



Atlas Pension Fund

Atlas Pension Islamic Fund

ANNUAL REPORT

30 June 2014



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

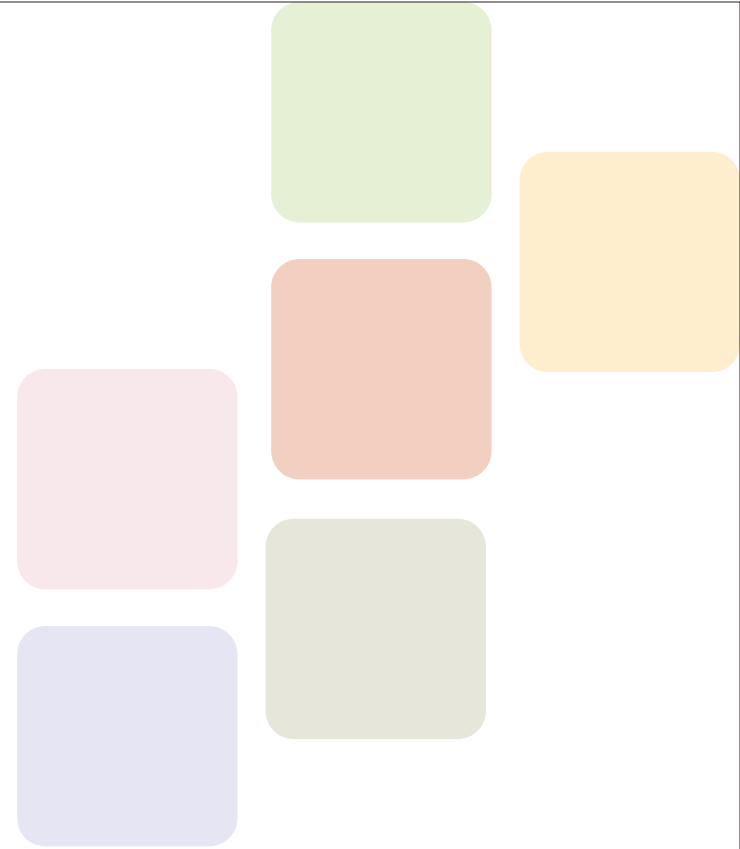
Managed By



Atlas Asset Management

The logo for Atlas Asset Management consists of a stylized blue and red graphic to the left of the company name. The graphic features a red swoosh and several blue lines that form a wing-like or 'A' shape.

Rated AM2- by PACRA



Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20 August 2002 as an unlisted public limited company and is registered with the Securities and Exchange Commission of Pakistan as an asset management company for managing open-ended funds and closed-end funds. AAML is also a licensed pension fund manager to manage voluntary pension funds.

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

AAML strives to be a market leader in providing quality fund management services with customer satisfaction as its aim, and is consistently committed to offering its investors the best possible risk adjusted returns on a diverse range of products, meeting not only the customers' current requirements but also exceeding their future expectations. With its strong emphasis on systems and controls, quality human resource and backing of Atlas Group, AAML enjoys a distinct advantage.

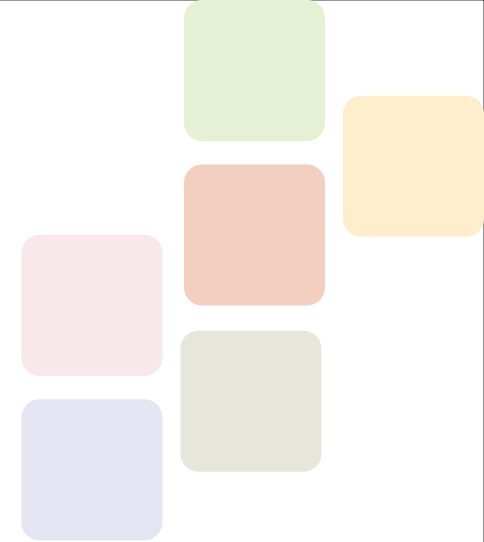


“There are no such things as limits to growth, because there are no limits to the human capacity for intelligence, imagination, and wonder.”

-Ronald Reagan
(Former US President)

Vision

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



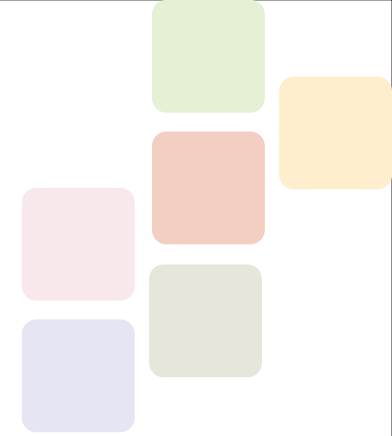
“Wise investing is understanding that meeting personal goals is still more important than beating the market.”

- Martin L. Flanagan
(Chairman-Investment Company Institute)



Mission

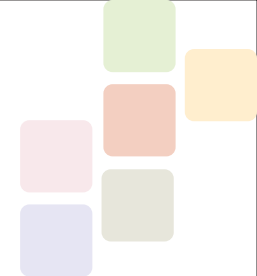
We are committed to offering our investors the best possible risk adjusted returns on a diverse range of products, providing a stimulating and challenging environment for our employees, and committing to the highest ethical and fiduciary standards. We firmly believe that by placing the best interests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



“Mutual funds have historically offered safety and diversification. And they spare you with responsibility of picking individual stocks.”

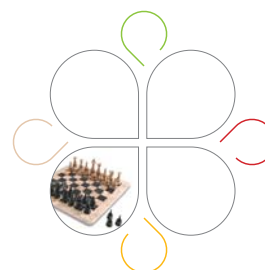
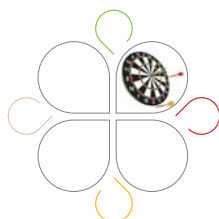
- Ron Chernow
(American Biographical Author)





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Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi (Non-Executive Director)
Directors	Mr. Azam Faruque (Independent Director) Mr. Shamshad Nabi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director) Mr. Arshad P. Rana (Non-Executive Director)
Chief Executive Officer	Mr. M. Habib-ur-Rahman (Executive Director)
Company Secretary	Ms Lilly R. Dossabhoy

Board Committees

Audit Committee

Chairman Members	Mr. Azam Faruque Mr. Shamshad Nabi Mr. Frahim Ali Khan
Secretary	Ms Qurrat-ul-Ain Jafari

Board Evaluation Committee

Chairman Members	Mr. Azam Faruque Mr. Shamshad Nabi Mr. Ali H. Shirazi
Secretary	Mr. M. Habib-ur-Rahman

Human Resource & Remuneration Committee

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

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

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

Risk Management Committee

Chairman Members	Mr. M. Habib-ur-Rahman Mr. Muhammad Abdul Samad Ms Zainab Hussain Mr. Syed Fahad Ali
Secretary	Mr. Wasit Ahmed

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

The above information is as at 25 September 2014.



Board of Directors of the Management Company

Mr. Yusuf H. Shirazi

Chairman

Mr. Yusuf H. Shirazi is a Law graduate (LLB) with BA (Hons.) and JD (Diploma in Journalism) from Punjab University and AMP Harvard. He has served in the financial services of the Central Superior Services of Pakistan for eight years where he authored 50 reports as to how the businesses are carried and tax assessed. He was an instructor in the Finance Services Academy on Law and Accounts. He is the author of seven books including "Aid or Trade" adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on matters - socio - politico - economic.

Mr. Shirazi is the Chairman of Atlas Group, which, among others, has joint ventures with Honda, GS Yuasa and MAN to name a few. Mr. Shirazi has been the President of Karachi Chamber of Commerce and Industry for two terms. He has been the founder Member of Karachi Stock Exchange, Lahore Stock Exchange and International Chamber of Commerce and Industry. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been a visiting faculty member at National Defense University, Navy War College and National School of Public Policy. He has been on the Board of Governors of LUMS, GIK and FC College (Chartered University) and Pakistan Institute of Management. Previously, he also served, among others, on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space & Upper Atmosphere Research Commission (SUPARCO).

Mr. Azam Faruque

Director

Mr. Azam Faruque is a Graduate in Electrical Engineering and Computer Sciences from the Princeton University, USA, and an MBA (High Honours) from the University of Chicago, Booth School of Business, USA. He is the Chief Executive of Cherat Cement Company Limited. He has served as a member on the Boards of the State Bank of Pakistan, National Bank of Pakistan, Oil & Gas Development Company Limited, Privatization Commission of Pakistan, and on the Board of Governors of the GIK Institute. He was also a member, of the National Commission on Science and Technology. Presently, he is on the Board of Directors of Faruque (Pvt.) Limited, Madian Hydro Power Limited, International Industries Limited and Khyber Pakhtunkhwa Oil and Gas Company Limited. He is also a Member of the National Committee of the Aga Khan Foundation.

Mr. Shamshad Nabi

Director

Mr. Shamshad Nabi is a Fellow of the Institute of Chartered Accountants of England & Wales and the Institute of Chartered Accountants of Pakistan. He has also completed his MBA in Finance from the University of Wales in the UK. Mr. Nabi has over 40 years working experience in the UK, Saudi Arabia and Pakistan mostly in asset management and development banking. He has had a long association with the Mutual fund industry in Pakistan, having served the NIT from 1966 to 1980 including the last four years as the NIT's Deputy Managing Director. He was the first Chief Executive Officer of the Mutual Funds Association of Pakistan from August 2007 to July 2012. During his association with the NIT, Mr. Nabi served on the Board of Directors of a large number of listed companies including ICI Pakistan Limited, Siemens Pakistan Limited, former Reckit & Colman of Pakistan Limited, Premier Tobacco Company Limited and Gul Ahmed Textiles Mills Limited besides many others. He has also served on the Board of Directors of the Karachi Stock Exchange. From 1980 until the end of 2002, Mr. Nabi worked for the Islamic Development Bank in Jeddah, Saudi Arabia for almost the entire period in the Grade of Director in the Treasury & Finance Department, Business Development Department and the Trade Finance Department. He has also worked for The Citizens Foundation in an Honorary capacity for four years as Advisor.

Mr. Frahim Ali Khan

Director

Mr. Frahim Ali Khan has over 47 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from the Karachi University in 1965 and also obtained a degree in law from the same University. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management from Stanford University, USA, and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different senior positions. Currently, his other directorships include Atlas Insurance Limited, Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Hi-Tech Limited, Atlas Autos (Pvt.) Limited, Atlas Metals (Pvt.) Limited and Atlas Foundation. Earlier, he has also served on the Boards of Atlas Honda Limited and Atlas Battery Limited, and has been the CEO of Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, and former Atlas Investment Bank Limited.



Board of Directors of the Management Company

Mr. Ali H. Shirazi

Director

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is also on the Boards of Atlas Insurance Limited, Atlas Engineering Limited, Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Techlogix International Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS). He is a Certified Director from the Pakistan Institute of Corporate Governance.

Mr. Arshad P. Rana

Director

Mr. Arshad P. Rana is a graduate from Government College, Lahore; B.S. in Insurance & Economics from Iran and MBA from USA. He is a senior expert in insurance industry and has been affiliated with Atlas Insurance Limited, an associate company of the Atlas Group since 1991; first as General Manager and then as Chief Operating Officer before being appointed as the Chief Executive Officer of the company in March 2004. In his professional career that spans over 35 years, he has worked in Iran, USA and Middle East. Since his appointment to this position, Mr. Rana has been managing the company affairs with a professional approach having the vision to make Atlas Insurance Limited as one of the best performing companies in the market. Under his leadership, Atlas Insurance Limited has won several awards in the financial sector. Mr. Rana has been the Chairman, Insurance Association of Pakistan (IAP), Lahore Regional Committee in 2002-2003 and Vice Chairman, Central Committee (IAP) in the year 2004-2005 prior to becoming the Chairman, Insurance Association of Pakistan in 2005-2006.

Mr. M. Habib-ur-Rahman

Chief Executive Officer

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants of England & Wales and has attended the management level programme (PMD) from Harvard Business School, USA. He has been a founding member and past Chairman / Director of the Mutual Funds Association of Pakistan (MUFAP), and is currently on the Board of Directors of MUFAP. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan. He has been SECP's nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE / LSE.

“The part of ethical living that is supposed to be easy - namely, following simple, familiar rules - turns out not to be so straightforward. Indeed, good choices of any kind are not easy, but we can improve the picture with well-designed moral education, disciplined workplace ethics and more effectively regulated businesses, professions and industries.”

- Dr. Anita Allen

(Author, Professor of Law & Philosophy)



Chairman's Review

It is my pleasure to present to you the Annual Reports of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) for the financial year ended 30 June 2014.

THE ECONOMY

The economy of Pakistan has performed well in FY 2013-14, as inflation remained in single digit; and on the external side remittances showed strong growth. CPI inflation for the FY 2013-14 averaged at 8.62%, slightly up, against 7.36% recorded in FY 2012-13. The SBP increased the policy rate by a cumulative 100 basis points (bps) to 10.0% from 9.0% during FY 2013-14. Single digit inflation allowed the SBP to focus on encouraging private investment expenditures in the economy along with promoting economic growth and price stability. Overseas Pakistanis remitted an amount of US\$15.83 billion during the FY 2013-14, showing a growth of 13.72% compared with US\$13.92 billion received during FY 2012-13.

Exports during FY 2013-14 were US\$25.13 billion, as compared to US\$24.46 billion in FY 2012-13. Imports grew by 0.36% and stood at US\$45.11 billion during FY 2013-14. The current account deficit stood at US\$2.93 billion in FY 2013-14 mainly due to increase in trade deficit. Pakistan's foreign exchange reserve has increased to US\$14.0 billion at the end of June 2014 compared to US\$11 billion at the end of June 2013.

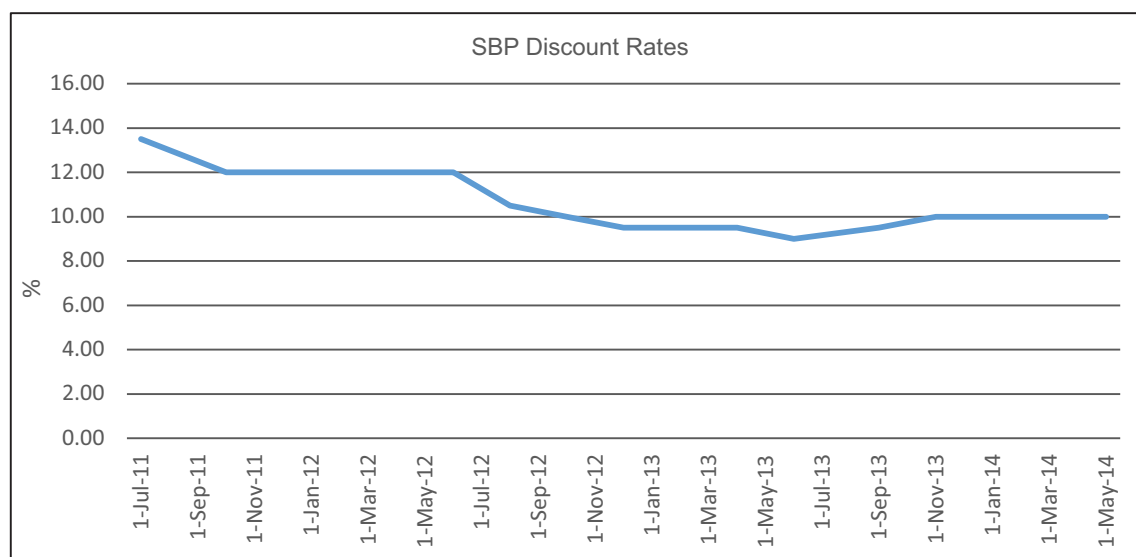
CPI was 8.62% during FY 2013-14, as compared to 7.36% for the previous corresponding year. Inflation during the FY 2013-14 inched up slightly due to food inflation that increased due to shortages witnessed mainly during the first half of the year. Food and non-food inflation averaged at 9.03% and 8.35% respectively in FY 2013-14 against 7.1 % and 7.5% in the same period of last financial year. A growth of 12.53% was witnessed in the M2 (money supply) during FY 2013-14 period, as compared to 15.91% growth during the previous year corresponding period.

Real GDP growth for FY 2013-14 stood at 4.1%, as compared to a growth of 3.7% in the preceding year (at constant prices of FY 2005-06). The Agriculture sector recorded growth of 2.12% against previous year's growth rate of 2.88%. The Large Scale Manufacturing (LSM) recorded a growth of 5.31% against 4.08% last year. Overall, the commodity producing sectors and especially the services sector have performed better. The services sector recorded growth of 4.29% in FY 2013-14.

THE MONEY MARKET

The inflationary trends during FY 2013-14, indicate that inflation moved at slow pace on account of improved supply position of essential items and declining trend in major global commodities prices. The Consumer Price Index (CPI) on average was recorded at 8.62% during FY 2013-14, as compared to 7.36% for the FY 2012-13. The YoY increase in inflation can be attributed to domestic food prices which were the major stimulant to drive the head line inflation on account of demand/supply fundamentals. Tightening of money supply, vigilance by government to monitor prices on regular basis ensured smooth supply of essential items to contain core inflation.

The growth in money supply (M2) remained below the previous level recorded during in 2013-14 as it increased by 12.53% against the expansion of 15.91% in the comparable

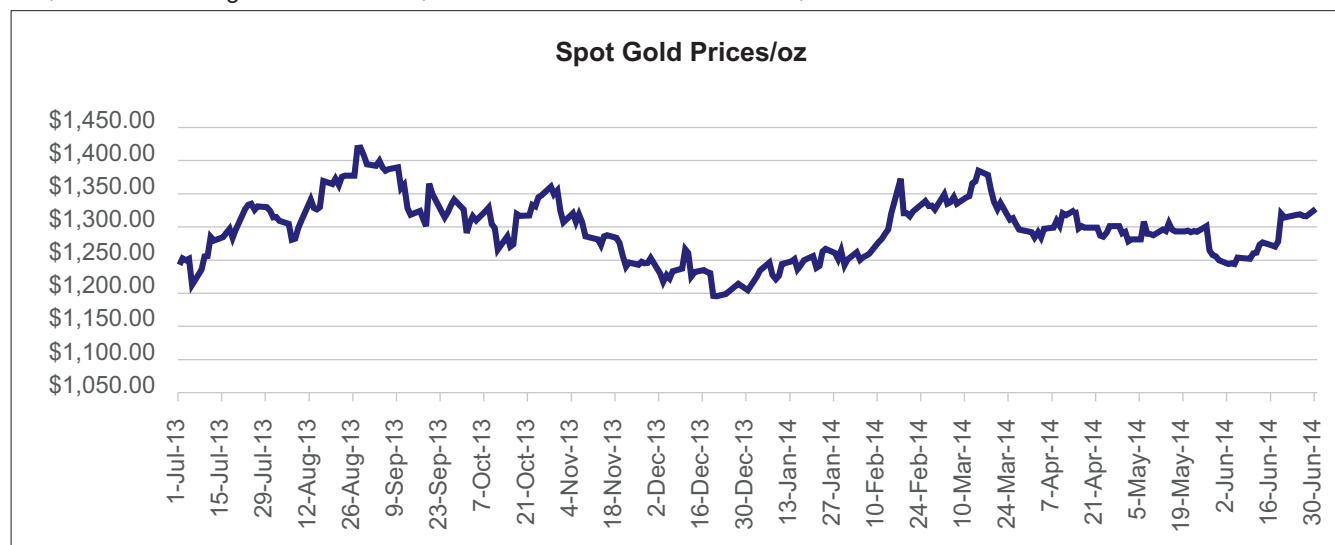


period last year on account of contained net government borrowing in particular for budgetary purpose. Earlier pressure on NFA was largely attributed to decline in foreign exchange reserves on account of debt repayment to IMF since July 2011. Better-than-projected inflows from the issuance of Euro bonds of US\$2 billion and other inflows from multilateral sources helped improve foreign exchange reserves position. The monetary policy is primarily focused on stimulating and sustaining economic growth through containment of inflationary pressures and promoting credit to private sector. During the first half of current fiscal year, SBP reversed its stance from accommodative to tight policy as the rate was increased by cumulative 100 bps to 10%, staggered in two stages of 50 bps each. This policy stance was largely a reflection of expected inflationary pressures in the medium term on account of high growth in monetary aggregates and upward adjustment in administered prices of electricity and gas. During current fiscal year, almost all major economic indicators improved, which in turn ensured revival of confidence in Pakistan's economy. However, due to likely resurgence in inflationary pressures in the remaining months of current fiscal year, SBP adopted a cautious stance by maintaining the policy rate at 10% since 18 November 2013.

THE COMMODITY MARKET

Spot Gold prices/ounce increased from US\$1,192.00 as on 28 June 2013 to US\$1,327.23 as on 30 June 2014, showing a growth of 11.34%. In the month of June 2014 alone the Spot Gold prices/ounce increased by 6.22% as the prices reached US\$1,327.23 from the level of US\$1,249.49, at the start of the month. Prices increased as the U.S. Federal Reserve trimmed its outlook for economic growth and said interest rates will remain low, boosting demand for gold as an alternative investment. U.S. Fed Chairperson said the central bank plans to keep its interest-rate target low for a considerable time after it ends bond-buying. The U.S. Federal Open Market Committee cut asset purchases for the fifth straight time by US\$10 billion to bring it down from US\$85 billion in December 2013 to US\$35 billion in June 2014.

Jewelry demand was well supported during the year. Lower gold prices were the most important factor behind the growth. This decline in the international price was echoed in many markets, with European and Chinese consumers benefiting from a similar lower-price environment. Seasonal effects were particularly notable in China, where the response to the Chinese New Year followed its customary path. Movements within the investment space were more striking: net ETF outflows were 178 tons, a decrease of 18.44% YoY compared with 310 tons of outflows during corresponding period last year.

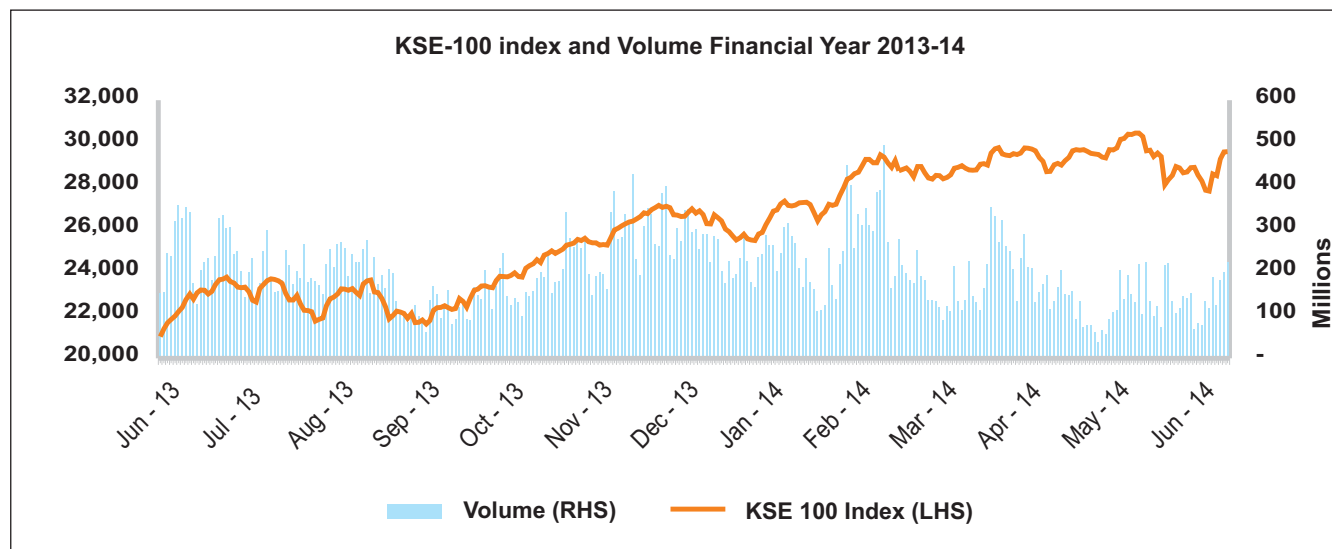


THE STOCK MARKET

The KSE-100 index increased from 21,005.69 points as on 28 June 2013 to 29,652.53 points on 30 June 2014, showing a growth of 41.2%. The average volumes during the year increased by 8% to 216 million shares from 201 million shares traded last year. Net Foreign portfolio investment during the year was recorded at US\$262 million which was a decline of 53% compared to last year, however, major flows were witnessed in the second half of the year, of US\$272 million that helped lift volumes to 238 million shares (during second half) and drove the market up by 15.8% during the said period. Liquidity drove the market in the last two years as surge in volumes were witnessed compared to the preceding two years.



During the year, consumer non-durables sector outperformed the market where scrips such as Pakistan Tobacco, Murree Brewery, Packages, National Foods and Shell Pakistan outpaced the market yielding hefty returns with their price to earnings multiple (PE Multiple) exceeding that of market by a huge margin. Conversely, main stocks were unable to perform in general as witnessed in scrips such as OGDC and HUBCO that yielded 14% and 5% return respectively whereas the benchmark (KSE-100) increased by 41%. The KSE - 30 index yielded 26% return whereas the total market, as depicted by the KSE All Shares index, returned 47% return during the period.



