



Atlas Islamic Income Fund

Atlas Islamic Stock Fund

Atlas Islamic Fund of Funds

Atlas Islamic Dedicated Stock Fund

HALF YEARLY REPORT

31 DECEMBER 2019

(UN-AUDITED)



Management Company

Atlas Asset Management

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



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.

CONTENTS

ORGANISATION	2
CHAIRMAN'S REVIEW	3
ATLAS ISLAMIC INCOME FUND	
CORPORATE INFORMATION	6
TRUSTEE REPORT TO THE UNIT HOLDERS	7
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	8
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	9
CONDENSED INTERIM INCOME STATEMENT	10
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	11
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	12
CONDENSED INTERIM CASH FLOW STATEMENT	13
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	14
ATLAS ISLAMIC STOCK FUND	
CORPORATE INFORMATION	26
TRUSTEE REPORT TO THE UNIT HOLDERS	27
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	28
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	29
CONDENSED INTERIM INCOME STATEMENT	30
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	31
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	32
CONDENSED INTERIM CASH FLOW STATEMENT	33
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	34
ATLAS ISLAMIC FUND OF FUNDS	
CORPORATE INFORMATION	45
TRUSTEE REPORT TO THE UNIT HOLDERS	46
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	47
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	48
CONDENSED INTERIM INCOME STATEMENT	49
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	50
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	51
CONDENSED INTERIM CASH FLOW STATEMENT	52
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	53
ATLAS ISLAMIC DEDICATED STOCK FUND	
CORPORATE INFORMATION	65
TRUSTEE REPORT TO THE UNIT HOLDERS	66
INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO UNIT HOLDERS	67
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	68
CONDENSED INTERIM INCOME STATEMENT	69
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	70
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	71
CONDENSED INTERIM CASH FLOW STATEMENT	72
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	73

Atlas Meraj

ORGANISATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

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

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

Company Secretary Ms Zainab Kazim

Board Committees Audit Committee

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

Secretary Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

Chairperson Ms. Zehra Naqvi
Members Mr. Frahim Ali Khan
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 Javaid
Secretary Mr. Faran-ul-Haq

Management Committee

Chairman Mr. Muhammad Abdul Samad
Members Mr. Khalid Mahmood
Ms Qurrat-ul-Ain Jafari
Ms Mishaal H. Shirazi
Mr. Tariq Ahmed Siddiqui
Ms Ayesha Farooq
Ms Zainab Kazim
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

Half Yearly Report 2019-20

CHAIRMAN'S REVIEWS

It is my pleasure to present you the un-audited financial statements of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Dedicated Stock Fund (AIDSF) and Atlas Islamic Fund of Funds (AIFOF) for the half year ended December 31, 2019 of FY20.

THE ECONOMY

The macroeconomic stabilization measures taken in past two years have significantly improved Pakistan's external imbalances. During Jul-Dec FY20, the Current Account Deficit (CAD) reduced by 75.03% to USD 2.15 billion compared to USD 8.61 billion in same period last year. The Jul-Dec FY20 imports of USD 23.23 billion declined by 16.89% compared to Jul-Dec FY19 imports of USD 27.95 billion. Meanwhile, exports for the period Jul-Dec FY20 of USD 11.53 billion increased by 3.13% against exports of USD 11.18 billion in the corresponding period. Reduction in CAD coupled with Foreign Portfolio Investor (SCRA) inflows provided support to Foreign Exchange Reserves, which as of December 2019 stood at USD 17.93 billion with State Bank of Pakistan's (SBP) share of USD 11.33 billion. Worker's Remittances for July-Dec FY20 stood at USD 11.39 billion, recording growth of 3.26% against same period last year. CPI inflation for the period July-Dec FY20 averaged at 11.11%. During Jul-Dec FY20, the Federal Board of Revenue provisionally collected Rs. 2,080 billion tax revenue against a target of Rs. 2,198 billion registering shortfall of 5.37%. The Monetary Policy Committee (MPC) of SBP decided to keep policy rate unchanged at 13.25% in its latest announcement.

FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 6.34% to Rs. 535.85 as on December 31, 2019, providing an annualized total return of 12.57%. The AIIF's total exposure in Sukuk was 14.50% and the remaining 85.50% in high yielding Shariah Compliant Bank Deposits/Others. The Net Assets of the Fund stood at Rs. 1.75 billion, with 3.27 million units outstanding as on December 31, 2019.

FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) increased by 23.68% to Rs. 531.66 as on December 31, 2019. The benchmark KMI-30 index increased by 22.01% during the period under review. The KMI-30 index increased from 54,118.51 points as on June 28, 2019 to 66,031.51 points as on December 31, 2019. AISF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiples with earnings growth prospects. AISF's equity exposure was 96.11% that mainly comprised of Oil & Gas Exploration, Fertilizer, Islamic Commercial Banks and Power Generation & Distribution Companies. The Net Assets of the Fund stood at Rs. 1.61 billion, with 3.03 million units outstanding as on December 31, 2019.

FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) increased by 22.27% to Rs. 505.76 as on December 31, 2019. The benchmark KMI-30 index has increased by 22.01% during the period under review. The KMI-30 index increased from 54,118.51 points as on June 28, 2019 to 66,031.51 points as on December 31, 2019. AIDSF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiples with earnings growth prospects. AIDSF's equity exposure was 97.31% that mainly comprised of Oil & Gas Exploration, Fertilizer, Islamic Commercial Banks and Cement Companies. The Net Assets of the Fund stood at Rs. 417.21 million, with 0.82 million units outstanding as on December 31, 2019.

FUND OPERATIONS - AIFOF

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 18.48% to Rs.525.90 as on December 31, 2019. AAAIP was 26.29% and 72.93% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 15.31% to Rs.536.72 as on December 31, 2019. AMAIP was 46.17% and 53.39% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 11.46% to Rs. 552.06 as on December 31, 2019. ACAIP was 71.18% and 28.20% invested in AIIF and AIDSF, respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan (AICPP) increased by 11.50% to Rs. 544.12 as on December 31, 2019. AICPP was 63.55% and 34.91% invested in AIIF and AIDSF, respectively. The Net Assets of AIFOF stood at Rs. 844.18 million as on December 31, 2019.

Atlas Meraj

MUTUAL FUND TAXATION

WORKER'S WELFARE FUND (WWF)

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

SINDH WORKER'S WELFARE FUND (SWWF)

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

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

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

FEDERAL EXCISE DUTY (FED)

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

WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

Half Yearly Report 2019-20

RATINGS

- **ASSET MANAGER RATING**

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

- **FUND STABILITY RATING - AIIF**

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

FUTURE OUTLOOK

The macroeconomic stabilization measures taken to stabilize the economy post induction into IMF program has resulted in significant import compression that is expected to keep CAD for FY20 near 2% of GDP that remained at 6.3% of GDP in FY18 and 4.9% of GDP in FY19. Current inflationary pressures are transitional in nature arising from abrupt increase in food inflation and lagged impact of PKR devaluation. As per the SBP forecast, inflation is likely to come down to 5% - 7% range in medium term. Lending commitments from multilateral institutions and IMF's extended fund facility will help in meeting external financing needs while robust worker's remittances due to uptick in emigration number will provide support to balance of payments. Debt servicing by government amid high interest rates will keep fiscal deficit under pressure despite improvements in tax collection. However, pressures on fiscal side will start to subside once monetary easing starts followed by decline in inflation. Going forward, government's focus towards increasing exports and reforms to eliminate structural imbalances will be instrumental for sustainable growth.

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

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: 27 February 2020

Iftikhar 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
Bank Al Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited
Soneri Bank Limited - Islamic Banking

Half Yearly Report 2019-20

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, 2019 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, February 26, 2020

Atlas Islamic Income Fund

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Income Fund (the Fund) as at 31 December 2019 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 2019 and 31 December 2018 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 2019.

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.

Karachi 28 February 2020

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Half Yearly Report 2019-20

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2019

		31 December 2019 Un-audited	30 June 2019 Audited
	Note	----- Rupees -----	----- Rupees -----
Assets			
Cash and bank balances	4	1,509,383,240	1,308,448,955
Investments	5	261,561,100	99,898,800
Mark-up accrued	6	32,124,755	15,086,559
Security deposits, prepayments and other receivables	7	592,540	578,941
Total assets		1,803,661,635	1,424,013,255
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	8	2,853,212	2,465,344
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	127,281	180,998
Payable to the Securities and Exchange Commission of Pakistan	10	159,745	701,274
Payable against redemption of units		40,384,040	19,806,934
Unclaimed dividend		62,457	390,184
Accrued expenses and other liabilities	11	7,849,691	8,242,302
Total liabilities		51,436,426	31,787,036
NET ASSETS		1,752,225,209	1,392,226,219
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,752,225,209	1,392,226,219
CONTINGENCIES AND COMMITMENTS	12		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		3,269,988	2,762,766
		----- Rupees -----	
NET ASSET VALUE PER UNIT		535.85	503.92

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	Note	For the Half Year ended 31 December		For the Quarter ended 31 December	
		2019	2018	2019	2018
Income		-----Rupees-----			
Mark-up income	13	104,507,654	29,860,457	90,293,146	15,645,949
Capital gain on sale of investments - net		10,000	-	10,000	-
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		674,634	(777,200)	363,981	(438,000)
		684,634	(777,200)	373,981	(438,000)
Total income		105,192,288	29,083,257	90,667,127	15,207,949
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	8.1	2,502,876	1,137,086	1,385,837	529,209
Sindh Sales Tax on remuneration of the Management Company	8.2	325,374	147,821	180,159	68,797
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		599,043	644,349	319,783	299,885
Sindh Sales Tax on remuneration of the Trustee		77,875	83,765	41,571	38,985
Annual fees to the Securities and Exchange Commission of Pakistan		159,744	284,272	85,275	132,303
Accounting and operational charges	14	1,011,911	379,029	639,565	176,404
Auditors' remuneration		147,794	31,306	82,640	(42,133)
Securities transaction cost		100,144	5,389	70,718	3,694
Annual listing fee		13,901	13,864	6,989	6,932
Annual rating fee		150,981	153,394	75,491	75,697
Printing charges		20,141	7,185	9,241	(18,014)
Shariah advisory fee		90,000	88,915	45,000	46,000
Bank charges		32,484	17,068	11,500	9,883
Legal and professional charges		118,033	100,985	-	54,545
Provision for Sindh Workers' Welfare Fund	11.1	1,996,840	519,777	1,080,562	276,516
Total expenses		7,347,141	3,614,205	4,034,331	1,658,703
Net income for the period before taxation		97,845,147	25,469,052	86,632,796	13,549,246
Taxation	16	-	-	-	-
Net income for the period after taxation		97,845,147	25,469,052	86,632,796	13,549,246
Allocation of net income for the period:					
Net income for the period after taxation		97,845,147	25,469,052	86,632,796	13,549,246
Income already paid on units redeemed		(12,728,111)	(3,659,255)	(7,552,792)	(1,478,086)
		85,117,036	21,809,797	79,080,004	12,071,160
Accounting income available for distribution:					
- Relating to capital gains		684,634	(777,200)	373,981	(438,000)
- Excluding capital gains		84,432,402	22,586,997	78,706,023	12,509,160
		85,117,036	21,809,797	79,080,004	12,071,160

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	For the Half Year ended 31 December		For the Quarter ended 31 December	
	2019	2018	2019	2018
	-----Rupees-----			
Net income for the period after taxation	97,845,147	25,469,052	86,632,796	13,549,246
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	97,845,147	25,469,052	86,632,796	13,549,246

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	1,384,052,950	-	1,384,052,950
Undistributed income brought forward			
- Realised income	-	8,274,469	8,274,469
- Unrealised loss	-	(101,200)	(101,200)
Net assets at the beginning of the period (Units outstanding: 2,762,766)	1,384,052,950	8,173,269	1,392,226,219
(Rs. 503.92 per unit)			
Issue of 2,116,788 units	1,104,377,558	-	1,104,377,558
Redemption of 1,609,566 units	(829,495,604)	(12,728,111)	(842,223,715)
Total comprehensive income for the period	-	97,845,147	97,845,147
Net assets at end of the period (Units outstanding: 3,269,988)	1,658,934,904	93,290,305	1,752,225,209
(Rs. 535.85 per unit)			
Undistributed income carried forward			
- Realised income	-	92,615,670	-
- Unrealised income	-	674,635	-
	-	93,290,305	-
	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)	838,131,601	34,090,612	872,222,213
(Rs. 527.57 per unit)			
Issue of 660,705 units	337,689,224	-	337,689,224
Refund of Capital	(12,427,235)	-	(12,427,235)
Redemption of 868,018 units	(438,461,706)	(3,659,255)	(442,120,961)
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)	724,931,884	27,822,519	752,754,403
(Rs. 520.59 per unit)			
Undistributed income carried forward			
- Realised income	-	27,817,419	-
- Unrealised income	-	5,100	-
	-	27,822,519	-

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	For the Half Year ended 31 December	
		2019	2018
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		97,845,147	25,469,052
Adjustments for:			
Mark-up income		(104,507,654)	(29,860,457)
Capital gain on sale of investments - net		(10,000)	-
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(674,634)	777,200
Provision for Sindh Workers' Welfare Fund		1,996,840	519,777
		(103,195,448)	(28,563,480)
(Increase) in assets			
Security deposits, prepayments and other receivables		(13,599)	(13,636)
(Decrease) / Increase in liabilities			
Payable to Atlas Asset Management Limited - Management Company		387,868	(46,695)
Payable to Central Depository Company of Pakistan Limited - Trustee		(53,717)	(20,439)
Payable to the Securities and Exchange Commission of Pakistan		(541,529)	(603,276)
Unclaimed dividend		(327,727)	-
Accrued expenses and other liabilities		(2,389,451)	(502,786)
		(2,924,556)	(1,173,196)
Mark-up received		87,469,458	21,725,363
Investments made during the period		(174,327,666)	-
Investments sold / matured during the period		13,350,000	-
Net cash (used in) / generated from operating activities		(81,796,664)	17,444,103
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		-	(12,427,235)
Net payments against redemption of units		1,104,377,558	337,689,224
Refund of Capital		(821,646,609)	(425,088,767)
Cash payout against distribution		-	(28,077,890)
Net cash generated / (used in) from financing activities		282,730,949	(127,904,668)
Net increase / (decrease) in cash and cash equivalents		200,934,285	(110,460,565)
Cash and cash equivalents at the beginning of the period		1,308,448,955	776,625,525
Cash and cash equivalents at the end of the period	4	1,509,383,240	666,164,960

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Income Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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, Seventh, Eight and Ninth supplements dated 23 June 2010, 12 November 2010, 20 September 2013, 24 March 2015, 3 August 2015, 30 September 2016 2 June 2017, 02 October 2019 and 30 October 2019 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) [2018: AM2+ (AM Two Plus)] on 26 December 2019.
- Moreover, PACRA maintained the stability rating of the Fund at "AA- (f)" [2018: "AA- (f)"] on 17 October 2019.
- 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 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

Half Yearly Report 2019-20

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
- Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A 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 2019.

