



**Atlas Pension Fund**

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**Atlas Pension Islamic Fund**

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**ANNUAL REPORT**

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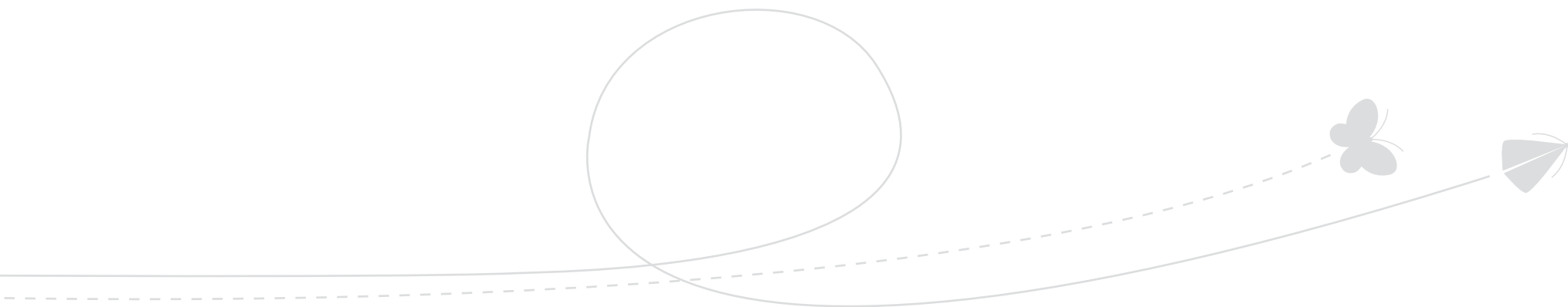
**30 June 2017**



Managed By

 **Atlas Asset Management**

Rated AM2+ by PACRA



# MANAGING TO THE CORE!

Even the most seemingly diminutive of creatures, hold for us a lesson. They exhibit qualities of organization that are indeed inspirational. Planning, teamwork and controlling are attributes of a successful and solid organizational structure. At Atlas Funds these elements form the core of our institution.



# 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.



## Vision

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

Mutual Funds | Investment Plans | Pension Funds

## Creativity

The ability to creatively inspire innovation and the will to foster positive social and environmental change



## Mission

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

Growth | Returns | Tax Savings

## Team Work

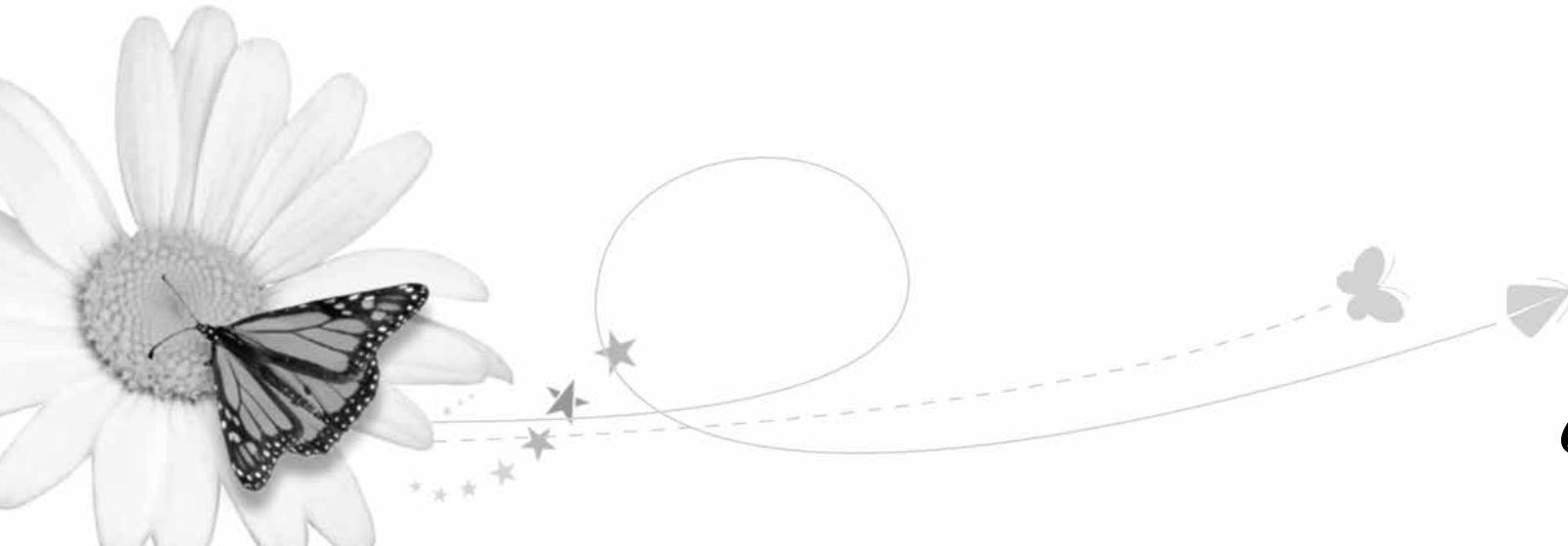
Giving unparalleled service, creating long-term, win-win relationships and focusing on executional excellence



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# Organisation

## Management Company

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Atlas Asset Management Limited

## Board of Directors of the Management Company

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<b>Chairman</b>	Mr. Yusuf H. Shirazi (Non-Executive Director)
<b>Directors</b>	Mr. Tariq Amin (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 Qurrat-ul-Ain Jafari

## Board Committees

### Audit Committee

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<b>Chairman Members</b>	Mr. Tariq Amin Mr. Shamshad Nabi Mr. Frahim Ali Khan
<b>Secretary</b>	Mr. M. Uzair Uddin Siddiqui

### Board Evaluation Committee

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<b>Chairman Members</b>	Mr. Tariq Amin Mr. Shamshad Nabi Mr. Ali H. Shirazi
<b>Secretary</b>	Mr. M. Habib-ur-Rahman

The above information is as at 12 September 2017.

## Human Resource & Remuneration Committee

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<b>Chairman</b>	Mr. Frahim Ali Khan
<b>Members</b>	Mr. Ali H. Shirazi Mr. M. Habib-ur-Rahman

## Investment Committee

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<b>Chairman Members</b>	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood Mr. Muhammad Umar Khan Mr. Fawad Javaid Mr. Faran-ul-Haq
<b>Secretary</b>	

## Management Committee

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<b>Chairman Members</b>	Mr. M. Habib-ur-Rahman Mr. Muhammad Abdul Samad Mr. Abbas Sajjad Mr. Khalid Mahmood Ms Qurrat-ul-Ain Jafari
<b>Secretary</b>	Mr. Muhammad Umar Khan

## Risk Management Committee

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<b>Chairman Members</b>	Mr. M. Habib-ur-Rahman Mr. Muhammad Abdul Samad Mr. Khalid Mahmood
<b>Secretary</b>	Mr. Muhammad Faizan Ghori

## Chief Internal Auditor

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Mr. M. Uzair Uddin Siddiqui

## Registered Office

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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

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## Board of Directors of the Management Company

### Mr. Yusuf H. Shirazi

Chairman

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Mr. Shirazi is a Law graduate (LL.B) with BA (Hons) and JD (Diploma in Journalism) Punjab University and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years. He is the author of five 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 economy. Mr. Shirazi is the Chairman of the Atlas Group, which among others, has joint ventures with GS Yuasa International, Honda Motor Company and MAN, to name a few. He has been the president of Karachi Chamber of Commerce and Industries for two terms. 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 visiting faculty member of National Defence University, National School of Public Policy and Naval War College. He has been on the Board of Governors LUMS, GIK and FC College. Previously, he also served on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space and Upper Atmosphere Research Commission (SUPARCO).

### Mr. Tariq Amin

Director

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Mr. Tariq Amin is the Chairman of Orkila Pakistan (Private) Limited, a leading company dealing in chemicals. He is also on the Boards of Pakistan Gum and Chemicals Limited, the Salim Habib Education Foundation and the Education City. He has varied experience both in private and public sectors. He is a law graduate from the University of Karachi. He also holds a Masters degree in English from the University of Karachi and a Post Graduate Diploma in Development Administration from the University of Leeds. Mr. Amin has been past Chairman of the Privatization Commission, Sindh. He has also been President of the Overseas Investors Chambers of Commerce & Industry (OICCI) and also the Chairman of SITE Association of Industry for four years. Mr. Amin was conferred the civil award of Chevalier De L'ordre National Du Merite by the Government of France 2001.

### Mr. Shamshad Nabi

Director

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Mr. Shamshad Nabi is a Chartered Accountant by profession. He is a Fellow of the Institute of Chartered Accountants of England & Wales and 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. Presently he is on the Board of Director of Cherat Cement Company Limited.

### Mr. Frahim Ali Khan

Director

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Mr. Frahim Ali Khan has over 46 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 Battery 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 Insurance Limited, and has been the CEO of Shirazi Investments (Pvt) Limited, Shirazi Trading Company (Pvt) Limited, and former Atlas Investment Bank Limited.



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## Board of Directors of the Management Company

### Mr. Ali H. Shirazi

Director

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Mr. Ali H. Shirazi graduated 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 Board of Atlas Insurance Limited, Atlas Battery Limited, Atlas Engineering Limited, Shirazi Capital (Pvt.) Limited, Shirazi (Pvt.) Limited, Shirazi Investments (Pvt.) Limited, Atlas Metals (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Venture Limited, Techlogix International Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), and National Management Foundation (sponsoring body of LUMS).

### Mr. Arshad P. Rana

Director

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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

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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. 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.



Give your **SAVINGS** the  
**ATLAS ASSET BENEFIT!**

Growth | Returns | Tax Savings

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## Chairman's Review

### ATLAS PENSIONS

It is my pleasure to present to you the Annual Reports of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) for the FY ended 30 June 2017.

### THE ECONOMY

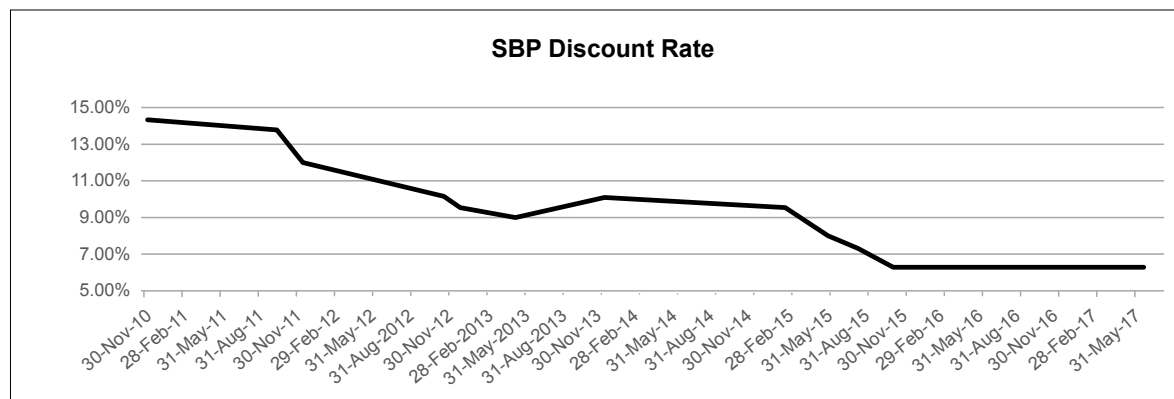
During FY 2016-17 real GDP depicted 5.3% growth, as compared to 4.7% in previous year. The growth is ten years high. CPI inflation for the FY 2016-17 averaged at 4.16% against 2.86% recorded in FY 2015-16. A growth of 13.69% was witnessed in the M2 (money supply) during FY 2016-17 as compared to 13.67% in FY 2015-16.

During FY 2016-17 exports were US\$ 20.45 billion as compared to US\$ 20.79 billion in FY 2015-16. Imports increased by 18.67% and stood at US\$ 53.03 billion during FY 2016-17 as machinery imports increased on the account of infrastructure investment made under CPEC. The current account deficit stood at US\$ 12.10 billion in FY 2016-17 as compared to a deficit of US\$ 4.87 billion in the FY 2015-16. Pakistani workers' remittances decreased to US\$ 19.30 billion during the FY 2016-17 showing a decline of 3.08% compared to US\$ 19.92 billion remitted during the FY 2015-16. Foreign exchange reserves decreased to US\$ 21.40 billion at June end 2017 compared to US\$ 23.10 billion at June end 2016. On the external front FDI remain robust at US\$ 2.2 billion, which is an increase of 8.7% over previous year. External Debt and Liabilities as at 31 March 2017 stood at US\$ 77.6 billion, as against US\$ 73.9 billion as on 30 June 2016. Growth in foreign loans helped stabilize the foreign reserves of the country.

Higher Real GDP growth during FY 2016-17, as compared to prior year was on back of Agriculture sector growth of 3.5% against previous year's growth rate of 0.3%, Large Scale Manufacturing (LSM) growth of 5.69% (11MFY17) against growth of 3.44% last year and Services sector growth of 6.0% compared to 5.6% during the previous corresponding period. The economic growth looks promising going forward on the account of improving law and order situation and increase in power generation capacities due to induction of power plants planned under CPEC.

### THE MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 4.16% during FY 2016-17, as compared to 2.86% for the FY 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained.



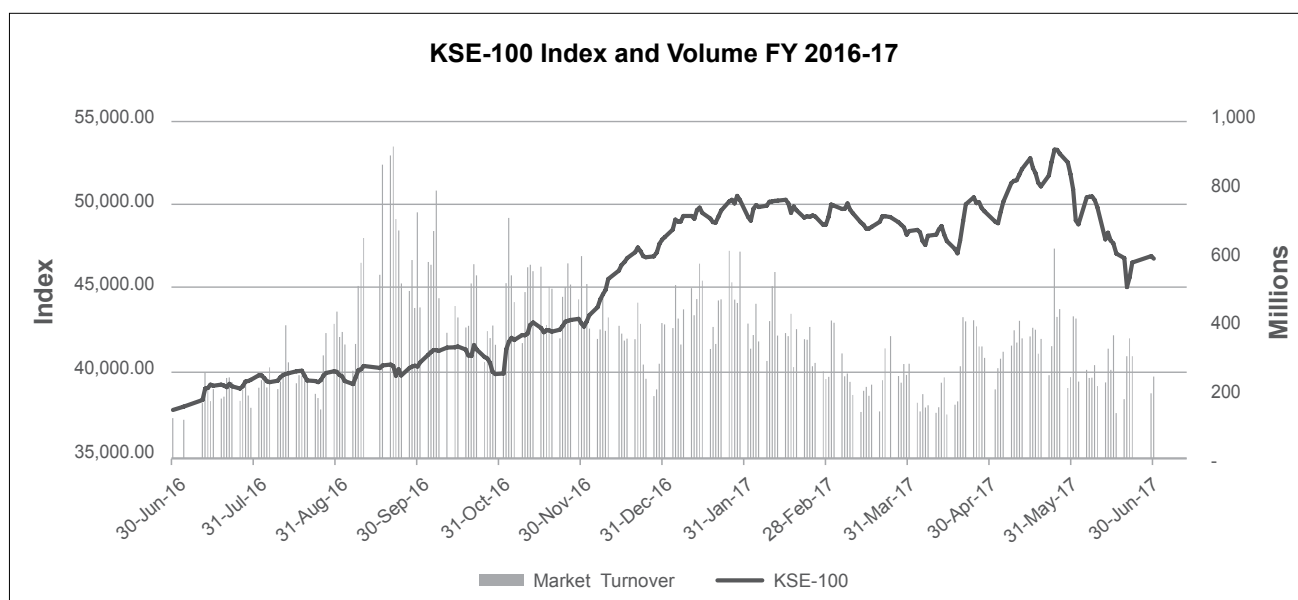
The growth in money supply (M2) witnessed an increase of 13.69% during 2016-17, which is Rs. 1,756.2 billion against the expansion of 13.67% (Rs. 1,542.7 billion) in the comparable period last year. Net Foreign Assets (NFA) declined by Rs. 350.7 billion during 2016-17 as against the net expansion of Rs. 101.9 billion in the comparable period of fiscal year 2015-16. This is mainly due to higher FX liabilities incurred by some of the foreign banks operating in the country. Net Domestic Asset (NDA) of banking system grew by 9.42% or Rs. 1,112.9 billion against an increase of 5.40% or Rs. 565.7 billion during the corresponding period last year. Pick up in credit to the private sector, credit to Enterprises (PSEs) and rise in government borrowing from the banking system were the major factors of expansion. Credit to Private sector was Rs. 457.4 billion during 2016-17 against credit of Rs. 296.8 billion during 2015-16 due to accommodative monetary policy stance, translated to low cost of borrowing which attracted private sector to finance their businesses and investment activities.

Keeping in view the macroeconomic stability, SBP maintained policy rate at 5.75 percent during the fiscal year, which is the lowest rate since early 1970s. Healthy credit expansion, along with higher production of Kharif crops, recovery in LSM/industrial growth, uptick in CPEC related activities in energy sector and favorable business environment supported SBP's decision to keep the policy rate unchanged during 2016-17. Pakistan's foreign exchange reserves have decreased to US\$ 21.40 billion at June end 2017 compared to US\$ 23.10 billion at June end 2016. The level of foreign exchange reserves is a sign of economic stability that has been achieved due to government's economic policies and reforms. On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

## THE STOCK MARKET

The KSE-100 index increased from 37,783.54 points as on 30 June 2016 to 46,565.29 points as on 30 June 2017, increasing by 23.24%. The average volumes during the year increased by 68% to 350 million shares from 208 million shares traded last year.

Net Foreign portfolio outflow during the year was recorded at US\$652 million compared to outflow of US\$282 million last year. On the local front Mutual Funds, Insurance Companies, and Companies were the most active participants investing US\$576 million, US\$220 million and US\$127 million during the period. Banks/DFIs and Individuals, on the other hand, reduced their exposure in the equity market by US\$187 million and US\$53 million, respectively.



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During the period the sectors that outperformed the market were Engineering, Automobile Assemblers, Automobile & Parts, Oil & Gas Marketing Companies and Refineries that posted 207%, 97%, 95%, 61% and 33% return, respectively. Engineering sector performed on the back of increasing volumes and Anti-dumping levied on imported products. Moreover, Automobile sector performed on increasing car sales on the back of introduction of new models and improving margins on favorable currency position and lower raw material prices. Oil & Gas Marketing Companies performed as profitability of Multi-utilities increased and is expected to increase further due to reduction in UFG losses and massive capex incurred. Sectors that remained subdued were Fertilizer, Power Generation & Distribution, Textiles and Oil and Gas Exploration posting -12%, -9%, 7% and 9% returns, respectively. Fertilizer sector remained subdued on lower International Urea prices, rising domestic inventory levels due to better gas availability and lower international commodity prices, which have resulted in poor farm economics eroding the buying power of farmers. Power Generation & Distribution underperformed the market due to reduction in tariff by NEPRA for K-Electric that is currently under review petition.

Three Stock Exchanges at Karachi, Lahore and Islamabad were merged into Pakistan Stock Exchange (PSX) on 11 January 2016 providing a single platform to investors, particularly the foreign investors. Strategic sale of forty percent of PSX shares was completed in December, 2016, which was part of the demutualization process, and PSX sold its aforementioned shares to a Chinese Led Consortium against a consideration of US\$ 85.6 million. The Consortium comprises of China Financial Futures Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange, along with two Pakistani financial institutions (Habib Bank Limited and Pak China Investment Company Limited). The foreign investors in the consortium are expected to benefit PSX through their diverse product offering, indigenously developed technology, managerial experience and opportunities for outreach and cross-listings. PSX was later listed on the exchange where 160 million shares (20% of PSX shares) were offered and subscribed by Institutional investors, High Net worth Individuals and General Public. Four new companies were listed on the stock exchange during 2016-17, namely, TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited. The amounts raised through IPO by TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited were Rs. 697 million, Rs. 1,700 million, Rs. 2,803 million and Rs. 4,488 million. As on 30 June 2017 the market capitalization of TPL Properties Ltd, Loads Ltd, Roshan Packages Ltd and Pakistan Stock Exchange Limited were Rs. 2,548 million, Rs. 5,702 million, Rs. 6,038 million and Rs. 20,582 million. Three new companies were listed on the stock exchange during 2015-16, namely, Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited. The amounts raised through IPO by Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited were Rs. 2,375 million, Rs. 3,787 million and Rs. 1,812 million. As on 30 June 2016 the market capitalization of Al Shaheer Corporation Limited, Amreli Steels Limited and Hi-Tech Lubricants Limited were Rs. 6,452 million, Rs. 13,965 million and Rs. 6,864 million.

