



Atlas Pension Fund  
Atlas Pension Islamic Fund  
QUARTERLY REPORT  
30 September 2013  
(UN-AUDITED)



Today Just Got **Better.**  
**Tomorrow**  
Looks Even **Brighter.**

Managed By  
 **Atlas Asset Management**

Rated AM2- by PACRA



### Vision

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

### Mission Statement

We are committed to offering our investors the best possible returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders, and the communities in which we operate.

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# Atlas Pensions

## ORGANISATION

### Pension Fund Manager

Atlas Asset Management Limited

### Board of Directors of the Pension Fund Manager

Chairman	Mr. Yusuf H. Shirazi	(Non - Executive Director)
Directors	Mr. Azam Faruque	(Independent Director)
	Mr. Shamshad Nabi	(Independent Director)
	Mr. Frahim Ali Khan	(Non - Executive Director)
	Mr. Arshad P. Rana	(Non - Executive Director)
	Mr. Ali H. Shirazi	(Non - Executive Director)

Chief Executive Officer Mr. M. Habib-ur-Rahman (Executive Director)

Company Secretary Ms Lilly R. Dossabhoy

### Board Committees

#### Audit Committee

Chairman	Mr. Azam Faruque
Members	Mr. Shamshad Nabi
	Mr. Frahim Ali Khan

Secretary Ms Qurrat-ul-Ain Jafari

#### Human Resource & Remuneration Committee

Chairman	Mr. Frahim Ali Khan
Members	Mr. M. Habib-ur-Rahman
	Mr. Ali H. Shirazi

Secretary Mr. Mohsin Ali Khan

### Investment Committee

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

### Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Ms Lilly R. Dossabhoy
	Mr. Muhammad Abdul Samad
	Mr. Abbas Sajjad

Secretary Mr. M. Irfan Dhedhi

### Risk Management Committee

Chairman	Mr. Muhammad Abdul Samad
Members	Mr. Khalid Mahmood
	Ms Qurrat-ul-Ain Jafari
	Mr. Muhammad Umar Khan

Secretary Ms Zainab Hussain

### Chief Internal Auditor

Ms Qurrat-ul-Ain Jafari

### 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

# First Quarter Report 2013-14

## CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited financial statements of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) for the first quarter ended 30 September 2013 of the FY 2013-14.

## THE ECONOMY

During the period July - August FY 2013 - 14, total exports stood at US\$ 4.1 billion as compared to US\$ 3.9 billion worth of exports reported in the same period last year. The foreign exchange reserves of the country stood at US\$ 9.9 billion as on 27 September 2013 with SBP's share of US\$ 4.6 billion in the total liquid foreign exchange reserves. Foreign remittances for the period July-August FY 2013-14 stood at US\$ 2.64 billion, which was an increase of 7.05% YoY compared to the corresponding period last year. CPI inflation for the period of July-September FY 2013-14 was recorded at 7.4%. SBP in its latest monetary policy statement announced a 50bps increase in discount rate from 9% to 9.5%. This increase was made by the SBP in order to curtail the inflationary pressure that could be detrimental to both economic growth and to the value of rupee in the long-term.

## FUND OPERATIONS - ATLAS PENSION FUND (APF)

The Net Asset Value of APF - Equity Sub Fund increased by 6.15% from Rs.232.67 as on 30 June 2013 to Rs.246.97 as on 30 September 2013. The APF - Equity Sub Fund was mainly invested in Oil & Gas, Commercial Banks and Electricity Sectors. The Net Asset Value of APF - Gold Sub Fund appreciated by 1.34% from Rs.100.05 to Rs.101.39, while total exposure in Gold based future contracts stood at 75.42%. The Net Asset Values of APF - Debt Sub Fund and APF - Money Market Sub Fund have appreciated by 1.54% (6.10% on annualized basis) and 1.65% (6.57% on annualized basis) respectively during the period under review. The APF - Debt- Sub Fund was mainly invested in Treasury Bills, Term Finance Certificates and Pakistan Investment Bonds where as APF - Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. The net assets of APF stood at Rs.399.95 million as on 30 September 2013.

## FUND OPERATIONS - ATLAS PENSION ISLAMIC FUND (APIF)

The Net Asset Value of APIF - Equity Sub Fund increased by 3.15% from Rs.322.12 as on 30 June 2013 to Rs.332.28 as on 30 September 2013. The APIF - Equity Sub Fund was mainly invested in Oil and Gas, Chemicals and Electricity Sectors. The Net Asset Values of APIF - Debt Sub Fund and APIF - Money Market Sub Fund have appreciated by 1.75% (6.95% on annualized basis) and 1.70% (6.73% on annualized basis) respectively during the period under review. The APIF Debt Sub-Fund & Money Market Sub Fund were mainly invested in GoP Ijarah Sukuks and high yielding bank deposits. The net assets of APIF stood at Rs.379.47 million as on 30 September 2013.

## RATINGS UPDATE

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of Atlas Asset Management Limited (AAML) at "AM2-" (AM Two Minus). The rating denotes the Company's very strong capacity to manage the risks inherent in asset management and meets very high investment management industry standards and benchmarks.

# Atlas Pensions

## FUTURE OUTLOOK

The sustainable economic growth over the medium term would call for a substantial increase in both the domestic and foreign investment in the economy. Fiscal reforms need to be implemented to ensure better tax collection, reduction of subsidies and reduced borrowing from the banking system. Inflation is expected to increase as electricity tariff hike, petroleum products price increase and Pak Rupee depreciation will fuel import inflation, thus all this will build inflationary pressure in months to come. In the short-run, successful auction of 3G license and inflows from coalition support fund will create fiscal space and will also help build up foreign exchange reserves.

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

پرواز ہے دونوں کی اسی ایک فضا میں  
کرگس کا جہاں اور ہے شاہین کا جہاں اور  
(Let us continue to fly our flag high)

## AKNOWLEDGEMENT

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 participants for their help, support and the confidence reposed in the Funds, and the Chief Executive Officer, Mr. M. Habib-ur-Rahman and his management team for their hard work, dedication, and sincerity of purpose.

Karachi: 24 October 2013

Yusuf H. Shirazi  
Chairman

## Atlas Pension Fund

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### Corporate Information

#### Trustee

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

#### Auditors

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Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

#### Legal Advisers

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Bawaney & Partners

#### Bankers

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Bank Alfalah Limited  
Faysal Bank Limited

# Atlas Pension Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 30 SEPTEMBER 2013

Note	30 September 2013 (Un-audited)						30 June 2013 (Audited)					
	Equity	Debt	Money	Gold	Others	Total	Equity	Debt	Money	Gold	Others	Total
	Sub-Fund	Sub-Fund	Market	Sub-Fund			Sub-Fund	Sub-Fund	Sub-Fund	Market		
	-----Rupees-----						-----Rupees-----					
<b>ASSETS</b>												
Bank balances	24,829,985	4,710,844	3,214,173	26,603,914	216,528	59,575,444	7,307,769	9,047,614	3,899,202	30,005,000	407,477	50,667,062
Investments - net	98,493,650	128,935,328	110,420,475	-	-	337,849,453	104,035,195	118,444,610	102,942,911	-	-	325,422,716
Dividend receivable	1,789,000	-	-	-	-	1,789,000	78,750	-	-	-	-	78,750
Interest accrued	96,394	247,827	17,390	116,188	-	477,799	78,312	409,752	28,561	21,579	-	538,204
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	5,262,545	-	5,262,545	-	-	-	-	-	-
Security deposit and other receivables	103,334	103,333	103,333	-	-	310,000	103,334	103,333	103,333	-	-	310,000
<b>Total assets</b>	<b>125,312,363</b>	<b>133,997,332</b>	<b>113,755,371</b>	<b>31,982,647</b>	<b>216,528</b>	<b>405,264,241</b>	<b>111,603,360</b>	<b>128,005,309</b>	<b>106,974,007</b>	<b>30,026,579</b>	<b>407,477</b>	<b>377,016,732</b>
<b>LIABILITIES</b>												
Payable against redemption of units	-	-	77,421	-	88,823	166,244	-	-	78,437	-	88,823	167,260
Payable against purchase of investments	1,324,144	-	-	-	-	1,324,144	36,908	-	-	-	-	36,908
Payable to the Pension Fund Manager	155,534	161,859	137,664	39,366	6,401	500,824	145,116	145,594	127,017	8,699	14,189	440,615
Payable to the Central Depository Company of Pakistan Limited - Trustee	17,052	16,687	14,265	3,941	-	51,945	16,014	15,057	13,202	369	-	44,642
Payable to the Securities and Exchange Commission of Pakistan	10,346	10,857	9,155	2,621	-	32,979	27,348	27,074	23,742	81	-	78,245
Financial liabilities at fair value through profit or loss	-	-	-	232,518	-	232,518	-	-	-	-	-	-
Payable to the auditors	49,304	49,796	48,179	2,715	-	149,994	39,585	39,585	39,585	245	-	119,000
Accrued expenses and other liabilities	1,477,204	642,457	574,336	38,243	121,304	2,853,544	1,253,569	504,738	459,874	1,597	304,465	2,524,243
<b>Total liabilities</b>	<b>3,033,584</b>	<b>881,656</b>	<b>861,020</b>	<b>319,404</b>	<b>216,528</b>	<b>5,312,192</b>	<b>1,518,540</b>	<b>732,048</b>	<b>741,857</b>	<b>10,991</b>	<b>407,477</b>	<b>3,410,913</b>
<b>NET ASSETS</b>	<b>122,278,779</b>	<b>133,115,676</b>	<b>112,894,351</b>	<b>31,663,243</b>	<b>-</b>	<b>399,952,049</b>	<b>110,084,820</b>	<b>127,273,261</b>	<b>106,232,150</b>	<b>30,015,588</b>	<b>-</b>	<b>373,605,819</b>
Represented by:												
<b>PARTICIPANTS' SUB-FUNDS</b>	<b>122,278,779</b>	<b>133,115,676</b>	<b>112,894,351</b>	<b>31,663,243</b>	<b>-</b>	<b>399,952,049</b>	<b>110,084,820</b>	<b>127,273,261</b>	<b>106,232,150</b>	<b>30,015,588</b>	<b>-</b>	<b>373,605,819</b>
(as per statement attached)												
Number of units in issue	495,121	782,672	650,258	312,287			473,144	759,831	622,020	300,000		
Net asset value per unit	246.97	170.08	173.61	101.39			232.67	167.50	170.79	100.05		
Contingencies and commitments												

