.1	83,519,658
- Investment in Bai Muajjal		267,286,688
		<u>350,806,346</u>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 5.1 Investment in Islamic Commercial Paper

Name of the Investee Company	As at 01 July 2020	Purchases during the period	Sold/ matured during the period	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Market Value as a % of net assets of fund	Market Value as a % of total value of investments of fund
	Face Value (Rupees)				Rupees		% age	
K-Electric Limited - Islamic Commercial Paper (ICP-12)	-	150,000,000	150,000,000	-	-	-	-	-
K-Electric Limited - Islamic Commercial Paper (ICP-14)	-	271,000,000	271,000,000	-	-	-	-	-
K-Electric Limited - Islamic Commercial Paper (ICP-16)	-	80,000,000	-	80,000,000	78,627,530	78,627,530	12.35%	22.41%
K-Electric Limited - Islamic Commercial Paper (ICP-17)	-	5,000,000	-	5,000,000	4,892,132	4,892,132	0.77%	1.39%
	-	506,000,000	421,000,000	85,000,000	83,519,662	83,519,662	13.12%	23.81%

5.1.1 The nominal value of these commercial papers is Rs 1,000,0000 per certificate with 8.37% to 8.48% expected profit rate.

5.1.2 The securities are valued on the basis of amortization to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.

## 5.2 Investment in Bai Muajjal

Name of the Investee Company	As at 01 July 2020	Purchases during the period	Sold/ matured during the period	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Market Value as a % of net assets of fund	Market Value as a % of total value of investments of fund
	Rupees				Rupees		% age	
Bai Muajjal (15.02.2021)	-	73,400,600	73,400,600	-	-	-	-	-
Bai Muajjal (17.02.2021)	-	75,414,800	75,414,800	-	-	-	-	-
Bai Muajjal (18.05.2021)	-	88,650,000	-	88,650,000	88,650,000	88,650,000	13.93%	25.27%
Bai Muajjal (19.05.2021)	-	88,677,000	-	88,677,000	88,677,000	88,677,000	13.93%	25.28%
Bai Muajjal (17.06.2021)	-	89,959,688	-	89,959,688	89,959,688	89,959,688	14.13%	25.64%
	-	416,102,088	148,815,400	267,286,688	267,286,688	267,286,688	41.99%	76.19%

5.2.1 The rate of return on these investments is 7% and will be matured between 24 August 2021 to 22 September 2021.

6 MARKUP ACCRUED	Note	2021
		--- Rupees ---
Markup accrued on:		
- Bai Muajjal		1,720,878
- Profit and loss sharing accounts		1,643,422
		<b>3,364,300</b>
7 PREPAYMENTS AND OTHER RECEIVABLES		
Unamortized premium on Bai Muajjal		53,390
Prepaid rating fee		96,760
Other receivable	7.1	344,291
		<b>494,442</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

- 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 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 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the Tax recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been lower by Rs. 0.27 per unit

		2021
		---- Rupees ----
<b>8 DEFERRED FORMATION COST</b>	<b>Note</b>	
Opening balance		843,783
Less: Amortisation for the period		(61,493)
		<b>782,290</b>
<b>9 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED MANAGEMENT COMPANY - RELATED PARTY</b>		
Remuneration of the Management Company	9.1	24,987
Sindh Sales Tax on remuneration of the Management Company	9.2	3,248
Accounting and operational charges reimbursable by the Fund	15	25,000
Preliminary Expenses and Flotation Cost	9.3	843,783
		<b>897,018</b>

- 9.1 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 1% of average annual net assets, within allowed expense ratio. With effect from 07 January 2021 Management Company decided the management fee of 0.05% of average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 9.2 During the year, an amount of Rs. 17,411 was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 14,163 has been paid to the Management Company which acts as the collecting agent.
- 9.3 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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY

	Note	2021 ---- Rupees ----
Payable To Trustee	10.1	32,482
SST on Trustee fee Payable		4,223
Settlement charges payable		15,236
SST on Settlement charges	10.2	1,981
		<b>53,922</b>

**10.1** The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.065% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC.

**10.2** During the year, an amount of Rs. 22,634 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. 18,411 was paid to the Trustee which acts as a collecting agent.

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

	Note	2021 ---- Rupees ----
Annual fees payable	11.1	<b>53,533</b>

**11.1** 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.

## 12 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021 ---- Rupees ----
Auditors' remuneration payable		162,000
Shariah advisory fee payable		20,000
Withholding tax payable		175,747
Transaction charges payable		11,060
Provision for Sindh Workers' Welfare Fund	12.1	338,463
		<b>707,270</b>

**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, 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 Mutual Fund Association of Pakistan (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 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 / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from 07 January 2021 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. "

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from 07 January 2021 to 30 June 2021, the net asset value of the Fund as at 30 June 2021 would have been higher by Re. 0.27 per unit

### 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2021.

### 14 MARKUP INCOME

Markup income on:

- Profit and loss sharing accounts
- Commercial Paper
- Bai Muajjal

2021
---- Rupees ----
12,091,035
2,001,865
4,332,089
<b>18,424,989</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 actual expenses within the limit of Rs. 300,000 for one year.

### 16 AUDITORS' REMUNERATION

- Annual fee
- Certification charges
- Sindh sales tax on services

2021
---- Rupees ----
150,000
50,000
16,000
<b>216,000</b>

### 17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2021 is 0.66% which includes 0.16% 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 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 19 EARNINGS 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.

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 20.1** 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.
- 20.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load 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 period and balances with them as at the period / year end are as follows:

	2021 ---- Rupees ----
<b>20.5 Transactions during the period</b>	
<b>Atlas Asset Management Limited (Management Company)*</b>	
Remuneration for the period	133,928
Sindh sales tax on remuneration of the Management Company	17,411
Remuneration paid	108,941
Formation cost	61,493
Accounting & operational charges	150,000
Issue of 204,206 units	102,102,756
Redemption of 53,000 units	26,500,000
Dividend Entitlement	2,473,827
Outstanding 151,206 units	75,602,748
<b>Central Depository Company of Pakistan Limited</b>	
Remuneration of the Trustee	174,106
Sindh Sales Tax on remuneration of the Trustee	22,634
Remuneration paid	141,624
<b>Atlas Foundation</b>	
Issue of 102,535 units	51,267,418
Dividend Entitlement	1,491,078
Outstanding 102,535 units	51,267,413
<b>Atlas Honda Limited (Emp.Prov.Fund)</b>	
Issue of 102,989 units	51,494,345
Dividend Entitlement	1,494,345
Outstanding 102,989 units	51,494,345
<b>Atlas Group of Companies, M.S.G.Fund</b>	
Issue of 41,133 units	20,566,365
Dividend Entitlement	566,365
Outstanding 41,133 units	20,566,365



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

2021  
---- Rupees ----

### Atlas Honda Limited

Issue of 61,521 units

30,760,454

Dividend Entitlement

895,787

Outstanding 61,521 units

30,760,451

### Shirazi Investments (Private) Limited\*

Issue of 410,139 units

205,069,663

Dividend Entitlement

5,964,311

Outstanding 410,139 units

205,069,643

### The University of Lahore\*

Issue of 132,535 units

66,267,426

Dividend Entitlement

1,267,426

Outstanding 132,535 units

66,267,426

### Atlas Insurance Ltd., Staff Provident Fund Trust

Issue of 12,334 units

6,166,998

Dividend Entitlement

166,998

Outstanding 12,334 units

6,166,998

\*This represents 10% or more of the unit holding of the fund

## 21. FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 June 2021

	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	282,877,302	-	-	282,877,302
Investments	-	350,806,346	-	350,806,346
Markup accrued	3,364,300	-	-	3,364,300
Prepayments and other receivables	494,442	-	-	494,442
	<b>286,736,044</b>	<b>350,806,346</b>	<b>-</b>	<b>637,542,390</b>

As at 30 June 2021

	At fair value through profit or loss	At amortised Cost	Total
	----- (Rupees) -----		
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	897,019	897,019
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	53,922	53,922
Accrued expenses and other liabilities	-	193,058	193,058
	<b>-</b>	<b>1,144,000</b>	<b>1,144,000</b>



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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 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 another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. 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 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 30 June 2021, the Fund is exposed to such risk in respect of bank balances and investments. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which exposes the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 2,828,773.

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Islamic Commercial Paper and Bai Muajjal investment which exposes the Fund to fair value interest rate risk. In case of 100 basis points increase/ decrease in market interest rates as at June 30, 2021, with all other variables held constant, the net income for the year and net assets would have been higher/ lower by Rs 3,508,068.

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 2021 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.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at 30 June 2021 can be determined as follows:

----- As at 30 June 2021 -----					
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	4.5% to 6.5%	282,877,302	-	-	282,877,302
Investments	7%	267,286,172	-	83,520,173	350,806,345
Markup accrued		-	-	3,364,300	3,364,300
Prepayments and other receivables		-	-	494,442	494,442
		<b>550,163,474</b>	<b>-</b>	<b>87,378,915</b>	<b>637,542,389</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	897,019	897,019
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	53,922	53,922
Accrued expenses and other liabilities		-	-	193,058	193,058
		<b>-</b>	<b>-</b>	<b>1,144,000</b>	<b>1,144,000</b>
<b>On-balance sheet gap (a)</b>		<b>550,163,474</b>	<b>-</b>	<b>86,234,915</b>	<b>636,398,389</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>550,163,474</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>550,163,474</b>	<b>550,163,474</b>	<b>550,163,474</b>	<b>550,163,474</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 2021.

## 22.3 Liquidity risk

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

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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

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.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed	Total
----- Rupees -----						
<b>Assets</b>						
Bank balances	282,877,302	-	-	-	-	282,877,302
Investments	-	345,914,214	4,892,132	-	-	350,806,346
Markup accrued	3,364,300	-	-	-	-	3,364,300
Prepayments and other receivables	494,442	-	-	-	-	494,442
	<b>286,736,044</b>	<b>345,914,214</b>	<b>4,892,132</b>	<b>-</b>	<b>-</b>	<b>637,542,390</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	897,018	-	-	-	-	897,018
Payable to the Central Depository Company of Pakistan Limited - Trustee	53,922	-	-	-	-	53,922
Payable to the Securities and Exchange Commission of Pakistan	53,533	-	-	-	-	53,533
Accrued expenses and other liabilities	193,060	-	-	-	-	193,060
	<b>1,197,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,197,533</b>
<b>Net assets/ (liabilities)</b>	<b>285,538,511</b>	<b>345,914,214</b>	<b>4,892,132</b>	<b>-</b>	<b>-</b>	<b>636,344,857</b>

### 22.4.1 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and Bai Muajjal investments. The credit rating profile of above mentioned is as follows:

Ratings of amounts placed with banks and Bai Muajjal investments

Ratings of amounts placed with banks	% of financial assets 2021
AA	100.00
	<b>100.00</b>

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 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.
- 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 June 30 2021, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique.

## 23 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 24 UNIT HOLDING PATTERN OF THE FUND

Category	2021		
	Number of unit holders	Rupees	% of total
Associated Companies	4	362,527,357	56.95%
Individual	52	43,540,769	6.84%
Others	6	127,836,573	20.08%
Retirement Funds	6	102,708,238	16.13%
	<b>68</b>	<b>636,612,937</b>	<b>100.00%</b>

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

2021	
Name of broker	Percentage of commission paid
Arif Habib Limited	100.00
	<b>100.00</b>

## 26 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 Years

## 27 NAME AND QUALIFICATION OF FUND MANAGER

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE PERIOD FROM 07 JANUARY 2021 TO 30 JUNE 2021

## 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				
	06 July 2020	10 Sep 2020	26 Oct 2020	25 Feb 2021	25 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P
Mr. Frahim Ali Khan	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P
Ms Zainab Kazim (Company Secretary)	P	L	L	P	P

\* Attended through teleconference call.

P Present  
L Leave of absence

## 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) [2020: AM2+ (AM Two Plus)] on 24 December 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Moreover, PACRA has initialed maintained the stability rating of the Fund at "AA(f)" on 21 April 2021.

## 30. GENERAL

**30.1** Figures have been rounded off to the nearest Rupee unless otherwise stated.

**30.2** This is the first year of operations of the Fund, hence there is no comparative information to report in these financial statements.

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 6 September 2021.

**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 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



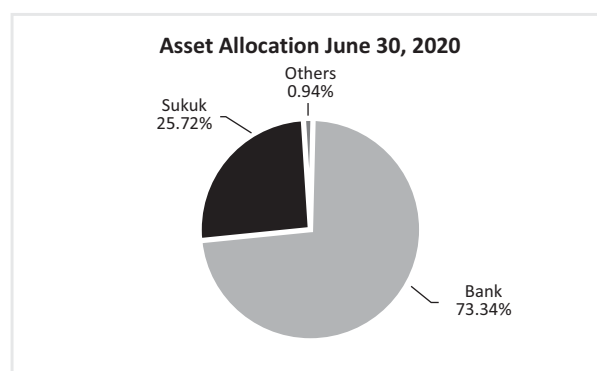
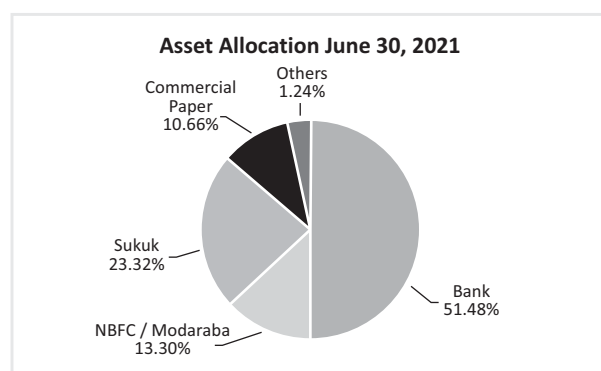
# Fund Manager's Report

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) Inflation averaged at 8.9% during FY21 compared to 10.7% in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation. During FY21, the SBP maintained policy rate at 7.00% with an aim to stimulate economy and boost investor & consumer confidence, given the enforcement of sporadic lockdowns due to the third & fourth wave of the pandemic. Going forward, accommodation witnessed in monetary policy may be reduced if economy reaches full potential and demand side pressures emerge.

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 6.35% to Rs. 505.88 as on June 30, 2021. The AIIF's total exposure in high yielding Shariah Compliant Bank Deposits, Sukuks, Placement with NBFC & Modaraba, Commercial Paper and Others stood at 51.48%, 23.32%, 13.30%, 10.66% and 1.24%, respectively. The Net Assets of the Fund stood at Rs. 2.16 billion, with 4.26 million units outstanding as of June 30, 2021.



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 31.05 per unit for the period ended June 30, 2021 (6.21% 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	2017-18	2018-19	2019-20	2020-21
Atlas Bachat Islamic Plan	85%	15%	3.00%	4.37%	11%	10.90%
Atlas Bachat Balanced Islamic Plan	50%	50%	-1.48%	-5.24%	9.55%	21.50%
Atlas Bachat Growth Islamic Plan	15%	85%	-5.96%	-14.84%	8.12%	32.10%

**Breakdown of Unit holding by size:**

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	1,179	714,627,380	33.13%
Insurance Companies	8	43,021,863	1.99%
Others	16	959,313,756	44.47%
Banks/ DFIs	-	-	-
Associated Companies/ Directors	3	390,847	0.02%
Retirement Funds	21	439,679,669	20.38%
<b>Total</b>	<b>1,227</b>	<b>2,157,033,516</b>	<b>100%</b>

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 10,817,933 (Rs. 2.54 per unit). The scheme has also held provision for FED liability that amounted to Rs. 1,733,902 up till June 30, 2021 (Rs. 0.41 per unit).

The Total Expense Ratio (TER) of the Fund is 0.93% including reversal representing Government levy, SWWF and SECP Fee of 0.21%.

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

Karachi: 6 September 2021

**Fawad Javaid**  
Head of Fixed Income

## Performance Since Inception

	2021	2020	2019	2018	2017	2016
Net Assets (Rs. In '000)	2,157,034	2,134,601	1,392,226	872,222	1,614,259	558,553
Number of units in issue	4,263,884	4,227,883	2,762,766	1,653,270	3,210,424	1,113,938
Net assets value per unit (Rs.)	505.88	504.89	503.92	527.57	502.82	501.42
Net income (Rs. in '000)	131,489	200,394	79,290	56,557	37,946	24,901
Earnings per unit (Rs.)	30.84	47.53	28.70	34.21	11.82	22.35
Annual return of the fund (%)	6.35	11.59	8.48	4.92	5.97	4.97
Offer Price ** (Rs.)	505.88	504.89	503.92	527.57	502.82	501.42
Redemption Price ** (Rs.)	505.88	504.89	503.92	527.57	502.82	501.42
Highest offer price per unit (Rs.)	536.58	561.46	526.29	527.41	529.96	526.20
Lowest offer price per unit (Rs.)	505.71	504.14	503.46	503.00	502.10	501.09
Highest repurchase price per unit (Rs.)	536.58	561.46	526.29	527.41	529.96	526.20
Lowest repurchase price per unit (Rs.)	505.71	504.14	503.46	503.00	502.10	501.09
Weighted average portfolio (No. of days)	389.80	443.04	143.77	273.60	144.89	505.79

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

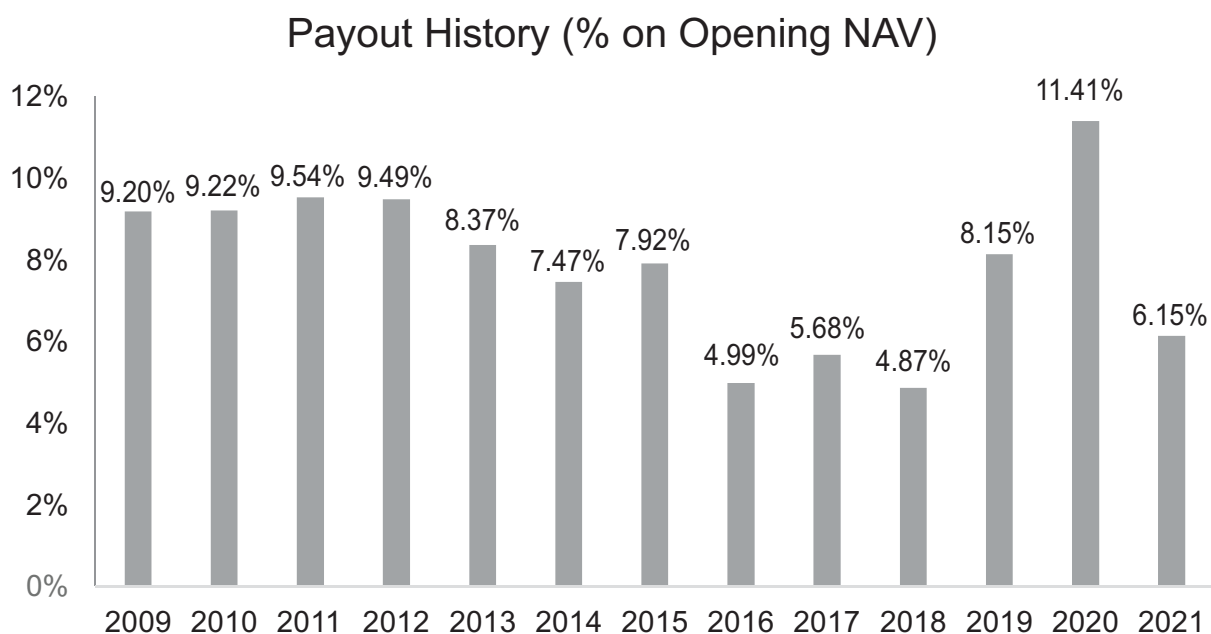
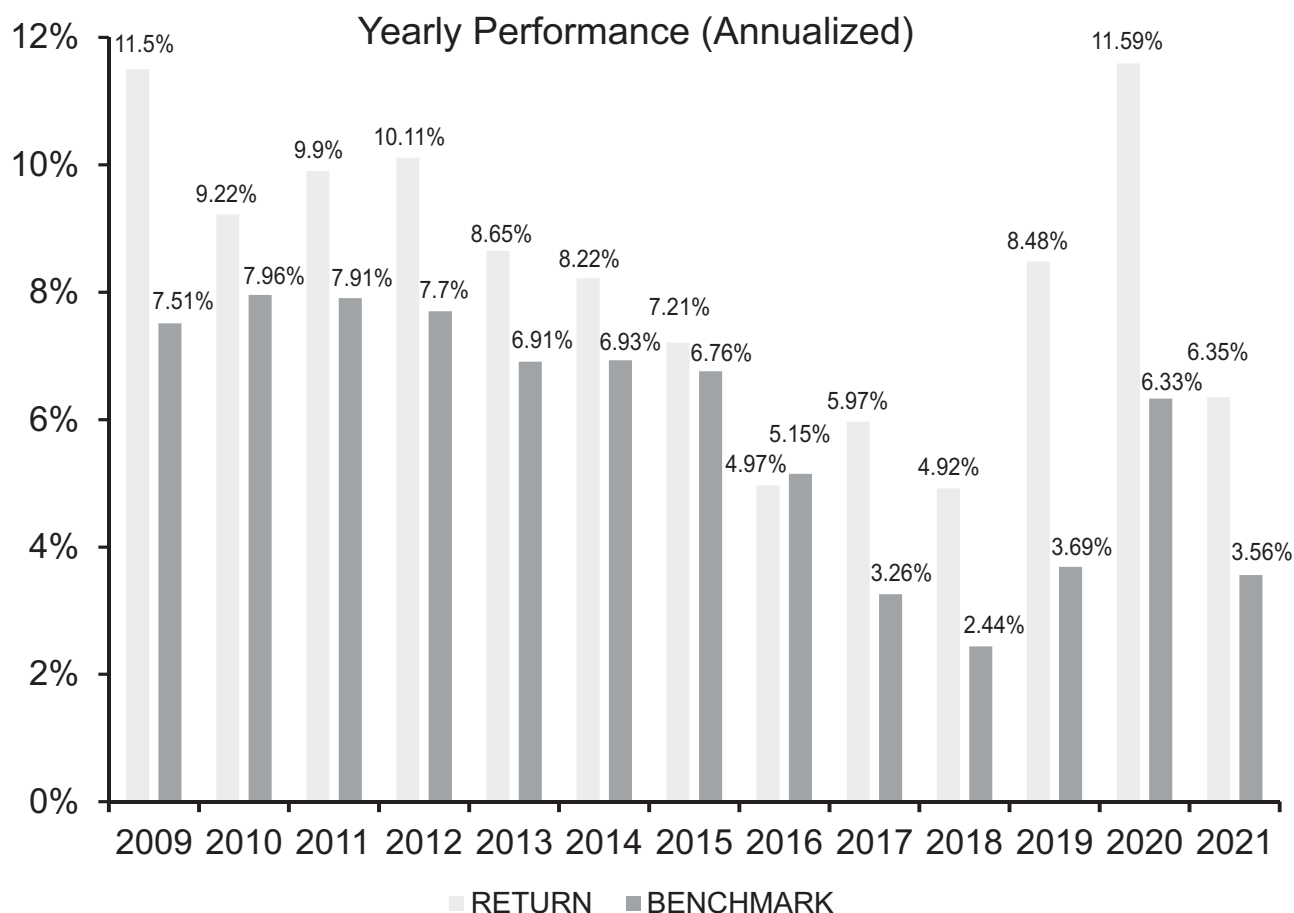
\*Period from 16 August 2008 to 30 June 2009 (Date of Launch: 14 october 2008)

\*\* Relates to announced prices.

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

## Distribution History

Distribution Detail:	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	31.05	57.50	18.00	-	28.50	25	40
First Interim distribution as a % of Ex-NAV of units	6.15	11.41	3.58	-	5.68	4.99	7.92
Date of distribution - Interim	28-Jun-21	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 Divided (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, 2021 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: 30 September 2021

**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, 2021 are in compliance with the Shariah principles.

There are investments made by AIIF 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 2021

**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 2021, 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 2021, 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 Islamic securities</b>	
<p>As disclosed in note 5 to the accompanying financial statements of the Fund for the year ended 30 June 2021, the investments held by the Fund comprised of Islamic securities 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 Islamic securities. 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 investments 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><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 portfolio and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investments 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 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 Mr. Arslan Khalid.

Karachi: 20 September 2021

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



## STATEMENT OF ASSETS AND LIABILITIES

### AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
<b>Assets</b>			
Cash and bank balances	4	1,161,547,092	1,584,796,999
Investments	5	1,066,779,465	555,713,327
Markup accrued	6	27,394,594	19,728,961
Security deposit and other receivables	7	580,800	578,941
<b>Total assets</b>		<b>2,256,301,951</b>	<b>2,160,818,228</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	3,206,990	3,093,850
Payable to Central Depository Company of Pakistan Limited - Trustee	9	164,233	149,403
Payable to the Securities and Exchange Commission of Pakistan	10	427,796	373,481
Payable against redemption of units	11	75,723,636	-
Dividend payable		448,433	332,890
Accrued expenses and other liabilities	12	19,297,347	22,267,509
<b>Total liabilities</b>		<b>99,268,435</b>	<b>26,217,133</b>
<b>NET ASSETS</b>		<b>2,157,033,516</b>	<b>2,134,601,095</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>2,157,033,516</b>	<b>2,134,601,095</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,263,884</b>	<b>4,227,883</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>505.8846</b>	<b>504.8865</b>

The annexed notes from 1 to 30 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 2021

	Note	2021 Rupees	2020 Rupees
<b>Income</b>			
Markup income	14	149,644,900	217,945,587
Capital (loss) / gain on sale of investments - net		(207,416)	201,550
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		1,849,835	558,752
		<b>1,642,419</b>	<b>760,302</b>
Other Income		-	2,014
<b>Total income</b>		<b>151,287,319</b>	<b>218,707,903</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	8,555,924	6,777,591
Sindh Sales Tax on remuneration of the Management Company	8.2	1,112,270	881,087
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	1,604,236	1,400,553
Sindh Sales Tax on remuneration of the Trustee	9.2	208,550	182,072
Annual fees - Securities and Exchange Commission of Pakistan	10	427,797	373,480
Accounting and operational charges	15	3,636,267	2,762,881
Auditors' remuneration	16	292,950	368,280
Securities transaction cost		294,983	105,469
Annual listing fee		30,138	27,500
Annual rating fee		363,227	330,412
Printing charges		61,999	20,141
Shariah advisory fee		180,000	180,000
Bank charges		40,561	20,042
Legal and professional charges		306,360	235,460
Provision for Sindh Workers' Welfare Fund	12.1	2,683,441	4,100,859
<b>Total expenses</b>		<b>19,798,703</b>	<b>17,765,827</b>
<b>Net income for the year before taxation</b>		<b>131,488,616</b>	<b>200,942,076</b>
<b>Taxation</b>	18	-	-
<b>Net income for the year after taxation</b>		<b>131,488,616</b>	<b>200,942,076</b>
<b>Earning per unit</b>	19		
<b>Allocation of net income for the year:</b>			
- Net income for the period after taxation		131,488,616	200,942,076
- Income already paid on units redeemed		(26,606,761)	(56,022,614)
		<b>104,881,855</b>	<b>144,919,462</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		1,642,419	760,302
- Excluding capital gains		103,239,436	144,159,160
		<b>104,881,855</b>	<b>144,919,462</b>

The annexed notes from 1 to 30 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 2021

	2021 ----- Rupees -----	2020 ----- Rupees -----
<b>Net income for the year after taxation</b>	<b>131,488,616</b>	<b>200,942,076</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>131,488,616</b>	<b>200,942,076</b>

The annexed notes from 1 to 30 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

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Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021			
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	2,122,558,890	-	2,122,558,890
Undistributed income brought forward			
- Realised income	-	43,071,903	43,071,903
- Unrealised loss	-	(31,029,698)	(31,029,698)
<b>Net assets at the beginning of the year (Units outstanding: 4,227,883)</b>	<b>2,122,558,890</b>	<b>12,042,205</b>	<b>2,134,601,095</b>
(Rs. 504.8900 per unit)			
Issue of 6,592,099 units	3,423,385,925	-	3,423,385,925
Redemption of 6,556,098 units	(3,378,839,325)	(26,606,761)	(3,405,446,086)
Total comprehensive income for the year	-	131,488,616	131,488,616
Refund of Capital	(27,830,405)	-	(27,830,405)
Cash distribution for year ended 30 June 2021 at Rs. 31.05 per unit declared on 28 June 2021	-	(99,165,629)	(99,165,629)
<b>Net assets at end of the year (Units outstanding: 4,263,884)</b>	<b>2,139,275,085</b>	<b>17,758,431</b>	<b>2,157,033,516</b>
(Rs. 505.8846 per unit)			
<b>Undistributed income carried forward</b>			
- Realised income	-	16,233,656	-
- Unrealised income	-	1,524,775	-
	<b>-</b>	<b>17,758,431</b>	<b>-</b>
30 June 2020			
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,384,052,950		1,384,052,950
Undistributed income brought forward			
- 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>1,384,052,950</b>	<b>8,173,269</b>	<b>1,392,226,219</b>
(Rs. 503.92 per unit)			
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. 57.5 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>2,122,558,890</b>	<b>12,042,205</b>	<b>2,134,601,095</b>
(Rs. 504.89 per unit)			
<b>Undistributed income carried forward</b>			
- Realised income	-	43,071,903	-
- Unrealised loss	-	(31,029,698)	-
	<b>-</b>	<b>12,042,205</b>	<b>-</b>

The annexed notes from 1 to 30 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 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		131,488,616	200,942,076
<b>Adjustment for:</b>			
Markup income		(149,644,900)	(217,945,587)
Capital loss/ (gain) on sale of investments - net		207,416	(201,550)
Net unrealised gain on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		(1,849,835)	(558,752)
Provision for Sindh Workers' Welfare Fund		2,683,441	4,100,859
		<b>(148,603,878)</b>	<b>(214,605,030)</b>
<b>Increase in assets</b>			
Security deposit and other receivables		(1,859)	-
<b>(Decrease)/ increase in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		113,140	628,506
Payable to Central Depository Company of Pakistan Limited - Trustee		14,830	(31,595)
Payable to the Securities and Exchange Commission of Pakistan		54,315	(327,793)
Dividend payable		115,543	(57,294)
Accrued expenses and other liabilities		(5,653,603)	9,924,348
		<b>(5,355,775)</b>	<b>10,136,172</b>
Markup received		141,979,267	213,303,185
Investments - net		(509,423,719)	(455,054,225)
<b>Net cash used in operating activities</b>		<b>(389,917,348)</b>	<b>(245,277,822)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		3,423,385,926	3,413,327,440
Net payments against redemption of units		(3,329,722,451)	(2,674,878,953)
Refund of Capital		(27,830,405)	(75,772,095)
Dividend distribution		(99,165,629)	(141,050,526)
<b>Net cash (used in)/ generated from financing activities</b>		<b>(33,332,559)</b>	<b>521,625,866</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(423,249,907)</b>	<b>276,348,044</b>
Cash and cash equivalents at the beginning of the year		1,584,796,999	1,308,448,955
<b>Cash and cash equivalents at the end of the year</b>	4	<b>1,161,547,092</b>	<b>1,584,796,999</b>

The annexed notes from 1 to 30 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 2021

## 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, Eleventh and Twelfth 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, 1 June 2020 and 21 December 2021 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.
- 1.5 "The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- "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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these 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)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	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 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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund, taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 12.1, 7.1 and 8.3 respectively.

## 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 and are set out 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.



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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. Given the objectives of the Fund, all investments have been classified as 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'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; 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 etc."

#### 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

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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."

#### 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. The Fund has not used this classification for its investment portfolio.

### 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."

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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."

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

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

### 3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Distribution 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.

		2021	2020
4 CASH AND BANK BALANCES	Note	Rupees	Rupees
<b>In local currency</b>			
- Profit and loss sharing accounts	4.1	1,151,880,873	1,574,256,099
- Current account		5,000	5,000
- Cheques in hand	4.2	9,661,219	10,535,900
		<b>1,161,547,092</b>	<b>1,584,796,999</b>

4.1 The rate of return on these profit and loss sharing accounts ranges between 5.5% to 6.9% (30 June 2020: 6.00% to 7.50%) 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 28 July 2021 (2020: 7 July 2020).

