



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

HALF YEARLY REPORT

31 DECEMBER 2018

(UN-AUDITED)



Management Company

Atlas Asset Management

Rated AM2+ by PACRA



Vision

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

Mission Statement

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

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ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)
Directors	Mr. Tariq Amin (Independent Director) 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

Chairman	Mr. Frahim Ali Khan
Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad
Secretary	Ms Zainab Kazim

Investment Committee

Chairman	Mr. Muhammad Abdul Samad
Members	Mr. Ali H. Shirazi Mr. Khalid Mahmood Mr. Muhammad Umar Khan Mr. Fawad Javid
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
Secretary	Mr. Muhammad Umar Khan

Risk Management Committee

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

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

The Above information is as at 19 February 2019

Half Yearly Report 2018-19

CHAIRMAN'S REVIEWS

It is my pleasure to present to you the un-audited financial statements of Atlas Islamic Income Fund (AIIF) and Atlas Islamic Stock Fund (AISF) for the half year period ended December 31, 2018 of the FY 2018-19.

THE ECONOMY

During the period Jul-Dec FY19, total exports stood at US\$ 11.22 billion as compared to US\$ 10.98 billion reported in the same period last year. Whereas, imports stood at US\$ 28.04 billion as compared to US\$ 28.70 billion in corresponding period of the previous year. During the period Jul-Dec FY19, current account deficit was recorded at US\$ 7.98 billion as compared to US\$ 8.35 billion in the same period last year. The foreign exchange reserves of the country stood at US\$ 13.75 billion as on December 31, 2018 with SBP's share of US\$ 7.20 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-Dec FY19 stood at US\$ 10.72 billion, which was an increase of 10.0% YoY compared to the corresponding period last year. The CPI inflation for the month of January'19 was recorded at 7.2%. The SBP in its latest monetary policy statement dated January 31, 2019 has decided to increase the policy rate by 25 bps to 10.25 percent. This is a cumulative 450 bps increase in interest rates since January, 2018.

FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund increased by 3.48% to Rs. 520.59 as on December 31, 2018, this works out to 6.91% on an annualized basis. The AIIF's total exposure is 12.87% in Sukuks and 85.74% in high yielding Shariah compliant bank deposits. The Net Assets of the Fund stood at Rs.753 million, with 1.45 million units outstanding as of December 31, 2018.

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 on January 18, 2019 has approved an interim distribution of Rs.18.00 per unit (3.60% on the face value of Rs.500 per unit) for the period from July 01, 2018 to January 17, 2019.

FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund decreased by 9.12% to Rs. 482.04 as on December 31, 2018. The benchmark KMI-30 index decreased by 13.91% during the same period. The KMI-30 index decreased from 71,060.34 points as on June 30, 2018 to 61,173.56 points as on December 31, 2018. AISF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiples with earning growth prospects. AISF's equity portfolio exposure was mainly in Oil & Gas Exploration, Fertilizers, Cement, Power Generation & Distributor and Islamic Commercial Banks sectors. The Net Assets of the Fund stood at Rs 1.35 billion, with 2.79 million units outstanding as of December 31, 2018.

MUTUAL FUND TAXATION

WORKER'S WELFARE FUND (WWF)

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

SINDH WORKER'S WELFARE FUND (SWWF)

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

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

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

FEDERAL EXCISE DUTY (FED)

The Finance Act, 2013 imposed Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMC's) with effect from June 13, 2013 and this was withdrawn on June 30, 2016. On September 04, 2013 a constitutional petition was filed in SHC jointly by various AMC's, challenging the levy of FED. In a separate petition the Honorable Sindh High Court declared that the FED was unconstitutional and cannot be charged where provinces are collecting sales tax. The Federation has filed an appeal in the Honorable Supreme Court of Pakistan. However, without prejudice, the mutual funds and pension funds have on prudent basis maintained the provision for FED till June 30, 2016.

WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far Mutual Funds and approved pension funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, the company has filed a petition in the Supreme Court of Pakistan, on April 20, 2016 and the hearing is still pending. In the meanwhile mutual funds are obtaining exemption certificates from Commissioner of Income Tax. However, any tax withheld is refundable.

RATINGS

• ASSET MANAGER RATING

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

• FUND STABILITY RATING - AIIF

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

FUTURE OUTLOOK

The recent corrective actions which mainly includes monetary policy tightening, exchange rate adjustments and measures to boost exports would help in overcoming economic challenges. The projected decrease in the current account deficit that could be supported by lower international oil prices and expected increase in exports on the back of export-friendly policies will bode well in easing pressure on external account. The recent bilateral arrangements including the deferred oil payments facility would also be available from January 2019 onwards. These developments would strengthen SBP's net liquid foreign exchange reserves. On the fiscal side, policy measures to enhance revenue collections, reduce public sector development programme (PSDP) expenditure, curtailment of circular debt and rationalization of energy prices are required. Going forward, higher foreign inflows from private and official sources are required to finance the external imbalances. The realization of investment inflows stemming from CPEC and boost in exports due to reduced cost of business for export-oriented industries would strengthen the external sector outlook over medium to long term.

Half Yearly Report 2018-19

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

ع خدا رحمت کن دای عاشقان پاک طینات را

God, please have mercy on these lovers of clean intention

ACKNOWLEDGEMENT

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

Karachi: 28 February 2019

Yusuf H. Shirazi
Chairman

Atlas Islamic Income Fund

Corporate Information

Trustee

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

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

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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 six months period ended December 31, 2018 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 25 February 2019

Atlas Islamic Income Fund

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic IncomeFund (the Fund) as at 31 December 2018 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2018.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The condensed interim financial statements of the Fund for the half year ended 31 December 2017 and the annual financial statements for the year ended 30 June 2018 were audited by another firm of Chartered Accountants, whose review report dated 28 February 2018 and audit report dated 14 September 2018, expressed an unmodified conclusion and unmodified opinion respectively, on the aforementioned financial statements.

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

EY Ford Rhodes

Chartered Accountants

Engagement Partner: Arslan Khalid

Date: 28 February 2019

Karachi

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2018

		31 December 2018 Un-audited	30 June 2018 Audited
	Note	----- Rupees -----	----- Rupees -----
Assets			
Bank balances	4	666,164,960	776,625,525
Investments	5	100,005,100	100,782,300
Receivable against issue of units		-	-
Mark-up accrued	6	10,176,163	2,041,069
Security deposits, prepayments and other receivables	7	592,577	578,941
Total assets		776,938,800	880,027,835
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	2,272,347	2,319,042
Payable to the Central Depository Company of Pakistan Limited - Trustee		119,084	139,523
Payable to the Securities and Exchange Commission of Pakistan		284,272	887,548
Payable against redemption of units		17,546,311	514,117
Unclaimed dividend		62,457	62,457
Accrued expenses and other liabilities	9	3,899,926	3,882,935
Total liabilities		24,184,397	7,805,622
NET ASSETS		752,754,403	872,222,213
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		752,754,403	872,222,213
CONTINGENCIES AND COMMITMENTS	10	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		1,445,957	1,653,270
		----- Rupees -----	
NET ASSET VALUE PER UNIT		520.59	527.57