Oil and Gas sector's performance varied, with some scrips performing well while others remained under pressure in anticipation of secondary offering by Government of Pakistan (GOP). Power sector underperformed the market during the period as companies' earnings were reduced due to maintenance carried out by major power sector players. Banking sector witnessed shift of investment portfolio from low yielding T-bills towards high yielding PIBs during 1QCY14 that will help lift Net Interest Margins (NIMs) for the banks. Construction and Material sector performed on earnings growth as cement prices increased by 6% since the start of the year to Rs.520/bag. However the dispatches remained flat increasing by meager 0.65%. Japanese Yen fell at the start of the year that was accompanied by strengthening of Pakistan rupee against US Dollar, resulting in positive impact on car assemblers. Privatization of State owned entities and sale of residual share in listed companies of GOP was initiated during the period where two transactions were successfully executed. GOP raised US\$387 million and US\$140 million from the UBL and PPL transactions.

Moreover, other transactions are in the pipeline that includes the HBL, ABL, State Life Insurance, Pak-Arab Refinery, Mari Petroleum, PIA and distribution companies (FESCO, LESCO, IESCO) transactions that are intended to be finalized by the end of next two years.

The government in its budget announcement reduced corporate tax rate for non-banking companies to 33% from 34% for tax year 2015, while it is envisioned to be brought down by 1% annually to 30%. Whereas, Capital Gain Tax (CGT) rates were increased to 12.5% for securities held upto 12 months and 10% for securities held from 12 to 24 months that was previously 10% for securities held less than six months and 8% for securities held from 6 to 12 months. Moreover, tax on bonus shares will be deducted at the rate of 5%.

TAXATION OF RETIREMENT SCHEMES

In 2011/ 12 and 2012/13 budgets, the Income Tax Ordinance was amended to bring VPS at par with Defined Benefit Schemes. The Mutual Funds Association of Pakistan had advocated (and supported by SECP) that there should be level playing field between these two retirement schemes, i.e., VPS and occupational defined benefit schemes. In 2012/13 the Income Tax Ordinance was amended to allow transfer of balance from Provident Fund (PF) to VPS.



The Taxation structure of retirement schemes is as under:

Stages	VPS	Occupational Defined Benefit Schemes (Pension & Gratuity)	Occupational Defined Contribution Schemes (Provident Fund)
Contribution	Exempt – 20% of taxable income	Exempt – No limit	Exempt – upto Rs.100,000
Investment	Exempt from Income Tax; subjected to Sales Tax and FED on Management Fee and WWF;	Exempt	Exempt
Pre-Retirement withdrawal	Taxed	Not Applicable	Exempt – both contribution and accumulated income
Retirement	Exempt	Exempt	Exempt

There is no doubt that there should be level playing field so far the taxation is concerned among all the retirement schemes. However, the structural deficiencies in the schemes need to be removed. In order to ensure that level playing field, all regulations such as borrowing against the schemes, encumbering the scheme assets to borrow from elsewhere etc., must be same for all schemes. It is proposed that SECP, being regulator of retirement schemes, may take a lead to ensure a vibrant retirement saving sector, where the occupational schemes and VPS will be competing with each other on a level playing field. It is also proposed that the Government should continue with the reforms process initiated in 2008. It is critical that retirement schemes should be promoted to increase the saving to GDP ratio and to participate in national development.

FUND OPERATIONS - ATLAS PENSION FUND (APF)

The Net Asset Value of APF - Equity Sub Fund has increased by 35.30% from Rs.232.67 as on 30 June 2013 to Rs.314.79 as on 30 June 2014. The APF-Equity Sub Fund was mainly invested in Commercial Banks, Oil & Gas, Chemicals and Electricity sectors. The Net Asset Values of APF-Debt Sub Fund, APF-Money Market Sub Fund and APF- Gold Sub Fund appreciated by 7.83%, 7.59% and 5.98% respectively during the period under review. The APF-Debt-Sub Fund was mainly invested in Pakistan Investment Bonds and Treasury Bills whereas APF - Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. The Atlas Pension Fund has also introduced APF-Gold Sub Fund with an option for participants to take exposure in gold/gold future contracts by selecting appropriate allocation scheme. The Net Assets of APF stood at Rs.563.66 million as on 30 June 2014.

The Scheme has maintained provision against Workers' Welfare Fund (WWF) liability of Rs.3,390,207 in these financial statements. 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.3.49, Re.0.65, Re. 0.73 and Re.0.13 per unit respectively. For details please refer to Note 11.1 of the financial statements of the Scheme. The Scheme is providing for FED liability which amounted to (ESF) Rs.348,548 (Re.0.59 per unit), (DSF) Rs.342,401 (Re.0.32 per unit), (MMSF) Rs.269,443 (Re.0.32 per unit) and (GSF) Rs.76,514 (Re.0.24 per unit) as on 30 June 2014.

FUND OPERATIONS - ATLAS PENSION ISLAMIC FUND (APIF)

The Net Asset Value of APIF - Equity Sub Fund has increased by 24.88% from Rs.322.12 as on 30 June 2013 to Rs.402.26 as on 30 June 2014. The APIF- Equity Sub Fund was mainly invested in Oil and Gas, Electricity, Construction & Materials and Chemicals sectors. The Net Asset Values of APIF-Debt Sub Fund and APIF-Money Market Sub Fund have appreciated by 8.04% and 7.67% 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.515.87 million as on 30 June 2014.

The Scheme has maintained provision against Workers' Welfare Fund (WWF) contingent liability of Rs.3,645,104 in these financial statements. Had the same not been made the net asset value of the equity sub-fund, debt sub-fund and money market sub-fund would have been higher by Rs.4.78, Re.0.64 and Re.0.74 per unit respectively. For details please refer to Note 9.2 of the financial statements of the Scheme. The Scheme is providing for FED liability which amounted to (ESF) Rs.401,760 (Re.0.80 per unit), (DSF) Rs.339,434 (Re.0.32 per unit) and (MMSF) Rs.252,803 (Re.0.32 per unit) as on 30 June 2014.



ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained 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.

FUTURE OUTLOOK

The combined effects of fiscal adjustment, prudent monetary policy, energy sector reform, and improved business environment will help strengthen confidence and energize the private sector. Also, improving foreign exchange reserves position, as Pakistan regained access to international debt market and the privatization receipts helped lift reserves, will provide stronger cushion against external vulnerability, thereby easing the downside risks to growth. Continuation of prudent policies and reforms are needed to achieve greater economic stability. Improvement in productivity and competitiveness is a must to further build foreign exchange reserves in the medium term while meeting external obligations.

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

شاہیں کا جہاں اور

(We look forward to beyond horizon)

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan, the Board of Directors, and the Group Executive Committee for their help, support and guidance. I also thank the financial institutions and the participants for their help, support and the confidence reposed in the Fund and the Chief Executive Officer, Mr. M. Habib-ur-Rahman and his management team for their hard work, dedication, and sincerity of purpose.

Karachi: 28 August 2014

Yusuf H. Shirazi
Chairman



Directors' Report

The Board of Directors of Atlas Asset Management Limited, the Pension Fund Manager of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) take pleasure in presenting the Annual Reports of the APF and APIF along with the audited financial statements and Auditors' Report thereon for the year ended 30 June 2014.

FUND SIZE AND OPERATIONS

The Fund sizes, earnings per unit (EPS), and summary of issuance and withdrawal of units of the APF and APIF for the year ended 30 June 2014, in comparison to the year ended 30 June 2013 are as follows:

Atlas Pension Fund (APF)

Particulars	APF – Equity Sub Fund		APF – Debt Sub Fund		APF – Money Market Sub Fund		APF – Gold Sub Fund	
	2014	2013	2014	2013	2014	2013	2014	2013*
Net assets - Rs. million	185.09	110.08	191.62	127.27	153.35	106.23	33.61	30.02
Earnings per unit – Rs.	69.94	73.91	10.48	8.49	10.84	8.81	6.12	0.05
Issuance of units – Rs. million	52.51	43.93	93.17	75.56	50.64	62.35	1.66	30.00*
Redemption of units – Rs. million	18.63	28.08	39.88	13.90	12.53	12.30	0.003	-
Participants' contribution table – disclosure in financial statements	Note 17	Note 15	Note 17	Note 15	Note 17	Note 15	Note 17	Note 15

* Relates to core investment by Pension Fund Manager made on 28 June 2013. The Sub Fund was launched for public subscription in July 2013.

Atlas Pension Islamic Fund (APIF)

Particulars	APIF – Equity Sub Fund		APIF – Debt Sub Fund		APIF – Money Market Sub Fund	
	2014	2013	2014	2013	2014	2013
Net assets – Rs. million	202.13	133.47	175.62	129.98	138.12	101.36
Earnings per unit – Rs.	69.38	95.08	8.69	8.25	9.10	8.46
Issuance of units – Rs. million	59.83	53.78	69.42	83.74	50.40	64.51
Redemption of units – Rs. million	26.03	27.50	34.97	30.04	22.13	22.27
Participants' contribution table – disclosure in financial statements	Note 15	Note 15	Note 15	Note 15	Note 15	Note 15

As per the Trust Deed of the Fund, the income earned by the Sub-Funds shall be accumulated and retained in the Fund.



CHAIRMAN'S REVIEW

The review included in the Annual Report deals inter alia with the performance of the Funds for the year and future prospects. The directors endorse the contents of the review.

STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors states that:

- The financial statements of APF and APIF, prepared by the Pension Fund Manager of the Funds, present fairly their state of affairs, the result of their operations, comprehensive income for the year, cash flows and movement in Participants' Sub-Funds.
- Proper books of account of the APF and APIF have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.
- Key Financial data/ performance table is summarized in notes 21 and 19 to the financial statements of APF and APIF respectively.

CORPORATE GOVERNANCE

The Company strongly believes in following the highest standards of Corporate Governance, ethics, and good business practices, which are an integral part of the Atlas Group Culture. The Code of Conduct of the Company, approved in July 2012, defines the obligations and responsibilities of all - the Board members, the employees, and the Company towards the various stakeholders, each other, and the society as a whole. The Code of Conduct is available on the Company's website.

In February 2014, the Board of Directors of the Company approved the mechanism for the annual evaluation of the Board's performance, as required under the Code of Corporate Governance, and formed a Board Evaluation Committee (BEC) for this purpose. The BEC comprises of both the Independent Directors, Mr. Azam Faruque (Chairman BEC), Mr. Shamshad Nabi (Member BEC), and a representative of the sponsor family, Mr. Ali H. Shirazi (Non-Executive Director). The BEC carried out the initial Board Evaluation Process in May 2014.



CORPORATE SOCIAL RESPONSIBILITIES (CSR) & DONATIONS

As per the CSR / Donations Policy of the Company approved by the Board, each year, the Company makes a contribution of 1% of the Management Company's after tax profit to donations. In addition, the Shariah Compliant Atlas Islamic Stock Fund, Atlas Islamic Income Fund and Atlas Pension Islamic Fund, as per their Constitutive documents, are required to purify their Shariah Non Compliant (Haram) income from the Fund. Such income, in accordance with the certification by the Shariah Advisor of these funds, is also donated to charitable institutions approved by the Shariah Advisor, on quarterly basis.

BOARD OF DIRECTORS OF THE PENSION FUND MANAGER AND COMMITTEES THEREOF

The Board of Directors of the Management Company comprises of one executive and six non-executive directors. There was no casual vacancy during the year.

During the year, six Board Meetings were held and attended as follows:

Serial no.	Name of Director	Status	Meetings attended	Out of total Meetings
1	Mr. Yusuf H. Shirazi	Chairman	6	6
2	Mr. Azam Faruque	Independent Director	4	6
3	Mr. Shamshad Nabi	Independent Director	6	6
4	Mr. Fahim Ali Khan	Non-Executive Director	6	6
5	Mr. Ali H. Shirazi	Non-Executive Director	6*	6
6	Mr. M. Arshad P. Rana	Non-Executive Director	3	6
7	Mr. M. Habib-ur-Rahman	Chief Executive Officer	6	6

* One meeting was attended through teleconference call.

Committees of the Board comprise the Audit Committee, the Board Evaluation Committee, the Human Resource & Remuneration Committee, and the Investment Committee (which includes executive management personnel as required under the NBFC Regulations, 2008). These meetings were attended by the Directors as per the following details:



Audit Committee (AC) - four AC meetings were held during the year, and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Azam Faruque	Independent Director	3
2	Mr. Shamshad Nabi	Independent Director	4
3	Mr. Frahim Ali Khan	Non-Executive Director	4

Board Evaluation Committee (BEC) - one meeting was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Azam Faruque	Independent Director	1
2	Mr. Shamshad Nabi	Independent Director	-
3	Mr. Ali H. Shirazi	Non-Executive Director	1

Human Resource & Remuneration Committee (HR& RC) - one meeting was held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Frahim Ali Khan	Non-Executive Director	1
2	Mr. Ali H. Shirazi	Non-Executive Director	1
3	Mr. M. Habib-ur-Rahman	CEO	1

Investment Committee - 54 meetings were held during the year and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Ali H. Shirazi	Non-Executive Director	22
2	Mr. M. Habib-ur-Rahman	CEO	49
3	Mr. M. Abdul Samad (executive management)	Chief Investment Officer - Member IC	50
4	Mr. Khalid Mahmood (executive management)	Fund Manager - Equity Markets - Member IC	51
5	Mr. M. Umar Khan (executive management)	Fund Manager - Commodities - Member IC	46
6	Mr. Fawad Javaid (executive management)	Fund Manager - Fixed Income - Member IC	48



TRANSACTIONS IN UNITS OF THE FUNDS

The Directors, CEO, CFO/Company Secretary and their spouses and minor children have made no transactions in the Fund's units during the year except as disclosed in notes 18 and 16 to the financial statements - "Transactions with Connected Persons/ Related Parties" of APF and APIF respectively.

AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 25 August 2014, recommended the re-appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, Karachi, being eligible, as auditors of Atlas Pension Fund and Atlas Pension Islamic Fund for the financial year ending 30 June 2015. The Board approved the re-appointments.

ACKNOWLEDGEMENT

The Board of Directors of the Pension Fund Manager thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the Pension Fund Manager and the Trustee, for their dedication and hard work and the participants, for their confidence in the Pension Fund Manager.

For and on behalf of the Board

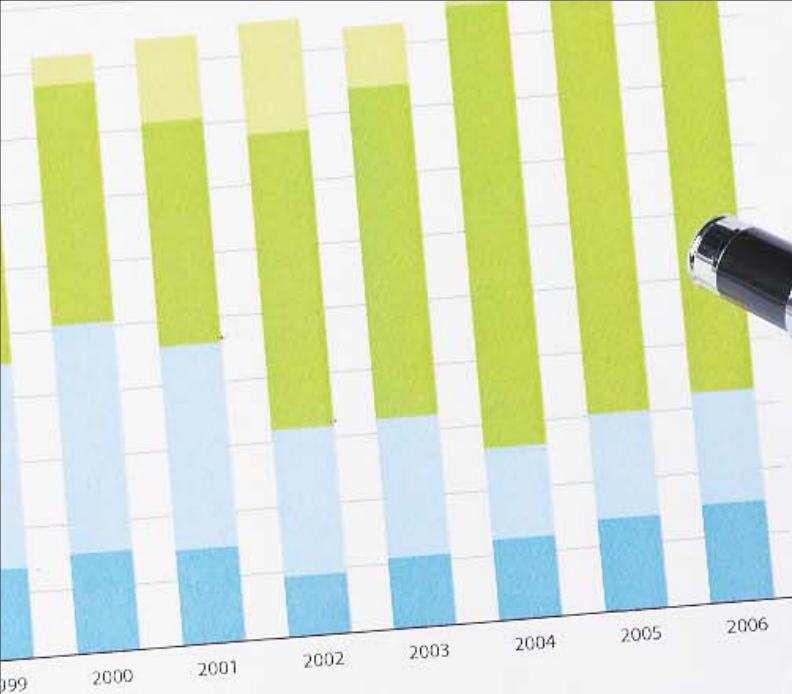
Karachi: 28 August 2014

M. Habib-ur-Rahman
Chief Executive Officer



Atlas Pension Fund Financial Statements





surplus from the previous years)
 source



Atlas Asset Management
 An Atlas Group Company | Rated AM2- by PACRA

Spotlight

Fund Manager Report June 2014

Corporate Information

Trustee

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

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
 Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Bank Alfalah Limited
 Faysal Bank Limited

Fund Manager's Report

The objective of Atlas Pension Fund (APF) is to provide the individuals with a portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and provide for their retirement. Atlas Pension Fund is a one-window facility to invest in diversified portfolio of equity, fixed income and money market securities/instruments and gold / gold futures contracts. The Contributions received from the Participants are allocated among APF-Equity Sub Fund, APF-Debt Sub Fund, APF-Money Market Sub Fund and APF - Gold Sub Fund in accordance with the Allocation Scheme selected by the Participants.

APF's investment strategy is based on the belief that fundamental economic and sector analysis drives long term out performance, and that active portfolio management can produce consistently superior results than those produced through passive management. Fundamental analysis is used to identify overall portfolio, sectors, yield curve and credit positioning to provide sustainable rates of return.

EQUITY MARKET

The KSE-100 index has increased from 21,005.69 points as on 28 June 2013 to 29,652.53 points on 30 June 2014, showing a growth of 41.2%. The average volumes during the year increased by 8% to 216 million shares from 201 million shares traded last year. Net Foreign portfolio investment during the year was recorded at US\$262 million which was a decline of 53% compared to last year, however, major flows were witnessed in the second half of the year of US\$272 million that helped lift volumes to 238 million shares (during second half) and drove the market up by 15.8% during the said period. Liquidity drove the market in the last two years as surge in volumes were witnessed compared to the preceding two years. Top performing sectors during the period were Tobacco, General Industries, Automobile & Parts, Commercial Banks and Construction & Materials.

MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 8.6% during FY 2013-14, as compared to 7.4% for the FY 2012-13. The highest increase was in November 2013 at 10.9% and the lowest was in September 2013 at 7.4%. The inflationary trend in the economy remained subdued during FY 2013-14. The YoY increase in inflation can be attributed to domestic food prices which were the major stimulant to drive the head line inflation on account of demand/supply fundamentals. Tightening of money supply, vigilance by government to monitor prices on regular basis ensured smooth supply of essential items to contain core inflation.

GOLD

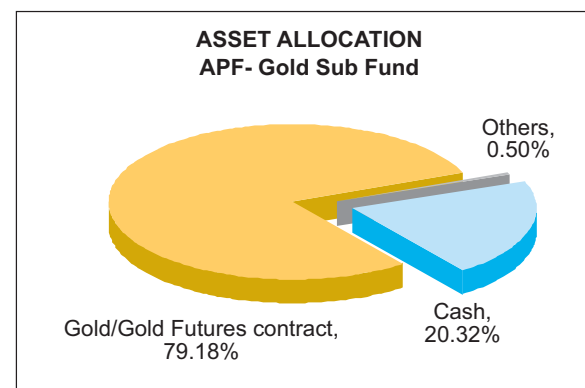
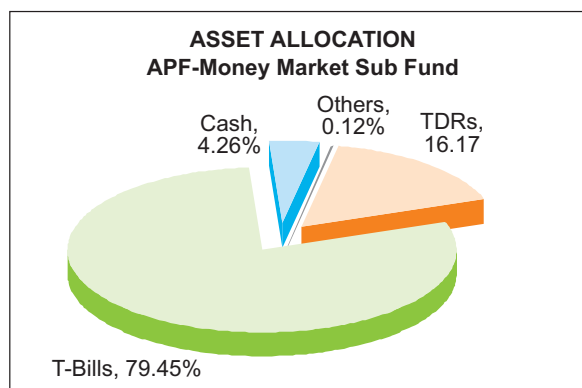
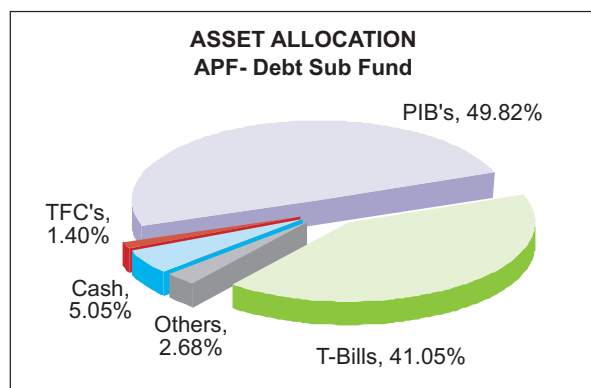
Spot Gold prices/ounce has increased from US\$1,192.00 as on 28 June 2013 to US\$1,327.23 as on 30 June 2014, showing a growth of 11.34%. In the month of June 2014 alone the Spot Gold prices/ounce increased by 6.22% as the prices reached US\$1,327.23 from the level of US\$1,249.49, at the start of the month. Prices increased as the U.S. Federal Reserve trimmed its outlook for economic growth and said interest rates will remain low, boosting demand for gold as an alternative investment. U.S. Fed Chairperson said the central bank plans to keep its interest-rate target low for a considerable time after it ends bond-buying. The U.S. Federal Open Market Committee cut asset purchases for the fifth straight time by US\$10 billion to bring it down from US\$85 billion in December 2013 to US\$35 billion in June 2014. Jewellery demand was well supported during the year. Lower gold prices were the most important factor behind the growth. This decline in the international price was echoed in many markets, with European and Chinese consumers benefiting from a similar lower-price environment. Seasonal effects were particularly notable in China, where the response to the Chinese New Year followed its customary path. Movements within the investment space were more striking: net ETF outflows were 178 tons, a decrease of 18.44% YoY compared with 310 tons of outflows during corresponding period last year.

FUND OPERATIONS

The Net Asset Value of APF-Equity Sub Fund increased by 35.3% from Rs.232.67 as on 30 June 2013 to Rs.314.79 as on 30 June 2014. The APF- Equity Sub Fund was mainly invested in Commercial Banks, Oil & Gas Producers, Chemicals and Electricity sectors. The Net Asset Values of APF - Debt Sub Fund, APF - Money Market Sub Fund and APF- Gold Sub Fund appreciated by 7.83%, 7.59% and 5.98% respectively during the period under review. The APF - Debt- Sub Fund was mainly invested in Pakistan Investment Bonds and Treasury Bills whereas APF - Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. The Atlas Pension Fund has also introduced APF-Gold Sub Fund with an option for participants to take exposure in gold/gold future contracts by selecting appropriate allocation scheme. The Net Assets of APF stood at Rs.563.66 million as on 30 June 2014.

The Scheme has maintained provision against Workers' Welfare Fund (WWF) liability of Rs.3,390,207 in these financial statements. 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.3.49, Re.0.65, Re.0.73 and Re. 0.13 per unit respectively. For details please refer to Note 11.1 of the financial statements of the Scheme.





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, the Pension Fund Manager is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution, the Scheme is providing for FED liability which amounted to (ESF) Rs.348,548 (Re.0.59 per unit), (DSF) Rs.342,401 (Re.0.32 per unit), (MMSF) Rs.269,443 (Re.0.32 per unit), (GSF) Rs.76,514 (Re.0.24 per unit) as on 30 June 2014.

ALLOCATION SCHEMES

The Pension Fund Manager is offering six allocation schemes including Lifecycle and Customized options. The selection of Allocation Scheme will allow the participant to have a focused investment strategy in accordance with his /her risk profile. The performance of various Allocation Schemes offered under Atlas Pension Fund is as under:

Allocation Schemes	Proportionate Investment in			Return
	Equity	Debt	Money Market	FY 2013-14
High Volatility	80%	20%	Nil	29.81%
Medium Volatility	50%	40%	10%	21.54%
Low Volatility	25%	60%	15%	14.66%
Lower Volatility	Nil	60%	40%	7.73%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return (%)				
	FY -10	FY -11	FY -12	FY -13	FY -14
High Volatility	18.36%	25.71%	15.41%	43.68%	29.81%
Medium Volatility	14.90%	19.80%	13.46%	30.44%	21.54%
Low Volatility	11.99%	14.84%	11.83%	19.42%	14.66%
Lower Volatility	9.19%	10.11%	10.24%	8.34%	7.73%

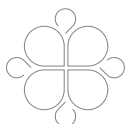
During the year under review, the Investment Committee held fifty four meetings to review investment of the Fund and the Risk Committee held twenty three meetings to review risk management.