		2021	2020
5 INVESTMENTS	Note	Rupees	Rupees
<b>At fair value through profit or loss</b>			
Debt securities - sukuk certificates	5.1	242,211,575	298,635,827
Islamic commercial paper	5.2	240,591,390	-
Government of Pakistan - Ijarah Sukuk	5.3	283,976,500	257,077,500
Certificate of Musharika	5.4	300,000,000	-
Investment in Bai Muajjal	5.5	-	-
		<b>1,066,779,465</b>	<b>555,713,327</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 5.1 Debt securities - sukuk certificates

Particulars	As at 01 July 2020	Acquired during the year	Disposed during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Unrealised depreciation as at 30 June 2021	Market value as a percentage of		
								Total Investments	Net Assets	Total Issue Size
		Number of certificates			Rupees			%age		
<b>BANKS</b>										
Meezan Bank Limited - Tier I (Face Value Rs. 1,000,000)	50	-	-	50	51,250,000	51,781,100	531,100	4.85%	2.40%	0.71%
Meezan Bank Limited - Tier II (Face Value Rs. 1,000,000)	50	-	-	50	50,717,800	51,875,000	1,157,200	4.86%	2.40%	1.25%
<b>Fertilizers</b>										
Dawood Hercules Corporation Limited Sukuk 2 (Face Value Rs. 70,000)	1,000	-	1,000	-	-	-	-	-	-	-
Dawood Hercules Corporation Limited Sukuk 1 (Face Value Rs. 70,000)	835	-	835	-	-	-	-	-	-	-
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited (Face Value Rs. 100,000)	550	-	-	550	56,179,640	56,096,975	(82,665)	5.26%	2.60%	7.86%
Hub Power Holding Limited (Face Value Rs. 100,000)	-	1,000	-	1,000	82,458,500	82,458,500	-	7.73%	3.82%	-
<b>Total - June 30, 2021</b>					<b>240,605,940</b>	<b>242,211,575</b>	<b>1,605,635</b>	<b>22.70%</b>	<b>11.23%</b>	
<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>	

5.1.1 The cost of these investments at 30 June 2021 amounted to Rs. 237,458,500 (30 June 2020: Rs. 324,243,025).

5.1.2 These carry quarterly and semi annually rate of return ranging from "3 months Kibor + 1%" and "6 months Kibor + 0.5%" to "6 months Kibor + 0.90%" (30 June 2020: "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 (30 June 2020: 09 January 2030).

## 5.2 Islamic commercial paper

Particulars	As at 01 July 2020	Acquired during the year	Disposed during the year	As at 30 June 2021	Carrying value as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets
	----- Face Value - Rupees (m) -----				----- Rupees -----		----- %age -----	
K-Electric Limited - ICP 12	-	202	202	-	-	-	-	-
K-Electric Limited - ICP 16	-	40	-	40	39,496,620	39,496,620	3.70%	1.83%
K-Electric Limited - ICP 17	-	130	-	130	127,676,576	127,676,576	11.97%	5.92%
K-Electric Limited - ICP 18	-	75	-	75	73,418,194	73,418,194	6.88%	3.40%
Total - June 30, 2021					240,591,390	240,591,390	22.55%	11.15%
Total - June 30, 2020					-	-	-	-

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**5.2.1** The nominal value of these commercial papers is Rs. 1,000,000 per certificate with 8.41% expected profit rate.

**5.2.2** The securities are valued on the basis of amortization on its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non trade debt securities with residual maturity of up to six months.

### 5.3 Government of Pakistan - Ijarah Sukuk

Script	As at 01 July 2020	Acquired during the year	Disposed during the year	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Unrealised (diminution) / appreciation as at 30 June 2021	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets
	Face Value - Rupees				Rupees		% age		
Government of Pakistan Ijarah Sukuks	262,500,000	390,000,000	365,000,000	287,500,000	283,732,300	283,976,500	244,200	26.62%	13.17%
<b>Total - 30 June 2021</b>					<b>283,732,300</b>	<b>283,976,500</b>	<b>244,200</b>	<b>26.62%</b>	<b>13.17%</b>
<b>Total - 30 June 2020</b>					<b>262,500,000</b>	<b>257,077,500</b>	<b>(5,422,500)</b>	<b>46.26%</b>	<b>12.04%</b>

**5.3.1** Investment in GOP Ijarah Sukuks carried mark up ranging between 6.40% to 8.37% (30 June 2020: 6.63% to 7.65%) per annum and were due to mature between 30 April 2025 to 29 July 2025 (30 June 2020: 30 April 2025 to 29 May 2025). As at 30 June 2021, the cost of investments amounted to Rs. 287,204,800. (30 June 2020: Rs. 262,500,000)

### 5.4 Certificate of Musharika

Investment in Certificate of Musharika carries markup at the rate of 7.25% (30 June 2020: Nil) per annum and is due to mature on 04 August 2021.

### 5.5 Investment in Bai Muajjal

Name of the Investee Company	As at 01 July 2020	Purchases during the period	Sold/ matured during the period	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Market Value as a % of net assets of fund	Market Value as a % of total value of investments of fund
Bai Muajjal (16.02.2021)	-	100,202,100	100,202,100	-	-	-	-	-
Bai Muajjal (18.02.2021)	-	100,252,600	100,252,600	-	-	-	-	-
		<b>200,454,700</b>	<b>200,454,700</b>					

## 6 MARKUP ACCRUED

Markup accrued on:

- Profit and loss sharing accounts
- Sukuk certificates and GoP Ijarah
- Certificate of Musharika

	2021	2020
	Rupees	
	6,844,088	9,257,007
	17,094,342	10,471,954
	3,456,164	-
	<b>27,394,594</b>	<b>19,728,961</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
7	SECURITY DEPOSIT AND OTHER RECEIVABLES	Note	Rupees
	Deposit with Central Depository Company of Pakistan Limited		100,000
	Tax recoverable	7.1	480,800
			<b>580,800</b>
			<b>578,941</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 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.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the Funds has been shown as other receivable as at 30 June 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

"Had the Tax Recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been lower by Rs. 0.11 per unit (30 June 2020: Rs. 0.11 per unit)."

8	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2021	2020
			Rupees	
	Management fee	8.1	775,248	702,479
	Sindh sales tax payable on remuneration of the Management Company	8.2	368,362	358,916
	Federal Excise Duty payable on remuneration of the Management Company	8.3	1,733,902	1,733,902
	Accounting and operational charges payable	15	329,478	298,553
			<b>3,206,990</b>	<b>3,093,850</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 1.5% of average annual net assets, within allowed expense. The Management Company has charged its remuneration at rate of 0.40% per annum of the average annual net assets. The Management Company is entitled to an amount not exceeding 2% of the average annual net assets, within allowed expense. With effect from 01 January 2020 Management Company has decided to revise the management fee from 0.3% to 0.4%. The fee is payable to the Management Company monthly in arrears.



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 8.2** During the year, an amount of Rs. 1,112,270 (2020: Rs. 881,087) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,102,824 (2020: Rs.830,972) 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 2020: 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 2021 would have been higher by Rs. 0.41 per unit (30 June 2020: Re. 0.41 per unit).

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

	Note	2021 Rupees	2020 Rupees
Trustee fee payable	9.1	145,338	131,715
Sindh sales tax payable on trustee fee	9.2	18,895	17,123
Settlement charges payable		-	500
Sindh sales tax payable on settlement charges		-	65
		<b>164,233</b>	<b>149,403</b>

- 9.1** 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 27 June 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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 9.2 During the year, an amount of Rs. 208,550 (2020: Rs. 182,072) 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. 206,844 (2020: Rs. 185,707) was paid to the Trustee which acts as a collecting agent.

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

	Note	2021 Rupees	2020 Rupees
Annual fee payable	10.1	427,796	373,481

- 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% (30 June 2020: 0.02%) of net assets on all categories of CISs.

### 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.

### 12 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2021 Rupees	2020 Rupees
Auditors' remuneration payable		287,550	320,490
Printing charges payable		12,357	-
Payable to shariah advisor		45,000	45,000
Withholding tax and capital gain tax payable		7,540,917	13,172,128
Zakat payable		49,036	50,457
Other payable		544,554	544,554
Provision for Sindh Workers' Welfare Fund	12.1	10,817,933	8,134,880
		<b>19,297,347</b>	<b>22,267,509</b>

- 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, 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 Mutual Fund Association of Pakistan (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 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 / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

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 2021, the net asset value of the Fund as at 30 June 2021 would have been higher by Rs. 2.54 per unit (2020: Rs. 1.92 per unit).

### 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2021 and 30 June 2020.

### 14 MARKUP INCOME

Markup income on:

- Profit and loss sharing accounts
- Sukuk certificates
- Government of Pakistan (GoP) ijarah sukuks
- Commercial paper
- Certificate of Musharka
- Term deposit receipts
- Bai Muajjal

	2021	2020
	Rupees	
	78,062,417	180,473,150
	26,934,830	34,841,408
	30,555,478	2,631,029
	5,492,507	-
	3,456,164	-
	1,664,384	-
	3,479,120	-
	<b>149,644,900</b>	<b>217,945,587</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 0.17% of the average annual net assets of the Fund (2020: 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
- Income Certification
- Code of Corporate Governance
- Sindh Sales Tax on services
- Out of pocket expenses
- Prior year adjustment

	2021	2020
	Rupees	
	190,000	175,000
	95,000	55,000
	60,500	55,000
	-	50,000
	30,040	28,800
	30,000	25,000
	(112,590)	(20,520)
	<b>292,950</b>	<b>368,280</b>

### 17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2021 is 0.93% (2020: 0.96%) which includes 0.21% (2020: 0.3%) 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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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 2021 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:

	2021	2020
	----- Rupees -----	----- Rupees -----
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	8,555,924	6,777,591
Remuneration paid	8,483,155	6,392,093
Sindh Sales Tax on remuneration of the Management Company	1,112,270	881,087
Accounting and operational charges	3,636,267	2,762,881
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,604,236	1,400,553
Sindh sales tax on remuneration of the Trustee	208,550	182,072
Remuneration paid to the Trustee	1,590,613	1,428,513
Settlement charges	202,500	11,194
Sindh sales tax on settlement charges		1,455
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 2 (2020: 3) units	969	1,636
Dividend declared	1,140	1,925
Outstanding 39 (2020: 37) units - at net asset value	19,549	18,543

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
<b>Honda Atlas Power Product (Private) Limited</b>		
Issue of 4 (2020: 6) units	1,907	3,220
Dividend declared	2,244	3,788
Outstanding 76 (2020: 72) units - at net asset value	38,464	36,484
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of Nil (2020: 33) units	-	17,081
Redemption of 3,983 (2020: Nil) units	2,019,812	-
Dividend declared	-	228,502
Outstanding Nil (2020: 3,983) units - at net asset value	-	2,010,840
<b>Atlas Insurance Limited Window Takaful Operations</b>		
Issue of 98,415 (2020: 78,570) units	50,000,000	40,000,000
Redemption of 98,415 (2020: 78,570) units	50,388,503	42,024,750
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 287,134 (2020: 157,383) units	148,821,696	84,049,891
Redemption of 34,559 (2020: 63,831) units	17,500,000	34,000,000
Dividend declared	27,821,696	31,330,235
Outstanding 951,064 (2020: 698,489) units - at net asset value	481,128,597	352,660,251
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 16,094 (2020: 23,421) units	8,236,150	12,350,132
Redemption of 4,469 (2020: 28,861) units	2,340,000	15,400,000
Dividend declared	1,876,150	2,164,920
Outstanding 64,135 (2020: 52,511) units - at net asset value	32,444,798	26,512,035
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 35,907 (2020: 33,588) units	18,582,723	17,583,753
Redemption of 18,956 (2020: 34,049) units	9,980,000	18,150,000
Dividend declared	3,592,723	4,808,641
Outstanding 122,815 (2020: 105,864) units - at net asset value	62,129,986	53,449,498
<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 26,674 (2020: 41,579) units	13,607,868	21,623,611
Redemption of 14,965 (2020: 34,900) units	7,665,000	18,600,000
Dividend declared	5,887,868	9,116,062
Outstanding 201,272 (2020: 189,564) units - at net asset value	101,820,596	95,708,773

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	----- Rupees -----	
<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 22,027 (2020: 217,557) units	11,285,202	119,545,675
Redemption of 20,124 (2020: 172,108) units	10,350,000	96,000,000
Dividend declared	1,385,202	354,877
Outstanding 47,352 (2020: 45,449) units - at net asset value	23,954,692	22,946,705
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 7,120 (2020: 7,342) units	3,671,984	3,820,702
Redemption of 9,608 (2020: 3,115) units	4,913,101	1,692,536
Dividend declared	249,133	258,739
Outstanding 8,457 (2020: 9,001) units - at net asset value	4,278,266	4,544,698

**20.5** 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 2021		
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income
	----- (Rupees) -----		
<b>Financial assets</b>			
Cash and bank balances	1,161,547,092	-	-
Investments	-	1,066,779,465	-
Markup accrued	27,394,594	-	-
Security deposit and other receivables	100,000	-	-
	<b>1,189,041,686</b>	<b>1,066,779,465</b>	<b>-</b>
	<b>2,255,821,151</b>		

	As at 30 June 2021		
	At fair value through profit or loss	At amortised Cost	Total
	----- (Rupees) -----		
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	3,206,990	3,206,990
Payable to Central Depository Company of Pakistan Limited - Trustee	-	164,233	164,233
Payable against redemption of units	-	75,723,636	75,723,636
Dividend payable	-	448,433	448,433
Accrued expenses and other liabilities	-	889,462	889,462
	<b>-</b>	<b>80,432,754</b>	<b>80,432,754</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	As at 30 June 2020			Total
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
	(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			Total
	At fair value through profit or loss	At amortised Cost		
	(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>4,486,187</b>		<b>4,486,187</b>

## 22 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 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 another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. 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 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."

### 22.1 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 Fund's income will fluctuate due to changes in the market profit rates. As of 30 June 2021, the Fund is exposed to such risk in respect of bank balances and corporate sukuk securities. The investment



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 sukuks 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, 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 16,780,689 (2020: Rs. 21,299,694).

### 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 2021 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 2021 -----					
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	5.5% to 6.9%	1,151,880,873	-	9,666,219	1,161,547,091
Investments	7.12% - 8.45%	-	-	1,066,779,465	1,066,779,465
Markup accrued		-	-	27,394,594	27,394,594
Security deposit and other receivables		-	-	100,000	100,000
		<b>1,151,880,873</b>	<b>-</b>	<b>1,066,779,465</b>	<b>2,255,821,150</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	3,206,990	3,206,990
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	164,233	164,233
Payable against redemption of units		-	-	75,723,636	75,723,636
Unclaimed dividend		-	-	448,433	448,433
Accrued expenses and other liabilities		-	-	889,462	889,462
		<b>-</b>	<b>-</b>	<b>80,432,754</b>	<b>80,432,754</b>
<b>On-balance sheet gap (a)</b>		<b>1,151,880,873</b>	<b>-</b>	<b>(43,271,941)</b>	<b>2,175,388,396</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>1,151,880,873</b>	<b>-</b>	<b>1,066,779,465</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>1,151,880,873</b>	<b>1,151,880,873</b>	<b>2,218,660,338</b>	



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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
		1,574,256,099	-	555,713,327	30,369,861
					2,160,339,287
<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
		-	-	4,486,187	4,486,187
<b>On-balance sheet gap (a)</b>		1,574,256,099	-	555,713,327	25,883,674
					2,155,853,100
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		1,574,256,099	-	555,713,327	
<b>Cumulative interest rate sensitivity gap</b>		1,574,256,099	1,574,256,099	2,129,969,426	

## (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 2021.

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

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
<b>2021</b>						
	Rupees					
<b>Assets</b>						
Cash and bank balances	1,161,547,092	-	-	-	-	1,161,547,092
Investments	-	-	-	1,066,779,465	-	1,066,779,465
Markup accrued	6,844,088	20,550,506	-	-	-	27,394,595
Security deposit and other receivables	-	-	-	100,000	-	100,000
	<b>1,168,391,180</b>	<b>20,550,506</b>	<b>-</b>	<b>1,066,879,465</b>	<b>-</b>	<b>2,255,821,151</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	3,206,990	-	-	-	-	3,206,990
Payable to Central Depository Company of Pakistan Limited - Trustee	164,233	-	-	-	-	164,233
Payable against redemption of units	75,723,636	-	-	-	-	75,723,636
Dividend payable	448,433	-	-	-	-	448,433
Accrued expenses and other liabilities	544,554	-	344,907	-	-	889,462
	<b>80,087,846</b>	<b>-</b>	<b>344,907</b>	<b>-</b>	<b>-</b>	<b>80,432,753</b>
<b>Net assets / (liabilities)</b>	<b>1,088,303,334</b>	<b>20,550,506</b>	<b>(344,907)</b>	<b>1,066,879,465</b>	<b>-</b>	<b>2,175,388,398</b>

	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 2021

### 22.3 Credit risk

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

	2021		2020	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	1,161,547,092	1,161,547,092	1,584,796,999	1,584,796,999
Investments	1,066,779,465	1,066,779,465	555,713,327	555,713,327
Markup accrued	27,394,595	27,394,595	19,728,961	19,728,961
Security deposit and other receivables	580,800	580,800	578,941	578,941
	<b>2,256,301,952</b>	<b>2,256,301,952</b>	<b>2,160,818,228</b>	<b>2,160,818,228</b>

#### 22.3.1 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	
	2021	2020
GOP Ijarah Sukuks (Government Guaranteed)	16.92	12.55
Sukuk Certificates	14.43	10.60
AAA	0.44	30.70
AA+	0.00	0.33
AA	0.39	23.11
AA-	0.01	19.67
A+	41.67	3.04
A	26.14	-
	<b>100.00</b>	<b>100.00</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 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.

### 22.4 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.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

### 22.5 Fair value hierarchy

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

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

As at 30 June 2021, 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.

## 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	2021			2020		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	1179	714,627,380	33.14%	1049	556,561,919	26.07%
Insurance Companies*	8	43,021,863	1.99%	8	280,140,060	13.12%
Others	16	959,313,756	44.47%	10	294,432,393	13.79%
Banks/ DFIs	-	-	-	5	551,237,880	25.82%
Associated Companies/ Directors	3	390,848	0.02%	4	2,374,411	0.11%
Retirement Funds	21	439,679,669	20.38%	19	449,854,820	21.09%
	<b>1,227</b>	<b>2,157,033,516</b>	<b>100%</b>	<b>1,095</b>	<b>2,134,601,483</b>	<b>100%</b>

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 25 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 Years

## 26 NAME AND QUALIFICATION OF 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 Atlas Islamic Money Market Fund

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

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

Name of Director	Meeting held on					
	06 July 2020	10 Sep 2020	26 Oct 2020	25 Feb 2021	29 Apr 2021	25 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Frahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P	P
Ms Zainab Kazim (Company Secretary)	P	L	L	P	P	P

P Present  
L Leave of absence

## 28 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) [2020: AM2+ (AM Two Plus)] on 24 December 2020. 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)" [2020: "AA- (f)"] on 16 April 2021.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 29 GENERAL

The figures have been rounded off to the nearest Rupee.

### 30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 6 September 2021.

**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

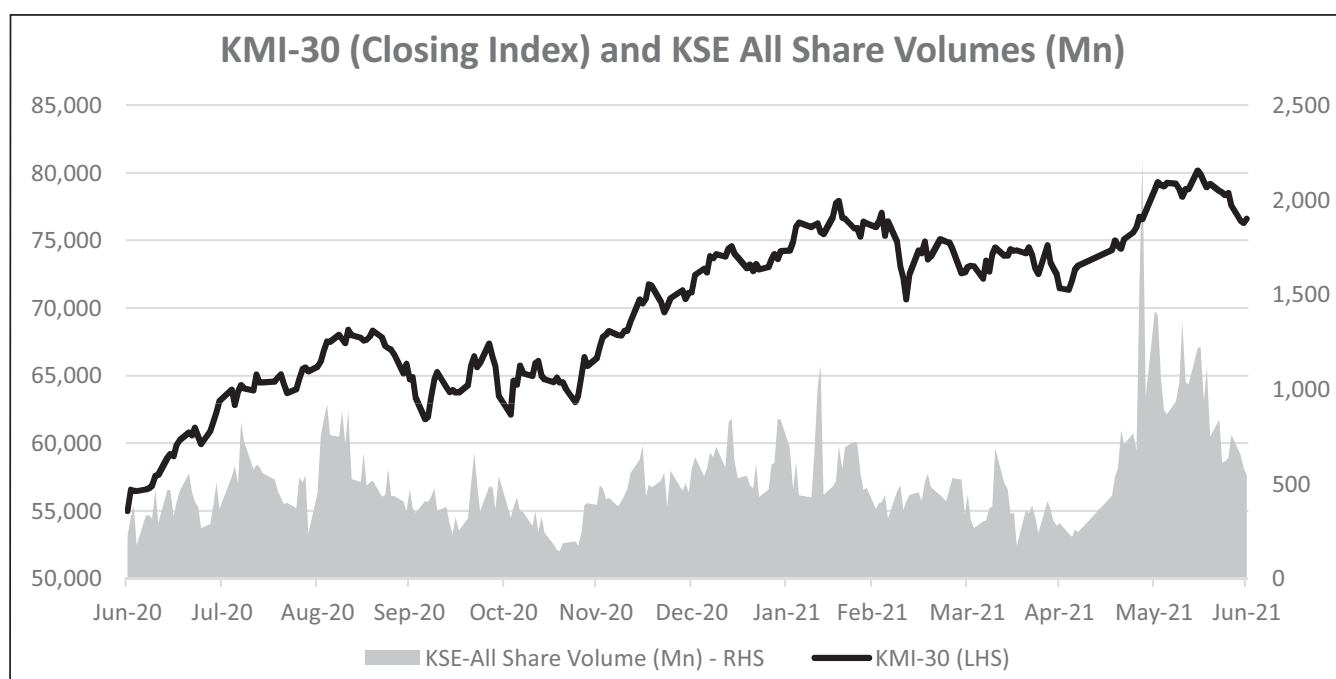
Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking



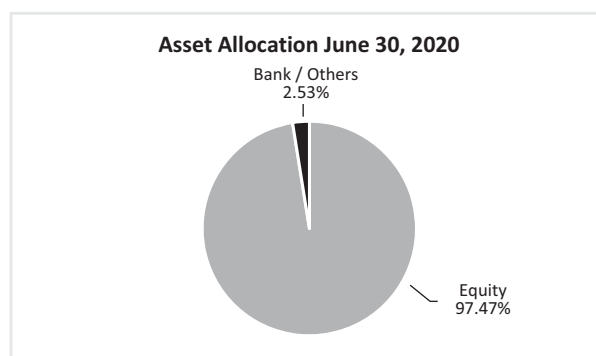
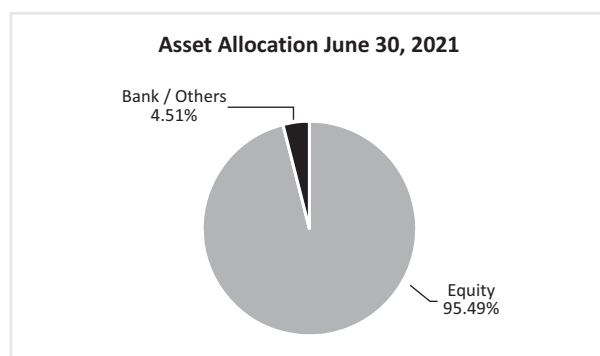
## Fund Manager's Report

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

The KMI-30 index increased 39.3% from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. The daily average volume during FY21 increased by 168.8% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.



The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) increased by 36.64% to Rs. 573.13 as on June 30, 2021. The benchmark KMI-30 index increased by 39.32% during the same period. The KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. 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 95.49% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Commercial Banks. The Net Assets of the Fund stood at Rs. 2.71 billion, with 4.72 million units outstanding as of June 30, 2021.





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. 50.00 per unit for the period ended June 30, 2021 (10.00% on the face value of Rs. 500 per unit).

#### The Administrative Plans:

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

Administrative Plans	Proportionate Investment in		Return (period ended)			
	AIIF	AISF	2017-18	2018-19	2019-20	2020-21
Atlas Bachat Islamic Plan	85%	15%	3.00%	4.37%	11%	10.90%
Atlas Bachat Balanced Islamic Plan	50%	50%	-1.48%	-5.24%	9.55%	21.50%
Atlas Bachat Growth Islamic Plan	15%	85%	-5.96%	-14.84%	8.12%	32.10%

#### Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	674	467,448,693	17.27%
Retirement Funds	10	818,818,774	30.25%
Associated Companies/ Directors	8	917,582,392	33.90%
Others	9	366,607,606	13.54%
Insurance Companies	3	136,283,984	5.03%
<b>Total</b>	<b>704</b>	<b>2,706,741,450</b>	<b>100.00%</b>

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 33,881,485 (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, 2021 (Rs. 2.21 per unit).

The Total Expense Ratio (TER) of the Fund is 4.00% including expenses representing Government levy, SWWF and SECP Fee of 1.00%.

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: 6 September 2021

**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	187	187	-	-
%	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.

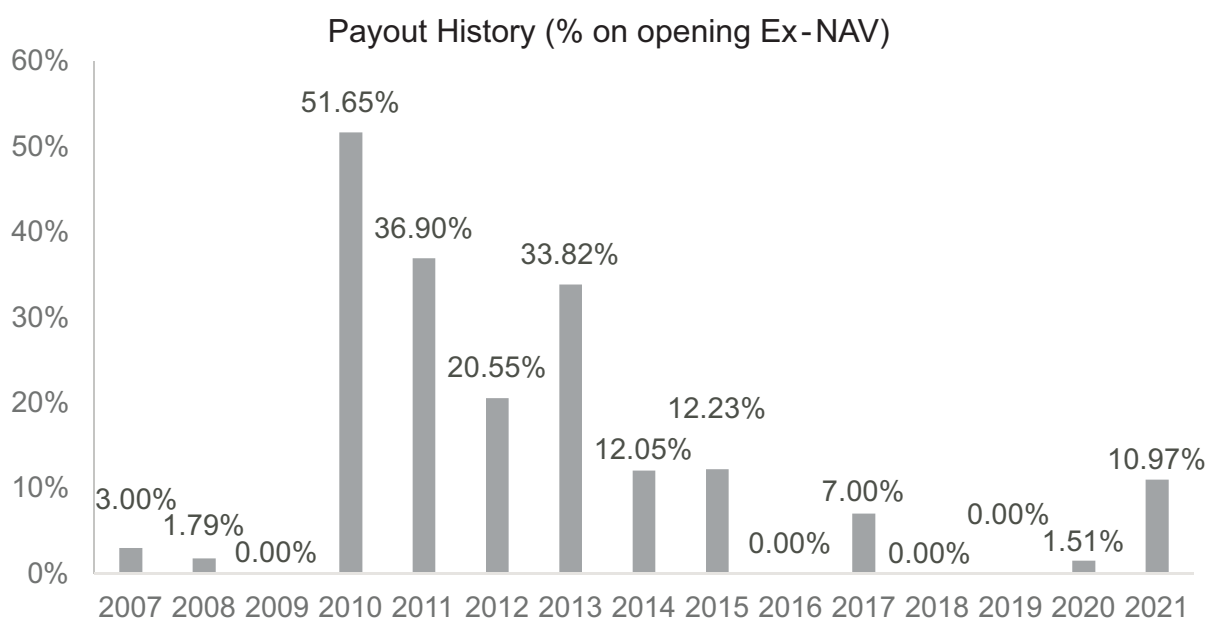
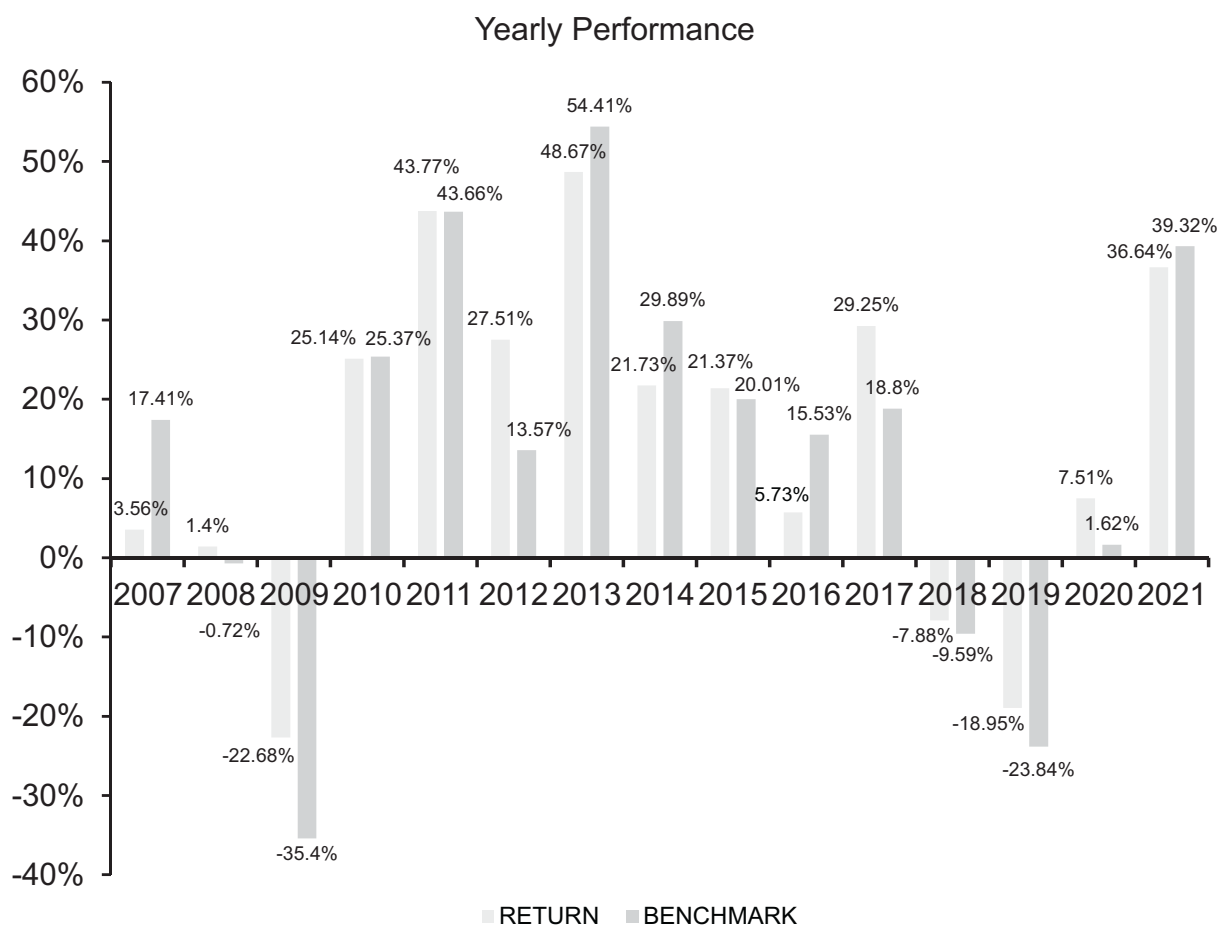
### Performance Since Inception

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007*
Net Assets (Rs. in '000)	2,706,741	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	4,722,705	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.)	573.13	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)	711,018	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.)	150.55	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 (%)	36.64	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.)	586.08	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.)	573.13	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.)	50.00	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	10.97	1.51	-	-	7.41	-	12.23	12.05	33.82	20.55	36.90	51.65	-	1.79	3.00
Date of Distribution	28-Jun-21	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.)	657.67	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.)	481.07	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.)	643.14	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.)	470.44	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.



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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, 2021 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: 30 September 2021

**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, 2021 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 2021

**Dr. Mufti Hassan Usmani**  
Shariah Advisor

# 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 2021, 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 2021, 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 2021, 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 2021.</li><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></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <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 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 Mr. Arslan Khalid.