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

**For Atlas Asset Management Limited**  
**(Pension Fund Manager)**



# First Quarter Report 2013-14

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2013

For the Quarter ended 30 September 2013 (Un-audited)						For the Quarter ended 30 September 2012 (Un-audited)			
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----						-----Rupees-----			
<b>INCOME</b>									
Interest income	373,595	2,968,851	2,451,996	614,679	6,409,121	185,585	1,948,563	1,530,528	3,664,676
Dividend income	2,057,750	-	-	-	2,057,750	601,539	-	-	601,539
Capital gain on sale of investments at fair value through income statement - net	4,725,427	-	-	-	4,725,427	1,296,317	-	-	1,296,317
Capital gain on sale of financial derivatives at fair value through income statement - net	-	-	-	230,988	230,988	-	-	-	-
Gain/(loss) on sale/maturity of 'available for sale investments' - net	-	5,514	7,106	-	12,620	-	5,092	-	5,092
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	402,692	-	-	-	402,692	5,264,860	-	-	5,264,860
Net unrealised loss on remeasurement of financial liabilities at fair value through income statement	-	-	-	(232,518)	(232,518)	-	-	-	-
	5,128,119	5,514	7,106	(1,530)	5,139,209	6,561,177	5,092	-	6,566,269
	7,559,464	2,974,365	2,459,102	613,149	13,606,080	7,348,301	1,953,655	1,530,528	10,832,484
<b>EXPENDITURE</b>									
Remuneration of Pension Fund Manager	465,551	488,951	411,623	118,323	1,484,448	248,888	230,450	198,607	677,945
Sindh sales tax on remuneration of the Pension Fund Manager	86,406	90,749	76,397	21,961	275,513	39,822	36,872	31,777	108,471
Federal Excise Duty on remuneration of the Pension Fund Manager	74,488	78,232	65,860	18,932	237,512	-	-	-	-
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	46,562	48,897	41,160	11,836	148,455	27,751	25,717	22,152	75,620
Annual fee - Securities and Exchange Commission of Pakistan	10,346	10,857	9,155	2,621	32,979	5,534	5,120	4,420	15,074
Auditor's remuneration	9,719	10,211	8,594	2,470	30,994	8,748	8,748	8,747	26,243
Securities' transaction cost and settlement charges	50,175	3,004	3,405	12,170	68,754	43,971	1,500	1,500	46,971
Bank charges	7,579	4,620	4,053	4,385	20,637	3,603	3,451	3,782	10,836
Provision for Workers' Welfare Fund	136,173	44,777	36,777	8,409	226,136	139,400	32,836	25,191	197,427
	886,999	780,298	657,024	201,107	2,525,428	517,717	344,694	296,176	1,158,587
Net income for the period	6,672,465	2,194,067	1,802,078	412,042	11,080,652	6,830,584	1,608,961	1,234,352	9,673,897
Earnings per unit	13.48	2.80	2.77	1.32		17.15	4.07	3.55	

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

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Shamshad Nabi  
Director

# Atlas Pension Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2013

	For the Quarter ended 30 September 2013 (Un-audited)					For the Quarter ended 30 September 2012 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----					-----Rupees-----			
Net income for the period	6,672,465	2,194,067	1,802,078	412,042	11,080,652	6,830,584	1,608,961	1,234,352	9,673,897
Income that may be re-classified subsequently to Income Statement									
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	-	(219,375)	(12,940)	-	(232,315)	-	(133,414)	18,046	(115,368)
<b>Total comprehensive income for the period</b>	<b>6,672,465</b>	<b>1,974,692</b>	<b>1,789,138</b>	<b>412,042</b>	<b>10,848,337</b>	<b>6,830,584</b>	<b>1,475,547</b>	<b>1,252,398</b>	<b>9,558,529</b>

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

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Shamshad Nabi  
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2013

# First Quarter Report 2013-14

	For the Quarter ended 30 September 2013 (Un-audited)						For the Quarter ended 30 September 2012 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
-----Rupees-----						-----Rupees-----					
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income for the period	6,672,465	2,194,067	1,802,078	412,042	-	11,080,652	6,830,584	1,608,961	1,234,352	-	9,673,897
Adjustments for:											
Interest income	(373,595)	(2,968,851)	(2,451,996)	(614,679)	-	(6,409,121)	(185,585)	(1,948,563)	(1,530,528)	-	(3,664,676)
Dividend income	(2,057,750)	-	-	-	-	(2,057,750)	(601,539)	-	-	-	(601,539)
Gain on sale of investments at fair value through income statement - net	(4,725,427)	-	-	-	-	(4,725,427)	(1,296,317)	-	-	-	(1,296,317)
Capital gain on sale of financial derivatives at fair value through income statement - net	-	-	-	(230,988)	-	(230,988)	-	-	-	-	-
Capital Gain on sale/maturity of available for sale investments - net	-	(5,514)	(7,106)	-	-	(12,620)	-	(5,092)	-	-	(5,092)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(402,692)	-	-	-	-	(402,692)	(5,264,860)	-	-	-	(5,264,860)
Net unrealised loss on remeasurement of financial liabilities at fair value through income statement	-	-	-	232,518	-	232,518	-	-	-	-	-
Provision for Workers' Welfare Fund	136,173	44,777	36,777	8,409	-	226,136	139,400	32,836	25,191	-	197,427
	(750,826)	(735,521)	(620,247)	(192,698)	-	(2,299,292)	(378,317)	(311,858)	(270,985)	-	(961,160)
Decrease/ (increase) in assets											
Receivable against sale of investments	-	-	-	-	-	-	2,130,827	-	-	-	2,130,827
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	(5,262,545)	-	(5,262,545)	-	-	-	-	-
(Decrease) / increase in liabilities											
Payable against redemption of units	-	-	(1,016)	-	-	(1,016)	13,658	45,604	36,846	-	96,108
Payable against purchase of investments	1,287,236	-	-	-	-	1,287,236	(2,238,259)	-	-	-	(2,238,259)
Payable to the Pension Fund Manager	10,418	16,265	10,647	30,667	(7,788)	60,209	12,422	5,550	6,001	(3,675)	20,298
Payable to the Central Depository Company Limited - Trustee	1,038	1,630	1,063	3,572	-	7,303	445	(271)	(114)	-	60
Payable to the Securities and Exchange Commission of Pakistan	(17,002)	(16,217)	(14,587)	2,540	-	(45,266)	(9,975)	(11,050)	(9,860)	-	(30,885)
Payable to the auditors	9,719	10,211	8,594	2,470	-	30,994	(29,750)	(29,750)	(29,750)	-	(89,250)
Accrued expenses and other liabilities	87,462	92,942	77,685	28,237	(183,161)	103,165	1,987	888	960	266,300	270,135
	1,378,871	104,831	82,386	67,486	(190,949)	1,442,625	(2,249,472)	10,971	4,083	262,625	(1,971,793)
Interest received	355,513	3,130,776	2,463,167	520,070	-	6,469,526	191,221	2,222,262	1,557,452	-	3,970,935
Dividend received	347,500	-	-	-	-	347,500	217,028	-	-	-	217,028
Investments made during the period	(25,278,424)	(226,561,571)	(290,332,851)	(42,000,000)	-	(584,172,846)	(22,385,936)	(38,790,951)	(54,013,082)	-	(115,189,969)
Investments sold / matured during the period	35,948,088	215,856,992	282,849,453	42,230,988	-	576,885,521	17,279,177	33,753,351	48,200,014	-	99,232,542
	11,372,677	(7,573,803)	(5,020,231)	751,058	-	(470,299)	(4,698,510)	(2,815,338)	(4,255,616)	-	(11,769,464)
Net cash generated from / (used in) operating activities (carried forward)	12,000,722	(8,204,493)	(5,558,092)	(4,636,699)	(190,949)	(6,589,511)	(5,195,472)	(3,116,225)	(4,522,518)	262,625	(12,571,590)

# Atlas Pension Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued...)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Note	For the Quarter ended 30 September 2013 (Un-audited)						For the Quarter ended 30 September 2012 (Un-audited)					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
	Rupees						Rupees					
Net cash generated from / (used in) operating activities (brought forward)	12,000,722	(8,204,493)	(5,558,092)	(4,636,699)	(190,949)	(6,589,511)	(5,195,472)	(3,116,225)	(4,522,518)	262,625	(12,571,590)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Receipts on issue of units												
- Directly by participants	7,842,139	10,148,618	7,900,136	1,235,613	-	27,126,506	4,352,060	3,782,782	3,483,234	-	11,618,076	
- Transfer from other Pension Fund Manager	-	-	-	-	-	-	87,595	175,190	1,927,089	-	2,189,874	
	7,842,139	10,148,618	7,900,136	1,235,613	-	27,126,506	4,439,655	3,957,972	5,410,323	-	13,807,950	
Payment on redemptions of units												
- Directly by participants	(2,320,645)	(6,280,895)	(3,027,073)	-	-	(11,628,613)	(2,862,059)	(2,088,338)	(1,151,189)	-	(6,101,586)	
Net cash generated from financing activities	5,521,494	3,867,723	4,873,063	1,235,613	-	15,497,893	1,577,596	1,869,634	4,259,134	-	7,706,364	
Net increase / (decrease) in cash and cash equivalents	17,522,216	(4,336,770)	(685,029)	(3,401,086)	(190,949)	8,908,382	(3,617,876)	(1,246,591)	(263,384)	262,625	(4,865,226)	
Cash and cash equivalents at the beginning of the period	7,307,769	9,047,614	3,899,202	30,005,000	407,477	50,667,062	5,247,501	4,627,649	3,818,130	110,102	13,803,382	
Cash and cash equivalents at the end of the period	4	24,829,985	4,710,844	3,214,173	26,603,914	216,528	59,575,444	1,629,625	3,381,058	3,554,746	372,727	8,938,156

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

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

# First Quarter Report 2013-14

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Note	For the Quarter ended 30 September 2013 (Un-audited)					For the Quarter ended 30 September 2012 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees					Rupees			
Net assets at the beginning of the period	110,084,820	127,273,261	106,232,150	30,015,588	373,605,819	59,258,997	59,162,421	50,731,601	169,153,019
Issue of units									
- Directly by participants	7,842,139	10,148,618	7,900,136	1,235,613	27,126,506	4,352,060	3,782,782	3,483,234	11,618,076
- Transfer from other Pension Fund Manager	-	-	-	-	-	87,595	175,190	1,927,089	2,189,874
	7,842,139	10,148,618	7,900,136	1,235,613	27,126,506	4,439,655	3,957,972	5,410,323	13,807,950
Redemption of units									
- Directly by participants	(2,320,645)	(6,280,895)	(3,027,073)	-	(11,628,613)	(2,862,059)	(2,088,338)	(1,151,189)	(6,101,586)
Net income for the period	1,947,038	2,188,553	1,794,972	412,042	6,342,605	5,534,267	1,603,869	1,234,352	8,372,488
Gain on sale of investments at fair value through income statement - net	4,725,427	-	-	-	4,725,427	1,296,317	-	-	1,296,317
Gain on sale/maturity of available for sale investments - net	-	5,514	7,106	-	12,620	-	5,092	-	5,092
Other comprehensive income / (loss) for the period	-	(219,375)	(12,940)	-	(232,315)	-	(133,414)	18,046	(115,368)
Total comprehensive income for the period	6,672,465	1,974,692	1,789,138	412,042	10,848,337	6,830,584	1,475,547	1,252,398	9,558,529
Net assets at the end of the period	122,278,779	133,115,676	112,894,351	31,663,243	399,952,049	67,667,177	62,507,602	56,243,133	186,417,912

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

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Shamshad Nabi  
Director

# Atlas Pension Fund

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2013

### 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Atlas Pension Fund (APF) was established under a Trust Deed executed between Atlas Asset Management Limited (AAML) as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 8 June 2007 and was executed under the Voluntary Pension System Rules, 2005 (VPS Rules). The Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013, with the approval of the SECP. The Offering Document of the Fund has been revised through the First, Second and Third Supplements dated 18 December 2008, 28 March 2011, and 15 July 2013 respectively. The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at Ground Floor, Federation House, Shahra-e-Firdousi, Clifton, Karachi.