As on 31 May 2017 the Morgan Stanley Capital International (MSCI) upgraded Pakistan from the status of Frontier Markets to Emerging Markets. Foreign flows of approximately US\$ 450 million on May 31, 2017 from the fund managers of Emerging Market were witnessed, however, estimated outflow from fund managers of Frontier Markets of approximate US\$ 530 million on May 31, 2017 was recorded making net outflow on that day of US\$ 82 million. Net Foreign portfolio outflow during the year was recorded at US\$652 million compared to outflow of US\$282 million last year.

The government in its budget announcement reduced corporate tax rate for non-banking companies to 30% from 31% for tax year 2017-18. However, Super Tax, introduced at 3% on profit for tax year 2014-15 and 2015-16, was extended for another year and is applicable for the tax year 2016-17.

## THE COMMODITY MARKET

Spot Gold prices/ounce have decreased from US\$ 1,322.15 as on 30 June 2016 to US\$ 1,241.42 as on 30 June 2017, showing a decline of 6.11%. Spot Gold prices declined after U.S. Federal Reserve announced a much expected interest rate increase during December 2016 and raised interest rates for the second time by 25 basis points to 1.25% in June'17. Subsequently, dollar surged higher against the basket of major currencies. Fed chairperson Janet Yellen signaled three possible rate hikes in 2017 supported by better-than-expected U.S. economic data. Furthermore, US dollar neared its nine-month high on expectations that inflation will increase and that Trump administration will boost U.S. economy, resulting in an increase in US bond yields. Additionally, U.S. Existing Home Sales data rose to their highest level in more than nine years in October 2016.

Assets under management (AUM) in gold-backed ETFs increased as political uncertainty fueled European ETF inflows. Investors focused on the continued rise of anti-establishment parties associated with the growing populist movement across Europe, as well as the potential outcome of elections in the Netherlands and France – particularly in the aftermath of the Brexit vote. On top of a fragile political environment, conditions in financial markets gave investors a further incentive to build their positions in gold-backed ETFs. Negative real and nominal yields coupled with a period of relative calm in regional stock markets improved the appeal of gold. US investors maintained their underlying positivity towards gold. China's quarterly bar and coin demand breached 100 tons for only the fourth time on record. Currency weakness, concerns over the property market and a seasonal boost from Chinese New Year underpinned the market. Gold jewelry demand was broadly steady, but remains weak in the longer-term context. Higher YoY prices restrained demand. Indian jewelry demand increased from last year's exceptionally low level as market conditions improved after a very tough 2016. Reserve Bank of India (RBI) continued to remonetize India's economy, thereby easing pressure on cash trapped consumers. By the end of March, 85% of the value of currency removed from circulation under demonetization had been returned. RBI also gradually eased temporary restrictions on the amount of money that could be withdrawn from bank accounts, aiding cash dependent demand in particular. Across the globe, the central banks continued to purchase gold, however, the pace was slow.

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## MUTUAL FUND TAXATION

### WORKER'S WELFARE FUND (WWF)

On 10 November 2016, the Honorable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. The Federal Board of Revenue (FBR) has filed a review petition in the SCP against the said judgment, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance and that all cases pending in the Sindh High Court (SHC) or lower appellate forums will now be disposed of in light of the judgment of the SCP. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till 30 June 2015 has been reversed on 12 January 2017.

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

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

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

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

### FEDERAL EXCISE DUTY (FED)

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

### WITHHOLDING TAX

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

### FUND OPERATIONS – ATLAS PENSION FUND (APF)

The Net Asset Value of APF – Equity Sub Fund (ESF) increased by 28.72% from Rs. 398.44 as on 30 June 2016 to Rs. 512.86 as on 30 June 2017. The APF- Equity Sub Fund mainly invested in Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer sectors. The Net Asset Values of APF - Debt Sub Fund (DSF), APF - Money Market Sub Fund (MMSF) appreciated by 5.24% and 5.53% respectively, whereas the Net Asset Value for APF-Gold Sub Fund (GSF) decreased by 2.78% during the period under review. The APF - Debt- Sub Fund was mainly invested in high yielding bank deposits, Treasury Bills and TFC/Sukuk whereas APF - Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. APF-Gold Sub Fund was invested 78.50% in Gold Futures and 19.4% in Cash. The Net Assets of APF stood at Rs. 1.03 billion as on 30 June 2017.

The Scheme had maintained prior years' provisions against WWF for Equity sub-fund, Debt sub-fund, Money Market sub-fund and Gold sub-fund of Rs. 3,176,696, Rs. 1,605,011, Rs. 1,108,155 and Rs. 127,043, respectively, till 30 June 2015. After Supreme Court of Pakistan judgment on 10 November 2016, these provisions were reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 2,516,619 (Rs. 3.34 per unit) (ESF), Rs. 868,650 (Rs. 0.56 per unit) (DSF), Rs. 512,852 (Rs. 0.47 per unit) (MSF) and Rs. 85,476 (Rs. 0.25 per unit) (GSF). The Scheme has also held provisions for FED liability that amounted to (ESF) Rs.1,523,347, (DSF) Rs.1,124,175, (MSF) Rs.706,273, (GSF) Rs.207,208 up till 30 June 2016, which is Rs.2.02, Rs.0.72, Rs.0.65, Rs.0.62 per unit respectively as on 30 June 2017.

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

The Net Asset Value of APIF – Equity Sub Fund (ESF) increased by 28.29% from Rs 525.06 as on 30 June 2016 to Rs 673.59 as on 30 June 2017. The APIF- Equity Sub Fund mainly invested in Cement, Oil & Gas Exploration, Fertilizers, Oil & Gas Marketing and Power Generation & Distribution sectors. The Net Asset Values of APIF - Debt Sub Fund (DSF) and APIF - Money Market Sub Fund (MMSF) have appreciated by 5.39% and 4.88% respectively during the period under review. The APIF Debt Sub-Fund & Money Market Sub Fund was mainly invested in GoP Ijarah Sukuks and high yielding bank deposits. The Net Assets of APIF has stood at Rs. 0.989 billion as on 30 June 2017.

The Scheme had maintained prior years' provisions against WWF for Equity sub-fund, Debt sub-fund, and Money Market sub-fund of Rs. 3,691,246, Rs. 1,136,349 and Rs. 941,945, respectively, till 30 June 2015. After Supreme Court of Pakistan judgment on 10 November 2016, these provisions were reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 2,442,724 (Rs. 4.17 per unit) (ESF), Rs. 501,936 (Rs. 0.29 per unit) (DSF) and Rs. 385,965 (Rs. 0.31 per unit) (MSF). The Scheme has also held provision for FED liability that amounted to (ESF) Rs.1,611,207, (DSF) Rs.1,046,875 and (MSF) Rs.644,724 up till 30 June 2016, which is Rs.2.75, Rs.0.60 and Rs.0.52 per unit respectively as on 30 June 2017.

## RATINGS

### Asset Manager Rating

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

## FUTURE OUTLOOK

Pakistan economy has shown performance and security situation has shown marked improvement. Inflation has remained subdued on the back of favorable prices of crude oil and other commodities. Growth momentum is likely to remain assuming continued macroeconomic stability, expected improvement in energy supply and planned infrastructure investment tied to projects linked with CPEC. Stability of the external account and reserve accumulation depends upon timely inflow of budgeted bilateral and financial inflows. There is need to encourage private capital inflows and foreign direct investments in particular to improve balance-of-payments position. Improvement in productivity and competitiveness is required to enhance exports to further build foreign exchange reserves.

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

جسے اللہ رکھے اسے کون چکھے  
If Allah wills not, no one can Harm

## ACKNOWLEDGEMENT

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

Karachi: 30 August 2017

**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 2017.

### 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 2017 in comparison to the year ended 30 June 2016 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	
	2017	2016	2017	2016	2017	2016	2017	2016
Net assets - Rs. million	386.97	315.46	362.25	305.22	240.00	237.62	37.36	37.12
Earnings / (loss) per unit – Rs.	128.15	17.05	11.48	16.01	11.20	10.64	(3.05)	13.18
Return – %	28.72	4.50	5.24	7.88	5.53	5.74	-2.78	12.92
Issuance of units – Rs. million	59.10	73.62	83.69	76.64	56.10	100.28	1.29	0.94
Redemption of units – Rs. million	84.29	39.70	42.33	52.85	65.82	70.88	0.03	0.44
Participants' contribution table – disclosure in financial statements	Note 17	Note 17	Note 17	Note 17	Note 17	Note 17	Note 17	Note 17

#### Atlas Pension Islamic Fund (APIF)

Particulars	APIF – Equity Sub Fund		APIF – Debt Sub Fund		APIF – Money Market Sub Fund	
	2017	2016	2017	2016	2017	2016
Net assets – Rs. million	394.57	305.35	342.05	274.29	252.67	205.78
Earnings per unit – Rs.	149.42	23.72	7.37	7.09	7.90	7.89
Return – %	28.29	4.99	5.39	4.23	4.88	4.21
Issuance of units – Rs. million	76.35	66.40	108.43	78.11	76.18	63.68
Redemption of units – Rs. million	74.66	51.60	56.27	47.42	40.04	36.32
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.

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## 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 its 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 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.
- Statutory Payments, taxes, levies properly disclosed in Financial Statements.
- 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.

The Board Evaluation Committee (BEC) was formed in 2014 to comply with the requirements of the Code of Corporate Governance, requiring the Board of Directors to implement a mechanism for the annual evaluation of the Board's performance. The BEC comprises of three members – both the independent directors of which one is the Chairman, and one member from the sponsor family. The CEO serves as the secretary to this committee. The BEC carried out the Board Evaluation Process. The BEC meets once in two years to evaluate the Board's performance. The next meeting of BEC is due on April 2018.

## CORPORATE SOCIAL RESPONSIBILITIES (CSR) & DONATIONS

As per the CSR / Donations Policy of the Company approved by the Board, each year, the Company makes a contribution of 1% of the Management Company after tax profit to donations. In addition, the Shariah Compliant Atlas 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. No casual vacancy occurred in the Board during the year.



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

S. no.	Name of Director	Status	Meetings attended	Out of total Meetings
1	Mr. Yusuf H. Shirazi	Chairman	5	6
2	Mr. Tariq Amin	Independent Director	5	6
3	Mr. Shamshad Nabi	Independent Director	4*	6
4	Mr. Frahim 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	4*	6
7	Mr. M. Habib-ur-Rahman	Chief Executive Officer	5	6

\* Mr. Shamshad Nabi and Mr. M. Arshad P. Rana attended one meeting through teleconference call respectively.

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:

S. no.	Name of Director	Status	Meetings attended
1	Mr. Tariq Amin	Independent Director	4
2	Mr. Shamshad Nabi	Independent Director	2
3	Mr. Frahim Ali Khan	Non-Executive Director	4

- **Board Evaluation Committee (BEC)** – no Meeting held during the year.
- **Human Resource & Remuneration Committee (HR& RC)** – three meetings were held during the year and attended as follows:

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

- **Investment Committee** – Thirty five meetings were held during the year and attended as follows:

S. no.	Name of Director	Status	Meetings attended
1	Mr. Ali H. Shirazi	Non-Executive Director	13
2	Mr. M. Habib-ur-Rahman	Chief Executive Officer	23
3	Mr. M. Abdul Samad (executive management)	Chief Operating Officer – Member IC	29
4	Mr. Khalid Mahmood (executive management)	Chief Investment Officer – Member IC	29
5	Mr. M. Umar Khan (executive management)	Fund Manager – Member IC	30
6	Mr. Fawad Javaid (executive management)	Fund Manager – Member IC	34
7	Mr. Faran-ul-Haq (executive management)	Fund Manager – Member IC	35

## 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 28 August 2017, recommended the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants, and Karachi, as auditors of Atlas Pension Fund and Atlas Pension Islamic Fund for the FY ending 30 June 2018. The Board approved the 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: 30 August 2017

**M. Habib-ur-Rahman**  
Chief Executive Officer

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# Atlas Pension Fund

## Corporate Information

### Trustee

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

### Auditors

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KPMG Taseer Hadi & Co.  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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Allied Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
MCB Bank Limited



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## 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, money market and commodity securities/instruments. The Contributions received from the Participants is 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 investment strategy is based on the belief that fundamental economic and sector analysis drives long term outperformance 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 increased from 37,783.54 points as on 30 June 2016 to 46,565.29 points as on 30 June 2017, increasing by 23.24%. The average volumes during the year increased by 68% to 350 million shares from 208 million shares traded last year. Net Foreign portfolio outflow during the year was recorded at US\$652mn compared to outflow of US\$282mn last year. On the local front Mutual Funds, Insurance Companies and Companies were the most active participants investing US\$576mn, US\$220mn and US\$127mn during the period. Banks/DFIs and Individuals, on the other hand, reduced their exposure in the equity market by US\$187mn and US\$53mn, respectively.

During the period the sectors that outperformed the market were Engineering, Automobile Assemblers, Automobile & Parts, Oil & Gas Marketing Companies, and Refinery that posted 207%, 97%, 95%, 61% and 33% return, respectively.

The main drivers of return for the index were HBL, UBL, LUCK, SNGP, MTL, ISL, POL, HCAR, MARI & NESTLE as they contributed approximately 4,598 points to the index. It is pertinent to highlight that KSE-30 index yielded only 12.00% return as against KSE- All index that yielded 28.37% return during the same period.

### MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 4.16% during financial year 2016-17, as compared to 2.86% for the financial year 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained. On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

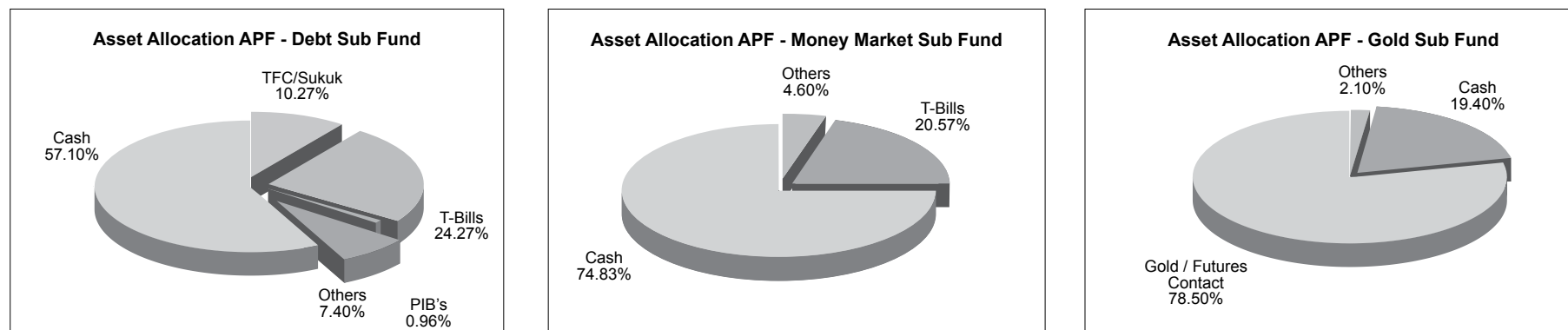
### GOLD

Spot Gold prices/ounce have decreased from US\$ 1,322.15 as on 30 June 2016 to US\$ 1,241.42 as on 30 June 2017, showing a decline of 6.1%. Spot Gold prices declined after U.S. Federal Reserve announced a much expected interest rate increase during December'16 and raised interest rates for the second time by 25 basis points to 1.25% in June'17. Subsequently, dollar surged higher against the basket of major currencies. Fed chairperson Janet Yellen signaled three possible rate hikes in 2017 supported by better than expected U.S. economic data. Furthermore, US dollar neared its nine-month high on expectations that inflation will increase and that Trump administration will boost U.S. economy, resulting in an increase in US bond yields. Additionally, U.S. Existing Home Sales data rose to their highest level in more than nine years in Oct-16.

### FUND OPERATIONS

The Net Asset Value of APF – Equity Sub Fund (ESF) has increased by 28.72% from Rs. 398.44 as on 30 June 2016 to Rs. 512.86 as on 30 June 2017. The APF- Equity Sub Fund mainly invested in Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer sectors. The Net Asset Values of APF - Debt Sub Fund (DSF), APF - Money Market Sub Fund (MMSF) appreciated by 5.24% and 5.53%

respectively, whereas the Net Asset Value for APF-Gold Sub Fund (GSF) decreased by 2.78% during the period under review. The APF - Debt- Sub Fund was mainly invested in high yielding bank deposits, Treasury Bills and TFC/Sukuk whereas APF - Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. APF-Gold Sub Fund was invested 78.50% in Gold Futures and 19.4% in Cash. The Net Assets of APF stood at Rs. 1.03 billion as on 30 June 2017.



The Scheme had maintained prior years' provisions against WWF for Equity sub-fund, Debt sub-fund, Money Market sub-fund and Gold sub-fund of Rs. 3,176,696, Rs. 1,605,011, Rs. 1,108,155 and Rs. 127,043, respectively, till 30 June 2015. After Supreme Court of Pakistan judgment on 10 November 2016, these provisions were reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 2,516,619 (Rs. 3.34 per unit) (ESF), Rs. 868,650 (Rs. 0.56 per unit) (DSF), Rs. 512,852 (Rs. 0.47 per unit) (MSF) and Rs. 85,476 (Rs. 0.25 per unit) (GSF). The Scheme has also held provisions for FED liability that amounted to (ESF) Rs.1,523,347, (DSF) Rs.1,124,175, (MSF) Rs.706,273, (GSF) Rs.207,208 up till 30 June 2016, which is Rs.2.02, Rs.0.72, Rs.0.65, Rs.0.62 per unit respectively as on 30 June 2017.

## ALLOCATION SCHEMES

The Pension Fund Manager 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 Fund is as under:

Allocation Schemes	Proportionate Investment in			Return
	Equity	Debt	Money Market	FY 2016-17
High Volatility	80%	20%	Nil	24.02%
Medium Volatility	50%	40%	10%	17.01%
Low Volatility	25%	60%	15%	11.15%
Lower Volatility	Nil	60%	40%	5.36%

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**ALLOCATION SCHEMES HISTORICAL PERFORMANCE:**

<b>Allocation Schemes</b>	<b>Return</b>					
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
High Volatility	15.41%	43.68%	29.81%	19.51%	5.18%	24.02%
Medium Volatility	13.46%	30.44%	21.54%	16.57%	5.98%	17.01%
Low Volatility	11.83%	19.42%	14.66%	14.29%	6.71%	11.15%
Lower Volatility	10.24%	8.34%	7.73%	10.99%	7.02%	5.36%

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty nine meetings to review risk management.

**Fawad Javaid**

Fund Manager - Fixed Income

**M. Umar Khan**

Fund Manager – Equity and Commodity

Karachi: 30 August 2017

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## 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, 2017 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 15 September 2017

**Aftab Ahmed Diwan**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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# INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS

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' Sub-Fund

of **Atlas Pension Fund** ("the Fund") as at 30 June 2017 and for the year then ended together with the notes forming part thereof.

## **Pension Fund Manager's responsibility for the financial statements**

The Pension Fund Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Approved Accounting Standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Pension Fund Manager, as well as evaluating the overall presentation of the financial statements. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Opinion**

### **In our opinion:**

- (a) the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines there under;
- (b) a true and fair view is given of the disposition of the Fund as at 30 June 2017 and of the transactions of the Fund for the year ended 30 June 2017 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 Voluntary Pension System Rules, 2005;
- (d) the cost and expenses debited to the pension fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the pension fund;
- (e) proper books and records have been kept by the Pension Fund Manager and the financial statements prepared are in agreement with the pension 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 Usher Ordinance, 1980 was deducted by the Fund and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

The financial statements of the Fund for the year ended 30 June 2016 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 29 August 2016.



# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2017

		2017						2016					
		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-----					
<b>ASSETS</b>													
Bank balances	4	54,739,588	208,386,831	180,973,062	30,622,242	3,759,271	478,480,994	13,876,486	59,985,074	46,880,451	28,013,761	16,034,777	164,790,549
Receivable against sale of investments		1,888,118	-	-	-	-	1,888,118	3,978,395	-	-	-	-	3,978,395
Investments (net)	5	374,238,437	129,570,757	49,753,190	-	-	553,562,384	295,787,480	239,966,487	181,788,650	-	-	717,542,617
Financial assets at fair value through profit or loss	10	-	-	-	-	-	-	-	-	-	1,543,743	-	1,543,743
Dividend receivable		986,265	-	-	-	-	986,265	715,000	-	-	-	-	715,000
Interest accrued	6	173,336	1,285,550	165,018	68,811	-	1,692,715	57,681	4,926,376	4,542,428	55,484	-	9,581,969
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts		-	-	-	7,045,426	-	7,045,426	-	-	-	8,012,293	-	8,012,293
Security deposit and other receivables	7	2,571,279	25,708,593	10,942,166	737,848	2,852	39,962,738	7,063,168	5,292,328	6,808,097	83,925	2,852	19,250,370
<b>Total assets</b>		<b>434,597,023</b>	<b>364,951,731</b>	<b>241,833,436</b>	<b>38,474,327</b>	<b>3,762,123</b>	<b>1,083,618,640</b>	<b>321,478,210</b>	<b>310,170,265</b>	<b>240,019,626</b>	<b>37,709,206</b>	<b>16,037,629</b>	<b>925,414,936</b>
<b>LIABILITIES</b>													
Payable against redemption of units		34,565,938	98,544	248,491	-	-	34,912,973	3,305	1,641,460	213,238	165,898	123,776	2,147,677
Payable against purchase of investments		7,925,214	-	-	-	-	7,925,214	446,390	-	-	-	-	446,390
Payable to the Pension Fund Manager	8	2,335,116	1,519,439	918,681	273,049	-	5,046,285	2,180,174	1,500,550	920,755	272,298	-	4,873,777
Payable to the Central Depository Company of Pakistan Limited - Trustee		63,835	45,696	32,095	5,158	-	146,784	46,559	42,091	32,841	5,065	-	126,556
Payable to the Securities and Exchange Commission of Pakistan		134,316	102,380	75,061	12,096	-	323,853	90,897	91,085	71,748	11,011	-	264,741
Financial liabilities at fair value through profit or loss	10	-	-	-	731,481	-	731,481	-	-	-	-	-	-
Payable to the auditors		75,310	57,624	42,254	6,812	-	182,000	63,036	63,138	49,763	7,666	-	183,603
Accrued expenses and other liabilities	11	2,531,504	873,273	516,214	86,016	3,762,123	7,769,130	3,184,049	1,609,771	1,111,997	127,584	15,913,853	21,947,254
<b>Total liabilities</b>		<b>47,631,233</b>	<b>2,696,956</b>	<b>1,832,796</b>	<b>1,114,612</b>	<b>3,762,123</b>	<b>57,037,720</b>	<b>6,014,410</b>	<b>4,948,095</b>	<b>2,400,342</b>	<b>589,522</b>	<b>16,037,629</b>	<b>29,989,998</b>
<b>NET ASSETS</b>		<b>386,965,790</b>	<b>362,254,775</b>	<b>240,000,640</b>	<b>37,359,715</b>	<b>-</b>	<b>1,026,580,920</b>	<b>315,463,800</b>	<b>305,222,170</b>	<b>237,619,284</b>	<b>37,119,684</b>	<b>-</b>	<b>895,424,938</b>
<b>Represented by:</b>													
<b>PARTICIPANTS' SUB-FUNDS (as per statement attached)</b>		<b>386,965,790</b>	<b>362,254,775</b>	<b>240,000,640</b>	<b>37,359,715</b>	<b>-</b>	<b>1,026,580,920</b>	<b>315,463,800</b>	<b>305,222,170</b>	<b>237,619,284</b>	<b>37,119,684</b>	<b>-</b>	<b>895,424,938</b>
<b>Number of units in issue</b>	12	<b>754,525</b>	<b>1,562,676</b>	<b>1,084,381</b>	<b>335,782</b>			<b>791,745</b>	<b>1,385,597</b>	<b>1,132,972</b>	<b>324,352</b>		
<b>Net asset value per unit</b>		<b>512.86</b>	<b>231.82</b>	<b>221.32</b>	<b>111.26</b>			<b>398.44</b>	<b>220.28</b>	<b>209.73</b>	<b>114.44</b>		

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)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017					2016				
		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				
<b>INCOME</b>											
Interest income	14	1,366,159	19,620,695	13,556,970	1,823,118	36,366,942	843,497	21,860,478	14,216,674	1,849,006	38,769,655
Dividend income		19,231,650	-	-	-	19,231,650	13,334,225	-	-	-	13,334,225
Realised gain / (loss) on sale of investments at fair value through income statement - net		70,664,530	-	-	-	70,664,530	(7,923,736)	-	-	(3,755)	(7,927,491)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		13,809,573	-	-	-	13,809,573	14,299,300	-	-	-	14,299,300
		<b>84,474,103</b>	-	-	-	<b>84,474,103</b>	<b>6,375,564</b>	-	-	<b>(3,755)</b>	<b>6,371,809</b>
Realised (loss) / gain on gold contracts		-	-	-	(1,529,421)	(1,529,421)	-	-	-	1,620,104	1,620,104
Net unrealised (diminution) / appreciation on future contracts of gold	10.1	-	-	-	(731,481)	(731,481)	-	-	-	1,543,719	1,543,719
Gain / (loss) on sale / maturity of 'available for sale investments' - net		-	914,278	(200,820)	-	713,458	-	4,187,944	39,251	-	4,227,195
		<b>105,071,912</b>	<b>20,534,973</b>	<b>13,356,150</b>	<b>(437,784)</b>	<b>138,525,251</b>	<b>20,553,286</b>	<b>26,048,422</b>	<b>14,255,925</b>	<b>5,009,074</b>	<b>65,866,707</b>
<b>EXPENSE</b>											
Remuneration of Pension Fund Manager	8.1	6,050,661	2,306,033	1,126,604	363,395	9,846,693	4,093,621	2,050,943	1,077,008	330,867	7,552,439
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	786,586	299,784	146,459	47,241	1,280,070	664,804	333,073	174,906	53,733	1,226,516
Federal Excise Duty on remuneration of the Pension Fund Manager	8.3	-	-	-	-	-	654,979	328,151	172,321	52,939	1,208,390
Remuneration to the Central Depository Company of Pakistan Limited -Trustee	9.1	604,874	461,059	337,882	54,486	1,458,301	409,364	410,190	323,098	49,618	1,192,270
Sindh Sales tax on Trustee Fee	9.2	78,634	59,938	43,925	7,083	189,580	57,312	57,426	45,234	6,947	166,919
Annual fee - Securities and Exchange Commission of Pakistan		134,316	102,380	75,061	12,096	323,853	90,897	91,085	71,748	11,011	264,741
Auditor's remuneration	15	77,172	57,276	41,375	6,781	182,604	63,498	63,622	50,107	7,698	184,925
Legal and professional charges		10,474	7,174	5,300	812	23,760	23,848	23,325	18,998	2,974	69,145
Securities' transaction cost and settlement charges		1,176,619	16,755	11,147	125,577	1,330,098	664,494	33,248	7,954	122,897	828,593
Bank charges		116,502	17,669	15,420	11,193	160,784	55,043	16,196	12,460	9,389	93,088
(Reversal) / Provision for Workers' Welfare Fund	11.1	(3,176,696)	(1,605,011)	(1,108,155)	(127,043)	(6,016,905)	275,509	452,823	246,042	87,220	1,061,594
Provision for Sindh Workers' Welfare Fund	11.1	2,516,619	868,650	512,852	85,476	3,983,597	-	-	-	-	-
		<b>8,375,761</b>	<b>2,591,707</b>	<b>1,207,870</b>	<b>587,097</b>	<b>12,762,435</b>	<b>7,053,369</b>	<b>3,860,082</b>	<b>2,199,876</b>	<b>735,293</b>	<b>13,848,620</b>
		<b>96,696,151</b>	<b>17,943,266</b>	<b>12,148,280</b>	<b>(1,024,881)</b>	<b>125,762,816</b>	<b>13,499,917</b>	<b>22,188,340</b>	<b>12,056,049</b>	<b>4,273,781</b>	<b>52,018,087</b>
<b>Net income / (loss) for the year</b>											
		<b>128.15</b>	<b>11.48</b>	<b>11.20</b>	<b>(3.05)</b>		<b>17.05</b>	<b>16.01</b>	<b>10.64</b>	<b>13.18</b>	
<b>Earnings / (loss) per unit</b>	3.9										

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

For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30 JUNE 2017

Note	2017					2016					
	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-----					
Net income / (loss) for the year	96,696,151	17,943,266	12,148,280	(1,024,881)	125,762,816	13,499,917	22,188,340	12,056,049	4,273,781	52,018,087	
Income that may be re-classified subsequently to Income Statement											
Net unrealised diminution on re-measurement of investments classified as 'available for sale'	16	-	(2,277,644)	(45,213)	-	(2,322,857)	-	(1,321,171)	(37,925)	-	(1,359,096)
Total comprehensive income for the year	96,696,151	15,665,622	12,103,067	(1,024,881)	123,439,959	13,499,917	20,867,169	12,018,124	4,273,781	50,658,991	

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For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS

## FOR THE YEAR ENDED 30 JUNE 2017

Note	2017					2016				
	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				
<b>Net assets at the beginning of the year</b>	<b>315,463,800</b>	<b>305,222,170</b>	<b>237,619,284</b>	<b>37,119,684</b>	<b>895,424,938</b>	<b>268,049,084</b>	<b>260,566,857</b>	<b>196,200,001</b>	<b>32,349,574</b>	<b>757,165,516</b>
Issue of units										
- Directly by participants	59,100,013	83,693,828	56,097,042	1,291,804	200,182,687	73,616,658	76,639,901	100,284,495	935,157	251,476,211
Redemption of units										
- Directly by participants	(74,562,293)	(34,632,483)	(57,265,339)	(26,892)	(166,487,007)	(33,693,830)	(52,371,086)	(70,090,401)	(438,828)	(156,594,145)
- Transfer to other Pension Fund	(9,731,881)	(7,694,362)	(8,553,414)	-	(25,979,657)	(6,008,029)	(480,671)	(792,935)	-	(7,281,635)
	<b>(84,294,174)</b>	<b>(42,326,845)</b>	<b>(65,818,753)</b>	<b>(26,892)</b>	<b>(192,466,664)</b>	<b>(39,701,859)</b>	<b>(52,851,757)</b>	<b>(70,883,336)</b>	<b>(438,828)</b>	<b>(163,875,780)</b>
Net other income / (loss) for the year	26,031,621	17,028,988	12,349,100	(1,024,881)	54,384,828	21,423,653	18,000,396	12,016,798	4,273,781	55,714,628
Gain / (loss) on sale of investments at fair value through income statement - net	70,664,530	-	-	-	70,664,530	(7,923,736)	-	-	-	(7,923,736)
Gain / (loss) on sale / maturity of available for sale investments' - net	-	914,278	(200,820)	-	713,458	-	4,187,944	39,251	-	4,227,195
Other comprehensive (loss) for the year	-	(2,277,644)	(45,213)	-	(2,322,857)	-	(1,321,171)	(37,925)	-	(1,359,096)
Total comprehensive income for the year	<b>96,696,151</b>	<b>15,665,622</b>	<b>12,103,067</b>	<b>(1,024,881)</b>	<b>123,439,959</b>	<b>13,499,917</b>	<b>20,867,169</b>	<b>12,018,124</b>	<b>4,273,781</b>	<b>50,658,991</b>
<b>Net assets at the end of the year</b>	<b>386,965,790</b>	<b>362,254,775</b>	<b>240,000,640</b>	<b>37,359,715</b>	<b>1,026,580,920</b>	<b>315,463,800</b>	<b>305,222,170</b>	<b>237,619,284</b>	<b>37,119,684</b>	<b>895,424,938</b>

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

For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2017

	2017						2016					
	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					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Net income / (loss) for the year	96,696,151	17,943,266	12,148,280	(1,024,881)	-	125,762,816	13,499,917	22,188,340	12,056,049	4,273,781	-	52,018,087
<b>Adjustments for:</b>												
Interest income	(1,366,159)	(19,620,695)	(13,556,970)	(1,823,118)	-	(36,366,942)	(843,497)	(21,860,478)	(4,042,910)	(1,285,051)	-	(28,031,936)
Dividend income	(19,231,650)	-	-	-	-	(19,231,650)	(13,334,225)	-	-	-	-	(13,334,225)
(Gain) / loss on sale of investments at fair value through profit and loss (net)	(70,664,530)	-	-	-	-	(70,664,530)	7,923,736	-	-	3,755	-	7,927,491
Realised loss / (gain) on gold contracts	-	-	-	1,529,421	-	1,529,421	-	-	-	(1,620,104)	-	(1,620,104)
(Gain) / loss on sale / maturity of available for sale investments - net	-	(914,278)	200,820	-	-	(713,458)	-	(4,187,944)	(39,251)	-	-	(4,227,195)
Net unrealised (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(13,809,573)	-	-	-	-	(13,809,573)	(14,299,300)	-	-	-	-	(14,299,300)
Net unrealised loss / (gain) on future contracts of gold	-	-	-	731,481	-	731,481	-	-	-	(1,543,719)	-	(1,543,719)
(Reversal) / Provision for Workers' Welfare Fund	(3,176,696)	(1,605,011)	(1,108,155)	(127,043)	-	(6,016,905)	275,509	452,823	246,042	87,220	-	1,061,594
Provision for Sindh Workers' Welfare Fund	2,516,619	868,650	512,852	85,476	-	3,983,597	-	-	-	-	-	-
	<b>(9,035,838)</b>	<b>(3,328,068)</b>	<b>(1,803,173)</b>	<b>(628,664)</b>	<b>-</b>	<b>(14,795,743)</b>	<b>(6,777,860)</b>	<b>(3,407,259)</b>	<b>8,219,930</b>	<b>(84,118)</b>	<b>-</b>	<b>(2,049,307)</b>
<b>Decrease / (increase) in assets</b>												
Receivable against sale of investments	2,090,277	-	-	-	-	2,090,277	(1,747,168)	-	-	-	-	(1,747,168)
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	966,867	-	966,867	-	-	-	(1,315,636)	-	(1,315,636)
Security deposits and other receivables	4,491,889	(20,416,265)	(4,134,069)	(653,923)	-	(20,712,368)	(726,725)	(548,376)	(104,721)	(61,546)	(2,852)	(1,444,220)
	<b>6,582,166</b>	<b>(20,416,265)</b>	<b>(4,134,069)</b>	<b>312,944</b>	<b>-</b>	<b>(17,655,224)</b>	<b>(2,473,893)</b>	<b>(548,376)</b>	<b>(104,721)</b>	<b>(1,377,182)</b>	<b>(2,852)</b>	<b>(4,507,024)</b>
<b>Increase / (decrease) in liabilities</b>												
Payable against redemption of units	34,562,633	(1,542,916)	35,253	(165,898)	(123,776)	32,765,296	3,305	1,641,460	96,931	165,898	16,503	1,924,097
Payable against purchase of investments	7,478,824	-	-	-	-	7,478,824	(7,106,337)	-	-	-	-	(7,106,337)
Payable to the Pension Fund Manager	154,942	18,889	(2,074)	751	-	172,508	824,398	261,002	128,394	48,489	(6,759)	1,255,524
Payable to Central Depository Company of Pakistan Limited - Trustee	17,276	3,605	(746)	93	-	20,228	14,303	8,126	9,438	1,094	-	32,961
Payable to the Securities and Exchange Commission of Pakistan	43,419	11,295	3,313	1,085	-	59,112	18,704	15,470	16,632	209	-	51,015
Payable to the auditors	12,274	(5,514)	(7,509)	(854)	-	(1,603)	3,120	518	3,843	(1,378)	-	6,103
Accrued expenses and other liabilities	7,532	(137)	(480)	(12,151,730)	-	(12,144,816)	2,740	(7,580)	1,992	211	12,030,772	12,028,135
	<b>42,276,900</b>	<b>(1,514,778)</b>	<b>27,757</b>	<b>(164,824)</b>	<b>(12,275,506)</b>	<b>28,349,549</b>	<b>(6,239,767)</b>	<b>1,918,996</b>	<b>257,230</b>	<b>214,523</b>	<b>12,040,516</b>	<b>8,191,498</b>
Interest received	1,250,504	12,721,990	6,806,132	1,234,616	-	22,013,242	812,162	23,219,615	(385,854)	1,287,233	-	24,933,156
Dividend received	18,960,385	-	-	-	-	18,960,385	13,582,679	-	-	-	-	13,582,679
Investments made during the year	(674,732,124)	(1,620,327,006)	(1,595,567,075)	(94,410,503)	-	(3,985,036,708)	(399,734,706)	(798,162,129)	(838,934,183)	(65,069,683)	-	(2,101,900,701)
Investments sold / matured during the year	680,755,270	1,739,898,901	1,738,484,750	95,000,000	-	4,254,138,921	368,862,890	801,775,431	814,892,479	86,152,472	-	2,071,683,272
	<b>26,234,035</b>	<b>132,293,885</b>	<b>149,723,807</b>	<b>1,824,113</b>	<b>-</b>	<b>310,075,840</b>	<b>(16,476,975)</b>	<b>26,832,917</b>	<b>(24,427,558)</b>	<b>22,370,022</b>	<b>-</b>	<b>8,298,406</b>
<b>Net cash generated from / (used in) operating activities (carried forward)</b>	<b>66,057,263</b>	<b>107,034,774</b>	<b>143,814,322</b>	<b>1,343,569</b>	<b>(12,275,506)</b>	<b>305,974,422</b>	<b>(31,968,495)</b>	<b>24,796,278</b>	<b>(16,055,119)</b>	<b>21,123,245</b>	<b>12,037,664</b>	<b>9,933,573</b>

## CASH FLOW STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2017

	2017						2016					
	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					
<b>Net cash generated from / (used in) operating activities (brought forward)</b>	66,057,263	107,034,774	143,814,322	1,343,569	(12,275,506)	305,974,422	(31,968,495)	24,796,278	(16,055,119)	21,123,245	12,037,664	9,933,573
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Receipts on issue of units												
- Directly by participants	59,100,013	83,693,828	56,097,042	1,291,804	-	200,182,687	67,415,049	71,999,282	93,684,452	912,778	-	234,011,561
Payment on redemptions of units												
- Directly by participants	(84,294,174)	(34,632,483)	(57,265,339)	(26,892)	-	(176,218,888)	(39,701,859)	(52,371,086)	(70,090,401)	(438,828)	-	(162,602,174)
- Transfer to other Pension Fund	-	(7,694,362)	(8,553,414)	-	-	(16,247,776)	-	(480,671)	(792,935)	-	-	(1,273,606)
	<b>(84,294,174)</b>	<b>(42,326,845)</b>	<b>(65,818,753)</b>	<b>(26,892)</b>	<b>-</b>	<b>(192,466,664)</b>	<b>(39,701,859)</b>	<b>(52,851,757)</b>	<b>(70,883,336)</b>	<b>(438,828)</b>	<b>-</b>	<b>(163,875,780)</b>
<b>Net cash (used in) / generated from financing activities</b>	<b>(25,194,161)</b>	<b>41,366,983</b>	<b>(9,721,711)</b>	<b>1,264,912</b>	<b>-</b>	<b>7,716,023</b>	<b>27,713,190</b>	<b>19,147,525</b>	<b>22,801,116</b>	<b>473,950</b>	<b>-</b>	<b>70,135,781</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>40,863,102</b>	<b>148,401,757</b>	<b>134,092,611</b>	<b>2,608,481</b>	<b>(12,275,506)</b>	<b>313,690,445</b>	<b>(4,255,305)</b>	<b>43,943,803</b>	<b>6,745,997</b>	<b>21,597,195</b>	<b>12,037,664</b>	<b>80,069,354</b>
Cash and cash equivalents at the beginning of the year	13,876,486	59,985,074	46,880,451	28,013,761	16,034,777	164,790,549	18,131,791	16,041,271	40,134,454	6,416,566	3,997,113	84,721,195
<b>Cash and cash equivalents at the end of the year</b>	<b>54,739,588</b>	<b>208,386,831</b>	<b>180,973,062</b>	<b>30,622,242</b>	<b>3,759,271</b>	<b>478,480,994</b>	<b>13,876,486</b>	<b>59,985,074</b>	<b>46,880,451</b>	<b>28,013,761</b>	<b>16,034,777</b>	<b>164,790,549</b>

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

For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Atlas Pension Fund (APF) was established under a Trust Deed executed between Atlas Asset Management Limited (AAML) as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 8 June 2007 and was executed under the Voluntary Pension System Rules, 2005 (VPS Rules). The Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013, with the approval of the SECP. The Offering Document of the Fund has been revised through the First, Second and Third Supplements dated 18 December 2008, 28 March 2011, and 15 July 2013 respectively. The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at Ground Floor, Federation House, Shahra-e-Firdousi, Clifton, Karachi.
- 1.2** The objective of Atlas Pension Fund (APF) is to provide individuals with a portable, individualised, funded (based on defined contribution) and flexible pension scheme assisting and facilitating them to plan and provide for their retirement. The Fund operates under an umbrella structure and is composed of Sub-Funds, each being a collective investment scheme.
- 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 Supplement 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** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

- 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 with effect from 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.

- 1.6** The Pension Fund Manager of the Fund has been given quality rating of AM2+ by The Pakistan Credit Rating Agency Limited.

### **2.1 Statement of compliance**

- 2.1.1** 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 (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, and the requirements of the Trust Deed, the VPS Rules and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirement of the Trust Deed, the VPS Rules and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the VPS Rules and the said directives shall prevail.