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

3.1 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 at and for the year ended June 30, 2019.

3.2 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 2019.

3.3 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 3 - Business Combinations - Previously held interests in a joint operation

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

Atlas Islamic Income Fund

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

4 CASH AND BANK BALANCES	Note	31 December 2019	30 June 2019
		Un-audited	Audited
		----- Rupees -----	
Balances with banks in:			
- Profit and loss sharing accounts	4.1	1,493,719,155	1,306,013,955
- Current account		5,000	5,000
Cheques in hand	4.2	15,659,085	2,430,000
		1,509,383,240	1,308,448,955

4.1 The rate of return on these profit & loss sharing accounts amounting to Rs.1,493,076,084 ranges between 11.5% to 14.3% (30 June 2019: 13.00%) per annum.

4.2 These denote cheques received against issue of units which were cleared latest by 03 January 2020.

5 INVESTMENTS	Note	31 December 2019	30 June 2019
		Un-audited	Audited
		----- Rupees -----	
At fair value through profit or loss			
Debt securities - sukuk certificates (unlisted)	5.1	261,561,100	99,898,800
		261,561,100	99,898,800

Half Yearly Report 2019-20

5.1 Debt securities - sukuk certificates

Particulars	Note	As at 01 July 2019	Acquired during the period	Disposed during the period	As at 31 December 2019	Carrying Value as at 31 December 2019	Market Value as at 31 December 2019	Unrealised appreciation as at 31 December 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets
BANKS										
Meezan Bank Limited (Face Value Rs. 1,000,000)	5.1.1 & 5.1.2	50	-	-	50	49,998,800	49,732,550	(266,250)	19.01%	2.84%
Fertilizers										
Dawood Hercules Corporation Limited Sukuk 2 (Face Value Rs. 90,000)	5.1.1 & 5.1.2	500	500	-	1,000	89,819,537	89,707,230	(112,307)	34.30%	5.12%
Dawood Hercules Corporation Limited Sukuk 1 (Face Value Rs. 80,000)	5.1.1 & 5.1.2	-	835	-	835	66,068,129	66,026,320	558,191	25.47%	3.80%
Power Generation & Distribution										
The Hub Power Company Limited (Face Value Rs. 100,000)	5.1.1 & 5.1.2	-	550	-	550	55,000,000	55,495,000	495,000	21.22%	3.17%
Total - December 31, 2019						260,886,466	261,561,100	674,634	100.00%	14.93%
Total - June 30, 2019						100,782,300	99,898,800	(883,500)	100.00%	7.18%

5.1.1 The cost of these investments at 31 December 2019 amounted to Rs 100,000,000 (30 June 2019: Rs. 50,000,000).

5.1.2 These carry quarterly and semi annually rate of return ranging from "3 months Kibor + 1%" to " 3 months Kibor + 1.9% " and "6 months Kibor + 0.5%" respectively, having maturity upto 26 September 2026.

6 MARKUP ACCRUED

Mark-up accrued on:

- Profit and loss sharing accounts
- Sukuk certificates

Note	31 December 2019	30 June 2019
	Un-audited	Audited
	----- Rupees -----	-----
	26,393,517	12,603,754
	5,731,238	2,482,805
	32,124,755	15,086,559

7 SECURITY DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited

Withholding tax deducted

Prepaid listing fee

	100,000	100,000
7.1	478,941	478,941
	13,599	-
	592,540	578,941

7.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under sections 150 and 151. However, several Companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) /2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates

Atlas Islamic Income Fund

in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the Funds has been shown as other receivable as at 30 June 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)	Note	31 December	30 June
		2019	2019
		Un-audited	Audited
		----- Rupees -----	
Remuneration of the Management Company	8.1	555,257	316,981
Sindh Sales Tax payable on remuneration of the Management Company	8.2	339,777	308,801
Federal Excise Duty payable on remuneration of the Management Company	8.3	1,733,902	1,733,901
Accounting and operational charges payable	14	224,276	105,661
		2,853,212	2,465,344

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 receive a remuneration at the rate 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% (30 June 2019: 0.30%) per annum of the average annual net assets of the Fund. On December 10, 2019 Management Company decided to revise the management fee from 0.30% to 0.40% The fee is payable to the Management Company monthly in arrears.

8.2 During the half year ended 31 December 2019, an amount of Rs. 325,374 (2018: Rs. 147,821) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 294,398 (2018: Rs. 151,971) has been paid to the Management Company which acts as the collecting agent.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company was of the view that further levy of FED was not justified.

Half Yearly Report 2019-20

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

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the 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 2019: Rs 1.734 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 2019 would have been higher by Rs. 0.53 per unit (30 June 2019: Rs. 0.63 per unit).

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

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.075% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. However, during the period ended December 31, 2018, the trustee fee was charged in accordance with the following slab rates:

Net assets	Fee
- upto Rs 1,000 million	0.17% per annum of net assets
- Rs 1,000 million to Rs 5,000 million	Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1,000 million
- exceeding 5,000 million	Rs 5.1 million plus 0.07% per annum of net assets exceeding Rs 5,000 million

		31 December 2019	30 June 2019
		Un-audited	Audited
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees -----	-----
Annual fees payable	10.1	<u>159,745</u>	<u>701,274</u>

10.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as income scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs.

Atlas Islamic Income Fund

Previously, the rate of annual fee applicable to the income scheme was 0.075% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December	30 June
		2019	2019
		Un-audited	Audited
		-----Rupees-----	
Auditors' remuneration payable		168,314	196,020
Printing charges payable		20,000	45,954
Payable to Shariah Advisor		45,000	45,000
Withholding tax payable		853,046	3,410,753
Provision for Sindh Workers' Welfare Fund	11.1	6,041,659	4,044,820
Annual rating fee payable		150,981	-
Zakat payable		19,589	19,589
Other payable		542,264	480,166
Transaction charges payable		8,838	-
		7,849,691	8,242,302

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

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, 2019, the net asset value of the Fund as at December 31, 2019 would have been higher by Rs. 1.84 per unit (30 June 2019: Rs. 1.47 per unit).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2019 and as at 30 June 2019.

Half Yearly Report 2019-20

	For the Half Year ended 31 December		For the Quarter ended 31 December	
	2019	2018	2019	2018
	Un-audited	Un-audited	Un-audited	Un-audited
	----- Rupees -----		----- Rupees -----	
13 MARKUP INCOME				
Mark-up income on:				
- Profit and loss sharing accounts	90,479,891	25,605,635	78,234,958	13,360,702
- Government of Pakistan (GoP) ijarah sukuku	571,759	-	571,759	-
- Sukuk certificates	13,456,004	4,254,822	11,486,429	2,285,247
	104,507,654	29,860,457	90,293,146	15,645,949

14 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company charged actual expenses within the limit of 0.1% of average annual net assets of the fund till 30 September 2019 and within the limit of 0.15% of the average annual net assets afterwards.

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 0.92% (30 June 2019: 0.97%) which includes 0.60% (30 June 2019: 0.66%) 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.

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The management intends to distribute at least 90% of the Fund's net accounting income earned 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.

17 EARNINGS PER UNIT

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

18 TRANSACTIONS WITH 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, 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.

Atlas Islamic Income Fund

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:

	For the Half Year ended	
	31 December	
	Un-audited	Un-audited
	2019	2018
	----- Rupees -----	
18.1 Details of Transactions with relates parties during the period		
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	2,502,876	1,137,086
Remuneration paid	2,264,600	1,169,003
Sindh Sales Tax on remuneration of the Management Company	325,374	147,821
Accounting and operational charges	1,011,911	379,029
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	599,043	644,349
Remuneration paid to the Trustee	609,877	662,437
Sindh Sales Tax on remuneration of the Trustee	77,875	83,765
Settlement charges paid	6,340	3,000
Sindh Sales Tax on Settlement charges	824.20	390
Atlas Honda Limited (Group Company)		
Issue of Nil (2018: 1) units	-	675
Dividend declared	-	733
Shirazi Trading Company (Private) Limited Employees Provident Fund (Retirement benefit plan of a Group Company)		
Issue of Nil (2018: 1,042) units	-	524,024
Dividend declared	-	524,024
Atlas Insurance Limited Window Takaful Operations		
Issue of 78,570 (2018: 1,338) units	40,000,000	673,226
Redemption of 78,570 (2018: 33,666) units	42,024,750	17,526,196
Dividend declared	-	792,031
Shirazi Investments (Private) Limited (Group Company)		
Issue of 32 (2018: 4,716) units	16,628	2,372,638
Dividend declared	-	2,791,339
Honda Atlas Power Product (Private) Limited (Group Company)		
Issue of Nil (2018: 1,695) units	-	852,838
Redemption of Nil (2018: 41,015) units	-	20,728,635
Dividend declared	-	963,345
Chevron Pakistan Lubricants (Private) Gratuity Fund (Unit Holder with more than 10% holding)		
Issue of Nil (2018: 7,813) 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 1,008 (2018: 6,908) units	526,000	3,509,173
Redemption of 392 (2018: 17,790) units	200,000	9,028,399
Dividend declared	-	384,959

Half Yearly Report 2019-20

		For the Half Year ended 31 December	
		Un-audited 2019	Un-audited 2018
		----- Rupees -----	
18.1	Details of Transactions with relates parties during the period (Continued.....)		
	CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)		
	Redemption of 34,163 (2018: Nil) units	17,700,000	-
	CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
	Issue of 8,490 (2018: Nil) units	4,490,000	-
	Redemption of 13,208 (2018: Nil) units	6,800,000	-
	CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
	Issue of 12,358 (2018: Nil) units	6,520,000	-
	Redemption of 15,848 (2018: Nil) units	8,150,000	-
	CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
	Issue of 10,720 (2018: Nil) units	5,670,000	-
	Redemption of 16,881 (2018: Nil) units	8,700,000	-
		31 December 2019	30 June 2019
		Un-audited	Audited
18.2	Details of balances with related parties as at the period / year end	----- Rupees -----	
	Atlas Asset Management Limited (Management Company)		
	Remuneration payable to the Management Company	555,257	2,805,097
	Sindh Sales Tax payable on Remuneration of the Management Company	339,777	364,663
	Federal Excise Duty payable on Remuneration of the Management Company	1,733,902	-
	Accounting and operational charges payable	224,276	935,032
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	112,138	1,520,418
	Sindh Sales Tax payable on Remuneration of the trustee	14,578	197,654
	Settlement charges payable	500	6,000
	Sindh Sales Tax payable on settlement charges	65	780
	Atlas Honda Limited (Group Company)		
	Outstanding 33 (30 June 2019: 33) units - at net asset value	17,683	16,871
	Honda Atlas Power Product (Pvt) Limited (Group Company)		
	Outstanding 66 (30 June 2019: 66) units - at net asset value	35,366	33,194
	Shirazi Investments (Private) Limited (Group Company)		
	Outstanding 3,982 (30 June 2019: 118,649) units - at net asset value	2,133,755	1,990,351
	CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)		
	Outstanding 570,774 (30 June 2019: 604,937) units - at net asset value	305,849,307	304,840,054
		18.4	

Atlas Islamic Income Fund

	31 December 2019	30 June 2019
	Un-audited	Audited
	----- Rupees -----	
18.2 Details of balances with related parties as at the period / year end (Continued.....)		
CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
Outstanding 53,232 (30 June 2019: 57,950) units - at net asset value	28,524,425	29,202,014
CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
Outstanding 102,835 (30 June 2019: 106,325) units - at net asset value	55,103,871	53,579,077
CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)		
Outstanding 176,723 (30 June 2019: 182,884) units - at net asset value	94,697,002	92,159,042
Directors and their close family members and key management personnel of the Management Company		
Outstanding 5,390 (30 June 2019: 4,774) units - at net asset value	2,888,232	2,405,794

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

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

19 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 2019 and 30 June 2019, the Fund had financial assets at fair value through profit or loss measured using the level 2 valuation technique.