Fawad Javaid
Fund Manager - Fixed Income

M. Umar Khan
Fund Manager - Commodity

Khalid Mahmood
Fund Manager - Equity

Karachi: 28 August 2014



TRUSTEE REPORT TO THE PARTICIPANTS

Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Pension Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: September 11, 2014

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited



INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF THE ATLAS PENSION FUND

We have audited the annexed financial statements comprising:

- i) Statement of assets and liabilities;
- ii) Income statement;
- iii) Statement of comprehensive income
- iv) Cash flow statement; and
- v) Statement of movement in participants' fund

of **Atlas Pension Fund** (the Fund) as at 30 June 2014 together with the notes forming part thereof.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the International Accounting Standards notified under sub-section (3) of section 234 of the Companies Ordinance, 1984, and technical releases issued by Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pensions System Rules, 2005 (the VPS Rules) and the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the accounts prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the VPS Rules including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund at the end of the year and of the transactions of the Fund for the year then ended in accordance with the approved accounting standards as applicable in Pakistan;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the VPS Rules;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund and the accounts prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit; and
- g) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

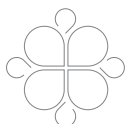
Other matter

The financial statements of the Fund for the year ended 30 June 2013 were audited by another firm of chartered accountants whose audit report, dated 17 September 2013 expressed an unmodified opinion on those statements.

Karachi: 28 August 2014

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Arslan Khalid
Audit Engagement Partner



STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2014

		2014						2013					
		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
Note		Rupees						Rupees					
ASSETS													
Bank balances	4	20,628,108	9,747,511	31,581,420	24,763,532	5,500,298	92,220,869	7,307,769	9,047,614	3,899,202	30,005,000	407,477	50,667,062
Receivable against sale of investments		2,557,860	-	-	-	-	2,557,860	-	-	-	-	-	-
Investments - net	5	174,574,790	178,120,457	122,808,389	-	-	475,503,636	104,035,195	118,444,610	102,942,911	-	-	325,422,716
Financial assets at fair value through profit or loss	6				1,135,275		1,135,275						
Dividend receivable		121,875	-	-	-	-	121,875	78,750	-	-	-	-	78,750
Interest accrued	7	107,350	5,071,131	82,724	169,928	-	5,431,133	78,312	409,752	28,561	21,579	-	538,204
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts					7,739,820		7,739,820	-	-	-	-	-	-
Security deposit and other receivables	8	890,834	103,333	103,333	-	-	1,097,500	103,334	103,333	103,333	-	-	310,000
Total assets		198,880,817	193,042,432	154,575,866	33,808,555	5,500,298	585,807,968	111,603,360	128,005,309	106,974,007	30,026,579	407,477	377,016,732
LIABILITIES													
Payable against redemption of units		-	-	78,592	-	100,379	178,971	-	-	78,437	-	88,823	167,260
Payable against purchase of investments		10,991,030	-	-	-	-	10,991,030	36,908	-	-	-	-	36,908
Payable to the Pension Fund Manager	9	642,376	622,409	449,684	135,246	7,635	1,857,350	184,493	185,431	161,704	9,978	14,189	555,795
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	22,021	23,798	18,230	4,007	-	68,056	16,014	15,057	13,202	369	-	44,642
Payable to the Securities and Exchange Commission of Pakistan		46,479	48,597	40,694	10,542	-	146,312	27,348	27,074	23,742	81	-	78,245
Payable to the auditors		39,030	40,799	34,208	8,923	-	122,960	39,585	39,585	39,585	245	-	119,000
Accrued expenses and other liabilities	11	2,051,799	690,205	608,380	39,823	5,392,284	8,782,491	1,214,192	464,901	425,187	318	304,465	2,409,063
Total liabilities		13,792,735	1,425,808	1,229,788	198,541	5,500,298	22,147,170	1,518,540	732,048	741,857	10,991	407,477	3,410,913
NET ASSETS		185,088,082	191,616,624	153,346,078	33,610,014	-	563,660,798	110,084,820	127,273,261	106,232,150	30,015,588	-	373,605,819
Represented by:													
PARTICIPANTS' SUB-FUNDS		185,088,082	191,616,624	153,346,078	33,610,014	-	563,660,798	110,084,820	127,273,261	106,232,150	30,015,588	-	373,605,819
(as per statement attached)													
Number of units in issue	12	587,970	1,060,921	834,533	316,368			473,144	759,831	622,020	300,000		
Net asset value per unit		314.79	180.61	183.75	106.24			232.67	167.50	170.79	100.05		
Contingencies and commitments	13												

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

						For the period from 28 June 2013 to 30 June 2013					
2014						2013					
Rupees						Rupees					
	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	
INCOME											
Interest income	1,187,920	14,406,381	11,658,935	2,723,790	29,977,026	568,717	8,288,649	6,959,611	21,579	15,838,556	
Dividend income	8,323,230	-	-	-	8,323,230	5,812,289	-	-	-	5,812,289	
Capital gain on sale of investments at fair value through income statement - net	17,981,303	-	-	-	17,981,303	14,438,214	-	-	-	14,438,214	
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	17,925,680	-	-	-	17,925,680	16,776,710	-	-	-	16,776,710	
	35,906,983	-	-	-	35,906,983	31,214,924	-	-	-	31,214,924	
Realised loss on gold contracts	-	-	-	(1,009,464)	(1,009,464)	-	-	-	-	-	
Gain/(loss) on sale/maturity of 'available for sale investments' - net	-	26,121	8,396	-	34,517	-	(41,911)	101,337	-	59,426	
Net unrealised gain on future contracts of gold	-	-	-	1,135,275	1,135,275	-	-	-	-	-	
	45,418,133	14,432,502	11,667,331	2,849,601	74,367,567	37,595,930	8,246,738	7,060,948	21,579	52,925,195	
EXPENDITURE											
Remuneration of Pension Fund Manager	2,091,360	2,050,879	1,606,622	474,515	6,223,376	1,230,680	1,218,560	1,068,095	3,699	3,521,034	
Sindh sales tax on remuneration of the Pension Fund Manager	388,156	380,643	298,189	88,070	1,155,058	199,138	197,251	172,876	687	569,952	
Federal Excise Duty on remuneration of the Pension Fund Manager	334,618	328,141	257,060	75,922	995,741	13,930	14,260	12,383	592	41,165	
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	209,156	218,758	183,088	47,443	658,445	126,619	125,210	109,724	369	361,922	
Annual fee - Securities and Exchange Commission of Pakistan	46,479	48,597	40,694	10,542	146,312	27,348	27,074	23,742	81	78,245	
Auditor's remuneration	36,741	38,510	31,919	8,923	116,093	38,416	38,416	38,417	245	115,494	
Securities' transaction cost and settlement charges	327,668	13,683	10,092	159,529	510,972	238,333	6,393	7,533	-	252,259	
Legal and professional charges	-	-	-	-	-	21,534	21,534	21,532	-	64,600	
Bank charges	23,590	9,503	6,873	9,396	49,362	15,783	15,884	14,351	-	46,018	
Provision for Workers' Welfare Fund	839,207	226,876	184,656	39,505	1,290,244	713,683	131,643	111,846	318	957,490	
	4,296,975	3,315,590	2,619,193	913,845	11,145,603	2,625,464	1,796,225	1,580,499	5,991	6,008,179	
Net income for the year / period	41,121,158	11,116,912	9,048,138	1,935,756	63,221,964	34,970,466	6,450,513	5,480,449	15,588	46,917,016	
Earnings per unit	69.94	10.48	10.84	6.12		73.91	8.49	8.81	0.05		

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

		For the period from 28 June 2013 to 30 June 2013				
		2014				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
		Rupees				
Net income for the year / period		41,121,158	11,116,912	9,048,138	1,935,756	63,221,964
Income that may be re-classified subsequently to Income Statement						
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	16	-	(59,972)	(43,253)	-	(103,225)
Total comprehensive income for the year / period		41,121,158	11,056,940	9,004,885	1,935,756	63,118,739

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

For the
period from
28 June
2013 to 30
June 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the year / period

Adjustments for:

Interest income

Dividend income

Gain on sale of investments at fair value through
income statement - net

Realised loss on gold contracts

Capital Gain on sale / maturity of available for sale
investments - net

Net unrealised appreciation on re-measurement of
investments classified as 'financial assets at fair
value through profit or loss'

Net unrealised gain on future contracts of gold

Provision for Workers' Welfare Fund

Decrease/ (increase) in assets

Receivable against sale of investments

Margin deposits with Pakistan Mercantile Exchange

Limited against future contracts

Security deposits and other receivables

(Decrease) / increase in liabilities

Payable against redemption of units

Payable against purchase of investments

Payable to the Pension Fund Manager

Payable to Central Depository Company
of Pakistan Limited - Trustee

Payable to the Securities and Exchange
Commission of Pakistan

Payable to the auditors

Accrued expenses and other liabilities

Interest received

Dividend received

Investments made during the year

Investments sold / matured during the year

Net cash (used in) / generated from operating
activities (carried forward)

2014						2013					
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					
41,121,158	11,116,912	9,048,138	1,935,756	-	63,221,964	34,970,466	6,450,513	5,480,449	15,588	-	46,917,016
(1,187,920)	(14,406,381)	(11,658,935)	(2,723,790)	-	(29,977,026)	(568,717)	(8,288,649)	(6,959,611)	(21,579)	-	(15,838,556)
(8,323,230)	-	-	-	-	(8,323,230)	(5,812,289)	-	-	-	-	(5,812,289)
(17,981,303)	-	-	-	-	(17,981,303)	(14,438,214)	-	-	-	-	(14,438,214)
-	-	-	1,009,464	-	1,009,464	-	-	-	-	-	-
-	(26,121)	(8,396)	-	-	(34,517)	-	41,911	(101,337)	-	-	(59,426)
(17,925,680)	-	-	-	-	(17,925,680)	(16,776,710)	-	-	-	-	(16,776,710)
-	-	-	(1,135,275)	-	(1,135,275)	-	-	-	-	-	-
839,207	226,876	184,656	39,505	-	1,290,244	713,683	131,643	111,846	318	-	957,490
(3,457,768)	(3,088,714)	(2,434,537)	(874,340)	-	(9,855,359)	(1,911,781)	(1,664,582)	(1,468,653)	(5,673)	-	(5,050,689)
(2,557,860)	-	-	-	-	(2,557,860)	2,130,827	-	-	-	-	2,130,827
-	-	-	(7,739,820)	-	(7,739,820)	-	-	-	-	-	-
(787,500)	-	-	-	-	(787,500)	-	-	-	-	-	-
(3,345,360)	-	-	(7,739,820)	-	(11,085,180)	2,130,827	-	-	-	-	2,130,827
-	-	155	-	11,556	11,711	-	-	72,341	-	1,218	73,559
10,954,122	-	-	-	-	10,954,122	(2,201,351)	-	-	-	-	(2,201,351)
457,883	436,978	287,980	125,268	(6,554)	1,301,555	100,801	103,399	90,619	9,978	4,429	309,226
6,007	8,741	5,028	3,638	-	23,414	6,522	6,038	5,316	369	-	18,245
19,131	21,523	16,952	10,461	-	68,067	11,839	10,904	9,462	81	-	32,286
(555)	1,214	(5,377)	8,678	-	3,960	(82)	(82)	(81)	245	-	-
(1,600)	(1,572)	(1,463)	-	5,087,819	5,083,184	1,600	1,572	1,463	-	291,728	296,363
11,434,988	466,884	303,275	148,045	5,092,821	17,446,013	(2,080,671)	121,831	179,120	10,673	297,375	(1,471,672)
1,158,882	9,745,002	11,604,772	2,575,441	-	25,084,097	541,121	8,736,635	6,977,114	-	-	16,254,870
8,280,105	-	-	-	-	8,280,105	5,778,539	-	-	-	-	5,778,539
(173,091,694)	(702,257,469)	(641,701,851)	(177,000,000)	-	(1,694,051,014)	(121,355,980)	(245,487,609)	(348,350,214)	-	-	(715,193,803)
138,459,082	642,547,771	621,801,516	175,990,536	-	1,578,798,905	103,102,856	181,057,313	292,697,303	-	-	576,857,472
(25,193,625)	(49,964,696)	(8,295,563)	1,565,977	-	(81,887,907)	(11,933,464)	(55,693,661)	(48,675,797)	-	-	(116,302,922)
(20,561,765)	(52,586,526)	(10,426,825)	(6,900,138)	5,092,821	(85,382,433)	(13,795,089)	(57,236,412)	(49,965,330)	5,000	297,375	(120,694,456)



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

							For the period from 28 June 2013 to 30 June 2013					
-----2014-----							-----2013-----					
	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
Note	-----Rupees-----						-----Rupees-----					
Net cash (used in) / generated from operating activities (brought forward)	(20,561,765)	(52,586,526)	(10,426,825)	(6,900,138)	5,092,821	(85,382,433)	(13,795,089)	(57,236,412)	(49,965,330)	5,000	297,375	(120,694,456)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts on issue of units												
- Directly by participants	52,512,152	93,169,242	50,640,576	1,661,730	-	197,983,700	43,845,075	74,697,801	59,553,884	-	-	178,096,760
- Transfer from other Pension Fund Manager	-	-	-	-	-	-	87,595	861,284	2,796,710	-	-	3,745,589
- Core investment by Pension Fund Manager	-	-	-	-	-	-	-	-	-	30,000,000	-	30,000,000
	52,512,152	93,169,242	50,640,576	1,661,730	-	197,983,700	43,932,670	75,559,085	62,350,594	30,000,000	-	211,842,349
Payment on redemptions of units												
- Directly by participants	(18,630,048)	(39,882,819)	(12,531,533)	(3,060)	-	(71,047,460)	(20,962,754)	(8,587,686)	(7,078,857)	-	-	(36,629,297)
- Transfer to other Pension Fund	-	-	-	-	-	-	(652,949)	(683,099)	(502,633)	-	-	(1,838,681)
- Directly by Pension Fund Manager	-	-	-	-	-	-	(6,461,610)	(4,631,923)	(4,722,702)	-	-	(15,816,235)
	(18,630,048)	(39,882,819)	(12,531,533)	(3,060)	-	(71,047,460)	(28,077,313)	(13,902,708)	(12,304,192)	-	-	(54,284,213)
Net cash generated from financing activities	33,882,104	53,286,423	38,109,043	1,658,670	-	126,936,240	15,855,357	61,656,377	50,046,402	30,000,000	-	157,558,136
Net increase / (decrease) in cash and cash equivalents	13,320,339	699,897	27,682,218	(5,241,468)	5,092,821	41,553,807	2,060,268	4,419,965	81,072	30,005,000	297,375	36,863,680
Cash and cash equivalents at the beginning of the year / 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 year / period	20,628,108	9,747,511	31,581,420	24,763,532	5,500,298	92,220,869	7,307,769	9,047,614	3,899,202	30,005,000	407,477	50,667,062

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2014

For the
period from
28 June 2013
to 30 June
2013

2014						2013					
	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	
Note	Rupees					Rupees					
Net assets at the beginning of the year / 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	52,512,152	93,169,242	50,640,576	1,661,730	197,983,700	43,845,075	74,697,801	59,553,884	-	178,096,760	18
- Transfer from other Pension Fund Manager	-	-	-	-	-	87,595	861,284	2,796,710	-	3,745,589	
- Core investment by Pension Fund Manager	-	-	-	-	-	-	-	-	30,000,000	30,000,000	
	52,512,152	93,169,242	50,640,576	1,661,730	197,983,700	43,932,670	75,559,085	62,350,594	30,000,000	211,842,349	
Redemption of units											
- Directly by participants	(18,630,048)	(39,882,819)	(12,531,533)	(3,060)	(71,047,460)	(20,962,754)	(8,587,686)	(7,078,857)	-	(36,629,297)	
- Transfer to other Pension Fund	-	-	-	-	-	(652,949)	(683,099)	(502,633)	-	(1,838,681)	
- Directly by Pension Fund Manager	-	-	-	-	-	(6,461,610)	(4,631,923)	(4,722,702)	-	(15,816,235)	
	(18,630,048)	(39,882,819)	(12,531,533)	(3,060)	(71,047,460)	(28,077,313)	(13,902,708)	(12,304,192)	-	(54,284,213)	
Net income for the year / period	23,139,855	11,090,791	9,039,742	1,935,756	45,206,144	20,532,252	6,492,424	5,379,112	15,588	32,419,376	
Gain on sale of investments at fair value through income statement - net	17,981,303	-	-	-	17,981,303	14,438,214	-	-	-	14,438,214	
Gain on sale / maturity of available for sale investments - net	-	26,121	8,396	-	34,517	-	(41,911)	101,337	-	59,426	
Other comprehensive (loss) / income for the year / period	-	(59,972)	(43,253)	-	(103,225)	-	3,950	(26,302)	-	(22,352)	
Total comprehensive income for the year / period	41,121,158	11,056,940	9,004,885	1,935,756	63,118,739	34,970,466	6,454,463	5,454,147	15,588	46,894,664	
Net assets at the end of the year / period	185,088,082	191,616,624	153,346,078	33,610,014	563,660,798	110,084,820	127,273,261	106,232,150	30,015,588	373,605,819	

The annexed notes 1 to 23 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 Supplemental 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 Limited.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

- 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 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 Voluntary Pension System Rules, 2005 (VPS Rules) and the directives issued by the Securities and the Exchange Commission of Pakistan (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, 2005 or the requirements of the said directives prevail.

2.2 Amendments and improvements applicable to the financial statements for the year ended 30 June 2014

The following amendments and improvements to approved accounting standards have been published and are mandatory for the Fund current accounting period:

- IFRS 7 – Financial Instruments : Disclosures – (Amendments)
 - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities
- IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information
- IAS 32 – Financial Instruments: Presentation – Tax Effects of Distribution to Holders of Equity Instruments

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

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

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

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	01 January 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting – (Amendment)	01 January 2014



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2014 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

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

Standard	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 10 – Consolidated Financial Statements	01 January 2013
IFRS 11 – Joint Arrangements	01 January 2013
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2013
IFRS 13 – Fair Value Measurement	01 January 2013
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2017

2.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Fund's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgement was exercised in application of accounting policies principally relate to classification and valuation of investments (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term deposits having original maturity of 3 months or less.

3.2 Financial assets

3.2.1 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.

c) Available for sale

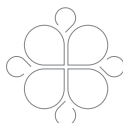
Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which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

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the 'income statement'.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as 'at fair value through profit or loss' and 'available for sale' are valued as follows:

a) Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced on the Reuters page.

b) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of quoted market price available at the stock exchanges.

c) Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In the determination of rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Net gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in the fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gains or losses previously recognised directly in the 'statement of comprehensive income' are transferred to the 'income statement'.

Subsequent to initial recognition financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest rate method.

Gains or losses are also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the 'income statement' is reclassified from 'statement of comprehensive income' to 'income statement'.

Provision for non-performing debt securities is made on the basis of criteria prescribed by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under the directives of the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Pension Fund Manager on its website.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value of estimated future cash out flows, discounted at the original effective interest rate.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'statement of assets and liabilities' only when there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.3 Derivatives

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.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.5 Provisions

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

3.6 Taxation

The income of the Fund is exempt from income tax under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

3.7 Issue, allocation, reallocation and redemption of units

Contributions received from the participants is allocated to the Sub-Funds on the basis of the allocation scheme selected by each participant out of the allocation schemes offered by the Pension Fund Manager. The Net Asset Value (NAV) per unit of each Sub-Fund is determined at the close of each business day, according to the procedure outlined in the VPS Rules and is applicable for allocation of units in each Sub-Fund for all the contribution amounts realised and credited in collection account of the Fund during the business hours on that business day. Any contributions credited in collection account of the Fund after business hours on any dealing day shall be deemed to be received on the following dealing day and shall be allocated to the units of each Sub-Fund on the NAV per unit determined at the close of that dealing day.

The Pension Fund Manager makes reallocation of the units between the Sub-Funds at least once a year to ensure that the allocations of the units of all the participants are according to the allocation scheme selected by the participants.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.7 Issue, allocation, reallocation and redemption of units (Continued...)

All Sub-Funds' units are automatically redeemed on the close of the dealing day at which the retirement date falls or death of a participant has been confirmed. The participant may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made on the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of Zakat and withholding taxes, as applicable.

In case of partial withdrawals, units are redeemed on a pro rata basis by ensuring that the remaining units are in accordance with the allocation scheme last selected by the Participant.

Proceeds received / paid on issuance / redemptions of units are reflected in the Participant's Sub-Fund. The Voluntary Pension System Rules, 2005 specify that distribution of dividend shall not be allowed for pension funds and return to unit holders is, therefore, only possible through redemption of units which is based on Net Asset Value (NAV). Hence, the management believes that creation of income equalisation mechanism through separate recording of "element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" is not required. The accounting policy followed by the Fund does not have any impact on the NAV per unit of the Fund.

3.8 Net Asset Value (NAV) per unit

The NAV per unit of each Sub-Fund as disclosed in the 'statement of assets and liabilities' is calculated by dividing the net assets of each Sub-Fund by the number of units in issue at the end of the reporting period.

3.9 Earnings per unit

Earnings per unit are calculated by dividing the net income for the year by the number of units in issue at the end of the reporting period as in the opinion of the management determination of weighted average number of units for calculating EPU is not practicable.

3.10 Revenue recognition

- Capital gains / losses arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- Interest income on bank balances and term deposit receipts is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.
- Income from government securities is recognised on an accrual basis.
- Income from term finance certificates and sukuk certificates is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account as per the directives of the SECP.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4. BANK BALANCES

		2014						2013					
		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
Note		Rupees						Rupees					
In current account		-	-	-	-	7,742	7,742	-	-	-	-	14,775	14,775
In savings accounts	4.2	20,628,108	9,747,511	6,581,420	24,763,532	5,492,556	67,213,127	7,307,769	9,047,614	3,899,202	30,005,000	392,702	50,652,287
In term deposit account	4.3	-	-	25,000,000	-	-	25,000,000	-	-	-	-	-	-
		20,628,108	9,747,511	31,581,420	24,763,532	5,500,298	92,220,869	7,307,769	9,047,614	3,899,202	30,005,000	407,477	50,667,062

4.1 These represent collection and redemption accounts maintained by the Fund. The rate of return on savings account is 9.20% per annum (2013: 8.75% per annum).

4.2 These carry interest at the rates ranging from 6.50% to 9.20% per annum (2013: 6% to 8.75% per annum).

4.3 This carries interest at the rates 10.50% per annum (2013 : Nil) and will mature by 24 July 2014.

5. INVESTMENTS - NET

		2014					2013				
		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
Note		Rupees					Rupees				
At fair value through profit or loss - held for trading											
Equity securities - listed	5.1	174,574,790	-	-	-	174,574,790	104,035,195	-	-	-	104,035,195
Available for sale											
Treasury Bills	5.2	-	79,246,112	122,808,389	-	202,054,501	-	108,418,513	102,942,911	-	211,361,424
Term Finance Certificates	5.3	-	2,703,198	-	-	2,703,198	-	4,837,172	-	-	4,837,172
Sukuk Certificates	5.4	-	-	-	-	-	-	-	-	-	-
Pakistan Investment Bonds	5.6	-	96,171,147	-	-	96,171,147	-	5,188,925	-	-	5,188,925
		-	178,120,457	122,808,389	-	300,928,846	-	118,444,610	102,942,911	-	221,387,521
		174,574,790	178,120,457	122,808,389	-	475,503,636	104,035,195	118,444,610	102,942,911	-	325,422,716



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

Name of the investee company	Balance as at 30 June 2014								Market value as a % of paid-up capital of the investee company
	As at 1 July 2013	Purchases during the year	Bonus shares/ Specie Dividend during the year	Sales during the year	As at 30 June 2014	Cost	Market value	Market value as a % of net assets of the Sub-Fund	
Number of shares					Rupees				
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
Oil and Gas									
Attock Petroleum Limited	-	20,000	-	20,000	-	-	-	-	-
National Refinery Limited	-	11,000	-	11,000	-	-	-	-	-
Oil & Gas Development Company Limited	46,500	14,000	-	15,500	45,000	9,493,453	11,757,600	6.35	0.0010
Pakistan Oilfields Limited	21,000	8,000	-	14,000	15,000	6,545,988	8,614,500	4.65	0.0063
Pakistan Petroleum Limited	27,000	32,300	6,200	13,000	52,500	9,772,913	11,777,850	6.36	0.0027
Pakistan State Oil Company Limited	18,000	19,500	1,900	14,400	25,000	6,068,960	9,721,250	5.26	0.0092
	112,500	104,800	8,100	87,900	137,500	31,881,314	41,871,200	22.62	
Chemicals									
Dawood Hercules Corporation Limited	-	15,000	-	15,000	-	-	-	-	-
Engro Corporation Limited	55,000	30,000	-	55,000	30,000	5,615,496	5,355,300	2.89	0.0058
Engro Fertilizers Limited (Note 5.1.1)	-	98,500	1,500	50,000	50,000	2,938,040	2,857,500	1.54	0.0039
Fatima Fertilizer Company Limited	25,000	225,000	-	150,000	100,000	2,929,998	2,900,000	1.57	0.0048
Fauji Fertilizer Bin Qasim Limited	50,000	100,000	-	50,000	100,000	3,945,640	3,977,000	2.15	0.0107
Fauji Fertilizer Company Limited	75,000	62,500	-	37,500	100,000	10,971,288	11,225,000	6.07	0.0079
	205,000	531,000	1,500	357,500	380,000	26,400,462	26,314,800	14.22	
Forestry (Paper and Board)									
Pakistan Paper Products Limited	-	15,000	-	-	15,000	849,895	750,000	0.41	0.2500
Construction and Materials (Cement)									
Attock Cement Pakistan Limited	-	50,000	-	-	50,000	7,470,590	7,885,000	4.26	0.0437
D G Khan Cement Company Limited	75,000	60,000	-	50,000	85,000	5,283,858	7,476,600	4.04	0.0194
Lucky Cement Limited	20,000	5,000	-	17,000	8,000	1,098,765	3,282,400	1.77	0.0025
	95,000	115,000	-	67,000	143,000	13,853,213	18,644,000	10.07	
General Industrials									
Thal Limited (Face Value Rs. 5/- per share)	-	20,000	-	20,000	-	-	-	-	-
Tri-Pack Films Limited	10,000	-	-	10,000	-	-	-	-	-
	10,000	20,000	-	30,000	-	-	-	-	
Engineering									
Millat Tractors Limited	-	5,000	-	-	5,000	2,354,996	2,495,650	1.35	0.0113
Automobile and Parts									
Indus Motor Company Limited	-	7,500	-	2,500	5,000	1,909,863	2,689,600	1.45	0.0064
Pak Suzuki Motors Company Limited	-	5,000	-	-	5,000	1,004,650	1,369,450	0.74	0.0030
	-	12,500	-	2,500	10,000	2,914,513	4,059,050	2.19	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.1 Equity Sub-Fund - Equity securities - Listed - At fair value through profit or loss (Continued...)