The annexed notes from 1 to 19 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

		For the Half Year ended		For the Quarter ended	
		31 December		31 December	
		2018	2017	2018	2017
	Note	-----Rupees-----			
Income					
Mark-up income	11	29,860,457	41,919,050	15,645,949	18,135,470
Capital loss on sale of investments - net		-	(1,409,700)	-	-
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(777,200)	132,100	(438,000)	111,800
Total income		29,083,257	40,641,450	15,207,949	18,247,270
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	1,137,086	2,165,721	529,209	927,241
Sindh Sales Tax on remuneration of the Management Company	8.2	147,821	281,544	68,797	120,542
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		644,349	1,039,994	299,885	474,845
Sindh Sales Tax on remuneration of the Trustee		83,765	135,199	38,985	61,730
Annual fees to the Securities and Exchange Commission of Pakistan		284,272	541,429	132,303	231,809
Accounting and operational charges		379,029	703,321	176,404	303,256
Auditors' remuneration		31,306	118,994	(42,133)	59,828
Securities transaction cost		5,389	35,802	3,694	21,564
Annual listing fee		13,864	12,856	6,932	6,428
Annual rating fee		153,394	150,386	75,697	75,193
Printing charges		7,185	91,992	(18,014)	51,814
Shariah advisory fee		88,915	88,167	46,000	44,084
Bank charges		17,068	11,883	9,883	6,874
Legal and professional charges		100,985	51,460	54,545	-
Provision for Sindh Workers' Welfare Fund		519,777	704,254	276,516	317,241
Total expenses		3,614,205	6,133,002	1,658,703	2,702,449
Net income for the period before taxation		25,469,052	34,508,448	13,549,246	15,544,821
Taxation	13	-	-	-	-
Net income for the period after taxation		25,469,052	34,508,448	13,549,246	15,544,821
Earning per unit	14				
Allocation of net income for the period:					
Net income for the period after taxation		25,469,052	34,508,448	13,549,246	15,544,821
Income already paid on units redeemed		(3,659,255)	(15,105,282)	(1,478,086)	(13,607,003)
		21,809,797	19,403,166	12,071,160	1,937,818
Accounting income available for distribution:					
- Relating to capital gains		-	132,100	-	111,800
- Excluding capital gains		21,809,797	19,271,066	12,071,160	1,826,018
		21,809,797	19,403,166	12,071,160	1,937,818

The annexed notes from 1 to 19 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

	For the Half Year ended 31 December		For the Quarter ended 31 December	
	2018	2017	2018	2017
	-----Rupees-----			
Net income for the period after taxation	25,469,052	34,508,448	13,549,246	15,544,821
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	25,469,052	34,508,448	13,549,246	15,544,821

The annexed notes from 1 to 19 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31 December 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	838,131,601	-	838,131,601
Undistributed income brought forward			
- Realised income	-	33,308,312	33,308,312
- Unrealised income	-	782,300	782,300
Net assets at the beginning of the period (Units outstanding: 1,653,270) (Rs. 527.57 per unit)	838,131,601	34,090,612	872,222,213
Issue of 660,705 units	337,689,224	-	337,689,224
Redemption of 868,018 units	(438,461,706)	(3,659,255)	(442,120,961)
Refund of Capital	(12,427,235)	-	(12,427,235)
Cash distribution for year ended 30 June 2018 at Rs. 24.5 per unit declared on 06 July 2018	-	(28,077,890)	(28,077,890)
Total comprehensive income for the period	-	25,469,052	25,469,052
Net assets at end of the period (Units outstanding: 1,445,957) (Rs. 520.59 per unit)	724,931,884	27,822,519	752,754,403
Undistributed income carried forward			
- Realised income	-	27,817,419	-
- Unrealised income	-	5,100	-
	-	27,822,519	-

	31 December 2017		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,608,541,544	-	1,608,541,544
Undistributed income brought forward			
- Realised income	-	2,042,031	2,042,031
- Unrealised income	-	3,675,600	3,675,600
Net assets at the beginning of the period (Units outstanding: 3,210,424) (Rs. 502.82 per unit)	1,608,541,544	5,717,631	1,614,259,175
Issue of 1,482,752 units	753,078,591	-	753,078,591
Redemption of 2,753,897 units	(1,387,595,607)	(15,105,282)	(1,402,700,889)
Total comprehensive income for the period	-	34,508,448	34,508,448
Net assets at end of the period (Units outstanding: 1,939,279) (Rs. 515.21 per unit)	974,024,528	25,120,797	999,145,325
Undistributed income carried forward			
- Realised income	-	24,988,697	-
- Unrealised income	-	132,100	-
	-	25,120,797	-

The annexed notes from 1 to 19 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	For the Half Year ended	
	31 December	
	2018	2017
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	25,469,052	34,508,448
Adjustments for:		
Mark-up income	(29,860,457)	(41,919,050)
Capital loss on sale of investments - net	-	1,409,700
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	777,200	(132,100)
Provision for Sindh Workers' Welfare Fund	519,777	(704,254)
	(28,563,480)	(41,345,704)
Increase in assets		
Security deposits, prepayments and other receivables	(13,636)	(14,644)
(Decrease) / increase in liabilities		
Payable to Atlas Asset Management Limited - Management Company	(46,695)	(292,099)
Payable to Central Depository Company of Pakistan Limited - Trustee	(20,439)	(57,660)
Payable to the Securities and Exchange Commission of Pakistan	(603,276)	(751,302)
Accrued expenses and other liabilities	(502,786)	(13,477,414)
	(1,173,196)	(14,578,475)
Mark-up received	21,725,363	45,986,236
Investments sold / matured during the period	-	111,799,200
Net cash generated from operating activities	17,444,103	136,355,061
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	337,689,224	959,600,244
Net payments against redemption of units	(425,088,767)	(1,406,407,777)
Refund of Capital	(12,427,235)	-
Cash payout against distribution	(28,077,890)	-
Net cash used in financing activities	(127,904,668)	(446,807,533)
Net decrease in cash and cash equivalents	(110,460,565)	(310,452,472)
Cash and cash equivalents at the beginning of the period	776,625,525	1,254,506,788
Cash and cash equivalents at the end of the period	666,164,960	944,054,316

The annexed notes from 1 to 19 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed has been revised through the First, 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 and Seventh supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016 and 2 June 2017 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 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2017: AM2+ (AM Two plus)] on 28 December 2018.
- Moreover, PACRA maintained the stability rating of the Fund at "AA- (f)" [2017: "AA- (f)"] on 11 December 2018.
- 1.5 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.
- 1.6 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 December 2018.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are 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, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the requirements of the Trust Deed and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984,

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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.

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2018.

2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees which is the functional and presentation currency of the Fund.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

Except for change in note 3.2, the accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2018.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended 30 June 2018.