- 2.1.2** The Companies Act, 2017 was enacted on 30 May 2017 and is applicable with immediate effect. The Securities and Exchange Commission of Pakistan through press release and vide circular no 17 of 2017 dated 20 July 2017 has decided that all the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after 30 June 2017.

### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for investments which have been measured at their respective fair values.

### **2.3 Functional and presentation currency**

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

### **2.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and interpretations of approved accounting standards and requirements of Companies Act, 2017, will be effective for accounting periods beginning on or after 01 July 2017:



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Standard, interpretation or amendment

### Effective date (accounting periods beginning)

- IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
- IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
- IFRS 2: Share-based Payments – Classification and Measurement of Share - based Payments Transactions (Amendments)	01 January 2018
- IAS 40 Investment Property - Transfers of investment property	01 January 2017

### Annual improvements to IFRS standards 2014 - 2016 cycle

- IFRS 12 - Disclosure of Interest in Other Entities	01 January 2017
- IAS 28 - Investment in Associates and Joint Ventures	01 January 2018
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
- IFRIC 23 - Uncertainty Over Income Tax Treatments	01 January 2019

As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017, shall be applicable to the financial statements issued on or after 30 June 2017. The Act included mutual funds in Third Schedule, accordingly certain additional requirements / disclosures in Fifth Schedule are also applicable to the financial statements of mutual funds. Significant disclosures / requirements, which are relevant to the funds includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and / or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; management assessment of sufficiency of tax provision including comparisons of tax provision as per accounts with tax assessment for last three years and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.

The above amendments are not likely to have an impact on Fund's financial statements except for additional disclosures and reclassifications mentioned above.

## 2.5 Critical accounting estimates and judgements

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 are as follows:

- Classification and valuation of financial instruments (notes 3.2, 3.4 and 5);
- Impairment of financial instruments (note 3.2.5);
- Recognition of provision for Sindh Workers' Welfare Fund (note 11.1); and
- Taxation (note 3.6).

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 the time of 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 i.e., 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'.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 exchange.

#### 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 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'.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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.

### 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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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.

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

- (i) Capital gains / losses arising on sale of investments are included in the 'income statement' on the date at which the transaction takes place.
- (ii) Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' and 'available for sale' are included in the Income statement and statement of Comprehensive Income, respectively, in the period in which they arise.
- (iii) Interest income on bank balances and term deposit receipts is recognised on an accrual basis.
- (iv) Dividend income is recognised when the right to receive the dividend is established.
- (v) Income from government securities is recognised on an accrual basis.
- (vi) 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 THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 4 BANK BALANCES

		2017					2016						
		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 accounts		-	-	-	-	3,610,105	3,610,105	-	-	-	-	15,693,632	15,693,632
In savings accounts	4.2	54,739,588	208,386,831	180,973,062	30,622,242	149,166	474,870,889	13,876,486	59,985,074	46,880,451	28,013,761	341,145	149,096,917
		<b>54,739,588</b>	<b>208,386,831</b>	<b>180,973,062</b>	<b>30,622,242</b>	<b>3,759,271</b>	<b>478,480,994</b>	<b>13,876,486</b>	<b>59,985,074</b>	<b>46,880,451</b>	<b>28,013,761</b>	<b>16,034,777</b>	<b>164,790,549</b>

4.1 These represent collection and redemption accounts maintained by the Fund. The rate of return on savings account is 5.30% per annum (2016: 6.40% per annum).

4.2 These carry interest at the rates ranging from 5.30% to 6.75% per annum (2016: 5.45% to 6.40% per annum).

### 5 INVESTMENTS (net)

		2017					2016				
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
		Rupees					Rupees				
At fair value through profit or loss											
- held for trading											
Equity securities - listed	5.1	374,238,437	-	-	-	374,238,437	295,787,480	-	-	-	295,787,480
Available for sale											
Treasury Bills	5.2	-	88,581,855	49,753,190	-	138,335,045	-	74,848,296	93,565,972	-	168,414,268
Term Finance Certificates	5.3	-	22,884,277	-	-	22,884,277	-	22,748,062	-	-	22,748,062
Sukuk Certificates	5.4	-	14,596,316	-	-	14,596,316	-	-	-	-	-
Pakistan Investment Bonds	5.5	-	3,508,309	-	-	3,508,309	-	142,370,129	88,222,678	-	230,592,807
		-	129,570,757	49,753,190	-	179,323,947	-	239,966,487	181,788,650	-	421,755,137
		374,238,437	129,570,757	49,753,190	-	553,562,384	295,787,480	239,966,487	181,788,650	-	717,542,617

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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

Balance as at 30 June 2017										
Name of the investee company	As at 1 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of paid-up capital of the investee company
	-----Number of shares-----				-----Rupees-----				-----%-----	
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.										
<b>Modaraba</b>										
B.R.R. Guardian Modaraba	-	250,000	-	250,000	-	-	-	-	-	-
	-	<b>250,000</b>	-	<b>250,000</b>	-	-	-	-	-	-
<b>Investment Bank/Investment Companies/ Securities Companies</b>										
Arif Habib Limited	-	121,000	-	57,000	64,000	6,438,149	5,146,240	(1,291,909)	1.33	0.1164
Jahangir Siddiqui & Company Limited	-	80,000	-	80,000	-	-	-	-	-	-
	-	<b>201,000</b>	-	<b>137,000</b>	<b>64,000</b>	<b>6,438,149</b>	<b>5,146,240</b>	<b>(1,291,909)</b>	<b>1.33</b>	<b>0.1164</b>
<b>Commercial Banks</b>										
Allied Bank Limited	-	81,000	-	-	81,000	7,709,001	7,259,220	(449,781)	1.88	0.0071
Askari Bank Limited	-	200,000	-	200,000	-	-	-	-	-	-
Bank Al Habib Limited	355,000	335,000	-	585,000	105,000	6,021,450	5,958,750	(62,700)	1.54	0.0094
Bank Alfalah Limited	220,000	660,000	-	370,000	510,000	16,546,199	20,502,000	3,955,801	5.30	0.0317
Faysal Bank Limited	-	490,000	-	490,000	-	-	-	-	-	-
Habib Bank Limited	90,000	53,000	-	63,500	79,500	17,439,677	21,396,630	3,956,953	5.53	0.0054
Habib Metropolitan Bank Limited	-	490,000	-	490,000	-	-	-	-	-	-
MCB Bank Limited	35,900	89,000	-	78,900	46,000	10,537,590	9,679,780	(857,810)	2.50	0.0041
Meezan Bank Limited	-	100,000	-	100,000	-	-	-	-	-	-
National Bank of Pakistan	-	182,500	-	182,500	-	-	-	-	-	-
Summit Bank Limited	-	450,000	-	450,000	-	-	-	-	-	-
Bank Of Punjab Limited	-	200,000	-	200,000	-	-	-	-	-	-
United Bank Limited	90,000	98,000	-	68,000	120,000	25,787,225	28,262,400	2,475,175	7.30	0.0098
	<b>790,900</b>	<b>3,428,500</b>	-	<b>3,277,900</b>	<b>941,500</b>	<b>84,041,142</b>	<b>93,058,780</b>	<b>9,017,638</b>	<b>24.05</b>	<b>0.0675</b>
<b>Insurance</b>										
Adamjee Insurance Company Limited	-	356,500	-	356,500	-	-	-	-	-	-
Century Insurance Company Limited	-	37,500	-	37,500	-	-	-	-	-	-
EFU General Insurance Limited	-	12,500	-	12,500	-	-	-	-	-	-
EFU Life Assurance Limited	-	31,500	-	31,500	-	-	-	-	-	-
Pakistan Reinsurance Company Limited	-	155,000	-	155,000	-	-	-	-	-	-
	-	<b>593,000</b>	-	<b>593,000</b>	-	-	-	-	-	-
<b>Textile Spinning</b>										
Gadoon Textile Mills Limited	-	10,000	-	10,000	-	-	-	-	-	-
	-	<b>10,000</b>	-	<b>10,000</b>	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Balance as at 30 June 2017

Name of the investee company	As at 1 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of paid-up capital of the investee company
	-----Number of shares-----				-----Rupees-----				-----%-----	
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.										
<b>Textile Composite</b>										
Gul Ahmed Textile Mills Limited	102,000	200,000	16,000	302,000	16,000	399,995	655,680	255,685	0.17	0.0045
Nishat (Chunian) Limited	-	297,500	-	140,000	157,500	10,276,275	8,082,900	(2,193,375)	2.09	0.0656
Nishat Mills Limited	112,500	15,000	-	75,500	52,000	5,999,141	8,251,360	2,252,219	2.13	0.0148
Crescent Textile Mills Limited	-	50,000	-	50,000	-	-	-	-	-	-
	<b>214,500</b>	<b>562,500</b>	<b>16,000</b>	<b>567,500</b>	<b>225,500</b>	<b>16,675,411</b>	<b>16,989,940</b>	<b>314,529</b>	<b>4.39</b>	<b>0.0849</b>
<b>Woollen</b>										
Bannu Woollen Mills Limited	-	50,500	-	50,500	-	-	-	-	-	-
	-	<b>50,500</b>	-	<b>50,500</b>	-	-	-	-	-	-
<b>Sugar &amp; Allied Industries</b>										
Habib Sugar Mills Limited (Face value Rs. 5 per share)	-	60,000	-	60,000	-	-	-	-	-	-
	-	<b>60,000</b>	-	<b>60,000</b>	-	-	-	-	-	-
<b>Cement</b>										
D.G. Khan Cement Company Limited	85,000	48,000	-	98,000	35,000	6,937,131	7,460,600	523,469	1.93	0.0080
Dewan Cement Limited	-	150,000	-	150,000	-	-	-	-	-	-
Fauji Cement Company Limited	185,000	280,000	-	205,000	260,000	10,326,216	10,667,800	341,584	2.76	0.0188
Kohat Cement Company Limited	12,500	22,500	-	-	35,000	9,294,205	8,024,100	(1,270,105)	2.07	0.0227
Lucky Cement Limited	22,000	13,000	-	14,500	20,500	16,162,660	17,143,330	980,670	4.43	0.0063
Pioneer Cement Limited	57,500	63,500	-	77,500	43,500	5,181,469	5,655,000	473,531	1.46	0.0192
Thatta Cement Company Limited	-	50,000	-	50,000	-	-	-	-	-	-
	<b>362,000</b>	<b>627,000</b>	-	<b>595,000</b>	<b>394,000</b>	<b>47,901,681</b>	<b>48,950,830</b>	<b>1,049,149</b>	<b>12.65</b>	<b>0.0750</b>
<b>Refinery</b>										
Attock Refinery Limited	-	10,000	-	10,000	-	-	-	-	-	-
National Refinery Limited	12,500	8,500	-	16,500	4,500	3,329,754	3,266,955	(62,799)	0.84	0.0056
	<b>12,500</b>	<b>18,500</b>	-	<b>26,500</b>	<b>4,500</b>	<b>3,329,754</b>	<b>3,266,955</b>	<b>(62,799)</b>	<b>0.84</b>	<b>0.0056</b>
<b>Power Generation &amp; Distribution</b>										
Engro Powergen Qadirpur Limited	-	65,000	-	65,000	-	-	-	-	-	-
Nishat Chunian Power Limited	60,000	65,000	-	125,000	-	-	-	-	-	-
Nishat Power Limited	-	433,500	-	233,500	200,000	9,470,011	9,448,000	(22,011)	2.44	0.0565
The Hub Power Company Limited	25,000	175,500	-	118,500	82,000	10,071,533	9,629,260	(442,273)	2.49	0.0071
	<b>85,000</b>	<b>739,000</b>	-	<b>542,000</b>	<b>282,000</b>	<b>19,541,544</b>	<b>19,077,260</b>	<b>(464,284)</b>	<b>4.93</b>	<b>0.0636</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Balance as at 30 June 2017

Name of the investee company	As at 1 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of paid-up capital of the investee company
	-----Number of shares-----				-----Rupees-----				----- % -----	
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.										
<b>Oil and Gas Marketing Companies</b>										
Attock Petroleum Limited	2,500	13,500	-	6,000	10,000	6,686,999	6,264,300	(422,699)	1.62	0.0121
Hi-Tech Lubricants Limited	50,000	47,500	-	97,500	-	-	-	-	-	-
Pakistan State Oil Company Limited	51,000	10,500	-	31,500	30,000	11,638,979	11,620,500	(18,479)	3.00	0.0110
Sui Northern Gas Pipelines Limited	-	130,000	-	76,000	54,000	8,611,673	8,041,680	(569,993)	2.08	0.0085
	<b>103,500</b>	<b>201,500</b>	<b>-</b>	<b>211,000</b>	<b>94,000</b>	<b>26,937,651</b>	<b>25,926,480</b>	<b>(1,011,171)</b>	<b>6.70</b>	<b>0.0316</b>
<b>Oil and Gas Exploration Companies</b>										
Mari Petroleum Company Limited	24,000	16,150	-	29,150	11,000	11,719,565	17,332,040	5,612,475	4.48	0.0100
Oil & Gas Development Company Limited	125,000	137,000	-	178,000	84,000	12,154,060	11,817,960	(336,100)	3.05	0.0020
Pakistan Oilfields Limited	44,500	73,000	-	83,500	34,000	15,373,520	15,577,100	203,580	4.03	0.0144
Pakistan Petroleum Limited	62,500	47,000	-	54,500	55,000	8,616,391	8,147,700	(468,691)	2.11	0.0028
	<b>256,000</b>	<b>273,150</b>	<b>-</b>	<b>345,150</b>	<b>184,000</b>	<b>47,863,536</b>	<b>52,874,800</b>	<b>5,011,264</b>	<b>13.67</b>	<b>0.0292</b>
<b>Engineering</b>										
Amreli Steels Limited	65,000	60,000	-	125,000	-	-	-	-	-	-
International Industries Limited	-	98,500	-	70,000	28,500	7,120,758	10,504,245	3,383,487	2.71	0.0238
International Steels Limited	-	32,500	-	32,500	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	750	75,000	-	75,000	750	99,514	60,548	(38,966)	0.02	0.0003
	<b>65,750</b>	<b>266,000</b>	<b>-</b>	<b>302,500</b>	<b>29,250</b>	<b>7,220,272</b>	<b>10,564,793</b>	<b>3,344,521</b>	<b>2.73</b>	<b>0.0241</b>
<b>Automobile Assembler</b>										
Indus Motor Company Limited	-	8,000	-	3,540	4,460	7,972,125	7,999,456	27,331	2.07	0.0057
Millat Tractor Limited	-	3,000	-	500	2,500	1,524,580	3,436,100	1,911,520	0.89	0.0056
Pak Suzuki Motors Company Limited	7,000	7,000	-	10,900	3,100	2,147,514	2,419,116	271,602	0.63	0.0019
	<b>7,000</b>	<b>18,000</b>	<b>-</b>	<b>14,940</b>	<b>10,060</b>	<b>11,644,219</b>	<b>13,854,672</b>	<b>2,210,453</b>	<b>3.59</b>	<b>0.0132</b>
<b>Automobile Parts &amp; Accessories</b>										
Agriauto Industries Limited (Face value Rs. 5 per share)	7,000	11,000	-	18,000	-	-	-	-	-	-
Thal Limited (Face value Rs. 5 per share)	10,000	8,000	-	10,000	8,000	4,200,737	4,848,240	647,503	1.25	0.0099
	<b>17,000</b>	<b>19,000</b>	<b>-</b>	<b>28,000</b>	<b>8,000</b>	<b>4,200,737</b>	<b>4,848,240</b>	<b>647,503</b>	<b>1.25</b>	<b>0.0099</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Balance as at 30 June 2017

Name of the investee company	As at 1 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of paid-up capital of the investee company
	-----Number of shares-----					-----Rupees-----			-----%-----	
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.										
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	-	147,500	-	87,500	60,000	4,870,292	6,619,200	1,748,908	1.71	0.0121
Pakistan Cables Limited	-	5,600	-	-	5,600	1,903,800	1,792,000	(111,800)	0.46	0.0197
	-	<b>153,100</b>	-	<b>87,500</b>	<b>65,600</b>	<b>6,774,092</b>	<b>8,411,200</b>	<b>1,637,108</b>	<b>2.17</b>	<b>0.0318</b>
<b>Transport</b>										
Pakistan National Shipping Corporation	-	30,000	-	30,000	-	-	-	-	-	-
	-	<b>30,000</b>	-	<b>30,000</b>	-	-	-	-	-	-
<b>Technology and Communication</b>										
Hum Network Limited (Face value Rs. 1 per share)	-	925,000	-	175,000	750,000	10,076,648	8,805,000	(1,271,648)	2.28	0.0794
Netsol Technologies Limited	40,000	20,000	-	60,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited "A"	200,000	300,000	-	500,000	-	-	-	-	-	-
	<b>240,000</b>	<b>1,245,000</b>	-	<b>735,000</b>	<b>750,000</b>	<b>10,076,648</b>	<b>8,805,000</b>	<b>(1,271,648)</b>	<b>2.28</b>	<b>0.0794</b>
<b>Fertilizers</b>										
Dawood Hercules Corporation Limited	-	10,000	-	10,000	-	-	-	-	-	-
Engro Corporation Limited	59,000	64,500	-	72,500	51,000	16,519,759	16,621,410	101,651	4.30	0.0097
Engro Fertilizers Limited	250,000	300,000	-	150,000	400,000	26,772,817	22,096,000	(4,676,817)	5.71	0.0300
Fauji Fertilizer Bin Qasim Limited	-	100,000	-	100,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	45,000	100,000	-	85,000	60,000	5,990,000	4,958,400	(1,031,600)	1.28	0.0047
	<b>354,000</b>	<b>574,500</b>	-	<b>417,500</b>	<b>511,000</b>	<b>49,282,576</b>	<b>43,675,810</b>	<b>(5,606,766)</b>	<b>11.29</b>	<b>0.0444</b>
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	5,000	-	-	2,500	2,500	1,885,000	2,336,500	451,500	0.60	0.0026
Ferozsons Laboratories Limited	-	5,000	-	5,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	37,500	-	18,700	18,800	4,106,340	3,702,096	(404,244)	0.96	0.0059
The Searle Company Limited	-	4,000	400	4,000	400	243,592	204,791	(38,801)	0.05	0.0003
	<b>5,000</b>	<b>46,500</b>	<b>400</b>	<b>30,200</b>	<b>21,700</b>	<b>6,234,932</b>	<b>6,243,387</b>	<b>8,455</b>	<b>1.61</b>	<b>0.0088</b>
<b>Chemicals</b>										
Akzo Nobel Pakistan Limited	-	15,000	-	15,000	-	-	-	-	-	-
Archroma Pakistan Limited	-	3,000	-	-	3,000	2,099,700	2,138,370	38,670	0.55	0.0088
ICI Pakistan Limited	-	2,500	-	2,500	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	13,000	-	8,000	5,000	2,839,499	2,223,100	(616,399)	0.57	0.0233
	-	<b>33,500</b>	-	<b>25,500</b>	<b>8,000</b>	<b>4,939,199</b>	<b>4,361,470</b>	<b>(577,729)</b>	<b>1.12</b>	<b>0.0321</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Balance as at 30 June 2017

Name of the investee company	As at 1 July 2016	Purchases during the year	Bonus / Right shares during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of paid-up capital of the investee company
	-----Number of shares-----					-----Rupees-----			----- % -----	
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.										
<b>Food &amp; Personal Care Products</b>										
Al Shaheer Corporation Limited	55,900	29,000	12,735	96,000	1,635	80,421	65,580	(14,841)	0.02	0.0012
Engro Foods Limited	17,500	-	-	17,500	-	-	-	-	-	-
Nestle Pakistan Limited	400	60	-	-	460	3,460,000	4,692,000	1,232,000	1.21	0.0010
Rafhan Maize Products Company Limited	-	500	-	-	500	3,786,900	3,425,000	(361,900)	0.89	0.0054
Treet Corporation Limited	-	70,000	-	70,000	-	-	-	-	-	-
	<b>73,800</b>	<b>99,560</b>	<b>12,735</b>	<b>183,500</b>	<b>2,595</b>	<b>7,327,321</b>	<b>8,182,580</b>	<b>855,259</b>	<b>2.12</b>	<b>0.0076</b>
<b>Glass &amp; Ceramics</b>										
Ghani Glass Limited	-	17,500	-	17,500	-	-	-	-	-	-
Tariq Glass Industries Limited	-	60,000	-	60,000	-	-	-	-	-	-
	<b>-</b>	<b>77,500</b>	<b>-</b>	<b>77,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous</b>										
Shifa International Hospitals Limited	10,000	700	-	10,700	-	-	-	-	-	-
Tri-Pack Films Limited	-	15,000	-	15,000	-	-	-	-	-	-
	<b>10,000</b>	<b>15,700</b>	<b>-</b>	<b>25,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
						<b>360,428,864</b>	<b>374,238,437</b>	<b>13,809,573</b>	<b>96.72</b>	

5.1.1 The cost of listed equity securities as at 30 June 2017 is Rs. 335,754,636 (2016: Rs. 270,392,487).

### 5.2 Treasury Bills - Available for sale

	As at 1 July 2016	Purchases during the year	Matured / Sold during the year	As at 30 June 2017	Amortised cost as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund
	-----Face value (Rupees)-----					-----Rupees-----		-----%
<b>5.2.1 Debt Sub-Fund</b>								
Treasury Bills	76,000,000	1,590,000,000	1,577,000,000	89,000,000	<b>88,587,087</b>	<b>88,581,855</b>	<b>(5,232)</b>	<b>24.45%</b>

5.2.1.1 The cost of investments as on 30 June 2017 is Rs. 87,604,320 (2016: Rs.73,716,875).

5.2.1.2 These Government treasury bills carry purchase yields ranging from 5.84% to 5.99% per annum (2016: 5.90% to 6.17% per annum) and will mature between 6 July 2017 and 3 August 2017 (2016: 21 July 2016 and 19 January 2017).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2017

	As at 1 July 2016	Purchases during the year	Matured / Sold during the year	As at 30 June 2017	Amortised cost as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percent of net assets of the Sub-Fund
	-----Face value (Rupees)-----				-----Rupees-----			%
<b>5.2.2 Money Market Sub-Fund</b>								
Treasury Bills	94,000,000	1,611,500,000	1,655,500,000	50,000,000	<b>49,755,543</b>	<b>49,753,190</b>	<b>(2,353)</b>	<b>20.73%</b>

**5.2.2.1** The cost of investments as on 30 June 2017 is Rs. 49,346,910 (2016: Rs.92,028,922).

**5.2.2.2** These Government treasury bills carry purchase yields ranging from 5.93% to 5.99% per annum (2016: 5.90% to 6.16% per annum) and will mature between 6 July 2017 and 3 August 2017 (2016: 21 July 2016 and 18 August 2016).