Half Yearly Report 2019-20

20 GENERAL

20.1 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subjected to limited scope review by the statutory auditors of the Fund.

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

20.3 Units have been rounded off to the nearest decimal place.

21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 February 2020.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

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
Bank Al Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking

Half Yearly Report 2019-20

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, 2019 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, February 26, 2020

Atlas Islamic Stock Fund

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Stock Fund (the Fund) as at 31 December 2019 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 2019 and 31 December 2018 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 2019.

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.

Karachi 28 February 2020

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Half Yearly Report 2019-20

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2019

		31 December 2019 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
Assets			
Cash and bank balances	4	54,203,118	156,269,884
Investments	5	1,588,899,100	1,193,804,060
Profit receivable on bank balances		1,013,431	1,045,961
Dividend receivable		500,174	541,157
Receivable against sale of investment		3,445,000	72,714,091
Security deposits, prepayment and other receivables	6	5,211,095	5,197,419
Total assets		1,653,271,918	1,429,572,572
Liabilities			
Payable to Atlas Asset Management Limited - Management Company	7	15,295,173	14,879,795
Payable to Central Depository Company of Pakistan Limited - Trustee		253,139	235,939
Payable to the Securities and Exchange Commission of Pakistan	8	128,967	1,563,199
Payable against redemption of units		-	190,404,182
Accrued expenses and other liabilities	9	24,458,114	17,495,849
Total liabilities		40,135,393	224,578,964
NET ASSETS		1,613,136,525	1,204,993,608
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,613,136,525	1,204,993,608
CONTINGENCIES AND COMMITMENTS	10	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		3,034,179	2,803,109
NET ASSET VALUE PER UNIT		531.66	429.88

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	Note	For the Half Year ended 31 December		For the Quarter ended 31 December	
		2019	2018	2019	2018
-----Rupees-----					
Income					
Profit on bank balances		3,086,008	6,627,605	1,260,032	2,768,881
Dividend income		45,361,431	46,717,210	26,635,081	26,359,575
Capital gain on sale of investments - net		63,726,137	1,084,425	67,195,391	(24,001,125)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		223,814,915	(160,606,789)	300,211,371	(141,752,503)
		287,541,052	(159,522,364)	367,406,762	(165,753,628)
Total income		335,988,491	(106,177,549)	395,301,875	(136,625,172)
Expenses					
Remuneration of Atlas Asset Management Limited - Management Company	7.1	12,899,271	18,841,921	7,270,151	8,763,427
Sindh Sales Tax on remuneration of the Management Company	7.2	1,676,905	2,449,450	945,119	1,139,246
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,147,696	1,446,206	614,875	690,227
Sindh Sales Tax on remuneration of the Trustee		149,200	188,007	79,933	89,730
Annual fee to the Securities and Exchange Commission of Pakistan		128,992	894,992	72,726	416,264
Accounting and operational charges	13	826,720	942,096	545,263	438,172
Shariah advisory fee		150,000	151,232	75,000	75,616
Auditors' remuneration		207,943	104,659	133,831	23,708
Securities transaction cost		1,300,130	1,496,739	1,004,258	715,226
Annual listing fee		13,824	13,712	6,912	6,932
Printing charges		(19,227)	32,972	(19,227)	(29,366)
Legal and professional charges		98,053	82,625	-	54,545
Bank charges		24,654	14,633	20,095	12,002
Provision for Sindh Workers Welfare Fund	9.2	6,347,687	-	6,347,687	(323,682)
		24,951,848	26,659,244	17,086,623	12,072,047
Total expenses		24,951,848	26,659,244	17,086,623	12,072,047
Net income / (loss) for the period before taxation		311,036,643	(132,836,793)	378,215,252	(148,697,219)
Taxation	12	-	-	-	-
Net income / (loss) for the period after taxation		311,036,643	(132,836,793)	378,215,252	(148,697,219)
Allocation of net income / (loss) for the period					
Net income / (loss) for the period after taxation		311,036,643	(132,836,793)	378,215,252	(148,697,219)
Income already paid on units redeemed		(11,071,892)	-	(11,071,892)	-
		299,964,751	(132,836,793)	367,143,360	(148,697,219)
Accounting income available for distribution:					
- Relating to capital gains		287,541,052	-	367,406,762	-
- Excluding capital gains		12,423,699	-	(263,402)	-
		299,964,751	-	367,143,360	-

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	For the Half Year ended 31 December		For the Quarter ended 31 December	
	2019	2018	2019	2018
	-----Rupees-----			
Net income / (loss) for the period after taxation	311,036,643	(132,836,793)	378,215,252	(148,697,219)
Other comprehensive (loss) / income	-	-	-	-
Total comprehensive income / (loss) for the period	311,036,643	(132,836,793)	378,215,252	(148,697,219)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019		
	Capital value	Undistributed income	Net assets
	-----Rupees-----		
Capital value	982,676,383	-	982,676,383
Undistributed income brought forward			
- Realised income	-	429,780,302	429,780,302
- Unrealised loss	-	(207,463,077)	(207,463,077)
Net assets at the beginning of the period (Units outstanding: 2,803,109) (Rs. 429.88 per unit)	982,676,383	222,317,225	1,204,993,608
Issue of 1,107,092 units	516,231,428	-	516,231,428
Redemption of 876,022 units	(407,127,372)	(11,071,892)	(418,199,264)
Total comprehensive loss for the period	-	311,036,643	311,036,643
Shariah non-compliant income set-aside for charity	-	(925,890)	(925,890)
Net assets at end of the period (Units outstanding: 3,034,179) (Rs. 531.66 per unit)	1,091,780,439	521,356,086	1,613,136,525
Undistributed income carried forward			
- Realised income	-	430,887,980	-
- Unrealised income	-	90,468,106	-
	-	521,356,086	-
	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	-

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	For the Half Year ended 31 December	
	2019	2018
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit / (loss) for the period before taxation	311,036,643	(132,836,793)
Adjustments for:		
Profit on bank balances	(3,086,008)	(6,627,605)
Dividend income	(45,361,431)	(46,717,210)
Capital gain on sale of investments - net	(63,726,137)	(1,084,425)
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(223,814,915)	160,606,789
	(335,988,491)	106,177,549
Decrease / (Increase) in assets		
Receivable against sale of investments	69,269,091	(62,043,893)
Security deposits, prepayment and other receivables	(13,676)	4,011,212
	69,255,415	(58,032,681)
Increase / (Decrease) in liabilities		
Payable to Atlas Asset Management Limited - Management Company	415,378	(1,253,171)
Payable to the Central Depository Company of Pakistan Limited - Trustee	17,200	(37,686)
Payable to the Securities and Exchange Commission of Pakistan	(1,434,232)	(1,414,639)
Payable against purchase of investments	-	(4,182,183)
Accrued expenses and other liabilities	6,036,375	(399,247)
	5,034,721	(7,286,926)
Profit received on bank balances	3,118,538	7,838,917
Dividend received	45,402,414	47,386,150
Investments made during the period	(560,178,239)	(664,790,710)
Investments sold during the period	452,624,251	1,045,995,247
	(59,033,036)	436,429,604
Net cash (used in) / generated from operating activities	(9,694,748)	344,450,753
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	516,231,428	285,942,787
Net payments against redemption of units	(608,603,446)	(862,637,106)
Net cash used in financing activities	(92,372,018)	(576,694,319)
Net income for the period before taxation	(102,066,766)	(232,243,566)
Cash and cash equivalents at the beginning of the period	156,269,884	314,771,568
Net income for the period after taxation	4	82,528,002

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Stock Fund

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a trust deed entered into on 12 September 2006 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010 and 23 May 2017, respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth and Eleventh Supplements dated 29 October 2007, 6 March 2008, 4 December 2009, 23 June 2010, 20 September 2013, 24 March 2015, 29 September 2016, 2 June 2017, 25 May 2018, 5 September 2019 and 25 November 2019 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 26 December 2019.
- 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 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
 - Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A 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

Half Yearly Report 2019-20

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 2019.

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

3.1 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 at and for the year ended June 30, 2019.

3.2 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 2019.

3.3 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 3 - Business Combinations - Previously held interests in a joint operation

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

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

		31 December 2019	30 June 2019
	Note	Un-audited	Audited
		-----Rupees-----	
4 CASH AND BANK BALANCES			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	38,423,781	155,671,677
- Current account		242,472	78,207
Cheques in hand	4.2	15,536,865	520,000
		54,203,118	156,269,884

4.1 The rate of return on the bank balances amounting to Rs.35,026,791 range between 11% and 13.25% (30 June 2019: 6.00% and 12.30%) per annum.

4.2 These denote cheques received against issue of units which were cleared latest by January 10, 2020.

5 INVESTMENTS

At fair value through profit or loss

- Listed equity securities	5.1	1,588,899,100	1,193,804,060
----------------------------	-----	----------------------	----------------------

Atlas Islamic Stock Fund

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

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

Name of Investee Company	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2019	Average cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
	Number of shares				Rupees			% age		
Inv. Bank/Inv. Companies/Securities Co.										
Dawood Hercules Corporation Limited	200,000	-	-	200,000	-	-	-	-	-	-
	200,000	-	-	200,000	-	-	-	-	-	-
Banks										
BankIslami Pakistan Limited	1,111,000	1,900,000	210,600	-	3,221,600	36,739,430	35,727,544	2.25	2.21	0.29
Meezan Bank Limited	1,530,692	295,000	-	-	1,825,692	157,888,625	173,678,080	10.93	10.77	0.14
	2,641,692	2,195,000	210,600	-	5,047,292	194,628,055	209,405,624	13.18	12.98	
Textile Composite										
Interloop Limited	351,438	427,000	-	654,500	123,938	5,591,643	7,194,601	0.45	0.45	0.01
Kobinoor Textile Mills Limited	680,500	7,000	-	237,000	450,500	11,323,492	17,601,035	1.11	1.09	0.15
Nishat Mills Limited	80,000	341,400	-	191,500	229,900	25,264,858	24,401,586	1.54	1.51	0.07
	1,111,938	775,400	-	1,083,000	804,338	42,179,993	49,197,222	3.10	3.05	
Cement										
Attock Cement Pakistan Limited	143,900	-	-	143,500	400	28,564	41,348	-	-	-
Cheerat Cement Company Limited	215,000	368,000	21,500	25,000	579,500	26,352,667	30,742,475	1.93	1.91	0.30
D.G. Khan Cement Company Limited	239,000	350,000	-	232,000	357,000	24,750,210	26,514,390	1.67	1.64	0.08
Kohat Cement Company Limited	142,950	2,000	-	19,000	125,950	6,648,252	9,748,530	0.61	0.60	0.06
Lucky Cement Limited (Note 5.3)	184,900	43,200	-	53,100	175,000	66,015,713	74,970,000	4.72	4.65	0.05
	925,750	763,200	21,500	472,600	1,237,850	123,795,406	142,016,743	8.93	8.80	
Refinery										
Attock Refinery Limited	-	30,000	-	30,000	-	-	-	-	-	-
National Refinery Limited	-	25,000	-	25,000	-	-	-	-	-	-
	-	55,000	-	55,000	-	-	-	-	-	-
Power Generation & Distribution										
K-Electric Limited (Face Value of Rs. 35 Per Share)	3,200,000	-	-	-	3,200,000	14,048,000	13,984,000	0.88	0.87	0.03
The Hub Power Company Limited (Note 5.3)	1,328,280	-	-	355,000	973,280	76,645,800	90,855,688	5.72	5.63	0.08
	4,528,280	-	-	355,000	4,173,280	90,693,800	104,839,688	6.60	6.50	
Oil & Gas Marketing Companies										
Attock Petroleum Limited	50,400	11,500	-	61,900	-	-	-	-	-	-
Hi-Tech Lubricants Limited (Note 5.3)	-	217,000	-	217,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	377,800	77,000	73,160	207,000	320,960	48,742,459	61,508,774	3.87	3.81	0.07
Sui Northern Gas Pipelines Limited	199,700	149,500	-	-	349,200	24,381,688	26,598,564	1.67	1.65	0.06
	627,900	455,000	73,160	485,900	670,160	73,124,147	88,107,338	5.54	5.46	
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	69,965	28,200	9,166	11,980	95,351	88,040,622	124,919,345	7.86	7.74	0.07
Oil & Gas Development Company Limited	1,131,000	-	-	84,300	1,046,700	137,630,583	148,966,344	9.38	9.23	0.02
Pakistan Oilfields Limited	183,700	24,500	-	9,000	199,200	80,145,859	88,986,624	5.60	5.52	0.07
Pakistan Petroleum Limited (Note 5.3)	702,725	36,000	145,745	44,500	839,970	100,612,951	115,193,486	7.25	7.14	0.03
	2,087,390	88,700	154,911	149,780	2,181,221	406,430,015	478,065,799	30.09	29.63	
Engineering										
International Industries Limited	244,500	78,000	31,000	122,000	231,500	16,611,759	25,659,460	1.61	1.59	0.18
International Steels Limited	100,000	250,000	-	350,000	-	-	-	-	-	-
	344,500	328,000	31,000	472,000	231,500	16,611,759	25,659,460	1.61	1.59	
Automobile Assembler										
Atlas Honda Limited	-	-	-	-	-	-	-	-	-	-
Millat Tractors Limited	-	11,600	-	-	11,600	8,428,483	8,171,272	0.51	0.51	0.02
	-	11,600	-	-	11,600	8,428,483	8,171,272	0.51	0.51	
Automobile Parts & Accessories										
Thal Limited (Face Value of Rs. 5 Per Share)	-	26,700	-	15,000	11,700	2,857,535	3,957,291	0.25	0.25	0.03
	-	26,700	-	15,000	11,700	2,857,535	3,957,291	0.25	0.25	