Karachi: 20 September 2021

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



# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
Bank balances	4	79,257,880	42,077,624
Investments	5	2,680,575,760	1,834,162,742
Profit receivable on bank balances		352,047	261,877
Receivable against sale of investments		38,060,666	-
Dividend receivable		3,801,825	138,000
Advance, security deposits and other receivables	6	5,197,419	5,197,419
<b>Total assets</b>		<b>2,807,245,597</b>	<b>1,881,837,662</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	7	18,770,072	16,364,057
Payable to Central Depository Company of Pakistan Limited - Trustee	8	346,485	266,731
Payable to the Securities and Exchange Commission of Pakistan	9	476,814	289,352
Payable against redemption of units	10	1,384,692	17,508,280
Accrued expenses and other liabilities	11	79,526,084	24,094,124
<b>Total liabilities</b>		<b>100,504,147</b>	<b>58,522,544</b>
<b>NET ASSETS</b>		<b>2,706,741,450</b>	<b>1,823,315,118</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>2,706,741,450</b>	<b>1,823,315,118</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>4,722,705</b>	<b>4,001,514</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>573.1337</b>	<b>455.6563</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 2021

	Note	2021 Rupees	2020
<b>INCOME</b>			
Profit on bank balances		3,365,522	5,800,719
Dividend income		111,751,534	65,485,654
Capital gain on sale of investments - net		351,052,100	115,862,830
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	340,329,557	53,142,025
		<b>691,381,657</b>	<b>169,004,855</b>
<b>Total income</b>		<b>806,498,713</b>	<b>240,291,228</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	57,217,097	32,145,340
Sindh sales tax on remuneration of the Management Company	7.2	7,438,223	4,178,894
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	3,384,045	2,446,737
Sindh sales tax on remuneration of the Trustee	8.2	439,926	318,076
Annual fee - Securities and Exchange Commission of Pakistan	9	476,815	289,377
Accounting and operational charges	13	5,946,720	2,134,859
Shariah advisory fee		200,000	291,667
Auditors' remuneration	15	349,916	456,945
Securities transaction cost		5,195,952	3,786,441
Annual listing fee		30,138	27,500
Printing charges		58,512	-
Provision for Sindh Workers Welfare Fund		14,510,562	3,879,735
Legal and professional charges		211,560	195,500
Bank charges		21,686	32,228
<b>Total expenses</b>		<b>95,481,152</b>	<b>50,183,299</b>
<b>Net income for the year before taxation</b>		<b>711,017,561</b>	<b>190,107,929</b>
<b>Taxation</b>	16	-	-
<b>Net income for the year after taxation</b>		<b>711,017,561</b>	<b>190,107,929</b>
<b>Earnings per unit</b>	17		
<b>Allocation of net income for the year</b>			
- Net earnings for the year after taxation		711,017,561	190,107,929
- Income already paid on units redeemed		(180,874,776)	(17,889,423)
		<b>530,142,785</b>	<b>172,218,506</b>
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		691,381,657	169,004,855
-Excluding capital gains		(161,238,872)	3,213,651
		<b>530,142,785</b>	<b>172,218,506</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 2021

	2021	2020
	Rupees	
<b>Net income for the year after taxation</b>	<b>711,017,561</b>	<b>190,107,929</b>
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income for the year</b>	<b>711,017,561</b>	<b>190,107,929</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 MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021			
	Capital value	Undistributed income	Net assets
	Rupees		
Capital value	1,452,346,030	-	1,452,346,030
<b>Undistributed income brought forward</b>			
- Realised income	-	410,531,817	410,531,817
- Unrealised loss	-	(39,562,729)	(39,562,729)
<b>Net assets at the beginning of the year (Units outstanding: 4,001,514)</b> <b>(Rs. 455.6600 per unit)</b>	<b>1,452,346,030</b>	<b>370,969,088</b>	<b>1,823,315,118</b>
Issue of 4,032,321 units	2,320,718,135	-	2,320,718,135
Redemption of 3,311,130 units	(1,743,960,643)	(180,874,776)	(1,924,835,419)
Total comprehensive income for the year	-	711,017,561	711,017,561
Refund of element	(72,607,527)	-	(72,607,527)
Final cash dividend declared for the year ended 30 June 2021			
Rs. 50 per unit declared on 28 June 2021	-	(146,586,050)	(146,586,050)
Shariah non-compliant income set-aside for charity	-	(4,280,368)	(4,280,368)
<b>Net assets at end of the year (Units outstanding: 4,722,705)</b> <b>(Rs. 573.1337 per unit)</b>	<b>1,956,495,995</b>	<b>750,245,455</b>	<b>2,706,741,450</b>
<b>Undistributed income carried forward</b>			
- Realised income	-	443,117,090	-
- Unrealised income	-	307,128,365	-
	-	<b>750,245,455</b>	-
30 June 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)</b> <b>(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. 6.5 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)</b> <b>(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>	-

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 2021

	2021	2020
Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year after taxation	711,017,561	190,107,929
<b>Adjustments for:</b>		
Profit on bank balances	(3,365,522)	(5,800,719)
Dividend income	(111,751,534)	(65,485,654)
Capital gain on sale of investments - net	(351,052,100)	(115,862,830)
Net unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(340,329,558)	(53,142,025)
Provision for Sindh Workers Welfare Fund	14,510,562	3,879,735
	<b>(791,988,151)</b>	<b>(236,411,493)</b>
<b>(Increase) / Decrease in assets</b>		
Security deposits and other receivable	-	72,714,091
Receivable against sale of investments	(38,060,666)	-
	<b>(38,060,666)</b>	<b>72,714,091</b>
<b>Increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	2,406,015	1,484,262
Payable to Central Depository Company of Pakistan Limited - Trustee	79,754	30,792
Payable to the Securities and Exchange Commission of Pakistan	187,462	(1,273,847)
Payable against purchase of investments	(16,123,588)	-
Accrued expenses and other liabilities	36,641,029	1,329,744
	<b>23,190,672</b>	<b>1,570,951</b>
Profit received on bank balances	3,275,352	6,584,787
Dividend received	108,087,709	65,888,811
Investments made during the year	(2,278,885,747)	(1,568,362,351)
Investments sold during the year	2,123,854,385	1,097,008,540
<b>Net cash used in from operating activities</b>	<b>(139,508,884)</b>	<b>(370,898,735)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	2,320,718,135	1,606,149,166
Net payments against redemption of units	(1,924,835,419)	(1,323,510,276)
Refund of capital	(72,607,527)	(3,754,568)
Dividend paid	(146,586,050)	(22,177,847)
<b>Net cash generated from financing activities</b>	<b>176,689,139</b>	<b>256,706,475</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>37,180,256</b>	<b>(114,192,260)</b>
Cash and cash equivalents at the beginning of the year	42,077,624	156,269,884
<b>Cash and cash equivalents at the end of the year</b>	<b>79,257,880</b>	<b>42,077,624</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 2021

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, 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, 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 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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 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."

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 2021

## 2.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these 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)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023
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.	

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	01 July 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

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund, taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 11.2, 6.1 and 7.3 respectively

### 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 and are set out 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 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. Given the objectives of the Fund, all investments have been classified as 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:



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 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'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; 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 etc.

### **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."

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## **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. The Fund has not used this classification for its investment portfolio.

## **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.

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.

#### **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

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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**

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

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

### 3.6 **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."

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders.

## 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.

		2021	2020
4	BANK BALANCES	Note	Rupees
	In local currency		
	- Profit and loss sharing accounts	4.1	47,467,565
	- Current account		1,477,487
	- Cheque in hand	4.2	30,312,828
			<b>79,257,880</b>
			<b>42,077,624</b>

4.1 The rate of return on these profit and loss sharing accounts ranges between 5.00% to 6.90% (30 June 2020: 7.35% to 7.75%) 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 06 August 2021 (30 June 2020: 20 July 2020).

		2021	2020
5	INVESTMENTS	Note	Rupees
	At fair value through profit or loss		
	- Listed equity securities	5.1	<b>2,680,575,760</b>
			<b>1,834,162,742</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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 2020	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2021	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
Note	Number of shares				Rupees		% age			
<b>Banks</b>										
Bankislami Pakistan Limited	3,122,100	1,700,000	-	4,822,100	-	-	-	-	-	-
Meezan Bank Limited	2,043,692	1,161,284	160,319	1,137,500	2,227,795	174,818,161	257,109,821	9.59	9.50	0.16
	<b>5,165,792</b>	<b>2,861,284</b>	<b>160,319</b>	<b>5,959,600</b>	<b>2,227,795</b>	<b>174,818,161</b>	<b>257,109,821</b>	<b>9.59</b>	<b>9.50</b>	
<b>Textile Composite</b>										
Interloop Limited	438	743,000	-	371,500	371,938	25,718,330	26,046,818	0.97	0.96	0.04
Kohinoor Textile Mills Limited	400,500	289,000	-	247,500	442,000	18,647,691	33,238,400	1.24	1.23	0.15
Nishat Mills Limited	425,000	636,000	-	460,500	600,500	55,659,359	56,026,650	2.09	2.07	0.17
	<b>825,938</b>	<b>1,668,000</b>	<b>-</b>	<b>1,079,500</b>	<b>1,414,438</b>	<b>100,025,380</b>	<b>115,311,868</b>	<b>4.30</b>	<b>4.26</b>	
<b>Cement</b>										
Attock Cement Pakistan Limited	170,400	120,000	-	162,900	127,500	17,537,950	22,927,050	0.86	0.85	0.09
Cherat Cement Company Limited	333,500	185,000	-	385,500	133,000	18,325,013	23,591,540	0.88	0.87	0.07
D.G. Khan Cement Company Limited	356,500	375,000	-	249,500	482,000	55,311,778	56,837,440	2.12	2.10	0.11
Fauji Cement Company Limited	500,000	2,752,000	-	850,000	2,402,000	48,218,851	55,246,000	2.06	2.04	0.17
Gharibwal Cement Limited	-	806,500	-	806,500	-	-	-	-	-	-
Kohat Cement Company Limited	200,450	193,500	-	147,900	246,050	48,588,699	50,806,865	1.90	1.88	0.12
Lucky Cement Limited	343,000	183,000	-	196,800	329,200	189,073,234	284,244,448	10.60	10.50	0.10
Maple Leaf Cement Factory Limited	-	1,095,000	-	600,000	495,000	23,443,550	23,255,100	0.87	0.86	0.05
	<b>1,903,850</b>	<b>5,710,000</b>	<b>-</b>	<b>3,399,100</b>	<b>4,214,750</b>	<b>400,499,075</b>	<b>516,908,443</b>	<b>19.29</b>	<b>19.10</b>	
<b>Refinery</b>										
Attock Refinery Limited	-	215,000	-	115,000	100,000	23,151,285	25,645,000	0.96	0.95	0.09
National Refinery Limited	-	18,000	-	4,000	14,000	7,721,204	7,324,660	0.27	0.27	0.02
	<b>-</b>	<b>233,000</b>	<b>-</b>	<b>119,000</b>	<b>114,000</b>	<b>30,872,489</b>	<b>32,969,660</b>	<b>1.23</b>	<b>1.22</b>	
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited	2,393,280	1,486,000	-	2,285,591	1,593,689	131,401,598	126,969,203	4.74	4.69	0.12
K-Electric Limited (face value Rs. 3.5 per share)	3,200,000	2,100,000	-	35,000	5,265,000	18,771,624	22,007,700	0.82	0.81	0.02
	<b>5,593,280</b>	<b>3,586,000</b>	<b>-</b>	<b>2,320,591</b>	<b>6,858,689</b>	<b>150,173,222</b>	<b>148,976,903</b>	<b>5.56</b>	<b>5.50</b>	
<b>Oil &amp; Gas Marketing Companies</b>										
Attock Petroleum Limited	66,800	-	-	66,800	-	-	-	-	-	-
Hi-Tech Lubricants Limited	37,000	489,500	-	526,500	-	-	-	-	-	-
Pakistan State Oil Company Limited	476,012	316,000	-	341,000	451,012	81,632,245	101,139,441	3.77	3.74	0.10
Shell Pakistan Limited	101,300	10,000	-	111,300	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	840,200	1,257,276	-	1,394,700	702,776	29,948,396	34,140,858	1.27	1.26	0.11
	<b>1,521,312</b>	<b>2,072,776</b>	<b>-</b>	<b>2,440,300</b>	<b>1,153,788</b>	<b>111,580,641</b>	<b>135,280,299</b>	<b>5.04</b>	<b>5.00</b>	
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	85,790	27,900	-	17,900	95,790	125,014,833	146,021,318	5.45	5.39	0.07
Oil & Gas Development Company Limited	1,973,712	894,465	-	473,000	2,395,177	257,299,645	227,613,670	8.49	8.41	0.06
Pakistan Oilfields Limited	165,700	87,894	-	171,000	82,594	30,250,757	32,530,473	1.21	1.20	0.03
Pakistan Petroleum Limited	882,970	1,230,000	-	507,000	1,605,970	149,120,455	139,446,375	5.20	5.15	0.06
	<b>3,108,172</b>	<b>2,240,259</b>	<b>-</b>	<b>1,168,900</b>	<b>4,179,531</b>	<b>561,685,690</b>	<b>545,611,836</b>	<b>20.35</b>	<b>20.16</b>	
<b>Engineering</b>										
Agha Steel Industries Limited	-	968,967	-	968,967	-	-	-	-	-	-
International Industries Limited	75,500	155,000	-	78,000	152,500	33,961,168	32,180,550	1.20	1.19	0.12
International Steels Limited	-	902,000	-	745,000	157,000	15,391,789	14,665,370	0.55	0.54	0.04
Mughal Iron And Steel Industries Ltd	-	185,000	-	27,000	158,000	15,096,142	16,495,200	0.62	0.61	0.05
	<b>75,500</b>	<b>2,210,967</b>	<b>-</b>	<b>1,818,967</b>	<b>467,500</b>	<b>64,449,099</b>	<b>63,341,120</b>	<b>2.37</b>	<b>2.34</b>	
<b>Automobile Assembler</b>										
Indus Motor Company Limited	-	29,000	-	29,000	-	-	-	-	-	-
Millat Tractors Limited	37,000	8,000	3,750	15,900	32,850	23,376,249	35,465,189	1.32	1.31	0.06
Pak Suzuki Motor Company Limited	-	132,000	-	47,500	84,500	25,062,192	30,034,680	1.12	1.11	0.10
	<b>37,000</b>	<b>169,000</b>	<b>3,750</b>	<b>92,400</b>	<b>117,350</b>	<b>48,438,441</b>	<b>65,499,869</b>	<b>2.44</b>	<b>2.42</b>	
<b>Automobile Parts &amp; Accessories</b>										
Panther Tyres Limited	-	356,506	-	5,000	351,506	23,335,152	24,299,610	0.91	0.90	0.25
Thal Limited (face value Rs. 5 per share)	-	113,000	-	-	113,000	51,159,186	47,774,140	1.78	1.77	0.14
	<b>-</b>	<b>469,506</b>	<b>-</b>	<b>5,000</b>	<b>464,506</b>	<b>74,494,338</b>	<b>72,073,750</b>	<b>2.69</b>	<b>2.66</b>	

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2021	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
Note	Number of shares				Rupees		% age			
<b>Cables &amp; Electrical Goods</b>										
Pak Elektron Limited	-	475,000	-	475,000	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	250,000	-	250,000	-	-	-	-	-	-
	-	725,000	-	725,000	-	-	-	-	-	-
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	-	1,000,000	-	50,000	950,000	11,501,343	10,811,000	0.40	0.40	0.05
	-	1,000,000	-	50,000	950,000	11,501,343	10,811,000	0.40	0.40	
<b>Technology &amp; Communications</b>										
Avanceon Limited	-	395,000	-	395,000	-	-	-	-	-	-
Pakistan Telecommunication Company Ltd. Systems Limited	-	2,898,000	-	545,000	2,353,000	23,273,375	27,859,520	1.04	1.03	0.06
	328,000	23,000	12,000	241,000	122,000	20,685,466	68,346,840	2.55	2.53	0.09
	328,000	3,316,000	12,000	1,181,000	2,475,000	43,958,841	96,206,360	3.59	3.55	
<b>Fertilizer</b>										
Engro Fertilizers Limited	1,284,681	1,423,625	-	1,502,850	1,205,456	79,996,539	84,707,393	3.16	3.13	0.09
Engro Corporation Limited	421,656	437,284	-	221,440	637,500	191,283,512	187,813,875	7.01	6.94	0.11
Fatima Fertilizer Company Limited	69,000	-	-	69,000	-	-	-	-	-	-
	1,775,337	1,860,909	-	1,793,290	1,842,956	271,280,051	272,521,268	10.17	10.07	
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	55,000	33,550	-	55,000	33,550	26,136,972	26,583,678	0.99	0.98	0.03
AGP Limited	500	112,500	-	113,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	85,000	137,900	-	157,900	65,000	11,726,534	10,768,550	0.40	0.40	0.02
Highnoon Laboratories Limited	59,855	34,000	9,385	-	103,240	50,886,520	61,944,000	2.31	2.29	0.27
The Searle Company Limited	187,872	89,500	-	171,500	105,872	23,403,956	25,686,665	0.96	0.95	0.04
	388,227	407,450	9,385	497,400	307,662	112,153,982	124,982,893	4.66	4.62	
<b>Chemicals</b>										
Berger Paints Pakistan Limited	-	140,000	-	140,000	-	-	-	-	-	-
Dynea Pakistan Limited	-	33,000	-	33,000	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	1,862,500	827,500	-	1,540,000	1,150,000	46,018,268	54,326,000	2.03	2.01	0.13
ICI Pakistan Limited	20,000	30,000	-	29,000	21,000	16,941,653	18,244,800	0.68	0.67	0.02
Lotte Chemical Pakistan Limited	1,000,000	900,000	-	1,900,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	69,400	-	61,400	8,000	3,037,131	2,816,000	0.11	0.10	0.04
	2,882,500	1,999,900	-	3,703,400	1,179,000	65,997,053	75,386,800	2.82	2.79	
<b>Paper &amp; Board</b>										
Packages Limited	33,500	70,500	-	26,500	77,500	32,752,539	42,253,000	1.58	1.56	0.09
	33,500	70,500	-	26,500	77,500	32,752,539	42,253,000	1.58	1.56	
<b>Leather &amp; Tanneries</b>										
Bata Pakistan Limited	16,000	500	-	7,720	8,780	11,976,271	15,052,432	0.56	0.56	0.12
Service Global Footwear Limited	-	225,000	36,014	-	261,014	14,772,915	15,094,440	0.56	0.56	0.13
	16,000	225,500	36,014	7,720	269,794	26,749,186	30,146,872	1.12	1.11	
<b>Foods &amp; Personal Care Products</b>										
At-Tahur Limited	697,500	607,000	99,750	-	1,404,250	23,840,805	32,719,025	1.22	1.21	0.79
Treet Corporation Limited	-	310,000	-	35,000	275,000	11,445,157	13,609,755	0.51	0.50	0.16
Unity Foods Limited	-	2,635,000	-	2,286,500	348,500	10,277,588	15,515,220	0.58	0.57	0.04
	697,500	3,552,000	99,750	2,321,500	2,027,750	45,563,550	61,844,000	2.31	2.28	
<b>Glass &amp; Ceramics</b>										
Shabbir Tiles & Ceramics Limited (face value Rs. 5 per share)	-	1,095,000	-	695,000	400,000	13,253,122	13,340,000	0.50	0.49	0.12
Tariq Glass Industries Ltd	155,000	-	-	155,000	-	-	-	-	-	-
	155,000	1,095,000	-	850,000	400,000	13,253,122	13,340,000	0.50	0.49	
<b>Miscellaneous</b>										
Synthetic Products Enterprises Limited	163,500	-	-	163,500	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	200,000	-	200,000	-	-	-	-	-	-
	163,500	200,000	-	363,500	-	-	-	-	-	-
Total as at 30 June 2021						2,340,246,204	2,680,575,760	100.00	99.03	
Total as at 30 June 2020						1,781,020,716	1,834,162,744	100.00	99.03	

5.2 The cost of listed equity securities as at 30 June 2021 is Rs. 2,373,447,395 (30 June 2020: Rs. 1,873,725,471).

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 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	
	2021	2020	2021	2020
	----- Rupees-----			
The Hub Power Company Limited	-	200,000	-	14,500,000
Pakistan Petroleum Company Limited	135,000	135,000	11,722,050	11,715,300
Pakistan State Oil Company Limited	110,000	110,000	24,667,500	17,397,600
Lucky Cement Limited	75,000	75,000	64,758,000	34,618,500
Engro Corporation Limited	55,000	-	16,203,550	-
	<b>375,000</b>	<b>520,000</b>	<b>117,351,100</b>	<b>78,231,400</b>

		2021	2020
	Note	----- Rupees -----	
<b>6 ADVANCE, SECURITY DEPOSITS AND OTHER RECEIVABLES</b>			
Held with:			
- National Clearing Company of Pakistan Limited		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited		100,000	100,000
Other receivable	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 2020: 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 tax recoverable as at 30 June 2021 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 2021

Had the Tax recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been lower by Rs. 0.55 per unit (30 June 2020: Rs. 0.64 per unit).

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2021	2020
		Rupees	Rupees
Remuneration of the Management Company	7.1	5,386,550	3,625,897
Sindh sales tax payable on remuneration of the Management Company	7.2	2,256,816	2,027,926
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges payable	13	673,321	256,849
		<b>18,770,072</b>	<b>16,364,057</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. The Management Company has charged management fee at the rate of 2.4% per annum of the average annual net assets. Previously, the management was charging the fee at the rate of 2.0% till December 2019, afterwards the rate was increased to 2.4% per annum for rest of the year ending June 2020. The fee is payable to the Management Company monthly in arrears.

**7.2** During the year, an amount of Rs. 7,438,223 (2020: Rs. 4,178,894) 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. 7,209,334 (2020: Rs. 4,023,698) 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



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 10.453 million (30 June 2020: 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 2021 would have been lower by Rs 2.21 per unit (30 June 2020: Rs 2.61 per unit).

### 8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY

	Note	2021 Rupees	2020 Rupees
Trustee fee	8.1	306,631	233,046
Sindh sales tax payable on trustee fee	8.2	39,854	30,295
Settlement charges		-	3,000
Sindh sales tax payable on settlement charges		-	390
		<b>346,485</b>	<b>266,731</b>

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. 439,926 (2020: Rs. 318,076) 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. 430,366 (2020: Rs. 314,274) was paid to the Trustee which acts as a collecting agent.

### 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

	Note	2021 Rupees	2020 Rupees
Annual fee payable	9.1	<b>476,814</b>	<b>289,352</b>

9.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the Securities and Exchange Commission of Pakistan an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.

### 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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2021 Rupees	2020 Rupees
Auditors' remuneration payable		330,421	355,967
Printing charges payable		14,033	-
Rating fee payable		140,000	140,000
Charity payable	11.1	1,579,943	261,000
Transaction charges payable		2,324,516	238,712
Withholding tax and capital gain payable		14,830,976	3,318,111
Payable to shariah advisor		50,001	66,667
Provision for Sindh Workers' Welfare Fund	11.2	33,881,485	19,370,923
Zakat payable		57,205	72,760
Dividend payable		26,047,520	-
Others		269,984	269,984
		<b>79,526,084</b>	<b>24,094,124</b>

**11.1** The Shariah Advisor of the Fund has certified an amount of Rs. 4,280,368 (30 June 2020: Rs. 1,388,796) 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 Mutual Fund Association of Pakistan (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 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 / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

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 2021 would have been higher by Rs. 7.17 per unit (30 June 2020: Rs. 4.84 per unit).

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2021 and 30 June 2020.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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 0.17% of the average annual net assets of the fund for the period from 01 July 2020 to 02 December 2020 and 0.30% of the average annual net assets of the fund for the period from 03 December 2020 to 30 June 2021 (2020: 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 2021 is 4.00% (30 June 2020: 3.46%) which includes 1.00% (30 June 2020: 0.64%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 15 AUDITORS' REMUNERATION

	2021	2020
	----- Rupees -----	
Audit fee	222,100	200,000
Half yearly review of financial statements	111,000	72,600
Certification charges	60,500	110,500
Out of pocket expenses	40,000	30,000
Sindh sales tax on services	34,688	33,048
Prior year adjustment	(118,372)	10,797
	<b>349,916</b>	<b>456,945</b>

## 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 the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders. Since the management has paid the required minimum percentage of income earned by the the Fund during the year ended 30 June 2021 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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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:

	2021	2020
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	57,217,097	32,145,340
Remuneration paid	55,456,443	30,951,521
Sindh sales tax on remuneration of the Management Company	7,438,223	4,178,894
Accounting and operational charges	5,946,720	2,134,859
Remuneration payable to the Management Company	5,386,550	3,625,897
Issue of 21,777 (2020: 36,766) units	10,303,519	15,240,853
Dividend declared	2,904,036	236,623
Outstanding 58,622 (2020:36,846) units - at net asset value	33,598,630	16,789,185
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	3,384,045	2,446,737
Sindh sales tax on remuneration of the Trustee	439,926	318,076
Remuneration paid	3,310,461	2,417,487
Remuneration payable to the Trustee	306,631	233,046
Settlement charges	192,075	112,883
Sindh sales tax on settlement charges	24,970	14,675
<b>Atlas Insurance Limited (Group company)</b>		
Issue of 249,093 (2020: 641,787) units	148,800,726	253,679,091
Redemption of 261,423 (2020: Nil) units	157,455,660	-
Dividend declared	29,197,792	2,932,830
Outstanding 629,456 (2020: 641,787) units - at net asset value	360,762,619	292,436,618
<b>Atlas Insurance Limited - Window Takaful Operation</b>		
Issue of 47,099 (2020: Nil) units	25,000,000	-
Redemption of 47,099 (2020: Nil) units	25,567,750	-
<b>Atlas Foundation (Group company)</b>		
Issue of 1,285 (2020: Nil) units	659,142	-
Dividend declared	5,241,628	673,723
Outstanding 104,935 (2020: 103,650) units - at net asset value	60,141,610	47,229,030

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 ----- Rupees -----	2020
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 13,071 (2020: 2,672) units	7,568,436	1,186,405
Dividend declared	8,904,042	1,143,628
Outstanding 191,152 (2020: 178,081) units - at net asset value	109,555,795	81,144,311
<b>Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Issue of 8,587 (2020: 1,638) units	4,971,936	744,568
Dividend declared	4,971,936	744,568
Redemption of 16,748 (2020: Nil) units	10,000,000	-
Outstanding 108,026 (2020: 116,187) units - at net asset value	61,913,186	52,941,568
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Issue of 20,295 (2020: 47,517)	11,843,858	20,988,226
Redemption of 18,201 (2020: 30,082) units	9,969,716	15,500,000
Dividend declared	7,193,858	918,655
Outstanding 156,301 (2020: 154,208) units - at net asset value	89,581,735	70,266,580
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of 8,126 (2020: 1,329)	4,705,011	604,307
Dividend declared	5,535,307	710,950
Outstanding 118,832 (2020: 110,706) units - at net asset value	68,106,706	50,444,358
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of Nil (2020: 442,192) units	-	180,000,000
Dividend declared	22,109,596	2,874,247
Outstanding 442,192 (2020: 442,192) units - at net asset value	253,435,088	201,489,168
<b>Shirazi Investments (Private) Limited Employee Provident Fund (Retirement benefit plan of group company)</b>		
Issue of 441 (2020: 5,219) units	255,225	2,197,542
Dividend declared	255,225	183,628
Redemption of 25,721 (2020: Nil) units	15,240,102	-
Outstanding 5,545 (2020: 30,826) units - at net asset value	3,178,203	14,045,961
<b>Directors and their close family members and key management personnel and executives of the Management Company</b>		
Issue of 39,474 (2020: 20,968) units	21,642,324	9,043,754
Redemption of 21,616 (2020: 14,351) units	12,520,109	6,471,155
Dividend declared	8,408,164	10,631,052
Outstanding 180,136 (2020: 134,720) units - at net asset value	103,243,267	61,386,454

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021-----			
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	79,257,880	-	79,257,880
Investments	-	2,680,575,760	2,680,575,760
Profit receivable on bank balances	352,047	-	352,047
Receivable against sale of investments	38,060,666	-	38,060,666
Dividend receivable	3,801,825	-	3,801,825
Security Deposit	2,600,000	-	2,600,000
<b>124,072,418</b>	<b>2,680,575,760</b>	<b>-</b>	<b>2,804,648,178</b>

-----As at 30 June 2021-----			
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			
<b>Financial Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	18,770,072	18,770,072
Payable to Central Depository Company of Pakistan Limited - Trustee	-	346,485	346,485
Payable against redemption of units	-	1,384,692	1,384,692
Accrued expenses and other liabilities	-	4,766,102	4,766,102
	<b>-</b>	<b>25,267,351</b>	<b>25,267,351</b>

-----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>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	-----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	-	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
	-	<b>35,544,158</b>	<b>35,544,158</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 another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. 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 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 2021, 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 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 489,438 (2020: Rs. 386,496).

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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 2021 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 2021 can be determined as follows:

----- 2021 -----					
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	5.90 - 6.90	79,257,880	-	-	79,257,880
Investments		-	-	2,680,575,760	5,361,151,520
Profit receivable on bank balances		-	-	352,047	352,047
Receivable against sale of investments		-	-	38,060,666	38,060,666
Dividend receivable		-	-	3,801,825	3,801,825
Security Deposit		-	-	2,600,000	2,600,000
		<b>79,257,880</b>	<b>-</b>	<b>2,680,575,760</b>	<b>5,485,223,938</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	18,770,072	18,770,072
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	346,485	346,485
Payable against redemption of units		-	-	1,384,692	1,384,692
Accrued expenses and other liabilities		-	-	4,766,102	4,766,102
		<b>-</b>	<b>-</b>	<b>25,267,351</b>	<b>25,267,351</b>
<b>On-balance sheet gap (a)</b>		<b>79,257,880</b>	<b>-</b>	<b>2,680,575,760</b>	<b>5,459,956,587</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>79,257,880</b>	<b>-</b>	<b>2,680,575,760</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>79,257,880</b>	<b>79,257,880</b>	<b>2,759,833,640</b>	



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

----- 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) -----

### Financial Assets

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

### Financial Liabilities

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
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<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
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<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
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<b>Total interest rate sensitivity gap (a + b)</b>		42,077,624	-	-		
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<b>Cumulative interest rate sensitivity gap</b>		42,077,624	42,077,624	42,077,624		
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### (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 2021

In case of 5% increase / decrease in KMI 30 index on 30 June 2021, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 134,028,788 (2020: 91,708,137) 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 2021 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 2021-----						
	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	79,257,880	-	-	-	-	79,257,880
Investments	-	-	-	-	2,680,575,760	2,680,575,760
Profit receivable on bank balances	352,047	-	-	-	-	352,047
Receivable against sale of investments	38,060,666	-	-	-	-	38,060,666
Dividend receivable	3,801,825	-	-	-	-	3,801,825
Security Deposit	-	-	-	-	2,600,000	2,600,000
	<b>121,472,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,683,175,760</b>	<b>2,804,648,178</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	18,770,072	-	-	-	-	18,770,072
Payable to Central Depository Company of Pakistan Limited - Trustee	346,485	-	-	-	-	346,485
Payable against redemption of units	1,384,692	-	-	-	-	1,384,692
Accrued expenses and other liabilities	2,324,516	2,017,570	424,016	-	-	4,766,102
	<b>22,825,765</b>	<b>2,017,570</b>	<b>424,016</b>	<b>-</b>	<b>-</b>	<b>25,267,351</b>
<b>Net assets / (liabilities)</b>	<b>98,646,653</b>	<b>(2,017,570)</b>	<b>(424,016)</b>	<b>-</b>	<b>2,683,175,760</b>	<b>2,779,380,827</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

----- 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 purchase of investmen	-	-	-	-	-	-
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>

### 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.

	2021		2020	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	79,257,880	79,257,880	42,077,624	42,077,624
Profit receivable on bank balances	352,047	352,047	261,877	261,877
Receivable against sale of investments	38,060,666	38,060,666	-	-
Dividend receivable	3,801,825	3,801,825	138,000	138,000
Security Deposit	2,600,000	2,600,000	2,600,000	2,600,000
	<b>124,072,418</b>	<b>124,072,418</b>	<b>45,077,501</b>	<b>45,077,501</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 2.69 million (2020: Rs 1.83 million) are not exposed to credit risk.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 20.4.1 Credit quality of financial assets

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

Ratings of amounts placed with banks	% of financial assets exposed to credit risk	
	2021	2020
AAA	6.78	12.17
AA+	1.77	0.22
AA	0.02	0.02
A+	88.70	87.59
A	2.74	-
	<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 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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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

Category	2021			2020		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Individuals	674	467,448,694	17.27	654	206,527,611	11.33
Retirement Funds	10	818,818,774	30.25	12	565,800,982	31.03
Associated Companies/ Directors	8	917,582,392	33.90	8	733,737,798	40.24
Others	9	366,607,606	13.54	7	163,347,245	8.96
Insurance Companies	3	136,283,984	5.03	3	153,901,482	8.44
	<b>704</b>	<b>2,706,741,450</b>	<b>100.00</b>	<b>684</b>	<b>1,823,315,118</b>	<b>100.00</b>

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

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Pvt) Ltd	7.35%	Optimus Capital Management (Pvt) Ltd	7.76%
Topline Securities Limited	6.88%	Taurus Securities Limited	7.06%
BIPL Securities Limited	5.27%	Habib Metropolitan Financial Services Limited	6.62%
ABA Ali Habib Securities (Pvt) Limited	5.24%	Alfalah securities (Private) Limited	6.36%
Ismail Iqbal Securities (Pvt) Ltd	4.89%	Shajar Capital Pakistan (Private) Limited	5.66%
Alfalah CLSA Securities (Private) Limited	4.89%	Topline Securities Limited	5.49%
Next Capital Limited	4.33%	AKD Securities Limited	5.48%
JS Global Capital Limited	4.26%	Pearl Securities Limited	5.21%
Foundation Securities (Private) Limited	4.22%	Insight Securities (Private) Limited	5.03%
Intermarket Securities Limited	3.99%	BMA Capital Management Limited	4.81%

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 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					
	06 July 2020	10 Sep 2020	26 Oct 2020	25 Feb 2021	29 Apr 2021	25 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Frahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	L	L	P	P	P

P Present

L Leave of absence

## 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) [2020: AM2+ (AM Two Plus)] on 24 December 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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 6 September 2021.