3.2 Change in accounting policy

3.2.1 IFRS 9 Financial Instruments

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the fund's business model was made as at the date of initial application i.e. 01 July 2018.

Atlas Islamic Income Fund

As a result of the above assessment, the management has concluded that all the investments in debt securities will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the fund.

While the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than debt securities i.e. bank balances and security deposits concluded that impact is not material to the condensed interim financial statements.

3.2.2 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from contracts with customers (Amendments)

IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IAS 40 - Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in Note 3.2.1.

			31 December 2018 Un-audited	30 June 2018 Audited	
	Note		----- Rupees -----	-----	
4		BANK BALANCES			
		Balances with banks in:			
		- Profit and loss sharing accounts	4.1	666,069,960	774,435,525
		- Current account		5,000	5,000
		Cheques in hand	4.2	90,000	2,185,000
				666,164,960	776,625,525
4.1		The rate of return on these profit & loss sharing accounts ranges between 5.00% to 10.50% (30 June 2018: 3.00% to 6.50%) per annum.			
4.2		These denote cheques received against issue of units which were cleared latest by 03 January 2019.			
	Note		31 December 2018 Un-audited	30 June 2018 Audited	
5		INVESTMENTS		----- Rupees -----	
		At fair value through profit or loss			
		Debt securities - sukuk certificates	5.1	100,005,100	100,782,300
				100,005,100	100,782,300

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5.1 Debt securities - Sukuk certificates

Particulars	Note	-----Number of Certificates-----				-----Rupees-----			-----Percentage of -----		
		As at 01 July 2018	Acquired during the period	Disposed during the period	As at 31 December 2018	Carrying Value as at 31 December 2018	Market Value as at 31 December 2018	Unrealised diminution as at 31 December 2018	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Investments as a percentage of total issue size
BANKS											
Meezan Bank Limited (unlisted) (Face Value Rs. 1,000,000)	5.1.2	50	-	-	50	50,750,000	50,005,050	(744,950)	50.00	6.64	0.71
Fertilizers											
Dawood Hercules Corporation Limited Sukuk 2 (listed) (Face Value Rs. 100,000)	5.1.3	500	-	-	500	50,032,300	50,000,050	(32,250)	50.00	6.64	0.83
Total - December 31, 2018						100,782,300	100,005,100	(777,200)	100.00	13.29	
Total - June 30, 2018						102,129,700	100,782,300	(1,347,400)	100.00	100.00	

5.1.1 The cost of these investments at 31 December 2018 amounted to Rs 100,000,000 (30 June 2018: Rs. 100,000,000).

5.1.2 These certificates carry mark-up at the rate of 6 months KIBOR plus 0.50% (30 June 2018: 6 months KIBOR plus 0.50%) per annum, and are due to mature by 22 September 2026 (30 June 2018: 22 September 2026).

5.1.3 These certificates carry mark-up at the rate of 3 months KIBOR plus 1.00% (30 June 2018: 3 months KIBOR plus 1.00%) per annum, and are due to mature by 28 February 2023 (30 June 2018: 28 February 2023).

6 MARK-UP ACCRUED

Mark-up accrued on:

- Profit and loss sharing accounts
- Sukuk certificates

	31 December 2018	30 June 2018
	Un-audited	Audited
	Rupees	
	8,283,725	538,809
	1,892,438	1,502,260
	10,176,163	2,041,069

7 SECURITY DEPOSIT AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited
Withholding tax receivable
Prepaid Listing Fee

	31 December 2018	30 June 2018
	Un-audited	Audited
	100,000	100,000
	478,941	478,941
	13,636	-
	592,577	578,941

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)

Remuneration of the Management Company
Sindh Sales Tax payable on remuneration of the Management Company
Federal Excise Duty payable on remuneration of the Management Company
Accounting and operational charges reimbursable by the Fund

	31 December 2018	30 June 2018
	Un-audited	Audited
Note	Rupees	
8.1	185,092	217,009
8.2	291,655	295,805
8.3	1,733,902	1,733,901
	61,698	72,327
	2,272,347	2,319,042

Atlas Islamic Income Fund

- 8.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 1% of the average annual net assets in case of income schemes. Keeping in view this maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.30% (2017: 0.30%) per annum of the average annual net assets of the Fund during the half-year ended 31 December 2018. The fee is payable to the Management Company monthly in arrears.
- 8.2** During the half year ended 31 December 2018, an amount of Rs. 147,821 (2017: Rs. 281,544) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 151,971 (2017: Rs 307,718) 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 7.2 above, the Management Company was of the view that further levy of FED was not justified.

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

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 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 1.734 million (30 June 2018: 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 condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2018 would have been higher by Rs. 1.20 per unit (30 June 2018: Rs. 1.05 per unit).

9. ACCRUED EXPENSES AND OTHER LIABILITIES

		31 December 2018 Un-audited	30 June 2018 Audited
	Note	-----Rupees-----	
Auditors' remuneration payable		129,052	230,076
Printing charges payable		51,454	73,257
Payable to Shariah Advisor		46,500	47,585
Withholding tax payable		43,755	329,616
Provision for Sindh Workers' Welfare Fund	9.1	2,946,424	2,426,648
Annual rating fee payable		151,395	298,320
Zakat payable		53,913	-
Other payable		477,433	477,433
		3,899,926	3,882,935

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- 9.1** 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 MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

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

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

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

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

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value of the Fund as at December 31, 2018 would have been higher by Rs. 2.04 per unit (2018: Rs. 1.47 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2018 and as at 30 June 2018.

For the Half Year ended 31 December		For the Quarter ended 31 December	
2018	2017	2018	2017
Un-audited	Un-audited	Un-audited	Un-audited
----- Rupees -----		----- Rupees -----	

11 MARK-UP INCOME

Mark-up income on:

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

25,605,635	38,753,003	13,360,702	17,297,388
-	1,491,567	-	-
4,254,822	1,674,480	2,285,247	838,082
29,860,457	41,919,050	15,645,949	18,135,470

Atlas Islamic Income Fund

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2018 is 0.83% (30 June 2018: 0.65%) after netting off 0.15% (30 June 2018: 0.23%) 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.

13 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. The management intends to distribute at least 90% of the Fund's net accounting income available for distribution by the year end, as cash dividend, to the unit holders. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

14 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.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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.

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.