1.2 The objective of Atlas Pension Fund (APF) is to provide individuals with a portable, individualised, funded (based on defined contribution) and flexible pension scheme assisting and facilitating them to plan and provide for their retirement. The Fund operates under an umbrella structure and is composed of Sub-Funds, each being a collective investment scheme.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

1.3 In June 2013, the Pension Fund Manager obtained approval from the SECP for the establishment of a fourth sub fund, the APF - Gold Sub Fund. The APF- Gold Sub Fund was established under the First Supplemental Trust Deed executed on 6 June 2013 between AAML as the Pension Fund Manager and the CDC as the Trustee. The First Supplemental Trust Deed was approved by the SECP under the Voluntary Pension System Rules, 2005 (VPS Rules) vide letter no.9(1)SEC/SCD/PW-AAML-01/536 dated 14 June 2013, and the core investment of Rs.30 million by the Pension Fund Manager was invested on 28 June 2013. Approval of the 3rd Supplemental Offering Document of the Fund was received on 15 July 2013 from the SECP, whereafter, the APF - GSF was launched for public subscription w.e.f. 16 July 2013.

1.4 At present, the Fund consists of the following four Sub-Funds:

APF - Equity Sub-Fund (APF - ESF)

The objective of APF - ESF is to achieve long term capital growth. APF - ESF shall invest primarily in equity securities, with a minimum investment of 90% of its net asset value in listed shares.

APF - Debt Sub-Fund (APF - DSF)

The objective of APF - DSF is to provide income along with capital preservation. APF - DSF shall invest primarily in tradable debt securities with the weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years.

APF - Money Market Sub-Fund (APF - MMSF)

The objective of APF - MMSF is to provide regular income along with capital preservation. APF - MMSF shall invest primarily in short term debt securities with the weighted average time to maturity of net assets of the Sub-Fund not exceeding ninety days.

APF - Gold Sub-Fund (APF - GSF)

The objective of APF - GSF is to provide the capital appreciation through investment in Gold or Gold futures contracts traded on the Pakistan Mercantile Exchange.

1.5 The Sub-Funds' units of APF - ESF, APF -DSF and APF - MMSF are issued against contributions by the eligible participants on a continuous basis since 28 June 2007 and units of APF- GSF w.e.f. 16 July 2013 and can be redeemed by surrendering them to the Fund.

The participants of the Fund voluntarily determine the contribution amount subject to the minimum limit fixed by the Pension Fund Manager. Such contributions received from the participants are allocated among the Sub-Funds, in accordance with their respective preferences and in line with the prescribed allocation policy. The units held by the participants in the Sub-Funds can be redeemed on or before their retirement and in case of disability or death subject to conditions laid down in the Offering Document, VPS Rules and the Income Tax Ordinance, 2001. According to the Trust Deed, there shall be no distribution from the Sub-Funds, and all income earned by the Sub-Funds shall be accumulated and retained in the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of the Trust Deed, the Rules and the directives / guidelines issued by the SECP. Wherever the requirements of the Trust Deed, the Rules or the directives / guidelines issued by the SECP differ with the requirements of this standard, the requirements of the Trust Deed, the Rules or the requirements of the said directives/guidelines prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2013.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended 30 June 2013 except for those explained in note 3.1.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2013.

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 2013.

### 3.1 Financial assets

#### 3.1.1 Classification

The Fund classifies its financial assets in the following categories: 'loans and receivables', 'at fair value through profit or loss' and 'available for sale'. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

#### b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the financial assets 'at fair value through profit or loss' category. All derivatives are classified as held-for-trading.

#### c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

#### 3.1.2 Derivative Financial Instruments

Derivative instruments that are held by the Fund primarily comprise of gold futures contracts in the commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the futures commodities. Derivatives with the positive market values (unrealised gains) are included in assets and derivatives with the negative market value (unrealised losses) are included in liabilities in the Statement of Assets and Liabilities. The resultant gains and losses are included in the income statement.

# Atlas Pension Fund

## 4. BANK BALANCES

		30 September 2013 (Un-audited)					30 June 2013 (Audited)						
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others (note 4.1)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others (note 4.1)	Total	
-----Rupees-----						-----Rupees-----							
In current account	-	-	-	-	6,822	6,822	-	-	-	-	14,775	14,775	
In savings accounts	4.2	24,829,985	4,710,844	3,214,173	26,603,914	209,706	59,568,622	7,307,769	9,047,614	3,899,202	30,005,000	392,702	50,652,287
		<u>24,829,985</u>	<u>4,710,844</u>	<u>3,214,173</u>	<u>26,603,914</u>	<u>216,528</u>	<u>59,575,444</u>	<u>7,307,769</u>	<u>9,047,614</u>	<u>3,899,202</u>	<u>30,005,000</u>	<u>407,477</u>	<u>50,667,062</u>

4.1 These represent collection and redemption accounts maintained by the Fund. The rate of return on savings account is 8.75% per annum (2013: 8.75% per annum).

4.2 These carry interest at the rates ranging from 6% to 8.75% per annum (2013: 6% to 8.75% per annum).

## 5. INVESTMENTS - NET

		30 September 2013 (Un-audited)					30 June 2013 (Audited)				
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	
-----Rupees-----						-----Rupees-----					
At fair value through profit or loss - held for trading											
Equity securities - listed	5.1	98,493,650	-	-	-	98,493,650	104,035,195	-	-	-	104,035,195
Available for sale											
Treasury Bills	5.2	-	119,326,291	110,420,475	-	229,746,766	-	108,418,513	102,942,911	-	211,361,424
Term Finance Certificates	5.3	-	4,591,661	-	-	4,591,661	-	4,837,172	-	-	4,837,172
Sukuk Certificates	5.4	-	-	-	-	-	-	-	-	-	-
Pakistan Investment Bonds	5.5	-	5,017,376	-	-	5,017,376	-	5,188,925	-	-	5,188,925
		-	128,935,328	110,420,475	-	239,355,803	-	118,444,610	102,942,911	-	221,387,521
		<u>98,493,650</u>	<u>128,935,328</u>	<u>110,420,475</u>	<u>-</u>	<u>337,849,453</u>	<u>104,035,195</u>	<u>118,444,610</u>	<u>102,942,911</u>	<u>-</u>	<u>325,422,716</u>



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## 5.1 Equity Sub-Fund - Equity securities - Listed - At fair value through profit or loss

Balance as at 30 September 2013

Name of the investee company	As at 1 July 2013	Purchases during the period	Bonus during the period	Sales during the period	As at 30 September 2013	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of the investee company
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
<b>Oil and Gas</b>									
National Refinery Limited	-	2,000	-	-	2,000	476,000	413,400	0.34	0.0025
Oil & Gas Development Company Limited	46,500	-	-	2,500	44,000	8,590,265	10,340,880	8.46	0.0010
Pakistan Oilfields Limited	21,000	7,000	-	4,000	24,000	10,307,988	10,289,520	8.41	0.0101
Pakistan Petroleum Limited	27,000	7,800	6,200	2,000	39,000	6,135,052	7,433,400	6.08	0.0020
Pakistan State Oil Company Limited	18,000	2,000	-	-	20,000	3,913,664	5,242,000	4.29	0.0081
	112,500	18,800	6,200	8,500	129,000	29,422,968	33,719,200	27.58	
<b>Chemicals</b>									
Engro Corporation Limited	55,000	-	-	20,000	35,000	3,757,146	4,752,300	3.89	0.0068
Fatima Fertilizer Company Limited	25,000	25,000	-	50,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	50,000	-	-	50,000	-	-	-	-	-
Fauji Fertilizer Company Limited	75,000	10,000	-	10,000	75,000	8,056,871	7,602,750	6.21	0.0059
	205,000	35,000	-	130,000	110,000	11,814,017	12,355,050	10.10	
<b>Construction and Materials (Cement)</b>									
D G Khan Cement Company Limited	75,000	15,000	-	30,000	60,000	2,950,573	4,132,200	3.38	0.0137
Lucky Cement Limited	20,000	5,000	-	10,000	15,000	2,060,185	3,469,350	2.84	0.0046
	95,000	20,000	-	40,000	75,000	5,010,759	7,601,550	6.22	
<b>General Industrials</b>									
Tri-Pack Films Limited	10,000	-	-	-	10,000	2,074,900	1,937,000	1.58	0.0167
<b>Food Producers</b>									
Engro Foods Limited	10,000	7,500	-	5,000	12,500	1,384,325	1,271,125	1.04	0.0008
<b>Personal Goods (Textile)</b>									
Nishat (Chunian) Limited	-	10,000	-	-	10,000	561,800	562,800	0.46	0.0060
Nishat Mills Limited	65,000	7,500	-	15,000	57,500	4,013,152	5,328,525	4.36	0.0164
	65,000	17,500	-	15,000	67,500	4,574,952	5,891,325	4.82	
<b>Tobacco</b>									
Pakistan Tobacco Company Limited	10,000	-	-	10,000	-	-	-	-	-
<b>Fixed Line Telecommunication</b>									
Pakistan Telecommunication Company Limited	50,000	-	-	50,000	-	-	-	-	-