Half Yearly Report 2019-20

Name of Investee Company	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2019	Average cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee Company
	Number of shares			Rupees		%				
Technology & Communications										
Pakistan Telecommunication Company Limited	-	900,000	-	900,000	-	-	-	-	-	-
Systems Limited	226,200	420,000	-	226,200	420,000	52,912,685	52,206,000	3.29	3.24	0.34
	226,200	1,320,000	-	1,126,200	420,000	52,912,685	52,206,000	3.29	3.24	
Fertilizer										
Engro Corporation Limited	456,000	103,000	-	124,000	435,000	119,013,725	150,183,750	9.45	9.31	0.08
Engro Fertilizers Limited	1,150,000	465,500	-	300,000	1,315,500	86,948,607	96,597,165	6.08	5.99	0.10
	1,606,000	568,500	-	424,000	1,750,500	205,962,332	246,780,915	15.53	15.30	
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	10,000	58,500	-	18,200	50,300	18,379,321	22,473,034	1.41	1.39	0.05
AGP Limited	61,000	22,000	-	17,000	66,000	4,481,315	6,557,100	0.41	0.41	0.02
Ferozsons Laboratories Limited	44,100	500	-	7,200	37,400	4,206,210	7,839,788	0.49	0.49	0.12
Glaxosmithkline Pakistan Limited	59,000	35,800	-	-	94,800	10,606,979	15,222,036	0.96	0.94	0.03
Hightnoon Laboratories Limited	-	6,800	-	-	6,800	2,381,440	3,653,368	0.23	0.23	0.02
The Searle Company Limited	70,230	117,000	-	29,000	158,230	26,281,714	29,864,330	1.88	1.85	0.07
	244,330	240,600	-	71,400	413,530	66,336,979	85,609,656	5.38	5.31	
Chemicals										
Archroma Pakistan Limited	-	10,000	-	-	10,000	6,523,723	6,150,000	0.39	0.38	0.03
Engro Polymer & Chemicals Limited	2,000	477,000	-	-	479,000	13,390,185	15,907,590	1.00	0.99	0.05
ICI Pakistan Limited	-	42,200	-	22,200	20,000	11,659,730	13,497,000	0.85	0.84	0.02
	2,000	529,200	-	22,200	509,000	31,573,638	35,554,590	2.24	2.21	
Paper & Board										
Cherut Packaging Limited	14,600	-	-	14,600	-	-	-	-	-	-
Packages Limited	-	19,200	-	-	19,200	6,879,855	7,655,808	0.48	0.47	0.02
	14,600	19,200	-	14,600	19,200	6,879,855	7,655,808	0.48	0.47	
Vanaspati & Allied Industries										
Unity Foods Limited	-	600,000	-	600,000	-	-	-	-	-	-
	-	600,000	-	600,000	-	-	-	-	-	-
Leather & Tanneries										
Bata Pakistan Limited	-	16,000	-	-	16,000	22,797,702	31,888,960	2.01	1.97	0.21
	-	16,000	-	-	16,000	22,797,702	31,888,960	2.01	1.97	
Foods & Personal Care Products										
Al Shaheer Corporation Limited	6,499	-	-	-	6,499	81,887	91,831	0.01	0.01	-
National Foods Limited (Face Value of Rs. 5 Per Share)	900	16,400	-	900	16,400	3,834,416	3,640,903	0.23	0.23	0.02
	7,399	16,400	-	900	22,899	3,916,303	3,732,734	0.24	0.24	
Glass & Ceramics										
Tariq Glass Industries Limited	-	150,000	-	-	150,000	15,955,498	16,050,000	1.01	0.99	0.20
	-	150,000	-	-	150,000	15,955,498	16,050,000	1.01	0.99	
Miscellaneous										
Shifa International Hospitals Limited	-	10,000	-	10,000	-	-	-	-	-	-
	-	10,000	-	10,000	-	-	-	-	-	-
Transport										
Pakistan International Bulk Terminal Limited	-	295,500	-	295,500	-	-	-	-	-	-
	-	295,500	-	295,500	-	-	-	-	-	-
Total as at 31 December 2019						1,365,084,185	1,588,899,100	100.00	98.50	
Total as at 30 June 2019						1,426,864,317	1,493,804,060			

5.2 The cost of listed equity securities as at 31 December 2019 is Rs. 1,498,430,994 (30 June 2019: Rs. 1,401,267,137).

Atlas Islamic Stock Fund

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:

	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Lucky Cement Limited	75,000	75,000	32,600,250	28,535,250
Pakistan State Oil Company Limited	110,000	110,000	24,797,300	18,659,300
Pakistan Petroleum Limited	135,000	135,000	20,204,100	19,498,050
The Hub Power Company Limited	200,000	200,000	17,158,000	15,750,000
	520,000	520,000	94,759,650	82,442,600

6 SECURITY DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Security deposit held with:

- the National Clearing Company of Pakistan Limited (NCCPL)
- the Central Depository Company of Pakistan Limited (CDC)

Withholding tax deducted

Prepaid listing fees

	31 December 2019	30 June 2019
	Un-audited	Audited
	-----Rupees-----	
	2,500,000	2,500,000
	100,000	100,000
	2,597,419	2,597,419
	13,676	-
	5,211,095	5,197,419

6.1 As per Clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151. However, several companies (including banks) deducted withholding tax on profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as other receivables as at 31 December 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

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

		31 December 2019	30 June 2019
	Note	Un-audited	Audited
		----- Rupees -----	
Remuneration of the Management Company	7.1	2,726,337	2,432,078
Sindh Sales Tax payable on remuneration of the Management Company	7.2	1,910,985	1,872,730
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges	13	204,466	121,602
		15,295,173	14,879,795

Half Yearly Report 2019-20

- 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 2019: 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.1,676,907 (2018: Rs.2,449,450) was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1,638,652 (2018: Rs. 2,587,512) 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.

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 2019: 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 2019 would have been higher by Rs 3.45 per unit (30 June 2019: Rs 3.73 per unit).

		31 December 2019	30 June 2019
		Un-audited	Audited
	Note	----- Rupees -----	
8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fees payable	8.1	<u>128,967</u>	<u>1,563,199</u>

- 8.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

Atlas Islamic Stock Fund

	Note	31 December	30 June
		2019	2019
9 ACCRUED EXPENSES AND OTHER LIABILITIES		Un-audited	Audited
		----- Rupees-----	
Auditors' remuneration payable		197,145	212,760
Printing charges payable		20,000	80,403
Ranking fee payable		140,000	140,000
Charity payable	9.1	533,856	509,911
Transaction charges payable		848,785	381,863
Withholding and capital gain tax payable		525,349	333,678
Payable to Shariah Advisor		75,001	75,000
Provision for Sindh Workers' Welfare Fund	9.2	21,838,874	15,491,187
Sales load payable		8,057	-
Zakat payable		1,063	1,063
Other payable		269,984	269,984
		24,458,114	17,495,849

9.1 The Shariah Advisor of the Fund, has certified an amount of Rs. 925,889 (30 June 2019: Rs. 1,361,154) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

9.2 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
- 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

Half Yearly Report 2019-20

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 2019 would have been higher by Rs. 7.20 per unit (30 June 2019: Rs. 5.53 per unit)

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2019 and as at 30 June 2019.

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 3.86% (30 June 2019: 2.87%) which includes 2.54% (30 June 2019: 0.42%) 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.

12 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 earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these condensed interim financial statements.

13 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company charged actual expenses within the limit of 0.1% of average annual net assets of the fund till 30 September 2019 and within the limit of 0.15% of the average annual net assets afterwards.

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 / 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

Atlas Islamic Stock Fund

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	For the Half Year ended 31 December	
	2019 Un-audited	2018 Un-audited
	----- Rupees-----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	12,899,271	18,841,921
Remuneration paid	12,605,012	19,903,930
Sindh Sales Tax on remuneration of the Management Company	1,676,905	2,449,450
Accounting and operational charges	826,720	942,096
Issue of 99 (2018: Nil) units	39,723	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,147,696	1,446,206
Sindh Sales Tax on remuneration of the Trustee	149,200	188,007
Remuneration paid	1,199,741	1,496,565
Settlement charges	30,164	87,378
Sindh sales tax on settlement charges	3,764	11,351
Atlas Battery Limited (Group Company)		
Redemption of Nil (2018: 871,997) units	-	471,388,683
Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)		
Issue of 12,294 (2018: Nil) units	5,000,000	-
Redemption of 21,177 (2018: Nil) units	10,500,000	-
Atlas Honda Limited (Group Company)		
Issue of 534 (2018: Nil) units	214,321	-
Atlas Insurance Limited (Group Company)		
Issue of Nil (2018: 67,992) units	-	34,000,000
Redemption of Nil (2018: 385,292) units	-	185,725,981
Atlas Insurance Limited Staff Provident Fund Trust (Retirement benefit plan of a Group Company)		
Redemption of Nil (2018: 11,314) units	-	5,743,918
Atlas Insurance Limited Window Takaful Operation		
Redemption of Nil (2018: 42,472) units	-	20,473,013
Directors and their close family members and key management personnel of the Management Company		
Issue of 12,344 (2018: 21,285) units	5,093,529	10,854,026
Redemption of 11,538 (2018: 24,911) units	4,928,171	13,598,412

Half Yearly Report 2019-20

	31 December 2019 Un-audited	30 June 2019 Audited
	----- Rupees -----	
15.2 Balances as at period / year end		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the Management Company	2,726,337	2,432,078
Sindh Sales Tax payable on remuneration of the management company	1,910,985	1,872,730
Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
Accounting and operational charges payable	204,466	121,602
Outstanding 179 (30 June 2019: 80) units at net asset value	94,951	34,266
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	221,017	203,796
Sindh sales tax payable on remuneration of the Trustee	28,732	26,493
Settlement charges payable	3,000	5,000
Sindh sales tax payable on settlement charges	390	650
Atlas Foundation (Group company)		
Outstanding 103,650 (2019: 103,650) units - at net asset value	55,106,409	44,556,940
Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)		
Outstanding 127,891 (2019:136,774) units - at net asset value	67,994,673	58,796,279
Atlas Honda Limited (Group Company)		
Outstanding 175,943 (2019: 175,409) units - at net asset value	93,541,716	75,404,914
Batools Benefit Trust (Trust having common Director / Trustee)		
Outstanding 109,377 (2019: 109,377) units - at net asset value	58,151,358	47,018,970
Atlas Honda Limited Employee Provident Fund (Retirement benefit plan of group company)		
Outstanding 114,549 (2019:114,549) units - at net asset value	60,901,062	49,242,276
Shirazi Investments (Private) Limited -Employee Provident Fund		
Outstanding 25,607 (2019: 25,607) units - at net asset value	13,614,177	11,007,904
Sindh Province Pension Fund		
Outstanding 444,287 (2019: 444,287) units - at net asset value	236,209,626	236,209,626
Directors and their close family members and key management personnel of the Management Company		
Outstanding 128,909 (2019: 143,381) units - at net asset value	68,535,740	61,636,372

15.3 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.

16 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.

Atlas Islamic Stock Fund

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 2019 and 30 June 2019, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	----- Rupees -----		
31 December 2019			
At fair value through profit or loss	1,588,899,100	-	-
	<u>1,588,899,100</u>	<u>-</u>	<u>-</u>
30 June 2019			
At fair value through profit or loss	1,193,804,060	-	-
	<u>1,193,804,060</u>	<u>-</u>	<u>-</u>

17 GENERAL

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

17.2 Number of units have been rounded off to the nearest decimal places.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 27 February 2020.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Fund of Funds

Corporate Information

Trustee

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

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawancy & Partners

Bankers

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

Atlas Islamic Fund of Funds

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Fund of Funds (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 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, February 26, 2020

Half Yearly Report 2019-20

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Fund of Funds (the Fund) as at 31 December 2019 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 2019 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 2019.

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.