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

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

15.1 Transactions during the period

Atlas Asset Management Limited (Management Company)

	For the Half Year ended 31 December	
	2018	2017
	Un-audited	Un-audited
	----- Rupees -----	
Remuneration of the Management Company	1,137,086	2,165,721
Remuneration paid	1,169,003	2,367,055
Sindh Sales Tax on remuneration of the Management Company	147,821	281,544
Accounting and operational charges	379,029	703,321

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	644,349	1,039,994
Remuneration paid to the Trustee	662,437	1,091,020
Sindh Sales Tax on remuneration of the Trustee	83,765	135,199
Settlement charges paid	3,000	3,000
Sindh Sales Tax on settlement charges	390	390

Atlas Battery Limited (Group Company)

Redemption of Nil (2017: 1,193,786) units	-	608,987,971
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		For the Half Year ended 31 December	
		2018	2017
		Un-audited	Un-audited
Note		----- Rupees -----	
	Atlas Honda Limited (Group Company)		
	Issue of 1 (2017: 30) units	675	15,400
	Dividend declared	733	-
	Atlas Power Limited - Staff Provident Fund (Retirement benefit plan of a Group Company)		
	Redemption of Nil (2017: 358) units	-	180,655
	Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
	Issue of 1,042 (2017: Nil) units	524,024	-
	Dividend declared	524,024	-
	Atlas Insurance Limited Window Takaful Operations		
	Issue of 1,338 (2017: Nil) units	673,226	-
	Redemption of 33,666 (2017: Nil) units	17,526,196	-
	Dividend declared	792,031	-
	Shirazi Investments (Private) Limited (Group Company)		
	Issue of 4,716 (2017: nil) units	2,372,638	-
	Dividend declared	2,791,339	-
	Honda Atlas Power Product (Private) Limited (Group Company)		
	Issue of 1,695 (2017: 39,320) units	852,838	20,000,000
	Redemption of 41,015 (2017: 79,624) units	20,728,635	40,222,948
	Dividend declared	963,345	-
	Chevron Pakistan Lubricants (Private) Gratuity Fund (Unit Holder with more than 10% holding)		
15.3	Issue of 7,813 (2017: Nil) units	3,930,512	-
	Dividend declared	3,930,512	-
	Directors and their close family members and key management personnel of the Management Company		
	Issue of 6,908 (2017: 16,602) units	3,509,173	8,483,219
	Redemption of 17,790 (2017: 13,408) units	9,028,399	10,542,130
	Dividend declared	384,959	-
		31 December 2018	30 June 2018
		Un-audited	Audited
		----- Rupees -----	
15.2	Details of balances with related parties as at the period / year end are as follows:		
	Atlas Asset Management Limited (Management Company)		
	Remuneration payable to the Management Company	185,092	217,009
	Sindh Sales Tax payable on Remuneration of the Management Company	291,655	295,805
	Federal Excise Duty payable on Remuneration of the Management Company	1,733,902	1,733,901
	Accounting and operational charges payable	61,698	72,327
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	104,884	122,972
	Sindh Sales Tax payable on Remuneration of the trustee	13,635	15,986
	Settlement charges payable	500	500
	Sindh Sales Tax payable on settlement charges	65	65
	Atlas Honda Limited (Group Company)		
	Outstanding 31 (30 June 2018: 30) units - at net asset value	16,283	15,794
	Honda Atlas Power Product (Pvt) Limited (Group Company)		
	Outstanding Nil (30 June 2018: 39,320) units - at net asset value	-	20,744,161
	Shirazi Investments (Private) Limited (Group Company)		
	Outstanding 118,649 (30 June 2018: 113,932) units - at net asset value	61,767,238	60,107,217

Atlas Islamic Income Fund

Details of balances with related parties as at the period / year end are as follows:	Note	31 December 2018 Un-audited	30 June 2018 Audited
		Rupees	
Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)			
Outstanding 22,430 (30 June 2018: 21,389) units - at net asset value		11,677,034	11,284,054
Atlas Insurance Limited Window Takaful Operations			
Outstanding Nil (30 June 2018: 32,328) units - at net asset value		-	17,055,172
Chevron Pakistan Lubricants (Private) Gratuity Fund (Unit Holder with more than 10% holding)			
Outstanding 168,242 (30 June 2018: Nil) units - at net asset value	15.3	87,585,173	-
Directors and their close family members and key management personnel of the Management Company			
Outstanding 4,830 (30 June 2018: 15,713) units - at net asset value		2,514,623	8,289,495

15.3 Holding being more than 10% in the reporting period, disclosure is required.

15.4 Other balances due to / from related parties / connected persons included in the respective notes to the condensed interim financial statements.

16 FAIR VALUE MEASUREMENT

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.

The fair value of government securities is determined with reference to the quotation obtained from the brokers on the Reuters page. Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP) which are calculated in accordance with the provisions contained in various circulars issued by the Securities and Exchange Commission of Pakistan. The fair values of all other financial assets and liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 31 December 2018 and 30 June 2018, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	Rupees		
2018			
At fair value through profit or loss	-	100,005,100	-
	-	100,005,100	-
2017			
At fair value through profit or loss	-	100,782,300	-
	-	100,782,300	-

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17 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company authorised the Investment Committee to consider and approve the interim distribution of the Fund. The Investment Committee in the meeting held on 18 January 2019 approved an interim cash dividend of Rs.18 per unit on the face value of Rs. 500 each (i.e. 3.6%) amounting to Rs. 20,818,552. The financial statement of the fund for the period ended 31 December 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the fund for the year ending 30 June 2019.

18 GENERAL

- 18.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period except for the change in accounting policy disclosed in note 3.2 thereto.
- 18.2 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been subjected to limited scope review by the statutory auditors of the Fund.
- 18.3 Figures have been rounded off to the nearest Rupee unless otherwise stated.
- 18.4 Units have been rounded off to the nearest decimal place.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 February 2019.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

Corporate Information

Trustee

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

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

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

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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 six months period ended December 31, 2018 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.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: 25 February 2019

Atlas Islamic Stock Fund

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Stock Fund (the Fund) as at 31 December 2018 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial statements") for the six-months' period then ended. The Management Company (Atlas Asset Management Limited) is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2018.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

EY Ford Rhodes

Chartered Accountants

Engagement Partner: Arslan Khalid

Date: 28 February 2019

Karachi

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2018

		31 December 2018 Un-audited	30 June 2018 Audited
	Note	-----Rupees-----	
Assets			
Bank balances	4	82,528,002	314,771,568
Investments	5	1,439,716,343	1,980,443,244
Profit receivable on bank balances		724,942	1,936,254
Dividend receivable		800,844	1,469,784
Receivable against sale of investment		62,043,893	-
Security deposits, prepayment and other receivables	6	5,211,207	9,222,419
Total assets		1,591,025,231	2,307,843,269
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	15,261,349	16,514,520
Payable to Central Depository Company of Pakistan Limited - Trustee		274,262	311,948
Payable to the Securities and Exchange Commission of Pakistan		894,991	2,309,630
Payable against purchase of investments		4,861,707	9,043,890
Payable against redemption of units		206,219,930	174,067
Accrued expenses and other liabilities	8	17,661,508	17,300,296
Total liabilities		245,173,747	45,654,351
NET ASSETS		1,345,851,484	2,262,188,918
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,345,851,484	2,262,188,918
CONTINGENCIES AND COMMITMENTS	9		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		2,792,017	4,265,137
		-----Rupees-----	
NET ASSET VALUE PER UNIT		482.04	530.39

The annexed notes from 1 to 16 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