# Atlas Pension Fund

Balance as at 30 September 2013

Name of the investee company	As at 1 July 2013	Purchases during the period	Bonus during the period	Sales during the period	As at 30 September 2013	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of the investee company
<b>Electricity</b>									
Pakgen Power Limited	50,000	50,000	-	-	100,000	2,294,325	2,018,000	1.65	0.0269
The Hub Power Company Limited	175,000	20,000	-	-	195,000	9,080,163	12,427,350	10.16	0.0169
	225,000	70,000	-	-	295,000	11,374,488	14,445,350	11.81	
<b>Commercial Banks</b>									
Allied Bank Limited	-	25,000	-	-	25,000	1,958,495	1,929,250	1.58	0.0024
Bank Alfalah Limited	400,000	10,000	-	160,000	250,000	4,210,744	5,235,000	4.28	0.0185
Bank Al Habib Limited	355,000	45,000	-	75,000	325,000	9,550,119	11,787,750	9.64	0.0310
Meezan Bank Limited	-	55,000	-	-	55,000	2,055,715	2,041,050	1.67	0.0055
National Bank of Pakistan	-	25,000	-	25,000	-	-	-	-	-
United Bank Limited	15,000	15,000	-	30,000	-	-	-	-	-
	770,000	175,000	-	290,000	655,000	17,775,073	20,993,050	17.17	
<b>Non Life Insurance</b>									
Adamjee Insurance Company Limited	10,000	25,000	-	35,000	-	-	-	-	-
<b>Life Insurance</b>									
Jubilee Life Insurance Company Limited	2,000	-	-	-	2,000	185,000	280,000	0.23	0.0032
						<u>83,616,483</u>	<u>98,493,650</u>	<u>80.55</u>	

## 5.2 Treasury Bills - Available for sale

Balance as at 30 September 2013

5.2.1 Debt Sub-Fund	As at 1 July 2013	Purchases during the period	Matured/ Sold during the period	As at 30 September 2013	Amortised cost	Market value	Market value as a % of net assets of the Sub-Fund
Treasury Bills	110,500,000	227,000,000	216,500,000	121,000,000	119,320,386	119,326,291	89.64

5.2.1.1 The cost of investments as on 30 September 2013 is Rs.117,336,600 (30 June 2013: Rs.107,066,834).

5.2.1.2 These Government treasury bills carry purchase yields ranging from 8.88% to 9.41% per annum (30 June 2013: 9.00% to 9.55% per annum) and will mature between 03 October 2013 and 12 December 2013.

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	As at 1 July 2013	Purchases during the period	Matured / Sold during the period	As at 30 September 2013	Balance as at 30 September 2013		Market value as a % of net assets of the Sub-Fund
					Amortised cost	Market value	
				-----Face value (Rupees)-----		-----Rupees-----	
5.2.2 Money Market Sub-Fund							
Treasury Bills	104,000,000	292,000,000	284,000,000	112,000,000	110,403,551	110,420,475	97.81

5.2.2.1 The cost of investments as on 30 September 2013 is Rs. 109,400,500 (30 June 2013: Rs. 102,010,334).

5.2.2.2 These Government treasury bills carry purchase yields ranging from 8.88% to 9.43% per annum (30 June 2013: 9.00% to 9.55% per annum) and will mature between 03 October 2013 and 12 December 2013.

## 5.3 Term Finance Certificates - Available for sale

### 5.3.1 Debt Sub-Fund

		Balance as at 30 September 2013							
Name of the investee company	Status	As at 1 July 2013	Purchases during the period	Sales / matured during the period	As at 30 September 2013	Carrying value	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of total issue size
<b>Commercial Banks</b>									
Allied Bank Limited	Listed	225	-	-	225	902,052	845,910	0.64	0.0338
Askari Bank Limited - II	Listed	225	-	-	225	1,166,377	1,122,867	0.84	0.0749
Bank Alfalah Limited - V	Listed	153	-	-	153	764,847	782,272	0.59	0.0156
United Bank Limited - III	Listed	300	-	-	300	567,485	499,838	0.38	0.0250
<b>Chemicals</b>									
Engro Fertilizers Limited - II	Listed	69	-	-	69	344,172	337,356	0.25	0.0084
Engro Fertilizers Limited	Unlisted	220	-	-	220	1,100,000	1,003,418	0.75	0.0251
Agritech Limited - IV (note 5.4.3)	Unlisted	29	-	-	29	-	-	-	-
						<u>4,844,933</u>	<u>4,591,661</u>	<u>3.45</u>	

# Atlas Pension Fund

## 5.4 Sukuk Certificates - Available for sale Debt Sub-Fund

Name of the investee company	Status	As at 1 July 2013	Purchases during the period	Sales/ matured during the period	As at 30 September 2013	Carrying value	Market value as a % of net assets of the Sub Fund
Chemicals							
Agritech Limited (note 5.4.1)	Unlisted	200	-	-	200	-	-

### 5.4.1 Particulars of non-performing investments

These securities have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 and accordingly an aggregate provision of Rs. 1,145,000 (30 June 2013: Rs.1,145,000) has been made in accordance with the provisioning requirements specified by the SECP. During the year ended 30 June 2012, the Debt Sub-Fund had entered into a restructuring agreement with Agritech Limited (the Company) whereby all overdue profit receivable on Sukuk Certificates held by the Debt Sub-Fund was converted into zero coupon Term Finance Certificates (TFCs). In this regard, the aggregate provision also includes a provision amounting to Rs.145,000 against these TFCs to fully cover the amount of investment. Accordingly, the Fund holds 29 certificates (having face value of Rs.5,000 each) of Agritech Limited IV as at 30 September 2013. The details of these non-performing investments are as follows:

Non-performing investment	Type of investment	Value before provision	Provision held	Net carrying value
-----Rupees-----				
Agritech Limited	Sukuk Certificates	1,000,000	1,000,000	-
Agritech Limited - IV	Term Finance Certificate	145,000	145,000	-
		<u>1,145,000</u>	<u>1,145,000</u>	<u>-</u>

## 5.5 Pakistan Investment Bonds - Available for sale

	As at 1 July 2013	Purchases during the period	Matured during the period	As at 30 September 2013	Amortised cost	Market value	Market value as a % of net assets of Sub Fund
-----Rupees-----							
Pakistan Investment Bonds	5,000,000	-	-	5,000,000	5,051,200	5,017,376	3.77

### 5.5.1 Debt Sub-Fund

These carry interest at the rate of 11.25% (30 June 2013: 11.25%) and will mature on 19 July 2015.



# Atlas Pension Fund

9.1 This represents net fair value of gold futures contracts entered into by the Fund at the Pakistan Mercantile Exchange Limited. The details of the outstanding contracts are given in the table below:

Commodity Contracts	Maturity Date	Quantity - ounces	Value of Gold in futures market US \$	Value of Gold in futures market equivalent Pak Rupees	Market Value as a Percentage of net assets
Gold 10 oz - Nov. 2013	28 Oct. 2013	70	92,974	9,831,071	31.05
Gold 10 oz - Dec. 2013	26 Nov. 2013	100	132,860	14,048,616	44.37
		<u>170</u>	<u>225,834</u>	<u>23,879,687</u>	<u>75.42</u>
Liabilities against gold futures at contracted rates				<u>24,112,205</u>	
Unrealised loss on future contracts of gold				<u>232,518</u>	

## 10. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	30 September 2013 (Un-audited)						30 June 2013 (Audited)						
	Equity	Debt	Money	Gold	Others	Total	Equity	Debt	Money	Gold	Others	Total	
	Sub-Fund	Sub-Fund	Market	Sub-Fund			Sub-Fund	Market	Sub-Fund	Sub-Fund			Sub-Fund
	-----Rupees-----						-----Rupees-----						
Withholding tax payable	989	1,163	1,047	244	108,625	112,068	1,600	1,572	1,463	-	279,064	283,699	
Zakat payable	-	-	-	-	2,679	2,679	-	-	-	-	15,401	15,401	
Payable to broker	-	-	-	325	-	325	-	-	-	-	-	-	
Sindh sales tax on remuneration of the Pension Fund Manager	10.1	39,032	40,696	34,545	9,423	-	123,696	25,447	25,577	22,304	687	-	74,015
Federal Excise Duty payable on remuneration of the Pension Fund Manager	10.2	88,418	92,492	78,243	19,524	-	278,677	13,930	14,260	12,383	592	-	41,165
Provision for Workers' Welfare Fund	10.3	1,348,765	508,106	460,501	8,727	-	2,326,099	1,212,592	463,329	423,724	318	-	2,099,963
Others		-	-	-	10,000	10,000	-	-	-	-	-	10,000	10,000
		<u>1,477,204</u>	<u>642,457</u>	<u>574,336</u>	<u>38,243</u>	<u>121,304</u>	<u>2,853,544</u>	<u>1,253,569</u>	<u>504,738</u>	<u>459,874</u>	<u>1,597</u>	<u>304,465</u>	<u>2,524,243</u>

# First Quarter Report 2013-14

- 10.1 During the period, an amount of Rs.275,513 (2012: Rs.108,471) was charged on account of sales tax on remuneration of the Pension Fund Manager levied through Sindh Sales Tax on Services Act, 2011, out of which Rs.225,832 has already been paid to the Pension Fund Manager which acts as a collecting agent.
- 10.2 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 Pension Fund Manager 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 10.1 above, the Pension Fund Manager is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is in progress.

In view of the pending decision, as a matter of abundant caution, the Pension Fund Manager of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013, aggregating to Rs.278,677 (30 June 2013: Rs.41,165).

- 10.3 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/ Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs / Pension Funds through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / Pension Funds, which is pending adjudication. However, without prejudice to the above, the Pension Fund Manager has been providing for WWF contribution since the financial year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that Mutual Funds / Pension Funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF, including some of the Mutual Funds / Pension Funds managed by the Pension Fund Manager, including the Fund. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds, including the Fund, have been granted stay by the Honourable SHC on the basis of the pending constitutional petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honourable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honourable SHC.

In view of the pending decision, the Pension Fund Manager of the Fund, as a matter of abundant caution, has continued to maintain the provision in respect of WWF which amounts to Rs.2,326,099 as at 30 June 2013 (30 June 2013: Rs.2,099,963). Had the same not been made, the net asset value per unit of the Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund and Gold Sub-Fund would have been higher by Rs.2.72, Re.0.65, Re.0.71 and Re.0.03 (30 June 2013: Rs.2.56, Re.0.61, Re.0.68 and Re.0.001) per unit respectively.

# Atlas Pension Fund

	For the Quarter ended 30 September 2013 (Un-audited)						For the Quarter ended 30 September 2012 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Number of units-----						-----Number of units-----				
11. NUMBER OF UNITS IN ISSUE											
Total units in issue at the beginning of the period	473,144	759,831	622,020	300,000	-	2,154,995	388,361	383,122	321,273	-	1,092,756
Add: Issue of units during the period											
- Directly by participants	31,016	60,053	45,820	12,287	-	149,176	26,502	24,148	21,671	-	72,321
- Transfer from other Pension Fund Manager	-	-	-	-	-	-	519	1,114	11,983	-	13,616
	31,016	60,053	45,820	12,287	-	149,176	27,021	25,262	33,654	-	85,937
Less: Units redeemed during the period											
- Directly by participants	(9,039)	(37,212)	(17,582)	-	-	(63,833)	(17,042)	(13,283)	(7,165)	-	(37,490)
Total units in issue at the end of the period	495,121	782,672	650,258	312,287	-	2,240,338	398,340	395,101	347,762	-	1,141,203

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 There were no contingencies outstanding as at 30 September 2013.