**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





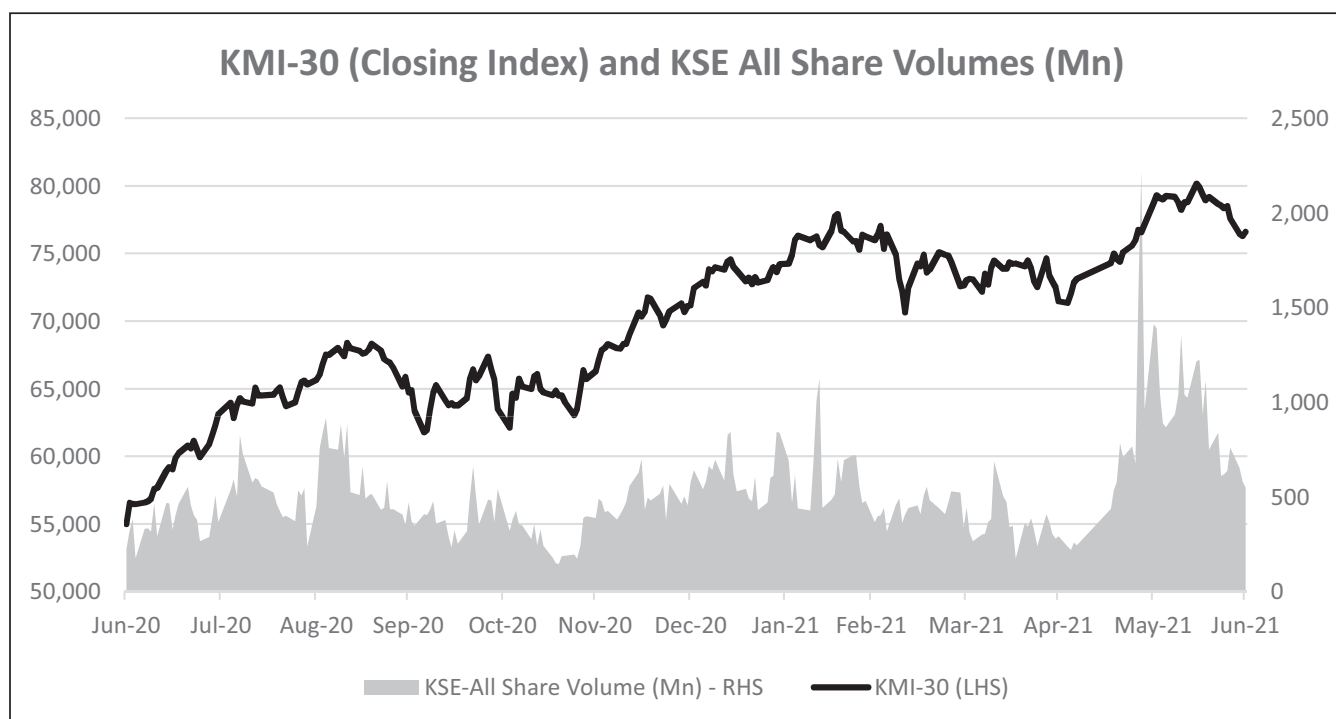
## Fund Manager's Report

The objective of Atlas Islamic Fund of Funds (AIFOF) 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 AIFOF 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 STOCK MARKET

The KMI-30 index increased 39.32% from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. The daily average volume during FY21 increased by 168.80% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.



The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 28.08% to Rs. 594.48 as on June 30, 2021. AAAIP was 24.39% and 70.73% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 21.54% to Rs. 583.38 as on June 30, 2021. AMAIP was 44.83% and 52.24% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 14.15% to Rs. 567.10 as on June 30, 2021. ACAIP was 70.28% and 27.98% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 12.25% to Rs. 531.32 as on June 30, 2021. AICPP was 94.07% and 5.09% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Dividend Plan (AIDP) increased by 5.58% (annualized basis) as on June 30, 2021. AIDP was 87.74% invested in AIIF. The Net Assets of AIFOF stood at Rs. 923.46 million as of June 30, 2021.

**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	9	4,482,854	3.49%
Associated companies / Directors	2	124,008,104	96.51%
<b>Total</b>	<b>11</b>	<b>128,490,959</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	12	11,284,460	8.44%
Associated companies / Directors	2	122,487,443	91.56%
<b>Total</b>	<b>14</b>	<b>133,771,902</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	18	1,135,574	0.82%
Associated companies / Directors	2	137,119,865	99.18%
<b>Total</b>	<b>20</b>	<b>138,255,440</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	31	37,641,399	7.59%
Retirement Funds	2	6,032,961.79	1.22%
Associated companies / Directors	2	236,476,847	47.70%
Others	2	215,619,168	43.49%
<b>Total</b>	<b>37</b>	<b>495,770,376</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	4	5,846,015	21.52%
Associated companies / Directors	1	21,321,967	78.48%
<b>Total</b>	<b>5</b>	<b>27,167,982</b>	<b>100.00%</b>

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 aggregate distribution of Rs 17.60 per unit for AAAIP, Rs. 18.60 for AMAIP, Rs. 23.90 for ACAIP and Rs. 28.20 for AICPP for the period ended June 30, 2021.

The Expense Ratio of AAAIP is 0.88%, AMAIP is 0.79%, ACAIP is 0.66%, AICPP is 0.58% and AIDP is 0.74% including expenses representing Government levy of AAAIP is 0.51%, AMAIP is 0.42%, ACAIP is 0.30%, AICPP is 0.26% and AIDP is 0.15%.

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

Karachi: 6 September 2021

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

## Performance Since Inception

	30 June 2021				
	AAAIP	AMAIP	ACAIP	AICPP	AIDP
Net Assets (Rs. in '000)	128,491	133,772	138,255	495,770	27,168
Number of units in issue	216,140	229,306	243,795	933,099	54,336
Net assets value per unit (Rs.)	594.48	583.38	567.10	531.32	500.00
Net (loss) / income (Rs. in '000)	28,014	24,350	17,936	55,728	1,471
Earnings per unit (Rs.)	129.61	106.19	73.57	59.72	27.07
Annual return of the fund (%)	28.08	21.54	14.15	12.25	5.58
Offer Price *** (Rs.)	607.92	596.56	579.92	-	500.00
Redemption Price *** (Rs.)	594.48	583.38	567.10	516.31	500.00
Distribution (Rs.)	17.60	18.60	23.90	28.20	27.03
Distribution as a % of Opening Ex- NAV of units	3.68	3.75	4.62	5.66	5.41
Date of Distribution	29-Jun-21	29-Jun-21	29-Jun-21	29-Jun-21	
Highest offer price per unit (Rs.)	640.39	625.57	609.02	-	500.00
Lowest offer price per unit (Rs.)	500.24	515.62	535.34	-	499.84
Highest redemption price per unit (after applicable back-end load) (Rs.)	626.24	611.74	595.56	543.84	500.00
Lowest redemption price per unit (after applicable back-end load) (Rs.)	489.19	504.23	523.51	489.07	499.84

	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	50.26	58.92	47.75	36.41
Annual return of the fund (%)	10.04	10.95	12.02	10.15	7.28
Offer Price *** (Rs.)	488.75	506.54	529.48	-	500.00
Redemption Price *** (Rs.)	477.95	495.35	517.78	484.41	500.00
Distribution (Rs.)	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	
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 *** (Rs.)	453.92	475.96	506.51	-
Redemption Price *** (Rs.)	443.89	465.44	495.32	474.20
Distribution (Rs.)	-	-	-	-
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

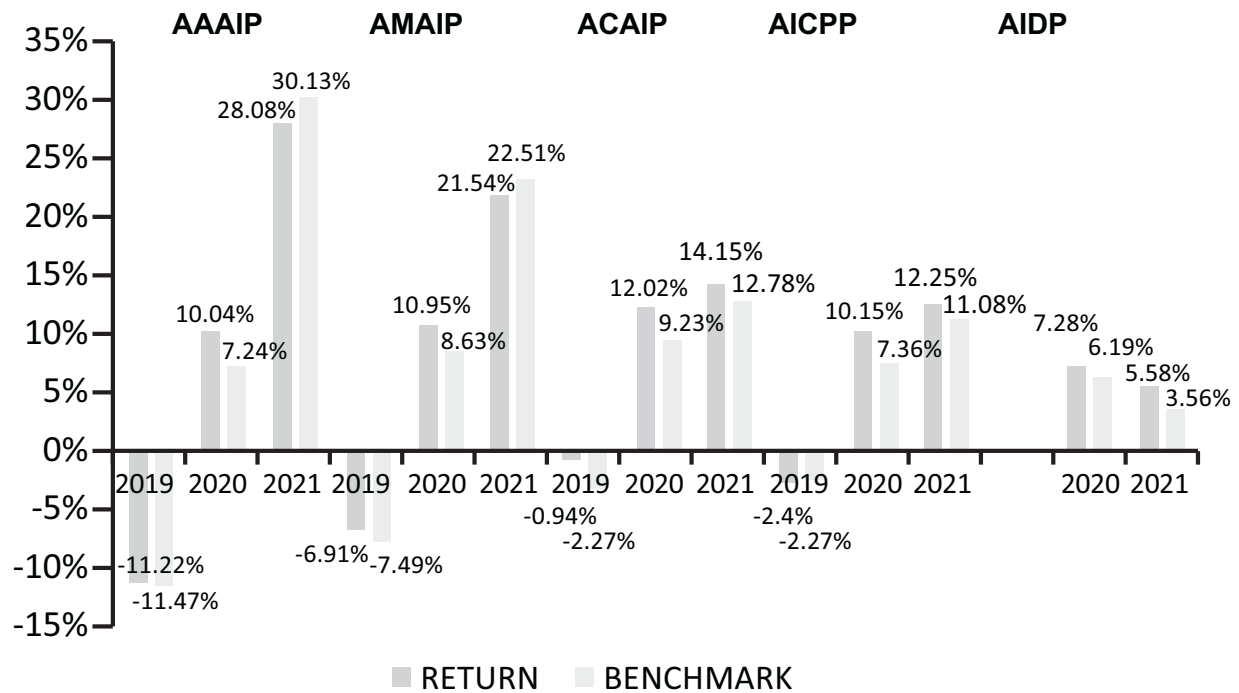
\*Period from 07 January 2019 to 30 June 2019 (Date of Launch: January 07, 2019)

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

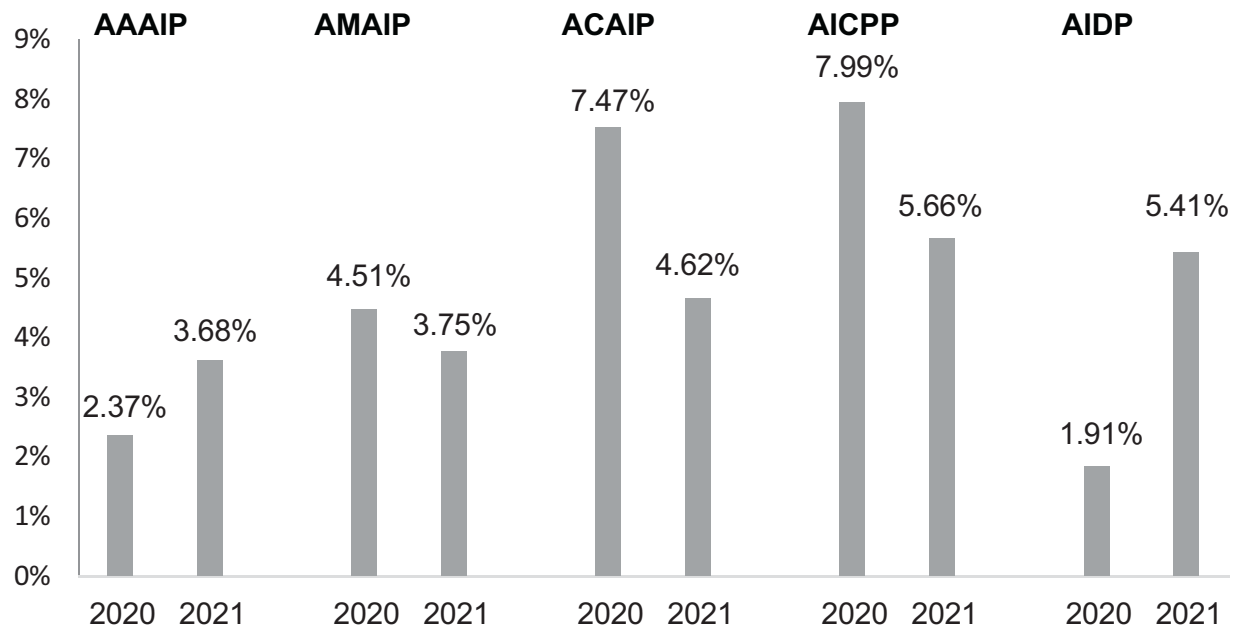
\*\*\* Relates to announced prices.

**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.

## 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 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, 2021 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: 30 September 2021

**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, 2021 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 2021

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

# 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 2021, 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 2021, 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 2021, 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 custodian's statement, related reconciliations and re-performance of investment valuations on the basis of net asset values declared by the respective mutual funds.</li><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></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <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 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.



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- 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 Mr. Arslan Khalid.

Karachi: 20 September 2021

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

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2021

2021													2020												
Rupees							Rupees						Rupees							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	Islamic Dividend Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total							
Note																									
ASSETS																									
Bank balances	4	4,258,055	3,920,135	554,548	3,951,358	3,260,822	15,944,918	465,585	1,550,174	382,627	6,662,587	3,357,209	12,418,182												
Investments - net	5	126,533,606	134,529,047	142,353,795	507,138,596	23,954,693	934,509,737	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742												
Receivable against sale of investments		2,110,000	-	1,825,000	-	-	3,935,000	-	-	-	-	-	-												
Profit receivable on deposit with banks		8,042	17,536	16,468	192,708	18,658	253,422	2,585	5,157	1,886	205,585	31,351	246,564												
Other receivables	6	11,150	9,063	10,318	43,037	66,875	140,443	10,674	9,063	10,318	40,550	-	70,605												
Deferred Formation cost	7	112,109	112,109	112,109	112,109	-	448,434	168,162	168,162	168,162	168,162	-	672,648												
Total assets		132,920,864	138,587,890	144,872,238	511,437,808	27,301,048	955,231,955	102,573,798	117,415,046	134,650,009	475,515,623	26,335,265	856,489,741												
LIABILITIES																									
Payable to Atlas Asset Management Company - Management Company	8	39,205	21,759	42,521	81,082	6,864	191,432	14,666	16,831	19,816	75,342	6,703	133,358												
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	8,555	8,726	9,382	33,046	1,763	61,472	6,614	7,522	8,673	30,639	1,696	55,144												
Payable to the Securities and Exchange Commission of Pakistan	10	23,851	25,904	27,688	98,034	5,414	180,890	19,785	22,292	25,701	91,396	4,871	164,045												
Accrued expenses and other liabilities	11	4,470,390	4,759,599	6,537,206	15,455,269	119,025	31,341,489	2,355,580	4,560,793	7,986,056	19,261,755	186,890	34,351,074												
Total liabilities		4,542,001	4,815,988	6,616,798	15,667,431	133,066	31,775,296	2,396,645	4,607,438	8,040,246	19,459,132	200,160	34,703,621												
NET ASSETS		128,490,961	133,771,902	138,255,440	495,770,377	27,167,982	923,456,662	100,177,153	112,807,608	126,609,763	456,056,491	26,135,105	821,786,120												
UNIT HOLDERS'S FUND (AS PER STATEMENT ATTACHED)		128,490,961	133,771,902	138,255,440	495,770,377	27,167,982	923,456,662	100,177,153	112,807,608	126,609,763	456,056,491	26,135,105	821,786,120												
NUMBER OF UNITS IN ISSUE		216,140	229,306	243,795	933,099	54,336		209,596	227,735	244,525	914,884	52,270													
NET ASSET VALUE PER UNIT		594.4797	583.3773	567.0963	531.3157	500.0000		477.9500	495.3500	517.7800	498.4900	500.0000													
FACE VALUE PER UNIT		500.0000	500.0000	500.0000	500.0000	500.0000		500.0000	500.0000	500.0000	500.0000	500.0000													

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 2021

For the period from  
16 March 2020 to  
30 June 2020

	2021						2020					
	Rupees						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	Islamic Dividend Plan	Total
<b>INCOME</b>												
Profit on deposits with banks	50,068	147,262	89,126	377,587	213,709	877,752	105,787	113,245	115,365	830,740	307,826	1,472,963
Dividend Income	3,847,125	5,109,341	6,736,959	28,366,555	1,385,202	45,445,181	2,965,370	5,674,378	9,913,501	36,441,737	2,345,675	57,240,660
<b>Gain / (loss) from investments at fair value through P&amp;L</b>												
Capital gain on sale of investments at fair value through income statement - net	1,373,928	1,787,902	1,688,535	26,148,595	142,826	31,141,786	2,439,295	2,835,395	3,229,521	5,367,290	1,325,715	15,197,216
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	23,795,761	18,329,314	10,331,286	3,684,706	(70,039)	56,071,028	4,440,550	3,539,712	1,976,171	3,501,006	(1,924,685)	11,532,754
	<b>25,169,689</b>	<b>20,117,216</b>	<b>12,019,821</b>	<b>29,833,201</b>	<b>72,787</b>	<b>87,212,514</b>	<b>6,879,845</b>	<b>6,375,107</b>	<b>5,205,692</b>	<b>8,868,296</b>	<b>(598,970)</b>	<b>26,729,970</b>
<b>Total income</b>	<b>29,066,882</b>	<b>25,373,819</b>	<b>18,845,906</b>	<b>58,577,443</b>	<b>1,671,698</b>	<b>133,535,747</b>	<b>9,951,002</b>	<b>12,162,730</b>	<b>15,234,558</b>	<b>46,140,773</b>	<b>2,054,531</b>	<b>85,543,593</b>
<b>EXPENDITURE</b>												
Management fee	5,427	17,068	10,265	40,789	34,151	107,700	6,556	8,098	7,835	67,204	33,359	123,452
Sinch sales tax on remuneration of the Management Company	706	2,219	1,334	5,303	4,440	14,001	904	1,053	1,019	8,737	4,337	16,050
Accounting & Operational charges	202,829	220,180	235,351	833,287	46,019	1,537,685	144,397	161,832	186,138	661,779	40,267	1,194,413
Trustee fee	83,763	90,663	96,909	343,118	18,949	633,401	69,674	78,021	89,955	319,888	16,581	574,119
Sinch sales tax on remuneration of the Trustee	10,889	11,786	12,598	44,605	2,463	82,341	9,058	10,143	11,694	41,585	2,156	74,636
Annual fee - Securities and Exchange Commission of Pakistan	23,862	25,904	27,688	98,034	5,414	180,902	19,785	22,292	25,701	91,397	4,871	164,046
Auditor's remuneration	17,011	34,324	34,673	127,997	6,790	220,795	47,332	37,800	46,310	211,668	8,533	351,643
Amortization of preliminary expenses and flotation costs	56,053	56,053	56,053	56,053	-	224,212	56,054	56,053	56,054	14,942	-	224,214
Annual Listing fee	3,967	4,307	4,584	16,288	899	30,036	3,244	3,643	4,201	14,942	719	26,749
Printing charges	2,400	2,690	2,983	10,738	611	19,422	834	2,500	2,585	2,500	-	8,419
Legal and Professional Charges	42,000	42,800	43,480	74,520	33,600	236,400	72,434	89,100	89,100	55,767	-	306,401
Shariah advisory fee	12,763	13,977	15,050	55,466	2,351	99,607	6,389	7,183	8,283	29,444	1,434	52,732
Bank charges	19,938	2,161	3,226	4,060	12,645	42,030	926	4,102	3,237	3,668	812	12,745
Settlement charges	571,705	2,511	-	-	2,511	5,022	-	-	-	-	-	-
Provision for Sinch Workers' Welfare Fund	496,994	366,034	1,137,344	30,067	2,602,145	190,260	233,618	294,049	891,523	38,829	1,448,279	-
	<b>1,053,316</b>	<b>1,023,637</b>	<b>910,239</b>	<b>2,847,581</b>	<b>200,909</b>	<b>6,035,681</b>	<b>628,247</b>	<b>715,438</b>	<b>826,161</b>	<b>2,456,155</b>	<b>151,898</b>	<b>4,771,898</b>
<b>Net income for the period before taxation</b>	<b>28,013,567</b>	<b>24,350,182</b>	<b>17,935,667</b>	<b>55,729,862</b>	<b>1,470,789</b>	<b>127,500,066</b>	<b>9,322,755</b>	<b>11,447,292</b>	<b>14,408,397</b>	<b>43,684,618</b>	<b>1,902,633</b>	<b>80,765,695</b>
<b>Taxation</b>												
Net income for the period after taxation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Earnings per unit</b>												
Allocation of net income for the period:	28,013,567	24,350,182	17,935,667	55,729,862	1,470,789		9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	
Net income for the period after taxation	(7,755)	(100,550)	(94,543)	(197,252)	1,470,789		(1,349)	-	(20,647)	-	-	
Income already paid on units redeemed	<b>28,005,813</b>	<b>24,249,631</b>	<b>17,841,124</b>	<b>55,532,610</b>	<b>1,470,789</b>		<b>9,321,406</b>	<b>11,447,292</b>	<b>14,387,750</b>	<b>43,684,618</b>	<b>1,902,633</b>	
<b>Accounting income available for distribution:</b>												
-Relating to capital gains	29,066,882	25,373,819	18,845,906	58,577,443	1,671,698		9,951,002	12,162,730	15,234,558	46,140,773	-	
-Excluding capital gains	(1,061,069)	(1,124,188)	(1,004,832)	(3,044,833)	(200,910)		(629,596)	(715,438)	(846,808)	(2,456,155)	1,902,633	
	<b>28,005,813</b>	<b>24,249,631</b>	<b>17,841,124</b>	<b>55,532,610</b>	<b>1,470,789</b>		<b>9,321,406</b>	<b>11,447,292</b>	<b>14,387,750</b>	<b>43,684,618</b>	<b>1,902,633</b>	

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

Ifthikhar H. Shirazi  
Chairman

Tariq Amin  
Director

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2021

For the period  
from 16  
March 2020 to  
30 June 2020

	2021						2020						30 June 2020	
	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	Islamic Dividend Plan	Total		
	Rupees													
Net income for the period after taxation	28,013,567	24,350,182	17,935,667	55,729,862	1,470,789	127,500,067	9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	80,765,695		
Other Comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the period	28,013,567	24,350,182	17,935,667	55,729,862	1,470,789	127,500,067	9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	80,765,695		

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 2021

2021												
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	Islamic Dividend Plan	Total	
104,670,329	113,742,162	122,397,566	461,323,599	26,135,105	828,268,761	104,540,396	110,899,450	122,090,277	445,401,742	-	786,931,865	
Un distributed Income												
- Realised income	2,994,497	5,015,587	8,168,915	11,929,312	1,924,885	2,080,513	3,831,669	6,563,967	13,706,840	-	26,182,989	
- Unrealised loss	(7,487,673)	(5,950,141)	(3,956,718)	(17,196,420)	(1,924,685)	(13,696,545)	(11,451,923)	(7,786,633)	(28,246,685)	-	(61,181,788)	
Net assets at the beginning of the year	100,177,153	112,807,608	126,609,763	456,056,491	26,135,105	92,924,364	103,279,196	120,867,609	430,867,897	-	747,933,066	
(Units: AAAP 209,596, AMAAP 227,735, ACAAP 244,525 AICPP 914,884 & AIDP 92,270)												
Issue of units												
Capital value (at net assets value per unit at the beginning of period)												
Aggressive - units 6,671 (2020: 555)	4,169,379	-	-	-	4,169,379	265,732	-	-	-	-	265,732	
Moderate - units 6,190 (2020: 6,139)	-	3,497,479	-	-	3,497,479	-	2,995,112	-	-	-	2,995,112	
Conservative - units 3,686 (2020: 2,560)	-	-	2,037,526	-	2,037,526	-	-	1,323,417	-	-	1,323,417	
Preservation - units 23,351 (2020: 32,529)	-	-	-	12,400,286	12,400,286	-	-	-	16,215,425	-	16,215,425	
Dividend - units 29,962 (2020: 256,433)	-	-	-	14,981,230	14,981,230	-	-	-	-	128,216,559	128,216,559	
Total proceed on issuance of units	4,169,379	3,497,479	2,037,526	12,400,286	14,981,230	265,732	2,995,112	1,323,417	16,215,425	128,216,559	149,016,245	
Redemption of units												
Capital value (at net assets value per unit at the beginning of period)												
Aggressive - units 128 (2020: 300)	(61,160)	-	-	-	(61,160)	(135,799)	-	-	-	-	(135,799)	
Moderate - units 4,578 (2020: 301)	-	(2,527,354)	-	-	(2,527,354)	-	(152,400)	-	-	-	(152,400)	
Conservative - units 4,416 (2020: 2,066)	-	-	(2,407,849)	-	(2,407,849)	-	(1,016,128)	-	-	-	(1,016,128)	
Preservation - units 5,137 (2020: 571)	-	-	-	(2,563,561)	(2,563,561)	-	-	-	(293,568)	-	(293,568)	
Dividend - units 27,897 (2020: 204,163)	-	-	-	(13,948,353)	(13,948,353)	-	-	-	-	(102,081,454)	(102,081,454)	
Income paid on redemption of unit	(7,755)	(100,550)	(94,543)	(197,252)	(400,100)	(1,349)	-	(20,647)	-	-	(21,996)	
	(6,815)	(2,627,904)	(2,502,392)	(197,252)	(13,948,353)	(137,148)	(152,400)	(1,036,775)	(293,568)	(102,081,454)	(103,01,345)	
Total Comprehensive Income for the period	28,013,567	24,350,182	17,835,667	55,729,862	1,470,789	9,322,755	11,447,292	14,408,387	43,594,618	1,902,633	80,765,695	
Retired of Capital	(113,570)	(24,940)	(2,538)	(502)	(141,951)	-	(32,845)	(7)	-	(1,902,633)	(2,078,013)	
Distributions during the period	(3,686,653)	(4,230,521)	(5,832,187)	(25,654,927)	(1,382,978)	(2,196,550)	(4,738,447)	(8,992,678)	(34,411,881)	(1,902,633)	(52,194,689)	
Net income for the period less distribution	24,213,344	20,094,720	12,110,543	30,074,434	-	7,124,205	6,689,700	5,495,512	9,272,737	-	28,538,154	
Net assets at the end of the period												
(Units: AAAP 216,140, AMAAP 229,306, ACAAP 243,795 AICPP 933,099 & AIDP 94,336)	128,490,961	133,771,902	138,255,440	495,770,377	27,167,982	923,456,662	100,477,153	112,807,608	456,056,491	26,135,105	821,786,120	
(2020: Units: AAAP 209,596, AMAAP 227,735, ACAAP 244,525, AICPP 914,884 & AIDP 92,270)												
Capital Value												
108,778,556	114,712,286	122,027,244	471,160,304	27,167,982	843,846,363	104,670,329	113,742,162	122,397,566	461,323,599	26,135,105	828,268,761	
Un distributed Income												
- Realised income	2,713,945	5,690,620	9,332,674	29,419,585	1,382,978	2,994,497	5,015,587	8,168,915	11,929,312	1,924,885	30,022,986	
- Unrealised income/(loss)	16,998,470	13,168,996	6,895,322	(4,609,512)	(1,382,978)	(7,487,673)	(5,950,141)	(3,956,718)	(17,196,420)	-	(36,515,637)	
Net assets at the end of the period	128,490,961	133,771,902	138,255,440	495,770,377	27,167,982	923,456,662	100,477,153	112,807,608	456,056,491	26,135,105	821,786,120	
Net assets value per unit at beginning of the period												
477,9900	493,5500	517,7800	498,4900	500,0000		443.89	465.44	495.32	487.99	-		
Net assets value per unit at end of the period												
594,4797	583,3773	567,0863	531,3157	500,0000		477.95	495.35	517.78	498.49	500.00		

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

For Atlas Asset Management Limited  
(Management Company)