		For the Half Year ended 31 December		For the Quarter ended 31 December	
		2018	2017	2018	2017
	Note	-----Rupees-----			
Income					
Profit on bank balances		6,627,605	9,839,150	2,768,881	2,947,415
Dividend income		46,717,210	66,396,802	26,359,575	45,235,725
Capital gain / (loss) on sale of investments - net		1,084,425	(110,500,138)	(24,001,125)	(99,354,056)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(160,606,789)	(206,651,200)	(141,752,503)	(35,875,122)
		(159,522,364)	(317,151,338)	(165,753,628)	(135,229,178)
Total income		(106,177,549)	(240,915,386)	(136,625,172)	(87,046,038)
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	18,841,921	24,247,566	8,763,427	11,747,804
Sindh Sales Tax on remuneration of the Management Company	7.2	2,449,450	3,152,184	1,139,246	1,527,215
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,446,206	1,713,657	690,227	839,445
Sindh Sales Tax on remuneration of the Trustee		188,007	222,775	89,730	109,127
Annual fee to the Securities and Exchange Commission of Pakistan		894,992	1,151,760	416,264	558,022
Accounting and operational charges		942,096	1,184,334	438,172	587,391
Shariah advisory fee		151,232	172,972	75,616	86,014
Auditors' remuneration		104,659	137,075	23,708	78,120
Securities transaction cost		1,496,739	1,790,932	715,226	904,258
Advertisement and Marketing Expense		-	41,470	-	22,500
Annual listing fee		13,712	12,855	6,932	6,427
Printing charges		32,972	142,854	(29,366)	81,971
Legal and professional charges		82,625	79,866	54,545	3,406
Bank charges		14,633	3,454	12,002	611
Provision for Sindh Workers Welfare Fund		-	-	(323,682)	-
Total expenses		26,659,244	34,053,754	12,072,047	16,552,311
Net loss for the period before taxation		(132,836,793)	(274,969,140)	(148,697,219)	(103,598,349)
Taxation	11	-	-	-	-
Net loss for the period after taxation		(132,836,793)	(274,969,140)	(148,697,219)	(103,598,349)
Loss per unit	12				

The annexed notes from 1 to 16 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

	For the Half Year ended 31 December		For the Quarter ended 31 December	
	2018	2017	2018	2017
	-----Rupees-----			
Net loss for the period after taxation	(132,836,793)	(274,969,140)	(148,697,219)	(103,598,349)
Other comprehensive (loss) / income	-	-	-	-
Total comprehensive loss for the period	(132,836,793)	(274,969,140)	(148,697,219)	(103,598,349)

The annexed notes from 1 to 16 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

	31 December 2018		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,753,727,127	-	1,753,727,127
Undistributed income brought forward			
- Realised income	-	487,686,197	487,686,197
- Unrealised income	-	20,775,594	20,775,594
Net assets at the beginning of the period (Units outstanding: 4,265,137) (Rs. 530.39 per unit)	1,753,727,127	508,461,791	2,262,188,918
Issue of 545,877 units	285,942,787	-	285,942,787
Redemption of 2,018,996 units	(1,068,682,969)	-	(1,068,682,969)
Total comprehensive loss for the period	-	(132,836,793)	(132,836,793)
Shariah non-compliant income set-aside for charity	-	(760,459)	(760,459)
Net assets at end of the period (Units outstanding: 2,792,017) (Rs. 482.04 per unit)	970,986,945	374,864,539	1,345,851,484
Undistributed income carried forward			
- Realised income	-	502,941,981	-
- Unrealised loss	-	(128,077,442)	-
	-	374,864,539	-
	31 December 2017		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,642,603,322	-	1,642,603,322
Undistributed income brought forward			
- Realised income	-	608,077,116	608,077,116
- Unrealised income	-	228,218,318	228,218,318
Net assets at the beginning of the period (Units outstanding: 4,058,678) (Rs. 610.77 per unit)	1,642,603,322	836,295,434	2,478,898,756
Issue of 1,980,216 units	1,055,464,424	-	1,055,464,424
Redemption of 1,556,435 units	(813,330,013)	-	(813,330,013)
Total comprehensive loss for the period	-	(274,969,140)	(274,969,140)
Final cash dividend declared for the year ended 30 June 2017			
Rs. 35 per unit declared on 7 July 2017	-	(142,053,721)	(142,053,721)
Shariah non-compliant income set-aside for charity	-	(838,846)	(838,846)
Net assets at end of the period (Units outstanding: 4,482,459) (Rs. 513.82 per unit)	1,884,737,733	418,433,727	2,303,171,460
Undistributed income carried forward			
- Realised income	-	471,941,593	-
- Unrealised loss	-	(53,507,866)	-
	-	418,433,727	-

The annexed notes from 1 to 16 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		For the Half Year ended 31 December	
	Note	2018	2017
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before taxation		(132,836,793)	(274,969,140)
Adjustments for:			
Profit on bank balances		(6,627,605)	(9,839,150)
Dividend income		(46,717,210)	(66,396,802)
Capital (gain) / loss on sale of investments - net		(1,084,425)	110,500,138
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		160,606,789	206,651,200
		106,177,549	240,915,386
(Increase) in assets			
Receivable against sale of investments		(62,043,893)	(43,646,622)
Security deposits, prepayment and other receivables		4,011,212	(14,645)
		(58,032,681)	(43,661,267)
Decrease in liabilities			
Payable to Atlas Asset Management Limited - Management Company		(1,253,171)	(990,120)
Payable to the Central Depository Company of Pakistan Limited - Trustee		(37,686)	(48,221)
Payable to the Securities and Exchange Commission of Pakistan		(1,414,639)	(1,032,780)
Payable against purchase of investments		(4,182,183)	(32,143,394)
Accrued expenses and other liabilities		(399,247)	(636,994)
		(7,286,926)	(34,851,509)
Profit received on bank balances		7,838,917	10,405,295
Dividend received		47,386,150	61,768,703
Investments made during the period		(664,790,710)	(919,376,495)
Investments sold during the period		1,045,995,247	839,297,049
		436,429,604	(7,905,448)
Net cash generated from / (used in) operating activities		344,450,753	(120,471,978)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		285,942,787	1,051,277,793
Net payments against redemption of units		(862,637,106)	(1,030,343,957)
Dividend paid		-	(142,053,721)
Net cash used in financing activities		(576,694,319)	(121,119,885)
Net decrease in cash and cash equivalents		(232,243,566)	(241,591,863)
Cash and cash equivalents at the beginning of the period		314,771,568	442,628,274
Cash and cash equivalents at the end of the period	4	82,528,002	201,036,411

The annexed notes from 1 to 16 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

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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 and Ninth 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 and 25 May 2018 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. 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 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 Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2017: AM2+ (AM Two plus)] on 28 December 2018.
- 1.5 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.
- 1.6 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 December 2018.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are 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, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the requirements of the Trust Deed and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984,

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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.

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2018.

2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees which is the functional and presentation currency of the Fund.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

Except for change in note 3.2, the accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2018.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended 30 June 2018.