Note	For the Quarter ended 30 September 2013 (Un-audited)						For the Quarter ended 30 September 2012 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----						-----Rupees-----				

### 12.2 COMMITMENTS

#### Purchase of:

Ounce Gold Contracts (US \$ 225,834)

	-	-	-	23,879,687	-	23,879,687	-	-	-	-	-
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This represents the investment in future gold contracts with settlement date of 28 October 2013 and 26 November 2013.

## 13. INTEREST INCOME

Profit on PLS savings accounts and deposits	373,595	50,885	63,143	469,203	-	956,826	185,585	63,146	45,814	-	294,545
Term Finance Certificates and Sukuk Certificates	-	133,678	-	-	-	133,678	-	206,305	16,651	-	222,956
Pakistan Investment Bonds	-	134,600	-	-	-	134,600	-	528,949	-	-	528,949
Treasury Bills	-	2,649,688	2,388,853	145,476	-	5,184,017	-	1,150,163	1,468,063	-	2,618,226
	373,595	2,968,851	2,451,996	614,679	-	6,409,121	185,585	1,948,563	1,530,528	-	3,664,676

13.1 Mark-up on non-performing securities amounting to Rs.288,782 (2012: Rs.167,398) based on outstanding principal has not been recognised, in accordance with SECP's directives.



## 14. CONTRIBUTION TABLE

	For the Quarter ended 30 September 2013 (Un-audited)									For the Quarter ended 30 September 2012 (Un-audited)						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund		Total	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	15,391	3,903,363	43,524	7,357,448	38,948	6,716,946	11,691	1,173,540	19,151,297	7,450	1,229,455	8,424	1,320,536	10,450	1,678,734	4,228,725
Employers	15,625	3,938,776	16,529	2,791,170	6,872	1,183,190	596	62,073	7,975,209	19,052	3,122,605	15,724	2,462,246	11,221	1,804,500	7,389,351
Transfer from other Pension Fund Managers	-	-	-	-	-	-	-	-	-	519	87,595	1,114	175,190	11,983	1,927,089	2,189,874
	<u>31,016</u>	<u>7,842,139</u>	<u>60,053</u>	<u>10,148,618</u>	<u>45,820</u>	<u>7,900,136</u>	<u>12,287</u>	<u>1,235,613</u>	<u>27,126,506</u>	<u>27,021</u>	<u>4,439,655</u>	<u>25,262</u>	<u>3,957,972</u>	<u>33,654</u>	<u>5,410,323</u>	<u>13,807,950</u>

## 15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager and directors and executives of the Pension Fund Manager.

The transactions with connected persons are in the normal course of business, carried out at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

The outstanding balances of connected persons / related parties are disclosed in the respective notes to the financial statements.

### 15.1 Details of transactions with related parties during the period are as follows:

	For the Quarter ended 30 September 2013 (Un-audited)						For the Quarter ended 30 September 2012 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----										
Atlas Asset Management Limited (Pension Fund Manager)											
Remuneration for the period	465,551	488,951	411,623	118,323	-	1,484,448	248,888	230,450	198,607	-	677,945
Sindh sales tax on remuneration of the Pension Fund Manager	86,406	90,749	76,397	21,961	-	275,513	39,822	36,872	31,777	-	108,471
Federal Excise Duty on remuneration of the Pension Fund Manager	74,488	78,232	65,860	18,932	-	237,512	-	-	-	-	-
Remuneration paid	455,133	472,686	400,976	82,656	-	1,411,451	236,466	224,900	192,606	-	653,972
Front-end fee	-	-	-	-	19,025	19,025	-	-	-	25,082	-
Central Depository Company of Pakistan Limited (Trustee)											
Trustee fee	46,562	48,897	41,160	11,836	-	148,455	27,751	25,717	22,152	-	75,620
Trustee fee paid	45,524	47,267	40,097	8,264	-	141,152	27,306	25,988	22,266	-	75,560
Settlement charges	4,514	1,500	1,500	-	-	7,514	2,979	1,500	1,500	-	5,979

# Atlas Pension Fund

## 15.1 Details of transaction with related parties during the period are as follows: (Continued...)

	For the Quarter ended 30 September 2013 (Un-audited)					For the Quarter ended 30 September 2012 (Un-audited)					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----					
Key management personnel											
Contributions	1,990,246	503,492	21,565	2,157	-	2,517,460	1,887,793	492,270	81,288	-	2,461,351
Contributions (Number of units)	7,919	2,975	126	21	-	11,041	11,557	3,151	510	-	15,218
Re-allocation	47,308	3,884	(110,086)	58,894	-	-	-	-	-	-	-
Re-allocation (Number of units)	184	23	(637)	565	-	135	-	-	-	-	-
Payment from Income Payment Plan	-	-	147,123	-	-	147,123	-	-	-	-	-
Payment from Income Payment Plan (Units)	-	-	852	-	-	852	-	-	-	-	-

## 15.2 Details of balances with related parties as at the period end are as follows:

	30 September 2013 (Un-audited)					30 June 2012 (Audited)						
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----						
Atlas Asset Management Limited (Pension Fund Manager)												
Investment at period / year end	40,997,020	28,233,280	28,819,260	30,417,000	-	128,466,560	38,623,220	27,805,000	28,351,140	30,015,000	-	124,794,360
Units held (Number of units)	166,000	166,000	166,000	300,000	-	798,000	166,000	166,000	166,000	300,000	-	798,000
Key management personnel												
Investment at period / year end	17,403,862	7,618,572	8,852,637	59,407	-	33,934,478	14,510,851	7,000,780	8,941,744	-	-	30,453,375
Units held (Number of units)	70,470	44,794	50,992	586	-	166,842	62,367	41,796	52,355	-	-	156,518

## 16. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan.
- 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), as per the method of valuation agreed with the Trustees of the Fund under the Rules. The MUFAP calculates these prices in accordance with the methodology specified by the SECP. The methodology in case of currently traded securities, is based on weighted average prices during the 15 days preceding the valuation date and in case of thinly or non-traded securities, on the basis of discount coupon method which takes into consideration credit risk and maturities of the instruments.
- 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.

## 17. GENERAL

17.1 Figures have been rounded off to the nearest Rupee.

17.2 As the APF - GSF was launched for public subscription with effect from 16 July 2013, there are no comparative figures to report for the quarter ended 30 September 2012.

17.3 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

# Atlas Pension Fund

## 18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 24 October 2013.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

## Atlas Pension Islamic Fund

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### Corporate Information

#### Trustee

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

#### Shariah Advisor

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Muhammad Yahya Asim

#### Auditors

---

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

#### Legal Advisers

---

Bawaney & Partners

#### Bankers

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Al-Baraka Bank (Pakistan) Limited  
Askari Commercial Bank Limited - Islamic Banking  
Bank Al-Habib Limited - Islamic Banking  
Faysal Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking

# Atlas Pension Islamic Fund

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 30 SEPTEMBER 2013

Note	30 September 2013 (Un-audited)					30 June 2013 (Audited)				
	Equity	Debt	Money	Others	Total	Equity	Debt	Money	Others	Total
	Sub-Fund	Sub-Fund	Market			Sub-Fund	Sub-Fund	Market		
Rupees					Rupees					
<b>ASSETS</b>										
Bank balances	30,682,078	4,039,915	7,192,414	160,702	42,075,109	13,986,017	11,968,341	9,235,181	106,356	35,295,895
Receivable against sale of investments	-	-	-	-	-	2,039,037	-	-	-	2,039,037
Investments - net	113,408,600	124,626,600	96,723,600	-	334,758,800	119,151,130	117,520,070	91,661,450	-	328,332,650
Dividend receivable	2,171,500	-	-	-	2,171,500	96,250	-	-	-	96,250
Mark up accrued	172,039	3,069,619	2,131,057	-	5,372,715	98,724	1,148,117	1,069,556	-	2,316,397
Security deposit and other receivables	113,266	113,267	113,267	-	339,800	113,266	113,267	113,267	-	339,800
<b>Total assets</b>	<b>146,547,483</b>	<b>131,849,401</b>	<b>106,160,338</b>	<b>160,702</b>	<b>384,717,924</b>	<b>135,484,424</b>	<b>130,749,795</b>	<b>102,079,454</b>	<b>106,356</b>	<b>368,420,029</b>
<b>LIABILITIES</b>										
Payable against purchase of investments	1,115,104	-	-	-	1,115,104	-	-	-	-	-
Payable against redemption of units	-	-	86,593	-	86,593	-	-	56,588	-	56,588
Payable to the Pension Fund Manager	181,397	159,719	128,408	17,355	486,879	169,377	154,168	120,863	17,980	462,388
Payable to the Central Depository Company of Pakistan Limited - Trustee	19,140	16,670	13,539	-	49,349	19,941	15,916	12,587	-	48,444
Payable to the Securities and Exchange Commission of Pakistan	12,232	10,828	8,644	-	31,704	32,545	33,215	27,186	-	92,946
Payable to the auditors	51,621	50,252	48,121	-	149,994	39,666	39,667	39,667	-	119,000
Accrued expenses and other liabilities	1,959,896	654,417	570,437	143,347	3,328,097	1,754,121	522,128	465,917	88,376	2,830,542
<b>Total liabilities</b>	<b>3,339,390</b>	<b>891,886</b>	<b>855,742</b>	<b>160,702</b>	<b>5,247,720</b>	<b>2,015,650</b>	<b>765,094</b>	<b>722,808</b>	<b>106,356</b>	<b>3,609,908</b>
<b>NET ASSETS</b>	<b>143,208,093</b>	<b>130,957,515</b>	<b>105,304,596</b>	<b>-</b>	<b>379,470,204</b>	<b>133,468,774</b>	<b>129,984,701</b>	<b>101,356,646</b>	<b>-</b>	<b>364,810,121</b>
Represented by:										
PARTICIPANTS' SUB-FUND (as per statement attached)	143,208,093	130,957,515	105,304,596	-	379,470,204	133,468,774	129,984,701	101,356,646	-	364,810,121
Number of units in issue	430,986	827,445	630,259			414,342	835,691	616,925		
Net asset value per unit (Rupees)	332.28	158.27	167.08			322.12	155.54	164.29		
Contingencies and commitments										