**Qurat-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 2021

For the period from  
16 March 2020 to  
30 June 2020

	2021						2020					
	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	Islamic Dividend Plan	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Rupees</b>											
Net income for the period after taxation	28,013,567	24,350,182	17,935,667	55,729,862	1,470,789	127,500,067	9,322,755	11,447,292	14,408,397	43,684,618	1,902,633	80,765,695
<b>Adjustments for:</b>												
Profit on deposits with banks	(50,068)	(147,262)	(89,126)	(377,587)	(213,709)	(877,752)	(105,787)	(113,245)	(115,565)	(830,740)	(307,826)	(1,472,963)
Dividend income							(2,965,370)	(5,674,378)	(9,913,501)	(36,441,737)	(2,345,675)	(57,340,660)
Gain on sale of investments at fair value through income statement - net of investments classified as financial assets at fair value through profit or loss	(1,373,928)	(1,787,902)	(1,688,535)	(26,148,595)	(142,826)	(31,141,785)	(2,439,295)	(2,835,395)	(3,229,521)	(5,367,290)	(1,325,715)	(15,197,216)
Provision for Sindh Workers' Welfare Fund	(23,795,761)	(18,329,314)	(10,331,286)	(3,684,706)	70,039	(56,071,028)	(4,440,550)	(3,539,712)	(1,976,171)	(3,501,006)	1,924,685	(11,532,754)
	571,705	496,994	366,034	1,137,344	30,067	2,602,143	190,260	233,618	294,049	891,523	38,829	1,648,279
<b>(Increase) / decrease in assets</b>	<b>3,365,516</b>	<b>4,582,698</b>	<b>6,192,754</b>	<b>26,656,318</b>	<b>1,214,360</b>	<b>42,011,647</b>	<b>(437,987)</b>	<b>(481,320)</b>	<b>(532,112)</b>	<b>(1,564,632)</b>	<b>(13,069)</b>	<b>(3,129,620)</b>
Other receivables	(476)	-	-	(2,487)	(66,875)	(69,838)	(1)	-	-	-	-	-
Receivable against sale of investment	(2,110,000)	56,053	56,053	56,053	-	(3,935,000)	56,053	56,053	56,053	56,053	-	224,212
Deferred Formation cost	56,053	56,053	56,053	56,053	-	224,212	56,053	56,053	56,053	56,053	-	224,212
<b>Increase / (decrease) in assets</b>	<b>(2,054,423)</b>	<b>56,053</b>	<b>(1,768,947)</b>	<b>53,566</b>	<b>(66,875)</b>	<b>(3,780,626)</b>	<b>56,052</b>	<b>56,053</b>	<b>56,053</b>	<b>56,053</b>	<b>-</b>	<b>224,212</b>
Payable to Alias Asset Management Company - Management Company	24,539	4,928	22,705	5,740	161	58,074	(274,603)	(273,379)	(273,291)	(253,013)	6,703	(1,067,582)
Payable to Central Depository Company of Pakistan Limited - Trustee	1,941	1,204	709	2,407	67	6,329	(2,233)	(2,225)	(2,573)	(9,676)	1,696	(15,011)
Payable to the Securities and Exchange Commission of Pakistan	4,066	3,612	1,987	6,638	543	16,846	(26,523)	(27,214)	(28,499)	(50,313)	4,871	(127,679)
Accrued expenses and other liabilities	1,543,105	(298,188)	(1,814,894)	(4,943,830)	(97,161)	(5,530,482)	2,132,800	4,291,864	7,654,927	19,287,615	148,061	32,515,267
	1,573,651	(288,444)	(1,789,482)	(4,929,045)	(97,161)	(5,530,482)	1,829,441	3,298,047	7,350,564	17,974,613	161,331	31,304,996
Interest received	44,812	134,882	74,545	390,484	226,402	870,905	132,028	137,561	153,020	860,683	276,475	1,558,657
Investments made during the period	(10,207,125)	(14,456,959)	(14,099,341)	(544,857)	(11,285,202)	(50,593,485)	2,965,370	5,674,378	9,913,501	36,441,736	2,345,675	57,340,659
Investments sold during the period	10,770,000	15,727,618	17,852,382	(8,321,699)	(3,350,001)	46,378,302	(28,005,369)	(35,944,377)	(40,353,500)	(118,441,737)	(119,540,000)	(342,290,658)
	607,486	1,405,541	3,827,586	(8,476,092)	(708,799)	(3,344,277)	24,789,000	28,770,000	30,440,000	82,000,000	96,000,000	261,990,000
<b>Net cash generated / (used in) operating activities</b>	<b>3,492,229</b>	<b>5,755,848</b>	<b>6,461,911</b>	<b>13,904,747</b>	<b>341,525</b>	<b>29,356,261</b>	<b>(127,971)</b>	<b>(1,362,438)</b>	<b>153,021</b>	<b>860,682</b>	<b>(20,923,525)</b>	<b>(21,400,232)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>Rupees</b>											
Receipts against issuance of units	4,169,379	3,497,479	2,037,526	12,400,266	14,981,230	37,085,879	265,730	2,995,112	1,323,416	16,215,425	128,216,559	149,016,242
Dividend Paid	(3,686,653)	(4,230,521)	(5,822,187)	(25,654,927)	(1,470,789)	(40,865,077)	(2,198,560)	(4,728,747)	(8,952,878)	(34,411,881)	(1,902,633)	(52,194,690)
Refund of Capital	(113,570)	(24,940)	(2,938)	(502)	-	(141,951)	-	(32,845)	(7)	-	-	(32,852)
Payments against redemption of units	(68,915)	(2,827,904)	(2,502,391)	(2,780,813)	(13,948,353)	(21,908,376)	(137,148)	(152,400)	(1,036,775)	(293,567)	(103,701,344)	(103,701,344)
	300,241	(3,385,887)	(6,289,990)	(16,015,976)	(437,912)	(25,829,525)	(2,069,968)	(1,918,880)	(8,666,244)	(18,490,023)	24,232,472	(6,912,644)
<b>Net cash generated / (used in) from financing activities</b>	<b>3,792,460</b>	<b>2,869,961</b>	<b>171,921</b>	<b>(2,711,229)</b>	<b>(96,387)</b>	<b>3,526,736</b>	<b>(750,433)</b>	<b>281,962</b>	<b>(1,638,718)</b>	<b>(1,163,307)</b>	<b>3,357,209</b>	<b>86,713</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>465,595</b>	<b>1,550,174</b>	<b>382,627</b>	<b>6,662,587</b>	<b>3,357,209</b>	<b>12,418,182</b>	<b>1,216,018</b>	<b>1,268,212</b>	<b>2,021,345</b>	<b>7,825,894</b>	<b>-</b>	<b>12,331,469</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4</b>	<b>3,920,135</b>	<b>554,548</b>	<b>3,957,358</b>	<b>3,260,822</b>	<b>15,944,918</b>	<b>465,585</b>	<b>1,550,174</b>	<b>382,627</b>	<b>6,662,587</b>	<b>3,357,209</b>	<b>12,418,182</b>

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 2021

### 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, Third and Fourth supplements dated 05 September 2019, 14 February 2020, 01 April 2020 and 09 August 2021 respectively, with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML is situated at Ground Floor, Federation House, Shahræ 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 Fash 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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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) [2020: AM2+ (AM Two Plus)] on 24 December 2020. 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** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

- 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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these 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)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

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 THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

Standard or Interpretation	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009
IFRS 17 - Insurance Contracts	01 January 2023
<b>2.4 Critical accounting estimates and judgements</b>	
<p>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.</p>	
<b>2.5 Accounting convention</b>	
<p>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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 11.1 and 6.1 respectively.</p>	
<b>2.6 Functional and presentation currency</b>	
<p>These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.</p>	
<b>3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
<p>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 and are set out below:</p>	
<b>3.1 Financial instruments</b>	
<b>a) Initial recognition and measurement</b>	
<p>Financial assets and liabilities, with the exception of bank balances, are initially recognised on the trade date, i.e., the date that the Fund 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.</p>	

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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. Given the objectives of the Fund, all investments have been classified as 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'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; 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 etc.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### **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 FVTPL.

### **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. The Fund has not used this classification for its investment portfolio

#### **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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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."

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



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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### **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 fair value of unit of mutual funds is determined based on the net asset value declared by respect mutual funds.

### **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 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 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.

### **3.5 Distribution to unit holders**

Distributions to the unit holders are recognised upon declaration and approval by the Distribution 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 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.

### 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. The Fund intends to distribute such income by the year end in order to avail this tax exemption. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

### 3.10 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 4 BANK BALANCES

In local currency  
Profit and loss sharing accounts

Note	2021					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
4.1	4,258,055	3,920,135	554,548	3,951,358	3,260,822	15,944,918
	4,258,055	3,920,135	554,548	3,951,358	3,260,822	15,944,918

In local currency  
Profit and loss sharing accounts

2020						
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
Rupees						
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

4.1 These carry interest rate ranging between 5.5% to 6.9% (30 June 2020: 6.50% to 9.90%) per annum.

### 5 INVESTMENTS - NET

At fair value through profit or loss  
- Held for Trading

Units of Mutual Funds - listed

Note	2021					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
5.1	126,533,606	134,529,047	142,353,795	507,138,596	23,954,693	934,509,737
	126,533,606	134,529,047	142,353,795	507,138,596	23,954,693	934,509,737

At fair value through profit or loss  
- Held for Trading

Units of Mutual Funds - listed

2020					
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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 5.1 At fair value through profit or loss - Units of Mutual Funds - Listed

#### 5.1.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2020	Purchases during the period	Sales during the period	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Appreciation/ (diminution) as at 30 June 2021	Market Value as a % of net assets of Plan	Market Value as a % of total value of investments of Plan
<b>Aggressive Allocation Plan</b>									
Atlas Islamic Income Fund	52,511	16,094	4,469	64,135	32,486,099	32,444,788	(41,311)	25.25	25.64
Atlas Islamic Dedicated Stock Fund	170,738	3,275	16,151	157,862	70,251,746	94,088,818	23,837,072	73.23	74.36
	<b>223,249</b>	<b>19,369</b>	<b>20,620</b>	<b>221,997</b>	<b>102,737,845</b>	<b>126,533,606</b>	<b>23,795,761</b>	<b>98.48</b>	<b>100.00</b>
<b>Moderate Allocation Plan</b>									
Atlas Islamic Income Fund	105,864	35,907	18,956	122,815	62,142,715	62,129,988	(12,727)	46.44	46.18
Atlas Islamic Dedicated Stock Fund	140,894	12,727	32,150	121,471	54,057,018	72,399,059	18,342,041	54.12	53.82
	<b>246,758</b>	<b>48,634</b>	<b>51,106</b>	<b>244,285</b>	<b>116,199,733</b>	<b>134,529,047</b>	<b>18,329,314</b>	<b>100.56</b>	<b>100.00</b>
<b>Conservative Allocation Plan</b>									
Atlas Islamic Income Fund	189,564	26,674	14,965	201,272	101,758,254	101,820,600	62,346	73.65	71.53
Atlas Islamic Dedicated Stock Fund	86,888	1,411	20,292	68,006	30,264,255	40,533,195	10,268,940	29.32	28.47
	<b>276,451</b>	<b>28,085</b>	<b>35,258</b>	<b>269,279</b>	<b>132,022,509</b>	<b>142,353,795</b>	<b>10,331,266</b>	<b>102.97</b>	<b>100.00</b>
<b>Islamic Capital Preservation Plan</b>									
Atlas Islamic Income Fund	698,489	287,134	34,559	951,064	484,033,441	481,128,612	(2,904,829)	97.05	94.87
Atlas Islamic Dedicated Stock Fund	262,120	905	219,386	43,639	19,420,449	26,009,984	6,589,535	5.25	5.13
	<b>960,609</b>	<b>288,039</b>	<b>253,945</b>	<b>994,703</b>	<b>503,453,890</b>	<b>507,138,596</b>	<b>3,684,706</b>	<b>102.30</b>	<b>100.00</b>
<b>Islamic Dividend Plan</b>									
Atlas Islamic Income Fund	45,449	22,027	20,124	47,352	24,024,732	23,954,693	(70,039)	88.17	100.00
	<b>45,449</b>	<b>22,027</b>	<b>20,124</b>	<b>47,352</b>	<b>24,024,732</b>	<b>23,954,693</b>	<b>(70,039)</b>	<b>88.17</b>	<b>100.00</b>
<b>Total as at 30 June 2021</b>	<b>1,752,516</b>	<b>406,154</b>	<b>381,053</b>	<b>1,777,617</b>	<b>878,438,709</b>	<b>934,509,737</b>	<b>56,071,028</b>		
<b>Total as at 30 June 2020</b>	<b>1,572,278</b>	<b>685,324</b>	<b>505,087</b>	<b>1,752,516</b>	<b>831,548,988</b>	<b>843,081,742</b>	<b>11,532,754</b>		

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 6 OTHER RECEIVABLES

	2021					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Receiveable against sale of units						
Advance tax receiveable	11,150	9,063	10,318	43,037	14,528	88,096
	11,150	9,063	10,318	43,037	66,875	140,443
	2020					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Advance tax receiveable	11,150	9,063	10,318	43,037	66,875	140,443
	11,150	9,063	10,318	43,037	66,875	140,443
	Ruppes					
	10,674	9,063	10,318	40,550	-	70,605

**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 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 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 the profit received on bank deposits by the Funds has been shown as other receivable as at 30 June 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the Tax Recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been lower by, AAAP Rs. 0.05 per unit, AMAIP Rs. 0.04 per unit, ACAIP Rs. 0.04 per unit, AICPP Rs. 0.05 per unit, AIDP Rs. 0.26 per unit (30 June 2020 AAAP Rs. 0.05 per unit, AMAIP Rs. 0.04 per unit, ACAIP Rs. 0.04 per unit, AICPP Rs. 0.04 per unit, AIDP Rs. 0.00 per unit)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 7 DEFERRED FORMATION COST

Opening balance  
Less: Amortisation for the period

2021						
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
168,162	168,162	168,162	168,162	-	672,648	
56,053	56,053	56,053	56,053	-	224,212	
112,109	112,109	112,109	112,109	-	448,436	

Note

7.1

Opening balance  
Less: Amortisation for the period

2020						
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
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	

Note

7.1

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

Remuneration of the Management Company  
Sindh Sales Tax on remuneration of the Management Company  
Front and backend load payable to the Management Company  
Accounting and operational charges reimbursable by the Fund

2021						
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total	
3,069	2,659	1,603	2,408	2,722	12,462	
399	346	208	313	354	1,620	
-	-	-	7,339	-	7,339	
35,737	18,754	40,710	71,022	3,788	170,011	
39,205	21,759	42,521	81,082	6,864	191,432	

Note

8.1

8.2

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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

**8.2** During the period, an amount of Rs. 14,000 (2020: 16,050) 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. 13,502 (2020: 16,400) has been paid to the Management Company which acts as a collecting agent.

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

2021						
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Note	Rupees					
Trustee fee	9.1	7,571	7,722	8,303	29,244	1,560
Sindh Sales Tax payable on trustee fee	9.2	984	1,004	1,079	3,802	203
		<b>8,555</b>	<b>8,726</b>	<b>9,382</b>	<b>33,046</b>	<b>1,763</b>
						<b>61,473</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

2020						
Note	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Trustee fee						
9.1	5,853	6,656	7,675	27,114	1,501	48,799
Sindh Sales Tax payable on trustee fee	761	866	998	3,525	195	6,345
	<b>6,614</b>	<b>7,522</b>	<b>8,673</b>	<b>30,639</b>	<b>1,696</b>	<b>55,144</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 0.07% 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:

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. 82,342 (2020: 74,636) 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. 81,615 (2020: 87,932) was paid to the Trustee which acts as a collecting agent.

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

2021						
Note	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Annual SECP fee payable						
10.1	23,851	25,904	27,688	98,034	5,414	180,891
	<b>23,851</b>	<b>25,904</b>	<b>27,688</b>	<b>98,034</b>	<b>5,414</b>	<b>180,891</b>
2020						
Note	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Annual SECP fee payable						
10.1	19,785	22,292	25,701	91,396	4,871	164,045
	<b>19,785</b>	<b>22,292</b>	<b>25,701</b>	<b>91,396</b>	<b>4,871</b>	<b>164,045</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

**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 for the last period ended 30 June 2020 was also charged in the same manner.

### 11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable  
Withholding tax payable  
Shariah advisory fee payable  
Provision for Sindh Workers' Welfare Fund  
Dividend Payable  
Legal & professional charges payable  
Other payable  
Capital gain tax payable

2021					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Islamic Plan	Islamic Plan	Islamic Plan			
32,825	35,627	38,000	134,913	7,495	248,860
554,558	637,044	877,802	3,779,433	29,596	5,878,433
3,263	3,524	3,780	13,323	770	24,659
761,966	763,894	693,415	2,028,833	68,845	4,316,954
3,117,778	3,319,508	4,912,023	9,498,524	-	20,847,833
-	-	12,186	-	2,319	14,505
-	-	-	-	10,000	10,000
-	-	-	243	-	243
<b>4,470,390</b>	<b>4,759,599</b>	<b>6,537,206</b>	<b>15,455,269</b>	<b>119,025</b>	<b>31,341,487</b>

2020					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Islamic Plan	Islamic Plan	Islamic Plan			
46,970	36,111	41,949	145,180	8,533	278,743
330,680	710,474	1,352,186	5,075,503	138,382	7,607,225
2,402	2,589	2,814	7,767	1,146	16,718
921	477	-	-	-	1,398
190,260	233,618	294,049	891,523	38,829	1,648,279
16,495	16,513	16,411	5,526	-	54,945
1,767,852	3,560,551	6,278,647	13,136,256	-	24,743,306
<b>2,355,580</b>	<b>4,560,333</b>	<b>7,986,056</b>	<b>19,261,755</b>	<b>186,890</b>	<b>34,350,614</b>

**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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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 Mutual Fund Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISOs whereby it was contested that mutual funds should be excluded from the ambit of 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 CISOs / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISOs / pension funds, MUFAP had 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund. "

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 2021 would have been higher by Rs. 3.53 per unit (30 June 2020: Rs. 0.91 per unit), Rs. 3.33 per unit (30 June 2020: Rs. 1.03 per unit), Rs. 2.84 per unit (30 June 2020: Rs. 1.20 per unit), Rs. 2.17 per unit (30 June 2020: Rs. 0.97 per unit) and Rs. 1.27 per unit (30 June 2020: 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 2021 and 30 June 2020.

### 13 AUDITORS' REMUNERATION

	2021				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan
	Rupees				
Audit fee	29,980	32,554	34,719	122,949	6,797
Code of Corporate Governance	3,302	3,585	3,824	13,541	749
Income certification charges	3,962	4,302	4,588	16,249	898
Out of pocket expenses	2,980	3,235	3,451	12,219	676
Prior year adjustment	(23,213)	(9,353)	(11,909)	(36,961)	(2,330)
	<b>17,011</b>	<b>34,324</b>	<b>34,673</b>	<b>127,997</b>	<b>6,790</b>
					<b>220,795</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

For the period from  
16 March 2020  
to 30 June 2020

	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					
Audit fee	41,112	29,326	33,825	120,296	5,792	230,352
Code of Corporate Governance	6,369	7,153	8,250	29,341	1,413	52,525
Income certification charges	2,802	3,147	3,630	12,910	622	23,111
Out of pocket expenses	3,184	3,576	4,125	14,670	706	26,262
Prior year adjustment	(6,135)	(5,403)	(3,520)	34,451	-	19,393
	47,332	37,800	46,310	211,668	8,533	351,643

### 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 :

		2021					
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	
		Rupees					
Total expense ratio	0.88	0.79	0.66	0.58	0.74		
Government Levies and SECP Fee	0.51	0.42	0.30	0.26	0.15		

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	
		Rupees					
Total expense ratio	0.62	0.64	0.64	0.54	0.12		
Government Levies and SECP Fee	0.22	0.26	0.24	0.23	0.01		



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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 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 2021 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 0.17% of the average annual net assets of the Fund (2020: 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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:

	2021					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan			
	Rupees-----					
<b>Atlas Asset Management Limited - Management Company</b>						
Remuneration for the period	5,427	17,068	10,265	40,789	34,151	107,700
Sindh sales tax on remuneration of the Management Company	706	2,219	1,334	5,302	4,440	14,001
Remuneration paid	2,660	14,997	8,806	43,282	34,136	103,880
Formation cost	56,053	56,053	56,053	56,053	-	224,212
Accounting & operational charges	202,829	220,180	235,351	833,287	46,019	1,537,665
Issuance in amounts	-	-	-	-	962,176	962,176
Issue of units	-	-	-	-	1,924	1,924
Redemption in amount	-	-	-	-	-	-
Redemption of units	-	-	-	-	-	-
Dividend declared	181,790	165,877	1,007,478	-	962,176	2,317,321
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration of the Trustee	83,763	90,663	96,909	343,118	18,949	633,402
Sindh Sales Tax on remuneration of the Trustee	10,857	11,786	12,598	44,605	2,463	82,310
Remuneration paid	84,023	91,567	98,559	349,551	17,388	641,087
<b>Shirazi Investments (Private) Limited - Group Company</b>						
Dividend declared	3,486,185	3,153,632	4,771,373	9,498,524	-	20,909,714
<b>Atlas Honda Limited - Group Company</b>						
Issuance in amounts	-	-	-	10,131,059	-	10,131,059
Issue of units	-	-	-	19,079	-	19,079
<b>Atlas Islamic Dedicated Stock Fund - Fund managed by Management Company</b>						
Purchase in Rupees	1,970,975	7,516,618	849,091	544,858	-	10,881,542
Purchase of units	3,275	12,727	1,411	905	-	18,319
Redemption in Rupees	8,430,000	17,390,000	10,545,000	117,000,000	-	153,365,000
Redemption of units	16,151	32,150	20,292	209,180	-	277,774
Dividend Entitlement	1,970,975	849,091	1,516,618	544,858	-	4,881,542

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### Atlas Islamic Income Fund -

#### Fund managed by Management Company

Purchase in Rupees  
Purchase of units  
Redemption in Rupees  
Redemption of units  
Dividend Entitlement

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

Issuance in amounts  
Issue of units  
Dividend declared

2021					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend Plan	Total
Islamic Plan	Islamic Plan	Islamic Plan			

8,236,150	18,582,723	13,607,868	148,821,697	11,285,202	200,533,639
16,094	35,907	26,674	287,134	22,027	387,835
2,340,000	9,980,000	7,665,000	17,500,000	10,350,000	47,835,000
4,469	18,956	14,965	34,559	20,124	93,073
1,876,150	3,592,723	5,887,868	27,821,697	1,385,202	40,563,639
4,000,000	248,338	-	229,949	-	4,478,287
6,387	427	-	433	-	7,247
112,417	292,162	-	270,528	-	675,107

For the period from  
16 March 2020  
to 30 June 2020

2020					
Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend Plan	Total
Islamic Plan	Islamic Plan	Islamic Plan			

6,956	8,098	7,835	67,204	33,359	123,452
904	1,053	1,019	8,737	4,337	16,050
7,691	8,672	9,348	69,786	30,652	126,149
56,054	56,053	56,054	56,053	-	224,214
144,397	161,832	186,138	661,779	40,267	1,194,413
94,539	180,756	1,249,723	-	20,078,461	21,603,479
199	366	2,417	-	40,157	43,139
2,079,826	212,654	1,470,262	-	98,202	3,860,945

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

#### Atlas Asset Management Limited - Management Company

Remuneration for the period  
Sinh sales tax on remuneration of the Management Company  
Remuneration paid  
Formation cost  
Accounting & operational charges  
Issuance in amounts  
Issue of units  
Dividend declared

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

For the period from  
16 March 2020  
to 30 June 2020

	2020					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan			
-----Rupees-----						
<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

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

For the period from  
16 March 2020  
to 30 June 2020

	2020					to 30 June 2020
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend Plan	Total
-----Rupees-----						
Directors and their close family members and key management personnel of the Management Company						
Issuance in amounts	-	178,247	-	231,860	-	410,107
Issue of units	-	5,353	-	2,463	-	7,816
Redemption in Rupees	2,998	-	-	-	-	2,998
Redemption of units	7	4,993	-	1,997	-	6,997
Dividend declared	-	209,702	-	272,776	-	482,478

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

	2020						2021					
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation	Islamic Dividend Plan	Total
<b>Atlas Asset Management Limited (Management Company)</b>												
Remuneration payable to the management company	3,069	2,659	1,603	2,408	2,722	12,462	3,069	2,659	1,603	2,408	2,722	12,462
Sindh Sales tax payable on remuneration of the Management Company	399	346	208	313	354	1,620	399	346	208	313	354	1,620
Sales Load Payable	-	-	-	7,339	-	7,339	-	-	-	7,339	-	7,339
Accounting and operational charges payable	35,737	18,754	40,710	71,022	3,788	170,011	35,737	18,754	40,710	71,022	3,788	170,011
Outstanding amount - at net asset value	6,140,364	6,120,757	23,905,318	-	21,321,132	57,487,571	6,140,364	6,120,757	23,905,318	-	21,321,132	57,487,571
Outstanding units	10,329	10,492	42,154	-	42,642	105,617	10,329	10,492	42,154	-	42,642	105,617
<b>Central Depository Company of Pakistan Limited (Trustee)</b>												
Trustee fee payable	7,571	7,722	8,303	29,244	1,560	54,401	7,571	7,722	8,303	29,244	1,560	54,401
Sindh Sales tax payable on remuneration of trustee	984	1,004	1,079	3,802	203	7,072	984	1,004	1,079	3,802	203	7,072
<b>Shirazi Investments (Private) Limited - Group Company</b>												
Outstanding amount - at net asset value	117,753,765	116,366,681	113,214,554	210,542,965	-	557,877,965	117,753,765	116,366,681	113,214,554	210,542,965	-	557,877,965
Outstanding units	198,079	199,471	199,639	396,267	-	993,456	198,079	199,471	199,639	396,267	-	993,456

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

2021					
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
Rupees					

**Atlas Honda Limited**  
Outstanding amount - at net asset value  
Outstanding units

**Atlas Islamic Dedicated Stock Fund**  
Outstanding amount - at net asset value  
Outstanding units

**Atlas Islamic Income Fund**  
Outstanding amount - at net asset value  
Outstanding units

**Directors and their close family members and key management personnel of the Management Company**  
Outstanding amount - at net asset value  
Outstanding units

-	-	-	234,700,628	-	234,700,628
-	-	-	441,735	-	441,735
94,088,818	72,399,059	40,533,195	26,009,984	-	233,031,056
157,862	121,471	68,006	43,639	-	390,979
32,444,788	62,129,988	101,820,600	481,128,612	23,954,693	701,478,681
64,135	122,815	201,272	951,064	47,352	1,386,638
3,797,149	9,412,528	-	5,327,103	-	18,536,780
6,387	16,135	-	10,026	-	32,548

2020

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

**Atlas Asset Management Limited (Management Company)**  
Remuneration payable to the management company  
Sindh Sales tax payable on remuneration of the Management Company  
Sales Load Payable  
Accounting and operational charges payable  
Outstanding amount - at net asset value  
Outstanding units

302	588	143	4,901	2,707	8,641
39	76	18	637	352	1,122
113	-	1,017	3,955	-	5,085
14,212	16,167	18,638	65,849	3,644	118,510
4,936,732	5,197,180	21,826,444	-	20,078,461	52,036,817
10,329	10,492	42,154	-	40,157	103,132

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

2020

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
----- Rupees -----						
<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	-	-	-	-	-	-
Outstanding units	-	-	-	-	100,392,307	100,392,307
					200,785	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

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 19 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2021

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
Rupees					Rupees				
Financial assets									
Bank balances	4,258,055	-	-	4,258,055	3,920,135	-	-	-	3,920,135
Investments - net	-	126,533,606	-	126,533,606	-	134,529,047	-	-	134,529,047
Profit receivable on deposit with banks	8,042	-	-	8,042	17,536	-	-	-	17,536
	<b>4,266,097</b>	<b>126,533,606</b>	<b>-</b>	<b>130,799,703</b>	<b>3,937,671</b>	<b>134,529,047</b>	<b>-</b>	<b>-</b>	<b>138,466,718</b>

At fair value through profit or loss		At amortised Cost	Total	At fair value through profit or loss		At amortised Cost	Total
Rupees				Rupees			
Financial liabilities							
Payable to Atlas Asset Management Limited - Management Company	-	39,205	39,205	-	21,759	21,759	
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	8,555	8,555	-	8,726	8,726	
Accrued expenses and other liabilities	-	3,153,866	3,153,866	-	3,358,661	3,358,661	
	<b>-</b>	<b>3,201,626</b>	<b>3,201,626</b>	<b>-</b>	<b>3,389,146</b>	<b>3,389,146</b>	

30 June 2021

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
Rupees					Rupees				
Financial assets									
Bank balances	554,548	-	-	554,548	3,951,358	-	-	-	3,951,358
Investments - net	-	142,353,795	-	142,353,795	-	507,138,596	-	-	507,138,596
Profit receivable on deposit with banks	16,468	-	-	16,468	192,708	-	-	-	192,708
	<b>571,016</b>	<b>142,353,795</b>	<b>-</b>	<b>142,924,811</b>	<b>4,144,066</b>	<b>507,138,596</b>	<b>-</b>	<b>-</b>	<b>511,282,662</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### Conservative Allocation Islamic Plan

At fair value through profit or loss	At amortised Cost	Total
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Rupees

<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	42,521	42,521
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	9,383	9,383
Accrued expenses and other liabilities	-	4,965,989	4,965,989
	-	<b>5,017,893</b>	<b>5,017,893</b>

### Islamic Capital Preservation Plan

At fair value through profit or loss	At amortised Cost	Total
--	----------------------	-------

Rupees

-	81,082	81,082
-	33,046	33,046
-	9,646,760	9,646,760
-	<b>9,760,888</b>	<b>9,760,888</b>

30 June 2021

### Daily Islamic Dividend Plan

At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
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Rupees

3,260,822	-	-	3,260,822
-	23,954,693	-	23,954,693
18,658	-	-	18,658
<b>3,279,480</b>	<b>23,954,693</b>	<b>-</b>	<b>27,234,173</b>

### Financial assets

Bank balances  
Investments - net  
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

At fair value through profit or loss	At amortised Cost	Total
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Rupees

-	6,864	6,864
-	531	531
-	20,583	20,583
-	<b>27,978</b>	<b>27,978</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 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	Total	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
<b>Financial assets</b>	Rupees							
Bank balances	465,585	-	-	465,585	1,550,174	-	-	1,550,174
Investments - net	-	101,926,792	-	101,926,792	-	115,682,490	-	115,682,490
Profit receivable on deposit with banks	2,585	-	-	2,585	5,157	-	-	5,157
	<b>468,170</b>	<b>101,926,792</b>	<b>-</b>	<b>102,394,962</b>	<b>1,555,331</b>	<b>115,682,490</b>	<b>-</b>	<b>117,237,821</b>
<b>Financial liabilities</b>	Rupees							
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>-</b>	<b>24,603</b>	<b>24,603</b>	<b>-</b>	<b>-</b>	<b>27,419</b>	<b>27,419</b>
<b>30 June 2020</b>	Rupees							
	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							
Bank balances	382,627	-	-	382,627	6,662,587	-	-	6,662,587
Investments - net	-	134,087,016	-	134,087,016	-	468,438,739	-	468,438,739
Profit receivable on deposit with banks	1,886	-	-	1,886	205,585	-	-	205,585
	<b>384,513</b>	<b>134,087,016</b>	<b>-</b>	<b>134,471,529</b>	<b>6,868,172</b>	<b>468,438,739</b>	<b>-</b>	<b>475,306,911</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

**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

Conservative Allocation Islamic Plan		
At fair value through profit or loss	At amortised Cost	Total
Rupees		
-	19,816	19,816
-	8,673	8,673
-	2,814	2,814
-	<b>31,303</b>	<b>31,303</b>

Islamic Capital Preservation Plan		
At fair value through profit or loss	At amortised Cost	Total
Rupees		
-	75,342	75,342
-	30,639	30,639
-	7,767	7,767
-	<b>113,748</b>	<b>113,748</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 another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. 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 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."