3.2 Change in accounting policy

3.2.1 IFRS 9: Financial Instruments

Effective from July 01, 2018, the fund has adopted IFRS 9: Financial Instruments which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39."

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the fund's business model was made as at the date of initial application i.e. 01 July 2018.

Atlas Islamic Stock Fund

As a result of the above assessment, the management has concluded that all the investments in equity securities will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the fund.

Furthermore, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for bank balances and security deposits and concluded that the impact is not material to the condensed interim financial statements.

3.2.2 New / Revised Standards, Interpretations and Amendments

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

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from contracts with customers (Amendments)

IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IAS 40 - Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements other than IFRS 9, the impact of which has been disclosed in Note 3.2.1.

4	BANK BALANCES	Note	31 December 2018 Un-audited	30 June 2018 Audited
			-----Rupees-----	
	Balances with banks in:			
	- Profit and loss sharing accounts	4.1	81,985,839	313,141,170
	- Current account		20,879	36,398
	Cheques in hand	4.2	521,284	1,594,000
			82,528,002	314,771,568

4.1 The rate of return on these accounts range between 5.00% and 10.05% (30 June 2018: 3.00% and 6.50%) per annum.

4.2 These denote cheques received against issue of units which were cleared latest by 03 January 2019.

5	INVESTMENTS	Note	31 December 2018 Un-audited	30 June 2018 Audited
			-----Rupees-----	
	At fair value through profit or loss			
	- Listed equity securities	5.1	1,439,716,343	1,980,443,244
			1,439,716,343	1,980,443,244

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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.

		Number of shares					Rupees		Market value as a Percentage of		
Name of Investee Company	Note					As at 31	Average cost	Market value	Paid up		
		As at 01 July	Purchases	Bonus /	Sales during	December	as at	as at	Total	Net	capital of the
		2018	during the	right shares	the period	2018	31 December	31 December	Investments	assets	Investee
			period	during the	period		2018	2018			Company
Banks											
Meezan Bank Limited		1,927,990	481,000	166,049	1,035,000	1,540,039	121,569,122	142,284,203	9.88	10.57	0.13
		1,927,990	481,000	166,049	1,035,000	1,540,039	121,569,122	142,284,203	9.88	10.57	
Textile Composite											
Kohinoor Textile Mills Limited		400,000	170,000	-	23,500	546,500	29,470,203	24,636,220	1.71	1.83	0.18
Nishat Mills Limited		550,000	135,000	-	325,000	360,000	51,211,948	45,550,800	3.16	3.38	0.10
		950,000	305,000	-	348,500	906,500	80,682,151	70,187,020	4.87	5.21	
Cement											
Attock Cement Pakistan Limited		100,300	83,500	21,000	29,200	175,600	20,389,777	19,877,920	1.38	1.48	0.13
Cherat Cement Company Limited		-	284,400	-	20,000	264,400	18,995,471	18,415,460	1.28	1.37	0.15
D.G. Khan Cement Company Limited		615,000	140,000	-	659,000	96,000	10,282,386	7,694,400	0.53	0.57	0.02
Kohat Cement Company Limited		65,000	66,500	21,450	10,000	142,950	13,698,814	12,142,173	0.84	0.90	0.07
Lucky Cement Limited	5.3	215,000	110,000	-	100,000	225,000	113,084,510	97,800,750	6.79	7.27	0.07
Maple Leaf Cement Factory Limited		175,000	785,000	-	450,000	510,000	25,465,045	20,731,500	1.44	1.54	0.08
Pioneer Cement Limited		300,000	70,000	-	320,000	50,000	2,330,034	2,095,500	0.15	0.16	0.02
		1,470,300	1,539,400	42,450	1,588,200	1,463,950	204,246,037	178,757,703	12.41	13.29	
Refinery											
National Refinery Limited		25,000	20,000	-	45,000	-	-	-	-	-	-
		25,000	20,000	-	45,000	-	-	-	-	-	-
Power Generation & Distribution											
K-Electric Limited (face value Rs. 3.5)		3,000,000	2,300,000	-	800,000	4,500,000	25,417,915	26,730,000	1.86	1.99	0.05
Lalpur Power Limited		112,000	-	-	-	112,000	2,151,520	1,849,120	0.13	0.14	0.03
Pakistan Power Limited		1,500,000	-	-	-	1,500,000	28,920,000	25,560,000	1.78	1.90	0.40
The Hub Power Company Limited	5.3	1,300,150	343,000	-	583,150	1,060,000	97,500,538	90,937,400	6.32	6.76	0.09
		5,912,150	2,643,000	-	1,383,150	7,172,000	153,989,973	145,076,520	10.09	10.79	
Oil & Gas Marketing Companies											
Attock Petroleum Limited		75,850	57,600	13,250	66,700	80,000	37,697,050	34,518,400	2.40	2.56	0.08
Pakistan State Oil Company Limited	5.3	164,000	125,000	37,000	86,000	240,000	61,669,453	54,103,200	3.76	4.02	0.06
Shell Pakistan Limited		-	11,300	-	-	11,300	2,927,654	3,464,580	0.24	0.26	0.01
Sui Northern Gas Pipelines Limited		471,700	100,000	-	301,500	270,200	27,096,072	20,824,314	1.45	1.55	-
		711,550	293,900	50,250	454,200	601,500	129,390,229	112,910,494	7.85	8.39	
Oil & Gas Exploration Companies											
Mani Petroleum Company Limited		75,010	2,440	6,495	15,500	68,445	93,788,486	84,588,438	5.88	6.29	0.06
Oil & Gas Development Company Limited		1,365,000	202,000	-	410,000	1,157,000	178,420,550	148,096,000	10.29	11.00	0.03
Pakistan Oilfields Limited		164,000	3,000	26,800	73,300	120,500	67,416,998	51,190,810	3.56	3.80	0.04
Pakistan Petroleum Limited	5.3	787,500	50,000	107,625	190,000	755,125	140,830,956	113,012,008	7.85	8.40	0.03
		2,391,510	257,440	140,920	688,800	2,101,070	480,456,990	396,887,256	27.58	29.49	
Engineering											
Amreli Steels Limited		-	345,000	-	345,000	-	-	-	-	-	-
International Industries Limited		165,000	145,000	-	148,200	161,800	33,424,296	24,925,290	1.73	1.85	0.14
International Steels Limited		-	105,300	-	105,300	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited		105,000	40,000	-	-	145,000	8,199,315	5,865,250	0.41	0.44	0.06
		270,000	635,300	-	598,500	306,800	41,623,611	30,790,540	2.14	2.29	
Automobile Assembler											
Atlas Honda Limited		20,500	-	-	-	20,500	10,455,000	7,687,500	0.53	0.57	0.02
Millat Tractors Limited		12,500	-	-	12,500	-	-	-	-	-	-
		33,000	-	-	12,500	20,500	10,455,000	7,687,500	0.53	0.57	
Automobile Parts & Accessories											
Agriauto Industries Limited (Face value Rs. 5)		79,000	-	-	52,600	26,400	7,788,000	5,862,120	0.41	0.44	0.09
		79,000	-	-	52,600	26,400	7,788,000	5,862,120	0.41	0.44	
Cables & Electrical Goods											
Pak Elektron Limited		605,000	-	-	355,000	250,000	8,865,000	6,225,000	0.43	0.46	0.05
		605,000	-	-	355,000	250,000	8,865,000	6,225,000	0.43	0.46	
Technology & Communications											
Netsol Technologies Limited		-	85,000	-	85,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited		-	255,500	-	255,500	-	-	-	-	-	-
Systems Limited		143,000	213,000	-	114,000	242,000	26,850,382	26,588,540	1.85	1.98	0.22
		143,000	553,500	-	454,500	242,000	26,850,382	26,588,540	1.85	1.98	