	As at 1 July 2016	Purchases during the year	Matured / Sold during the year	As at 30 June 2017	Amortised cost as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percent of net assets of the Sub-Fund
	-----Face value (Rupees)-----				-----Rupees-----			%
<b>5.2.3 Gold Sub-Fund</b>								
Treasury Bills	-	95,000,000	95,000,000	-	-	-	-	-

### 5.3 Term Finance Certificates - Available for sale

		30 June 2017	30 June 2016
<b>5.3.1 Debt Sub-Fund</b>	<b>Note</b>	-----Rupees-----	
Term Finance certificate	5.3.2	22,884,277	22,748,062
		<b>22,884,277</b>	<b>22,748,062</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Name of the investee company	Status	As at 1 July 2016	Purchases during the year	Sales / matured during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund	Market value as a percentage of total issue size
			-----Number of certificates-----			-----Rupees-----			-----%-----	
<b>Commercial Banks</b>										
Bank Alfalah Limited - V (face value of Rs. 5,000 per certificate)	Listed	153	-	-	153	763,776	785,576	21,800	0.22	0.016
Habib Bank Limited Tier II (face value of Rs. 100,000 per certificate)	Listed	200	-	-	200	19,992,000	20,041,980	49,980	5.53	0.501
Soneri Bank Limited - II (face value of Rs. 5,000 per certificate)	Listed	400	-	-	400	1,998,800	2,056,721	57,921	0.57	0.069
<b>Chemicals</b>										
Agritech Limited - IV (note 5.4.2)	Unlisted	29	-	-	29	-	-	-	-	-
						<b>22,754,576</b>	<b>22,884,277</b>	<b>129,701</b>	<b>6.32</b>	

### 5.3.3 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
<b>Commercial Banks</b>						
Bank Alfalah Limited - V	AA-	8 years	Semi annually	February 2021	7.39%	1.25% + 6 month KIBOR
Soneri Bank Limited	A+	8 years	Semi annually	July 2023	7.49%	1.35% + 6 month KIBOR
Habib Bank Limited Tier - II	AAA	10 years	Semi annually	Feb 2026	6.64%	0.5% + 6 month KIBOR
<b>Chemicals</b>						
Agritech Limited - IV (Note 5.4.2)	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 2016	Purchases during the year	Sales / matured during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation / (diminution)	Market value as a percentage of net assets of the Sub-Fund
			-----Number of certificates-----			-----Rupees-----			-----%
<b>Commercial Banks</b>									
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	Unlisted	-	14	-	14	14,000,000	14,596,316	596,316	4.03
<b>Chemicals</b>									
Agritech Limited (note 5.4.2)	Unlisted	200	-	-	200	-	-	-	-
						<b>14,000,000</b>	<b>14,596,316</b>	<b>596,316</b>	<b>4.03</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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

Name of the investee company	Rating	Tenure	Profit payments / Principal redemption	Repayment period	Effective rate during the year	Rate of return
-----Number of certificates-----						
<b>Commercial Banks</b>						
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	AA-	7 years	Semi annually	September 2016 - September 2026	6.62%	6 month KIBOR + 0.50%
<b>Chemicals</b>						
Agritech Limited (note 5.4.2)	NPA	7 years	Semi annually	February 2011 - August 2015	0.00%	6 month KIBOR + 2.00%

### 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 2016: 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 Deb 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 2017 (2016: 29 certificates). 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	-
		<b>1,145,000</b>	<b>1,145,000</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 5.5 Pakistan Investment Bonds - Available for sale

#### 5.5.1 Debt Sub-Fund

Pakistan Investment Bonds

5.5.1.1 The cost of investments as on 30 June 2017 is Rs. 3,590,430 (2016: Rs. 139,814,697)

5.5.1.2 These carry interest at the rates ranging of 11.25% per annum (2016: 7.00% 12.00% per annum) and will mature on 17 July 2017 (2016: 18 July 2016 and 17 July 2024).

As at 1 July 2016	Purchases during the year	Matured / sold during the year	As at 30 June 2017	Amortised cost as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation /(diminution)	Market value as a percentage of net assets of Sub Fund
-----Face value (Rupees)-----				-----Rupees-----			%
132,400,000	31,000,000	159,900,000	3,500,000	3,503,021	3,508,309	5,288	0.97

#### 5.5.2 Money Market Sub-Fund

Pakistan Investment Bonds

5.5.2.1 The cost of investments as on 30 June 2017 is Rs. Nil (2016: Rs. 89,180,641)

As at 1 July 2016	Purchases during the year	Matured / sold during the year	As at 30 June 2017	Amortised cost as at 30 June 2017	Market value as at 30 June 2017	Unrealised appreciation /(diminution)	Market value as a percentage of net assets of Sub Fund
-----Face value (Rupees)-----				-----Rupees-----			%
88,000,000	-	88,000,000	-	-	-	-	-

## 6 INTEREST ACCRUED

	2017						2016					
	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-----					
Profit on deposits	173,336	224,602	165,018	68,811	-	631,767	57,681	67,609	54,791	55,484	-	235,565
Pakistan Investment Bonds	-	179,471	-	-	-	179,471	-	4,262,733	4,487,637	-	-	8,750,370
Term Finance Certificates	-	571,697	-	-	-	571,697	-	596,034	-	-	-	596,034
Sukuk Certificates	-	309,780	-	-	-	309,780	-	-	-	-	-	-
	<b>173,336</b>	<b>1,285,550</b>	<b>165,018</b>	<b>68,811</b>	<b>-</b>	<b>1,692,715</b>	<b>57,681</b>	<b>4,926,376</b>	<b>4,542,428</b>	<b>55,484</b>	<b>-</b>	<b>9,581,969</b>

## 7 SECURITY DEPOSITS AND OTHER RECEIVABLE

Security deposit with Central Depository

Company of Pakistan Limited

Receivable against sale of units

Other receivable

	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
	100,000	100,000	100,000	-	-	300,000	100,000	100,000	100,000	-	-	300,000
	1,657,555	25,024,818	10,711,665	676,431	-	38,070,469	6,201,609	4,640,619	6,600,043	22,379	-	17,464,650
	813,724	583,775	130,501	61,417	2,852	1,592,269	761,559	551,709	108,054	61,546	2,852	1,485,720
	<b>2,571,279</b>	<b>25,708,593</b>	<b>10,942,166</b>	<b>737,848</b>	<b>2,852</b>	<b>39,962,738</b>	<b>7,063,168</b>	<b>5,292,328</b>	<b>6,808,097</b>	<b>83,925</b>	<b>2,852</b>	<b>19,250,370</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 8 PAYABLE TO THE PENSION FUND MANAGER - Related Party

		2017						2016					
	Note	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-----						
Pension Fund Manager fee	8.1	518,877	200,441	93,361	30,551	-	843,230	378,413	182,111	94,361	29,625	-	684,510
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	292,892	194,823	119,047	35,290	-	642,052	278,414	194,264	120,121	35,465	-	628,264
Federal Excise Duty payable on remuneration of the Pension Fund Manager	8.3	1,523,347	1,124,175	706,273	207,208	-	3,561,003	1,523,347	1,124,175	706,273	207,208	-	3,561,003
		2,335,116	1,519,439	918,681	273,049	-	5,046,285	2,180,174	1,500,550	920,755	272,298	-	4,873,777

- 8.1** 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 (30 June 2016:1.50%) of the average value of the net assets of the Fund for the year on equity sub fund, whilst for APF - Debt Sub Fund, APF - Money Market Sub Fund and APF - Gold Sub Fund, the Pension Fund Manager has charged its remuneration at the rate of 0.75% (30 June 2016: 0.75%), 0.50% (30 June 2016: 0.50%) and 1.00% (30 June 2016: 1.00%) respectively of the average value of the net assets of these Sub Funds, which is paid monthly in arrears.
- 8.2** During the year, an amount of Rs. 1,280,070 (30 June 2016: Rs. 1,226,516) 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. 1,266,282 (30 June 2016: Rs.1,078,333) has been paid to the Pension Fund Manager which acts as a collecting agent.
- 8.3** 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 8.2 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.

During the nine months ended 31 March 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by Pension Fund Managers dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 3,561,003 million (30 June 2016: Rs 3,561,003 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

### 9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) - Trustee

Note	2017					2016				
	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				
Trustee fee	51,691	39,939	27,903	4,565	124,098	37,841	36,422	28,308	4,443	107,014
Sindh sales tax on Trustee fee	6,720	5,192	3,627	593	16,132	5,298	5,099	3,963	622	14,982
Settlement charges	4,800	500	500	-	5,800	3,000	500	500	-	4,000
Sindh sales tax on settlement charges	624	65	65	-	754	420	70	70	-	560
	<b>63,835</b>	<b>45,696</b>	<b>32,095</b>	<b>5,158</b>	<b>146,784</b>	<b>46,559</b>	<b>42,091</b>	<b>32,841</b>	<b>5,065</b>	<b>126,556</b>

9.1 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.

9.2 During the year, an amount of Rs.189,580 (2016: Rs.166,918) was charged on amount of sale tax on remuneration of the trustee levied through Sindh Sales Tax on Service Act, 2011 and an amount of Rs. 188,430 (2016: Rs.151,935) was paid to the Trustee which acts as a collecting agent.

### 10 FINANCIAL (LIABILITIES) / ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

#### Held-for-trading - derivative financial instruments

Note	30 June 2017	30 June 2016
	Rupees	
- Future Gold Contracts (Financial Liabilities)	(731,481)	-
- Future Gold Contracts (Financial Assets)	-	1,543,743

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

**10.1** 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	Value of Gold in futures market equivalent	Market Value as a Percentage of net assets of Sub Fund
			-----US dollars-----	-----Rupees-----	-----%-----
Gold 10 oz - Aug. 2017	27 July 2017	19	235,904	24,734,534	66.21
Gold 1 oz - Aug. 2017	27 July 2017	42	52,147	5,467,634	14.64
		<b>61</b>	<b>288,051</b>	<b>30,202,168</b>	<b>80.85</b>

Liabilities against gold futures at contracted rates US\$ 295,028

30,933,649

Unrealised (diminution) on future contracts of gold

**(731,481)**

### 11 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2017						2016					
	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	9,473	4,623	3,362	540	839	18,837	7,353	4,389	3,471	541	193,504	209,258
Payable to broker	-	-	-	-	-	-	-	371	371	-	-	742
Zakat payable	-	-	-	-	-	-	-	-	-	-	5,594	5,594
Provision for Workers' Welfare Fund 11.1	-	-	-	-	-	-	3,176,696	1,605,011	1,108,155	127,043	-	6,016,905
Provision for Sindh Workers' Welfare Fund 11.1	2,516,619	868,650	512,852	85,476	-	3,983,597	-	-	-	-	-	-
Others	5,412	-	-	-	3,761,284	3,766,696	-	-	-	-	15,714,755	15,714,755
	<b>2,531,504</b>	<b>873,273</b>	<b>516,214</b>	<b>86,016</b>	<b>3,762,123</b>	<b>7,769,130</b>	<b>3,184,049</b>	<b>1,609,771</b>	<b>1,111,997</b>	<b>127,584</b>	<b>15,913,853</b>	<b>21,947,254</b>

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## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2017

**11.1** The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and t and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

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

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

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017 Accordingly, the provision for WWF was reversed on January 12, 2017 and provision for SWWF been made from 21 May 2015 till 12 January 2017 and is being made on a daily basis going forward.

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 12 NUMBER OF UNITS IN ISSUE

Note	2017					2016				
	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	791,745	1,385,597	1,132,972	324,352	3,634,666	702,993	1,276,328	989,316	319,192	3,287,829
Add: Issue of units during the year										
- Directly by participants	125,808	364,646	259,011	11,674	761,139	193,758	357,665	489,665	9,267	1,050,355
Less: Units redeemed during the year										
- Directly by participants	(144,450)	(153,297)	(268,168)	(244)	(566,159)	(88,814)	(246,090)	(342,017)	(4,107)	(681,028)
- Transfer to other Pension Fund	(18,578)	(34,270)	(39,434)	-	(92,282)	(16,192)	(2,306)	(3,992)	-	(22,490)
	<b>(163,028)</b>	<b>(187,567)</b>	<b>(307,602)</b>	<b>(244)</b>	<b>(658,441)</b>	<b>(105,006)</b>	<b>(248,396)</b>	<b>(346,009)</b>	<b>(4,107)</b>	<b>(703,518)</b>
Total units in issue at the end of the year	<b>754,525</b>	<b>1,562,676</b>	<b>1,084,381</b>	<b>335,782</b>	<b>3,737,364</b>	<b>791,745</b>	<b>1,385,597</b>	<b>1,132,972</b>	<b>324,352</b>	<b>3,634,666</b>

### 13 CONTINGENCIES AND COMMITMENTS

**13.1** The Finance Act, 2014, introduced amendments to Income Tax Ordinance, 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

In the current year, Al Shaheer Corporation Limited and The Searle Company Limited (2016: Al Shaheer Corporation Limited) issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and the stay order.

There were no other contingencies outstanding as at 30 June 2017 and 30 June 2016.

#### 13.2 COMMITMENTS

Note	2017					2016				
	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-----				
Purchase of:										
Ounce Gold Contracts US \$ 295,028										
(30 June 2016 : US \$ 284,795)	-	-	-	30,933,649	30,933,649	-	-	-	29,541,809	29,541,809

**13.2.1** This represents the investment in future gold contracts with settlement date of 27 July 2017 (30 June 2016: 26 July 2016) .

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 14 INTEREST INCOME

Note	2017					2016				
	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	1,366,159	2,544,210	1,966,359	1,247,943	7,124,671	843,497	1,138,634	1,904,653	1,285,051	5,171,835
Pakistan Investment Bonds	-	4,275,922	462,363	-	4,738,285	-	13,612,476	2,138,257	-	15,750,733
Treasury Bills	-	10,539,531	11,128,248	575,175	22,242,954	-	6,121,375	10,173,764	563,955	16,859,094
Term Finance Certificates and Sukuk Certificates	-	2,261,032	-	-	2,261,032	-	987,993	-	-	987,993
	<b>1,366,159</b>	<b>19,620,695</b>	<b>13,556,970</b>	<b>1,823,118</b>	<b>36,366,942</b>	<b>843,497</b>	<b>21,860,478</b>	<b>14,216,674</b>	<b>1,849,006</b>	<b>38,769,655</b>

14.1 Mark-up on non-performing securities amounting to Rs. 661,692 (2016: Rs.580,893) based on outstanding principal has not been recognised, in accordance with SECP's directives.

### 15 AUDITOR'S REMUNERATION

	2017					2016				
	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	62,069	47,494	34,823	5,614	150,000	51,506	51,607	40,643	6,244	150,000
Sindh Sales Tax on services	4,966	3,799	2,786	449	12,000	3,090	3,096	2,439	375	9,000
Out of pocket expenses	10,137	5,983	3,766	718	20,604	8,902	8,919	7,025	1,079	25,925
	<b>77,172</b>	<b>57,276</b>	<b>41,375</b>	<b>6,781</b>	<b>182,604</b>	<b>63,498</b>	<b>63,622</b>	<b>50,107</b>	<b>7,698</b>	<b>184,925</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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

	Equity Sub-Fund	Debt Sub-Fund	2017 Money Market Sub-Fund	Gold Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	2016 Money Market Sub-Fund	Gold Sub-Fund	Total
	Rupees					Rupees				
Market value of investments	-	129,570,757	49,753,190	-	179,323,947	-	239,966,487	181,788,650	-	421,755,137
Less: Cost of investments	-	129,989,684	49,755,543	-	179,745,227	-	238,107,770	181,745,790	-	419,853,560
	-	(418,927)	(2,353)	-	(421,280)	-	1,858,717	42,860	-	1,901,577
Less: Net unrealised appreciation in the value of investments at the beginning of the year	-	(1,858,717)	(42,860)	-	(1,901,577)	-	(3,179,888)	(80,785)	-	(3,260,673)
Transferred to comprehensive income during the year	-	(2,277,644)	(45,213)	-	(2,322,857)	-	(1,321,171)	(37,925)	-	(1,359,096)
Gain arise during the year	-	(3,191,922)	155,607	-	(3,036,315)	-	2,866,773	1,326	-	2,868,099
Reclassification to profit and loss upon disposal of during the year	-	914,278	(200,820)	-	713,458	-	(4,187,944)	(39,251)	-	(4,227,195)
	-	(2,277,644)	(45,213)	-	(2,322,857)	-	(1,321,171)	(37,925)	-	(1,359,096)

### 17 CONTRIBUTION TABLE

	2017									
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	61,307	27,804,188	225,314	52,051,790	187,664	40,716,317	7,542	833,460	481,827	121,405,755
Employers	64,501	31,295,825	139,332	31,642,038	71,347	15,380,725	4,132	458,344	279,312	78,776,932
	<b>125,808</b>	<b>59,100,013</b>	<b>364,646</b>	<b>83,693,828</b>	<b>259,011</b>	<b>56,097,042</b>	<b>11,674</b>	<b>1,291,804</b>	<b>761,139</b>	<b>200,182,687</b>

	2016									
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals	133,697	51,279,283	219,497	47,212,079	413,369	84,644,894	3,464	340,136	770,027	183,476,392
Employers	60,061	22,337,375	138,168	29,427,822	76,296	15,639,601	5,803	595,021	280,328	67,999,819
	<b>193,758</b>	<b>73,616,658</b>	<b>357,665</b>	<b>76,639,901</b>	<b>489,665</b>	<b>100,284,495</b>	<b>9,267</b>	<b>935,157</b>	<b>1,050,355</b>	<b>251,476,211</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 and unitholders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons / related parties are in the normal course of business, 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 Voluntary Pension System Rules, 2005 (VPS Rules) and the Trust Deed respectively.