#### 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. 42,581 (2020: Rs. 4,656), Rs. 39,201 (2020: Rs. 15,502), Rs. 5,545 (2020: Rs. 3,826), Rs. 29,514 (2020: Rs. 66,626) and Rs. 32,608 (2020: Rs. 33,572) for AAAIP,

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

AMALP, 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 2021 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, 2021 can be determined as follows:

30 June 2021	Aggressive Allocation Islamic Plan						Moderate Allocation Islamic Plan					
	Exposed to yield / profit rate risk		More than three months and upto one year		Not exposed to yield / profit rate risk	Total	Exposed to yield / profit rate risk		More than three months and upto one year		Not exposed to yield / profit rate risk	Total
	Effective yield / profit rate	Upto three months					Effective yield / profit rate	Upto three months				
Rupees												
Financial assets	5.5% to 6.9%	4,258,055	-	-	-	4,258,055	5.5% to 6.9%	3,920,135	-	-	-	3,920,135
Bank balances	-	-	-	-	126,533,606	126,533,606	-	-	-	-	134,529,047	134,529,047
Investments	-	-	-	-	8,042	8,042	-	-	-	-	17,536	17,536
Profit receivable on deposit with banks		4,258,055	-	-	126,541,648	130,799,703		3,920,135	-	-	134,546,583	138,466,718
Financial liabilities												
Payable to Atlas Asset Management Limited - Management Company	-	-	-	-	39,205	39,205	-	-	-	-	21,759	21,759
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	8,555	8,555	-	-	-	-	8,726	8,726
Accrued expenses and other liabilities	-	-	-	-	3,153,866	3,153,866	-	-	-	-	3,358,661	3,358,661
	-	-	-	-	3,201,626	3,201,626	-	-	-	-	3,389,145	3,389,146
		4,258,055	-	-	123,340,022	127,598,077		3,920,135	-	-	131,157,436	135,077,571
On-balance sheet gap (a)		-	-	-	-	-		-	-	-	-	-
Off-balance sheet financial instruments		-	-	-	-	-		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		4,258,055	-	-	-	-		3,920,135	-	-	-	-
Cumulative interest rate sensitivity gap		4,258,055	4,258,055	4,258,055	4,258,055	4,258,055		3,920,135	3,920,135	3,920,135	3,920,135	3,920,135

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021

### Conservative Allocation Islamic Plan

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		

### Rupees

5.5% to 6.9%	554,548	-	-	-	554,548
Bank balances	-	-	-	142,353,795	142,353,795
Investments	-	-	-	16,468	16,468
Profit receivable on deposit with banks	554,548	-	-	142,370,263	142,924,811
<b>Financial assets</b>					
Payable to Atlas Asset Management Limited - Management Company	-	-	-	42,521	42,521
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	9,382	9,384
Accrued expenses and other liabilities	-	-	-	4,965,989	4,965,989
<b>Financial liabilities</b>					
On-balance sheet gap (a)	554,548	-	-	137,352,371	137,906,914
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total interest rate sensitivity gap (a+b)	554,548	-	-	-	-
Cumulative interest rate sensitivity gap	554,548	554,548	554,548		

30 June 2021

### Islamic Capital Preservation Plan

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		

### Rupees

5.5% to 6.9%	3,951,358	-	-	-	-
Bank balances	-	-	-	507,138,596	507,138,596
Investments	-	-	-	192,708	192,708
Profit receivable on deposit with banks	3,951,358	-	-	507,331,304	507,331,304
<b>Financial assets</b>					
Payable to Atlas Asset Management Limited - Management Company	-	-	-	81,082	81,082
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	33,046	33,046
Accrued expenses and other liabilities	-	-	-	9,646,760	9,646,760
<b>Financial liabilities</b>					
On-balance sheet gap (a)	3,951,358	-	-	497,570,416	497,570,416
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total interest rate sensitivity gap (a+b)	3,951,358	-	-	-	-
Cumulative interest rate sensitivity gap	3,951,358	3,951,358	3,951,358		

### Daily Dividend Plan

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		

### Rupees

5.5% to 6.9%	3,260,822	-	-	-	3,260,822
Bank balances	-	-	-	23,954,693	23,954,693
Investments	-	-	-	18,658	18,658
Profit receivable on deposit with banks	3,260,822	-	-	23,973,351	27,234,173
<b>Financial assets</b>					
Payable to Atlas Asset Management Limited - Management Company	-	-	-	6,864	6,864
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	531	531
Accrued expenses and other liabilities	-	-	-	20,583	20,583
<b>Financial liabilities</b>					
On-balance sheet gap (a)	3,260,822	-	-	27,978	27,978
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap (b)	-	-	-	-	-
Total interest rate sensitivity gap (a+b)	3,260,822	-	-	-	-
Cumulative interest rate sensitivity gap	3,260,822	3,260,822	3,260,822		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

30 June 2020

## Aggressive Allocation Islamic Plan

### Moderate Allocation Islamic Plan

	Financial assets					Financial liabilities				
	Bank balances	Investments	Profit receivable on deposit with banks			Bank balances	Investments	Profit receivable on deposit with banks		
6.50 - 7.00	465,585	-	-	-	465,585	6.50 - 7.00	1,550,174	-	-	1,550,174
	-	-	101,926,792	101,926,792	-		-	-	115,682,490	-
	-	-	2,585	2,585	-		-	-	5,157	5,157

## 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

On-balance sheet gap (a)

## Off-balance sheet financial instruments

Off-balance sheet gap (b)

Total interest rate sensitivity gap (a+b)

### Cumulative interest rate sensitivity gap

30 June 2020

[illegible]

## Conservative Allocation Islamic Plan

## Islamic Capital Preservation Plan

[illegible]

## 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**

On-balance sheet gap (a)

### Off-balance sheet financial instruments

Off-balance sheet gap (b)

Total interest rate sensitivity gap (a+b)

Cumulative interest rate sensitivity gap

6.50 - 7.00		Rupees		6.50 - 9.90		Rupees	
382,627	-	-	382,627	6,662,587	-	-	6,662,587
-	-	134,087,016	134,087,016	-	-	468,438,739	468,438,739
-	-	1,886	1,886	-	-	205,585	205,585
382,627	-	134,088,902	134,471,529	6,662,587	-	468,444,324	475,306,911
-	-	-	-	-	-	-	-
-	-	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
382,627	-	134,057,599	134,440,226	6,662,587	-	468,530,576	475,193,163
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
382,627	-	-	-	6,662,587	-	-	-
382,627	-	-	-	6,662,587	-	-	-
382,627	-	-	-	6,662,587	-	-	-

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

Daily Dividend Plan					
	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		
Rupees					
6.5	3,357,209	-	-	-	3,357,209
Bank balances	-	-	-	22,946,705	22,946,705
Investments	-	-	-	31,351	31,351
Profit receivable on deposit with banks	-	-	-	-	-
	3,357,209	-	-	22,978,056	26,335,265
Financial liabilities					
Payable to Alias 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
	3,357,209	-	-	22,963,069	26,320,278
On-balance sheet gap (a)	-	-	-	-	-
Off-balance sheet financial instruments	-	-	-	-	-
	-	-	-	-	-
Off-balance sheet gap (b)	3,357,209	-	-	-	-
Total interest rate sensitivity gap (a+b)	3,357,209	-	-	-	-
Cumulative interest / rate sensitivity gap	3,357,209	3,357,209	3,357,209	-	10,071,627

### (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) 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.6,326,680 (30 June 2020: 5,096,340), Rs. 6,726,452 (30 June 2020: 5,784,125), Rs. 7,117,690 (30 June 2020: 6,704,351), Rs. 25,356,930 (30 June 2020: 23,421,934) and Rs.1,197,735 (30 June 2020: 1,147,335) for AAALP, 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.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 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:

30 June 2021	Aggressive Allocation Islamic Plan						Moderate Allocation Islamic Plan					
				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	4,258,055	-	-	-	-	4,258,055	3,920,135	-	-	-	-	3,920,135
Investments	-	-	-	-	126,533,606	126,533,606	-	-	-	-	134,529,047	134,529,047
Profit receivable on deposit with banks	8,042	-	-	-	-	8,042	17,536	-	-	-	-	17,536
	<b>4,266,097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,533,606</b>	<b>130,799,703</b>	<b>3,937,671</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,529,047</b>	<b>138,466,718</b>
<b>Financial liabilities</b>	Rupees						Rupees					
Payable to Atlas Asset Management Limited - Management Company	39,205	-	-	-	-	39,205	21,759	-	-	-	-	21,759
Payable to the Central Depository Company of Pakistan Limited - Trustee	8,555	-	-	-	-	8,555	8,726	-	-	-	-	8,726
Accrued expenses and other liabilities	-	3,153,866	-	-	-	3,153,866	-	3,358,661	-	-	-	3,358,661
	<b>47,760</b>	<b>3,153,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,201,627</b>	<b>30,485</b>	<b>3,358,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,389,145</b>
<b>Net assets / (liabilities)</b>	<b>4,218,337</b>	<b>(3,153,866)</b>	<b>-</b>	<b>-</b>	<b>126,533,606</b>	<b>127,598,076</b>	<b>3,907,186</b>	<b>(3,358,661)</b>	<b>-</b>	<b>-</b>	<b>134,529,047</b>	<b>135,077,572</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

30 June 2021

### Conservative Allocation Islamic Plan

### Islamic Capital Preservation Plan

	Financial					Financial						
	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
Financial assets	Rupees											
Bank balances	554,548	-	-	-	-	554,548	7,825,894	-	-	-	-	7,825,894
Investments	-	-	-	-	142,353,795	142,353,795	-	-	-	-	423,128,705	423,128,705
Profit receivable on deposit with banks	16,468	-	-	-	-	16,468	235,529	-	-	-	-	235,529
	571,016	-	-	-	142,353,795	142,924,811	8,061,423	-	-	-	423,128,705	431,190,127
Financial liabilities	Rupees											
Payable to Atlas Asset Management Limited - Management Company	42,521	-	-	-	-	42,521	81,082	-	-	-	-	81,082
Payable to the Central Depository Company of Pakistan Limited - Trustee	9,383	-	-	-	-	9,382	33,046	-	-	-	-	33,046
Accrued expenses and other liabilities	-	4,965,989	-	-	-	4,965,989	-	9,646,760	-	-	-	9,646,760
	51,904	4,965,989	-	-	-	5,017,892	114,128	9,646,760	-	-	-	9,760,888
Net assets / (liabilities)	519,112	(4,965,989)	-	-	142,353,795	137,906,919	7,947,295	(9,646,760)	-	-	423,128,705	421,429,244

30 June 2021

### Daily Dividend Plan

	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
Rupees						
Financial assets						
Bank balances	3,260,822	-	-	-	-	3,260,822
Investments	-	-	-	-	23,954,693	23,954,693
Profit receivable on deposit with banks	18,668	-	-	-	-	18,668
	3,279,480	-	-	-	23,954,693	27,234,173
Financial liabilities						
Payable to Atlas Asset Management Limited - Management Company	6,864	-	-	-	-	6,864
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,763	-	-	-	-	1,763
Accrued expenses and other liabilities	-	20,583	-	-	-	20,583
	8,627	20,583	-	-	-	29,211
Net assets / (liabilities)	3,270,853	(20,583)	-	-	23,954,693	27,204,963

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

30 June 2020

Aggressive Allocation Islamic Plan

Moderate Allocation Islamic Plan

**Financial assets**  
Bank balances  
Investments  
Profit receivable on deposit with banks

	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	More than 1 year	Financial instruments without fixed maturity	Total
	Rupees						Rupees				
465,585	-	-	-	-	465,585	1,550,174	-	-	-	-	1,550,174
-	-	-	101,926,792	-	101,926,792	-	-	-	-	115,682,490	115,682,490
2,585	-	-	-	-	2,585	5,157	-	-	-	-	5,157
468,170	-	-	-	-	101,926,792	102,394,962	1,555,331	-	-	115,682,490	117,237,821

**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

14,666	-	-	-	-	14,666	16,831	-	-	-	-	16,831
6,614	-	-	-	-	6,614	7,522	-	-	-	-	7,522
-	2,024,900	-	-	-	2,024,900	-	3,849,860	-	-	-	3,849,860
21,280	2,024,900	-	-	-	2,046,180	24,353	3,849,860	-	-	-	3,874,213
446,890	(2,024,900)	-	-	-	101,926,792	100,348,782	1,530,978	(3,849,860)	-	-	115,682,490
											113,563,608

**Net assets / (liabilities)**

30 June 2019

Conservative Allocation Islamic Plan

Islamic Capital Preservation Plan

	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
	Rupees						Rupees					

**Financial assets**  
Bank balances  
Investments  
Profit receivable on deposit with banks

382,627	-	-	-	-	382,627	7,825,894	-	-	-	-	-	7,825,894
-	-	-	-	134,087,016	134,087,016	-	-	-	-	-	423,128,705	423,128,705
1,886	-	-	-	-	1,886	235,529	-	-	-	-	-	235,529
384,513	-	-	-	-	134,087,016	134,471,529	8,061,423	-	-	-	423,128,705	431,190,128

**Financial liabilities**

Payable to Atlas Asset Management Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited - Trustee

19,816	-	-	-	-	19,816	75,342	-	-	-	-	-	75,342
8,673	-	-	-	-	8,673	30,639	-	-	-	-	-	30,639
-	6,633,870	-	-	-	6,633,870	-	14,186,252	-	-	-	-	14,186,252
28,489	6,633,870	-	-	-	28,489	6,662,359	105,981	14,186,252	-	-	-	14,292,233
356,024	(6,633,870)	-	-	-	134,086,527	127,809,170	7,955,442	(14,186,252)	-	-	423,128,705	416,697,895

**Net assets / (liabilities)**

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### Daily Dividend Plan

	Financial					Total
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
<b>Financial assets</b>						
Bank balances	3,357,209	-	-	-	-	3,357,209
Investments	-	-	-	-	22,946,705	22,946,705
Profit receivable on deposit with banks	31,351	-	-	-	-	31,351
	<b>3,388,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,946,705</b>	<b>26,335,265</b>
<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	1,696	-	-	-	-	1,696
Accrued expenses and other liabilities	-	48,508	-	-	-	48,508
	<b>8,399</b>	<b>48,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,907</b>
<b>Net assets / (liabilities)</b>	<b>3,380,161</b>	<b>(48,508)</b>	<b>-</b>	<b>-</b>	<b>22,946,705</b>	<b>26,278,358</b>

### 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.

30 June 2021	Balance as per statement of assets and liabilities						Balance as per statement of assets and liabilities					
	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	Islamic Dividend Plan	Total
	Rupees						Rupees					
Bank balances	4,258,055	3,920,135	554,548	3,951,358	3,260,822	15,944,918	4,258,055	3,920,135	554,548	3,951,358	3,260,822	15,944,918
Investments	126,533,606	134,529,047	142,353,795	507,138,596	23,954,693	934,509,737	126,533,606	134,529,047	142,353,795	507,138,596	23,954,693	934,509,737
Profit receivable on bank balances	8,042	17,536	16,468	192,708	18,658	253,412	8,042	17,536	16,468	192,708	18,658	253,412
	130,799,703	138,466,718	142,924,811	511,282,662	27,234,173	950,708,067	130,799,702	138,466,718	142,924,811	511,282,662	27,234,173	950,708,066

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

30 June 2020

30 June 2020	Balance as per statement of assets and liabilities						Maximum exposure					
	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	Islamic Dividend Plan	Total
Bank balances	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
Investments	101,926,792	115,682,490	134,087,016	468,438,739	22,946,705	843,081,742	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	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	102,394,962	117,237,821	134,471,529	475,306,911	26,335,265	855,746,488

### 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

30 June 2021

	% of financial assets exposed to credit risk					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
AAA	1.44	2.44	1.14	0.34	-	3.88
A+	95.79	57.79	96.41	-	-	250
AA	-	-	-	99.66	0.29	99.95
A	2.77	39.77	2.45	-	99.71	144.69
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>500.00</b>

30 June 2020

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Islamic Dividend Plan	Total
AAA	1.04	1.61	(5.19)	0.01	-	0.08
AA+	-	-	-	0.33	-	13.69
A+	-	-	-	99.66	-	49.69
AA	96.18	58.00	102.59	-	-	4.34
A	2.78	40.39	2.60	-	100.00	32.20
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 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.

## **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 THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

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 2021	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	9	4,482,864	3.49	12	11,284,460	8.44	18	1,135,574	0.82	31	37,641,399	7.59	4	5,846,015	21.52
Retirement Funds	-	-	-	-	-	-	-	-	-	2	6,032,961.79	1.22	-	-	-
Associated Companies/ Directors	2	124,008,104	96.51	2	122,487,443	91.56	2	137,119,865	99.18	2	236,476,847	47.70	1	21,321,967	78.48
Others	-	-	-	-	-	-	-	-	-	2	215,619,168	43.49	-	-	-
	11	128,490,959	100.00	14	133,771,902	100.00	20	138,255,440	100.00	37	495,770,376	100.00	5	27,167,982	100.00

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	1.12	35	36,374,849	7.98	5	5,776,148	22.10
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	98.88	2	212,251,069	46.54	1	20,358,957	77.90
Others	-	-	-	-	-	-	-	-	-	2	202,055,825	44.30	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks/DFIs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10	100,177,153	100.00	16	112,807,608	100.00	21	126,609,763	100.00	41	456,056,491	100.00	6	26,135,105	100.00

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 23 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 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

### 25 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					
	06 July 2020	10 September 2020	26 October 2020	25 February 2021	29 April 2021	26 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	L	L	P	P	P
P	Present					
L	Leave of absence					

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

### 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.

27.3 For AIDP, the comparative figures are for the period from 16 March 2020 to 30 June 2020 and hence, are not comparable with the current year figures.

### 27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 6 September 2021.

**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

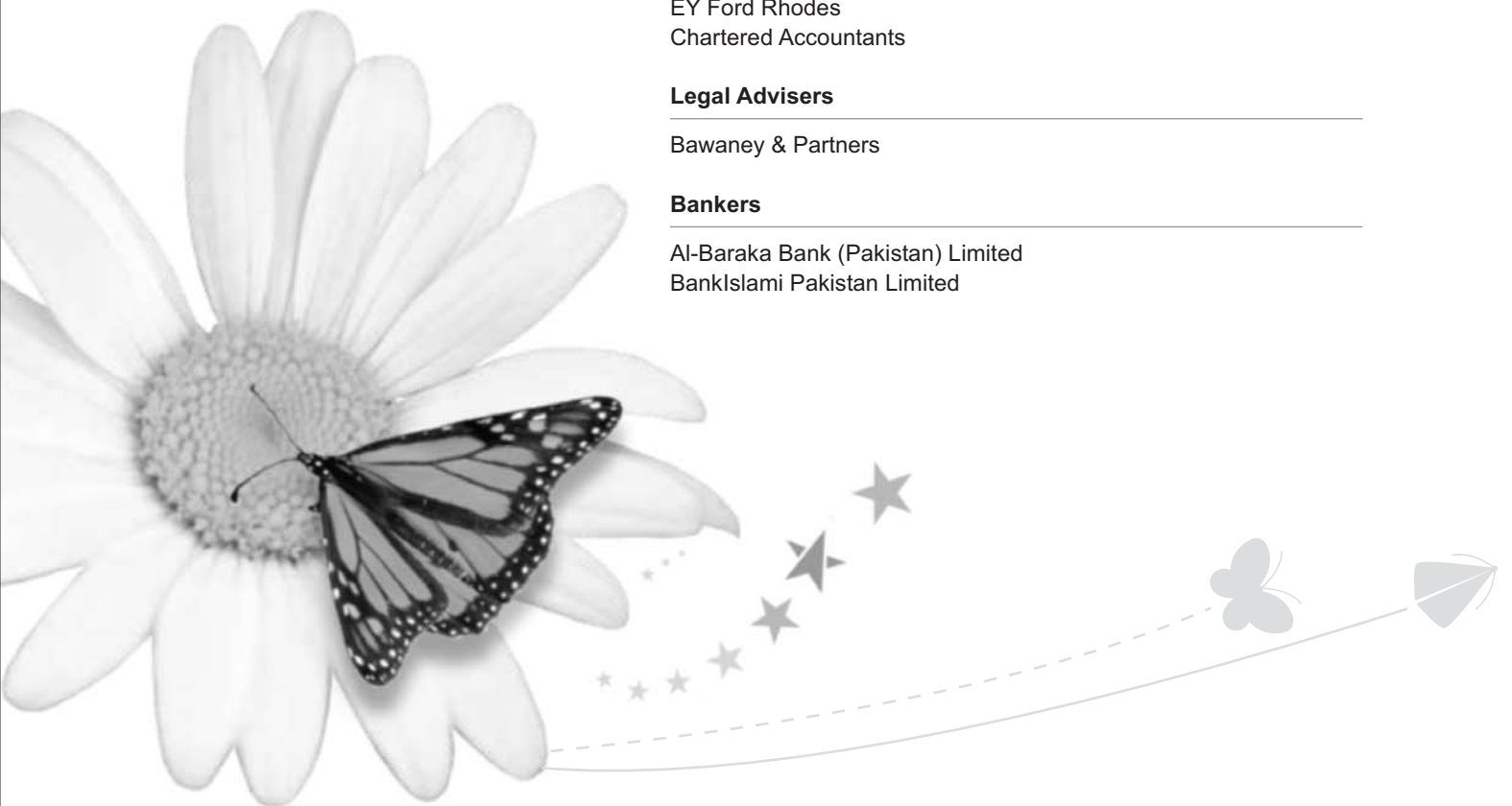
EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

Bawaney & Partners

### Bankers

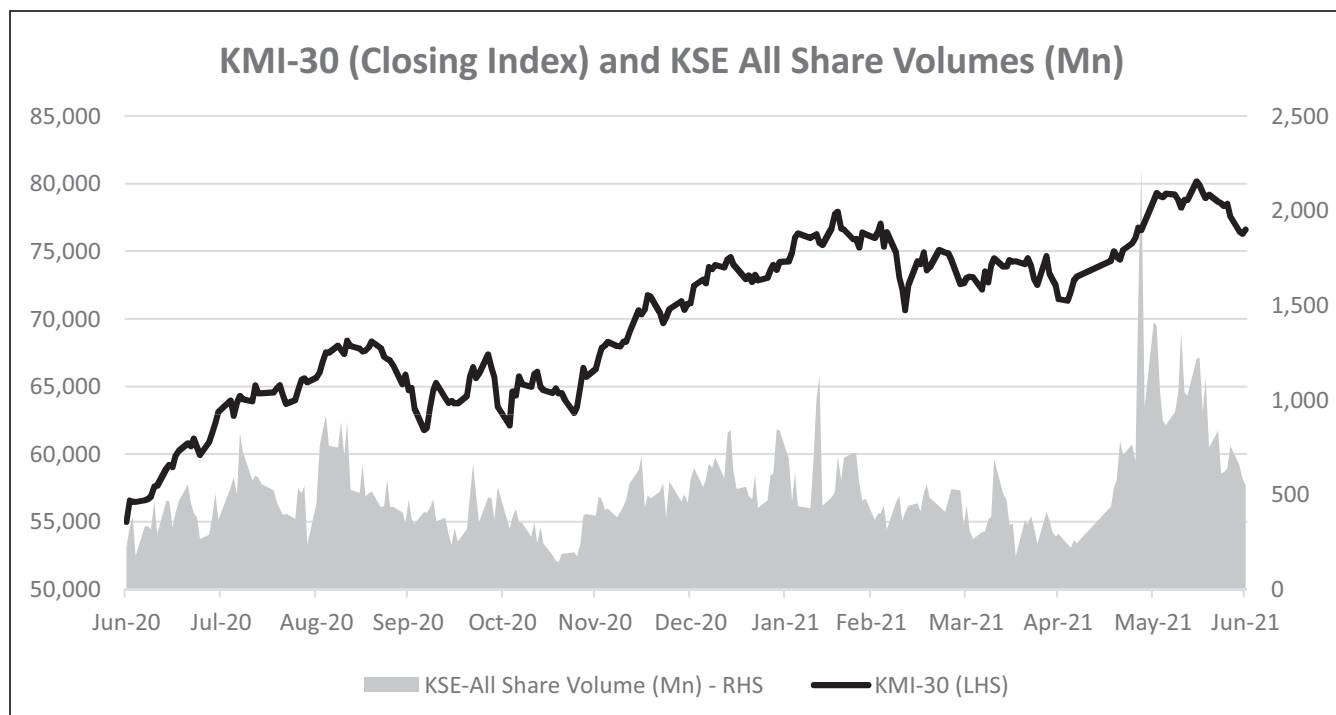
Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited



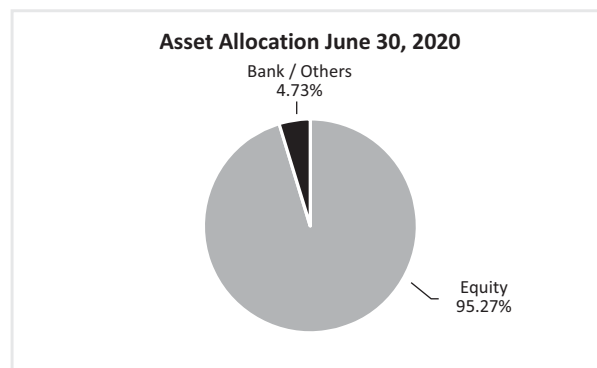
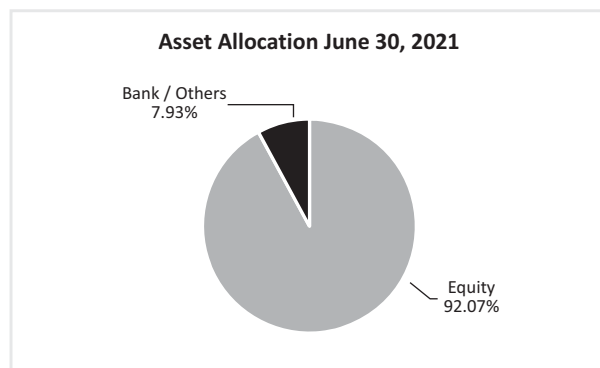
## Fund Manager's Report

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

The KMI-30 index increased 39.32% from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. The daily average volume during FY21 increased by 168.80% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.



The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) increased by 37.80% to Rs. 596.02 as on June 30, 2021. The KMI-30 index increased from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. AIDSF 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 92.07% that mainly comprised of Oil & Gas Exploration, Cement, Islamic Commercial Banks and Fertilizer. The Net Assets of the Fund stood at Rs. 327.32 million, with 0.55 million units outstanding as of June 30, 2021.



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. 12.75 per unit for the period ended June 30, 2021 (2.55% 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 (%)
Fund of Funds	4	233,031,115	71.19%
Retirement Funds	2	94,289,557	28.81%
<b>Total</b>	<b>6</b>	<b>327,320,672</b>	<b>100.00%</b>

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 3,063,673 (Rs. 5.58 per unit).

The Total Expense Ratio (TER) of the Fund is 4.32% including expenses representing Government levy and SECP Fee of 1.07%.

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

Karachi: 6 September 2021

**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>	197	197	-	-
<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

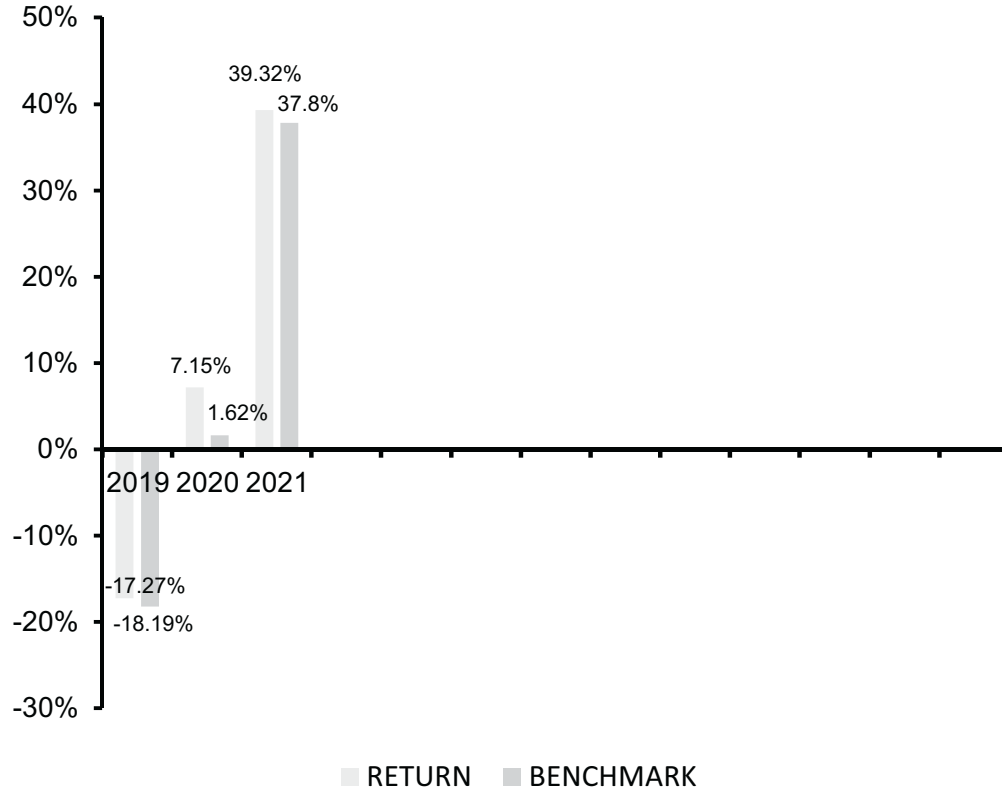
	2021	2020	2019*
Net Assets (Rs. in '000)	327,321	362,489	256,527
Number of units in issue	549,177	820,677	620,181
Net assets value per unit (Rs.)	596.02	441.69	413.63
Net (loss) / income (Rs. in '000)	123,189	26,931	(52,158)
Earnings per unit (Rs.)	224.32	32.82	(84.10)
Annual return of the fund (%)	39.32	7.15	(17.27)
Offer Price ** (Rs.)	609.49	451.68	422.98
Redemption Price ** (Rs.)	596.02	441.69	413.63
Distribution (Rs.)	12.75	1.50	-
Distribution as a % of Opening Ex- NAV of units	2.89	0.36	-
Date of Distribution	28-Jun-21	30-Jun-20	-
Highest offer price per unit (Rs.)	643.52	549.41	533.64
Lowest offer price per unit (Rs.)	465.70	340.50	411.79
Highest redemption price per unit (after applicable back-end load) (Rs.)	629.30	537.27	521.85
Lowest redemption price per unit (after applicable back-end load) (Rs.)	455.41	332.97	402.69

\*Period from 10 January 2019 to 30 June 2019 (Date of Launch: January 10, 2019)

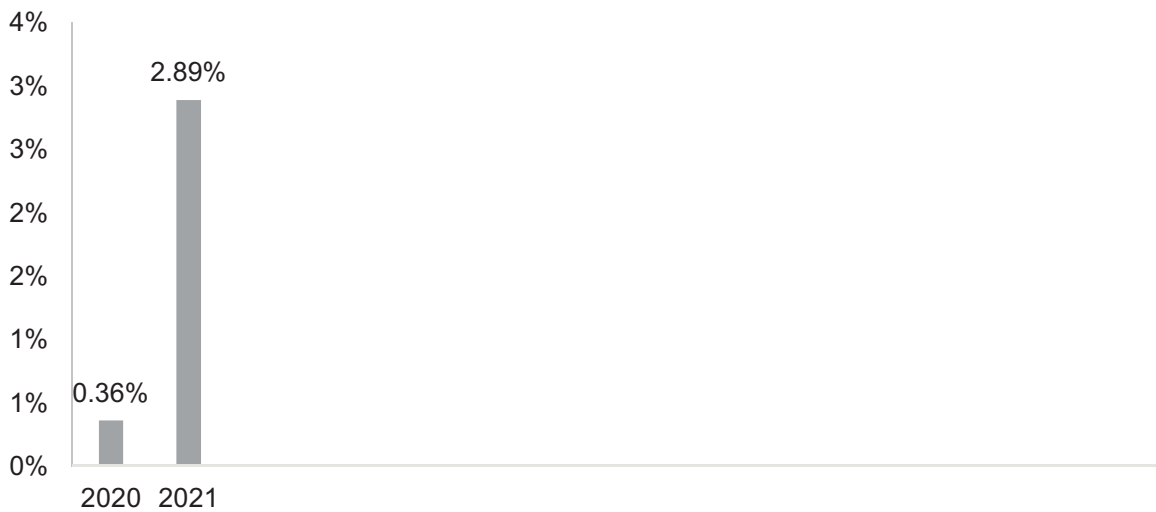
\*\* Relates to announced prices.

**Note:** Past performance of the funds is not indicative of future performance, and the unit price and investment return may 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 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, 2021 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: 30 September 2021

**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 2021

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

# 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 2021, 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 2021, 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 2021, 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 2021.</li><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></ul>



Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <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 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 Mr. Arslan Khalid.