Karachi 28 February 2020

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Islamic Fund of Funds

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2019

Note	31 December 2019 (Un Audited)					30 June 2019 (Audited)				
	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total	Aggressive Allocation	Moderate Allocation	Conservative Allocation	Islamic Capital Preservation Plan	Total
	Islamic Plan	Islamic Plan	Islamic Plan	Plan		Islamic Plan	Islamic Plan	Islamic Plan	Plan	
	Rupees					Rupees				
ASSETS										
4	598,416	269,417	551,476	6,946,636	8,365,945	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
5	109,739,200	120,116,153	133,147,035	473,876,791	836,879,179	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110
	52,447	49,026	76,728	239,251	417,452	28,826	29,473	39,541	235,529	333,369
	12,373	10,951	12,527	48,426	84,277	10,673	9,063	10,318	40,550	70,604
6	196,036	196,188	196,035	196,036	784,295	224,215	224,215	224,215	224,215	896,860
	110,598,472	120,641,735	133,983,801	481,307,120	846,531,128	93,301,308	103,663,969	121,263,242	431,454,893	749,683,412
LIABILITIES										
7	14,299	15,298	18,367	77,821	125,785	289,269	290,209	293,107	328,355	1,200,940
8	7,292	7,971	8,877	31,887	56,027	8,847	9,747	11,246	40,315	70,155
9	9,515	10,717	12,491	44,516	77,239	46,308	49,506	54,200	141,709	291,723
10	375,099	352,311	306,855	1,053,298	2,087,563	32,520	35,311	37,080	82,617	187,528
	406,205	386,297	346,590	1,207,522	2,346,614	376,944	384,773	395,633	592,996	1,750,346
	110,192,267	120,255,438	133,637,211	480,099,598	844,184,514	92,924,364	103,279,196	120,867,609	430,861,897	747,933,066
UNIT HOLDER'S FUND (AS PER STATEMENT ATTACHED)										
	110,192,267	120,255,438	133,637,211	480,099,598	844,184,514	92,924,364	103,279,196	120,867,609	430,861,897	747,933,066
CONTINGENCIES AND COMMITMENTS										
	-----Number of units-----					-----Number of units-----				
	209,530	224,054	242,070	882,341		209,341	221,897	244,021	882,926	
	-----Rupees-----					-----Rupees-----				
	525.90	536.72	552.06	544.12		443.89	465.44	495.32	487.99	
	500.00	500.00	500.00	500.00		500.00	500.00	500.00	500.00	

The annexed notes 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	31 December 2019 For the Half Year Ended					31 December 2019 For the Quarter Ended					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	
	-----Rupees-----					-----Rupees-----					
INCOME											
Profit on deposits with banks	62,394	71,560	83,500	481,353	698,807	25,481	29,252	22,181	236,759	313,673	
Capital gain on sale of investments at fair value through income statement - net	804,911	941,972	1,149,786	494,684	3,391,353	656,546	773,206	951,419	-	2,381,171	
Net unrealised appreciation on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss'	16,852,713	15,541,174	13,029,425	50,253,401	95,676,713	19,492,125	16,571,238	11,657,844	47,921,003	95,642,210	
Total income	17,657,624	16,483,146	14,179,211	50,748,085	99,068,066	20,148,671	17,344,444	12,609,263	47,921,003	98,023,381	
	17,720,018	16,554,706	14,262,711	51,229,438	99,766,873	20,174,152	17,373,696	12,631,444	48,157,762	98,337,054	
EXPENDITURE											
Remuneration to Atlas Asset Management Company - Management Company	7.1	4,621	5,525	6,282	36,339	52,767	1,956	2,170	1,709	17,145	22,980
Sindh Sales Tax on remuneration of the Management Company	7.2	601	718	817	4,724	6,860	255	282	223	2,229	2,989
Accounting & Operational charges	14	60,675	67,914	78,581	280,455	487,625	38,394	42,613	48,370	173,264	302,641
Remuneration of The Central Depository Company of Pakistan Limited		33,514	37,597	43,720	155,890	270,721	17,917	19,886	22,572	80,856	141,231
Sindh Sales Tax on remuneration of the Trustee		4,357	4,888	5,684	20,266	33,195	2,329	2,586	2,935	10,512	18,362
Annual fee to Securities and Exchange Commission of Pakistan		9,515	10,742	12,492	44,540	77,289	5,059	5,682	6,450	23,102	40,293
Auditor's remuneration		13,282	14,914	17,374	61,931	107,501	6,774	7,523	8,547	30,613	53,457
Amortization of preliminary expenses and floatation costs		28,179	28,027	28,180	28,179	112,565	14,089	13,937	14,090	14,089	56,205
Annual listing fee		1,718	1,910	2,234	7,965	13,827	857	944	1,113	3,983	6,897
Printing charges		2,570	2,500	2,585	2,500	10,155	-	-	-	-	-
Legal and professional charges		28,300	28,300	28,300	28,300	113,200	-	-	-	-	-
Shariah advisory fee		3,089	3,469	4,041	14,402	25,001	1,575	1,750	1,988	7,120	12,433
Bank charges		-	2,426	1,962	1,836	6,224	(321)	1,675	1,584	(177)	2,761
Provision for Sindh Workers' Welfare Fund	10.1	350,592	326,916	280,609	1,010,842	1,968,959	350,592	326,916	250,437	955,900	1,883,845
Total expenses		541,013	535,846	512,861	1,698,169	3,287,889	439,476	425,964	360,018	1,318,636	2,544,094
Net income for the period before taxation		17,179,005	16,018,860	13,749,850	49,531,269	96,478,984	19,734,676	16,947,732	12,271,426	46,839,126	95,792,960
Taxation	13	-	-	-	-	-	-	-	-	-	-
Net income for the period after taxation		17,179,005	16,018,860	13,749,850	49,531,269	96,478,984	19,734,676	16,947,732	12,271,426	46,839,126	95,792,960
Allocation of net income for the period:											
Net income for the period after taxation		17,179,005	16,018,860	13,749,850	49,531,269	19,734,676	16,947,732	12,271,426	46,839,126		
Income already paid on units redeemed		(841)	(176)	(287,300)	(13,665)	(841)	(176)	(281,515)	(13,665)		
		17,178,164	16,018,684	13,462,550	49,517,604	19,733,835	16,947,556	11,989,911	46,825,461		
Accounting income available for distribution:											
-Relating to capital gains		17,657,624	16,483,146	14,179,211	50,748,085	20,148,671	17,344,444	12,609,263	47,921,003		
-Excluding capital gains		(479,460)	(464,462)	(716,661)	(1,230,481)	(414,836)	(396,888)	(619,352)	(1,095,542)		
		17,178,164	16,018,684	13,462,550	49,517,604	19,733,835	16,947,556	11,989,911	46,825,461		

The annexed notes 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Fund of Funds

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	31 December 2019 For the Half Year Ended					31 December 2019 For the Quarter Ended				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----					-----Rupees-----				
Net income for the period after taxation	17,179,005	16,018,860	13,749,850	49,531,269	96,478,984	19,734,676	16,947,732	12,271,426	46,839,126	95,792,960
Other Comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	17,179,005	16,018,860	13,749,850	49,531,269	96,478,984	19,734,676	16,947,732	12,271,426	46,839,126	95,792,960

The annexed notes 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
Capital Value	104,540,396	110,899,450	122,090,277	445,401,742	782,931,865
Un distributed Income					
- Realised income	2,080,513	3,831,669	6,563,967	13,706,840	26,182,989
- Unrealised loss	(13,696,545)	(11,451,923)	(7,786,635)	(28,246,685)	(61,181,788)
Net assets at the beginning of the period	92,924,364	103,279,196	120,867,609	430,861,897	747,933,066
(Units: AAAIP 209,341, AMAIP 221,897, ACAIP 244,021 & AICPP 882,926)					
Issue of units					
Capital value (at net assets value per unit at the beginning of period)					
Aggressive - units 226	104,046	-	-	-	104,046
Moderate - units 2,259	-	1,003,695	-	-	1,003,695
Conservative - units 1	-	-	214	-	214
Preservation - units Nil	-	-	-	-	-
Total proceed on issuance of units	104,046	1,003,695	214	-	1,107,955
Redemption of units					
Capital value (at net assets value per unit at the beginning of period)					
Aggressive - units 37	(14,307)	-	-	-	(14,307)
Moderate - units 102	-	(46,137)	-	-	(46,137)
Conservative - units 1,952	-	-	(693,162)	-	(693,162)
Preservation - units 585	-	-	-	(279,903)	(279,903)
Amount paid out of Element of income					
- Relating to Net Income for the period after taxation	(841)	(176)	(287,300)	(13,665)	(301,982)
	(15,148)	(46,313)	(980,462)	(293,568)	(1,335,491)
Total Comprehensive income for the period	17,179,005	16,018,860	13,749,850	49,531,269	96,478,984
Distributions during the period	-	-	-	-	-
Net income for the period less distribution	17,179,005	16,018,860	13,749,850	49,531,269	96,478,984
Net assets at the end of the period	110,192,267	120,255,438	133,637,211	480,099,598	844,184,514
(Units: AAAIP 209,530, AMAIP 224,054, ACAIP 242,070 & AICPP 882,341)					
Capital Value	104,630,135	111,857,008	121,397,329	445,121,839	783,006,311
Un distributed Income					
- Realised income	1,453,543	3,230,293	5,976,387	12,761,140	23,421,363
- Unrealised income	4,108,589	5,168,137	6,263,495	22,216,619	37,756,840
Net assets at the end of the period	110,192,267	120,255,438	133,637,211	480,099,598	844,184,514
Net assets value per unit at beginning of the period	443.89	465.44	495.32	487.99	
Net assets value per unit at end of the period	525.90	536.72	552.06	544.12	

The annexed notes 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Fund of Funds

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note	Rupees				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period after taxation	17,179,005	16,018,860	13,749,850	49,531,269	96,478,984
Adjustments for:					
Profit on deposits with banks	(62,394)	(71,560)	(83,500)	(481,353)	(698,807)
Gain on sale of investments - net	(804,911)	(941,972)	(1,149,786)	(494,684)	(3,391,353)
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	(16,852,713)	(15,541,174)	(13,029,425)	(50,253,401)	(95,676,713)
Provision for Sindh Workers' Welfare Fund	350,592	326,916	280,609	1,010,842	1,968,959
	(190,421)	(208,930)	(232,252)	(687,327)	(1,318,930)
Decrease in assets					
Prepayments and other receivables	(1,700)	(1,888)	(2,209)	(7,876)	(13,673)
Deferred Formation cost	28,179	28,027	28,180	28,179	112,565
	26,479	26,139	25,971	20,303	98,892
Decrease in liabilities					
Payable to Atlas Asset Management Company - Management Company	(274,970)	(274,911)	(274,740)	(250,534)	(1,075,155)
Payable to Central Depository Company of Pakistan Limited - Trustee	(1,555)	(1,776)	(2,369)	(8,428)	(14,128)
Payable to the Securities and Exchange Commission of Pakistan	(36,793)	(38,789)	(41,709)	(97,193)	(214,484)
Accrued expenses and other liabilities	(8,013)	(9,916)	(10,834)	(40,161)	(68,924)
	(321,331)	(325,392)	(329,652)	(396,316)	(1,372,691)
Interest received	38,773	52,006	46,313	477,650	614,742
Investments made during the period	(11,840,000)	(15,270,000)	(15,040,000)	(17,700,000)	(59,850,000)
Investments sold during the period	11,580,000	13,770,000	15,040,000	17,700,000	58,090,000
	(221,227)	(1,447,994)	46,313	477,650	(1,145,258)
Net cash used in operating activities	(706,500)	(1,956,177)	(489,620)	(585,690)	(3,737,987)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts against issuance of units	104,046	1,003,695	213	-	1,107,954
Payments against redemption of units	(15,148)	(46,313)	(980,462)	(293,568)	(1,335,491)
	88,898	957,382	(980,249)	(293,568)	(227,537)
Net cash generated from / (used in) financing activities	88,898	957,382	(980,249)	(293,568)	(227,537)
Net decrease in cash and cash equivalents	(617,602)	(998,795)	(1,469,869)	(879,258)	(3,965,524)
Cash and cash equivalents at the beginning of the period	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
Cash and cash equivalents at the end of the period	598,416	269,417	551,476	6,946,636	8,365,945

The annexed notes 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Fund of Funds (the Fund) is an open-ended Fund constituted under a trust deed entered into on 20 August 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The offering document of the Fund has been revised through the First supplements dated 05 September 2019 with the approval of the SECP. The investment activities and administration of the Fund are managed by AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund is an open-ended Shariah compliant fund of funds and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 07, 2019. Subsequent to the Initial Public Offering, the offer of units of the Allocation Plans at the Initial Offer Price discontinued. The units of the Allocation Plans could then be purchased at their Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The duration of the fund is perpetual, however, the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

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

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

Atlas Aggressive Allocation Islamic Plan (AAAIP)

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

Atlas Moderate Allocation Islamic Plan (AMAIP)

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

Atlas Conservative Allocation Islamic Plan (ACAIP)

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

Atlas Islamic Fund of Funds

Atlas Islamic Capital Preservation Plan (AICPP)

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

- 1.3 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2018: AM2+ (AM Two Plus)] on 26 December 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at 31 December 2019.

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, 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 2019.

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

- 3.1 The accounting policies adopted and the methods of computation of the balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.
- 3.2 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 2019.

Half Yearly Report 2019-20

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

		31 December 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
4	BANK BALANCES					
	In local currency	-----Rupees-----				
	Profit and loss sharing accounts	598,416	269,417	551,476	6,946,636	8,365,945
		<u>598,416</u>	<u>269,417</u>	<u>551,476</u>	<u>6,946,636</u>	<u>8,365,945</u>
		30 June 2019 (Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	In local currency	-----Rupees-----				
	Profit and loss sharing accounts	1,216,018	1,268,212	2,021,345	7,825,894	12,331,469
		<u>1,216,018</u>	<u>1,268,212</u>	<u>2,021,345</u>	<u>7,825,894</u>	<u>12,331,469</u>

Atlas Islamic Fund of Funds

4.1 This includes the bank balances amounting to Rs.8,256,841 which carries markup ranging between 11% and 13.25%(30 June 2019: 4.00% to 12.30%) per annum.