**18.1** Details of transactions with connected persons and balances with them at the year end are as follows:

	June 30, 2017						June 30, 2016					
	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					
<b>Atlas Asset Management Limited (Pension Fund Manager)</b>												
Pension Fund Manager fee payable (Rupees)	518,877	200,441	93,361	30,551	-	843,230	378,413	182,111	94,361	29,625	-	684,510
Sindh Sales Tax payable on the Pension Fund Manager (Rupees)	292,892	194,823	119,047	35,290	-	642,052	278,414	194,264	120,121	35,465	-	628,264
Federal Excise Duty payable on remuneration of the Pension Fund Manager (Rupees)	1,523,347	1,124,175	706,273	207,208	-	3,561,003	1,523,347	1,124,175	706,273	207,208	-	3,561,003
Investment (Rupees)	85,134,760	38,482,120	36,739,120	33,378,000	-	193,734,000	66,141,040	36,566,480	34,815,180	34,332,000	-	171,854,700
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
<b>Central Depository Company of Pakistan Limited (Trustee)</b>												
Remuneration payable (Rupees)	51,691	39,939	27,903	4,565	-	124,098	37,841	36,422	28,308	4,443	-	107,014
Sindh Sales Tax on Remuneration (Rupees)	6,720	5,192	3,627	593	-	16,132	5,298	5,099	3,963	622	-	14,982
Settlement charges (Rupees)	4,800	500	500	-	-	5,800	3,000	500	500	-	-	4,000
Sindh Sales Tax on settlement charges (Rupees)	624	65	65	-	-	754	420	70	70	-	-	560
<b>Directors and Executives</b>												
Investment at year end	56,878,738	32,686,620	9,484,447	-	-	99,049,805	116,382,730	51,872,856	42,639,158	-	-	210,894,744
Units held (Number of units)	110,905	141,000	42,854	-	-	294,759	292,096	235,486	203,305	-	-	730,887

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 18.2 Details of transactions with related parties / connected persons during the year:

	For the year ended June 30, 2017						For the year ended June 30, 2016					
	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-----					
<b>Atlas Asset Management Limited (Pension Fund Manager)</b>												
Remuneration for the year (Rupees)	6,050,661	2,306,033	1,126,604	363,395	-	9,846,693	4,093,621	2,050,943	1,077,008	330,867	-	7,552,439
Sindh Sales Tax on remuneration (Rupees)	786,586	299,784	146,459	47,241	-	1,280,070	664,804	333,073	174,906	53,733	-	1,226,516
Federal Excise Duty on remuneration (Rupees)	-	-	-	-	-	-	654,979	328,151	172,321	52,939	-	1,208,390
<b>Central Depository Company of Pakistan Limited (Trustee)</b>												
Remuneration for the year (Rupees)	604,874	461,059	337,882	54,486	-	1,458,301	409,364	410,190	323,098	49,618	-	1,192,270
Sindh Sales Tax on Remuneration (Rupees)	78,634	59,938	43,925	7,083	-	189,580	57,312	57,426	45,234	6,947	-	166,919
<b>Directors and Executives</b>												
Contributions	7,386,584	5,257,953	497,400	-	-	13,141,937	10,067,489	3,120,052	596,719	-	-	13,784,260
Contributions (number of units)	15,887	22,961	2,304	-	-	41,152	25,746	14,664	2,917	-	-	43,327
Redemptions	(3,200,000)	(800,000)	(746,104)	-	-	(4,746,104)	-	-	(700,922)	-	-	(700,922)
Redemptions (number of units)	(5,785)	(3,464)	(3,455)	-	-	(12,704)	-	-	(3,425)	-	-	(3,425)
Re-allocation	(13,514,855)	12,025,063	1,489,792	-	-	-	628,232	(814,539)	16,641	-	-	(169,666)
Re-allocation (Number of units)	(25,293)	52,018	6,700	-	-	33,425	1,594	(3,733)	79	-	-	(2,060)
Investment in Income Payment Plan (Rupees)	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Income Payment Plan (Units)	-	-	-	-	-	-	-	-	-	-	-	-
Payment from Income Payment Plan (Rupees)	-	-	(746,104)	-	-	(746,104)	-	-	-	-	-	-
Payment from Income Payment Plan (Units)	-	-	(3,455)	-	-	(3,455)	-	-	-	-	-	-

### 19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 or adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A Financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The following table presents assets that are measured at fair value as at June 30, 2017 along with comparatives is as follows:

Note	Investments	Other receivables (note 19.1)	Cash and cash equivalents (note 19.1)	Other financial liabilities (note 19.1)	Total	Fair value			
						Level 1	Level 2	Level 3	Total
June 30, 2017						Rupees			
Financial assets - measured at fair value									
Investments - net	553,562,384	-	-	-	553,562,384	374,238,437	179,323,947	-	553,562,384
Financial assets - not measured at fair value									
Bank balances	-	-	478,480,994	-	478,480,994	-	-	-	-
Receivable against sale of investments	-	1,888,118	-	-	1,888,118	-	-	-	-
Dividend receivable	-	986,265	-	-	986,265	-	-	-	-
Interest accrued	-	1,692,715	-	-	1,692,715	-	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	7,045,426	-	-	7,045,426	-	-	-	-
Security deposit and other receivables	-	39,962,738	-	-	39,962,738	-	-	-	-
	<u>553,562,384</u>	<u>51,575,262</u>	<u>478,480,994</u>	<u>-</u>	<u>1,083,618,640</u>	<u>374,238,437</u>	<u>179,323,947</u>	<u>-</u>	<u>553,562,384</u>
Financial liabilities - measured at fair value									
Financial liabilities at fair value through profit or loss	-	-	-	731,481	731,481	731,481	-	-	-
Financial liabilities - not measured at fair value									
Payable against redemption of units	-	-	-	34,912,973	34,912,973	-	-	-	-
Payable against purchase of investments	-	-	-	7,925,214	7,925,214	-	-	-	-
Payable to the Pension Fund Manager	-	-	-	5,046,285	5,046,285	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	146,784	146,784	-	-	-	-
Payable to the auditors	-	-	-	182,000	182,000	-	-	-	-
Accrued expenses and other liabilities	-	-	-	3,766,696	3,766,696	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,711,433</u>	<u>52,711,433</u>	<u>731,481</u>	<u>-</u>	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

	Investments	Other receivables (note 19.1)	Cash and cash equivalents (note 19.1)	Other financial liabilities (note 19.1)	Total	Fair value			
						Level 1	Level 2	Level 3	Total
	Rupees								
June 30, 2016									
Financial assets - measured at fair value									
Investments	717,542,617	-	-	-	717,542,617	295,787,480	421,755,137	-	717,542,617
Financial assets at fair value through profit or loss	-	1,543,743	-	-	1,543,743	1,543,743	-	-	1,543,743
Financial assets - not measured at fair value									
Bank balances	-	-	164,790,549	-	164,790,549	-	-	-	-
Receivable against sale of investments	-	3,978,395	-	-	3,978,395	-	-	-	-
Dividend receivable	-	715,000	-	-	715,000	-	-	-	-
Interest accrued	-	9,581,969	-	-	9,581,969	-	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	8,012,293	-	-	8,012,293	-	-	-	-
Security deposit and other receivables	-	19,250,370	-	-	19,250,370	-	-	-	-
	<u>717,542,617</u>	<u>43,081,770</u>	<u>164,790,549</u>	<u>-</u>	<u>925,414,936</u>	<u>297,331,223</u>	<u>421,755,137</u>	<u>-</u>	<u>719,086,360</u>
Financial liabilities - not measured at fair value									
Payable against redemption of units	-	-	-	2,147,677	2,147,677	-	-	-	-
Payable against purchase of investments	-	-	-	446,390	446,390	-	-	-	-
Payable to the Pension Fund Manager	-	-	-	4,873,777	4,873,777	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	126,556	126,556	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	183,603	183,603	-	-	-	-
Payable to the auditors	-	-	-	15,715,497	15,715,497	-	-	-	-
Accrued expenses and other liabilities	-	-	-	23,493,500	23,493,500	-	-	-	-

**19.1** The Fund has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 2017, 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. 292,102 (30 June 2016: Rs.282,076) with corresponding effect on net assets of the APF Gold Sub Fund attributable to the participants.

### 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 2017, 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

	2017 Effect on net income and net assets			2016 Effect on net income and net assets		
	Debt Sub-Fund	Money Market Sub-Fund	Total	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----			----- Rupees -----		
100	374,806	-	374,806	227,637	-	227,637
(100)	(374,806)	-	(374,806)	(227,637)	-	(227,637)

#### 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 2017, with all variables held constant, on the net assets and other comprehensive income for the year is as follows:

#### Change in basis points

	2017 Effect on comprehensive income and net assets			2016 Effect on comprehensive income and net assets		
	Debt Sub-Fund	Money Market Sub-Fund	Total	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----			----- Rupees -----		
100	920,902	497,532	1,418,434	(2,977,711)	(123,862)	(3,101,573)
(100)	(920,902)	(497,532)	(1,418,434)	1,638,427	114,347	1,752,774

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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 2017 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 2017-----					
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

5.30 - 6.75	54,739,588	-	-	-	54,739,588
	-	-	-	1,888,118	1,888,118
	-	-	-	374,238,437	374,238,437
	-	-	-	986,265	986,265
	-	-	-	173,336	173,336
	-	-	-	2,571,279	2,571,279
	<b>54,739,588</b>	<b>-</b>	<b>-</b>	<b>379,857,435</b>	<b>434,597,023</b>

#### Financial liabilities

Payable against redemption of units  
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  
Accrued expenses and other liabilities

-	-	-	34,565,938	34,565,938
-	-	-	7,925,214	7,925,214
-	-	-	2,335,116	2,335,116
-	-	-	63,835	63,835
-	-	-	75,310	75,310
-	-	-	5,412	5,412
-	-	-	<b>44,970,825</b>	<b>44,970,825</b>

### On-balance sheet gap

<b>54,739,588</b>	<b>-</b>	<b>-</b>	<b>334,886,610</b>	<b>389,626,198</b>
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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

<b>54,739,588</b>	<b>-</b>	<b>-</b>	<b>334,886,610</b>	<b>389,626,198</b>
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### Cumulative interest rate sensitivity gap

<b>54,739,588</b>	<b>54,739,588</b>	<b>54,739,588</b>	<b>389,626,198</b>	
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Equity Sub-Fund

-----As at 30 June 2016-----					
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

5.45 - 6.40	13,876,486	-	-	-	13,876,486
	-	-	-	3,978,395	3,978,395
	-	-	-	295,787,480	295,787,480
	-	-	-	715,000	715,000
	-	-	-	57,681	57,681
	-	-	-	7,063,168	7,063,168
	<b>13,876,486</b>	<b>-</b>	<b>-</b>	<b>307,601,724</b>	<b>321,478,210</b>

#### Financial liabilities

Payable against redemption of units  
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

-	-	-	3,305	3,305
-	-	-	446,390	446,390
-	-	-	2,180,174	2,180,174
-	-	-	46,559	46,559
-	-	-	63,036	63,036
-	-	-	<b>2,739,464</b>	<b>2,739,464</b>

### On-balance sheet gap

<b>13,876,486</b>	<b>-</b>	<b>-</b>	<b>304,862,260</b>	<b>318,738,746</b>
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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

<b>13,876,486</b>	<b>-</b>	<b>-</b>	<b>304,862,260</b>	<b>318,738,746</b>
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### Cumulative interest rate sensitivity gap

<b>13,876,486</b>	<b>13,876,486</b>	<b>13,876,486</b>	<b>318,738,746</b>	
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Debt Sub Fund

-----As at 30 June 2017-----					
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  
Investments (net)  
Interest accrued  
Security deposit and other receivables

5.30 - 6.75	208,386,831	-	-	-	208,386,831
5.84 - 11.25	25,451,562	66,638,602	37,480,593	-	129,570,757
	-	-	-	1,285,550	1,285,550
	-	-	-	25,708,593	25,708,593
	<b>233,838,393</b>	<b>66,638,602</b>	<b>37,480,593</b>	<b>26,994,143</b>	<b>364,951,731</b>

#### Financial liabilities

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

-	-	-	98,544	98,544
-	-	-	1,519,439	1,519,439
-	-	-	45,696	45,696
-	-	-	57,624	57,624
-	-	-	<b>1,721,303</b>	<b>1,721,303</b>

### On-balance sheet gap

<b>233,838,393</b>	<b>66,638,602</b>	<b>37,480,593</b>	<b>25,272,840</b>	<b>363,230,428</b>
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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

<b>233,838,393</b>	<b>66,638,602</b>	<b>37,480,593</b>	<b>25,272,840</b>	<b>363,230,428</b>
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### Cumulative interest rate sensitivity gap

<b>233,838,393</b>	<b>300,476,995</b>	<b>337,957,588</b>	<b>363,230,428</b>	
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Debt Sub Fund

### On-balance sheet financial instruments

#### Financial assets

Bank balances  
Investments - net  
Interest accrued  
Security deposit and other receivables

-----As at 30 June 2016-----					
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-----					

5.00 - 6.40	59,985,074	-	-	-	59,985,074
5.90 - 12.00	145,143,193	94,823,294	-	-	239,966,487
	-	-	-	4,926,376	4,926,376
	-	-	-	5,292,238	5,292,238
	<b>205,128,267</b>	<b>94,823,294</b>	<b>-</b>	<b>10,218,614</b>	<b>310,170,175</b>

#### Financial liabilities

Payable against redemption of units  
Payable to the Pension Fund Manager  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Payable to the auditors  
Accrued expenses and other liabilities

-	-	-	1,641,460	1,641,460
-	-	-	1,500,550	1,500,550
-	-	-	42,091	42,091
-	-	-	63,138	63,138
-	-	-	371	371
-	-	-	<b>3,247,610</b>	<b>3,247,610</b>

### On-balance sheet gap

<b>205,128,267</b>	<b>94,823,294</b>	<b>-</b>	<b>6,971,004</b>	<b>306,922,565</b>
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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

<b>205,128,267</b>	<b>94,823,294</b>	<b>-</b>	<b>6,971,004</b>	<b>306,922,565</b>
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### Cumulative interest rate sensitivity gap

<b>205,128,267</b>	<b>299,951,561</b>	<b>299,951,561</b>	<b>306,922,565</b>	
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Money Market Sub Fund

#### On-balance sheet financial instruments

Financial assets

Bank balances

Investments (net)

Interest accrued

Security deposit and other receivables

Financial liabilities

Payable against redemption of units

Payable to the Pension Fund Manager

Payable to the 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 2017-----					
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-----					
5.30 - 6.75	180,973,062	-	-	-	180,973,062
5.93 - 5.99	4,995,920	44,757,270	-	-	49,753,190
	-	-	-	165,018	165,018
	-	-	-	10,942,166	10,942,166
	<b>185,968,982</b>	<b>44,757,270</b>	-	<b>11,107,184</b>	<b>241,833,436</b>
	-	-	-	248,491	248,491
	-	-	-	918,681	918,681
	-	-	-	32,095	32,095
	-	-	-	42,254	42,254
	-	-	-	<b>1,241,521</b>	<b>1,241,521</b>
	<b>185,968,982</b>	<b>44,757,270</b>	-	<b>9,865,663</b>	<b>240,591,915</b>
	-	-	-	-	-
	-	-	-	-	-
	<b>185,968,982</b>	<b>44,757,270</b>	-	<b>9,865,663</b>	<b>240,591,915</b>
	<b>185,968,982</b>	<b>230,726,252</b>	<b>230,726,252</b>	<b>240,591,915</b>	



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Money Market Sub Fund

#### On-balance sheet financial instruments

##### Financial assets

Bank balances  
Investments - net  
Interest accrued  
Security deposit and other receivables

-----As at 30 June 2016-----					
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-----					

5.45 - 6.40	46,880,451	-	-	-	46,880,451
5.90 - 11.25	181,788,650	-	-	-	181,788,650
	-	-	-	4,542,428	4,542,428
	-	-	-	6,808,097	6,808,097
	<b>228,669,101</b>	-	-	<b>11,350,525</b>	<b>240,019,626</b>

##### Financial liabilities

Payable against redemption of units  
Payable to the Pension Fund Manager  
Payable to the Central Depository Company of Pakistan Limited - Trustee  
Payable to the auditors  
Accrued expenses and other liabilities

-	-	-	213,238	213,238
-	-	-	920,755	920,755
-	-	-	32,841	32,841
-	-	-	49,763	49,763
-	-	-	371	371
-	-	-	<b>1,216,968</b>	<b>1,216,968</b>

#### On-balance sheet gap

<b>228,669,101</b>	-	-	<b>10,133,557</b>	<b>238,802,658</b>
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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

<b>228,669,101</b>	-	-	<b>10,133,557</b>	<b>238,802,658</b>
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#### Cumulative interest rate sensitivity gap

<b>228,669,101</b>	<b>228,669,101</b>	<b>228,669,101</b>	<b>238,802,658</b>	
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Gold Sub Fund

### On-balance sheet financial instruments

#### Financial assets

Bank balances	
Financial assets at fair value through profit or loss	
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	
Interest accrued	
Security deposit and other receivables	

-----As at 30 June 2017-----					
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-----					

5.30 - 6.75	30,622,242	-	-	-	30,622,242
	-	-	-	-	-
2.00	7,045,426	-	-	-	7,045,426
	-	-	-	68,811	68,811
	-	-	-	737,848	737,848
	<b>37,667,668</b>	<b>-</b>	<b>-</b>	<b>806,659</b>	<b>38,474,327</b>

#### Financial liabilities

Payable to the Pension Fund Manager	
Payable to the Central Depository Company of Pakistan Limited - Trustee	
Financial assets at fair value through profit or loss	
Payable to the auditors	

-	-	-	273,049	273,049
-	-	-	5,158	5,158
-	-	-	731,481	731,481
-	-	-	6,812	6,812
-	-	-	<b>1,016,500</b>	<b>1,016,500</b>

### On-balance sheet gap

<b>37,667,668</b>	<b>-</b>	<b>-</b>	<b>(209,841)</b>	<b>37,457,827</b>
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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

<b>37,667,668</b>	<b>-</b>	<b>-</b>	<b>(209,841)</b>	<b>37,457,827</b>
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### Cumulative interest rate sensitivity gap

<b>37,667,668</b>	<b>37,667,668</b>	<b>37,667,668</b>	<b>37,457,827</b>	
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Gold Sub Fund

#### On-balance sheet financial instruments

##### Financial assets

Bank balances	5.45 - 6.40
Financial assets at fair value through profit or loss	
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	2.00
Interest accrued	
Security deposit and other receivables	

-----As at 30 June 2016-----					
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-----					

28,013,761	-	-	-	28,013,761
-	-	-	1,543,743	1,543,743
8,012,293	-	-	-	8,012,293
-	-	-	55,484	55,484
-	-	-	83,925	83,925
<b>36,026,054</b>	<b>-</b>	<b>-</b>	<b>1,683,152</b>	<b>37,709,206</b>

##### Financial liabilities

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

-	-	-	165,898	165,898
-	-	-	272,298	272,298
-	-	-	5,065	5,065
-	-	-	7,666	7,666
<b>-</b>	<b>-</b>	<b>-</b>	<b>450,927</b>	<b>450,927</b>

#### On-balance sheet gap

<b>36,026,054</b>	<b>-</b>	<b>-</b>	<b>1,232,225</b>	<b>37,258,279</b>
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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

<b>36,026,054</b>	<b>-</b>	<b>-</b>	<b>1,232,225</b>	<b>37,258,279</b>
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#### Cumulative interest rate sensitivity gap

<b>36,026,054</b>	<b>36,026,054</b>	<b>36,026,054</b>	<b>37,258,279</b>	
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 PSX 100 index on 30 June 2017, with all other variables held constant, net income for the year would increase / decrease by Rs. 18,711,922 (2016: Rs.14,789,374) 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 PSX 100 index, having regard to historical volatility of the index. The composition of the Sub-Fund's investment's portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2017 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the PSX 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. 1,510,108 ( 30 June 2016: Rs.1,477,090) 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 may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's asset in highly liquid financial assets. 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 20.2.1 Equity Sub-Fund

	2017						2016							
	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-----						
<b>Financial assets</b>														
Bank balances	54,739,588	-	-	-	-	-	54,739,588	13,876,486	-	-	-	-	-	13,876,486
Receivable against sale of investments	1,888,118	-	-	-	-	-	1,888,118	3,978,395	-	-	-	-	-	3,978,395
Investments - net	-	-	-	-	-	374,238,437	374,238,437	-	-	-	-	-	295,787,480	295,787,480
Dividends receivable	986,265	-	-	-	-	-	986,265	715,000	-	-	-	-	-	715,000
Interest accrued	173,336	-	-	-	-	-	173,336	57,681	-	-	-	-	-	57,681
Security deposit and other receivables	-	-	-	-	2,571,279	-	2,571,279	-	-	-	-	7,063,168	-	7,063,168
	<b>57,787,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,571,279</b>	<b>374,238,437</b>	<b>434,597,023</b>	<b>18,627,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,063,168</b>	<b>295,787,480</b>	<b>321,478,210</b>
<b>Financial liabilities</b>														
Payable against purchase of investments	7,925,214	-	-	-	-	-	7,925,214	446,390	-	-	-	-	-	446,390
Payable against redemption of units	34,565,938	-	-	-	-	-	34,565,938	3,305	-	-	-	-	-	3,305
Payable to the Pension Fund Manager	2,335,116	-	-	-	-	-	2,335,116	2,180,174	-	-	-	-	-	2,180,174
Payable to the Central Depository Company of Pakistan - Trustee	63,835	-	-	-	-	-	63,835	46,559	-	-	-	-	-	46,559
Payable to the auditors	-	75,310	-	-	-	-	75,310	-	63,036	-	-	-	-	63,036
Accrued expenses and other liabilities	5,412	-	-	-	-	-	5,412	-	-	-	-	-	-	-
	<b>44,895,515</b>	<b>75,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,970,825</b>	<b>2,676,428</b>	<b>63,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,739,464</b>
<b>Net assets</b>	<b>12,891,792</b>	<b>(75,310)</b>	<b>-</b>	<b>-</b>	<b>2,571,279</b>	<b>374,238,437</b>	<b>389,626,198</b>	<b>15,951,134</b>	<b>(63,036)</b>	<b>-</b>	<b>-</b>	<b>7,063,168</b>	<b>295,787,480</b>	<b>318,738,746</b>