Name of the investee company	Balance as at 30 June 2014								Market value as a % of paid-up capital of the investee company
	As at 1 July 2013	Purchases during the year	Bonus shares/ Specie Dividend during the year	Sales during the year	As at 30 June 2014	Cost	Market value	Market value as a % of net assets of the Sub-Fund	
	Number of shares				Rupees				
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
Beverages									
Shezan International Limited	-	2,500	-	2,500	-	-	-	-	-
Food Producers									
Engro Foods Limited	10,000	10,000	-	20,000	-	-	-	-	-
Personal Goods (Textile)									
Nishat (Chunian) Limited	-	83,000	2,000	85,000	-	-	-	-	-
Nishat Mills Limited	65,000	60,000	-	75,000	50,000	6,154,753	5,596,000	3.02	0.0142
	65,000	143,000	2,000	160,000	50,000	6,154,753	5,596,000	3.02	
Tobacco									
Pakistan Tobacco Company Limited	10,000	-	-	10,000	-	-	-	-	-
Pharma and Bio Tech									
The Searle Company Limited	-	6,000	-	-	6,000	1,108,540	1,047,240	0.57	0.0098
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	50,000	75,000	-	125,000	-	-	-	-	-
Electricity									
Kot Addu Power Company Limited	-	52,500	-	-	52,500	3,230,240	3,099,600	1.67	0.0060
Nishat Chunian Power Limited	-	25,000	-	-	25,000	868,750	948,500	0.51	0.0068
Pakgen Power Limited	50,000	150,000	-	25,000	175,000	3,961,034	3,157,000	1.71	0.0470
The Hub Power Company Limited	175,000	70,000	-	30,000	215,000	10,624,184	12,629,100	6.82	0.0186
	225,000	297,500	-	55,000	467,500	18,684,208	19,834,200	10.71	
Multiutilities (Gas and Water)									
Sui Northern Gas Pipelines Limited	-	100,000	-	-	100,000	2,256,340	2,265,000	1.22	0.0158



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.1 Equity Sub-Fund - Equity securities - Listed - At fair value through profit or loss (Continued...)

Name of the investee company	Balance as at 30 June 2014								
	As at 1 July 2013	Purchases during the year	Bonus shares/ Specie Dividend during the year	Sales during the year	As at 30 June 2014	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
	Number of shares				Rupees				
	Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.								
Commercial Banks									
Allied Bank Limited	-	25,000	-	25,000	-	-	-	-	-
Bank Alfalah Limited	400,000	295,000	-	210,000	485,000	11,127,321	13,337,500	7.21	0.0359
Bank Al Habib Limited	355,000	115,000	30,500	150,500	350,000	10,238,263	15,743,000	8.51	0.0315
Faysal Bank Limited	-	230,000	-	230,000	-	-	-	-	-
Habib Bank Limited	-	20,000	-	5,000	15,000	2,732,350	2,906,850	1.57	0.0010
Habib Metropolitan Bank Limited	-	130,000	-	-	130,000	3,179,545	4,184,700	2.26	0.0124
JS Bank Limited	-	200,000	-	-	200,000	1,139,925	1,088,000	0.59	0.0186
MCB Bank Limited	-	25,000	-	25,000	-	-	-	-	-
Meezan Bank Limited	-	130,000	-	30,000	100,000	3,863,088	4,324,000	2.34	0.0100
National Bank of Pakistan	-	50,000	-	50,000	-	-	-	-	-
United Bank Limited	15,000	115,000	-	70,000	60,000	9,248,309	10,113,600	5.46	0.0049
	770,000	1,335,000	30,500	795,500	1,340,000	41,528,801	51,697,650	27.94	
Non Life Insurance									
Adamjee Insurance Company Limited	10,000	31,000	-	41,000	-	-	-	-	-
Life Insurance									
Jubilee Life Insurance Company Limited	2,000	-	-	2,000	-	-	-	-	-
						147,987,035	174,574,790	94.32	

5.1.1 This represents entitlement to 1,500 shares of Engro Fertilizers Limited issued against specie dividend declared by Engro Corporation Limited for the year ended 31 December 2013, in the ratio of 1:10 (1 Share of Engro Fertilizers Limited for every 10 shares held of the Engro Corporation Limited).



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.2 Treasury Bills - Available for sale

5.2.1 Debt Sub-Fund

	Balance as at 30 June 2014						
	As at 1 July 2013	Purchases during the year	Matured / Sold during the year	As at 30 June 2014	Amortised cost	Market value	Market value as a % of net assets of the Sub-Fund
	----- Face value (Rupees) -----			-----Rupees-----			
Debt Sub-Fund							
Treasury Bills	110,500,000	606,500,000	637,000,000	80,000,000	79,245,871	79,246,112	41.36

5.2.1.1 The cost of investments as on 30 June 2014 is Rs.78,321,470 (2013: Rs.107,066,834).

5.2.1.2 These Government treasury bills carry purchase yields ranging from 9.95% to 9.96% per annum (2013: 9.00% to 9.55% per annum) and will mature between 10 July 2014 and 04 September 2014.

5.2.2 Money Market Sub-Fund

	Balance as at 30 June 2014						
	As at 1 July 2013	Purchases during the year	Matured / Sold during the year	As at 30 June 2014	Amortised cost	Market value	Market value as a % of net assets of the Sub-Fund
	----- Face value (Rupees) -----				-----Rupees-----		
Money Market Sub-Fund							
Treasury Bills	104,000,000	643,300,000	623,000,000	124,300,000	122,821,778	122,808,389	80.09

5.2.2.1 The cost of investments as on 30 June 2014 is Rs.120,790,680 (2013: Rs.102,010,334).

5.2.2.2 These Government treasury bills carry purchase yields ranging from 9.96% to 9.98% per annum (2013: 9.00% to 9.55% per annum) and will mature between 10 July 2014 and 02 October 2014.

5.2.3 Gold Sub-Fund

Balance as at 30 June 2014						
As at 1 July 2013	Purchases during the year	Matured / Sold during the year	As at 30 June 2014	Amortised cost	Market value	Market value as a % of net assets of the Sub-Fund
-----Face value (Rupees)-----				-----Rupees-----		
Treasury Bills	-	177,000,000	177,000,000	-	-	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.3 Term Finance Certificates - Available for sale

5.3.1 Debt Sub-Fund

Balance as at 30 June 2014

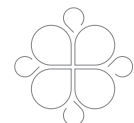
Details as at 30 June 2014									
Name of the investee company	Status	As at 1 July 2013	Purchases during the year	Sales / matured during the year	As at 30 June 2014	Carrying value	Market Value	Market value as a % of net assets of the Sub-Fund	Market value as a % of total issue size
-----Number of certificates-----					-----Rupees-----				
Commercial Banks									
Allied Bank Limited	Listed	225	-	-	225	340,902	281,084	0.15	0.0112
Askari Bank Limited - II	Listed	225	-	225	-	-	-	-	-
Bank Alfalah Limited - V	Listed	153	-	-	153	764,694	774,822	0.40	0.0155
United Bank Limited - III	Listed	300	-	-	300	317,984	249,774	0.13	0.0125
Chemicals									
Engro Fertilizers Limited - II	Listed	69	-	-	69	344,034	341,078	0.18	0.0085
Engro Fertilizers Limited	Unlisted	220	-	-	220	1,100,000	1,056,440	0.55	0.0264
Agri-tech Limited - IV (note 5.4.3)	Unlisted	29	-	-	29	-	-	-	-
						2,867,614	2,703,198	1.41	

5.3.2 The terms and conditions of these term finance certificates are as follows:

Name of the investee company	Rating	Tenure	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
Commercial Banks						
Allied Bank Limited	AA	8 years	Semi annually	June 2013 - December 2014	12.07%	1.90% + 6 month KIBOR
Bank Alfalah Limited - V	AA-	8 years	Semi annually	February 2021	11.41%	1.25% + 6 month KIBOR
United Bank Limited - III	AA	8 years	Semi annually	March 2012 - September 2014	11.84%	1.70% + 6 month KIBOR
Chemicals						
Engro Fertilizers Limited - II	A+	8 years	Semi annually	May 2015 - November 2015	11.72%	1.55% + 6 month KIBOR
Engro Fertilizers Limited - Unlisted	A+	5 years	Semi annually	March 2018	11.33%	1.25% + 6 month KIBOR
Agri-tech Limited - IV	NPA	3.5 years	Semi annually	July 2011 - January 2015	N/A	N/A

5.4 Sukuk Certificates - Available for sale Debt Sub-Fund

Name of the investee company	Status	As at 1 July 2013	Purchases during the year	Sales / matured during the year	As at 30 June 2014	Carrying value	as a % of net assets of the Sub-Fund
Chemicals							
Agri-tech Limited (note 5.4.2)	Unlisted	200	-	-	200	-	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.4.1 The terms and conditions of the Sukuk Certificates is as follows:

Name of the investee company	Rating	Tenure	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
Chemicals Agritech Limited	NPA	7 years	Semi annually	February 2011 - August 2015	12.18%	2.00%+ 6 month KIBOR

5.4.2 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 June 2014. 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	-
		1,145,000	1,145,000	-

5.5 All term finance certificates and sukuk certificates have a face value of Rs 5,000 each.

5.6 Pakistan Investment Bonds - Available for sale

	As at 1 July 2013	Purchases during the year	Matured / sold during the year	As at 30 June 2014	Amortised cost	Market value	Market value as a % of net assets of Sub Fund
	-----Face value (Rupees)-----				-----Rupees-----		
5.6.1 Debt Sub-Fund							
Pakistan Investment Bonds	5,000,000	97,500,000	5,000,000	97,500,000	96,143,143	96,171,147	50.19

5.6.1.1 These carry interest at the rates ranging from 11.25% 11.50% per annum (2013:11.25% per annum) and will mature between 19 July 2015 and 18 July 2018 (2013: 19 July 2015).

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

Held-for-trading - derivative financial instruments

	Note	30 June 2014	30 June 2013
		-----Rupees-----	
- Future Gold Contracts	6.1	1,135,275	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

6.1 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 - Aug. 2014	28 July 2014	50	66,390	6,559,332	19.52
Gold 1 oz - Oct. 2014	26 September 2014	24	31,877	3,149,428	9.37
Gold 10 oz - Oct. 2014	26 September 2014	130	172,666	17,059,401	50.76
		204	270,933	26,768,161	79.64
Liabilities against gold futures at contracted rates USD\$ 125,651				25,632,886	
Unrealised gain on future contracts of gold				1,135,275	

7. INTEREST ACCRUED

	2014					2013				
	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				
Profit on deposits	107,350	50,923	82,724	169,928	410,925	78,312	35,893	28,561	21,579	164,345
Pakistan Investment Bonds	-	4,938,116	-	-	4,938,116	-	251,199	-	-	251,199
Term Finance Certificates and Sukuk Certificates	-	82,092	-	-	82,092	-	122,660	-	-	122,660
	107,350	5,071,131	82,724	169,928	5,431,133	78,312	409,752	28,561	21,579	538,204

8. SECURITY DEPOSITS AND OTHER RECEIVABLE

Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	-	300,000	100,000	100,000	100,000	-	300,000
Receivable against book building for Ordinary Shares of Pakistan Petroleum Limited	787,500	-	-	-	787,500	-	-	-	-	-
Other receivable	3,334	3,333	3,333	-	10,000	3,334	3,333	3,333	-	10,000
	890,834	103,333	103,333	-	1,097,500	103,334	103,333	103,333	-	310,000

9. PAYABLE TO THE PENSION FUND MANAGER - Related party

		2014					2013				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others
		Rupees					Rupees				
Pension Fund Manager fee	9.1	205,225	194,158	118,216	40,077	-	145,116	145,594	127,017	3,699	-
Sindh sales tax on remuneration of the Pension Fund Manager	9.2	88,603	85,850	62,025	18,655	-	25,447	25,577	22,304	687	-
Federal Excise Duty payable on remuneration of the Pension Fund Manager	9.3	348,548	342,401	269,443	76,514	-	13,930	14,260	12,383	592	-
Front-end fee payable		-	-	-	-	7,635	-	-	-	-	14,189
Payable against initial deposit		-	-	-	-	-	-	-	-	5,000	-
		642,376	622,409	449,684	135,246	7,635	184,493	185,431	161,704	9,978	14,189



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

9.1 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is entitled to receive an annual management fee of 1.50% per annum of the average of the value of the net assets of the Fund calculated during the year for determining the prices of the units of the Sub-Funds. The Pension Fund Manager has charged its remuneration at the rate of 1.50% per annum (2012:1.50%) of the average value of the net assets of the Fund for the period 1 July 2013 to 28 February 2014 for all four sub funds, whilst for APF - DSF and APF - MMSF, w.e.f. 1 March 2014, the Pension Fund Manager has charged its remuneration at the rate of 1.25% and 1.00% of the average value of the net assets of these sub funds respectively, which is paid monthly, in arrears.

In accordance with the provisions of the VPS Rules, the Pension Fund Manager is allowed to charge a maximum front-end fee of 3% of all the contributions received from a participant of the Fund. The Pension Fund Manager has accordingly charged front end fee upto a maximum of 3% during the year / period.

9.2 During the year, an amount of Rs.1,155,058 (2013: Rs.569,952) was charged on account of sales tax on remuneration of the Pension Fund Manager levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.973,940 (2013:Rs.528,601) has 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 / pension fund managers including that of the Fund, together with their representative Collective Investment Schemes / Voluntary Pension 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 pending.

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 2014, aggregating to Rs.1,036,906 (2013: Rs.41,165).

10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (TRUSTEE) - Related Part

		2014					2013				
		Equity	Debt	Money	Gold		Equity	Debt	Money	Gold	
		Sub-Fund	Sub-Fund	Market	Sub-Fund	Total	Sub-Fund	Sub-Fund	Market	Sub-Fund	Total
Note		-----Rupees-----					-----Rupees-----				
Trustee fee	10.1	20,521	23,298	17,730	4,007	65,556	14,514	14,557	12,702	369	42,142
Settlement charges		1,500	500	500	-	2,500	1,500	500	500	-	2,500
		22,021	23,798	18,230	4,007	68,056	16,014	15,057	13,202	369	44,642

10.1 The trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff structure specified below, based on average annual net assets of the Fund, paid monthly, in arrears:

On net assets:

- upto Rs. 1 billion	Rs. 0.3 million, or 0.15% per annum of net assets, whichever is higher.
- Rs. 1 billion upto Rs. 3 billion	Rs. 1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs. 1 billion.
- Rs. 3 billion upto Rs. 6 billion	Rs. 3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs. 3 billion.
- Exceeding Rs. 6 billion	Rs. 5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs. 6 billion.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2014						2013					
	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-----					
Withholding tax payable	-	-	-	-	5,374,282	5,374,282	1,600	1,572	1,463	-	279,064	283,699
Zakat payable	-	-	-	-	8,002	8,002	-	-	-	-	15,401	15,401
Provision for Workers' Welfare Fund	2,051,799	690,205	608,380	39,823	-	3,390,207	1,212,592	463,329	423,724	318	-	2,099,963
Others	-	-	-	-	10,000	10,000	-	-	-	-	10,000	10,000
	2,051,799	690,205	608,380	39,823	5,392,284	8,782,491	1,214,192	464,901	425,187	318	304,465	2,409,063

11.1 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 Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a recent judgement of May 2014, the Honorable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. 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. 3,390,207 as at 30 June 2014 (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. 3.49, Re. 0.65, Re. 0.73 and Re. 0.13 (2013: Rs.2.56, Re.0.61, Re.0.68 and Re.0.001) per unit respectively.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

12. NUMBER OF UNITS IN ISSUE

	2014					2013				
	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
	Number of units					Number of units				
Total units in issue at the beginning of the year	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 year										
- Directly by participants	177,580	525,412	282,976	16,399	1,002,367	219,576	456,025	356,647	-	1,032,248
- Transfer from other Pension Fund Manager	-	-	-	-	-	519	5,302	17,178	-	22,999
- Investment in core units by Pension Fund Manager	-	-	-	-	-	-	-	-	300,000	300,000
	177,580	525,412	282,976	16,399	1,002,367	220,095	461,327	373,825	300,000	1,355,247
Less: Units redeemed during the year										
- Directly by participants	(62,754)	(224,322)	(70,463)	(31)	(357,570)	(104,584)	(52,838)	(42,441)	-	(199,863)
- Transfer to other Pension Fund	-	-	-	-	-	(3,052)	(4,104)	(2,960)	-	(10,116)
- Directly by Pension Fund Manager	-	-	-	-	-	(27,676)	(27,676)	(27,677)	-	(83,029)
	(62,754)	(224,322)	(70,463)	(31)	(357,570)	(135,312)	(84,618)	(73,078)	-	(293,008)
Total units in issue at the end of the year	587,970	1,060,921	834,533	316,368	2,799,792	473,144	759,831	622,020	300,000	2,154,995

13. CONTINGENCIES AND COMMITMENTS

13.1 There were no contingencies outstanding as at 30 June 2014 and as at 30 June 2013.

13.2 COMMITMENTS

Note

Purchase of:

Ounce Gold Contracts US \$ 270,933 13.2.1

	2014					2013				
	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				
	-	-	-	26,768,161	26,768,161	-	-	-	-	-

13.2.1 This represents the investment in future gold contracts with settlement date of 28 July 2014 and 26 September 2014 .



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

14. INTEREST INCOME

For the period
from 28 June
2013 to 30
June 2013

Note	-----2014-----					-----2013-----				
	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-----				
Profit on PLS savings accounts and deposits	1,187,920	642,246	1,030,687	1,527,334	4,388,187	568,717	490,457	582,980	21,579	1,663,733
Term Finance Certificates and Sukuk Certificates	-	409,346	-	-	409,346	-	679,866	46,921	-	726,787
Pakistan Investment Bonds	-	3,258,421	-	-	3,258,421	-	928,362	-	-	928,362
Treasury Bills	-	10,096,368	10,628,248	1,196,456	21,921,072	-	6,189,964	6,329,710	-	12,519,674
	1,187,920	14,406,381	11,658,935	2,723,790	29,977,026	568,717	8,288,649	6,959,611	21,579	15,838,556

14.1 Mark-up on non-performing securities amounting to Rs.375,726 (2013: Rs.260,592) based on outstanding principal has not been recognised, in accordance with SECP's directives.

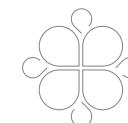
15. AUDITOR'S REMUNERATION

For the period
from 28 June
2013 to 30
June 2013

	-----2014-----					-----2013-----				
	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-----				
Audit fee	31,332	32,840	27,219	7,609	99,000	32,932	32,932	32,933	203	99,000
Sindh Sales Tax on services	1,253	1,314	1,089	304	3,960	-	-	-	-	-
Out of pocket expenses	4,156	4,356	3,611	1,010	13,133	5,484	5,484	5,484	42	16,494
	36,741	38,510	31,919	8,923	116,093	38,416	38,416	38,417	245	115,494

16. NET UNREALISED APPRECIATION / (DIMINUTION) ON REMEASUREMENT OF INVESTMENTS CLASSIFIED AS 'AVAILABLE FOR SALE'

Market value of investments	-	178,120,457	122,808,389	-	300,928,846	-	118,444,610	102,942,911	-	221,387,521
Less: Cost of investments	-	179,401,628	122,821,778	-	302,223,406	-	119,665,809	102,913,047	-	222,578,856
	-	(1,281,171)	(13,389)	-	(1,294,560)	-	(1,221,199)	29,864	-	(1,191,335)
Less: Net unrealised diminution/(appreciation)in the value of investments at the beginning of the year/period	-	1,221,199	(29,864)	-	1,191,335	-	1,225,149	(56,166)	-	1,168,983
Transferred to comprehensive income/(loss) during the year/period	-	(59,972)	(43,253)	-	(103,225)	-	3,950	(26,302)	-	(22,352)



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17. CONTRIBUTION TABLE

	2014									2013									For the period from 28 June 2013 to 30 June 2013
	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	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Rupees	
Individuals	131,820	39,787,588	415,752	73,825,286	223,062	39,862,363	13,874	1,396,040	154,871,277	168,938	34,209,152	370,138	60,659,260	313,534	52,389,538	-	-	147,257,950	
Employers	45,760	12,724,564	109,660	19,343,956	59,914	10,778,213	2,525	265,690	43,112,423	50,638	9,635,923	85,887	14,038,541	43,113	7,164,346	-	-	30,838,810	
Transfer from other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pension Fund Managers	-	-	-	-	-	-	-	-	-	519	87,595	5,302	861,284	17,178	2,796,710	-	-	3,745,589	
Investment in core units by Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300,000	30,000,000	30,000,000	
	177,580	52,512,152	525,412	93,169,242	282,976	50,640,576	16,399	1,661,730	197,983,700	220,095	43,932,670	461,327	75,559,085	373,825	62,350,594	300,000	30,000,000	211,842,349	

18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

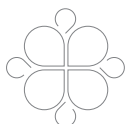
Connected persons include Atlas Asset Management Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager and the directors and executives of the Pension Fund Manager.

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.

	2014						2013						For the period from 28 June 2013 to 30 June 2013
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Others	Total	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Others	Total	
	Rupees						Rupees						
Atlas Asset Management Limited (Pension Fund Manager)													
Remuneration for the year / period	2,091,360	2,050,879	1,606,622	474,515	-	6,223,376	1,230,680	1,218,560	1,068,095	3,699	-	3,521,034	
Sindh sales tax on remuneration of the Pension Fund Manager	388,156	380,643	298,189	88,070	-	1,155,058	199,138	197,251	172,876	687	-	569,952	
Federal Excise Duty on remuneration of the Pension Fund Manager	334,618	328,141	257,060	75,922	-	995,741	13,930	14,260	12,383	592	-	41,165	
Remuneration paid	2,031,251	2,002,315	1,615,423	438,137	-	6,087,126	1,157,712	1,143,683	1,002,358	-	-	3,303,753	
Investment in core units	-	-	-	-	-	-	-	-	-	-	30,000,000	30,000,000	
Investment in core units (Number of units)	-	-	-	-	-	-	-	-	-	-	300,000	300,000	
Redemption out of core units	-	-	-	-	-	-	6,461,610	4,631,923	4,722,702	-	-	15,816,235	
Redemption out of core units (Number of units)	-	-	-	-	-	-	27,676	27,676	27,677	-	-	83,029	
Front-end fee	-	-	-	-	81,249	81,249	-	-	-	-	97,504	97,504	
Payable against initial deposit	-	-	-	-	-	-	-	-	-	-	5,000	5,000	
Investment at year end	52,255,140	29,981,260	30,502,500	31,872,000	-	144,610,900	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	
Central Depository Company of Pakistan Limited (Trustee)													
Trustee fee	209,156	218,758	183,088	47,443	-	658,445	126,619	125,210	109,724	369	-	361,922	
Trustee fee paid	203,149	210,017	178,060	43,805	-	635,031	120,797	119,172	104,408	-	-	344,377	
Settlement charges	17,649	6,000	6,000	-	-	29,649	13,636	6,000	6,000	-	-	25,636	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES (Continued...)