Atlas Islamic Stock Fund

Number of shares						Rupees		Market value as a Percentage of			
Name of Investee Company	Note	As at 01 July	Purchases during the period	Bonus / right shares during the period	Sales during the period	As at 31 December	Average cost as at 31 December 2018	Market value as at 31 December 2018	Total Investments	Net assets	Paid up capital of the Investee Company
		2018	period	period	period	2018	2018	2018	2018		
Fertilizer											
Dawood Hercules Corporation Limited		250,800	3,000	-	-	253,800	28,078,624	28,209,870	1.96	2.10	0.05
Engro Corporation Limited		595,000	208,300	-	274,300	529,000	164,142,384	153,981,345	10.70	11.44	0.10
Engro Fertilizers Limited		1,900,000	450,000	-	950,000	1,400,000	104,482,350	96,670,000	6.71	7.18	0.10
		2,745,800	661,300	-	1,224,300	2,182,800	296,703,358	278,861,215	19.37	20.72	
Pharmaceuticals											
Glaxosmithkline Pakistan Limited		200	-	-	200	-	-	-	-	-	-
The Searle Company Limited		32,000	-	30	31,800	230	67,900	56,486	-	-	-
		32,200	-	30	32,000	230	67,900	56,486	-	-	
Chemicals											
Archroma Pakistan Limited		400	-	-	400	-	-	-	-	-	-
Engro Polymer & Chemicals Limited		-	680,000	-	-	680,000	26,024,910	25,255,200	1.75	1.88	0.07
Lotte Chemical Pakistan Limited		1,200,000	-	-	1,200,000	-	-	-	-	-	-
Sitara Peroxide Limited		-	200,000	-	200,000	-	-	-	-	-	-
		1,200,400	880,000	-	1,400,400	680,000	26,024,910	25,255,200	1.75	1.88	
Paper & Board											
Cherat Packaging Limited		-	55,000	-	-	55,000	8,665,653	9,428,650	0.65	0.70	0.14
Packages Limited		50,000	-	-	50,000	-	-	-	-	-	-
		50,000	55,000	-	50,000	55,000	8,665,653	9,428,650	0.65	0.70	
Vanaspatti & Allied Industries											
Unity Foods Limited		-	300,000	-	300,000	-	-	-	-	-	-
		-	300,000	-	300,000	-	-	-	-	-	
Leather & Tanneries											
Service Industries Limited		26,370	-	-	26,370	-	-	-	-	-	-
		26,370	-	-	26,370	-	-	-	-	-	
Foods & Personal Care Products											
Al Shaheer Corporation Limited		531,713	258,500	-	783,500	6,713	183,921	160,641	0.01	0.01	-
At-Tahir Limited		-	524,995	-	524,000	995	20,895	18,905	-	-	-
Engro Foods Limited		-	23,500	-	23,500	-	-	-	-	-	-
National Foods Limited		-	35,000	-	21,300	13,700	2,740,000	2,678,350	0.19	0.20	0.02
		531,713	841,995	-	1,352,300	21,408	2,944,816	2,857,896	0.20	0.21	
Total as at 31 December 2018							1,600,323,132	1,439,716,343	100	106.99	
Total as at 30 June 2018							2,074,455,779	1,980,443,244			

5.2 The cost of listed equity securities as at 31 December 2018 is Rs. 1,567,793,785 (30 June 2018: Rs. 1,959,667,650).

5.3 The above 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	
	2018	2018	2018	2018
	31 December	30 June	31 December	30 June
	Un-audited	Audited	Un-audited	Audited
-----Rupees-----				
Lucky Cement Limited	75,000	75,000	32,600,250	38,094,750
Pakistan State Oil Company Limited	110,000	110,000	24,797,300	35,014,100
Pakistan Petroleum Limited	135,000	135,000	20,204,100	29,011,500
The Hub Power Company Limited	200,000	200,000	17,158,000	18,432,000
	520,000	520,000	94,759,650	120,552,350

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		Note	31 December 2018	30 June 2018
			Un-audited	Audited
6	SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES		----- Rupees-----	
	Security deposit held with:			
	- the National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
	- the Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
	Other receivable		2,597,419	2,597,419
	Advance against book building - At-Tahur Limited	6.1	-	4,025,000
	Prepaid listing fees		13,788	-
			5,211,207	9,222,419

6.1 During the period, advance against book building was realised through purchase of 524,995 shares as disclosed in note 5.1.

		Note	31 December 2018	30 June 2018
			Un-audited	Audited
7	PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)		----- Rupees-----	
	Remuneration of the Management Company	7.1	2,755,427	3,817,436
	Sindh Sales Tax payable on remuneration of the Management Company	7.2	1,914,765	2,052,827
	Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
	Accounting and operational charges		137,772	190,872
			15,261,349	16,514,520

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company is entitled to receive a remuneration at the rate not exceeding 2% of the average annual net assets incase of equity schemes. Previously, the Management Company was entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter, at the rate of 2% of such assets. Accordingly, the Management Company has charged its remuneration at the rate of 2% (30 June 2018: 2%) per annum of the average net assets of the Fund. The fee is payable to the Management Company monthly in arrears.

7.2 During the period, an amount of Rs.2,449,450 (2017: Rs.3,152,184) 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. 2,587,512 (2017: Rs. 3,262,913) 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 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year 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.

Atlas Islamic Stock Fund

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 10.453 million (30 June 2018: Rs 10.453 million) is being retained in the condensed interim 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 condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2018 would have been higher by Rs 3.74 per unit (30 June 2018: Rs 2.45 per unit).

	Note	31 December 2018	30 June 2018
		Un-audited	Audited
8 ACCRUED EXPENSES AND OTHER LIABILITIES		Rupees-----	
Auditors' remuneration payable		147,824	241,365
Printing charges payable		127,502	171,177
Ranking fee payable		140,000	140,000
Charity payable	8.1	528,738	463,265
Transaction charges payable		694,147	368,629
Withholding and capital gain tax payable		66,983	73,467
Payable to Shariah Advisor		76,236	75,004
Provision for Sindh Workers' Welfare Fund	8.2	15,491,187	15,491,187
Sales load payable		13,889	-
Zakat payable		98,800	-
Other payable		276,202	276,202
		17,661,508	17,300,296

8.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 760,459 (30 June 2018: Rs. 1,602,704) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

8.2 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, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

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

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

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015 should be reversed on 12 January 2017; and

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- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

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

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

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 31 December 2018 would have been higher by Rs. 5.55 per unit (30 June 2018: Rs. 3.63 per unit)

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2018 and as at 30 June 2018.