### 20.2.2 Debt Sub-Fund

	2017						2016							
	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-----						
<b>Financial assets</b>														
Bank balances	208,386,831	-	-	-	-	-	208,386,831	59,985,074	-	-	-	-	-	59,985,074
Investments - net	25,451,562	66,638,602	-	37,480,593	-	-	129,570,757	62,667,355	25,181,576	27,118,644	70,337,812	54,661,100	-	239,966,487
Interest accrued	475,442	810,108	-	-	-	-	1,285,550	3,457,292	520,963	948,121	-	-	-	4,926,376
Security deposit and other receivables	-	-	-	-	25,708,593	-	25,708,593	-	-	-	-	5,292,328	-	5,292,328
	<b>234,313,835</b>	<b>67,448,710</b>	<b>-</b>	<b>37,480,593</b>	<b>25,708,593</b>	<b>-</b>	<b>364,951,731</b>	<b>126,109,721</b>	<b>25,702,539</b>	<b>28,066,765</b>	<b>70,337,812</b>	<b>59,953,428</b>	<b>-</b>	<b>310,170,265</b>
<b>Financial liabilities</b>														
Payable against redemption of units	98,544	-	-	-	-	-	98,544	1,641,460	-	-	-	-	-	1,641,460
Payable to the Pension Fund Manager	1,519,439	-	-	-	-	-	1,519,439	1,500,550	-	-	-	-	-	1,500,550
Payable to the Central Depository Company of Pakistan Limited - Trustee	45,696	-	-	-	-	-	45,696	42,091	-	-	-	-	-	42,091
Payable to the auditors	-	57,624	-	-	-	-	57,624	-	63,138	-	-	-	-	63,138
Accrued expenses and other liabilities	-	-	-	-	-	-	-	371	-	-	-	-	-	371
	<b>1,663,679</b>	<b>57,624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,721,303</b>	<b>3,184,472</b>	<b>63,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,247,610</b>
<b>Net assets</b>	<b>232,650,156</b>	<b>67,391,086</b>	<b>-</b>	<b>37,480,593</b>	<b>25,708,593</b>	<b>-</b>	<b>363,230,428</b>	<b>122,925,249</b>	<b>25,639,401</b>	<b>28,066,765</b>	<b>70,337,812</b>	<b>59,953,428</b>	<b>-</b>	<b>306,922,655</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 20.2.3 Money Market Sub-Fund

	2017						2016							
	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						
<b>Financial assets</b>														
Bank balances	180,973,062	-	-	-	-	-	180,973,062	46,880,451	-	-	-	-	-	46,880,451
Investments - net	4,995,920	44,757,270	-	-	-	-	49,753,190	128,093,918	53,694,733	-	-	-	-	181,788,651
Interest accrued	165,018	-	-	-	-	-	165,018	4,542,428	-	-	-	-	-	4,542,428
Security deposit and other receivables	-	-	-	-	10,942,166	-	10,942,166	-	-	-	-	6,808,097	-	6,808,097
	<b>186,134,000</b>	<b>44,757,270</b>	<b>-</b>	<b>-</b>	<b>10,942,166</b>	<b>-</b>	<b>241,833,436</b>	<b>179,516,797</b>	<b>53,694,733</b>	<b>-</b>	<b>-</b>	<b>6,808,097</b>	<b>-</b>	<b>240,019,627</b>
<b>Financial liabilities</b>														
Payable against redemption of units	248,491	-	-	-	-	-	248,491	213,238	-	-	-	-	-	213,238
Payable to the Pension Fund Manager	918,681	-	-	-	-	-	918,681	920,755	-	-	-	-	-	920,755
Payable to the Central Depository Company of Pakistan Limited - Trustee	32,095	-	-	-	-	-	32,095	32,841	-	-	-	-	-	32,841
Payable to the auditors	-	42,254	-	-	-	-	42,254	-	49,763	-	-	-	-	49,763
Accrued expenses and other liabilities	-	-	-	-	-	-	-	371	-	-	-	-	-	371
	<b>1,199,267</b>	<b>42,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,241,521</b>	<b>1,167,205</b>	<b>49,763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,216,968</b>
<b>Net assets</b>	<b>184,934,733</b>	<b>44,715,016</b>	<b>-</b>	<b>-</b>	<b>10,942,166</b>	<b>-</b>	<b>240,591,915</b>	<b>178,349,592</b>	<b>53,644,970</b>	<b>-</b>	<b>-</b>	<b>6,808,097</b>	<b>-</b>	<b>238,802,659</b>

### 20.2.4 Gold Sub-Fund

	2017						2016							
	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						
<b>Financial assets</b>														
Bank balances	30,622,242	-	-	-	-	-	30,622,242	28,013,761	-	-	-	-	-	28,013,761
Investments - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	7,045,426	-	-	-	-	-	7,045,426	-	1,543,743	-	-	-	-	1,543,743
Interest accrued	68,811	-	-	-	-	-	68,811	55,484	-	-	-	-	-	55,484
Security deposit and other receivables	-	-	-	-	737,848	-	737,848	83,925	-	8,012,293	-	-	-	8,096,218
	<b>37,736,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>737,848</b>	<b>-</b>	<b>38,474,327</b>	<b>28,153,170</b>	<b>1,543,743</b>	<b>8,012,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,709,206</b>
<b>Financial liabilities</b>														
Payable to the Pension Fund Manager	273,049	-	-	-	-	-	273,049	272,298	-	-	-	-	-	272,298
Payable against redemption of units	-	-	-	-	-	-	-	165,898	-	-	-	-	-	165,898
Payable to the Central Depository Company of Pakistan Limited - Trustee	5,158	-	-	-	-	-	5,158	5,065	-	-	-	-	-	5,065
Financial liabilities at fair value through profit or loss	-	731,481	-	-	-	-	731,481	-	-	-	-	-	-	-
Payable to the auditors	-	6,812	-	-	-	-	6,812	-	7,666	-	-	-	-	7,666
	<b>278,207</b>	<b>738,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,016,500</b>	<b>443,261</b>	<b>7,666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>450,927</b>
<b>Net assets</b>	<b>37,458,272</b>	<b>(738,293)</b>	<b>-</b>	<b>-</b>	<b>737,848</b>	<b>-</b>	<b>37,457,827</b>	<b>27,709,909</b>	<b>1,536,077</b>	<b>8,012,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,258,279</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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

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.

	2017	2016
	-----Rupees-----	
Equity Sub-Fund	60,358,586	25,690,730
Debt Sub-Fund	272,682,096	88,689,107
Money Market Sub-Fund	192,080,246	58,230,976
Gold Sub- Fund	38,474,327	37,709,206
	<b>563,595,255</b>	<b>210,320,019</b>

#### 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	
	2017	2016	2017	2016	2017	2016	2017	2016
Government securities	-	-	-	72.41	-	79.50	-	-
AAA	-	-	39.26	6.67	48.64	-	-	-
AA+	-	-	25.02	1.67	24.31	2.19	81.66	0.02
AA	100.00	100.00	28.62	18.33	27.05	18.31	18.34	99.98
AA-	-	-	6.26	0.26	-	-	-	-
A+	-	-	0.84	0.66	-	-	-	-
A	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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

	Debt Sub-Fund				
	As at 30 June 2017			As at 30 June 2016	
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)
		1-365	Above 365		1-365 Above 365
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 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.

## 21 FINANCIAL PERFORMANCE

### 21.1 EQUITY SUB-FUND

Particulars	Equity Sub-Fund					
	2017	2016	% Change	2015	2014	2013
	Rupees			Rupees		
Net income for the year	96,696,151	13,499,917	616.27	41,620,004	41,121,158	34,970,466
Capital gain on sale of investments - net	70,664,530	(7,923,736)	(991.81)	26,509,249	17,981,303	14,438,214
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	13,809,573	14,299,300	(3.42)	7,988,390	17,925,680	16,776,710
Dividend income	19,231,650	13,334,225	44.23	12,567,654	8,323,230	5,812,289
Interest income	1,366,159	843,497	61.96	708,803	1,187,920	568,717
Net asset value per unit	512.86	398.44	28.72	381.30	314.79	232.67
Earnings / (loss) per unit	128.15	17.05	651.61	59.20	69.94	73.91
Transactions in securities - Purchases	(674,732,124)	(399,734,706)	68.79	(274,047,790)	(173,091,694)	(121,355,980)
Transactions in securities - Sales	680,755,270	368,862,890	84.56	224,580,119	138,459,082	103,102,856
Total contributions received	59,100,013	73,616,658	(19.72)	55,225,755	52,512,152	43,932,670



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 21.2 DEBT SUB-FUND

Particulars	Debt Sub-Fund					
	2017	2016	% Change	2015	2014	2013
	-----Rupees-----			-----Rupees-----		
Net income for the year	17,943,266	22,188,340	(19.13)	22,637,186	11,116,912	6,450,513
Interest income	19,620,695	21,860,478	(10.25)	23,119,051	14,406,381	8,288,649
Gain / (loss) on sale / maturity of 'available for sale investments' - net	914,278	4,187,944	78.17	4,294,592	26,121	(41,911)
Net asset value per unit	231.82	220.28	5.24	204.15	180.61	167.50
Earnings / (loss) per unit	11.48	16.01	(28.29)	17.74	10.48	8.49
Transactions in securities - Purchases	(1,620,327,006)	(798,162,129)	103.01	(449,389,342)	(702,257,469)	(245,487,609)
Transactions in securities - Sales	1,739,898,901	801,775,431	117.01	395,552,433	642,547,771	181,057,313
Total contributions received	83,693,828	76,639,901	9.20	80,623,659	93,169,242	75,559,085

### 21.3 MONEY MARKET SUB-FUND

Particulars	Money Market Sub-Fund					
	2017	2016	% Change	2015	2014	2013
	-----Rupees-----			-----Rupees-----		
Net income for the year	12,148,280	12,056,049	0.77	12,432,915	9,048,138	5,480,449
Interest income	13,556,970	14,216,674	(4.64)	15,182,205	11,658,935	6,959,611
Gain on sale/maturity of 'available for sale investments' - net	(200,820)	39,251	(611.63)	73,614	8,396	101,337
Net asset value per unit	221.32	209.73	5.53	198.32	184.00	170.79
Earnings / (loss) per unit	11.20	10.64	5.26	12.57	11.00	8.81
Transactions in securities - Purchases	(1,595,567,075)	(838,934,183)	90.19	(611,684,042)	(641,701,851)	(348,350,214)
Transactions in securities - Sales	1,738,484,750	814,892,479	113.34	576,914,599	621,801,516	292,697,303
Total contributions received	56,097,042	100,284,495	(44.06)	59,529,124	50,640,576	62,350,594

### 21.4 GOLD SUB-FUND

Particulars	Gold Sub-Fund					
	2017	2016	% Change	2015	2014	2013
	-----Rupees-----			-----Rupees-----		
Net (loss) / income for the year / period	(1,024,881)	4,273,781	(123.98)	(1,546,364)	1,935,756	15,588
Interest income	1,823,118	1,849,006	(1.40)	2,640,352	2,723,790	21,579
Realised loss on gold contracts	(1,529,421)	1,620,104	(194.40)	(2,855,256)	(1,009,464)	-
Net unrealised gain / loss on future contracts of gold	(731,481)	1,543,719	(147.38)	(503,136)	1,135,275	-
Net asset value per unit	111.26	114.44	(2.78)	101.35	106.24	100.05
(Loss) / earnings per unit	(3.05)	13.18	(123.14)	(4.84)	6.12	0.05
Transactions in securities - Purchases	(94,410,503)	(65,069,683)	100.00	(139,967,397)	(177,000,000)	-
Transactions in securities - Sales	95,000,000	86,152,472	100.00	118,280,019	175,990,536	-
Total contributions received	1,291,804	935,157	100.00	409,341	1,661,730	-
Investment in core units - Pension Fund Manager	-	-	-	-	-	30,000,000

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 21.5 Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund	
	2017	2016	2017	2016	2017	2016	2017	2016
-----Rupees-----								
Highest issue price	<b>570.23</b>	410.18	<b>231.82</b>	220.28	<b>221.25</b>	209.73	<b>117.44</b>	114.67
Lowest issue price	<b>401.57</b>	332.02	<b>219.90</b>	204.24	<b>209.84</b>	198.39	<b>101.47</b>	94.67

### 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 30 August 2017 .

For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Pension Islamic Fund

## Corporate Information

### Trustee

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

### Shariah Advisor

Mufti Muhammad Yahya Asim

### Auditors

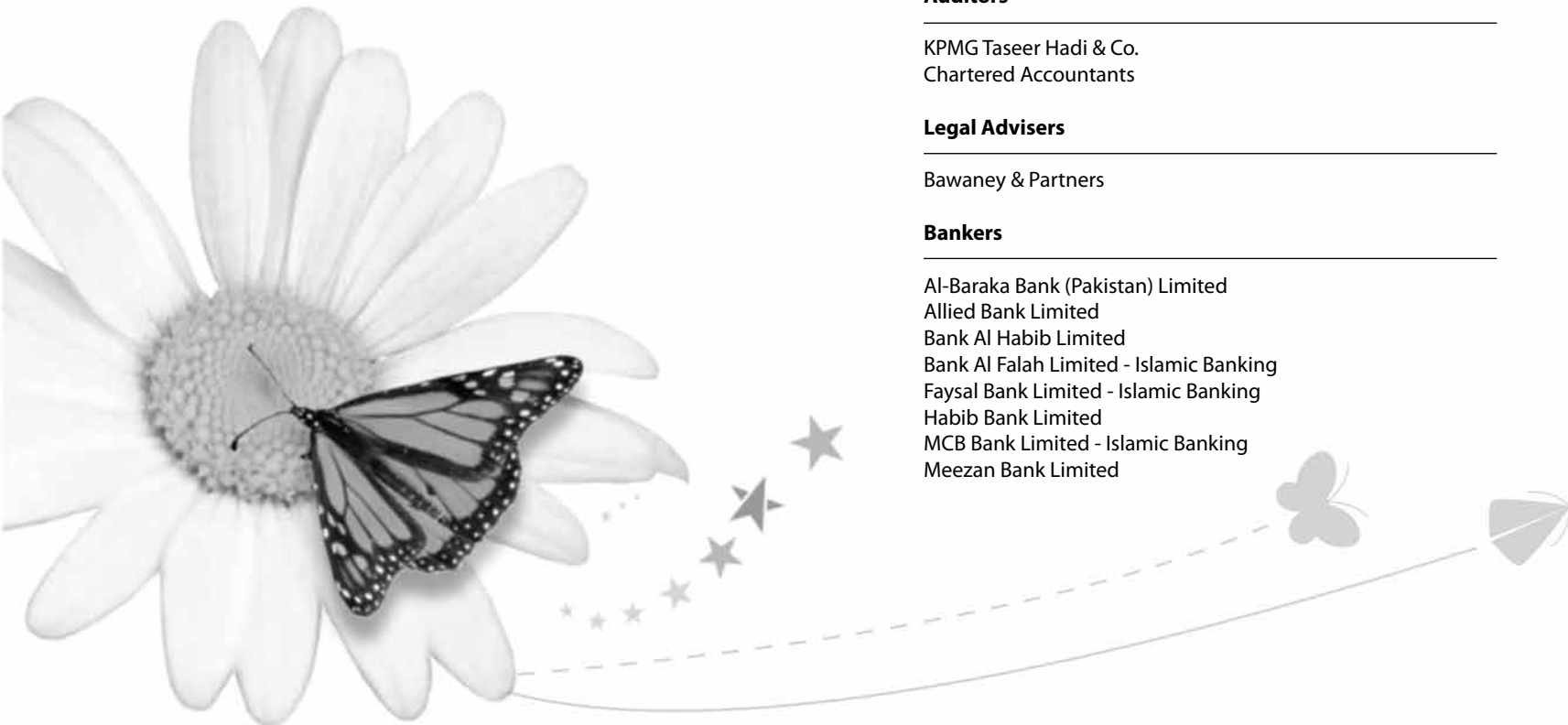
KPMG Taseer Hadi & Co.  
Chartered Accountants

### Legal Advisers

Bawaney & Partners

### Bankers

Al-Baraka Bank (Pakistan) Limited  
Allied Bank Limited  
Bank Al Habib Limited  
Bank Al Falah Limited - Islamic Banking  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited  
MCB Bank Limited - Islamic Banking  
Meezan Bank Limited



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## 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 is 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 investment strategy is based on the belief that fundamental economic and sector analysis drives long term outperformance 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 increased from 66,162.77 points as on 30 June 2016 to 78,598.22 points as on 30 June 2017, increasing by 18.80%. The average volumes during the year increased by 68% to 350 million shares from 208 million shares traded last year. Net Foreign portfolio outflow during the year was recorded at US\$652mn compared to outflow of US\$282mn last year. On the local front Mutual Funds, Insurance Companies and Companies were the most active participants investing US\$576mn, US\$220mn and US\$127mn during the period. Banks/DFIs and Individuals, on the other hand, reduced their exposure in the equity market by US\$187mn and US\$53mn, respectively.

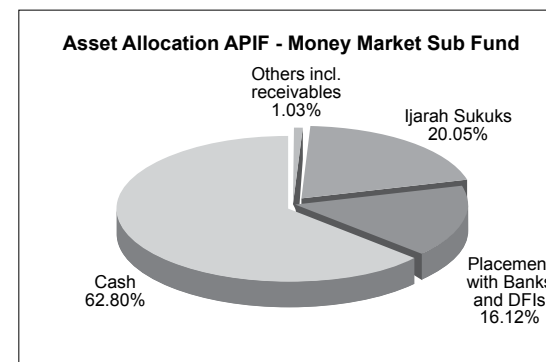
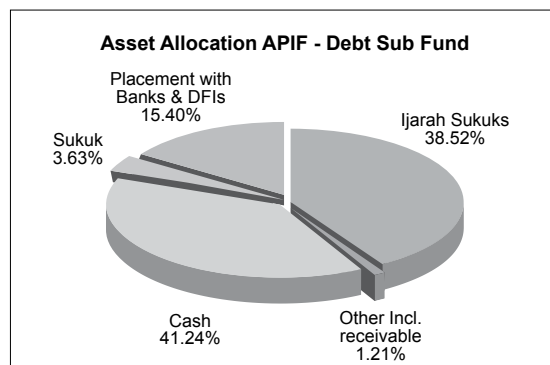
During the period the sectors that outperformed the market were Engineering, Automobile Assemblers, Automobile & Parts, Oil & Gas Marketing Companies and Refinery that posted 207%, 97%, 95%, 61% and 33% return, respectively. The main drivers of return of the index were LUCK, SNGP, POL, HCAR and MARI as they contributed 7,844 points to the index and were able to beat the broader index.

### MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 4.16% during financial year 2016-17, as compared to 2.86% for the financial year 2015-16. The YoY uptick in inflation was due to global revival of international commodity and oil prices, along with rise in domestic demand due to pick up of economic activities. However, during FY17, stable rupee, smooth supply of commodities and monitoring of prices at both federal and provincial levels kept the inflation relatively contained. On the back of better macroeconomic indicators and environment, SBP continued with accommodative monetary policy stance that translated well into stable market interest rate at 5.75 percent, which is the lowest in last 45 years. The realization of monetary easing witnessed in pickup of economic activities supported SBP's decision to reduce the policy rate by 25 bps from 6.0 percent to 5.75 percent w.e.f. 21 May 2016. Historic low interest rate and ongoing stability in money market are the main instruments for private sector credit cycle for fixed investment and for working capital.

### FUND OPERATIONS

The Net Asset Value of APIF – Equity Sub Fund (ESF) has increased by 28.29% from Rs 525.06 as on 30 June 2016 to Rs 673.59 as on 30 June 2017. The APIF- Equity Sub Fund mainly invested in Cement, Oil & Gas Exploration, Fertilizers, Oil & Gas Marketing and Power Generation & Distribution sectors. The Net Asset Values of APIF - Debt Sub Fund (DSF) and APIF - Money Market Sub Fund (MMSF) have appreciated by 5.39% and 4.88% respectively during the period under review. The APIF Debt Sub-Fund & Money Market Sub Fund was mainly invested in GoP Ijarah Sukuks and high yielding bank deposits. The Net Assets of APIF has stood at Rs. 0.989 billion as on 30 June 2017.