Karachi: 20 September 2021

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

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2021

	Note	2021 Rupees	2020
<b>ASSETS</b>			
Bank balances	4	13,799,438	11,892,473
Investments	5	310,475,376	357,745,101
Receivable against sale of investment		8,924,517	1,615,350
Profit receivable on bank balances		21,761	166,871
Dividend receivable		121,000	-
Deferred formation cost	6	444,430	666,645
Advances, deposits and other receivables	7	3,412,741	3,412,741
<b>Total assets</b>		<b>337,199,262</b>	<b>375,499,181</b>
<b>LIABILITIES</b>			
Payable against redumption of units		4,795,000	9,000,000
Payable to Atlas Asset Management Limited - Management Company	8	852,066	868,226
Payable to Central Depository Company of Pakistan Limited - Trustee	9	63,934	71,475
Payable to the Securities and Exchange Commission of Pakistan	10	75,204	68,922
Payable against purchase of investments		-	1,607,480
Accrued expenses and other liabilities	11	4,092,386	1,394,336
<b>Total liabilities</b>		<b>9,878,590</b>	<b>13,010,439</b>
<b>NET ASSETS</b>		<b>327,320,672</b>	<b>362,488,742</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>327,320,672</b>	<b>362,488,742</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>NUMBER OF UNITS IN ISSUE</b>		<b>549,177</b>	<b>820,677</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>596.0206</b>	<b>441.6900</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 2021

	Note	2021 -----Rupees-----	2020
<b>INCOME</b>			
Profit on bank balances	4	280,510	723,662
Dividend income		17,643,039	15,978,413
Capital gain on sale of investments - net		72,006,775	30,115,901
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	49,487,364	(7,395,464)
		<b>121,494,139</b>	<b>22,720,437</b>
<b>Total Income</b>		<b>139,417,688</b>	<b>39,422,512</b>
<b>EXPENSES</b>			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	9,023,172	7,391,393
Sindh sales tax on remuneration of the Management Company	8.2	1,173,012	960,881
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	751,931	689,211
Sindh sales tax on remuneration of the Trustee	9.2	97,752	89,597
Annual fee - Securities and Exchange Commission of Pakistan	10	75,204	68,922
Accounting and operational charges	13	911,598	510,264
Shariah advisory fee		80,005	52,500
Auditors' remuneration	15	223,992	363,152
Securities transaction cost		842,914	1,222,677
Printing charges		14,767	20,601
Amortisation of formation cost	6	222,215	222,215
Legal and professional charges		236,400	223,067
Annual listing fee		30,138	125,616
Provision for Sindh Workers Welfare Fund		2,514,053	549,620
Bank charges		31,944	1,398
		<b>16,229,097</b>	<b>12,491,114</b>
<b>Net income for the period before taxation</b>		<b>123,188,591</b>	<b>26,931,398</b>
<b>Taxation</b>	16	-	-
<b>Net income for the period after taxation</b>		<b>123,188,591</b>	<b>26,931,398</b>
<b>Earnings per unit</b>	17		
<b>Allocation of net income for the year</b>			
- Net income for the year after taxation		123,188,591	26,931,398
- Income already paid on units redeemed		(34,096,666)	(3,443,166)
		<b>89,091,925</b>	<b>23,488,232</b>
<b>Accounting income/(Loss) available for distribution:</b>			
-Relating to capital gains		121,494,139	30,115,901
-Excluding capital gains		(32,402,214)	(6,627,669)
		<b>89,091,925</b>	<b>23,488,232</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 2021

	2021	2020
	Rupees	
Net income for the period after taxation	123,188,591	26,931,398
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income for the period</b>	<b>123,188,591</b>	<b>26,931,398</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 MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2021

	30 June 2021		
	Capital Value	Undistributed income	Net Assets
	Rupees		
Capital value	392,806,970	-	392,806,970
<b>Undistributed income brought forward</b>			
- Realised loss	-	(727,396)	(727,396)
- Unrealised loss	-	(29,590,832)	(29,590,832)
<b>Net assets at the beginning of the period (Units outstanding: 820,677)</b> <b>(Rs. 441.6900 per unit)</b>	<b>392,806,970</b>	<b>(30,318,228)</b>	<b>362,488,742</b>
Issue of 36,862 units	20,079,900	-	20,079,900
Redemption of 308,362 units	(136,830,065)	(34,096,666)	(170,926,731)
Refund of capital	(183,862)	-	(183,862)
Final cash dividend declared for the year ended 30 June 2021 Rs. 12.75 per unit declared on 28 June 2021	-	(6,672,861)	(6,672,861)
Total comprehensive income for the period	-	123,188,591	123,188,591
Shariah non-compliant income set-aside for charity	-	(653,107)	(653,107)
<b>Net assets at end of the period (Units outstanding: 549,177)</b> <b>(Rs. 596.0206 per unit)</b>	<b>275,872,943</b>	<b>51,447,729</b>	<b>327,320,672</b>
<b>Undistributed income carried forward</b>			
- Realised gain	-	18,532,020	-
- Unrealised gain	-	32,915,709	-
	-	<b>51,447,729</b>	-
	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 (Units outstanding: 620,181)</b> <b>(Rs. 413.63 per unit)</b>	<b>308,793,987</b>	<b>(52,266,843)</b>	<b>256,527,144</b>
Issue of 377,585 units	163,479,190	-	163,479,190
Redemption of 177,083 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 (Units outstanding: 820,677)</b> <b>(Rs. 441.69 per unit)</b>	<b>392,806,970</b>	<b>(30,318,228)</b>	<b>362,488,742</b>
<b>Undistributed income carried forward</b>			
- Realised loss	-	(727,396)	-
- Unrealised loss	-	(29,590,832)	-
	-	<b>(30,318,228)</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 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period after taxation		123,188,591	26,931,398
<b>Adjustments for:</b>			
Profit on bank balances		(280,510)	(723,662)
Dividend income		(17,643,039)	(15,978,413)
Capital (gain) / loss on sale of investments - net		(72,006,775)	(30,115,901)
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(49,487,364)	7,395,464
Provision for Sindh Workers' Welfare Fund		-	549,620
Amortisation of formation cost		222,215	222,215
		<b>(139,195,473)</b>	<b>(38,650,677)</b>
<b>Increase in assets</b>			
Receivable against sale of investments		(7,309,167)	(682,450)
Advances, deposits and other receivables		-	102,837
		<b>(7,309,167)</b>	<b>(579,613)</b>
<b>(Decrease) / Increase in liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company		(16,160)	(756,188)
Payable to Central Depository Company of Pakistan Limited - Trustee		(7,541)	16,665
Payable to the Securities and Exchange Commission of Pakistan		6,282	(35,552)
Payable against redemption of units		(4,205,000)	9,000,000
Payable against purchase of investments		(1,607,480)	1,607,480
Accrued expenses and other liabilities		2,698,050	542,637
		<b>(3,131,849)</b>	<b>10,375,042</b>
Profit received on bank balances		425,621	578,256
Dividend received		17,522,039	16,410,288
Investments made during the period		(230,684,873)	(369,878,231)
Investments sold during the period		399,448,737	283,185,763
<b>Net cash generated / (used in) operating activities</b>		<b>160,263,626</b>	<b>(71,627,774)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issuance of units		20,079,900	163,479,190
Net payments against redemption of units		(170,926,731)	(82,892,617)
Shariah non-compliant income set-aside for charity		(653,107)	(329,525)
Refund of capital		(183,862)	(16,756)
Cash payout against distribution		(6,672,861)	(1,210,093)
<b>Net cash (used in) / generated from financing activities</b>		<b>(158,356,661)</b>	<b>79,030,199</b>
<b>Net increase in cash and cash equivalents during the period</b>		<b>1,906,965</b>	<b>7,402,425</b>
Cash and cash equivalents at the beginning of the period		11,892,473	4,490,047
<b>Cash and cash equivalents at the end of the period</b>	4	<b>13,799,438</b>	<b>11,892,473</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 2021

## 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 has been 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, Shahrah-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.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 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.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

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	01 July 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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund and taxes recoverable as disclosed in notes 11.2, and 7.1 respectively.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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.

### 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. Given the objectives of the Fund, all investments have been classified as 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.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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'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; 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 etc."

### **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

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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. The Fund has not used this classification for its investment portfolio.

### **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. The Fund has not used this classification for its investment portfolio.

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."

#### **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

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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**

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

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

### 3.6 **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 2021

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. The Fund intends to distribute such income at the year end in order to avail this tax exemption. Accordingly, no provision is made for current and deferred taxation in these financial statements.

## 3.10 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.

		2021	2020
	Note	Rupees	Rupees
<b>4 BANK BALANCES</b>			
In local currency			
- Profit and loss sharing accounts	4.1	<u>13,799,438</u>	<u>11,892,473</u>

4.1 The rate of return on these profit and loss sharing accounts ranges between 6.00% to 6.90% (30 June 2020: 6.50% to 7.00%) per annum.

		2021	2020
	Note	Rupees	Rupees
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
- Listed equity securities	5.1	<u>310,475,376</u>	<u>357,745,101</u>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	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
Note	Number of shares			Rupees			% age			

### Banks

Bankislami Pakistan Limited	819,100	270,000	-	1,089,100	-	-	-	-	-	-
Meezan Bank Limited	448,400	117,000	27,340	329,500	263,240	18,698,106	30,380,528	9.79	9.28	0.02
	1,267,500	387,000	27,340	1,418,600	263,240	18,698,106	30,380,528	9.79	9.28	

### Textile Composite

Interloop Limited	-	100,000	-	80,000	20,000	1,409,997	1,400,600	0.45	0.43	0.00
Kohinoor Textile Mills Limited	91,000	20,000	-	65,500	45,500	1,685,310	3,421,600	1.10	1.05	0.02
Nishat Mills Limited	1,500	128,000	-	72,000	57,500	5,222,187	5,364,750	1.73	1.64	0.02
	92,500	248,000	-	217,500	123,000	8,317,494	10,186,950	3.28	3.11	

### Cement

Attock Cement Pakistan Limited	54,100	6,000	-	43,100	17,000	2,300,222	3,056,940	0.98	0.93	0.01
Cherat Cement Company Limited	66,850	22,400	-	71,800	17,450	2,278,512	3,095,281	1.00	0.95	0.01
D.G. Khan Cement Company Limited	71,500	38,500	-	57,000	53,000	6,012,822	6,249,760	2.01	1.91	0.01
Fauji Cement Company Limited	-	405,000	-	73,500	331,500	6,927,436	7,624,500	2.46	2.33	0.02
Gharibwal Cement Limited	100,000	100,000	-	200,000	-	-	-	-	-	-
Kohat Cement Company Limited	36,500	8,000	-	27,000	17,500	2,955,273	3,613,575	1.16	1.10	0.01
Lucky Cement Limited	69,600	1,500	-	33,750	37,350	17,494,640	32,249,484	10.39	9.85	0.01
Maple Leaf Cement Factory Limited	-	95,000	-	25,000	70,000	3,226,000	3,288,600	1.06	1.00	0.01
	398,550	676,400	-	531,150	543,800	41,194,905	59,178,140	19.06	18.08	

### Refinery

Attock Refinery Limited	-	32,000	-	21,700	10,300	2,388,820	2,641,435	0.85	0.81	0.01
National Refinery Limited	-	2,500	-	500	2,000	1,102,169	1,046,380	0.34	0.32	0.00
	-	34,500	-	22,200	12,300	3,490,989	3,687,815	1.19	1.13	

### Power Generation & Distribution

The Hub Power Company Limited	455,903	208,000	-	492,903	171,000	14,553,062	13,623,570	4.39	4.16	0.01
K-Electric Limited (face value Rs. 3.5)	505,500	300,000	-	90,000	715,500	2,505,411	2,990,790	0.96	0.91	0.00
	961,403	508,000	-	582,903	886,500	17,058,473	16,614,360	5.35	5.08	

### Oil & Gas Marketing Companies

Attock Petroleum Limited	7,500	-	-	7,500	-	-	-	-	-	-
Hi-Tech Lubricants Limited	40,000	90,000	-	130,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	75,400	15,200	-	39,100	51,500	8,416,505	11,548,875	3.72	3.53	0.01
Shell Pakistan Limited	20,000	4,500	-	24,500	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	96,000	138,500	-	189,500	45,000	1,915,650	2,186,100	0.70	0.67	0.01
	238,900	248,200	-	390,600	96,500	10,332,155	13,734,975	4.42	4.20	

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	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
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Note ----- Number of shares ----- Rupees ----- % age -----

## Oil & Gas Exploration Companies

Mari Petroleum Company Limited	17,368	1,000	-	6,840	11,528	14,562,848	17,573,168	5.66	5.37	0.01
Oil & Gas Development Company Limited	281,400	60,000	-	50,500	290,900	31,859,032	27,644,227	8.90	8.45	0.01
Pakistan Oilfields Limited	45,800	4,000	-	37,300	12,500	4,444,610	4,923,250	1.59	1.50	0.00
Pakistan Petroleum Limited	248,840	42,000	-	76,800	214,040	19,091,446	18,585,093	5.99	5.68	0.01
	<b>593,408</b>	<b>107,000</b>	<b>-</b>	<b>171,440</b>	<b>528,968</b>	<b>69,957,935</b>	<b>68,725,738</b>	<b>22.14</b>	<b>21.00</b>	

## Engineering

Agha Steel Industries Limited	-	137,394	-	137,394	-	-	-	-	-	-
International Industries Limited	15,880	25,500	-	29,380	12,000	2,716,426	2,532,240	0.82	0.77	0.01
International Steels Limited	-	120,000	-	108,500	11,500	1,127,322	1,074,215	0.35	0.33	0.00
Mughal Iron And Steel Industries Ltd	-	11,000	1,760	4,760	8,000	677,229	835,200	0.27	0.26	0.00
	<b>15,880</b>	<b>293,894</b>	<b>1,760</b>	<b>280,034</b>	<b>31,500</b>	<b>4,520,978</b>	<b>4,441,655</b>	<b>1.43</b>	<b>1.36</b>	

## Automobile Assembler

Indus Motor Company Limited	-	4,500	-	4,500	-	-	-	-	-	-
Millat Tractors Limited	6,200	900	675	2,000	5,775	3,961,907	6,234,748	2.01	1.90	0.01
Pak Suzuki Motor Company Limited	-	14,500	-	5,000	9,500	2,831,389	3,376,680	1.09	1.03	0.01
	<b>6,200</b>	<b>19,900</b>	<b>675</b>	<b>11,500</b>	<b>15,275</b>	<b>6,793,295</b>	<b>9,611,428</b>	<b>3.10</b>	<b>2.94</b>	

## Automobile Parts & Accessories

Panther Tyres Limited	-	42,080	-	10,500	31,580	2,086,362	2,183,125	0.70	0.67	0.02
Thal Limited (face value Rs. 5)	-	19,400	-	1,500	17,900	8,081,288	7,567,762	2.44	2.31	0.02
	<b>-</b>	<b>61,480</b>	<b>-</b>	<b>12,000</b>	<b>49,480</b>	<b>10,167,650</b>	<b>9,750,887</b>	<b>3.14</b>	<b>2.98</b>	

## Cables & Electrical Goods

Pak Elektron Limited	-	60,000	-	60,000	-	-	-	-	-	-
	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Transport

Pakistan International Bulk Terminal Limited	-	150,000	-	5,000	145,000	1,754,009	1,650,100	0.53	0.50	0.01
	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>5,000</b>	<b>145,000</b>	<b>1,754,009</b>	<b>1,650,100</b>	<b>0.53</b>	<b>0.50</b>	

## Technology & Communications

Avanceon Limited	-	65,500	-	65,500	-	-	-	-	-	-
Pakistan Telecommunication Company Ltd.	-	360,000	-	65,000	295,000	2,914,276	3,492,800	1.12	1.07	0.01
Systems Limited	60,000	-	2,000	47,200	14,800	2,471,331	8,291,256	2.67	2.53	0.01
	<b>60,000</b>	<b>425,500</b>	<b>2,000</b>	<b>177,700</b>	<b>309,800</b>	<b>5,385,607</b>	<b>11,784,056</b>	<b>3.80</b>	<b>3.60</b>	

## Fertilizer

Engro Fertilizers Limited	269,500	120,000	-	260,000	129,500	8,459,402	9,099,965	2.93	2.78	0.01
Engro Corporation Limited (Note # 5.3)	86,420	27,500	-	43,920	70,000	20,659,616	20,622,700	6.64	6.30	0.01
	<b>355,920</b>	<b>147,500</b>	<b>-</b>	<b>303,920</b>	<b>199,500</b>	<b>29,119,018</b>	<b>29,722,665</b>	<b>9.57</b>	<b>9.08</b>	



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	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>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	8,500	-	-	8,500	-	-	-	-	-	-
Agp Limited	42,000	16,000	-	58,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	20,200	26,000	-	25,200	21,000	3,844,658	3,479,070	1.12	1.06	0.01
Highnoon Laboratories Limited	10,395	2,500	1,289	-	14,184	6,773,300	8,510,400	2.74	2.60	0.04
The Searle Company Limited	35,400	7,000	3,413	28,313	17,500	3,697,418	4,245,850	1.37	1.30	0.01
	<b>116,495</b>	<b>51,500</b>	<b>4,702</b>	<b>120,013</b>	<b>52,684</b>	<b>14,315,375</b>	<b>16,235,320</b>	<b>5.23</b>	<b>4.96</b>	
<b>Chemicals</b>										
Berger Paints Pakistan Limited	-	22,500	-	22,500	-	-	-	-	-	-
Dyneema Pakistan Limited	-	10,500	-	10,500	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	325,000	60,000	-	285,500	99,500	3,831,582	4,700,380	1.51	1.44	0.01
ICI Pakistan Limited	4,650	5,500	-	10,150	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	180,000	-	180,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	11,600	-	7,800	3,800	1,441,434	1,337,600	0.43	0.41	0.02
	<b>329,650</b>	<b>290,100</b>	<b>-</b>	<b>516,450</b>	<b>103,300</b>	<b>5,273,016</b>	<b>6,037,980</b>	<b>1.94</b>	<b>1.84</b>	
<b>Paper &amp; Board</b>										
Packages Limited	6,000	8,100	-	2,700	11,400	4,876,111	6,215,280	2.00	1.90	0.01
Security Papers Limited	-	5,000	-	5,000	-	-	-	-	-	-
	<b>6,000</b>	<b>13,100</b>	<b>-</b>	<b>7,700</b>	<b>11,400</b>	<b>4,876,111</b>	<b>6,215,280</b>	<b>2.00</b>	<b>1.90</b>	
<b>Leather &amp; Tanneries</b>										
Bata Pakistan Limited	4,420	-	-	3,400	1,020	1,369,962	1,748,688	0.56	0.53	0.01
Service Global Footwear Limited	-	25,000	-	-	25,000	1,424,995	1,445,750	0.47	0.44	0.01
	<b>4,420</b>	<b>25,000</b>	<b>-</b>	<b>3,400</b>	<b>26,020</b>	<b>2,794,957</b>	<b>3,194,438</b>	<b>1.03</b>	<b>0.98</b>	
<b>Foods &amp; Personal Care Products</b>										
At-Tahur Limited	228,500	-	20,850	40,000	209,350	3,279,183	4,877,855	1.57	1.49	0.12
Treet Corporation Limited	-	40,000	-	13,000	27,000	1,132,616	1,336,230	0.43	0.41	0.02
Unity Foods Limited	-	343,500	-	308,500	35,000	1,007,963	1,558,200	0.50	0.48	0.00
	<b>228,500</b>	<b>383,500</b>	<b>20,850</b>	<b>361,500</b>	<b>271,350</b>	<b>5,419,762</b>	<b>7,772,285</b>	<b>2.50</b>	<b>2.37</b>	
<b>Glass &amp; Ceramics</b>										
Shabbir Tiles & Ceramics Limited (face value Rs. 5)	-	160,000	-	113,500	46,500	1,518,176	1,550,775	0.50	0.47	0.01
Tariq Glass Industries Ltd	37,000	-	-	37,000	-	-	-	-	-	-
	<b>37,000</b>	<b>160,000</b>	<b>-</b>	<b>150,500</b>	<b>46,500</b>	<b>1,518,176</b>	<b>1,550,775</b>	<b>0.50</b>	<b>0.47</b>	
<b>Miscellaneous</b>										
Synthetic Products Enterprises Limited	25,500	-	-	25,500	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	100,000	-	100,000	-	-	-	-	-	-
	<b>25,500</b>	<b>100,000</b>	<b>-</b>	<b>125,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at 30 June 2021</b>						<b>260,988,012</b>	<b>310,475,376</b>	<b>100.00</b>	<b>94.85</b>	
<b>Total as at 30 June 2020</b>						<b>365,140,564</b>	<b>357,745,101</b>	<b>100.00</b>	<b>96.81</b>	

5.2 The cost of listed equity securities as at 30 June 2021 is Rs. 277,559,667 (30 June 2020 is Rs. 387,335,932).

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 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	
	2021	2020	2021	2020
			----- Rupees -----	
Engro Corporation Limited	4,500	4,500	1,325,745	1,318,140
Meezan Bank Limited	7,500	1,000	865,575	68,850
Oil & Gas Development Company Limited	50,000	50,000	4,751,500	5,450,000
Pakistan Petroleum Limited	30,000	30,000	2,604,900	2,603,400
	<b>92,000</b>	<b>85,500</b>	<b>9,547,720</b>	<b>9,440,390</b>

### 6 DEFERRED FORMATION COST

	2021	2020
	----- Rupees -----	
Deferred	666,645	888,860
Amortisation of formation cost	(222,215)	(222,215)
	<b>444,430</b>	<b>666,645</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.

### 7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	2021	2020
		----- Rupees -----	
<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	100,000
Tax recoverable	7.1	812,741	812,741
		<b>3,412,741</b>	<b>3,412,741</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 withholders. Such deductions aggregate to Rs. 0.81 million (2020: 0.81 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 2021 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 2021

Had the Tax Recoverable not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2021 would have been lower by Rs. 1.48 per unit (30 June 2020: Rs. 0.99 per unit).

### 8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

		2021	2020
	Note	Rupees	
Remuneration of the Management Company	8.1	678,938	723,020
Sindh sales tax payable on remuneration of the Management Company	8.2	88,261	93,992
Accounting and operational charges payable	13	84,867	51,214
		<b>852,066</b>	<b>868,226</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 2.5% of average annual net assets, within allowed expense. In prior year on 01 March 2020 Management Company decided to revise the management fee from 2.00% to 2.40. However, the rate remained at 2.4% during the current year. The fee is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 1,173,012 (2020: 960,881) 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. 1,178,743 (2020: 923,443) has been paid to the Management Company which acts as the collecting agent.

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

		2021	2020
	Note	Rupees	
Trustee fee	9.1	56,578	60,251
Sindh sales tax payable on trustee fee	9.2	7,356	7,834
Settlement charges		-	3,000
Sindh sales tax payable on settlement charges		-	390
		<b>63,934</b>	<b>71,475</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. 97,752 (2020: Rs. 89,597) 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. 98,299 (2020: Rs. 87,419) was paid to the Trustee which acts as a collecting agent.

### 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

		2021	2020
	Note	Rupees	
Annual fee payable	10.1	<b>75,204</b>	<b>68,922</b>

10.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the Securities and Exchange Commission of Pakistan an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Rupees	
Auditors' remuneration payable		249,913	276,589
Transaction charges payable		479,905	394,618
Withholding tax and capital gain payable		55,141	104,745
Payable to Shariah Advisor		20,010	15,000
Provision for Sindh Workers' Welfare Fund	11.2	3,063,673	549,620
Printing charges payable		12,520	-
Charity payable	11.1	211,224	53,764
		<b>4,092,386</b>	<b>1,394,336</b>

**11.1** The Shariah Advisor of the Fund, has certified an amount of Rs. 653,106 (30 June 2020: Rs. 329,525) against dividend income, as Shariah non-compliant income during the period, 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 Mutual Fund Association of Pakistan (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 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 / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had 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 Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

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 2021 would have been higher by Rs. 5.58 per unit (30 June 2020: Rs. 0.67 per unit).

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2021 and 30 June 2020.

## 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 0.17% of the average annual net assets of the Fund for the period from July 01 2020 to 02 December 2020 and 0.3% of the average annual net assets of the Fund from 03 December

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2020 to 30 June 2021 (2020: 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 2021 is 4.36% which includes 1.07% (30 June 2020 is 3.62 which includes 0.53%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 15 AUDITORS' REMUNERATION

	2021	2020
	----- Rupees -----	
Audit fee	151,300	165,000
Half Yearly fee	75,700	40,000
Certification charges	30,000	22,000
Code of Corporate Governance	-	50,000
Out of pocket expenses	25,000	25,000
Sindh sales tax on services	22,560	24,160
Prior year adjustment	(80,568)	36,992
	<b>223,992</b>	<b>363,152</b>

## 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 2021 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.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**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:

	2021	2020
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	9,023,172	7,391,393
Remuneration paid	9,067,255	7,103,406
Sindh sales tax on remuneration of the Management Company	1,173,012	960,881
Accounting and operational charges	911,598	510,264
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	751,931	689,211
Sindh sales tax on remuneration of the Trustee	97,752	89,597
Remuneration paid	755,604	672,464
Settlement charges	31,771	29,354
Sindh sales tax on settlement charges	4,130	3,816
<b>Shirazi Investments (Private) Limited Employee Provident Fund</b>		
Issue of 19,728 (2020: 10,497) units	9,921,558	5,015,691
Redemption of 21,544 (2020: Nil) units	12,380,733	-
Dividend declared	108,381	15,691
Outstanding 8,681 (2020: 10,497) units - at net asset value	5,173,787	4,636,206
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Issue of 3,275 (2020: 38,049) units	1,970,976	15,655,237
Redemption of 16,151 (2020: 18,725) units	8,430,000	9,380,000
Dividend declared	1,970,976	255,237
Outstanding of 157,862 (2020: 170,738) units at net asset value	94,088,818	75,413,050
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Issue of 9,022 (2020: 155,163) units	5,276,800	71,223,560
Redemption of 9,051 (2020: 5,616) units	4,970,000	3,000,000
Dividend declared	1,866,800	206,804
Outstanding of 149,518 (2020: 149,547) units at net asset value	89,115,763	66,053,424
<b>Atlas Moderate Allocation Islamic Plan</b>		
Issue of 12,727 (2020: 44,751) units	7,516,618	18,360,624
Redemption of 32,150 (2020: 21,305) units	17,390,000	10,620,000
Dividend declared	1,516,618	210,624
Outstanding 121,471 (2020: 140,894) units at net asset value	72,399,074	62,231,583
<b>Atlas Conservative Allocation Islamic Plan</b>		
Issue of 1,411 (2020: 45,638) units	849,091	18,729,889
Redemption of 20,292 (2020: 23,689) units	10,545,000	11,840,000
Dividend declared	849,091	129,889
Outstanding 68,006 (2020: 86,888) units at net asset value	40,533,210	38,377,373
<b>Atlas Islamic Capital Preservation Plan</b>		
Issue of 905 (2020: 83,358) units	544,858	34,391,846
Redemption of 209,180 (2020: 107,619) units	117,000,000	48,000,000
Dividend declared	544,858	391,846
Outstanding of 53,846 (2020: 262,120) units at net asset value	32,093,325	115,775,867

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 -----		
	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income
	----- (Rupees) -----		
<b>Financial Assets</b>			
Bank balances	13,799,438	-	-
Investments	-	310,475,376	-
Receivable against sale of investment	8,924,517	-	-
Profit receivable on bank balances	21,760	-	-
Dividend receivable	121,000	-	-
Advances, deposits and other receivables	2,600,000	-	-
	<b>25,466,715</b>	<b>310,475,376</b>	<b>-</b>
	<b>335,942,091</b>		

	----- As at 30 June 2021 -----		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
<b>Financial Liabilities</b>			
Payable to Atlas Asset Management Limited- Management Company	-	852,066	852,066
Payable to Central Depository Company of Pakistan Limited - Trustee	-	63,934	63,934
Payable against redemptions of units	-	4,795,000	4,795,000
Accrued expenses and other liabilities	-	973,572	973,572
	<b>-</b>	<b>6,684,572</b>	<b>6,684,572</b>

	----- As at 30 June 2020 -----		
	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income
	----- (Rupees) -----		
<b>Financial Assets</b>			
Bank balances	11,892,473	-	-
Investments	-	357,745,101	-
Receivable against sale of investment	1,615,350	-	-
Profit receivable on bank balances	166,871	-	-
Advances, deposits and other receivables	2,600,000	-	-
	<b>16,274,694</b>	<b>357,745,101</b>	<b>-</b>
	<b>374,019,795</b>		



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	----- As at 30 June 2020 -----		
	At fair value through profit or loss	At amortised cost	Total
<b>Financial Liabilities</b>	----- (Rupees) -----		
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 redemptions 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>12,287,152</b>	<b>12,287,152</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 another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan. 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 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 2021, 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 2021, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 137,994 (30 June 2020: 118,925).

#### 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 2021 is not necessarily indicative of the impact on the Fund's net assets of the future movement in profit rates.



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 can be determined as follows:

----- As at 30 June 2021 -----					
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 to 6.9	13,799,438	-	-	13,799,438
Investments		-	-	310,475,376	310,475,376
Receivable against sale of investment		-	-	8,924,517	8,924,517
Profit receivable on bank balances		-	-	21,760	21,760
Dividend receivable		-	-	121,000	121,000
Advances,deposits and other receivables		-	-	2,600,000	2,600,000
		<b>13,799,438</b>	<b>-</b>	<b>322,142,653</b>	<b>335,942,091</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	852,066	852,066
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	63,934	63,934
Payable against redemption of units		-	-	4,795,000	4,795,000
Payable against purchase of investment		-	-	-	-
Accrued expenses and other liabilities		-	-	973,572	973,572
		<b>-</b>	<b>-</b>	<b>6,684,572</b>	<b>6,684,572</b>
<b>On-balance sheet gap (a)</b>		<b>13,799,438</b>	<b>-</b>	<b>315,458,082</b>	<b>329,257,520</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>13,799,438</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>13,799,438</b>	<b>13,799,438</b>	<b>13,799,438</b>	<b>-</b>

----- As at 30 June 2021 -----					
Financial Assets	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		
Bank balances	13,799,438	-	-	-	13,799,438
Investments	-	-	-	310,475,376	310,475,376
Receivable against sale of investment	-	-	-	8,924,517	8,924,517
Profit receivable on bank balances	-	-	-	21,760	21,760
Dividend receivable	-	-	-	121,000	121,000
Advances,deposits and other receivables	-	-	-	2,600,000	2,600,000
	13,799,438	-	-	322,142,653	335,942,091
Financial Liabilities	-	-	-	852,066	852,066
	-	-	-	63,934	63,934
	-	-	-	4,795,000	4,795,000
	-	-	-	-	-
	-	-	-	973,572	973,572
	-	-	-	6,684,572	6,684,572
	13,799,438	-	-	315,458,082	329,257,520
	-	-	-	-	-
	-	-	-	-	-
	13,799,438	-	-	-	-
----- As at 30 June 2020 -----					
Financial Assets	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		
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
	11,892,473	-	-	362,127,322	374,019,795
Financial Liabilities	-	-	-	868,226	868,226
	-	-	-	71,475	71,475
	-	-	-	9,000,000	9,000,000
	-	-	-	1,607,480	1,607,480
	-	-	-	739,971	739,971
	-	-	-	12,287,152	12,287,152
	11,892,473	-	-	349,840,170	361,732,643
	-	-	-	-	-
	-	-	-	-	-
	11,892,473	-	-	-	-
----- As at 30 June 2020 -----					
Financial Assets	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		
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
	11,892,473	-	-	362,127,322	374,019,795
Financial Liabilities	-	-	-	868,226	868,226
	-	-	-	71,475	71,475
	-	-	-	9,000,000	9,000,000
	-	-	-	1,607,480	1,607,480
	-	-	-	739,971	739,971
	-	-	-	12,287,152	12,287,152
	11,892,473	-	-	349,840,170	361,732,643
	-	-	-	-	-
	-	-	-	-	-
	11,892,473	-	-	-	-
----- As at 30 June 2020 -----					
Financial Assets	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		
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
	11,892,473	-	-	362,127,322	374,019,795
Financial Liabilities	-	-	-	868,226	868,226
	-	-	-	71,475	71,475
	-	-	-	9,000,000	9,000,000
	-	-	-	1,607,480	1,607,480
	-	-	-	739,971	739,971
	-	-	-	12,287,152	12,287,152
	11,892,473	-	-	349,840,170	361,732,643
	-	-	-	-	-
	-	-	-	-	-
	11,892,473	-	-	-	-
----- As at 30 June 2020 -----					
Financial Assets	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		
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
	11,892,473	-	-	362,127,322	374,019,795
Financial Liabilities	-	-	-	868,226	868,226
	-	-	-	71,475	71,475
	-	-	-	9,000,000	9,000,000
	-	-	-	1,607,480	1,607,480
	-	-	-	739,971	739,971
	-	-	-	12,287,152	12,287,152
	11,892,473	-	-	349,840,170	361,732,643
	-	-	-	-	-
	-	-	-	-	-
	11,892,473	-	-	-	-
----- As at 30 June 2020 -----					
Financial Assets	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		
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
	11,892,473	-	-	362,127,322	374,019,795
Financial Liabilities	-	-	-	868,226	868,226
	-	-	-	71,475	71,475
	-	-	-	9,000,000	9,000,000
	-	-	-	1,607,480	1,607,480
	-	-	-	739,971	739,971
	-	-	-	12,287,152	12,287,152
	11,892,473	-	-	349,840,170	361,732,643
	-	-	-	-	-
	-	-	-	-	-
	11,892,473	-	-	-	-
----- As at 30 June 2020 -----					
Financial Assets	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		
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
	11,892,473	-	-	362,127,322	374,019,795
Financial Liabilities	-	-	-	868,226	868,226
	-	-	-	71,475	71,475
	-	-	-	9,000,000	9,000,000
	-	-	-	1,607,480	1,607,480
	-	-	-	739,971	739,971
	-	-	-	12,287,152	12,287,152
	11,892,473	-	-	349,840,170	361,732,643
	-	-	-	-	-
	-	-	-	-	-
	11,892,473	-	-	-	-
----- As at 30 June 2020 -----					
Financial Assets	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		
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
	11,892,473	-	-	362,127,322	374,019,795
Financial Liabilities	-	-	-	868,226	868,226
	-	-	-	71,475	71,475
	-	-	-	9,000,000	9,000,000
	-	-	-	1,607,480	1,607,480
	-	-	-	739,971	739,971
	-	-	-	12,287,152	12,287,152
	11,892,473	-	-	349,840,170	361,732,643

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### (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 2021, with all other variables held constant, net income of the Fund for the period would increase / decrease by Rs. 15,523,769 (30 June 2020: Rs. 17,887,255) 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 2021 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:

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

----- As at 30 June 2021 -----						
	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	13,799,438	-	-	-	-	13,799,438
Investments	-	-	-	-	310,475,376	310,475,376
Receivable against sale of investment	8,924,517	-	-	-	-	8,924,517
Profit receivable on bank balances	21,760	-	-	-	-	21,760
Dividend receivable	121,000	-	-	-	-	121,000
Advances, deposits and other receivables	-	-	-	-	2,600,000	2,600,000
	<b>22,866,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>313,075,376</b>	<b>335,942,092</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	4,795,000	-	-	-	-	4,795,000
Payable to Central Depository Company of Pakistan Limited - Trustee	63,934	-	-	-	-	63,934
Payable against redemption of units	4,795,000	-	-	-	-	4,795,000
Accrued expenses and other liabilities	479,905	282,443	-	-	-	762,348
	<b>10,133,839</b>	<b>282,443</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,416,282</b>
<b>Net assets / (liabilities)</b>	<b>12,732,877</b>	<b>(282,443)</b>	<b>-</b>	<b>-</b>	<b>313,075,376</b>	<b>325,525,809</b>

----- 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 2021

## 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.

	2021		2020	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	13,799,438	13,799,438	11,892,473	11,892,473
Receivable against sale of investment	8,924,517	8,924,517	1,615,350	1,615,350
Profit receivable on bank balances	21,760	21,760	166,871	166,871
Dividend receivable	121,000	121,000	-	-
Advances, deposits and other receivables	337,199,262	337,199,262	2,600,000	2,600,000
	<b>360,065,977</b>	<b>360,065,977</b>	<b>16,274,694</b>	<b>16,274,694</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 310.48 million is not exposed to credit risk (2020: 357.745 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:

Ratings of amounts placed with banks	% of financial assets exposed to credit risk	
	2021	2020
A+	5%	30%
A	95%	70%
	<b>100%</b>	<b>100%</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2021 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.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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'.