5 INVESTMENTS

31 December 2019 (Un Audited)

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

Note -----Rupees-----

At fair value through profit or loss

Units of Mutual Funds - listed	5.1	109,739,200	120,116,153	133,147,035	473,876,791	836,879,179
--------------------------------	-----	-------------	-------------	-------------	-------------	-------------

30 June 2019 (Audited)

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

At fair value through profit or loss

-----Rupees-----

Units of Mutual Funds - listed	5.1	91,821,576	102,133,006	118,967,823	423,128,705	736,051,110
--------------------------------	-----	------------	-------------	-------------	-------------	-------------

5.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2019	Purchases during the period	Sales during the period	As at 31 December 2019	Carrying Value as at 31 December 2019	Market Value as at 31 December 2019	Appreciation/ (diminution) as at 31 December 2019	Market Value as a % of net assets of Plan	Market Value as a % of total value of investments of Plan
------------------------------	--------------------	-----------------------------	-------------------------	------------------------	---------------------------------------	-------------------------------------	---	---	---

-----Number of shares----- Rupees----- %age-----

Aggressive Allocation Plan

Atlas Islamic Income Fund	57,950	9,517	13,208	54,259	27,572,993	29,074,620	1,501,627	26.39	26.49
Atlas Islamic Dedicated Stock Fund	151,414	18,147	10,069	159,492	65,313,494	80,664,580	15,351,086	73.20	73.51
	209,364	27,664	23,277	213,751	92,886,487	109,739,200	16,852,713	99.59	100.00

Moderate Allocation Plan

Atlas Islamic Income Fund	106,325	13,478	15,848	103,955	52,685,946	55,704,084	3,018,138	46.32	46.38
Atlas Islamic Dedicated Stock Fund	117,448	21,805	11,896	127,357	51,889,033	64,412,069	12,523,036	53.56	53.62
	223,773	35,283	27,744	231,312	104,574,979	120,116,153	15,541,174	99.88	100.00

Conservative Allocation Plan

Atlas Islamic Income Fund	182,885	11,971	16,881	177,974	89,942,543	95,367,240	5,424,697	71.36	71.63
Atlas Islamic Dedicated Stock Fund	64,938	23,100	13,340	74,699	30,175,067	37,779,795	7,604,728	28.27	28.37
	247,823	35,071	30,221	252,673	120,117,610	133,147,035	13,029,425	99.63	100.00

Islamic Capital Preservation Plan

Atlas Islamic Income Fund	604,937	-	34,163	570,774	287,453,258	305,849,307	18,396,049	63.71	64.54
Atlas Islamic Dedicated Stock Fund	286,381	45,847	-	332,228	136,170,132	168,027,484	31,857,352	35.00	35.46
	891,318	45,847	34,163	903,002	423,623,390	473,876,791	50,253,401	98.71	100.00

Total as at 31 December 2019

	1,572,278	143,865	115,405	1,600,738	741,202,466	836,879,179	95,676,713		
--	-----------	---------	---------	-----------	-------------	-------------	------------	--	--

Total as at 30 June 2019

	1,632,450	1,632,450	60,172	1,572,278	797,232,898	736,051,110	(61,181,788)		
--	-----------	-----------	--------	-----------	-------------	-------------	--------------	--	--

Half Yearly Report 2019-20

6 DEFERRED FORMATION COST		31 December 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
Opening balance	6.1	224,215	224,215	224,215	224,215	896,860
Less: Amortisation for the period		28,179	28,027	28,180	28,179	112,565
		196,036	196,188	196,035	196,036	784,295
6.1		30 June 2019 (Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
Opening balance	6.1	280,268	280,268	280,268	280,268	1,121,072
Less: Amortisation for the period		56,053	56,053	56,053	56,053	224,212
		224,215	224,215	224,215	224,215	896,860

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

7 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY		31 December 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
Remuneration of the Management Company	7.1	419	160	455	5,362	6,396
Sindh Sales Tax payable on remuneration of Management Company	7.2	54	21	59	697	831
Front and backend load payable to the Management Company		-	-	1,017	11,294	12,311
Accounting and operational charges payable	14	13,826	15,117	16,836	60,468	106,247
		14,299	15,298	18,367	77,821	125,785
7		30 June 2019 (Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
Remuneration of the Management Company	7.1	1,037	1,162	1,656	7,483	11,338
Sindh Sales Tax payable on remuneration of Management Company	7.2	134	152	214	972	1,472
Front and backend load payable to the Management Company		-	-	1,016	3,955	4,971
Preliminary expenses and floatation charges payable		280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges payable	14	7,830	8,627	9,953	35,677	62,087
		289,269	290,209	293,107	328,355	1,200,940

Atlas Islamic Fund of Funds

7.1 In accordance with the provisions of the NBFC Regulations, No Management fee in case of investment is made in CIS of Atlas Asset Management Limited (AAML). However, the AAML shall charge a management fee of 1% of average annual net assets in case investment is made in Cash/ Near Cash instruments, savings and term deposits made with Islamic banks or Islamic banking windows of commercial banks.

7.2 During the period, an amount of Rs. 6,860 was charged on account of sales tax on remuneration of the Management Company levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 7,501 has been paid to the Management Company which acts as a collecting agent.

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

The trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.070% p.a. of Net Assets based on the letter no. CDC/CEO/L-112/01/2019 dated June 27, 2019 issued by CDC. However, during the period ended June 30, 2019, the trustee fee was charged in accordance with the following slab rates:

Net assets	Fee
- upto Rs 1,000 million	0.1% per annum of net assets
- On an amount exceeding Rs. 1,000 million	Rs 1.0 million plus 0.075% per annum of net assets exceeding Rs. 1,000 million

9 PAYABLE TO THE SECURITIES AND EXCHANGE OF PAKISTAN

		31 December 2019 (Un Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
Note		-----Rupees-----				
Annual fees payable	9.1	9,515	10,717	12,491	44,516	77,239
		9,515	10,717	12,491	44,516	77,239
		30 June 2019 (Audited)				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
		-----Rupees-----				
Annual fees payable		46,308	49,506	54,200	141,709	291,723
		46,308	49,506	54,200	141,709	291,723

9.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as an equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

Half Yearly Report 2019-20

10 ACCRUED EXPENSES AND OTHER LIABILITIES

31 December 2019 (Un Audited)

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
	-----Rupees-----				
Auditors' remuneration payable	19,418	20,317	20,895	27,481	88,111
Withholding and capital gain tax payable	152	169	358	9,656	10,335
Shariah advisory fee payable	1,988	2,131	2,330	6,051	12,500
Printing charges payable	2,949	2,778	2,663	(732)	7,658
Provision for Sindh Workers' Welfare Fund	350,592	326,916	280,609	1,010,842	1,968,959
	375,099	352,311	306,855	1,053,298	2,087,563

Note

10.1

30 June 2019 (Audited)

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

10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

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 2019 would have been higher by Rs. 1.67 per unit (30 June 2019: Rs. Nil per unit), Rs. 1.46 per unit (30 June 2019: Rs. Nil per unit), Rs. 1.16 per unit (30 June 2019: Rs. Nil per unit) and Rs. 1.15 per unit (30 June 2019: Rs. Nil per unit) for AAAIP, AMAIP, ACAIP and AICPP respectively.

11 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2019 and 30 June 2019.

12 TOTAL EXPENSE RATIO

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

Atlas Islamic Fund of Funds

	31 December 2019 (Un Audited)			
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan
Total expense ratio	1.13	0.99	0.82	0.76
Government Levies and SECP Fee	0.77	0.63	0.48	0.48

	30 June 2019 (Audited)			
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan
Total expense ratio	0.35	0.34	0.32	0.23
Government Levies and SECP Fee	0.06	0.06	0.05	0.06

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 net accounting income available for distribution for the year derived from sources other than capital gains, 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 ACCOUNTING AND OPERATIONAL CHARGES

Uptil 19 June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 (I) /2019 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

The Management Company charged actual expenses within the limit of 0.1% of average annual net assets of the fund till 30 September 2019 and within the limit of 0.15% of the average annual net assets afterwards.

15 EARNING PER UNIT

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

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Half Yearly Report 2019-20

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:

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

	31 December 2019				Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	
-----Rupees-----					
Atlas Asset Management Limited (Management Company)					
Remuneration for the period	4,621	5,525	6,282	36,339	52,767
Sindh sales tax on remuneration of the Management Company	601	718	817	4,724	6,860
Remuneration paid	5,239	6,527	7,483	38,460	57,709
Formation cost	28,179	28,027	28,180	28,179	112,565
Accounting & operational charges	60,675	67,914	78,581	280,455	487,625
Issuance in amounts	4,045	3,695	-	-	7,740
Issue of units	9	8	-	-	17
Central Depository Company of Pakistan Limited					
Remuneration of the Trustee	33,514	37,597	43,720	155,890	270,721
Sindh Sales Tax on remuneration of the Trustee	4,357	4,888	5,684	20,266	35,195
Remuneration paid	34,891	39,169	45,817	163,349	283,226
Atlas Islamic Dedicated Stock Fund					
Purchase in Rupees	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
Purchase of units	18,147	21,805	23,100	45,847	108,899
Redemption in Rupees	4,780,000	5,620,000	6,340,000	-	16,740,000
Redemption of units	10,069	11,896	13,340	-	35,305
Atlas Islamic Income Fund					
Purchase in Rupees	5,040,000	7,120,000	6,340,000	-	18,500,000
Purchase of units	9,517	13,478	11,971	-	34,966
Redemption in Rupees	6,800,000	8,150,000	8,700,000	17,700,000	41,350,000
Redemption of units	13,208	15,848	16,881	34,163	80,100
Directors and their close family members and key management personnel of the Management Company					
Redemption in Rupees	2,998	-	-	-	2,998
Redemption of units	7	-	-	-	7

Atlas Islamic Fund of Funds

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

	31 December 2019 (Un Audited)				Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	
-----Rupees-----					
Atlas Asset Management Limited (Management Company)					
Remuneration payable to the management company	419	160	455	5,362	6,396
Sindh Sales tax payable on remuneration of the Management Company	54	21	59	697	831
Sales Load Payable	-	-	1,017	11,294	12,311
Accounting and operational charges payable	13,826	15,117	16,836	60,468	106,247
Outstanding amount - at net asset value	5,332,247	5,435,031	21,937,110	-	32,704,387
Outstanding units	10,139	10,126	39,737	-	60,002
Central Depository Company of Pakistan Limited (Trustee)					
Trustee fee payable	6,453	7,054	7,856	28,218	49,581
Sindh Sales tax payable on remuneration of trustee	839	917	1,021	3,669	6,446
Shirazi Investments (Private) Limited - Group Company					
Outstanding amount - at net asset value	104,169,587	107,059,916	110,212,722	215,616,889	537,059,114
Outstanding units	198,079	199,471	199,639	396,267	993,456
Atlas Honda Limited - Group Company					
Outstanding amount - at net asset value	-	-	-	215,616,889	215,616,889
Outstanding units	-	-	-	396,267	396,267
Atlas Islamic Dedicated Stock Fund					
Outstanding amount - at net asset value	80,664,580	64,412,069	37,779,795	168,027,484	350,883,928
Outstanding units	159,492	127,357	74,699	332,228	693,776
Atlas Islamic Income Fund					
Outstanding amount - at net asset value	29,074,620	55,704,084	95,367,240	305,849,307	485,995,251
Outstanding units	54,259	103,955	177,974	570,774	906,961
Directors and their close family members and key management personnel of the Management Company					
Outstanding amount - at net asset value	-	5,359,589	-	3,805,710	9,165,300
Outstanding units	-	9,986	-	6,994	16,980

	30 June 2019 (Audited)				Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	
-----Rupees-----					

Atlas Asset Management Limited (Management Company)					
Remuneration payable to the management company	1,037	1,162	1,656	7,483	11,338
Sindh Sales tax payable on remuneration of the Management Company	134	152	214	972	1,472
Sales Load Payable	-	-	1,016	3,955	4,971
Preliminary expenses and floatation charges payable	280,268	280,268	280,268	280,268	1,121,072
Accounting and operational charges payable	7,830	8,627	9,953	35,677	62,087
Outstanding amount - at net asset value	4,496,533	4,709,470	19,682,443	-	28,888,446
Outstanding units	10,130	10,118	39,737	-	59,985

Half Yearly Report 2019-20

16.2 Details of balances with related parties as at the period / year end are as follows: (Continued....)

	30 June 2019 (Audited)				
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan	Total
-----Rupees-----					
Central Depository Company of Pakistan Limited (Trustee)					
Trustee fee payable	7,830	8,626	9,953	35,677	62,086
Sindh Sales tax payable on remuneration of trustee	1,017	1,121	1,293	4,638	8,069
Shirazi Investments (Private) Limited - Group Company					
Outstanding amount - at net asset value	87,925,153	92,841,644	98,885,203	193,374,413	473,026,414
Outstanding units	198,079	199,471	199,639	396,267	993,456
Atlas Honda Limited - Group Company					
Outstanding amount - at net asset value	-	-	-	193,374,413	193,374,413
Outstanding units	-	-	-	396,267	396,267
Atlas Islamic Dedicated Stock Fund					
Outstanding amount - at net asset value	67,211,233	54,664,997	26,860,400	139,751,064	288,487,694
Outstanding units	151,414	117,448	64,938	286,381	620,181
Atlas Islamic Income Fund					
Outstanding amount - at net asset value	25,723,323	49,488,001	90,586,534	295,203,236	461,001,094
Outstanding units	57,950	106,325	182,885	604,937	952,097
Directors and their close family members and key management personnel of the Management Company					
Outstanding amount - at net asset value	3,018	2,323,900	-	3,414,527	5,741,445
Outstanding amount - at net asset value	7	4,993	-	6,997	11,997

16.3 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.