For the period
from 28 June
2013 to 30
June 2013

	2014						2013			June 2013		
	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	Sub-Fund		
	Rupees						Rupees					
Key management personnel												
Contributions	6,088,343	3,855,070	1,910,382	21,570	-	11,875,365	4,568,894	2,373,169	7,287,488	-	-	14,229,551
Contributions (Number of units)	21,762	21,907	10,656	213	-	54,538	24,869	14,585	43,456	-	-	82,910
Redemptions	2,399,208	2,268,905	1,415,227	-	-	6,083,340	-	-	-	-	-	-
Redemptions (Number of units)	8,113	12,884	7,898	-	-	28,895	-	-	-	-	-	-
Re-allocation	(935,011)	868,813	(335)	66,533	-	-	(1,211,844)	963,192	248,652	-	-	-
Re-allocation (Number of units)	(2,937)	4,812	(39)	637	-	2,473	(5,208)	5,752	1,457	-	-	2,001
Retirement	-	-	-	-	-	-	4,792,390	1,283,072	1,280,737	-	-	7,356,199
Retirement (Number of units)	-	-	-	-	-	-	23,237	7,805	7,633	-	-	38,675
Payment from Income Payment Plan	-	-	604,681	-	-	604,681	-	-	98,083	-	-	98,083
Payment from Income Payment Plan (Units)	-	-	3,409	-	-	3,409	-	-	576	-	-	576
Investment at year end	23,004,659	10,047,502	9,493,503	90,251	-	42,635,915	14,510,851	7,000,780	8,941,744	-	-	30,453,375
Units held (Number of units)	73,079	55,631	51,665	850	-	181,225	62,367	41,796	52,355	-	-	156,518

19. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2014														
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others		
	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	At fair value through profit or loss	Total	Loans and receivables	Available for sale	Total
Financial assets	Rupees														
Bank balances	20,628,108	-	20,628,108	9,747,511	-	9,747,511	31,581,420	-	31,581,420	24,763,532	-	24,763,532	5,500,298	-	5,500,298
Receivable against sale of investments	2,557,860	-	2,557,860	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	-	174,574,790	174,574,790	-	178,120,457	178,120,457	-	122,808,389	122,808,389	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	1,135,275	1,135,275	-	-	-
Dividend receivable	121,875	-	121,875	-	-	-	-	-	-	-	-	-	-	-	-
Interest accrued	107,350	-	107,350	5,071,131	-	5,071,131	82,724	-	82,724	169,928	-	169,928	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	-	-	-	-	-	-	7,739,820	-	7,739,820	-	-	-
Security deposit and other receivables	890,834	-	890,834	103,333	-	103,333	103,333	-	103,333	-	-	-	-	-	-
	24,306,027	174,574,790	198,880,817	14,921,975	178,120,457	193,042,432	31,767,477	122,808,389	154,575,866	32,673,280	1,135,275	33,808,555	5,500,298	-	5,500,298
	As at 30 June 2014														
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others		
	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total
Financial liabilities	Rupees														
Payable against redemption of units	-	-	-	-	-	-	-	78,592	78,592	-	-	-	-	100,379	100,379
Payable against purchase of investments	-	10,991,030	10,991,030	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	-	642,376	642,376	-	622,409	622,409	-	449,684	449,684	-	135,246	135,246	-	7,635	7,635
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	22,021	22,021	-	23,798	23,798	-	18,230	18,230	-	4,007	4,007	-	-	-
Payable to the auditors	-	39,030	39,030	-	40,799	40,799	-	34,208	34,208	-	8,923	8,923	-	-	-
	-	11,694,457	11,694,457	-	687,006	687,006	-	580,714	580,714	-	148,176	148,176	-	108,014	108,014



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

19. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

As at 30 June 2013																		
Financial assets	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others					
	At fair value																	
	Loans and receivables	through profit or loss	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total			
							Rupees											
Bank balances	7,307,769	-	7,307,769	9,047,614	-	9,047,614	3,899,202	-	3,899,202	30,005,000	-	30,005,000	407,477	-	407,477			
Investments - net	-	104,035,195	104,035,195	-	118,444,610	118,444,610	-	102,942,911	102,942,911	-	-	-	-	-	-			
Dividend receivable	78,750	-	78,750	-	-	-	-	-	-	-	-	-	-	-	-			
Interest accrued	78,312	-	78,312	409,752	-	409,752	28,561	-	28,561	21,579	-	21,579	-	-	-			
Security deposit and other receivables	103,334	-	103,334	103,333	-	103,333	103,333	-	103,333	-	-	-	-	-	-			
	7,568,165	104,035,195	111,603,360	9,560,699	118,444,610	128,005,309	4,031,096	102,942,911	106,974,007	30,026,579	-	30,026,579	407,477	-	407,477			

As at 30 June 2013															
Financial liabilities	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Gold Sub-Fund			Others		
	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total	At fair value through profit or loss	Amortised Cost	Total
	Rupees														
Payable against redemption of units	-	-	-	-	-	-	-	78,437	78,437	-	-	-	-	88,823	88,823
Payable against purchase of investments	-	36,908	36,908	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	-	184,493	184,493	-	185,431	185,431	-	161,704	161,704	-	9,978	9,978	-	14,189	14,189
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	16,014	16,014	-	15,057	15,057	-	13,202	13,202	-	369	369	-	-	-
Payable to the auditors	-	39,585	39,585	-	39,585	39,585	-	39,585	39,585	-	245	245	-	-	-
	-	277,000	277,000	-	240,073	240,073	-	292,928	292,928	-	10,592	10,592	-	103,012	103,012

20. FINANCIAL RISK MANAGEMENT

The Fund primarily invests in listed equity securities, government securities, term finance certificates, sukuk certificates and deposits with scheduled banks. These activities are exposed to a variety of financial risks: market risks, credit risk and liquidity risks.

20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Other than APF Gold Sub Fund which has invested in gold futures contracts denominated in US Dollars, the Fund at present is not exposed to currency risk as all transactions are carried out in Pakistani Rupees. For APF Gold Sub Fund which is exposed to foreign currency risk, which may affect the value of the Sub Fund's net assets due to favorable or unfavorable fluctuations in currency rates, at 30 June 2014, if the Pak Rupee was strengthened / weakened by 100 basis points against the US Dollar with all other variables held constant, the net income for the year would have been higher / lower by Rs.2,278 with corresponding effect on net assets of the APF Gold Sub Fund attributable to the participants.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis of variable rate instruments

Presently the Debt Sub-Fund holds KIBOR based profit bearing Term Finance Certificates and Sukuk Certificates exposing the Sub-Funds to cash flow interest rate risk. The impact of 100 basis points increase / decrease in KIBOR on 30 June 2014, with all other variables held constant, on the net assets of the Fund and on net income for the year is shown below:

Change in basis points

100
(100)

2014 Effect on net income and net assets		
Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees -----		
7,170	-	7,170
(7,170)	-	(7,170)

b) Sensitivity analysis of fixed rate instruments

Presently the Debt Sub-Fund and Money Market Sub-Fund hold Pakistan Investment Bonds and Treasury Bills which are classified as 'available for sale' exposing the Fund to fair value interest rate risk. The impact of 100 basis points increase / decrease in average broker rates on 30 June 2014, with all variables held constant, on the net assets and the comprehensive income for the year is as follows:

Change in basis points

100
(100)

2014 Effect on comprehensive income and net assets		
Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees -----		
(1,805,389)	(147,866)	(1,953,255)
1,856,763	147,866	2,004,629



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of 30 June 2014 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

Equity Sub-Fund

-----As at 30 June 2014-----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
-----Rupees-----					

On-balance sheet financial instruments

Financial assets

Bank balances
Receivable against sale of investments
Investments - net
Dividend receivable
Interest accrued
Security deposit and other receivables

6.50 - 9.20	20,628,108	-	-	-	20,628,108
	-	-	-	2,557,860	2,557,860
	-	-	-	174,574,790	174,574,790
	-	-	-	121,875	121,875
	-	-	-	107,350	107,350
	-	-	-	890,834	890,834
	20,628,108	-	-	178,252,709	198,880,817

Financial liabilities

Payable against purchase of investments
Payable to the Pension Fund Manager
Payable to the Central Depository Company of Pakistan Limited - Trustee
Payable to the auditors

	-	-	-	10,991,030	10,991,030
	-	-	-	642,376	642,376
	-	-	-	22,021	22,021
	-	-	-	39,030	39,030
	-	-	-	11,694,457	11,694,457

On-balance sheet gap

20,628,108	-	-	166,558,252	187,186,360
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap

-	-	-	-	-
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Total interest rate sensitivity gap

20,628,108	-	-	166,558,252	187,186,360
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Cumulative interest rate sensitivity gap

20,628,108	20,628,108	20,628,108	187,186,360	
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Debt Sub-Fund

----- As at 30 June 2014 -----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					

On-balance sheet financial instruments

Financial assets

Bank balances	6.50 - 9.20	9,747,511	-	-	-	9,747,511
Investments - net	9.95 - 12.07	177,498,295	622,162	-	-	178,120,457
Interest accrued		-	-	-	5,071,131	5,071,131
Security deposit and other receivables		-	-	-	103,333	103,333
		187,245,806	622,162	-	5,174,464	193,042,432

Financial liabilities

Payable to the Pension Fund Manager		-	-	-	622,409	622,409
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	23,798	23,798
Payable to the auditors		-	-	-	40,799	40,799
		-	-	-	687,006	687,006

On-balance sheet gap

187,245,806	622,162	-	4,487,458	192,355,426
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap

-	-	-	-	-
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Total interest rate sensitivity gap

187,245,806	622,162	-	4,487,458	192,355,426
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Cumulative interest rate sensitivity gap

187,245,806	187,867,968	187,867,968	192,355,426	
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Money Market Sub-Fund

-----As at 30 June 2014 -----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					

On-balance sheet financial instruments

Financial assets

Bank balances	6.50 - 10.50	31,581,420	-	-	-	31,581,420
Investments - net	9.96 - 9.98	113,055,709	9,752,680	-	-	122,808,389
Interest accrued		-	-	-	82,724	82,724
Security deposit and other receivables		-	-	-	103,333	103,333
		144,637,129	9,752,680	-	186,057	154,575,866

Financial liabilities

Payable against redemption of units		-	-	-	78,592	78,592
Payable to the Pension Fund Manager		-	-	-	449,684	449,684
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	18,230	18,230
Payable to the auditors		-	-	-	34,208	34,208
		-	-	-	580,714	580,714

On-balance sheet gap

144,637,129	9,752,680	-	(394,657)	153,995,152
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Off-balance sheet financial instruments

-	-	-	-	-
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Off-balance sheet gap

-	-	-	-	-
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Total interest rate sensitivity gap

144,637,129	9,752,680	-	(394,657)	153,995,152
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Cumulative interest rate sensitivity gap

144,637,129	154,389,809	154,389,809	153,995,152
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Gold Sub-Fund

On-balance sheet financial instruments

Financial assets

Bank balances	9.20
Financial assets at fair value through profit or loss	
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	6.00
Interest accrued	

-----As at 30 June 2014 -----				
Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----				
24,763,532	-	-	-	24,763,532
1,135,275	-	-	-	1,135,275
7,739,820	-	-	-	7,739,820
-	-	-	169,928	169,928
33,638,627	-	-	169,928	33,808,555

-	-	-	135,246	135,246
-	-	-	4,007	4,007
-	-	-	8,923	8,923
-	-	-	148,176	148,176

33,638,627	-	-	21,752	33,660,379

-	-	-	-	-

33,638,627	-	-	21,752	33,660,379

33,638,627	33,638,627	33,638,627	33,660,379	

20.1.3 Price risk

Equity Sub-Fund

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The Equity Sub Fund is exposed to equity price risk because of equity securities held by it and classified on the statement of assets and liabilities 'at fair value through profit or loss'. To manage its price risk arising from investment in equity securities, the Equity Sub Fund's investment policy limits investments in listed shares of one company to not more than ten percent (10%) of its net assets. Moreover, the sector limits have been restricted to thirty percent (30%) of the net assets of the Sub-Fund and investment in listed securities of a particular company have also been restricted to ten percent (10%) of the paid up capital of investee company.

In case of 5% change in KSE 100 index on 30 June 2014, with all other variables held constant, net income for the year would increase / decrease by Rs.8,728,740 (2013: Rs.1,410,341) as a result of gains / losses on equity securities classified as 'at fair value through profit or loss'.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20.1.3 Equity Sub-Fund (Continued...)

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Funds equity instruments moved according to historical correlation with the index. This represents the Pension Fund Manager's best estimate of a reasonable possible shift in the KSE 100 index, having regard to historical volatility of the index. The composition of the Sub-Fund investment's portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2014 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the KSE 100 index.

Gold Sub-Fund

The Gold Sub Fund is exposed to the future gold price risk because of future gold contracts held by it and classified on the statement of assets and liabilities 'at fair value through profit or loss'. A decrease / increase of 5% in the quoted price of future gold contracts at the Pakistan Mercantile Exchange would have an impact of approximately Rs.1,338,408 on the net income for the year with the consequent effect on net assets of the Sub-Fund. The sensitivity analysis is based on the Sub-Fund's commodity securities at each statement of assets and liabilities date, with all other variables held constant.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations and commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset close to its fair value. The Pension Fund Manager manages liquidity risk by continuously analysing the maturities of the financial assets and financial liabilities. Since the Participants of the funds have invested with a long term objective, the possibility of a significant redemption pressure is limited.

The table below analyses the Fund's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amount in the table are the contractual undiscounted cash flows.

20.2.1 Equity Sub-Fund

	2014							2013						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	Rupees							Rupees						
Financial assets														
Bank balances	20,628,108	-	-	-	-	-	20,628,108	7,307,769	-	-	-	-	-	7,307,769
Receivable against sale of investments	2,557,860	-	-	-	-	-	2,557,860	-	-	-	-	-	-	-
Investments - net	-	-	-	-	-	174,574,790	174,574,790	-	-	-	-	-	104,035,195	104,035,195
Dividends receivable	121,875	-	-	-	-	-	121,875	78,750	-	-	-	-	-	78,750
Interest accrued	107,350	-	-	-	-	-	107,350	78,312	-	-	-	-	-	78,312
Security deposit and other receivables	787,500	-	-	-	103,334	-	890,834	-	-	-	-	103,334	-	103,334
	24,202,693	-	-	-	103,334	174,574,790	198,880,817	7,464,831	-	-	-	103,334	104,035,195	111,603,360
Financial liabilities														
Payable against purchase of investments	10,991,030	-	-	-	-	-	10,991,030	36,908	-	-	-	-	-	36,908
Payable to the Pension Fund Manager	642,376	-	-	-	-	-	642,376	184,493	-	-	-	-	-	184,493
Payable to the Central Depository Company of Pakistan - Trustee	22,021	-	-	-	-	-	22,021	16,014	-	-	-	-	-	16,014
Payable to the auditors	-	39,030	-	-	-	-	39,030	-	39,585	-	-	-	-	39,585
	11,655,427	39,030	-	-	-	-	11,694,457	237,415	39,585	-	-	-	-	277,000
Net assets	12,547,266	(39,030)	-	-	103,334	174,574,790	187,186,360	7,227,416	(39,585)	-	-	103,334	104,035,195	111,326,360



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20.2.2 Debt Sub-Fund

	2014						2013					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rupees						Rupees					
Financial assets												
Bank balances	9,747,511	-	-	-	-	9,747,511	9,047,614	-	-	-	-	9,047,614
Investments - net	31,925,472	47,570,567	453,323	97,398,109	772,986	178,120,457	50,240,940	12,056,085	48,308,731	7,063,705	775,149	118,444,610
Interest accrued	4,989,039	76,365	5,727	-	-	5,071,131	287,092	89,758	32,902	-	-	409,752
Security deposit and other receivables	-	-	-	-	103,333	103,333	-	-	-	-	103,333	103,333
	46,662,022	47,646,932	459,050	97,398,109	876,319	193,042,432	59,575,646	12,145,843	48,341,633	7,063,705	878,482	128,005,309
Financial liabilities												
Payable to the Pension Fund Manager	622,409	-	-	-	-	622,409	185,431	-	-	-	-	185,431
Payable to the Central Depository Company of Pakistan Limited - Trustee	23,798	-	-	-	-	23,798	15,057	-	-	-	-	15,057
Payable to the auditors	-	40,799	-	-	-	40,799	-	39,585	-	-	-	39,585
	646,207	40,799	-	-	-	687,006	200,488	39,585	-	-	-	240,073
Net assets	46,015,815	47,606,133	459,050	97,398,109	876,319	192,355,426	59,375,158	12,106,258	48,341,633	7,063,705	878,482	127,765,236

20.2.3 Money Market Sub-Fund

	2014						2013					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rupees						Rupees					
Financial assets												
Bank balances	31,581,420	-	-	-	-	31,581,420	3,899,202	-	-	-	-	3,899,202
Investments - net	43,897,524	69,158,185	9,752,680	-	-	122,808,389	72,619,669	19,677,640	10,645,602	-	-	102,942,911
Interest accrued	82,724	-	-	-	-	82,724	28,561	-	-	-	-	28,561
Security deposit and other receivables	-	-	-	-	103,333	103,333	-	-	-	-	103,333	103,333
	75,561,668	69,158,185	9,752,680	-	103,333	154,575,866	76,547,432	19,677,640	10,645,602	-	103,333	106,974,007
Financial liabilities												
Payable against redemption of units	78,592	-	-	-	-	78,592	78,437	-	-	-	-	78,437
Payable to the Pension Fund Manager	449,684	-	-	-	-	449,684	161,704	-	-	-	-	161,704
Payable to the Central Depository Company of Pakistan Limited - Trustee	18,230	-	-	-	-	18,230	13,202	-	-	-	-	13,202
Payable to the auditors	-	34,208	-	-	-	34,208	-	39,585	-	-	-	39,585
	546,506	34,208	-	-	-	580,714	253,343	39,585	-	-	-	292,928
Net assets	75,015,162	69,123,977	9,752,680	-	103,333	153,995,152	76,294,089	19,638,055	10,645,602	-	103,333	106,681,079



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20.2.4 Gold Sub-Fund

	2014						2013					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rupees						Rupees					
Financial assets												
Bank balances	24,763,532	-	-	-	-	24,763,532	30,005,000	-	-	-	-	30,005,000
Financial assets at fair value through profit or loss	249,533	885,742	-	-	-	1,135,275	-	-	-	-	-	-
Interest accrued	169,928	-	-	-	-	169,928	21,579	-	-	-	-	21,579
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	7,739,820	-	-	7,739,820	-	-	-	-	-	-
	25,182,993	885,742	7,739,820	-	-	33,808,555	30,026,579	-	-	-	-	30,026,579
Financial liabilities												
Payable to the Pension Fund Manager	135,246	-	-	-	-	135,246	9,978	-	-	-	-	9,978
Payable to the Central Depository Company of Pakistan Limited - Trustee	4,007	-	-	-	-	4,007	369	-	-	-	-	369
Payable to the auditors	-	8,923	-	-	-	8,923	-	245	-	-	-	245
	139,253	8,923	-	-	-	148,176	10,347	245	-	-	-	10,592
Net assets	25,043,740	876,819	7,739,820	-	-	33,660,379	30,016,232	(245)	-	-	-	30,015,987

20.3 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments, Margin deposits with Pakistan Mercantile Exchange Limited against future contracts of gold, and investment in debt securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the national clearing company system. The risk of default is considered minimal due to inherent systematic measures taken therein. Risk attributable to investment in Treasury Bills and Pakistan Investment Bonds is limited as these are guaranteed by the Federal Government.

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mostly concentrated in government securities, future gold contracts and deposits held with a commercial bank.

The table below analyses the Fund's minimum exposure to credit risk other than investment in shares and government securities:

	2014	2013
	-----Rupees-----	
Equity Sub-Fund	24,306,027	7,568,165
Debt Sub-Fund	12,687,057	14,146,672
Money Market Sub-Fund	31,767,477	4,031,096
Gold Sub- Fund	32,673,280	30,026,579
	101,433,841	55,772,512



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20.3.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

Rating	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund	
	% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2014	2013	2014	2013	2014	2013	2014	2013
Government securities	-	-	93.43	88.77	79.45	96.23	-	-
AA+	-	-	-	-	16.20	-	-	-
AA	85.31	97.59	5.36	8.36	4.29	3.67	76.19	100.00
AA-	-	-	0.42	1.52	-	-	-	-
A+	-	-	0.74	-	-	-	-	-
A	-	-	-	1.07	-	-	-	-
Others	14.69	2.41	0.05	0.28	0.07	0.10	23.81	-
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

20.3.2 An analysis of the financial assets that are individually impaired are as under:

	Debt Sub-Fund					
	As at 30 June 2014			As at 30 June 2013		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
		1-365	Above 365		1-365	Above 365
Rupees						
Investments - Agritech Limited	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Investments - Agritech Limited IV	145,000	-	145,000	145,000	-	145,000

The impaired investments are fully provided.

20.4 Fair value of financial instruments

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

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20.4 Fair value of financial instruments (Continued...)

- Investments in government securities are valued on the basis of average rates of brokers as announced on the Reuters page.
- Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP), 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 gold futures contracts is determined on the basis of the closing prices in US Dollars, converted at the equivalent Pak Rupees rates, as announced by the Pakistan Mercantile Exchange Limited.
- 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.

20.5 Fair value hierarchy

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

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

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

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

As at 30 June 2014, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3
	-----Rupees-----		
Equity Sub-Fund			
At fair value through profit or loss	174,574,790	-	-
Debt Sub-Fund			
Available for sale	-	178,120,457	-
Money Market Sub-Fund			
Available for sale	-	122,808,389	-
Gold Sub-Fund			
At fair value through profit or loss	1,135,275	-	-
	<u>175,710,065</u>	<u>300,928,846</u>	<u>-</u>

20.6 Capital risk management

The Fund's capital is represented by redeemable units of Sub-Funds. They are entitled to payment of a proportionate share based on the sub-fund's net assets value per unit on the redemption date. The relevant movements are shown in the 'statement of movement in Participant's sub-funds'. In accordance with the risk management policies stated above, the Fund endeavours to invest the subscriptions received in appropriate investments avenues while maintaining sufficient liquidity to meet redemptions. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented (by short term borrowings or disposal of investments where necessary). During the year no such borrowing was availed.

All units, including the core units, and fractions represent an undivided share in the pertinent sub-funds of the Fund and rank parri passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21. FINANCIAL PERFORMANCE

21.1 EQUITY SUB-FUND

Particulars	Equity Sub-Fund					
	2014	2013	% Change	2012	2011	2010
	-----Rupees-----			-----Rupees-----		
Net income for the year	41,121,158	34,970,466	17.59	7,907,213	9,125,158	7,414,091
Capital gain on sale of investments - net	17,981,303	14,438,214	24.54	4,252,038	5,574,200	6,861,159
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	17,925,680	16,776,710	6.85	1,649,047	1,871,832	(1,105,980)
Dividend income	8,323,230	5,812,289	43.20	2,883,189	2,251,000	2,302,623
Interest income	1,187,920	568,717	108.88	440,177	443,651	432,569
Net asset value per unit	314.79	232.67	35.30	152.59	130.73	100.77
Earnings per unit	69.94	73.91	(5.38)	20.36	30.22	18.92
Transactions in securities - Purchases	(173,091,694)	(121,355,980)	42.63	(78,459,049)	(52,262,090)	(50,446,719)
Transactions in securities - Sales	138,459,082	103,102,856	34.29	67,369,859	60,172,775	51,253,909
Total contributions received	52,512,152	43,932,670	19.53	14,658,637	5,342,821	3,252,607

21.2 DEBT SUB-FUND

Particulars	Debt Sub-Fund					
	2014	2013	% Change	2012	2011	2010
	-----Rupees-----			-----Rupees-----		
Net income for the year	11,116,912	6,450,513	72.34	3,919,088	3,039,732	4,362,636
Interest income	14,406,381	8,288,649	73.81	5,654,126	4,396,101	5,082,777
Gain/(loss) on sale/maturity of 'available for sale investments' - net	26,121	(41,911)	162.32	-	-	-
Net asset value per unit	180.61	167.50	7.83	154.42	140.18	127.85
Earnings per unit	10.48	8.49	23.43	10.23	10.06	11.54
Transactions in securities - Purchases	(702,257,469)	(245,487,609)	186.07	(48,921,695)	(28,286,422)	(25,087,737)
Transactions in securities - Sales	642,547,771	181,057,313	254.89	32,056,499	32,507,629	21,081,754
Total contributions received	93,169,242	75,559,085	23.31	15,822,026	7,087,905	4,249,343

21.3 MONEY MARKET SUB-FUND

Particulars	Money Market Sub-Fund					
	2014	2013	% Change	2012	2011	2010
	-----Rupees-----			-----Rupees-----		
Net income for the year	9,048,138	5,480,449	65.10	4,166,625	3,760,124	3,719,027
Interest income	11,658,935	6,959,611	67.52	5,168,863	4,554,147	4,706,215
Gain on sale/maturity of 'available for sale investments' - net	8,396	101,337	(91.71)	-	-	-
Net asset value per unit	183.75	170.79	7.59	157.91	143.10	129.15
Earnings per unit	10.84	8.81	23.06	12.97	13.98	10.80
Transactions in securities - Purchases	(641,701,851)	(348,350,214)	84.21	(167,249,283)	(132,982,059)	(68,711,874)
Transactions in securities - Sales	621,801,516	292,697,303	112.44	155,000,028	134,500,029	42,000,028
Total contributions received	50,640,576	62,350,594	(18.78)	10,512,141	5,648,961	4,121,325



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21.4 GOLD SUB-FUND

Particulars	Gold Sub-Fund					
	2014	2013	% Change	2012	2011	2010
	-----Rupees-----			-----Rupees-----		
Net income for the year / period	1,935,756	15,588	12,318.24	-	-	-
Interest income	2,723,790	21,579	12,522.41	-	-	-
Realised loss on gold contracts	(1,009,464)	-	100.00	-	-	-
Net unrealised gain on future contracts of gold	1,135,275	-	100.00	-	-	-
Net asset value per unit	106.24	100.05	6.19	-	-	-
Earnings per unit	6.12	0.05	11,675.76	-	-	-
Transactions in securities - Purchases	(177,000,000)	-	100.00	-	-	-
Transactions in securities - Sales	175,990,536	-	100.00	-	-	-
Total contributions received	1,661,730	-	100.00	-	-	-
Investment in core units - Pension Fund Manager	-	30,000,000	(100.00)	-	-	-

21.5 Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund	
	2014	2013	2014	2013	2014	2013	2014	2013
	-----Rupees-----							
Highest issue price	317.31	245.33	181.29	167.45	183.75	170.73	107.71	-
Lowest issue price	240.56	156.80	167.57	154.56	170.87	158.07	93.98	-

22. GENERAL

22.1 Figures have been rounded off to the nearest Rupee.

22.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these 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 financial statements.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 28 August 2014.