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

# First Quarter Report 2013-14

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Note	For the Quarter Ended 30 September 2013 (Un-audited)				For the Quarter Ended 30 September 2012 (Un-audited)			
	Equity	Debt	Money	Total	Equity	Debt	Money	Total
	Sub-Fund	Sub-Fund	Market		Sub-Fund	Sub-Fund	Market	
	-----Rupees-----				-----Rupees-----			
<b>INCOME</b>								
Mark-up income	460,215	2,826,742	2,184,689	5,471,646	169,185	1,835,274	1,353,235	3,357,694
Dividend income	3,051,555	-	-	3,051,555	1,403,472	-	-	1,403,472
Net gain on sale of investments at fair value through profit or loss	2,865,636	-	-	2,865,636	1,878,987	-	-	1,878,987
Net unrealised diminution / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1,372,403)	-	-	(1,372,403)	6,362,749	-	-	6,362,749
	1,493,233	-	-	1,493,233	8,241,736	-	-	8,241,736
	5,005,003	2,826,742	2,184,689	10,016,434	9,814,393	1,835,274	1,353,235	13,002,902
<b>EXPENSES</b>								
Remuneration of the Pension Fund Manager	550,435	487,228	389,153	1,426,816	281,161	285,251	231,011	797,423
Sindh Sales Tax on Remuneration of the Pension Fund Manager	102,161	90,430	72,227	264,818	44,986	45,640	36,962	127,588
Federal Excise Duty on Remuneration of the Pension Fund Manager	88,070	77,957	62,264	228,291	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	55,037	48,723	38,909	142,669	28,334	28,750	23,275	80,359
Annual fee to the Securities and Exchange Commission of Pakistan	12,232	10,828	8,644	31,704	6,242	6,341	5,131	17,714
Bank charges	391	1,591	1,656	3,638	1,324	2,832	2,484	6,640
Auditors' remuneration	11,955	10,585	8,454	30,994	8,830	8,830	8,830	26,490
Securities' transaction cost and settlement charges	32,245	2,675	2,500	37,420	40,228	1,500	2,075	43,803
Provision for Workers' Welfare Fund	83,050	41,935	32,018	157,003	188,066	29,123	20,869	238,058
	935,576	771,952	615,825	2,323,353	599,171	408,267	330,637	1,338,075
Net income for the period	4,069,427	2,054,790	1,568,864	7,693,081	9,215,222	1,427,007	1,022,598	11,664,827
Earnings per unit	9.44	2.48	2.49		25.32	2.33	2.19	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Shamshad Nabi  
Director

# Atlas Pension Islamic Fund

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2013

	For the Quarter Ended 30 September 2013 (Un-audited)				For the Quarter Ended 30 September 2012 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Net income for the period	4,069,427	2,054,790	1,568,864	7,693,081	9,215,222	1,427,007	1,022,598	11,664,827
Income that may be re-classified subsequently to Income Statement								
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	-	186,030	162,604	348,634	-	647,938	375,770	1,023,708
<b>Total comprehensive income for the period</b>	<b>4,069,427</b>	<b>2,240,820</b>	<b>1,731,468</b>	<b>8,041,715</b>	<b>9,215,222</b>	<b>2,074,945</b>	<b>1,398,368</b>	<b>12,688,535</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**



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## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2013

For the Quarter Ended 30 September 2013 (Un-audited)

For the Quarter Ended 30 September 2012 (Un-audited)

Note	For the Quarter Ended 30 September 2013 (Un-audited)					For the Quarter Ended 30 September 2012 (Un-audited)				
	Equity	Debt	Money	Others	Total	Equity	Debt	Money	Others	Total
	Sub-Fund	Sub-Fund	Market			Sub-Fund	Sub-Fund	Market		
Rupees										
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
	4,069,427	2,054,790	1,568,864	-	7,693,081	9,215,222	1,427,007	1,022,598	-	11,664,827
Net income for the period										
Adjustments for:										
Mark up income	(460,215)	(2,826,742)	(2,184,689)	-	(5,471,646)	(169,185)	(2,111,274)	(1,625,735)	-	(3,906,194)
Dividend income	(3,051,555)	-	-	-	(3,051,555)	(1,403,472)	-	-	-	(1,403,472)
Net gain on sale of investments at 'fair value through profit or loss'	(2,865,636)	-	-	-	(2,865,636)	(1,878,987)	-	-	-	(1,878,987)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,372,403	-	-	-	1,372,403	(6,362,749)	-	-	-	(6,362,749)
Provision for Workers' Welfare Fund	83,050	41,935	32,018	-	157,003	188,066	29,123	20,869	-	238,058
	(852,526)	(730,017)	(583,807)	-	(2,166,350)	(411,105)	(655,144)	(582,268)	-	(1,648,517)
(Increase) / decrease in assets										
Receivable against sale of investments	2,039,037	-	-	-	2,039,037	-	-	-	-	-
Increase / (decrease) in liabilities										
Payable against purchase of investments	1,115,104	-	-	-	1,115,104	(5,875,275)	-	-	-	(5,875,275)
Payable against redemption of units	-	-	30,005	-	30,005	-	-	40,565	-	40,565
Payable to the Pension Fund Manager	12,020	5,551	7,545	(625)	24,491	20,194	19,998	19,596	15,598	75,386
Payable to the Central Depository Company of Pakistan Limited - Trustee	(801)	754	952	-	905	1,424	1,401	1,489	-	4,314
Payable to the Securities and Exchange Commission of Pakistan	(20,313)	(22,387)	(18,542)	-	(61,242)	(11,820)	(12,809)	(9,841)	-	(34,470)
Payable to the auditors	11,955	10,585	8,454	-	30,994	(29,668)	(29,668)	(29,668)	-	(89,004)
Accrued expenses and other liabilities	122,725	90,354	72,501	54,971	340,551	17,076	3,200	3,710	57,511	81,497
	1,240,690	84,857	100,915	54,346	1,480,808	(5,878,069)	(17,878)	25,851	73,109	(5,796,987)
Mark up received	386,900	910,800	1,130,072	-	2,427,772	164,938	1,091,336	2,120,969	-	3,377,243
Dividend received	976,305	-	-	-	976,305	627,222	-	-	-	627,222
Investments made during the period	(19,586,038)	(8,927,060)	(6,907,429)	-	(35,420,527)	(24,838,599)	(36,907,500)	(24,300,000)	-	(86,046,099)
Investments sold / matured during the period	26,821,801	2,001,000	2,001,000	-	30,823,801	16,785,610	20,325,000	32,175,000	-	69,285,610
	8,598,968	(6,015,260)	(3,776,357)	-	(1,192,649)	(7,260,829)	(15,491,164)	9,995,969	-	(12,756,024)
Net cash generated from / (used in) operating activities	11,026,169	(6,660,420)	(4,259,249)	54,346	160,846	(13,550,003)	(16,164,186)	9,439,552	73,109	(20,201,528)

# Atlas Pension Islamic Fund

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued...)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Note	For the Quarter Ended 30 September 2013 (Un-audited)					For the Quarter Ended 30 September 2012 (Un-audited)					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
-----Rupees-----											
Net cash generated from / (used in) operating activities	b/f	11,026,169	(6,660,420)	(4,259,249)	54,346	160,846	(13,550,003)	(16,164,186)	9,439,552	73,109	(20,201,528)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts on issue of units		9,646,283	10,722,221	11,632,309	-	32,000,813	17,659,870	22,754,240	20,210,032	-	60,624,142
Payment on redemptions of units		(3,976,391)	(11,990,227)	(9,415,827)	-	(25,382,445)	(5,356,026)	(2,996,588)	(2,091,484)	-	(10,444,098)
Net cash generated from / (used in) financing activities		5,669,892	(1,268,006)	2,216,482	-	6,618,368	12,303,844	19,757,652	18,118,548	-	50,180,044
Net increase / (decrease) in cash and cash equivalents		16,696,061	(7,928,426)	(2,042,767)	54,346	6,779,214	(1,246,159)	3,593,466	27,558,100	73,109	29,978,516
Cash and cash equivalents at the beginning of the period		13,986,017	11,968,341	9,235,181	106,356	35,295,895	9,441,691	3,561,463	3,164,374	57,344	16,224,872
Cash and cash equivalents at the end of the period	4	30,682,078	4,039,915	7,192,414	160,702	42,075,109	8,195,532	7,154,929	30,722,474	130,453	46,203,388

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

# First Quarter Report 2013-14

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2013

Note	For the Quarter Ended 30 September 2013 (Un-audited)				For the Quarter Ended 30 September 2012 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Net assets at the beginning of the period	133,468,774	129,984,701	101,356,646	364,810,121	67,789,480	69,152,493	53,715,887	190,657,860
Amount received on issue of units	9,646,283	10,722,221	11,632,309	32,000,813	17,659,870	22,754,240	20,210,032	60,624,142
Amount paid on redemptions of units - Directly by participants	(3,976,391)	(11,990,227)	(9,415,827)	(25,382,445)	(5,356,026)	(2,996,588)	(2,091,484)	(10,444,098)
Net income for the period	1,203,791	2,054,790	1,568,864	4,827,445	7,336,235	1,427,007	1,022,598	9,785,840
Net gain on sale of investments at 'fair value through profit or loss'	2,865,636	-	-	2,865,636	1,878,987	-	-	1,878,987
Other comprehensive income for the period	-	186,030	162,604	348,634	-	647,938	375,770	1,023,708
Total comprehensive income for the period	4,069,427	2,240,820	1,731,468	8,041,715	9,215,222	2,074,945	1,398,368	12,688,535
Net assets at the end of the period	143,208,093	130,957,515	105,304,596	379,470,204	89,308,546	90,985,090	73,232,803	253,526,439

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

# Atlas Pension Islamic Fund

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2013

### 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Atlas Pension Islamic Fund (APIF) was established under a Trust deed executed between Atlas Asset Management Limited as Pension Fund Manager and Central Depository Company Pakistan Limited as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 24 July 2007 and was executed on 31 August 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). The Offering Document has been amended through the First Supplement dated 18 December 2008, and the Second Supplement dated 28 March 2011 and the Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013, with the approval of the SECP. The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the VPS rules through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at Ground Floor, Federation House, Shahra-e-Firdousi, Clifton, Karachi.

1.2 The objective of Atlas Pension Islamic Fund (APIF) is to provide individuals with a portable, individualized, funded (based on defined contribution) and flexible pension scheme assisting and facilitating them to plan and provide for their retirement. The Fund operates under an umbrella structure and is composed of Sub-Funds, each being a collective investment scheme.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

1.3 At present the Fund consists of the following three Sub-Funds:

APIF - Equity Sub-Fund (APIF - ESF)

The objective of APIF - ESF is to achieve long term capital growth. APIF - ESF invests primarily in equity securities (as approved by the Shariah Advisor) with a minimum investment of 90% of its net asset value in listed shares.