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

17.1 Fair value hierarchy

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

Atlas Islamic Fund of Funds

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days which is considered as Level 2 valuation. Fair value of remaining financial assets is not significantly different from their carrying value.

18 GENERAL

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

18.2 Units have been rounded off to the nearest decimal place

18.3 This is the first year of operation of the fund. Hence, there is no comparative information to report in the half yearly income statement, statement of comprehensive income, statement of movement in unit holders' fund and cashflow statement.

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 27 February 2020.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Dedicated Stock Fund

Corporate Information

Trustee

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

Shariah Advisor

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Al-Baraka Bank (Pakistan) Limited
BankIslami Pakistan Limited

Atlas Islamic Dedicated Stock Fund

TRUSTEE REPORT TO THE UNIT HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Dedicated Stock Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2019 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, February 26, 2020

Half Yearly Report 2019-20

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Atlas Islamic Dedicated Stock Fund (the Fund) as at 31 December 2019 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 2019 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 2019.

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.

Karachi 28 February 2020

EY Ford Rhodes
Chartered Accountants

Engagement Partner: Arslan Khalid

Atlas Islamic Dedicated Stock Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT 31 DECEMBER 2019

		31 December 2019	30 June 2019
		Un-audited	Audited
	Note	-----Rupees-----	
ASSETS			
Bank balances	4	6,109,067	4,490,047
Investments	5	410,726,697	248,332,196
Receivable against sale of investments		689,000	932,900
Profit receivable on bank balances		71,541	21,465
Dividend receivable		240,000	431,875
Deferred formation cost	6	777,145	888,860
Advances, deposits, prepayments and other receivables	7	3,475,548	3,515,578
Total assets		422,088,998	258,612,921
LIABILITIES			
Payable to Atlas Asset Management Limited - Management Company	8	852,214	1,624,414
Payable to Central Depository Company of Pakistan Limited - Trustee		83,305	54,810
Payable to the Securities and Exchange Commission of Pakistan	9	30,441	104,474
Payable against redemption of units		1,820,000	-
Accrued expenses and other liabilities	10	2,096,701	302,079
Total liabilities		4,882,661	2,085,777
NET ASSETS		417,206,337	256,527,144
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		417,206,337	256,527,144
CONTINGENCIES AND COMMITMENTS	11	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		824,906	620,181
NET ASSET VALUE PER UNIT		505.76	413.63

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	Note	For the Half Year ended 31 December 2019	For the Quarter ended 31 December 2019
----- Rupees -----			
INCOME			
Profit on bank balances		288,079	148,928
Dividend income		10,908,780	6,716,945
Capital Gain on sale of investments - net		16,073,519	16,697,801
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		55,782,239	70,921,145
		71,855,758	87,618,946
Total income		83,052,617	94,484,819
EXPENSES			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	3,043,605	1,813,108
Sindh Sales Tax on remuneration of the Management Company	8.2	395,669	235,704
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		304,359	181,310
Sindh Sales Tax on remuneration of the Trustee		39,567	23,571
Annual fee to the Securities and Exchange Commission of Pakistan		30,441	18,159
Accounting and operational charges	12	197,507	135,953
Shariah advisory fee		25,000	12,500
Auditors' remuneration		173,814	118,162
Annual listing fee		62,808	31,406
Securities transaction cost		686,150	395,743
Printing and postage charges		20,601	10,601
Legal and professional charges		113,200	-
Amortization of formation cost	6	111,715	55,858
Bank charges		3,178	220
Provision for Sindh Workers Welfare Fund	10.2	1,556,900	1,556,900
Total expenses		6,764,514	4,589,195
Net income for the period before taxation		76,288,103	89,895,624
Taxation	14	-	-
Net income for the period after taxation		76,288,103	89,895,624
Allocation of net income / (loss) for the period			
Net loss for the period after taxation		76,288,103	89,895,624
Income already paid on units redeemed		(2,136,871)	(2,136,871)
		74,151,232	87,758,753
Accounting income available for distribution:			
- Relating to capital gains		71,855,758	87,618,946
- Excluding capital gains		2,295,474	139,807
		74,151,232	87,758,753

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Dedicated Stock Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	For the Half Year ended 31 December 2019	For the Quarter ended 31 December 2019
	----- Rupees -----	
Net income for the period after taxation	76,288,103	89,895,624
Other comprehensive income / (loss)	-	-
Total comprehensive income for the period	76,288,103	89,895,624

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019		
	Capital value	Undistributed income	Total
	-----Rupees-----		
Capital value	308,793,987	-	308,793,987
Undistributed loss brought forward			
- Realised loss	-	(3,739,329)	(3,739,329)
- Unrealised loss	-	(48,527,514)	(48,527,514)
Net assets at the beginning of the period (Units outstanding: 620,181) (Rs. 413.63 per unit)	308,793,987	(52,266,843)	256,527,144
Issue of 240,030 units	101,350,000	-	101,350,000
Redemption of 35,305 units	(14,603,129)	(2,136,871)	(16,740,000)
Total comprehensive income for the period	-	76,288,103	76,288,103
Shariah non-compliant income set-aside for charity	-	(218,910)	(218,910)
Net assets at end of the period (Units outstanding: 824,906) (Rs. 505.76 per unit)	395,540,858	21,665,479	417,206,337
Undistributed income carried forward			
- Realised loss	-	(2,865,491)	-
- Unrealised income	-	24,530,970	-
		21,665,479	

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Atlas Islamic Dedicated Stock Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019
	Note ---- Rupees ----
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	76,288,103
Adjustments for:	
Mark-up on bank deposits	(288,079)
Dividend income	(10,908,780)
Capital gain on sale of investments - net	(16,073,519)
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(55,782,239)
Amortization of formation cost	111,715
Provision for Sindh Workers Welfare Fund	1,556,900
	(81,384,002)
Decrease in assets	
Receivable against sale of investments	243,900
Advances, deposits, prepayments and other receivables	40,030
	283,930
Increase / (decrease) in liabilities	
Payable to Atlas Asset Management Limited - Management Company	(772,200)
Payable to the Central Depository Company of Pakistan Limited - Trustee	28,495
Payable to the Securities and Exchange Commission of Pakistan	(74,033)
Payable against purchase of investments	1,820,000
Accrued expenses and other liabilities	18,812
	1,021,074
Profit received on bank balances	238,003
Dividend received	11,100,655
Investments made during the period	(203,039,099)
Investments sold during the period	112,500,356
	(79,200,085)
Net cash used in operating activities	(82,990,980)
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount received on issue of units	101,350,000
Payment against redemption of units	(16,740,000)
Net cash generated from financing activities	84,610,000
Net increase in cash and cash equivalents	1,619,020
Cash and cash equivalents at the beginning of the period	4,490,047
Cash and cash equivalents at the end of the period	4 6,109,067

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

Half Yearly Report 2019-20

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Dedicated Stock Fund (the Fund) is an open-ended shariah compliant scheme constituted under a trust deed entered into on 03 September 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The offering document of the Fund has been revised through the First, Second and Third supplements date 8 August 2019, 5 September 2019 and 25 November 2019 respectively with the approval of SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 09 October 2018.
- 1.2 The Fund is an open-ended Shariah compliant fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 10, 2019. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 According to the Trust Deed, the principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) on 26 December 2019.
- 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 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
 - International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
 - Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.
- 2.1.2 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 2019.

2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees which is the functional

Atlas Islamic Dedicated Stock Fund

and presentation currency of the Fund.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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 at and for the year ended June 30, 2019.
- 3.2 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 2019.
- 3.3 **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 3 - Business Combinations - Previously held interests in a joint operation

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

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 11 - Joint Arrangements: Previously held interests in a joint operation

IFRS 16 - Leases

Definition of Material - Amendments to IAS 1 and IAS 8

IAS 12 - Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 - Borrowing Costs: Borrowing costs eligible for capitalisation

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

		31 December 2019 Un-audited	30 June 2019 Audited
	Note	----- Rupees -----	
4 BANK BALANCES			
Balances with banks in:			
- Profit and loss sharing accounts	4.1	<u>6,109,067</u>	<u>4,490,047</u>
4.1 This includes amount of Rs.5,943,028 carrying markup at the rate of 11.50% (30 June 2019:11.00%) per annum.			
5 INVESTMENTS			
Financial assets at fair value through profit or loss account			
- Listed equity securities	5.1	<u>410,726,697</u>	<u>248,332,196</u>

Half Yearly Report 2019-20

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

Name of Investee Company	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2019	Average cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee
	----- Number of shares -----				----- Rupees -----		----- % age -----			
Inv. Bank/Inv. Companies/Securities Co.										
Dawood Hercules Corporation Limited	23,800	-	-	23,800	-	-	-	-	-	-
	23,800	-	-	23,800	-	-	-	-	-	-
Banks										
Bankislami Pakistan Limited	241,000	505,000	48,100	-	794,100	9,033,295	8,806,569	2.14	2.11	0.07
Meezan Bank Limited	308,400	177,500	-	22,500	463,400	39,237,228	44,083,242	10.73	10.57	0.04
	549,400	682,500	48,100	22,500	1,257,500	48,270,523	52,889,811	12.87	12.68	
Textile Composite										
Interloop Limited	67,500	92,500	-	122,500	37,500	1,685,134	2,176,875	0.53	0.52	-
Kohinoor Textile Mills Limited	140,000	15,000	-	65,000	90,000	2,334,806	3,516,300	0.86	0.84	0.03
Nishat Mills Limited	26,100	113,000	-	73,100	66,000	6,942,989	7,005,240	1.71	1.68	0.02
	233,600	220,500	-	260,600	193,500	10,962,929	12,698,415	3.10	3.04	
Cement										
Attock Cement Pakistan Limited	21,600	-	-	21,500	100	7,141	10,337	-	-	-
Cherat Cement Company Limited	48,500	103,500	4,850	-	156,850	7,055,670	8,320,893	2.03	1.99	0.08
D.G. Khan Cement Company Limited	80,500	104,000	-	98,000	86,500	5,980,460	6,424,355	1.56	1.54	0.02
Lucky Cement Limited	37,900	23,000	-	12,300	48,600	18,287,293	20,820,240	5.07	4.99	0.02
Kohat Cement Company Limited	-	40,000	-	-	40,000	2,814,830	3,096,000	0.75	0.74	-
Maple Leaf Cement Factory Limited	35,000	-	-	35,000	-	-	-	-	-	-
	223,500	270,500	4,850	166,800	332,050	34,145,394	38,671,825	9.41	9.26	
REFINERY										
National Refinery Limited	-	5,500	-	5,500	-	-	-	-	-	-
	-	5,500	-	5,500	-	-	-	-	-	-
Power Generation & Distribution										
K-Electric Limited (face value Rs. 3.5)	528,500	-	-	-	528,500	2,320,115	2,309,545	0.56	0.55	-
The Hub Power Company Limited	263,903	-	-	11,000	252,903	19,916,111	23,608,495	5.75	5.66	0.02
	792,403	-	-	11,000	781,403	22,236,226	25,918,040	6.31	6.21	
Oil & Gas Marketing Companies										
Attock Petroleum Limited	14,400	4,000	-	18,400	-	-	-	-	-	-
Pakistan State Oil Company Limited	69,500	27,500	13,900	26,000	84,900	12,862,718	16,270,236	3.96	3.90	0.02
Hi- Tech Lubricants Limited	-	50,000	-	50,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	43,000	62,000	-	24,000	81,000	5,608,683	6,169,770	1.50	1.48	0.01
	126,900	143,500	13,900	118,400	165,900	18,471,401	22,440,006	5.46	5.38	
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	13,280	13,100	2,088	5,460	23,008	22,005,138	30,142,781	7.36	7.22	0.02
Oil & Gas Development Company Limited (Note 5.3)	234,500	75,000	-	36,100	273,400	35,785,793	38,910,288	9.49	9.33	0.01
Pakistan Oilfields Limited	41,000	15,900	-	3,300	53,600	21,673,685	23,944,192	5.83	5.74	0.02
Pakistan Petroleum Limited (Note 5.3)	167,200	68,000	38,440	34,200	239,440	28,569,972	32,836,802	7.99	7.87	0.01
	455,980	172,000	40,528	79,060	589,448	108,034,588	125,834,063	30.67	30.16	
Engineering										
International Industries Limited	56,800	33,000	7,980	58,000	39,780	2,801,352	4,409,215	1.07	1.06	0.03
International Steels Limited	21,000	40,000	-	61,000	-	-	-	-	-	-
	77,800	73,000	7,980	119,000	39,780	2,801,352	4,409,215	1.07	1.06	
AUTOMOBILE ASSEMBLER										
Millar Tractors Limited	-	3,000	-	-	3,000	2,153,198	2,113,260	0.51	0.51	0.01
	-	3,000	-	-	3,000	2,153,198	2,113,260	0.51	0.51	
AUTOMOBILE PARTS & ACCESSORIES										
Thal Limited (face value Rs. 5)	-	6,200	-	2,500	3,700	901,466	1,251,451	0.30	0.30	0.01
	-	6,200	-	2,500	3,700	901,466	1,251,451	0.30	0.30	
TRANSPORT										
Pakistan Int Bulk Terminal Limited	-	90,000	-	90,000	-	-	-	-	-	-
	-	90,000	-	90,000	-	-	-	-	-	-