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

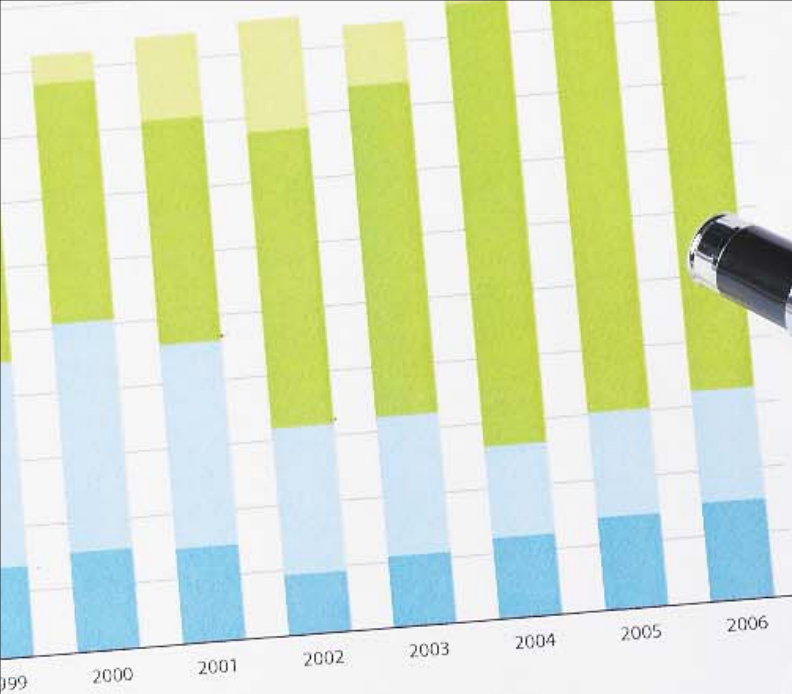
Azam Faruque
Director



Atlas Pension Islamic Fund

Financial Statements





surplus from the previous years)
 rce



Atlas Asset Management
 An Atlas Group Company | Rated AM2- by PACRA

Spotlight

Fund Manager Report June 2014



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
own resource ("") (including balance from previous years)	39 127.3	52.1 %	36 535.0	45.0 %	34 351.5	42.6 %	33 086.5	41.1 %	35 026.1	41.1 %
(3) UK correction ("")	14 172.6	18.9 %	21 058.0	25.9 %	26 891.7	33.4 %	35 026.1	41.1 %	35 026.1	41.1 %
(4) Other payments from/to Member States ("")	78.1	0.1 %	-81.0	-0.1 %	-114.9	-0.1 %	55.4	0.1 %	-29.4	-0.0 %
(5) Total national contributions = (1) + (2) + (3) + (4)	-3.6	-0.0 %	3.1	0.0 %	-7.6	-0.0 %	-29.4	-0.0 %	-29.4	-0.0 %
(6) Traditional	53 374.4	71.1 %	57 515.1	70.8 %	61 120.7	75.9 %	68 138.5	80.6 %	80.6 %	80.6 %
(7) EU GNI	13 583.6	16.7 %	14 172.3	17.6 %	14 110.7	16.7 %	13 800.5	13.8 %	13 006.5	13.8 %
(8) EU GNI	810.1	1.0 %	1 025.2	1.3 %	1 102.2	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(9) EU GNI	1 213.7	1.5 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(10) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(11) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(12) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(13) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(14) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(15) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(16) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(17) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(18) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(19) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(20) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(21) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(22) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(23) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(24) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(25) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(26) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(27) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(28) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(29) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(30) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(31) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(32) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(33) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(34) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(35) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(36) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(37) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(38) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(39) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(40) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(41) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(42) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(43) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(44) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(45) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(46) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(47) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(48) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(49) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %
(50) EU GNI	1 069.1	1.3 %	1 114.0	1.4 %	1 107.1	1.3 %	1 180.0	1.3 %	1 203.0	1.3 %

Corporate Information

Trustee

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

Shariah Advisor

Mufti Muhammad Yahya Asim

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
 Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

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

Fund Manager's Report

The objective of Atlas Pension Islamic Fund (APIF) is to provide the individuals with a Shariah Compliant, portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and provide for their retirement. Atlas Pension Islamic Fund is a one-window facility to invest in diversified Shariah compliant portfolio of equity, fixed income and money market securities / instruments. The Contributions received from the Participants are allocated among APIF-Equity Sub Fund, APIF-Debt Sub Fund and APIF-Money Market Sub Fund in accordance with the Allocation Scheme selected by the Participants.

APIF's investment strategy is based on the belief that fundamental economic and sector analysis drives long term out performance, and that active portfolio management can produce consistently superior results than those produced through passive management. Fundamental analysis is used to identify overall portfolio, sectors, yield curve and credit positioning to provide sustainable rates of return.

EQUITY MARKET

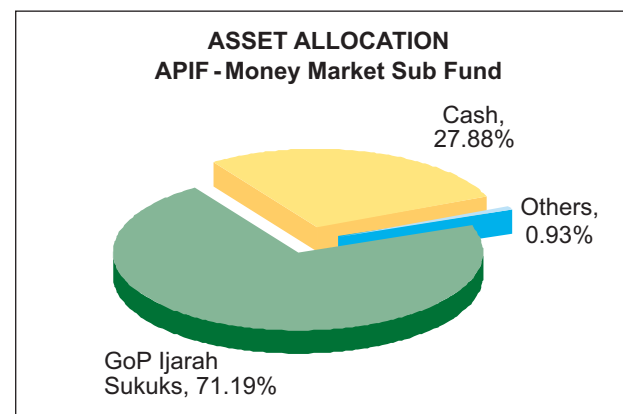
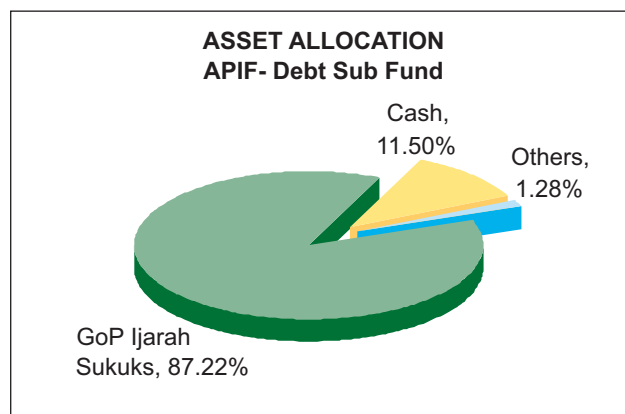
The KMI-30 index has increased from 36,713.89 points as on 28 June 2013 to 47,686.55 points as on 30 June 2014, showing a growth of 29.89%. The main drivers of return of the index were MARI, ICI, LUCKY and PACKAGES as their price performance exceeded 100% respectively, outpacing the return of the benchmark. Net Foreign portfolio investment during the year was recorded at US\$ 262 million which was a decline of 53% compared to last year, however, major flows were witnessed in the second half of the year, of US\$ 272 million that helped lift volumes to 238 million shares (during second half) and drove the market up by 15.8% during the said period. Liquidity drove the market in the last two years as surge in volumes were witnessed compared to the preceding two years. Top performing sectors during the period were Tobacco, General Industries, Automobile & Parts and Construction & Materials.

MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 8.6% during FY 2013-14, as compared to 7.4% for the FY 2012-13. The highest increase was in November 2013 at 10.9% and the lowest was in September 2013 at 7.4%. The inflationary trend in the economy remained subdued during FY 2013-14. The YoY increase in inflation can be attributed to domestic food prices which were the major stimulant to drive the head line inflation on account of demand/supply fundamentals. Tightening of money supply, vigilance by government to monitor prices on regular basis ensured smooth supply of essential items to contain core inflation.

FUND OPERATIONS

The Net Asset Value of APIF - Equity Sub Fund increased by 24.88% from Rs.322.12 as on 30 June 2013 to Rs.402.26 as on 30 June 2014. The APIF - Equity Sub Fund was mainly invested in Oil and Gas Producers, Electricity, Construction & Materials and Chemicals sectors. The Net Asset Values of APIF - Debt Sub Fund and APIF - Money Market Sub Fund have appreciated by 8.04% and 7.68% 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.515.9 million as on 30 June 2014.



The Scheme has maintained provision against Workers' Welfare Fund (WWF) liability of Rs.3,645,104 in these financial statements. Had the same not been made the net asset value of the equity sub-fund, debt sub-fund and money market sub-fund would have been higher by Rs.4.78, Rs. 0.64 and Rs.0.74 per unit respectively. For details please refer to Note 9.2 of the financial statements of the Scheme.

The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the management company is of the view that further levy of FED is not justified, and has filed a constitutional petition in the Honourable Sindh High Court, the hearing of which is pending. In the meantime, as a matter of abundant caution, the Scheme is providing for FED liability which amounted to (ESF) Rs.401,760 (Re.0.80 per unit), (DSF) Rs.339,434 (Re.0.32 per unit), (MMSF) Rs.252,803 (Re.0.32 per unit) as on 30 June 2014.

ALLOCATION SCHEMES

The management company is offering six allocation schemes including Lifecycle and Customized options. The selection of Allocation Scheme will allow participant to have a focused investment strategy in accordance with his /her risk profile. The performance of various Allocation Schemes offered under Atlas Pension Islamic Fund is as under:

Allocation Schemes	Proportionate Investment in			Return
	Equity	Debt	Money Market	FY 2013-14
High Volatility	80%	20%	Nil	21.51%
Medium Volatility	50%	40%	10%	16.42%
Low Volatility	25%	60%	15%	11.35%
Lower Volatility	Nil	60%	40%	7.89%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

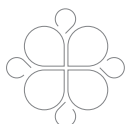
Allocation Schemes	Return (%)				
	FY-10	FY-11	FY-12	FY-13	FY-14
High Volatility	20.26%	32.72%	25.44%	40.77%	21.51%
Medium Volatility	16.28%	23.02%	18.78%	28.34%	16.42%
Low Volatility	12.32%	13.12%	11.99%	15.94%	11.35%
Lower Volatility	9.56%	7.39%	8.04%	7.52%	7.89%

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

Fawad Javaid
Fund Manager - Fixed Income

Khalid Mahmood
Fund Manager - Equity

Karachi: 28 August 2014



REVIEW REPORT OF THE SHARIAH ADVISOR

As the Shariah Adviser of the Atlas Pension Islamic Fund (APIF), I am issuing this report in accordance with clause 3.12 (iv) of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of Atlas Asset Management Limited (AAML), the management company of the Fund, to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. As Sharjah Advisor, my responsibility is to express an opinion based on my review of the representations made by the management, to the extent where such compliance can be objectively verified.

For screening investment in equities, I have advised a criteria on the basis of the following: (i) nature of business, (ii) interest bearing debt in relation to the total assets, (iii) illiquid assets in relation to the total assets, (iv) investment in non-Shariah compliant activities to total assets and income from non-compliant investments to gross revenues, and (v) net liquid assets per share vs. share price.

As part of my mandate as the Shariah Advisor to the Fund, I have reviewed the following, during the year:

- The modes of investment of Fund's property and its compliance with Shariah guidelines.
- The process of deployment of Fund's property and its compliance with Shariah guidelines.
- The process of purification of income and its compliance with Shariah guidelines.

In light of the above scope, I hereby certify that all the provisions of the scheme and investments made by the Fund for the year ended 30 June 2014 are in compliance with the Shariah principles.

There are investments made by APIF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Pension Fund Manager, in consultation with me, the Shariah Advisor of the Fund, have determined the Haram portion of the income of the Fund and marked to charity in order to purify the whole income.

Karachi: 30 June 2014

Muhammad Yahya Asim
Shariah Advisor



TRUSTEE REPORT TO THE PARTICIPANTS

Report of the Trustee pursuant to Rule 31(h) of the Voluntary Pension System Rules, 2005

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Pension Islamic Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: September 11, 2014

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited



INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS OF THE ATLAS PENSION ISLAMIC FUND

We have audited the annexed financial statements comprising:

- i) Statement of assets and liabilities;
- ii) Income statement;
- iii) Statement of comprehensive income
- iv) Cash flow statement; and
- v) Statement of movement in participants' fund

of **Atlas Pension Islamic Fund** (the Fund) as at and for the year ended 30 June 2014 together with the notes forming part thereof.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal controls; and prepare and present the financial statements of the Fund in conformity with the International Accounting Standards notified under sub-section (3) of section 234 of the Companies Ordinance, 1984, and technical releases issued by Institute of Chartered Accountants of Pakistan from time to time and the requirements of the Voluntary Pensions System Rules, 2005 (the VPS Rules) and the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the accounts prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the VPS Rules including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund at the end of the year and of the transactions of the Fund for the year then ended in accordance with the approved accounting standards as applicable in Pakistan;
- c) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the VPS Rules;
- d) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund and the accounts prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit; and
- g) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The financial statements of the Fund for the year ended 30 June 2013 were audited by another firm of chartered accountants whose audit report, dated 17 September 2013 expressed an unmodified opinion on those statements.

Karachi: 28 August 2014

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Arslan Khalid
Audit Engagement Partner



STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2014

		2014					2013				
		Equity	Debt	Money	Others	Total	Equity	Debt	Money	Others	Total
		Sub-Fund	Sub-Fund	Market			Sub-Fund	Sub-Fund	Market		
		Rupees					Rupees				
Note											
ASSETS											
	4	17,158,840	20,357,876	38,829,769	288,120	76,634,605	13,986,017	11,968,341	9,235,181	106,356	35,295,895
		-	-	-	-	-	2,039,037	-	-	-	2,039,037
	5	190,139,745	154,370,090	99,171,470	-	443,681,305	119,151,130	117,520,070	91,661,450	-	328,332,650
		118,125	-	-	-	118,125	96,250	-	-	-	96,250
	6	57,162	2,152,512	1,184,025	-	3,393,699	98,724	1,148,117	1,069,556	-	2,316,397
		113,266	113,267	113,267	-	339,800	113,266	113,267	113,267	-	339,800
		207,587,138	176,993,745	139,298,531	288,120	524,167,534	135,484,424	130,749,795	102,079,454	106,356	368,420,029
LIABILITIES											
		2,168,699	-	-	-	2,168,699	-	-	-	-	-
		-	-	91,923	-	91,923	-	-	56,588	-	56,588
	7	736,503	593,467	418,897	28,320	1,777,187	215,263	196,121	153,710	17,980	583,074
	8	24,914	21,263	16,840	-	63,017	19,941	15,916	12,587	-	48,444
		53,555	48,063	38,164	-	139,782	32,545	33,215	27,186	-	92,946
		47,107	42,263	33,590	-	122,960	39,666	39,667	39,667	-	119,000
	9	2,428,603	664,593	577,152	259,800	3,930,148	1,708,235	480,175	433,070	88,376	2,709,856
		5,459,381	1,369,649	1,176,566	288,120	8,293,716	2,015,650	765,094	722,808	106,356	3,609,908
NET ASSETS		202,127,757	175,624,096	138,121,965	-	515,873,818	133,468,774	129,984,701	101,356,646	-	364,810,121
Represented by:											
PARTICIPANTS' SUB-FUND (as per statement attached)		202,127,757	175,624,096	138,121,965	-	515,873,818	133,468,774	129,984,701	101,356,646	-	364,810,121
Number of units in issue		502,478	1,045,105	780,791			414,342	835,691	616,925		
Net asset value per unit (Rupees)		402.26	168.04	176.90			322.12	155.54	164.29		
Contingencies and commitments											

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

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

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

		2014				2013			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		-----Rupees-----				-----Rupees-----			
INCOME									
Mark-up income	12	1,328,675	12,322,273	9,537,456	23,188,404	755,147	9,098,479	7,016,317	16,869,943
Dividend income		8,760,488	-	-	8,760,488	6,171,847	-	-	6,171,847
Net gain on sale of investments at 'fair value through profit or loss'		10,881,480	-	-	10,881,480	15,284,548	-	-	15,284,548
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		18,464,034	-	-	18,464,034	20,184,962	-	-	20,184,962
		29,345,514	-	-	29,345,514	35,469,510	-	-	35,469,510
Net loss on sale / maturity of 'available for sale investments'		-	-	-	-	-	(48,750)	(26,250)	(75,000)
		39,434,677	12,322,273	9,537,456	61,294,406	42,396,504	9,049,729	6,990,067	58,436,300
EXPENSES									
Remuneration of the Pension Fund Manager		2,409,781	2,028,325	1,507,233	5,945,339	1,464,997	1,494,867	1,222,444	4,182,308
Sindh Sales Tax on remuneration of the Pension Fund Manager	7.2	447,255	376,457	279,742	1,103,454	236,990	241,563	197,454	676,007
Federal Excise Duty on remuneration of the Pension Fund Manager	7.3	385,565	324,532	241,157	951,254	16,195	14,902	11,646	42,743
Remuneration of Central Depository Company of Pakistan Limited - Trustee		240,966	216,222	171,716	628,904	146,726	149,699	122,419	418,844
Annual fee to the Securities and Exchange Commission of Pakistan		53,555	48,063	38,164	139,782	32,545	33,215	27,186	92,946
Bank charges		1,497	7,049	6,683	15,229	6,843	9,930	9,852	26,625
Legal and professional charges		-	-	-	-	21,500	21,500	21,500	64,500
Auditor's remuneration	13	44,819	39,973	31,301	116,093	38,497	38,498	38,498	115,493
Securities' transaction cost and settlement charges		279,795	12,475	10,690	302,960	232,945	10,760	14,982	258,687
Provision for Workers' Welfare Fund	9.2	711,429	185,384	145,015	1,041,828	803,985	140,696	106,482	1,051,163
		4,574,662	3,238,480	2,431,701	10,244,843	3,001,223	2,155,630	1,772,463	6,929,316
Net income for the year		34,860,015	9,083,793	7,105,755	51,049,563	39,395,281	6,894,099	5,217,604	51,506,984
Earnings per unit	3.9	69.38	8.69	9.10		95.08	8.25	8.46	

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

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014				2013			
		Equity	Debt	Money	Total	Equity	Debt	Money	Total
		Sub-Fund	Sub-Fund	Market		Sub-Fund	Sub-Fund	Market	
		Rupees							
Net income for the year		34,860,015	9,083,793	7,105,755	51,049,563	39,395,281	6,894,099	5,217,604	51,506,984
Income that may be re-classified subsequently to Income Statement									
Net unrealised appreciation on re-measurement of investments classified as 'available for sale'	14	-	2,101,032	1,385,242	3,486,274	-	229,949	179,234	409,183
Total comprehensive income for the year		34,860,015	11,184,825	8,490,997	54,535,837	39,395,281	7,124,048	5,396,838	51,916,167

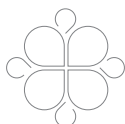
The annexed notes 1 to 21 form an integral part of these financial statements.

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	2014					2013				
	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				
CASH FLOWS FROM OPERATING ACTIVITIES										
Net income for the year	34,860,015	9,083,793	7,105,755	-	51,049,563	39,395,281	6,894,099	5,217,604	-	51,506,984
Adjustments for:										
Mark-up income	(1,328,675)	(12,322,273)	(9,537,456)	-	(23,188,404)	(755,147)	(9,098,479)	(7,016,317)	-	(16,869,943)
Dividend income	(8,760,488)	-	-	-	(8,760,488)	(6,171,847)	-	-	-	(6,171,847)
Net gain on sale of investments at 'fair value through profit or loss'	(10,881,480)	-	-	-	(10,881,480)	(15,284,548)	-	-	-	(15,284,548)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(18,464,034)	-	-	-	(18,464,034)	(20,184,962)	-	-	-	(20,184,962)
Net loss on sale / maturity of 'available for sale investments'	-	-	-	-	-	-	48,750	26,250	-	75,000
Provision for Workers' Welfare Fund	711,429	185,384	145,015	-	1,041,828	803,985	140,696	106,482	-	1,051,163
	(3,863,233)	(3,053,096)	(2,286,686)	-	(9,203,015)	(2,197,238)	(2,014,934)	(1,665,981)	-	(5,878,153)
(Increase) / decrease in assets										
Receivable against sale of investments	2,039,037	-	-	-	2,039,037	(2,039,037)	-	-	-	(2,039,037)
Security deposit and other receivables	-	-	-	-	-	(3,999)	(4,000)	(4,001)	-	(12,000)
	2,039,037	-	-	-	2,039,037	(2,043,036)	(4,000)	(4,001)	-	(2,051,037)
Increase / (decrease) in liabilities										
Payable against purchase of investments	2,168,699	-	-	-	2,168,699	(5,875,275)	-	-	-	(5,875,275)
Payable against redemption of units	-	-	35,335	-	35,335	-	-	56,588	-	56,588
Payable to the Pension Fund Manager	521,240	397,346	265,187	10,340	1,194,113	120,793	99,790	78,476	1,818	300,877
Payable to the Central Depository Company of Pakistan Limited - Trustee	4,973	5,347	4,253	-	14,573	10,205	6,510	5,133	-	21,848
Payable to the Securities and Exchange Commission of Pakistan	21,010	14,848	10,978	-	46,836	14,483	14,065	12,214	-	40,762
Payable to the auditors	7,441	2,596	(6,077)	-	3,960	-	-	-	-	-
Accrued expenses and other liabilities	8,939	(966)	(933)	171,424	178,464	11,122	966	933	47,194	60,215
	2,732,302	419,171	308,743	181,764	3,641,980	(5,718,672)	121,331	153,344	49,012	(5,394,985)
Mark-up received	1,370,237	11,323,438	9,429,871	-	22,123,546	738,129	9,294,336	7,468,756	-	17,501,221
Dividend received	8,738,613	-	-	-	8,738,613	6,143,097	-	-	-	6,143,097
Investments made during the year	(160,172,664)	(118,755,548)	(85,632,662)	-	(364,560,874)	(131,354,278)	(77,323,015)	(78,000,232)	-	(286,677,525)
Investments sold / matured during the year	118,529,563	84,001,000	79,501,000	-	282,031,563	112,692,311	24,625,000	35,875,000	-	173,192,311
	(31,534,251)	(23,431,110)	3,298,209	-	(51,667,152)	(11,780,741)	(43,403,679)	(34,656,476)	-	(89,840,896)
Net cash (used in) / generated from operating activities - carried forwarded	(30,626,145)	(26,065,035)	1,320,266	181,764	(55,189,150)	(21,739,687)	(45,301,282)	(36,173,114)	49,012	(103,165,071)



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	2014					2013				
	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				
Net cash (used in) / generated from operating - activities brought forward	(30,626,145)	(26,065,035)	1,320,266	181,764	(55,189,150)	(21,739,687)	(45,301,282)	(36,173,114)	49,012	(103,165,071)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts on issue of units	59,826,458	69,420,667	50,404,669	-	179,651,794	53,784,157	83,744,943	64,510,132	-	202,039,232
Payment on redemptions of units										
- Directly by participants	(26,027,490)	(34,966,097)	(22,130,347)	-	(83,123,934)	(18,572,566)	(25,736,423)	(17,723,406)	-	(62,032,395)
- Directly by Pension Fund Manager	-	-	-	-	-	(8,927,578)	(4,300,360)	(4,542,805)	-	(17,770,743)
Net cash generated from financing activities	33,798,968	34,454,570	28,274,322	-	96,527,860	26,284,013	53,708,160	42,243,921	-	122,236,094
Net increase in cash and cash equivalents	3,172,823	8,389,535	29,594,588	181,764	41,338,710	4,544,326	8,406,878	6,070,807	49,012	19,071,023
Cash and cash equivalents at the beginning of the year	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 year	17,158,840	20,357,876	38,829,769	288,120	76,634,605	13,986,017	11,968,341	9,235,181	106,356	35,295,895

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

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2014

Note	2014				2013			
	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 year	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	15 59,826,458	69,420,667	50,404,669	179,651,794	53,784,157	83,744,943	64,510,132	202,039,232
Amount paid on redemptions of units								
- Directly by participants	(26,027,490)	(34,966,097)	(22,130,347)	(83,123,934)	(18,572,566)	(25,736,423)	(17,723,406)	(62,032,395)
- Directly by Pension Fund Manager	-	-	-	-	(8,927,578)	(4,300,360)	(4,542,805)	(17,770,743)
	(26,027,490)	(34,966,097)	(22,130,347)	(83,123,934)	(27,500,144)	(30,036,783)	(22,266,211)	(79,803,138)
Net income for the year	23,978,535	9,083,793	7,105,755	40,168,083	24,110,733	6,942,849	5,243,854	36,297,436
Net gain on sale of investments at 'fair value through profit or loss'	10,881,480	-	-	10,881,480	15,284,548	-	-	15,284,548
Net loss on maturity / sale of available for sale investments	-	-	-	-	-	(48,750)	(26,250)	(75,000)
Other comprehensive income for the year	-	2,101,032	1,385,242	3,486,274	-	229,949	179,234	409,183
Total comprehensive income for the year	34,860,015	11,184,825	8,490,997	54,535,837	39,395,281	7,124,048	5,396,838	51,916,167
Net assets at the end of the year	202,127,757	175,624,096	138,121,965	515,873,818	133,468,774	129,984,701	101,356,646	364,810,121

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

For Atlas Asset Management Limited
(Pension Fund Manager)

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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, the Second Supplement dated 28 March 2011 and the Third Supplement dated 15 July 2013, with the approval of the SECP, whilst the Trust Deed has been amended through the First Supplemental 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, 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** 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 6 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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These 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 Amendments and improvements applicable to the financial statements for the year ended 30 June 2014

The following amendments and improvements to approved accounting standards have been published and are mandatory for the Fund current accounting period:

IFRS 7 – Financial Instruments : Disclosures – (Amendments)

– Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information

IAS 32 – Financial Instruments: Presentation – Tax Effects of Distribution to Holders of Equity Instruments

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

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

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	01 January 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting – (Amendment)	01 January 2014

The Fund expects that the adoption of the above amendments and interpretation of the standards will not affect the Fund's financial statements in the period of initial application.