APIF - Debt Sub-Fund (APIF - DSF)

APIF - DSF invests primarily in tradable debt securities (as approved by the Shariah Advisor) with the weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years.

APIF - Money Market Sub-Fund (APIF - MMSF)

APIF - MMSF invests primarily in short term debt securities (as approved by the Shariah Advisor) with the time to maturity of the assets is upto one year, and the time to maturity of Shariah Compliant Government securities such as Government of Pakistan Ijarah Sukuks is upto three years.

1.4 The Sub-Funds' units are issued against contributions by the eligible participants on a continuous basis since 06 November 2007, and can be redeemed by surrendering them to the Fund.

The participants of the Fund voluntarily determine the contribution amount subject to the minimum limit fixed by the Pension Fund Manager. Such contributions received from the participants are allocated among different Sub-Funds, in accordance with their respective preferences and in line with the prescribed allocation policy. The units held by the participants in the Sub-Funds can be redeemed on or before their retirement, and in case of disability or death subject to conditions laid down in the Trust Deed, Offering Document, the VPS Rules and the Income Tax Ordinance, 2001. According to the Trust Deed, there shall be no distribution from the Sub-Funds, and all income earned by the Sub-Funds shall be accumulated and retained in the Fund.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the VPS Rules and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the VPS rules or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the VPS Rules or the requirements of the said directives prevail.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2013.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2013.

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 2013.

# First Quarter Report 2013-14

## 4. BANK BALANCES AND TERM DEPOSIT RECEIPTS

		30 September 2013 (Un-audited)					30 June 2013 (Audited)				
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (Note 4.1)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others (Note 4.1)	Total	
-----Rupees-----											
Current accounts	-	-	-	32,660	32,660	-	-	-	33,456	33,456	
Savings accounts	4.2	30,682,078	4,039,915	7,192,414	128,042	42,042,449	13,986,017	11,968,341	9,235,181	72,900	35,262,439
		<u>30,682,078</u>	<u>4,039,915</u>	<u>7,192,414</u>	<u>160,702</u>	<u>42,075,109</u>	<u>13,986,017</u>	<u>11,968,341</u>	<u>9,235,181</u>	<u>106,356</u>	<u>35,295,895</u>

4.1 These represent collection and redemption accounts maintained by the Fund. The expected rate of return on savings account is 6.00% per annum (30 June 2013: 6.00% per annum)

4.2 The accounts carry expected rates ranging from 6.00% to 8.65% per annum (30 June 2013: 6% to 8.90% per annum)

## 5. INVESTMENTS - NET

		30 September 2013 (Un-audited)					30 June 2013 (Audited)				
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
-----Rupees-----											
At fair value through profit or loss held-for-trading											
Equity securities - listed	5.1	113,408,600	-	-	-	113,408,600	119,151,130	-	-	-	119,151,130
Available-for-sale											
Sukuk certificates - unlisted	5.2	-	-	-	-	-	-	-	-	-	
Government of Pakistan - Ijarah Sukuks	5.3	-	124,626,600	96,723,600	-	221,350,200	-	117,520,070	91,661,450	-	209,181,520
		<u>113,408,600</u>	<u>124,626,600</u>	<u>96,723,600</u>	<u>-</u>	<u>334,758,800</u>	<u>119,151,130</u>	<u>117,520,070</u>	<u>91,661,450</u>	<u>-</u>	<u>328,332,650</u>

# Atlas Pension Islamic Fund

## 5.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	Balance as at 30 September 2013						Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of investee company	
	As at 1 July 2013	Purchases during the period	Bonus during the period	Sales during the period	As at 30 September 2013	Cost			Market Value
	Number of shares					Rupees			
All holdings are in shares of Rs. 10/- each as otherwise stated.									
Oil & Gas									
National Refinery Limited	-	20,000	-	5,000	15,000	3,624,885	3,100,500	2.17	0.02
Oil & Gas Development Company Limited	54,000	2,000	-	2,000	54,000	10,642,051	12,691,080	8.86	-
Pakistan Oilfields Limited	24,000	8,000	-	3,000	29,000	11,864,418	12,433,170	8.68	0.01
Pakistan Petroleum Limited	30,000	10,300	7,200	2,500	45,000	8,315,297	8,577,000	5.99	-
Pakistan State Oil Company Limited	35,000	2,000	-	5,000	32,000	6,346,484	8,387,200	5.85	0.02
	143,000	42,300	7,200	17,500	175,000	40,793,135	45,188,950	31.55	
Chemicals									
Fauji Fertilizer Bin Qasim Limited	75,000	-	-	75,000	-	-	-	-	-
Fauji Fertilizer Company Limited	90,000	20,000	-	-	110,000	12,329,130	11,150,700	7.79	0.01
ICI Pakistan Limited	30,000	-	-	5,000	25,000	4,466,322	4,452,250	3.11	0.02
	195,000	20,000	-	80,000	135,000	16,795,452	15,602,950	10.90	
Construction and Materials (Cement)									
D.G.Khan Cement Limited	100,000	15,000	-	35,000	80,000	4,363,707	5,509,600	3.85	0.02
Lucky Cement Limited	35,000	5,000	-	20,000	20,000	3,072,518	4,625,800	3.23	0.01
	135,000	20,000	-	55,000	100,000	7,436,225	10,135,400	7.08	
General Industries									
Packages Limited	15,000	-	-	5,000	10,000	2,280,650	2,551,000	1.78	0.01
Thal Limited (face value Rs.5/- per share)	5,000	-	-	5,000	-	-	-	-	-
	20,000	-	-	10,000	10,000	2,280,650	2,551,000	1.78	

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## 5.1 Listed equity securities - at fair value through profit or loss (Continued...)

Name of the investee company	As at 1 July 2013	Purchases during the period	Bonus during the period	Sales during the period	As at 30 September 2013	Balance as at 30 September 2013		Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of investee company
						Cost	Market Value		
-----Number of shares-----						-----Rupees-----			
All holdings are in shares of Rs. 10/- each as otherwise stated.									
Food Producers									
Engro Foods Limited	20,000	7,500	-	10,000	17,500	1,759,985	1,779,575	1.24	-
Personal Goods (Textile)									
Nishat Mills Limited	100,000	7,500	-	20,000	87,500	6,613,704	8,108,625	5.66	0.02
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	100,000	-	-	100,000	-	-	-	-	-
Electricity									
The Hub Power Company Limited	195,000	25,000	-	10,000	210,000	9,662,866	13,383,300	9.35	0.02
Multiutilities (Gas and water)									
Sui Northern Gas Pipelines Limited	160,000	-	-	-	160,000	3,525,850	3,299,200	2.30	0.03
Commercial Banks									
Meezan Bank Limited	360,000	-	-	-	360,000	8,255,134	13,359,600	9.33	0.04
	<u>1,428,000</u>	<u>122,300</u>	<u>7,200</u>	<u>302,500</u>	<u>1,255,000</u>	<u>97,123,001</u>	<u>113,408,600</u>	<u>79.19</u>	

# Atlas Pension Islamic Fund

## 5.2 Unlisted Sukuk certificates - Available for sale

5.2.1	Debt Sub-Fund	Note	Status					Balance as at 30 September 2013		Market value as a % of Net assets of the Sub Fund	Market value as a % of total issue size
				As at 1 July 2013	Purchased during the period	Sales / Maturity during the period	As at 30 September 2013	Carrying value	Market value		
				-----Number of certificates-----				-----Rupees-----			
	Chemicals										
	Agritech Limited	5.2.2	Unlisted	740	-	-	740	-	-	-	-
	Agritech Limited IV	5.2.2	Unlisted	107	-	-	107	-	-	-	-

5.2.2 These securities have been classified as non-performing as per the requirements of SECP's Circular 1 of 2009 read with SECP's Circular 33 of 2012 and accordingly an aggregate provision of Rs.4,235,000 (30 June 2012: Rs.4,235,000), has been made in accordance with provisioning requirements specified by the SECP. During the year ended 30 June 2012, the Debt Sub-Fund entered into a restructuring agreement with Agritech Limited (the Company) whereby all overdue profit receivable on Sukuk Certificates held by the Debt Sub-Fund was converted into zero coupon Term Finance Certificates (TFCs). Accordingly, the Fund holds 107 certificates (having face value of Rs. 5,000 each) of Agritech Limited IV as at 30 September 2013. In this regard, the aggregate provision also includes a provision of Rs.535,000 against these TFCs to fully cover the amount of investment. The details of these non-performing investments are as follows:

Non-compliant investment	Type of Investment	Cost	Provision held	Net carrying value
		-----Rupees-----		
Agritech Limited	Sukuk certificate	3,700,000	3,700,000	-
Agritech Limited IV	Term Finance Certificates	535,000	535,000	-
		<u>4,235,000</u>	<u>4,235,000</u>	

## 5.3 Government of Pakistan - Ijarah Sukuks

5.3.1	Debt Sub-Fund	Note	Face value			Balance as at 30 September 2013		Market value as a % of Net assets of the Sub-Fund	
			As at 1 July 2013	Purchased during the period	Sold / Matured during the period	As at 30 September 2013	Amortised Cost		Market value
				-----Rupees-----					
	Government of Pakistan - Ijarah Sukuks	5.3.2	117,300,000	9,000,000	2,000,000	124,300,000	<u>124,559,515</u>	<u>124,626,600</u>	<u>95.17</u>

5.3.2 The cost of Investment is Rs.124,941,654 (30 June 2013: Rs.117,925,876). These investments carry rate of return ranging from 8.9892% to 9.4291% (30 June 2013: 8.9161% to 9.4291%) per annum with maturity upto 28 June 2015 (30 June 2013: 28 June 2015).



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Note	Face value			Balance as at 30 September 2013			Market value as a % of Net assets of the Sub-Fund
	As at 1 July 2013	Purchased during the period	Sold / Matured during the period	As at 30 September 2013	Amortised Cost	Market value	
	-----Rupees-----						

## 5.3.3 Money Market Sub-Fund

Government of Pakistan - Ijarah Sukuks	5.3.4	91,500,000	7,000,000	2,000,000	96,500,000	96,679,278	96,723,600	91.85
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5.3.4 The cost of investment is Rs.97,052,497 (30 June 2013: Rs.92,047,438). These investments carry rate of return ranging from 8.9892% to 9.4291% (30 June 2013: 8.9161% to 9.4291%) per annum with maturity upto 28 June 2015 (30 June 2013: 28 June 2015).