10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2018 is 2.89% (30 June 2018: 2.79%) which includes 0.47% (30 June 2018: 0.40%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

11 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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 net accounting income available for distribution for the year derived from sources other than capital gains.

12 LOSS PER UNIT

Loss 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.

13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

Atlas Islamic Stock Fund

		For the Half Year ended 31 December	
		2018	2017
13.1	Transactions during the period	Un-audited	Un-audited
		----- Rupees-----	
	Atlas Asset Management Limited (Management Company)		
	Remuneration of the Management Company	18,841,921	24,247,566
	Remuneration paid	19,903,930	25,099,329
	Sindh Sales Tax on remuneration of the Management Company	2,449,450	3,152,184
	Accounting and operational charges	942,096	1,184,334
	Issue of Nil (2017: 2,711) units	-	1,561,061
	Dividend paid	-	1,784,070
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	1,446,206	1,713,657
	Sindh Sales Tax on remuneration of the Trustee	188,007	222,775
	Remuneration paid	1,496,565	1,756,333
	Settlement charges	87,378	79,121
	Sindh sales tax on settlement charges	11,351	10,286
	Atlas Battery Limited (Group Company)		
	Issue of Nil (2017: 69,611) units	-	40,080,135
	Redemption of 871,997 (2017: Nil) units	471,388,683	-
	Dividend paid	-	45,805,868
	Atlas Engineering Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
	Issue of Nil (2017: 2,561) units	-	1,474,815
	Dividend paid	-	1,474,815
	Atlas Foundation (Group Company)		
	Issue of Nil (2017: 5,235) units	-	3,013,961
	Dividend paid	-	3,444,527
	Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
	Issue of Nil (2017: 71,123) units	-	35,521,285
	Dividend paid	-	1,903,401
	Atlas Honda Limited (Group Company)		
	Issue of Nil (2017: 38,374) units	-	22,094,487
	Dividend paid	-	25,250,842
	Atlas Insurance Limited (Group Company)		
	Issue of 67,992 (2017: 1,047,171) units	34,000,000	547,305,049
	Redemption of 385,292 (2017: 1,085,060) units	185,725,981	563,897,132
	Dividend paid	-	18,231,368
	Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of a Group Company)		
	Issue of Nil (2017: 1,654) units	-	952,589
	Redemption of 11,314 (2017: Nil) units	5,743,918	-
	Cash dividend	-	952,589
	Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
	Issue of Nil (2017: 6,564) units	-	3,779,464
	Dividend paid	-	3,779,464
	Atlas Insurance Limited Window Takaful Operation		
	Issue of Nil (2017: 44,617) units	-	22,949,462
	Redemption of 42,472 (2017: 42,472) units	20,473,013	21,714,458
	Cash dividend	-	1,411,433
	Shirazi Investments (Private) Limited Employee Provident Fund (Retirement benefit plan of a Group Company)		
	Issue of Nil (2017: 25,607) units	-	13,450,000

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		For the Half Year ended 31 December	
		2018	2017
		Un-audited	Un-audited
Note		----- Rupees -----	-----
Cherat Cement Company Limited Employees Provident Fund			
Issue of Nil (2017: 174) units		-	100,279
Redemption of Nil (2017: 3,449) units		-	1,721,259
Cash dividend		-	114,605
Batool Benefit Trust (Trust having common Director / Trustee)			
Issue of Nil (2017: 5,524) units		-	3,180,500
Cash dividend		-	3,634,857
Directors and their close family members and key management personnel of the Management Company			
		13.3	
Issue of 21,285 (2017: 17,678) units		10,854,026	9,461,053
Redemption of 24,911 (2017: 8,528) units		13,598,412	4,404,882
Cash dividend		-	4,441,177
		31 December 2018	30 June 2018
		Un-audited	Audited
		----- Rupees -----	-----
13.2 Balances as at period / year end			
Atlas Asset Management Limited (Management Company)			
Remuneration payable to the Management Company		2,755,427	3,817,436
Sindh Sales Tax payable on remuneration of the management company		1,914,765	2,052,827
Federal Excise Duty payable on remuneration of the Management Company		10,453,385	10,453,385
Accounting and operational charges payable		137,772	190,872
Outstanding 53,685 (30 June 2018:53,685) units at net asset value		25,878,168	28,473,822
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration payable to the Trustee		222,703	273,062
Sindh sales tax payable on remuneration of the Trustee		28,951	35,497
Settlement charges payable		20,007	3,000
Sindh sales tax payable on settlement charges		2,601	389
Atlas Battery Limited (Group Company)			
Outstanding Nil (2018: 871,997) units - at net asset value		-	462,498,556
Atlas Foundation (Group company)			
Outstanding 103,650 (2018: 103,650) units - at net asset value		49,963,310	54,974,774
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)			
Outstanding 125,506 (2018:125,506) units - at net asset value		60,499,081	66,567,313
Atlas Honda Limited (Group Company)			
Outstanding 759,826 (2018: 759,826) units - at net asset value		366,266,738	403,004,346
Atlas Insurance Limited (Group Company)			
Outstanding Nil (2018: 317,300) units - at net asset value		-	168,292,639
Batools Benefit Trust (Trust having common Director / Trustee)			
Outstanding 109,377 (2018: 109,377) units - at net asset value		52,724,073	58,012,449
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of group company)			
Outstanding Nil (2018:11,314) units - at net asset value		-	6,001,096
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)			
Outstanding 114,549 (2018:114,549) units - at net asset value		55,217,146	60,755,585
Atlas Insurance Limited Window Takaful Operation			
Outstanding Nil (2018: 42,472) units - at net asset value		-	22,526,515
Shirazi Investments (Private) Limited -Employee Provident Fund			
Outstanding 25,607 (2018: 25,607) units - at net asset value		12,343,561	13,581,656
Directors and their close family members and key management personnel of the Management Company			
		13.3	
Outstanding 132,443 (2018: 136,070) units - at net asset value		63,843,000	72,170,026

13.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

Atlas Islamic Stock Fund

14 FAIR VALUE MEASUREMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be 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.

The fair values of listed equity securities quoted on the stock exchange are valued at the closing prices determined by such exchange. The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short-term maturities of these instruments.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at 31 December 2018 and 30 June 2018, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	Rupees		
2018			
At fair value through profit or loss	1,439,716,343	-	-
	1,439,716,343	-	-
2017			
At fair value through profit or loss	1,980,443,244	-	-
	1,980,443,244	-	-

15 GENERAL

15.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

15.2 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 28 February 2019.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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