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.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 22 UNIT HOLDING PATTERN OF THE FUND

Category	2021			2020		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Fund of Funds	4	233,031,115	71.19%	4	291,798,306	80.50%
Retirement Funds	2	94,289,557	28.81%	2	70,690,436	19.50%
	<b>4</b>	<b>327,320,672</b>	<b>100.00%</b>	<b>6</b>	<b>362,488,742</b>	<b>100.00%</b>

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

2021		2020	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (private) Limited	9.21%	Optimus Capital Management (private) Limited	9.13%
Topline Securities Limited	7.61%	Habib Metropolitan Financial Services Limited	7.97%
Taurus Securities Limited	7.55%	Standard Capital Securities (Pvt) Limited	7.69%
Intermarket Securities Limited	6.50%	Topline Securities Limited	7.38%
Alfalah CLSA Securities (Private) Limited	5.89%	Next Capital Limited	7.04%
Shajar Capital Pakistan (Pvt.) Ltd.	5.74%	Shajar Capital Pakistan (Pvt) Limited	6.78%
Pearl Securities Limited	5.27%	BIPL Securities Limited	6.20%
Ismail Iqbal Securities (Pvt) Ltd	4.93%	Taurus Securities Limited	5.85%
Alfa Adhi Securities (Pvt) Ltd.	4.93%	Insight Securities (Private) Limited	5.69%
Standard Capital Securities (Pvt) Limited	4.79%	Pearl Securities Limited	5.47%

## 24 THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	17.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	21 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	17 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	13 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	13 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	10 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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 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					
	06 July 2020	10 Sep 2020	26 Oct 2020	25 Feb 2021	29 Apr 2021	25 June 2021
Mr. Iftikhar H. Shirazi	P	P	P	P	P	P
Mr. Tariq Amin	P	P	P	P	P	P
Mr. Fahim Ali Khan	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P
Ms Zehra Naqvi	P	P	P	P	P	P
Mr. M. Abdul Samad	P	P	P	P	P	P
Ms Qurrat-ul-ain Jafari (Chief Financial Officer)	L	P	P	P	P	P
Ms Zainab Kazim(Company Secretary)	P	L	L	P	P	P

P Present

L Leave of absence

## 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) (30 June 2020: AM2+) on 24 December 2020. 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 6 September 2021.

**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

## شرعیہ ایڈوائزری رپورٹ کا جائزہ:

اٹلس اسلامک ڈیکلڈ اسٹاک فنڈ (اے آئی ڈی ایس ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۱.۳ (b) کے مطابق جاری کر رہا ہوں۔ رپورٹ کا دائرہ کار فنڈ کی سرگرمیوں کی شرعی تعمیل پر رائے کا اظہار کرتا ہے۔

یہ فنڈ کی منجمنٹ کمپنی اٹلس ایسٹ منجمنٹ لمیٹڈ (اے اے ایم ایل) کی ذمہ داری ہے کہ وہ شرعی ہدایات کی تعمیل کو یقینی بنانے کے لیے اندرونی کنٹرول کا نظام قائم اور برقرار رکھے۔ بطور شرعی مشیر، میری ذمہ داری ہے کہ منجمنٹ کی طرف سے کی گئی نمائندگیوں کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل پر تصدیق کی جاسکے۔

معاملات میں سرمایہ کاری کی تشخیص کے لئے مجھے درج ذیل کی بنیاد پر عمل کرنے کی ہدایت کی ہے (۱) کاروبار کی نوعیت (۲) انٹریسٹ بحوالہ کل اثاثہ جات میں ڈیپٹ (۳) کل اثاثہ جات کے متعلق غیر لیکوڈ اثاثہ جات (۴) کل اثاثہ جات کی سرگرمیوں میں شریعت کے بغیر سرمایہ کاری اور (۵) فی شیئر بحوالہ شیئر کی قیمت کا صافی اثاثہ جات۔

فنڈ کے شرعی مشیر کی حیثیت سے میرے مینڈیٹ کے حصے کے طور پر، میں نے سال کے دوران درج ذیل کا جائزہ لیا ہے۔

- فنڈ زپر اپنی سرمایہ کاری کے طریقے اور شرعی ہدایات کی تعمیل۔
- فنڈ زپر اپنی تعیناتی کا عمل اور اس کی شرعی ہدایات کی تعمیل۔
- آمدنی کو پاک کرنے کا عمل اور اس کی شرعی ہدایات کی تعمیل۔

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے اے آئی ڈی ایس ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ڈی ایس ایف کی جانب سے سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر مطابقت پذیر ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ منیجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے حرام حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے صدقہ کا نشان لگا دیا ہے۔

کراچی ۳۰ جون، ۲۰۲۱

ڈاکٹر مفتی محمد وحی بٹ

شرعیہ ایڈوائزری



## شرعیہ ایڈوائزر کی رپورٹ کا جائزہ:

اٹلس اسلامک فنڈ آف فنڈز (اے آئی ایف او ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۱.۳ (b) کے مطابق جاری کر رہا ہوں۔ رپورٹ کا دائرہ کار فنڈ کی سرگرمیوں کی شرعی تعمیل پر رائے کا اظہار کرتا ہے۔

یہ فنڈ کی منجمنٹ کمپنی اٹلس ایسٹ منجمنٹ لمیٹڈ (اے اے ایم ایل) کی ذمہ داری ہے کہ وہ شرعی ہدایات کی تعمیل کو یقینی بنانے کے لیے اندرونی کنٹرول کا نظام قائم اور برقرار رکھے۔ بطور شرعی مشیر، میری ذمہ داری ہے کہ منجمنٹ کی طرف سے کی گئی نمائندگیوں کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل کی معروضی طور پر تصدیق کی جاسکے۔

فنڈ کے شرعی مشیر کی حیثیت سے میرے مینڈیٹ کے حصے کے طور پر، میں نے سال کے دوران درج ذیل کا جائزہ لیا ہے۔

- فنڈز پر اپریل کی سرمایہ کاری کے طریقے اور شرعی ہدایات کی تعمیل۔
- فنڈز پر اپریل کی تعیناتی کا عمل اور اس کی شرعی ہدایات کی تعمیل۔
- آمدنی کو پاک کرنے کا عمل اور اس کی شرعی ہدایات کی تعمیل۔

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے اے آئی ایف او ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ایف او ایف کی جانب سے سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر مطابقت پذیر ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ منیجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے حرام حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے صدقہ کا نشان لگا دیا ہے۔

کراچی ۳۰ جون، ۲۰۲۱

ڈاکٹر مفتی محمد وحی بٹ

شرعیہ ایڈوائزر

اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۴.۳ (۷) کے مطابق جاری کر رہا ہوں۔ رپورٹ کا دائرہ کار فنڈ کی سرگرمیوں کی شرعی تعمیل پر رائے کا اظہار کرنا ہے۔

یہ فنڈ کی مینجمنٹ کمپنی اٹلس ایسیٹ مینجمنٹ لمیٹڈ (اے اے ایم ایل) کی ذمہ داری ہے کہ وہ شرعی ہدایات کی تعمیل کو یقینی بنانے کے لیے اندرونی کنٹرول کا نظام قائم اور برقرار رکھے۔ بطور شرعی مشیر، میری ذمہ داری ہے کہ مینجمنٹ کی طرف سے کی گئی نمائندگیوں کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل پر تصدیق کی جاسکے۔

معاملات میں سرمایہ کاری کی تشخیص کے لئے مجھے درج ذیل کی بنیاد پر عمل کرنے کی ہدایت کی ہے (۱) کاروبار کی نوعیت (۲) انٹریسٹ بحوالہ کل اثاثہ جات میں ڈیپٹ (۳) کل اثاثہ جات کے متعلق غیر لیکویڈ اثاثہ جات (۴) کل اثاثہ جات کی سرگرمیوں میں شریعت کے بغیر سرمایہ کاری اور (۵) فی شیئر بحوالہ شیئر کی قیمت کا صافی اثاثہ جات۔

فنڈ کے شرعی مشیر کی حیثیت سے میرے مینڈیٹ کے حصے کے طور پر، میں نے سال کے دوران درج ذیل کا جائزہ لیا ہے۔

- فنڈز پر اپریل کی سرمایہ کاری کے طریقے اور شرعی ہدایات کی تعمیل۔
- فنڈز پر اپریل کی تعیناتی کا عمل اور اس کی شرعی ہدایات کی تعمیل۔
- آمدنی کو پاک کرنے کا عمل اور اس کی شرعی ہدایات کی تعمیل۔

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے اے آئی ایس ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ایس ایف کی جانب سے سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر مطابقت پذیر ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ منیجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے حرام حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے صدقہ کا نشان لگا دیا ہے۔

کراچی: ۳۰ جون، ۲۰۲۱

ڈاکٹر مفتی حسان عثمانی

شرعیہ ایڈوائزرز

## شرعیہ ایڈوائزری رپورٹ کا جائزہ:

اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۰.۲.۶ (e) کے مطابق جاری کر رہا ہوں۔ رپورٹ کا دائرہ کار فنڈ کی سرگرمیوں کی شرعی تعمیل پر رائے کا اظہار کرنا ہے۔

یہ فنڈ کی منجمنٹ کمپنی اٹلس ایسیٹ منجمنٹ لمیٹڈ (اے اے ایم ایل) کی ذمہ داری ہے کہ وہ شرعی ہدایات کی تعمیل کو یقینی بنانے کے لیے اندرونی کنٹرول کا نظام قائم اور برقرار رکھے۔ بطور شرعی مشیر، میری ذمہ داری ہے کہ منجمنٹ کی طرف سے کی گئی نمائندگیوں کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل پر تصدیق کی جاسکے۔

فنڈ کے شرعی مشیر کی حیثیت سے میرے مینڈیٹ کے حصے کے طور پر، میں نے سال کے دوران درج ذیل کا جائزہ لیا ہے۔

- فنڈ زپراپٹی کی سرمایہ کاری کے طریقے اور شرعی ہدایات کی تعمیل۔
- فنڈ زپراپٹی کی تعیناتی کا عمل اور اس کی شرعی ہدایات کی تعمیل۔
- آمدنی کو پاک کرنے کا عمل اور اس کی شرعی ہدایات کی تعمیل۔

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے اے آئی آئی ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی آئی ایف کی جانب سے سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر مطابقت پذیر ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ منیجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے حرام حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے صدقہ کا نشان لگا دیا ہے۔

کراچی: ۳۰ جون، ۲۰۲۱

ڈاکٹر مفتی حسان عثمانی

شرعیہ ایڈوائزری

## شرعیہ ایڈوائزر کی رپورٹ کا جائزہ:

اٹلس اسلامک منی مارکیٹ فنڈ (اے آئی ایم ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۱.۴ (c) کے مطابق جاری کر رہا ہوں۔ رپورٹ کا دائرہ کار فنڈ کی سرگرمیوں کی شرعی تعمیل پر رائے کا اظہار کرنا ہے۔

یہ فنڈ کی منجمنٹ کمپنی اٹلس ایسیٹ منجمنٹ لمیٹڈ (اے اے ایم ایل) کی ذمہ داری ہے کہ وہ شرعی ہدایات کی تعمیل کو یقینی بنانے کے لیے اندرونی کنٹرول کا نظام قائم اور برقرار رکھے۔ بطور شرعی مشیر، میری ذمہ داری ہے کہ منجمنٹ کی طرف سے کی گئی نمائندگیوں کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل پر تصدیق کی جاسکے۔

فنڈ کے شرعی مشیر کی حیثیت سے میرے مینڈیٹ کے حصے کے طور پر، میں نے سال کے دوران درج ذیل کا جائزہ لیا ہے۔

- فنڈ زپراپٹی کی سرمایہ کاری کے طریقے اور شرعی ہدایات کی تعمیل۔
- فنڈ زپراپٹی کی تعیناتی کا عمل اور اس کی شرعی ہدایات کی تعمیل۔
- آمدنی کو پاک کرنے کا عمل اور اس کی شرعی ہدایات کی تعمیل۔

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے اے آئی ایم ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ایم ایف کی جانب سے سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر مطابقت پذیر ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ منیجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے حرام حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے صدقہ کا نشان لگا دیا ہے۔

کراچی: ۳۰ جون، ۲۰۲۱

ڈاکٹر مفتی حسان عثمانی

شرعیہ ایڈوائزر

توثیق

مئنجمنٹ کمپنی کے بورڈ آف ڈائریکٹران، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی قابل قدر حمایت، مدد اور رہنمائی کا شکریہ ادا کرتے ہیں۔ مئنجمنٹ کمپنی کے ملازمین اور ٹرسٹی کا ان کی لگن اور محنت کیلئے، اور مئنجمنٹ کمپنی پر پونٹ ہولڈرز کے اعتماد کا بھی بورڈ شکریہ ادا کرتا ہے۔

از طرف اور منجانب بورڈ

فراہیم علی خان  
ڈائریکٹر

کراچی: ۶ ستمبر، ۲۰۲۱ء

محمد عبدالصمد

چیف ایگزیکٹو آفیسر

• انویسٹمنٹ کمیٹی - اکیاون 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	۲۱
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۴۷
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	۵۲
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف فیلڈ آف - رکن آئی سی	۵۲
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف اکیوئٹیز - سیکریٹری آئی سی	۵۰

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

تازہ ترین درج بندی

اثاثہ جات منجھری درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پیکرا) نے مینجمنٹ کمپنی کی اسٹیٹ منجھری درجہ بندی اے ایم ۲+ (اے ایم ٹوپلس) ترتیب دی ہے۔  
تاریخ ۲۴ دسمبر ۲۰۲۰ء 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۔ (۲۰۲۰ء: اے ایم ۲+ (اے ایم ٹوپلس))

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 ۱۶ اپریل ۲۰۲۱ء کو فنڈز کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

مستحکم درجہ بندی - اے آئی ایم ایف

پیکرانے اے آئی ایم ایف کی درجہ بندی برائے استحکام فنڈ ترتیب دی ہے ”(اے اے ایف)“ ”(ڈبل اے: فنڈ ریٹنگ) بتاریخ ۲۱ اپریل ۲۰۲۱ء کو فنڈز 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 ستمبر ۲۰۲۱ء میں، میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس کراچی، کو اٹلس اسلامک انکم فنڈ، اٹلس اسلامک اسٹاک فنڈ، اٹلس اسلامک منی مارکیٹ فنڈ، اٹلس اسلامک فنڈ آف فنڈز اور اٹلس اسلامک ڈیڈ ویکیٹیڈ اسٹاک فنڈ کیلئے دوبارہ بطور اہل تقرری کیلئے تجویز کیا، برائے اختتام سال ۳۰ جون ۲۰۲۲ء۔

- ☆ 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 ایم ایف، 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، 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 افتخار ایچ شیرازی، چیئر مین، مسٹر فہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ ہرہ نقوی، آزاد ڈائریکٹر اور مسٹر محمد عبدالصمد، چیف ایگزیکٹو آفیسر۔

☆ ڈائریکٹرز کی موجودہ کل تعداد درج ذیل ہیں۔

مرد: ۶

عورت: ۱

☆ بورڈ کی موجودہ تشکیل مندرجہ ذیل ہیں۔

آزاد ڈائریکٹر: ۲\*

غیر ایگزیکٹو ڈائریکٹر: ۴

ایگزیکٹو ڈائریکٹر: ۱

خواتین ڈائریکٹر: ۱ (\* آزاد ڈائریکٹر)

۲۰۲۱-۲۰۲۲ مالیاتی سال کے دوران چھ بورڈ میٹنگ منعقد کی گئیں اور اس میں شرکت کی گئی۔ میٹنگز کی تاریخیں اور شریک ہونے والے ڈائریکٹران کی تفصیلات، جیسا کہ این بی ایف سی کے قواعد و ضوابط ۲۰۰۸ء کے تحت درکار ہے۔ اے آئی ایم ایف، اے آئی ایس ایف، اے آئی آئی ایف، اے آئی ایف او ایف اور اے آئی ڈی ایس ایف کی مالیاتی تفصیلات کے نوٹس ۲۸، ۲۷، 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)۔ ان میٹنگز میں ڈائریکٹران نے شرکت کی جس کی تفصیل درج ذیل ہے:

• 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	۴

• ہیومن ریسورس اینڈ ری مینوریشن کمیٹی (ایچ آر اینڈ آری)۔ ایک میٹنگ منعقد ہوئیں دوران سال اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	محترمہ ہرہ نقوی	آزاد ڈائریکٹر	۲
۲	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۲
۳	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۲
	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۲

تقسیم آمدن۔ اے آئی سی پی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی سی پی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۱ء کیلئے ۲۸.۲۰ روپے فی یونٹ (۲۰۲۰:۳۹.۰۰ روپے فی یونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۵.۶۳ فیصد (۲۰۲۰:۸۰.۰۰ 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 کو برائے اختتام مالیاتی سال ۲۰۲۱ء کیلئے ۱۲.۷۵ روپے فی یونٹ (۲۰۲۰:۵۰.۵۰ روپے فی یونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۲.۵۵ فیصد (۲۰۲۰:۳۰.۰۰ فیصد)۔

چیئرمین کا جائزہ:

اے آئی آئی ایف، اے آئی ایس ایف، اے آئی ایم 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 لا ینفک 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۔

بورڈ کے ڈائریکٹران کی جانب سے توثیق نامہ

بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ اے آئی آئی ایف، اے آئی ایس ایف، اے آئی ایم ایف، اے آئی ایف او ایف اور اے آئی ڈی ایس ایف کے:

☆ منتظم کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے تمام فنڈز کی کارکردگی، سالانہ آمدنی، کیش فلو اور یونٹ ہولڈرز کے سرمائے میں نقل و حرکت کی ایک منصفانہ تصویر پیش کرتے ہیں۔

☆ تمام فنڈز کے کھاتوں کو مناسب طریقہ سے تیار کیا گیا ہے۔

☆ گوشواروں کی تیاری میں حساب داری کے اصولوں کو تسلسل کے ساتھ لاگو کیا جا رہا ہے اور گوشواروں کی تیاری میں احتیاط اور فہم 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 اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔

☆ اندرونی نظم و ضبط کا نظام مؤثر 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 ایم ایف)، (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، ۵۶، ۹۶، ۱۳۷ اور ۱۹۳ پر علی الترتیب شائع کئے گئے ہیں۔



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	
۳۳.۳۸	۵۰.۲۷	۵۸.۹۲	۴۷.۷۵	۳۶.۲۰	آمدنی/(خسارہ) فی یونٹ - روپے
۱۰.۰۴ فیصد	۱۰.۹۵ فیصد	۱۲.۰۲ فیصد	۱۰.۱۵ فیصد	۷.۲۸ فیصد	ریٹرن - فیصد
۱۰۰.۱۸	۱۱۲.۸۱	۱۲۶.۶۱	۴۵۶.۰۶	۶۲.۱۴	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	۲۵۶,۳۳۳	فروخت - بالحاظ یونٹس
(۰.۱۴)	(۰.۱۵)	(۱.۰۴)	(۰.۲۹)	(۱۰۲.۰۸)	ریڈیمشن - ملین روپے
۳۰۰	۳۰۱	۲,۰۵۶	۵۷۱	۲۰۴,۱۶۳	ریڈیمشن - بالحاظ یونٹس
۲۰۹,۵۹۶	۲۲۷,۷۳۵	۲۳۳,۵۲۵	۹۱۴,۸۸۴	۵۲,۲۷۰	یونٹس بقایا جات بوقت اختتام سال

#### تقسیم آمدن - اے آئی آئی ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی آئی ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۱ء کیلئے ۳۱.۰۵ روپے فی یونٹ (۲۰۲۰:۵۷.۵۰ روپے فی یونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰ روپے فی یونٹ کی اصل قیمت پر ۶.۲۱ فیصد (۲۰۲۰ء: ۱۱.۵۰ 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 کو برائے اختتام مالیاتی سال ۲۰۲۱ء کیلئے ۵۰.۰۰ روپے فی یونٹ (۲۰۲۰: ۶.۵۰ روپے فی یونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰ روپے فی یونٹ کی اصل قیمت پر ۱۰.۰۰ فیصد (۲۰۲۰ء: ۱۰.۳۰ 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 کو برائے اختتام مالیاتی سال ۲۰۲۱ء کیلئے ۱۷.۶۰ روپے فی یونٹ (۲۰۲۰: ۱۰.۵۰ روپے فی یونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰ روپے فی یونٹ کی اصل قیمت پر ۳.۵۲ فیصد (۲۰۲۰ء: ۲.۱۰ 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 کو برائے اختتام مالیاتی سال ۲۰۲۱ء کیلئے ۱۸.۶۰ روپے فی یونٹ (۲۰۲۰: ۲۱.۰۰ روپے فی یونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰ روپے فی یونٹ کی اصل قیمت پر ۳.۷۲ فیصد (۲۰۲۰ء: ۲.۲۰ فیصد)۔

#### 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 کو برائے اختتام مالیاتی سال ۲۰۲۱ء کیلئے ۲۳.۹۰ روپے فی یونٹ (۲۰۲۰: ۳۷.۰۰ روپے فی یونٹ پورے سال کیلئے) تقسیم کا اعلان کیا۔ ۵۰ روپے فی یونٹ کی اصل قیمت پر ۴.۷۸ فیصد (۲۰۲۰ء: ۷.۴۰ فیصد)۔

## ڈائریکٹر رپورٹ:

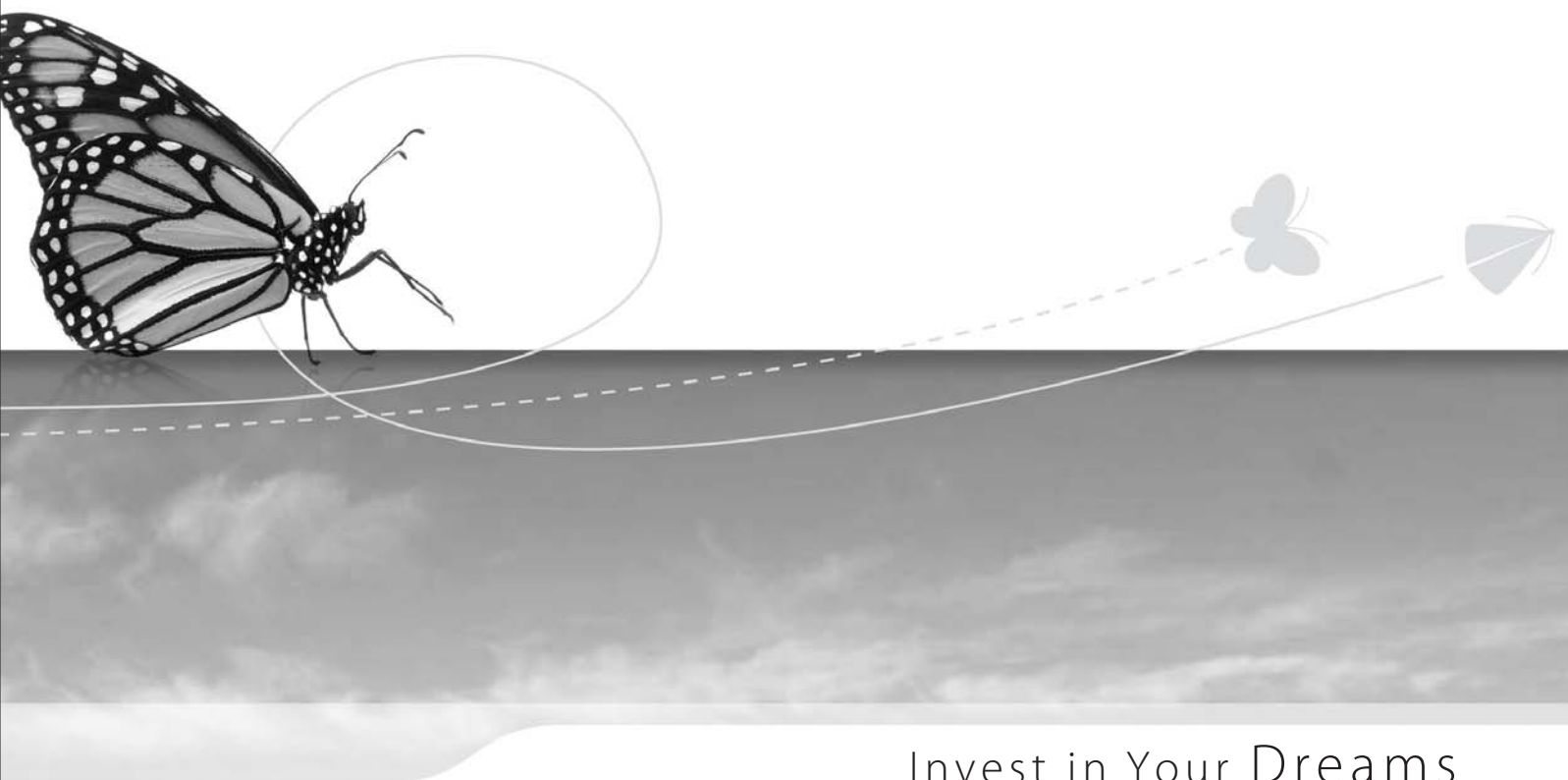
اٹلس ایسیٹ منجمنٹ لمیٹڈ، (اے اے ایم ایل) منتظم برائے اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف) " اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف)، اٹلس اسلامک منی مارکیٹ فنڈ (اے آئی ایم ایف)، اٹلس اسلامک فنڈ آف فنڈز (اے آئی ایف او ایف) اور اٹلس اسلامک ڈیڈ ویکیٹیڈ اسٹاک فنڈ (اے آئی ڈی ایس ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کے آڈٹ شدہ مالیاتی نتائج برائے اختتام سال ۲۰۲۱ء اور ۲۰۲۰ء آڈیٹرز کی رپورٹ کے ہمراہ پیش کرتے ہوئے دلی مسرت محسوس کرتے ہیں۔

آمدنی فی یونٹ، ریٹرن، مجموعی اثاثہ جات اور خلاصہ فروخت / خلائی

آمدنی فی یونٹ، ریٹرن، مجموعی اثاثہ جات، اور اے آئی آئی ایف، اے آئی ایس ایف، اے آئی ڈی ایس ایف اور اے آئی ڈی ایس ایف کا خلاصہ فروخت / خلائی برائے اختتام سال ۲۰۲۱ء اور ۲۰۲۰ء درج ذیل ہیں۔

تفصیلات	اے آئی آئی ایف	اے آئی آئی ایف	اے آئی ایس ایف	اے آئی ڈی ایس ایف	اے آئی ایم ایف
	۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء	جنوری تا جون ۲۰۲۱ء
آمدنی / (خسارہ) فی یونٹ - روپے	۳۰.۸۴	۴۷.۵۳	۱۵۰.۵۵	۴۷.۵۱	۱۳.۰۲
ریٹرن (دائی ٹی ڈی) - فیصد	۶.۳۵	۱۱.۵۹	۳۶.۴۶	۷.۵۱	۷.۲۷
مجموعی اثاثہ جات - ملین روپے	۲,۱۵۷.۰۳	۲,۱۳۳.۶۰	۲,۷۰۶.۷۴	۱,۸۲۳.۳۲	۶۳۶.۶۱
فروخت - ملین روپے	۳,۴۲۳.۳۹	۳,۴۱۳.۳۳	۲,۳۲۰.۷۲	۱,۶۰۶.۱۵	۶۸۷.۲۵
فروخت - بالحاظ یونٹس	۶,۵۹۲,۰۹۹	۶,۳۴۸,۱۲۳	۴,۰۳۲,۳۲۱	۳,۶۰۶,۲۹۹	۱,۳۷۴,۴۹۷
ریڈیمشن - ملین روپے	(۳,۴۰۵.۴۵)	(۲,۶۵۵.۰۷)	(۱,۹۲۴.۸۴)	(۱,۱۵۰.۶۱)	(۵۰.۶۴)
ریڈیمشن - بالحاظ یونٹس	۶,۵۵۶,۰۹۸	۴,۸۸۳,۰۰۶	۳,۳۱۱,۱۳۰	۲,۴۰۷,۸۹۳	۱۰۱,۲۷۱
یونٹس بقایا جات بوقت اختتام سال	۴,۲۶۳,۸۸۳	۴,۲۷۷,۸۸۳	۴,۷۲۲,۷۰۵	۴,۰۰۱,۵۱۳	۱,۲۷۳,۲۲۶

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
آمدنی / (خسارہ) فی یونٹ - روپے	۱۲۹.۶۱	۱۰۶.۱۹	۷۳.۵۷	۵۹.۷۳	۲۷.۰۷
ریٹرن - فیصد	۲۸.۰۸	۲۱.۵۴	۱۴.۱۵	۱۲.۲۵	۵.۵۸
مجموعی اثاثہ جات - ملین روپے	۱۲۸.۴۹	۱۳۳.۷۷	۱۳۸.۲۶	۴۹۵.۷۷	۲۷.۱۷
فروخت - ملین روپے	۴.۱۷	۳.۵۰	۲.۰۴	۱۲.۴۰	۱۴.۹۸
فروخت - بالحاظ یونٹس	۶,۶۷۱	۶,۱۹۰	۳,۶۸۶	۲۳,۳۵۱	۲۹,۹۶۲
ریڈیمشن - ملین روپے	(۰.۰۷)	(۲.۶۳)	(۲.۵۰)	(۲.۷۶)	(۱۳.۹۵)
ریڈیمشن - بالحاظ یونٹس	۱۲۸	۴,۵۷۸	۴,۴۱۶	۵,۱۳۷	۲۷,۸۹۷
یونٹس بقایا جات بوقت اختتام سال	۲۱۶,۱۴۰	۲۲۹,۳۰۶	۲۴۳,۷۹۵	۹۳۳,۰۹۹	۵۴,۳۳۶



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