30 September 2013 (Un-audited)					30 June 2013 (Audited)				
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
-----Rupees-----									

## 6. MARK UP ACCRUED

Income accrued on:

Bank balances	172,039	16,472	31,214	-	219,725	98,724	24,493	21,186	-	144,403
Government of Pakistan - Ijarah Sukuks	-	3,053,147	2,099,843	-	5,152,990	-	1,123,624	1,048,370	-	2,171,994
	172,039	3,069,619	2,131,057	-	5,372,715	98,724	1,148,117	1,069,556	-	2,316,397

## 7. PAYABLE TO THE PENSION FUND MANAGER - Related Party

Pension Fund Manager fee	181,397	159,719	128,408	-	469,524	169,377	154,168	120,863	-	444,408
Front end fee	-	-	-	17,355	17,355	-	-	-	17,980	17,980
	181,397	159,719	128,408	17,355	486,879	169,377	154,168	120,863	17,980	462,388

# Atlas Pension Islamic Fund

Note	30 September 2013 (Un-audited)					30 June 2013 (Audited)					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	
	-----Rupees-----					-----Rupees-----					
<b>8. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (TRUSTEE) - Related Party</b>											
Trustee fee	18,140	15,970	12,839	-	46,949	16,941	15,416	12,087	-	44,444	
Settlement charges	1,000	700	700	-	2,400	3,000	500	500	-	4,000	
	<u>19,140</u>	<u>16,670</u>	<u>13,539</u>	<u>-</u>	<u>49,349</u>	<u>19,941</u>	<u>15,916</u>	<u>12,587</u>	<u>-</u>	<u>48,444</u>	
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>											
Payable to charity	9.1	34,945	-	-	-	34,945	15,605	-	-	-	15,605
Withholding tax payable		-	-	-	43,396	43,396	700	966	933	22,838	25,437
Zakat payable		-	-	-	60,151	60,151	-	-	-	25,738	25,738
Sindh Sales Tax payable on											
Remuneration of the Pension											
Fund Manager - Related party	9.2	45,706	40,413	32,372	-	118,491	29,691	27,051	21,201	-	77,943
Federal Excise Duty payable on											
Remuneration of the Pension											
Fund Manager - Related party	9.3	104,265	92,860	73,910	-	271,035	16,195	14,902	11,646	-	42,743
Provision for Workers' Welfare Fund	9.4	1,774,980	521,144	464,155	-	2,760,279	1,691,930	479,209	432,137	-	2,603,276
Others		-	-	-	39,800	39,800	-	-	-	39,800	39,800
		<u>1,959,896</u>	<u>654,417</u>	<u>570,437</u>	<u>143,347</u>	<u>3,328,097</u>	<u>1,754,121</u>	<u>522,128</u>	<u>465,917</u>	<u>88,376</u>	<u>2,830,542</u>

9.1 According to the Trust Deed of the Fund, where a portion of the Fund's income has been earned from Shariah non-compliant avenues, such portion of income of the Fund is to be purified directly by the Pension Fund Manager of the Fund. The Shariah Advisor of the Fund, has certified an amount of Rs.34,945/- (30 June 2013: Rs.84,533/-) against dividend income, as Shariah non-compliant income, which has accordingly, been marked to charity and netted off against dividend income in these condensed interim financial statements, and will be paid in due course of time.

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- 9.2 During the period, an amount of Rs.264,818 (2012: Rs.127,588) was charged on account of sales tax on remuneration of the Pension Fund Manager levied through Sindh Sales Tax on Services Act, 2011, out of which Rs.146,327 (2012: Rs.81,328) has already been paid to the Pension Fund Manager which acts as a collecting agent.
- 9.3 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 Pension Fund Manager 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 9.2 above, the Pension Fund Manager is of the view that further levy of FED is not justified.

On 4 September 2013, a Constitutional Petition has been filed in Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Hon'ble SHC has issued a stay order against recovery proceedings. The hearing of the petition is in progress.

In view of the pending decision, as a matter of abundant caution, the Pension Fund Manager of the Fund has made a provision for FED in the books of account of the Fund with effect from 13 June 2013, aggregating to Rs.271,035 (30 June 2013: Rs.42,743).

- 9.4 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended 30 June 2010.

During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that Mutual Funds / Pension Funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF, including some of the mutual funds and one of the pension fund managed by the Pension Fund Manager, including the Fund. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds, including the Fund, have been granted stay by the Honourable SHC on the basis of the pending constitutional petition as referred above.

In March 2013, a three member bench of the Sindh High Court in its judgement on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgement was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills. For the CISs and Pension Funds, the issue of chargeability or otherwise of WWF levy to the CISs / Pension Funds is currently pending before the Honorable SHC.

In view of the pending decision, the Pension Fund Manager, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounts to Rs.2,760,279/- as at 30 September 2013 (30 June 2013: Rs.2,603,276). Had the same not been made, the net asset value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Rs.4.12, Re.0.63 and Re.0.74 (30 June 2013: Rs.4.08, Re.0.57 and Re.0.70) per unit respectively.

	For the Quarter Ended 30 September 2013 (Un-audited)				For the Quarter Ended 30 September 2012 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Number of Units in Issue -----				----- Number of Units in Issue -----			
Total units in issue at the beginning of the period	414,342	835,691	616,925	1,866,958	313,613	479,226	350,232	1,143,071
Add: Units issued	28,168	68,311	70,287	166,766	73,465	154,521	129,701	357,687
Less: Units redeemed								
- Directly by participants	(11,524)	(76,557)	(56,953)	(145,034)	(23,113)	(20,458)	(13,399)	(56,970)
Total units in issue at the end of the period	430,986	827,445	630,259	1,888,690	363,965	613,289	466,534	1,443,788

## 10. NUMBER OF UNITS IN ISSUE

# Atlas Pension Islamic Fund

## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2013.

## 12. MARK UP INCOME

Note	For the Quarter Ended 30 September 2013 (Un-audited)				For the Quarter Ended 30 September 2012 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Income on bank balances	460,215	37,594	58,043	555,852	169,185	120,206	193,040	482,431
Income on Sukuk certificates	-	-	-	-	-	53,369	28,737	82,106
Government of Pakistan - Ijarah Sukuks	-	2,789,148	2,126,646	4,915,794	-	1,661,699	1,131,458	2,793,157
	<u>460,215</u>	<u>2,826,742</u>	<u>2,184,689</u>	<u>5,471,646</u>	<u>169,185</u>	<u>1,835,274</u>	<u>1,353,235</u>	<u>3,357,694</u>

12.1 Mark-up on non performing securities amounting to Rs.1,068,485/- (2012: Rs.697,877/-) based on outstanding principal has not been recognized, in accordance with the SECP's directives.

## 13. CONTRIBUTION TABLE

	For the Quarter Ended 30 September 2013 (Un-audited)							For the Quarter Ended 30 September 2012 (Un-audited)						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	7,192	2,479,715	20,091	3,158,971	38,956	6,441,250	12,079,936	54,782	13,167,776	100,342	14,781,832	99,451	15,505,153	43,454,761
Employers	20,976	7,166,568	48,220	7,563,250	31,331	5,191,059	19,920,877	18,683	4,492,094	54,179	7,972,408	30,250	4,704,879	17,169,381
	<u>28,168</u>	<u>9,646,283</u>	<u>68,311</u>	<u>10,722,221</u>	<u>70,287</u>	<u>11,632,309</u>	<u>32,000,813</u>	<u>73,465</u>	<u>17,659,870</u>	<u>154,521</u>	<u>22,754,240</u>	<u>129,701</u>	<u>20,210,032</u>	<u>60,624,142</u>

## 14. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager and directors and executives of the Pension Fund Manager.

The transactions with connected persons are in the normal course of business, carried out at agreed terms.

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

The outstanding balances of connected persons / related parties are disclosed in the respective notes to the condensed interim financial statements.

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

	For the Quarter Ended 30 September 2013 (Un-audited)					For the Quarter Ended 30 September 2012 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----				
<b>Atlas Asset Management Limited (Pension Fund Manager)</b>										
Remuneration	550,435	487,228	389,153	-	1,426,816	281,161	285,251	231,011	-	797,423
Remuneration paid	538,415	481,677	381,608	-	1,401,700	260,967	265,253	211,415	-	737,635
Sindh sales tax on remuneration of the Pension Fund Manager	102,161	90,430	72,227	-	264,818	44,986	45,640	36,962	-	127,588
Federal Excise Duty on remuneration of the Pension Fund Manager	88,070	77,957	62,264	-	228,291	-	-	-	-	-
Front end fee	-	-	-	55,618	55,618	-	-	-	54,621	54,621
<b>Central Depository Company of Pakistan Limited (Trustee)</b>										
Trustee fee	55,037	48,723	38,909	-	142,669	28,334	28,750	23,275	-	80,359
Trustee fee paid	53,838	48,169	38,157	-	140,164	26,910	27,349	21,786	-	76,045
Settlement charges	6,939	4,500	4,500	-	15,939	2,482	1,500	1,500	-	5,482
<b>Key management personnel</b>										
Contributions	147,623	91,929	103,688	-	343,240	341,477	330,524	474,411	-	1,146,412
Contributions (Number of units)	430	585	625	-	1,640	1,413	2,249	3,049	-	6,711
Redemption	647,631	207,847	334,470	-	1,189,948	-	-	-	-	-
Redemption (Number of units)	1,879	1,334	2,025	-	5,238	-	-	-	-	-

# Atlas Pension Islamic Fund

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

	30 September 2013 (Un-audited)					30 June 2013 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	-----Rupees-----					-----Rupees-----				
Atlas Asset Management Limited (Pension Fund Manager)										
Investment at period / year end	55,158,480	26,272,820	27,735,280	-	109,166,580	53,471,920	25,819,640	27,272,140	-	106,563,700
Units held (Number of units)	166,000	166,000	166,000	-	498,000	166,000	166,000	166,000	-	498,000
Key management personnel										
Investment at period / year end	2,184,142	1,961,670	3,631,118	-	7,776,930	2,182,760	1,794,297	3,633,771	-	7,610,828
Units held (Number of units)	6,573	12,394	21,733	-	40,700	6,776	11,536	22,118	-	40,430

## 15. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Investment in Government of Pakistan Ijarah Sukuks are valued on the basis of average rates provided by the brokers as announced on the Reuters page.
- Investment in Sukuk certificates are valued in accordance with the methodology for valuation of debt securities prescribed by the SECP. Under the said directive, investments in sukuk certificates are valued on the basis of traded, thinly traded and non-traded securities. Accordingly, investments in sukuk certificates have been valued at the rates determined and announced by MUFAP based on methodology prescribed in the circulars.
- The fair value of other financial assets and liabilities of the Fund approximate their carrying amount due to short term maturities of these instruments.

## 16. GENERAL

16.1 Figures have been rounded off to the nearest Rupee.

16.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 24 October 2013.

**For Atlas Asset Management Limited  
(Pension Fund Manager)**

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Shamshad Nabi  
Director

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