There are certain new and amended standards and interpretation that are mandatory for the Fund's accounting periods beginning on or after 1 July 2014 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

Standard	Effective date (accounting periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 10 – Consolidated Financial Statements	01 January 2013
IFRS 11 – Joint Arrangements	01 January 2013
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2013
IFRS 13 – Fair Value Measurement	01 January 2013
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2017

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair value.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term deposits having original maturity of 3 months or less.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.2 Financial assets

3.2.1 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.

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.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are expensed in the 'income statement'.

3.2.4 Subsequent measurement

Subsequent to initial measurement, financial assets designated by the management as 'fair value through profit or loss' and 'available for sale' are valued as follows:

a) Basis of valuation of Sukuk certificates

Investments of the Debt Sub-Fund and Money Market Sub-Fund 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 the Mutual Funds Association of Pakistan (MUFAP) based on methodology prescribed in the circulars.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

b) Basis of valuation of Government Ijarah Sukuks

The investments of the Debt Sub-Fund and Money Market Sub-Fund in Government of Pakistan Ijarah Sukuks are categorised in the 'available for sale' category and are carried at fair value on the basis of average rates of brokers as announced on the Reuters page.

c) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of quoted market price available at the stock exchanges.

Net gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of financial assets 'at fair value through profit or loss' are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gains or losses previously recognised directly in the 'statement of comprehensive income' are transferred to the 'income statement'.

Subsequent to initial recognition financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the 'income statement' when financial assets carried 'at amortised cost' are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the 'income statement' is reclassified from 'statement of comprehensive income' to 'income statement'.

Provision for non-performing debt securities is made on the basis of criteria prescribed by the SECP. Impairment losses recognised on debt securities can be reversed through the 'Income Statement'.

As allowed under the directives of the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Pension Fund Manager on its website.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value of estimated future cash out flows, discounted at the original effective interest rate.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.2.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'statement of assets and liabilities' only when there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the 'income statement'.

3.4 Financial Liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.5 Provisions

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

3.6 Taxation

The income of the Fund is exempt from income tax under Clause 57 (3) (viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision has been made for current and deferred taxation in these financial statements.

3.7 Issue, allocation, reallocation and redemption of units

Contributions received from the Participants are allocated to the Sub-Funds on the basis of the allocation scheme selected by each Participant out of the allocation schemes offered by the Pension Fund Manager. The Net Asset Value (NAV) per unit of each Sub-Fund is determined at the close of each business day, according to the procedure outlined in the Rules and is applicable for allocation of units in each Sub-Fund for all the contribution amounts realised and credited in collection account of the Fund during the business hours on that business day. Any contributions credited in the collection account of the Fund after business hours on any dealing day shall be deemed to be received on the following dealing day and shall be allocated to the units of each Sub-Fund on the NAV per unit determined at the close of that dealing day.

The Pension Fund Manager makes reallocation of the units between the Sub-Funds at least once a year to ensure that the allocations of the units of all the Participants are according to the allocation scheme selected by the Participants.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.7 Issue, allocation, reallocation and redemption of units (Continued...)

All Sub-Funds' units are automatically redeemed on the close of the dealing day at which the retirement date falls or death of a participant has been confirmed. The participant may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made on the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of Zakat and withholding taxes, as applicable.

In case of partial withdrawals, Sub-Fund units are redeemed on a pro rata basis by ensuring that the remaining units are in accordance with the allocation scheme last selected by the participant.

Proceeds received / paid on issuance / redemptions of units are reflected in the Participant's Sub-Fund. The VPS Rules specify that distribution of dividend shall not be allowed for pension funds and return to participants is, therefore, only possible through redemption of units which is based on Net Asset Value (NAV). Hence, the management believes that creation of an income equalisation mechanism through separate recording of "element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" is not required. The accounting policy followed by the Fund does not have any impact on the NAV per unit of the Fund.

3.8 Net Asset Value (NAV) per unit

The NAV per unit of each Sub-Fund as disclosed in the 'statement of assets and liabilities' is calculated by dividing the net assets of each Sub-Fund by the number of units in issue at the end of the year.

3.9 Earnings per unit

Earnings per unit are calculated by dividing the net income for the year by the number of units in issue at the year end for each Sub-Fund as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

3.10 Revenue recognition

- Capital gains / losses arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- Mark-up income on bank balances and term deposit receipts is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.
- Income from government securities is recognised on an accrual basis.
- Income from Sukuk certificates is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account as per the directives of the SECP.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4. BANK BALANCES

Note	2014					2013				
	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					Rupees				
Current account	-	-	-	43,607	43,607	-	-	-	33,456	33,456
Savings accounts	17,158,840	20,357,876	38,829,769	244,513	76,590,998	13,986,017	11,968,341	9,235,181	72,900	35,262,439
	17,158,840	20,357,876	38,829,769	288,120	76,634,605	13,986,017	11,968,341	9,235,181	106,356	35,295,895

4.1 These represent collection and redemption accounts maintained by the Fund. The expected rate of return on savings account is 6.50% per annum (2013: 6.00% per annum).

4.2 These accounts carry expected rates ranging from 6.50% to 9.15% (2013: 6% to 8.90%) per annum.

5. INVESTMENTS - NET

Note	2014					2013				
	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				
At fair value through profit or loss held for trading										
Equity securities - listed	190,139,745	-	-	-	190,139,745	119,151,130	-	-	-	119,151,130
Available for sale										
Sukuk certificates - unlisted	-	-	-	-	-	-	-	-	-	-
Government of Pakistan - Ijarah Sukuks	-	154,370,090	99,171,470	-	253,541,560	-	117,520,070	91,661,450	-	209,181,520
	190,139,745	154,370,090	99,171,470	-	443,681,305	119,151,130	117,520,070	91,661,450	-	328,332,650



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.1 Equity Sub-Fund - Listed equity securities - at fair value through profit or loss

Balance as at 30 June 2014

Balance as at 30 June 2014									
Name of the investee company	As at 1 July 2013	Purchases during the year	Bonus during the year	Sales during the year	As at 30 June 2014	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of investee company
	-----Number of shares-----					-----Rupees-----			
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.									
Oil & Gas									
Attock Petroleum Limited	-	15,000	-	-	15,000	7,780,913	8,847,450	4.38	0.0181
Attock Refinery Limited	-	5,000	-	-	5,000	1,074,615	1,061,450	0.53	0.0059
National Refinery Limited	-	59,500	-	42,000	17,500	3,754,427	3,768,975	1.86	0.0219
Oil & Gas Development Company Limited	54,000	26,000	-	25,000	55,000	12,066,402	14,370,400	7.11	0.0013
Pakistan Oilfields Limited	24,000	10,000	-	10,000	24,000	10,046,542	13,783,200	6.82	0.0101
Pakistan Petroleum Limited	30,000	37,300	7,200	8,500	66,000	13,147,096	14,806,440	7.33	0.0033
Pakistan State Oil Company Limited	35,000	12,200	2,800	18,000	32,000	6,534,372	12,443,200	6.16	0.0118
	143,000	165,000	10,000	103,500	214,500	54,404,367	69,081,115	34.19	
Chemicals									
Fauji Fertilizer Bin Qasim Limited	75,000	300,000	-	225,000	150,000	6,418,079	5,965,500	2.95	0.01606
Fauji Fertilizer Company Limited	90,000	95,000	-	60,000	125,000	13,913,782	14,031,250	6.94	0.00983
ICI Pakistan Limited	30,000	5,000	-	35,000	-	-	-	-	-
	195,000	400,000	-	320,000	275,000	20,331,861	19,996,750	9.89	
Forestry (Paper & Board)									
Pakistan Paper Products Limited	-	15,000	-	-	15,000	849,895	750,000	0.37	0.2500
Construction and Materials (Cement)									
Attock Cement Pakistan Limited	-	40,900	-	10,900	30,000	4,302,025	4,731,000	2.34	0.0262
D.G. Khan Cement Limited	100,000	60,000	-	60,000	100,000	6,420,467	8,796,000	4.35	0.0228
Fauji Cement Company Limited	-	125,000	-	25,000	100,000	1,757,857	1,924,000	0.95	0.0075
Lucky Cement Limited	35,000	12,500	-	34,500	13,000	2,725,589	5,333,900	2.64	0.0040
	135,000	238,400	-	130,400	243,000	15,205,938	20,784,900	10.28	
General Industries									
Packages Limited	15,000	18,800	-	33,800	-	-	-	-	-
Thal Limited (face value Rs.5/- per share)	5,000	25,000	-	25,000	5,000	688,036	1,036,950	0.51	0.0081
	20,000	43,800	-	58,800	5,000	688,036	1,036,950	0.51	
Industrials Engineering									
Millat Tractors Limited	-	20,000	-	4,000	16,000	7,545,349	7,986,080	3.95	0.0361
Food Producers									
Engro Foods Limited	20,000	15,000	-	35,000	-	-	-	-	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

Balance as at 30 June 2014									
Name of the investee company	As at 1 July 2013	Purchases during the year	Bonus during the year	Sales during the year	As at 30 June 2014	Cost	Market value	Market value as a % of net assets of the Sub-Fund	Market value as a % of paid-up capital of investee company
	-----Number of shares-----					-----Rupees-----			
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.									
Automobile and Parts									
Agriauto Industries Limited	-	50,000	-	-	50,000	4,134,410	4,825,000	2.38	0.1736
Pak Suzuki Motor Company Limited	-	15,000	-	-	15,000	3,204,141	4,108,350	2.03	0.0182
	-	65,000	-	-	65,000	7,338,551	8,933,350	4.41	
Personal Goods (textile)									
Nishat Mills Limited	100,000	75,000	-	90,000	85,000	9,856,441	9,513,200	4.71	0.0222
Pharma and Bio Tech.									
The Searle Company Limited	-	10,000	-	-	10,000	1,788,490	1,745,400	0.86	0.0163
Fixed Line Telecommunication									
Pakistan Telecommunication Company Limited	100,000	350,000	-	250,000	200,000	5,700,421	5,094,000	2.52	0.0053
Electricity									
The Hub Power Company Limited	195,000	165,000	-	60,000	300,000	15,274,713	17,622,000	8.72	0.0259
Pakgen Power Limited	-	500,000	-	300,000	200,000	4,207,836	3,608,000	1.79	0.0538
	195,000	665,000	-	360,000	500,000	19,482,549	21,230,000	10.51	
Multiutilities (Gas and water)									
Sui Northern Gas Pipelines Limited	160,000	90,000	-	50,000	200,000	4,400,944	4,530,000	2.24	0.0315
Commercial Banks									
Meezan Bank Limited	360,000	93,000	-	3,000	450,000	11,816,204	19,458,000	9.63	0.0449
					2,278,500	159,409,045	190,139,745	94.07	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.2 Unlisted Sukuk certificates - Available for sale

5.2.1 Debt Sub-Fund	Note	As at 1 July 2013	Purchases during the year	Sales / Maturities during the year	As at 30 June 2014	Carrying Value	Market value	Market rate as a % of net assets of the Sub-Fund	Market value as % of total issue size
		-----Number of certificates-----			-----Rupees-----				
Chemicals									
Agritech Limited	5.2.2	740	-	-	740	-	-	-	-
Agritech Limited IV	5.2.2	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 (2013: 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 June 2014. 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-performing 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	-
		4,235,000	4,235,000	-

5.2.3 The terms and conditions of the Sukuk certificates are as follows:

Name of investee company	Rating	Tenor	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
Agritech Limited	NPA	7 years	Semi annually	February 2011 - August 2015	12.18%	2.00%+6 months KIBOR
Agritech Limited -IV	NPA	3.5 years	Semi annually	July 2011 - January 2015	0%	-



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

5.3 Government of Pakistan - Ijarah Sukuks

			Face value				Balance as at 30 June 2014		Market rate as a % of net assets of the Sub-Fund
			As at 1 July 2013	Purchases during the year	Sold / Matured during the year	As at 30 June 2014	Amortised Cost	Market value	
5.3.1	Debt Sub-Fund	Note	Rupees						
	Government of Pakistan - Ijarah Sukuks	5.3.2	117,300,000	118,500,000	84,000,000	151,800,000	152,388,003	154,370,090	87.90

5.3.2 The cost of investments is Rs.152,773,860 (2013: Rs.117,925,876). These investments carry rate of return ranging from 7.9763% to 9.9791% (2013: 8.9161% to 9.4291%) per annum with maturities upto 25 June 2017 (2013: 28 June 2015).

			Face value				Balance as at 30 June 2014		Market rate as a % of net assets of the Sub-Fund
			As at 1 July 2013	Purchases during the year	Sold / Matured during the year	As at 30 June 2014	Amortised Cost	Market value	
5.3.3	Money Market Sub-Fund	Note	Rupees						
	Government of Pakistan - Ijarah Sukuks	5.3.4	91,500,000	85,400,000	79,500,000	97,400,000	<u>97,904,510</u>	<u>99,171,470</u>	<u>71.80</u>

5.3.4 The cost of investments is Rs.98,156,240 (2013: Rs.92,047,438). These investments carry rate of return ranging from 7.9763% to 9.9791% (2013: 8.9161% to 9.4291%) per annum with maturities upto 25 June 2017 (2013: 28 June 2015).



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note	2014					2013				
	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				

6. MARK UP ACCRUED

Income accrued on:

- Bank balances	57,162	224,466	123,525	-	405,153	98,724	24,493	21,186	-	144,403
- Government of Pakistan - Ijarah Sukuks	-	1,928,046	1,060,500	-	2,988,546	-	1,123,624	1,048,370	-	2,171,994
	57,162	2,152,512	1,184,025	-	3,393,699	98,724	1,148,117	1,069,556	-	2,316,397

7. PAYABLE TO THE PENSION FUND MANAGER - Related Party

Pension Fund Manager fee	7.1	233,157	172,176	108,316	-	513,649	169,377	154,168	120,863	-	444,408
Sindh Sales Tax payable on remuneration of the Pension Fund Manager - Related party	7.2	101,586	81,857	57,778	-	241,221	29,691	27,051	21,201	-	77,943
Provision for Federal Excise Duty payable on remuneration of the Pension Fund Manager - Related party	7.3	401,760	339,434	252,803	-	993,997	16,195	14,902	11,646	-	42,743
Front end fee	7.4	-	-	-	28,320	28,320	-	-	-	17,980	17,980
		736,503	593,467	418,897	28,320	1,777,187	215,263	196,121	153,710	17,980	583,074

7.1 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is entitled to receive an annual management fee of 1.50% per annum average of the value of the net assets of the Fund calculated during the year for determining the prices of the units of the Sub-Funds. The Pension Fund Manager has charged its remuneration at the rate of 1.50% per annum (2013:1.50%) of the average value of the net assets of the Fund for the period 1 July 2013 to 28 February 2014 for all three sub funds, whilst for APIF - Debt Sub Fund and APIF - Money Market Sub Fund, with effect from 1 March 2014, the Pension Fund Manager has charged its remuneration at the rate of 1.25% and 1.00% respectively of the average value of the net assets of these Sub Funds, which is paid monthly in arrears.

7.2 During the year, an amount of Rs.1,103,454 (30 June 2013: Rs.676,007) was charged on account of sales tax on remuneration of the Pension Fund Manager levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.940,176 (2013 : Rs.634,758) has been already paid to the Pension Fund Manager which acts as a collecting agent.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the 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 7.2 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 / pension fund managers including that of the Fund, together with their representative Collective Investment Schemes / Voluntary Pension 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 pending.

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.993,997 (2013: Rs.42,743).

7.4 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is allowed to charge a maximum front-end fee of 3% of all the contributions received from a participant of the Fund. The Pension Fund Manager has accordingly charged upto a maximum front-end fee of 3% during the year.

8. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (TRUSTEE) - Related Party

		2014					2013				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
Note		Rupees					Rupees				
Trustee fee	8.1	23,314	20,663	16,240	-	60,217	16,941	15,416	12,087	-	44,444
Settlement charges		1,600	600	600	-	2,800	3,000	500	500	-	4,000
		24,914	21,263	16,840	-	63,017	19,941	15,916	12,587	-	48,444

8.1 The trustee is entitled to a monthly remuneration for services rendered to the Pension Fund under the provisions of the Trust Deed as per the tariff structure specified below, based on average annual net assets of the Pension Fund, paid monthly, in arrears:

On net assets:

- upto Rs. 1 billion Rs.0.3 million, or 0.15% per annum of net assets, whichever is higher.
- Rs.1 billion upto Rs. 3 billion Rs.1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs.1 billion.
- Rs.3 billion upto Rs. 6 billion Rs.3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs.3 billion.
- exceeding Rs. 6 billion Rs.5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs.6 billion.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

9. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2014					2013				
	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				
Payable to charity	25,244	-	-	-	25,244	15,605	-	-	-	15,605
Withholding tax payable	-	-	-	163,072	163,072	700	966	933	22,838	25,437
Zakat payable	-	-	-	56,928	56,928	-	-	-	25,738	25,738
Provision for Workers' Welfare Fund	2,403,359	664,593	577,152	-	3,645,104	1,691,930	479,209	432,137	-	2,603,276
Others	-	-	-	39,800	39,800	-	-	-	39,800	39,800
	2,428,603	664,593	577,152	259,800	3,930,148	1,708,235	480,175	433,070	88,376	2,709,856

9.1 The Shariah Advisor of the Fund has certified an amount of Rs.124,637 (30 June 2013: Rs.84,533) against dividend income as Shariah non-compliant income which has accordingly, been marked to charity, out of which Rs.99,393 (2013: Rs. 68,928) has been paid to charities approved by the Shariah Advisor and remaining amount of Rs.25,244 (2013: Rs.15,605) will be paid in due course of time.

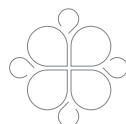
9.2 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / Mutual Funds (CISs) / Pension Funds whose income exceeds Rs. 0.5 million in a tax year, have been brought 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 SHC 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 Act, 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 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 Honourable SHC.

In a recent judgement of May 2014, the Honorable Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. 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.3,645,104 as at 30 June 2014 (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.4.78, Re.0.64 and Re.0.74 (2013: Rs.4.08, Re.0.57 and Re.0.70) per unit respectively.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014				2013			
	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 -----							
10. NUMBER OF UNITS IN ISSUE								
Total units in issue at the beginning of the year	414,342	835,691	616,925	1,866,958	313,613	479,226	350,232	1,143,071
Add: Units issued during the year	158,729	425,773	294,487	878,989	201,116	553,965	404,940	1,160,021
Less: Units redeemed during the year								
- Directly by participants	(70,593)	(216,359)	(130,621)	(417,573)	(72,711)	(169,824)	(110,571)	(353,106)
- By Pension Fund Manager	-	-	-	-	(27,676)	(27,676)	(27,676)	(83,028)
	(70,593)	(216,359)	(130,621)	(417,573)	(100,387)	(197,500)	(138,247)	(436,134)
Total units in issue at the end of the year	502,478	1,045,105	780,791	2,328,374	414,342	835,691	616,925	1,866,958

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2014.