Atlas Islamic Dedicated Stock Fund

Name of Investee Company	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 31 December 2019	Average cost as at 31 December 2019	Market value as at 31 December 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of the Investee
	----- Number of shares -----				----- Rupees -----		----- % age -----			
TECHNOLOGY & COMMUNICATION										
Pakistan Telecommunication Company Limited	-	400,000	-	400,000	-	-	-	-	-	-
Systems Limited	-	112,500	-	-	112,500	14,172,120	13,983,750	3.40	3.35	0.09
	-	512,500	-	400,000	112,500	14,172,120	13,983,750	3.40	3.35	
Fertilizer										
Engro Corporation Limited (Note 5.3)	95,420	50,000	-	32,500	112,920	31,581,919	38,985,630	9.49	9.34	0.02
Engro Fertilizers Limited	279,000	150,500	-	85,000	344,500	23,208,984	25,296,635	6.16	6.06	0.03
	374,420	200,500	-	117,500	457,420	54,790,903	64,282,265	15.65	15.40	
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	-	10,700	-	-	10,700	3,602,000	4,780,546	1.16	1.15	0.01
AGP Limited	8,500	7,500	-	-	16,000	1,112,505	1,589,600	0.39	0.38	0.01
Ferozsons Laboratories Limited	14,000	2,500	-	5,000	11,500	1,382,916	2,410,630	0.59	0.58	0.04
Glaxosmithkline Pakistan Limited	12,500	10,200	-	2,500	20,200	2,237,393	3,243,514	0.79	0.78	0.01
Hightnoon Laboratories Limited	-	2,100	-	-	2,100	776,999	1,128,246	0.27	0.27	0.01
The Searle Company Limited	25,000	28,900	-	15,800	38,100	6,352,733	7,190,994	1.75	1.72	0.02
	60,000	61,900	-	23,300	98,600	15,464,546	20,343,530	4.95	4.88	
Chemicals										
Archroma Pakistan Limited	-	3,500	-	-	3,500	2,284,039	2,132,500	0.52	0.52	0.01
Engro Polymer & Chemicals Limited	50,000	120,000	-	48,000	122,000	3,368,141	4,051,620	0.99	0.97	0.01
ICI Pakistan Limited	-	12,600	-	7,600	5,000	2,917,115	3,374,250	0.82	0.81	0.01
	50,000	136,100	-	55,600	130,500	8,569,295	9,578,370	2.33	2.30	
Paper & Board										
Cherat Packaging Limited	5,400	-	-	5,400	-	-	-	-	-	-
Packages Limited	-	5,300	-	-	5,300	1,911,250	2,113,322	0.51	0.51	0.01
	5,400	5,300	-	5,400	5,300	1,911,250	2,113,322	0.51	0.51	
VANASPATI & ALLIED INDUSTRIES										
Unity Foods Limited	-	150,000	-	150,000	-	-	-	-	-	-
	-	150,000	-	150,000	-	-	-	-	-	-
Leather & Tanneries										
Bata Pakistan Limited	-	4,420	-	-	4,420	6,678,655	8,809,324	2.15	2.11	0.06
	-	4,420	-	-	4,420	6,678,655	8,809,324	2.15	2.11	
FOOD & PERSONAL CARE PRODUCTS										
National Foods Limited (face value Rs. 5)	-	5,000	-	-	5,000	1,125,830	1,110,050	0.27	0.27	-
	-	5,000	-	-	5,000	1,125,830	1,110,050	0.27	0.27	
GLASS & CERAMICS										
Tariq Glass Industries Limited	-	40,000	-	-	40,000	4,254,799	4,280,000	1.04	1.03	0.03
	-	40,000	-	-	40,000	4,254,799	4,280,000	1.04	1.03	
Total as at 31 December 2019						354,944,475	410,726,697	100.00	98.45	
Total as at 30 June 2019						296,859,710	248,332,196			

5.2 The cost of listed equity securities as at 31 December 2019 is Rs. 386,195,727 (30 June 2019: 296,859,710).

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:

Half Yearly Report 2019-20

	31 December	30 June	31 December	30 June
	2019	2019	2019	2019
	Un-audited	Audited	Un-audited	Audited
	Number of shares		Market value (Rupees)	
Engro Corporation Limited	4,500	4,500	1,553,625	1,195,200
Oil & Gas Development Company Limited	50,000	50,000	7,116,000	6,574,500
Pakistan Petroleum Limited	30,000	30,000	4,114,200	4,332,900
	84,500	84,500	12,783,825	12,102,600

6 DEFERRED FORMATION COST

	Note	31 December	30 June
		2019	2019
		Un-audited	Audited
Opening balance	6.1	888,860	1,111,075
Less: Amortisation for the period		(111,715)	(222,215)
		777,145	888,860

6.1 Formation costs represents expenditure incurred prior to the commencement of the operations of the Fund. These are being amortized over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

7 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Security deposits held with:

	Note	31 December	30 June
		2019	2019
		Un-audited	Audited
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	102,534
Margin deposit with NCCPL		-	152,423
Prepaid listing fees		62,802	-
Other receivable	7.1	812,746	760,621
		3,475,548	3,515,578

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

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

Atlas Islamic Dedicated Stock Fund

deposits by the Funds has been shown as other receivable as at 30 June 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)	Note	31 December 2019	30 June 2019
		Un-audited	Audited
		-----Rupees -----	
Remuneration of the Management Company	8.1	707,232	453,033
Sindh Sales Tax payable on remuneration of the Management Company	8.2	91,940	56,554
Formation cost payable		-	1,111,075
Accounting and operational charges payable	12	53,042	21,752
		<u>852,214</u>	<u>1,642,414</u>

8.1 During the half year ended 31 December 2019, the Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund for the period. The fee is payable to the Management Company monthly in arrears.

8.2 During the period, an amount of Rs. 395,669 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. 360,283 has been paid to the Management Company which acts as the collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	31 December 2019	30 June 2019
		Un-audited	Audited
		-----Rupees -----	
Annual fees payable	9.1	<u>30,441</u>	<u>104,474</u>

9.1 In accordance with the NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC regulations, a collective investment scheme (CIS) classified as equity scheme is required to pay an annual fee to the SECP. Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated June 28, 2019 revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the equity scheme was 0.095% of net assets. Accordingly the Fund has charged the annual fee at the rate of 0.02% of the net assets during the current period.

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	31 December 2019	30 June 2019
		Un-audited	Audited
		----- Rupees -----	
Auditors' remuneration payable		136,823	134,999
Printing charges payable		20,000	5,959
Charity payable	10.1	133,439	90,950
Transaction charges payable		195,469	44,263
Withholding tax payable		41,570	13,408
Payable to Shariah Advisor		12,500	12,500
Provision for Sindh Workers' Welfare Fund	10.2	1,556,900	-
		<u>2,096,701</u>	<u>302,079</u>

Half Yearly Report 2019-20

10.1 The Shariah Advisor of the Fund, has certified an amount of Rs.218,910 (30 June 2019: Rs. 108,857) against dividend income, as Shariah non-compliant income during the period, which has accordingly been marked to charity.

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

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at 31 December 2019 would have been higher by Re. 1.89 per unit (30 June 2019: Re. Nil per unit).

11 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 31 December 2019 and 30 June 2019.

12 ACCOUNTING AND OPERATIONAL CHARGES

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

The Management Company charged actual expenses within the limit of 0.1% of average annual net assets of the fund till 30 September 2019 and within the limit of 0.15% of the average annual net assets afterwards.

13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 4.43% (30 June 2019: 1.67%) which includes 1.38% (30 June 2019: 0.25%) 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.

14 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 atleast 90% of the funds net accounting income earned by the year end as cash dividend to the unit holders. Accordingly, no provision in respect of taxation have been made in these condensed interim financial statements.

Atlas Islamic Dedicated Stock Fund

15 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.

16 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:

	31 December 2019
	Un-audited
	--- Rupees ---
16.1 Transactions during the period	
Atlas Asset Management Limited (Management Company)	
Remuneration of the Management Company	3,043,605
Sindh Sales Tax on remuneration of the Management Company	395,669
Remuneration paid	2,789,406
Formation cost	111,715
Accounting and operational charges	197,507
Central Depository Company of Pakistan Limited (Trustee)	
Remuneration of the Trustee	304,359
Sindh Sales Tax on remuneration of the Trustee	39,567
Remuneration paid	277,140
Settlement charges	8,490
Sindh sales tax on settlement charges	1,104
Atlas Group of Companies Management Staff Gratuity Fund	
Issue of 131,130 units	60,000,000
Atlas Aggressive Allocation Islamic Plan	
Issue of 18,147 units	6,800,000
Redemption of 10,069 units	4,780,000
Atlas Moderate Allocation Islamic Plan	
Issue of 21,805 units	8,150,000
Redemption of 11,896 units	5,620,000
Atlas Conservative Allocation Islamic Plan	
Issue of 23,100 units	8,700,000
Redemption of 13,340 units	6,340,000
Atlas Islamic Capital Preservation Plan	
Issue of 45,847 units	17,700,000

Half Yearly Report 2019-20

16.2 Balances as at period / year end	31 December 2019	30 June 2019
	Un-audited	Audited
	-----Rupees -----	
Atlas Asset Management Limited (Management Company)		
Remuneration of the Management Company	707,232	453,033
Sindh Sales Tax payable on remuneration of the management company	91,940	56,554
Formation cost payable	-	1,111,075
Accounting and operational charges payable	53,042	21,752
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	70,723	43,504
Sindh sales tax payable on remuneration of the Trustee	9,192	5,656
Settlement charges payable	3,000	5,000
Sindh sales tax payable on settlement charges	390	650
Atlas Group of Companies Management Staff Gratuity Fund		
Outstanding 131,130 (30 June 2019: Nil) units at net asset value	66,320,483	-
Atlas Aggressive Allocation Islamic Plan		
Outstanding 159,492 (30 June 2019: 151,414) units at net asset value	80,664,580	62,629,378
Atlas Moderate Allocation Islamic Plan		
Outstanding 127,357 (30 June 2019: 117,448) units at net asset value	64,412,069	48,579,954
Atlas Conservative Allocation Islamic Plan		
Outstanding 74,699 (30 June 2019: 64,938) units at net asset value	37,779,795	26,860,400
Atlas Islamic Capital Preservation Plan		
Outstanding 332,228 (30 June 2019: 286,381) units at net asset value	168,027,484	118,455,813

16.3 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.

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

17.1 Fair value hierarchy

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

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

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

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

Atlas Islamic Dedicated Stock Fund

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

18 GENERAL

- 18.1 Figures have been rounded off to the nearest Rupee unless otherwise stated.
- 18.2 Units have been rounded off to the nearest decimal place
- 18.3 Being the first year of operation of the fund, there is no comparative information to report in the condensed interim income statement, statement of comprehensive income, statement of movement in unit holders' fund, cashflow statement and related notes.

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 27 February 2020.

For Atlas Asset Management Limited
(Management Company)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman








Tariq Amin
Director



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

Head Office- Karachi

Ground Floor,
Federation House,
Shahra-e-Firdousi, Clifton,
Karachi-75600.
Ph: (92-21) 35379501 - 04
Fax: (92-21) 35379280

Savings Center- Karachi

Faiyaz Center, Ground Floor,
Shahra-e-Faisal
(opp. FTC building),
Karachi-74400.
Ph: (92-21) 34522601-02
Fax: (92-21) 34522603

SITE Office- Karachi

C/o. Atlas Honda Limited,
F/36, Estate Avenue,
S.I.T.E.,
Karachi.

Landhi Office- Karachi

C/o. Atlas Engineering Limited,
15th Mile,
National Highway,
Landhi, Karachi.

Hyderabad Office

C/o. Atlas Honda Limited,
3rd Floor, Dawood Center,
Opposite Foundation Public
School, Auto Bhan Road,
Hyderabad.

Savings Center - Lahore

64, Block -XX,
Khayaban-e-Iqbal,
Phase-III, DHA Lahore.
Ph: (92-42) 32560890-92
(92-42) 37132688-89

Multan Office

C/o. Atlas Regional Office,
Azmat Wasti Road,
Near Dera Adda,
Multan.
Ph: 061-4570431-4, Ext. 186

Faisalabad Office

C/o. Atlas Honda Ltd,
Customer Care Center,
1st Floor,
Meezan Executive Tower,
4-Liaqat Road, Faisalabad.
Ph: (92-41) 2541013

Rawalpindi Office

C/o. Atlas Honda Ltd.
Ground Floor,
Islamabad Corporate Center,
Golra Road, Rawalpindi.
Ph: (92-51) 5856411
Fax: (92-51) 5495928

Savings Center- Islamabad

Ground Floor, East End Plaza,
Plot No. 41, Sector F-6/G6,
Ataturk Avenue,
Blue Area, Islamabad.
Ph: (92-51) 2871831-34

www.atlasfunds.com.pk | cs@atlasfunds.com.pk | 021-111-MUTUAL (6-888-25)

facebook.com/atlasfunds twitter.com/FundsAtlas linkedin.com/company/aaml