		2014				2013			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Note	-----Rupees-----							
12. MARK-UP INCOME									
Income on bank balances and term deposit receipts		1,328,675	890,659	1,251,597	3,470,931	755,147	519,480	1,568,457	2,843,084
Income on Sukuk certificates	12.1	-	-	-	-	-	126,563	68,149	194,712
Income on Government of Pakistan - Ijarah Sukuks		-	11,431,614	8,285,859	19,717,473	-	8,452,436	5,379,711	13,832,147
		1,328,675	12,322,273	9,537,456	23,188,404	755,147	9,098,479	7,016,317	16,869,943

12.1 Mark-up on non performing securities amounting to Rs.1,554,418 (2013: Rs.964,184) based on outstanding principal has not been recognised, in accordance with SECP's directives.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2014				2013			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----				-----Rupees-----			

13. AUDITOR'S REMUNERATION

Audit fee	38,220	34,088	26,692	99,000	33,000	33,000	33,000	99,000
Sindh Sales Tax on services	1,529	1,363	1,068	3,960	-	-	-	-
Out of pocket expenses	5,070	4,522	3,541	13,133	5,497	5,498	5,498	16,493
	44,819	39,973	31,301	116,093	38,497	38,498	38,498	115,493

14. NET UNREALISED APPRECIATION / (DIMINUTION) ON RE-MEASUREMENT OF INVESTMENTS CLASSIFIED AS 'AVAILABLE FOR SALE'

	2014					2013				
	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-----				
Market value of investments	-	154,370,090	99,171,470	-	253,541,560	-	117,520,070	91,661,450	-	209,181,520
Less: Cost of investments	-	156,623,003	97,904,510	-	254,527,513	-	121,874,015	91,779,732	-	213,653,747
	-	(2,252,913)	1,266,960	-	(985,953)	-	(4,353,945)	(118,282)	-	(4,472,227)
Less: Net unrealised diminution in the value of investments at the beginning of the year	-	4,353,945	118,282	-	4,472,227	-	4,583,894	297,516	-	4,881,410
Transferred to comprehensive income during the year	-	2,101,032	1,385,242	-	3,486,274	-	229,949	179,234	-	409,183



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

15. CONTRIBUTION TABLE

CONTRIBUTION TABLE

		2014						
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
		Units	Rupees	Units	Rupees	Units	Rupees	
Individuals		100,248	38,282,681	194,321	32,061,561	133,782	23,029,506	93,373,748
Employers		58,481	21,543,777	231,452	37,359,106	160,705	27,375,163	86,278,046
		158,729	59,826,458	425,773	69,420,667	294,487	50,404,669	179,651,794
		2013						
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
		Units	Rupees	Units	Rupees	Units	Rupees	
Individuals		157,489	42,058,980	407,205	61,564,659	301,867	48,106,232	151,729,871
Employers		43,627	11,725,177	146,760	22,180,284	103,073	16,403,900	50,309,361
		201,116	53,784,157	553,965	83,744,943	404,940	64,510,132	202,039,232

16. 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 at terms determined in accordance with the 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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

	2014					2013				
	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)										
Remuneration	2,409,781	2,028,325	1,507,233	-	5,945,339	1,464,997	1,494,867	1,222,444	-	4,182,308
Remuneration paid	2,346,001	2,010,317	1,519,780	-	5,876,098	1,377,060	1,423,743	1,166,438	-	3,967,241
Sindh sales tax on remuneration of the Pension Fund Manager	447,255	376,457	279,742	-	1,103,454	236,990	241,563	197,454	-	676,007
Federal Excise Duty on remuneration of the Pension Fund Manager	385,565	324,532	241,157	-	951,254	16,195	14,902	11,646	-	42,743
Front end fee	-	-	-	237,368	237,368	-	-	-	208,649	208,649
Redemption out of core units	-	-	-	-	-	8,927,578	4,300,360	4,542,805	-	17,770,743
Redemption out of core units (number of units)	-	-	-	-	-	27,676	27,676	27,676	-	83,028
Investment at year end	66,775,160	27,894,640	29,365,400	-	124,035,200	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
Central Depository Company of Pakistan Limited (Trustee)										
Trustee fee	240,966	216,222	171,716	-	628,904	146,726	149,699	122,419	-	418,844
Trustee fee paid	234,593	210,975	167,563	-	613,131	138,521	143,189	117,286	-	398,996
Settlement charges	17,970	6,675	6,500	-	31,145	14,262	6,000	6,000	-	26,262
Key management personnel										
Contributions	1,784,972	834,931	952,174	-	3,572,077	918,050	981,613	3,072,946	-	4,972,609
Contributions (number of units)	4,772	5,111	5,514	-	15,396	3,509	6,596	19,731	-	29,836
Redemptions	1,320,648	354,723	207,825	-	1,883,196	-	-	-	-	-
Redemptions (number of units)	3,766	2,259	1,263	-	7,288	-	-	-	-	-
Re-allocation	(124,665)	32,736	91,929	-	-	232,134	126,397	(358,531)	-	-
Re-allocation (Number of units)	(319)	213	547	-	441	558	830	(2,185)	-	(797)
Retirement	-	-	-	-	-	3,664,135	696,606	-	-	4,360,741
Retirement (Number of units)	-	-	-	-	-	15,936	4,806	-	-	20,742
Payment from Income Payment Plan	-	-	526,863	-	526,863	-	-	456,115	-	456,115
Payment from Income Payment Plan (Units)	-	-	3,082	-	3,082	-	-	2,845	-	2,845
Investment at year end	3,712,616	2,661,578	4,296,994	-	10,671,188	2,182,760	1,794,297	3,633,771	-	7,610,828
Units held (Number of units)	9,229	15,839	24,291	-	49,359	6,776	11,536	22,118	-	40,430



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2014											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	At fair value											
	Loans and receivables	through profit or loss	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	-----Rupees-----						-----Rupees-----					
Assets												
Bank balances	17,158,840	-	17,158,840	20,357,876	-	20,357,876	38,829,769	-	38,829,769	288,120	-	288,120
Investments - net	-	190,139,745	190,139,745	-	154,370,090	154,370,090	-	99,171,470	99,171,470	-	-	-
Dividend receivable	118,125	-	118,125	-	-	-	-	-	-	-	-	-
Mark-up accrued	57,162	-	57,162	2,152,512	-	2,152,512	1,184,025	-	1,184,025	-	-	-
Security deposit and other receivables	113,266	-	113,266	113,267	-	113,267	113,267	-	113,267	-	-	-
	17,447,393	190,139,745	207,587,138	22,623,655	154,370,090	176,993,745	40,127,061	99,171,470	139,298,531	288,120	-	288,120

	As at 30 June 2014											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	At fair value			At fair value			At fair value			At fair value		
	through profit or loss	Amortised cost	Total	through profit or loss	Amortised cost	Total	through profit or loss	Amortised cost	Total	through profit or loss	Amortised cost	Total
	-----Rupees-----						-----Rupees-----					
Liabilities												
Payable against purchase of investments	-	2,168,699	2,168,699	-	-	-	-	91,923	91,923	-	-	-
Payable against redemption of units	-	-	-	-	-	-	-	418,897	418,897	-	28,320	28,320
Payable to the Pension Fund Manager	-	736,503	736,503	-	593,467	593,467	-	16,840	16,840	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	24,914	24,914	-	42,263	42,263	-	33,590	33,590	-	-	-
Payable to the auditors	-	47,107	47,107	-	-	-	-	-	-	-	-	-
	-	2,977,223	2,977,223	-	656,993	656,993	-	561,250	561,250	-	28,320	28,320



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17. FINANCIAL INSTRUMENTS BY CATEGORY (Continued...)

	As at 30 June 2013											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	At fair value through profit or loss			At fair value through profit or loss			At fair value through profit or loss			At fair value through profit or loss		
	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	-----Rupees-----						-----Rupees-----					
Assets												
Bank balances	13,986,017	-	13,986,341	11,968,341	-	11,968,341	9,235,181	-	9,235,181	106,356	-	106,356
Investments - net	-	119,151,130	119,151,130	-	117,520,070	117,520,070	-	91,661,450	91,661,450	-	-	-
Receivable against sale of investments	2,039,037	-	2,039,037	-	-	-	-	-	-	-	-	-
Dividend receivable	96,250	-	96,250	-	-	-	-	-	-	-	-	-
Mark-up accrued	98,724	-	98,724	1,148,117	-	1,148,117	1,069,556	-	1,069,556	-	-	-
Security deposit and other receivables	113,266	-	113,266	113,267	-	113,267	113,267	-	113,267	-	-	-
	16,333,294	119,151,130	135,484,424	13,229,725	117,520,070	130,749,795	10,418,004	91,661,450	102,079,454	106,356	-	106,356

	As at 30 June 2013											
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Others		
	At fair value through profit or loss			At fair value through profit or loss			At fair value through profit or loss			At fair value through profit or loss		
	Amortised cost	Available for sale	Total	Amortised cost	Available for sale	Total	Amortised cost	Available for sale	Total	Amortised cost	Available for sale	Total
	-----Rupees-----						-----Rupees-----					
Liabilities												
Payable against redemption of units	-	-	-	-	-	-	-	56,588	56,588	-	-	-
Payable to the Pension Fund Manager	-	215,263	215,263	-	196,121	196,121	-	153,710	153,710	-	17,980	17,980
Payable to Central Depository Company of Pakistan Limited - Trustee	-	19,941	19,941	-	15,916	15,916	-	12,587	12,587	-	-	-
Payable to the auditors	-	39,666	39,666	-	39,667	39,667	-	39,667	39,667	-	-	-
	-	274,870	274,870	-	251,704	251,704	-	262,552	262,552	-	17,980	17,980



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

18.1 The Fund primarily invests in listed equity securities, government securities and sukuk certificates. These activities are exposed to a variety of financial risks: market risks, credit risk and liquidity risks.

18.2 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

18.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund at present is not exposed to the currency risk as all transactions are carried out in Pakistani Rupees.

18.2.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate risk.

Sensitivity Analysis of fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument and is not exposed to fair value interest rate risk.

Sensitivity Analysis of variable rate instruments

- a) Presently the Debt Sub-Fund holds KIBOR based profit bearing Sukuk certificates (other than Government Ijarah Sukuks) exposing the Sub-Fund to cash flow interest rate risk. However, as these securities are non-performing assets and have been fully provided for, with their markup being credited to suspense account, this risk is not applicable.
- b) As at 30 June 2014, the Debt Sub-Fund and Money Market Sub-Fund hold Government Ijarah Sukuks which are classified as 'Available for Sale' exposing the Fund to cash flow interest rate risk. The impact on 100 bases points increase/ decrease in mark up rates on 30 June 2014 with all variables held constant, on the net income for the year is as follows:

Change in base points

	2014 Effect on net income		
	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----		
100	196,940	107,534	304,474
(100)	(196,940)	(107,534)	(304,474)

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association of Pakistan for the Government Ijarah Sukuks is expected to change over time. Therefore, the sensitivity analysis prepared as of 30 June 2014 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Equity Sub-Fund

On-balance sheet financial instruments

Financial assets

Bank balances
Investments - net
Receivable against sale of investments
Dividend receivable
Mark-up accrued
Security deposit and other receivables

Financial liabilities

Payable against purchase of investments
Payable to the Pension Fund Manager
Payable to Central Depository Company of Pakistan
Limited - Trustee
Payable to the auditors

On-balance sheet gap

Off-balance sheet financial instruments

Off-balance sheet gap

Total interest rate sensitivity gap

Cumulative interest rate sensitivity gap

As at 30 June 2014					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
6.50 - 9.15	17,158,840	-	-	-	17,158,840
	-	-	-	190,139,745	190,139,745
	-	-	-	-	-
	-	-	-	118,125	118,125
	-	-	-	57,162	57,162
	-	-	-	113,266	113,266
	17,158,840	-	-	190,428,298	207,587,138
	-	-	-	2,168,699	2,168,699
	-	-	-	736,503	736,503
	-	-	-	24,914	24,914
	-	-	-	47,107	47,107
	-	-	-	2,977,223	2,977,223
	<u>17,158,840</u>	<u>-</u>	<u>-</u>	<u>187,451,075</u>	<u>204,609,915</u>
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>17,158,840</u>	<u>-</u>	<u>-</u>	<u>187,451,075</u>	<u>204,609,915</u>
	<u>17,158,840</u>	<u>17,158,840</u>	<u>17,158,840</u>	<u>204,609,915</u>	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Debt Sub-Fund

As at 30 June 2014					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Rupees					
On-balance sheet financial instruments					
Financial assets					
Bank balances	6.50	20,357,876	-	-	20,357,876
Investments - net	7.9763 - 9.9791	-	80,848,340	-	154,370,090
Mark-up accrued		-	-	2,152,512	2,152,512
Security deposit and other receivables		-	-	113,267	113,267
		20,357,876	80,848,340	2,265,779	176,993,745
Financial liabilities					
Payable to the Pension Fund Manager		-	-	593,467	593,467
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	21,263	21,263
Payable to the auditors		-	-	42,263	42,263
		-	-	656,993	656,993
On-balance sheet gap		20,357,876	80,848,340	1,608,786	176,336,752
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		20,357,876	80,848,340	1,608,786	176,336,752
Cumulative interest rate sensitivity gap		20,357,876	101,206,216	176,336,752	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Money Market Sub-Fund

On-balance sheet financial instruments

Financial assets

Bank balances
Investments - net
Mark-up accrued
Security deposit and other receivables

Financial liabilities

Payable against redemption of units
Payable to the Pension Fund Manager
Payable to Central Depository Company of
Pakistan Limited - Trustee
Payable to the auditors

On-balance sheet gap

Off-balance sheet financial instruments

Off-balance sheet gap

Total interest rate sensitivity gap

Cumulative interest rate sensitivity gap

As at 30 June 2014					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
6.50	38,829,769	-	-	-	38,829,769
7.9763 - 9.9791	-	71,414,820	27,756,650	-	99,171,470
	-	-	-	1,184,025	1,184,025
	-	-	-	113,267	113,267
	38,829,769	71,414,820	27,756,650	1,297,292	139,298,531
	-	-	-	91,923	91,923
	-	-	-	418,897	418,897
	-	-	-	16,840	16,840
	-	-	-	33,590	33,590
	-	-	-	561,250	561,250
	38,829,769	71,414,820	27,756,650	736,042	138,737,281
	-	-	-	-	-
	-	-	-	-	-
	38,829,769	71,414,820	27,756,650	736,042	138,737,281
	38,829,769	110,244,589	138,001,239	138,737,281	



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18.2.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Equity Sub-Fund is exposed to equity price risk because of equity securities held by it and classified on the 'statement of assets and liabilities' at 'fair value through profit or loss'. To manage its price risk arising from investment in equity securities, the Equity Sub-Fund's investment policy limits investments in listed shares of one company to not more than ten percent (10%) of its net assets, or ten percent of the paid up capital of that single company, whichever is lower. Moreover, the sector limits have been restricted to thirty percent (30%) or the index weight, whichever is higher, subject to maximum of thirty five percent (35%) of the net assets of the Sub-Fund and investment in listed securities of a particular company have also been restricted to ten percent (10%) of the paid up capital of the investee company.

In case of 5% change in KSE 100 index on 30 June 2014, with all other variables held constant, net income for the year would increase / decrease by Rs.9,506,987 (2013: Rs.1,886,423) as a result of gains / losses on equity securities classified as 'at fair value through profit or loss'.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Funds equity instruments moved according to historical correlation with the index. This represents the Pension Fund Manager's best estimate of a reasonable possible shift in the KSE 100 index, having regard to historical volatility of the index. The composition of the Sub-Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2014 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the KSE 100 index.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations and commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset close to its fair value. The Pension Fund Manager manages liquidity risk by continuously analysing the maturities of the financial assets and financial liabilities. Since the participants of the Sub-Funds have invested with a long term objective, the possibility of a significant redemption pressure is limited.

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amount in the table are the contractual undiscounted cash flows.

18.3.1 Equity Sub-Fund

Equity Sub-Fund	2014							2013						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	Rupees							Rupees						
Assets														
Bank balances	17,158,840	-	-	-	-	-	17,158,840	13,986,017	-	-	-	-	-	13,986,017
Receivable against sale of investments	-	-	-	-	-	-	-	2,039,037	-	-	-	-	-	2,039,037
Investments - net	-	-	-	-	-	190,139,745	190,139,745	-	-	-	-	-	119,151,130	119,151,130
Dividend receivable	118,125	-	-	-	-	-	118,125	96,250	-	-	-	-	-	96,250
Mark-up accrued	57,162	-	-	-	-	-	57,162	98,724	-	-	-	-	-	98,724
Security deposit and other receivables	-	-	-	-	113,266	-	113,266	-	-	-	-	113,266	-	113,266
	17,334,127	-	-	-	113,266	190,139,745	207,587,138	16,220,028	-	-	-	113,266	119,151,130	135,484,424
Liabilities														
Payable against purchase of investments	2,168,699	-	-	-	-	-	2,168,699	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	736,503	-	-	-	-	-	736,503	215,263	-	-	-	-	-	215,263
Payable to Central Depository Company of Pakistan Limited - Trustee	24,914	-	-	-	-	-	24,914	19,941	-	-	-	-	-	19,941
Payable to the auditors	-	47,107	-	-	-	-	47,107	-	39,666	-	-	-	-	39,666
	2,930,116	47,107	-	-	-	-	2,977,223	235,204	39,666	-	-	-	-	274,870
Net assets / (liabilities)	14,404,011	(47,107)	-	-	113,266	190,139,745	204,609,915	15,984,824	(39,666)	-	-	113,266	119,151,130	135,209,554



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18.3.2 Debt Sub-Fund

	2014						2013					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rupees						Rupees					
Assets												
Bank balances	20,357,876	-	-	-	-	20,357,876	11,968,341	-	-	-	-	11,968,341
Investments	-	-	80,848,340	73,521,750	-	154,370,090	-	-	62,102,650	55,417,420	-	117,520,070
Mark up accrued	224,466	1,661,466	266,580	-	-	2,152,512	24,493	538,500	585,124	-	-	1,148,117
Security deposit and other receivables	-	-	-	-	113,267	113,267	-	-	-	-	113,267	113,267
	20,582,342	1,661,466	81,114,920	73,521,750	113,267	176,993,745	11,992,834	538,500	62,687,774	55,417,420	113,267	130,749,795
Liabilities												
Payable to the Pension Fund Manager	593,467	-	-	-	-	593,467	196,121	-	-	-	-	196,121
Payable to Central Depository Company of Pakistan Limited - Trustee	21,263	-	-	-	-	21,263	15,916	-	-	-	-	15,916
Payable to the auditors	-	42,263	-	-	-	42,263	-	39,667	-	-	-	39,667
	614,730	42,263	-	-	-	656,993	212,037	39,667	-	-	-	251,704
Net assets	19,967,612	1,619,203	81,114,920	73,521,750	113,267	176,336,752	11,780,797	498,833	62,687,774	55,417,420	113,267	130,498,091

18.3.3 Money Market Sub-Fund

	2014						2013					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rupees						Rupees					
Assets												
Bank balances	38,829,769	-	-	-	-	38,829,769	9,235,181	-	-	-	-	9,235,181
Investments	-	-	71,414,820	27,756,650	-	99,171,470	-	-	62,600,450	29,061,000	-	91,661,450
Mark up accrued	123,525	954,628	105,872	-	-	1,184,025	21,186	689,562	358,808	-	-	1,069,556
Security deposit and other receivables	-	-	-	-	113,267	113,267	-	-	-	-	113,267	113,267
	38,953,294	954,628	71,520,692	27,756,650	113,267	139,298,531	9,256,367	689,562	62,959,258	29,061,000	113,267	102,079,454
Liabilities												
Payable against redemption of units	91,923	-	-	-	-	91,923	-	-	-	-	-	-
Payable to the Pension Fund Manager	418,897	-	-	-	-	418,897	153,710	-	-	-	-	153,710
Payable to Central Depository Company of Pakistan Limited - Trustee	16,840	-	-	-	-	16,840	12,587	-	-	-	-	12,587
Payable to the auditors	-	33,590	-	-	-	33,590	-	39,667	-	-	-	39,667
	527,660	33,590	-	-	-	561,250	166,297	39,667	-	-	-	205,964
Net assets	38,425,634	921,038	71,520,692	27,756,650	113,267	138,737,281	9,090,070	649,895	62,959,258	29,061,000	113,267	101,873,490



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18.4 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities and investment in debt securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the national clearing company system. The risk of default is considered minimal due to inherent systematic measures taken therein. Risk attributable to investment in Government of Pakistan Ijarah Sukuks is limited as these are guaranteed by the Federal Government.

Concentration of Credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mostly concentrated in Government securities.

The table below analyses the Fund's minimum exposure to credit risk other than investment in shares and in Government securities:

	2014	2013
	----- Rupees -----	
Equity Sub-Fund	17,447,393	16,333,294
Debt Sub-Fund	20,695,609	12,106,101
Money Market Sub-Fund	39,066,561	9,369,634
	77,209,563	37,809,029

18.4.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
Rating	2014	2013	2014	2013	2014	2013
Government securities	-	-	88.31	90.74	71.95	90.82
AAA	83.74	53.17	9.78	9.09	17.97	8.96
AA+	-	-	0.01	-	0.01	-
AA	0.03	1.87	1.84	0.08	9.99	0.11
A+	-	-	-	-	-	-
A	14.90	31.19	-	-	-	-
Others	1.33	13.77	0.06	0.09	0.08	0.11
	100.00	100.00	100.00	100.00	100.00	100.00



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18.4.2 An analysis of the financial assets that are individually impaired are as under:

	----- Debt Sub-Fund -----					
	As at 30 June 2014			As at 30 June 2013		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
		(1-365)	Above 365		(1-365)	Above 365
	----- Rupees -----					
Investments - Agritech Limited	3,700,000	-	3,700,000	3,700,000	-	3,700,000
Investments - Agritech Limited IV	535,000	-	535,000	535,000	-	535,000
	4,235,000	-	4,235,000	4,235,000	-	4,235,000

The impaired investments are fully provided.

18.5 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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18.6 Fair value hierarchy

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

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

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

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

As at 30 June 2014, the Fund held the following financial instruments measured at fair value:

2014	Level 1	Level 2	Level 3
	-----Rupees-----		
Equity Sub-Fund			
At fair value through profit or loss (held-for-trading)	190,139,745	-	-
Debt Sub-Fund			
Available-for-sale	-	154,370,090	-
Money Market Sub-Fund			
Available-for-sale	-	99,171,470	-
	<u>190,139,745</u>	<u>253,541,560</u>	<u>-</u>

18.7 Capital risk management

The Fund's capital is represented by redeemable units of Sub-Funds. They are entitled to payment of a proportionate share based on the Sub-Fund's net asset value per unit on the redemption date. The relevant movements are shown in the 'statement of movement in Participant's Sub-Fund'. In accordance with the risk management policies stated above, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented (by short term borrowings or disposal of investments where necessary). During the year no such borrowing was availed.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent Sub-Funds of the Fund and rank parri passu as their rights in the net assets and earning of the Sub-Fund are not tradeable or transferable. Each participant has a beneficial interest in the Sub-Fund proportionate to the units held by such participant in such Sub-Fund.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

19. FINANCIAL PERFORMANCE

Particulars	Equity Sub-Fund					
	2014	2013	Change	2012	2011	2010
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	34,860,015	39,395,281	(11.51)	14,609,468	14,927,697	10,528,902
Net gain on sale of investments at fair value through profit or loss	10,881,480	15,284,548	(28.81)	8,123,768	9,695,545	9,585,086
Net unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss	18,464,034	20,184,962	(8.53)	4,289,787	3,076,824	(1,463,444)
Dividend income	8,760,488	6,171,847	41.94	3,302,131	2,908,556	3,218,939
Mark-up income	1,328,675	755,147	75.95	481,667	592,647	567,224
Net asset value per unit	402.26	322.12	24.88	216.16	166.21	119.19
Earnings per unit	69.38	95.08	(27.03)	46.58	51.30	26.31
Transactions in securities - Purchases	(160,172,664)	(131,354,278)	21.94	(86,624,406)	(89,467,627)	(76,262,044)
Transactions in securities - Sales / Matured	118,529,563	112,692,311	5.18	80,326,415	99,746,159	86,107,158
Total contributions received	59,826,458	53,784,157	11.23	12,101,551	5,539,132	5,602,209

Particulars	Debt Sub-Fund					
	2014	2013	Change	2012	2011	2010
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	9,083,793	6,894,099	31.76	4,079,512	2,388,985	4,594,368
Net loss on sale / maturity of 'available for sale investments'	-	(48,750)	(100.00)	-	-	-
Mark-up income	12,322,273	9,098,479	35.43	7,663,929	5,315,522	5,776,338
Net asset value per unit	168.04	155.54	8.04	144.30	134.83	127.50
Earnings per unit	8.69	8.25	5.36	8.51	6.18	10.63
Transactions in securities - Purchases	(118,755,548)	(77,610,179)	53.02	(27,104,000)	(36,747,000)	-
Transactions in securities - Sales / Matured	84,001,000	24,625,000	241.12	650,000	650,000	325,000
Total contributions received	69,420,667	83,744,943	(17.10)	24,940,523	13,987,686	11,651,046

Particulars	Money Market Sub-Fund					
	2014	2013	Change	2012	2011	2010
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	7,105,755	5,217,604	36.19	4,333,019	3,568,686	3,752,742
Net loss on sale / maturity of 'available for sale investments'	-	(26,250)	(100.00)	-	-	-
Mark-up income	9,537,456	7,016,317	35.93	5,363,475	4,397,474	4,746,958
Net asset value per unit	176.90	164.29	7.68	153.37	139.92	127.44
Earnings per unit	9.10	8.46	7.57	12.37	11.84	10.62
Transactions in securities - Purchases	(85,632,662)	(78,286,149)	9.38	(27,098,000)	(21,681,500)	-
Transactions in securities - Sales / Matured	79,501,000	35,875,000	121.61	350,000	350,000	175,000
Total contributions received	50,404,669	64,510,132	(21.87)	16,269,664	10,960,788	5,155,727



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2014	2013	2014	2013	2014	2013
Highest issue price	403.62	339.00	168.04	155.49	176.90	164.29
Lowest issue price	331.80	222.17	155.60	144.41	164.35	153.49

20. GENERAL

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these 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 financial statements.

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 28 August 2014.

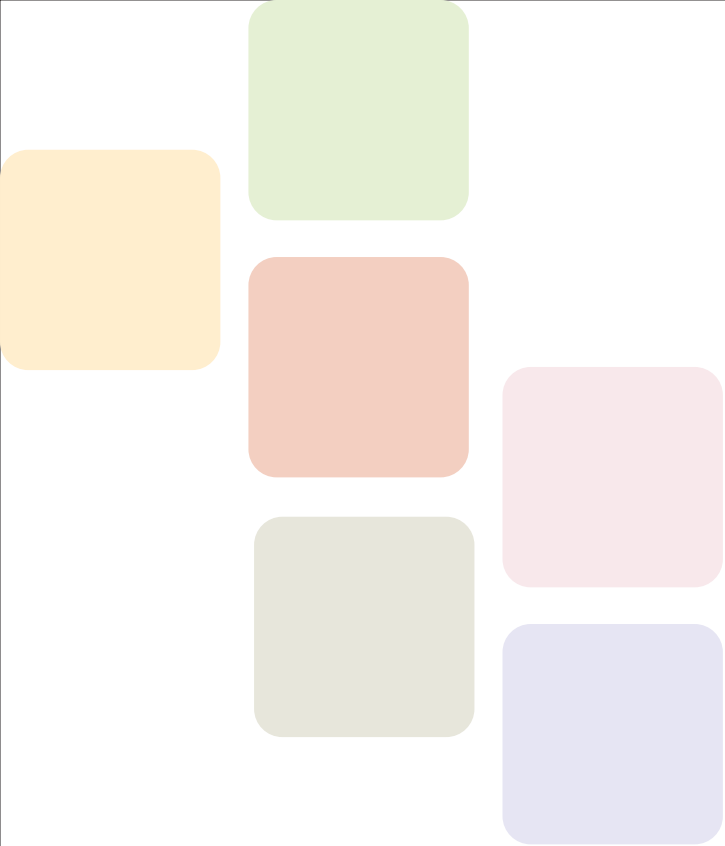
**For Atlas Asset Management Limited
(Pension Fund Manager)**

M. Habib-ur-Rahman
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Azam Faruque
Director





“People realize that it isn’t enough simply to save. We all know that if you’re not keeping up with inflation, you’re falling behind. The past may have been characterized by money in the mattress, but our future depends on savings being invested broadly in the market.”

- Martin L. Flanagan
(Chairman Investment Company Institute)

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