The Scheme had maintained prior years' provisions against WWF for Equity sub-fund, Debt sub-fund, and Money Market sub-fund of Rs. 3,691,246, Rs. 1,136,349 and Rs. 941,945, respectively, till 30 June 2015. After Supreme Court of Pakistan judgment on 10 November 2016, these provisions were reversed on 12 January 2017. The Fund has made provision against SWWF, which up till 30 June 2017 amounted to Rs. 2,442,724 (Rs. 4.17 per unit) (ESF), Rs. 501,936 (Rs. 0.29 per unit) (DSF) and Rs. 385,965 (Rs. 0.31 per unit) (MSF). The Scheme has also held provision for FED liability that amounted to (ESF) Rs.1,611,207, (DSF) Rs.1,046,875 and (MSF) Rs.644,724 up till 30 June 2016, which is Rs.2.75, Rs.0.60 and Rs.0.52 per unit respectively as on 30 June 2017.

## ALLOCATION SCHEMES

The Pension Fund Manager 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 FY 2016-17
	Equity	Debt	Money Market	
High Volatility	80%	20%	Nil	23.71%
Medium Volatility	50%	40%	10%	16.79%
Low Volatility	25%	60%	15%	11.04%
Lower Volatility	Nil	60%	40%	5.19%

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**ALLOCATION SCHEMES HISTORICAL PERFORMANCE:**

Allocation Schemes	Return					
	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17
High Volatility	25.44%	40.77%	21.51%	20.56%	4.84%	23.71%
Medium Volatility	18.78%	28.34%	16.42%	14.97%	4.61%	16.79%
Low Volatility	11.99%	18.00%	12.19%	10.29%	4.42%	11.04%
Lower Volatility	8.04%	7.52%	7.89%	5.71%	4.22%	5.19%

During the year under review, the Investment Committee held thirty five meetings to review investment of the Fund and the Risk Committee held twenty nine meetings to review risk management.

**Fawad Javaid**

Fund Manager - Fixed Income

**M. Umar Khan**

Fund Manager – Equity and Commodity

Karachi: 30 August 2017

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As the Shariah Advisor of the Atlas Pension Islamic Fund, 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 a Shariah 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 Sharjah guidelines.

In light of the above scope, I hereby certify that all the provisions of the scheme and investments made by Fund for the year ended 30 June 2017 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 source (e.g. interest income). In such cases, the Pension Fund Manager, in consultation with me, the Shariah Board of the Fund, have determined the Haram portion of the income of the Fund and marked to charity in order to purify the whole income.

Karachi: 30 June 2017

**Muhammad Yahya Asim**  
Shariah Advisor

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## 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, 2017 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 15 September 2017

**Aftab Ahmed Diwan**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited



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# INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS

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' Sub-Fund

of **Atlas Pension Islamic Fund** ("the Fund") as at 30 June 2017 and for the year then ended together with the notes forming part thereof.

## **Pension Fund Manager's responsibility for the financial statements**

The Pension Fund Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Approved Accounting Standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Pension Fund Manager, as well as evaluating the overall presentation of the financial statements. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Opinion**

### **In our opinion:**

- (a) the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines there under;
- (b) a true and fair view is given of the disposition of the Fund as at 30 June 2017 and of the transactions of the Fund for the year ended 30 June 2017 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 Voluntary Pension System Rules, 2005;
- (d) the cost and expenses debited to the pension fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the pension fund;
- (e) proper books and records have been kept by the Pension Fund Manager and the financial statements prepared are in agreement with the pension 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 Usher Ordinance, 1980 was deducted by the Fund and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

The financial statements of the Fund for the year ended 30 June 2016 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated 29 August 2016.

Karachi: 30 August 2017

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
**Amyr Malik**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2017

	Note	2017					2016				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		-----Rupees-----					-----Rupees-----				
<b>ASSETS</b>											
Bank balances	4	46,568,654	194,971,485	200,753,831	6,753,486	449,047,456	19,893,007	68,453,498	109,749,429	3,026,805	201,122,739
Investments - net	5	352,101,520	145,098,128	50,995,000	-	548,194,648	289,010,180	206,895,440	96,839,780	-	592,745,400
Receivable against issue of units		2,154,674	2,854,198	1,514,009	-	6,522,881	1,221,674	1,018,113	555,137	-	2,794,924
Dividend receivable		1,406,450	-	-	-	1,406,450	715,000	-	-	-	715,000
Mark-up accrued	6	130,128	1,042,236	743,625	-	1,915,989	87,506	738,654	582,253	-	1,408,413
Security deposit and other receivables		673,360	279,480	372,972	-	1,325,812	681,689	290,749	364,238	-	1,336,676
<b>Total assets</b>		<b>403,034,786</b>	<b>344,245,527</b>	<b>254,379,437</b>	<b>6,753,486</b>	<b>1,008,413,236</b>	<b>311,609,056</b>	<b>277,396,454</b>	<b>208,090,837</b>	<b>3,026,805</b>	<b>800,123,152</b>
<b>LIABILITIES</b>											
Payable against purchase of investments		3,272,777	-	-	-	3,272,777	-	-	-	-	-
Payable against redemption of units		3,109	44,237	312,538	-	359,884	64,100	379,116	394,029	-	837,245
Payable to the Pension Fund Manager	7	2,408,233	1,437,860	859,468	-	4,705,561	2,271,412	1,396,243	837,675	27,206	4,532,536
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	53,151	41,780	30,990	-	125,921	45,532	38,962	29,138	-	113,632
Payable to the Securities and Exchange Commission of Pakistan		122,547	100,423	75,658	-	298,628	91,790	84,062	62,447	-	238,299
Payable to the auditors		73,882	61,203	45,587	-	180,672	69,146	63,320	47,024	-	179,490
Accrued expenses and other liabilities	9	2,534,302	506,916	389,776	6,753,486	10,184,480	3,715,066	1,140,592	945,253	2,999,599	8,800,510
<b>Total liabilities</b>		<b>8,468,001</b>	<b>2,192,419</b>	<b>1,714,017</b>	<b>6,753,486</b>	<b>19,127,923</b>	<b>6,257,046</b>	<b>3,102,295</b>	<b>2,315,566</b>	<b>3,026,805</b>	<b>14,701,712</b>
<b>NET ASSETS</b>		<b>394,566,785</b>	<b>342,053,108</b>	<b>252,665,420</b>	<b>-</b>	<b>989,285,313</b>	<b>305,352,010</b>	<b>274,294,159</b>	<b>205,775,271</b>	<b>-</b>	<b>785,421,440</b>
<b>Represented by:</b>											
<b>PARTICIPANTS' SUB-FUND (as per statement attached)</b>		<b>394,566,785</b>	<b>342,053,108</b>	<b>252,665,420</b>	<b>-</b>	<b>989,285,313</b>	<b>305,352,010</b>	<b>274,294,159</b>	<b>205,775,271</b>	<b>-</b>	<b>785,421,440</b>
<b>Number of units in issue</b>	10	<b>585,771</b>	<b>1,755,655</b>	<b>1,233,077</b>			<b>581,556</b>	<b>1,483,791</b>	<b>1,053,287</b>		
<b>Net asset value per unit (Rupees)</b>		<b>673.59</b>	<b>194.83</b>	<b>204.91</b>			<b>525.06</b>	<b>184.86</b>	<b>195.36</b>		
<b>Contingencies and commitments</b>	11										

The annexed notes 1 to 20 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017				2016			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		Rupees				Rupees			
<b>INCOME</b>									
Mark-up income	12	1,457,560	15,266,385	10,940,678	27,664,623	872,350	13,875,362	9,876,071	24,623,783
Dividend income		15,584,131	-	-	15,584,131	12,542,377	-	-	12,542,377
Net gain / (loss) on sale of investments at 'fair value through profit or loss'		53,554,640	-	-	53,554,640	(8,012,239)	-	-	(8,012,239)
Net gain on sale / maturity of 'available for sale investments'		-	298,468	69,582	368,050	-	-	337,500	337,500
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	23,385,258	-	-	23,385,258	15,387,878	-	-	15,387,878
		<b>76,939,898</b>	<b>298,468</b>	<b>69,582</b>	<b>77,307,948</b>	<b>7,375,639</b>	<b>-</b>	<b>337,500</b>	<b>7,713,139</b>
		93,981,589	15,564,853	11,010,260	120,556,702	20,790,366	13,875,362	10,213,571	44,879,299
<b>EXPENSES</b>									
Remuneration of the Pension Fund Manager	7.1	5,520,171	2,261,876	1,136,065	8,918,112	4,133,179	1,892,767	937,266	6,963,212
Sindh Sales Tax on remuneration of the Pension Fund Manager	7.2	717,622	294,044	147,688	1,159,354	671,227	307,386	152,212	1,130,825
Federal Excise Duty on remuneration of the Pension Fund Manager	7.3	-	-	-	-	661,308	302,842	149,963	1,114,113
Remuneration of Central Depository Company of Pakistan Limited - Trustee		546,634	447,460	336,643	1,330,737	413,309	378,548	281,173	1,073,030
Sindh Sales Tax on Remuneration of the Trustee	8.2	71,062	58,170	43,764	172,996	57,863	52,996	39,365	150,224
Annual fee to the Securities and Exchange Commission of Pakistan		122,547	100,423	75,658	298,628	91,790	84,062	62,447	238,299
Bank charges		10,995	18,048	21,328	50,371	10,833	23,121	14,637	48,591
Legal and professional charges		29,985	8,079	5,973	44,037	25,915	23,599	17,844	67,358
Auditors' remuneration	13	76,603	62,441	46,994	186,038	69,147	63,320	47,024	179,491
Securities' transaction cost and settlement charges		607,311	17,266	16,792	641,369	578,329	16,195	30,894	625,418
(Reversal) / Provision for Workers' Welfare Fund	9.2	(3,691,246)	(1,136,349)	(941,945)	(5,769,540)	281,550	214,611	169,615	665,776
Provision for Sindh Workers' Welfare Fund	9.2	2,442,724	501,936	385,965	3,330,625	-	-	-	-
		<b>6,454,408</b>	<b>2,633,394</b>	<b>1,274,925</b>	<b>10,362,727</b>	<b>6,994,450</b>	<b>3,359,447</b>	<b>1,902,440</b>	<b>12,256,337</b>
		87,527,181	12,931,459	9,735,335	110,193,975	13,795,916	10,515,915	8,311,131	32,622,962
<b>Net income for the year</b>									
		<b>87,527,181</b>	<b>12,931,459</b>	<b>9,735,335</b>	<b>110,193,975</b>	<b>13,795,916</b>	<b>10,515,915</b>	<b>8,311,131</b>	<b>32,622,962</b>
<b>Earnings per unit</b>									
		149.42	7.37	7.90		23.72	7.09	7.89	

The annexed notes 1 to 20 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017				2016			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		Rupees				Rupees			
Net income for the year		87,527,181	12,931,459	9,735,335	110,193,975	13,795,916	10,515,915	8,311,131	32,622,962
Income that may be re-classified subsequently to Income Statement									
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	14	-	2,667,620	1,016,938	3,684,558	-	(116,227)	(635,241)	(751,468)
<b>Total comprehensive income for the year</b>		<b>87,527,181</b>	<b>15,599,079</b>	<b>10,752,273</b>	<b>113,878,533</b>	<b>13,795,916</b>	<b>10,399,688</b>	<b>7,675,890</b>	<b>31,871,494</b>

The annexed notes 1 to 20 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND

## FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017				2016			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		Rupees				Rupees			
<b>Net assets at the beginning of the year</b>		<b>305,352,010</b>	<b>274,294,159</b>	<b>205,775,271</b>	<b>785,421,440</b>	<b>276,759,898</b>	<b>233,207,690</b>	<b>170,738,967</b>	<b>680,706,555</b>
Amount received on issuance of units	15	76,348,692	108,431,141	76,179,543	260,959,376	66,395,078	78,108,998	63,681,812	208,185,888
Amount paid on redemptions of units									
- Transfer to other Pension Fund		(3,446,183)	(1,584,749)	(418,457)	(5,449,389)	(12,090,451)	(3,833,935)	(1,473,715)	(17,398,101)
- Directly by participants		(71,214,915)	(54,686,522)	(39,623,210)	(165,524,647)	(39,508,431)	(43,588,282)	(34,847,683)	(117,944,396)
		<b>(74,661,098)</b>	<b>(56,271,271)</b>	<b>(40,041,667)</b>	<b>(170,974,036)</b>	<b>(51,598,882)</b>	<b>(47,422,217)</b>	<b>(36,321,398)</b>	<b>(135,342,497)</b>
Net other income for the year		33,972,541	12,632,991	9,665,753	56,271,285	21,808,155	10,515,915	7,973,631	40,297,701
Net gain / (loss) on sale of investments at 'fair value through profit or loss'		53,554,640	-	-	53,554,640	(8,012,239)	-	-	(8,012,239)
Net gain on sale / maturity of 'available for sale investments'		-	298,468	69,582	368,050	-	-	337,500	337,500
Other comprehensive income / (loss) for the year		-	2,667,620	1,016,938	3,684,558	-	(116,227)	(635,241)	(751,468)
<b>Total comprehensive income for the year</b>		<b>87,527,181</b>	<b>15,599,079</b>	<b>10,752,273</b>	<b>113,878,533</b>	<b>13,795,916</b>	<b>10,399,688</b>	<b>7,675,890</b>	<b>31,871,494</b>
<b>Net assets at the end of the year</b>		<b>394,566,785</b>	<b>342,053,108</b>	<b>252,665,420</b>	<b>989,285,313</b>	<b>305,352,010</b>	<b>274,294,159</b>	<b>205,775,271</b>	<b>785,421,440</b>

The annexed notes 1 to 20 form an integral part of these financial statements.

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

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2017

### CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the year

#### Adjustments for:

Mark-up income  
Dividend income  
Net (gain) / loss on sale of investments 'at fair value through profit or loss'  
Net unrealised appreciation on re-measurement of investments  
classified as 'financial assets at fair value through profit or loss'  
Net (gain) / loss on sale / maturity of 'available for sale investments'  
Provision for workers' welfare fund  
Provision for sindh workers' welfare fund

#### Decrease / (increase) in assets

Receivable against sale of investments  
Security deposit and other receivables

#### Increase / (decrease) in liabilities

Payable against purchase of investments  
Payable against redemption of units  
Payable to the Pension Fund Manager  
Payable to the 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

Mark-up received  
Dividend received  
Investments made during the year  
Investments sold / matured during the year

**Net cash generated from / (used in) operating activities -  
carried forwarded**

	2017 Money Market Sub-Fund Rupees					2016 Money Market Sub-Fund Rupees				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
Net income for the year	87,527,181	12,931,459	9,735,335	-	110,193,975	13,795,916	10,515,915	8,311,131	-	32,622,962
Adjustments for:										
Mark-up income	(1,457,560)	(15,266,385)	(10,940,678)	-	(27,664,623)	(872,350)	(13,875,362)	(9,876,071)	-	(24,623,783)
Dividend income	(15,584,131)	-	-	-	(15,584,131)	(12,542,377)	-	-	-	(12,542,377)
Net (gain) / loss on sale of investments 'at fair value through profit or loss'	(53,554,640)	-	-	-	(53,554,640)	8,012,239	-	-	-	8,012,239
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(23,385,258)	-	-	-	(23,385,258)	(15,387,878)	-	-	-	(15,387,878)
Net (gain) / loss on sale / maturity of 'available for sale investments'	-	(298,468)	(69,582)	-	(368,050)	-	-	(337,500)	-	(337,500)
Provision for workers' welfare fund	(3,691,246)	(1,136,349)	(941,945)	-	(5,769,540)	281,550	214,611	169,615	-	665,776
Provision for sindh workers' welfare fund	2,442,724	501,936	385,965	-	3,330,625	-	-	-	-	-
	(7,702,930)	(3,267,807)	(1,830,905)	-	(12,801,642)	(6,712,900)	(3,144,836)	(1,732,825)	-	(11,590,561)
Decrease / (increase) in assets										
Receivable against sale of investments	-	-	-	-	-	5,200,644	-	-	-	5,200,644
Security deposit and other receivables	8,329	11,269	(8,734)	-	10,864	(568,423)	(177,482)	(250,971)	-	(996,876)
	8,329	11,269	(8,734)	-	10,864	4,632,221	(177,482)	(250,971)	-	4,203,768
Increase / (decrease) in liabilities										
Payable against purchase of investments	3,272,777	-	-	-	3,272,777	(7,363,761)	-	-	-	(7,363,761)
Payable against redemption of units	-	-	-	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	136,821	41,617	21,793	(27,206)	173,025	789,619	266,800	107,728	415	1,164,562
Payable to the Central Depository Company of Pakistan Limited - Trustee	7,619	2,818	1,852	-	12,289	9,024	10,244	7,970	-	27,238
Payable to the Securities and Exchange Commission of Pakistan	30,757	16,361	13,211	-	60,329	15,655	16,639	12,048	-	44,342
Payable to the auditors	4,736	(2,117)	(1,437)	-	1,182	(394)	1,598	789	-	1,993
Accrued expenses and other liabilities	67,758	737	503	3,753,887	3,822,885	(46,373)	(19,659)	(11,070)	2,159,622	2,082,520
	3,520,468	59,416	35,922	3,726,681	7,342,487	(6,596,230)	275,622	117,465	2,160,037	(4,043,106)
Mark-up received	1,414,938	14,962,803	10,779,306	-	27,157,047	864,417	16,140,296	11,250,106	-	28,254,819
Dividend received	14,892,681	-	-	-	14,892,681	12,436,777	-	-	-	12,436,777
Investments made during the year	(404,820,118)	(12,000,000)	-	-	(416,820,118)	(355,255,845)	(176,641,823)	(153,299,372)	-	(685,197,040)
Investments sold / matured during the year	418,668,676	76,763,400	46,931,300	-	542,363,376	337,579,329	178,800,000	206,237,500	-	722,616,829
	30,156,177	79,726,203	57,710,606	-	167,592,986	(4,375,322)	18,298,473	64,188,234	-	78,111,385
<b>Net cash generated from / (used in) operating activities - carried forwarded</b>	25,982,044	76,529,081	55,906,889	3,726,681	162,144,695	(13,052,231)	15,251,777	62,321,903	2,160,037	66,681,486

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2017

	2017					2016				
	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				
Net cash generated from / (used in) operating activities - (brought forward)	25,982,044	76,529,081	55,906,889	3,726,681	162,144,695	(13,052,231)	15,251,777	62,321,903	2,160,037	66,681,486
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts on issue of units	75,415,692	106,595,056	75,220,671	-	257,231,419	65,173,404	77,090,885	63,126,675	-	205,390,964
Payment on redemptions of units										
- Transfer to other Pension Fund	(3,446,183)	(1,584,749)	(418,457)	-	(5,449,389)	(12,090,451)	(3,833,935)	(1,473,715)	-	(17,398,101)
- Directly by participants	(71,275,906)	(55,021,401)	(39,704,701)	-	(166,002,008)	(39,444,331)	(43,209,166)	(34,453,654)	-	(117,107,151)
<b>Net cash generated from financing activities</b>	<b>693,603</b>	<b>49,988,906</b>	<b>35,097,513</b>	<b>-</b>	<b>85,780,022</b>	<b>13,638,622</b>	<b>30,047,784</b>	<b>27,199,306</b>	<b>-</b>	<b>70,885,712</b>
<b>Net increase in cash and cash equivalents</b>	<b>26,675,647</b>	<b>126,517,987</b>	<b>91,004,402</b>	<b>3,726,681</b>	<b>247,924,717</b>	<b>586,391</b>	<b>45,299,561</b>	<b>89,521,209</b>	<b>2,160,037</b>	<b>137,567,198</b>
Cash and cash equivalents at the beginning of the year	19,893,007	68,453,498	109,749,429	3,026,805	201,122,739	19,306,616	23,153,937	20,228,220	866,768	63,555,541
<b>Cash and cash equivalents at the end of the year</b>	<b>46,568,654</b>	<b>194,971,485</b>	<b>200,753,831</b>	<b>6,753,486</b>	<b>449,047,456</b>	<b>19,893,007</b>	<b>68,453,498</b>	<b>109,749,429</b>	<b>3,026,805</b>	<b>201,122,739</b>

The annexed notes 1 to 20 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 of 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 which has been further amended dated 2 June 2016, Third Supplement dated 15 July 2013, Forth Supplement dated 31 March 2015 and the fifth Supplement dated 4 August 2015, with the approval of the SECP, whilst the Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013, with the approval of the SECP. The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the VPS rules through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at Ground Floor, Federation House, Shahra-e-Firdousi, Clifton, Karachi.
- 1.2** The objective of Atlas Pension Islamic Fund (APIF) is to provide individuals with a portable, individualized, funded (based on defined contribution) and flexible pension scheme assisting and facilitating them to plan and provide for their retirement. The Fund operates under an umbrella structure and is composed of Sub-Funds, each being a collective investment scheme.
- 1.3** Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund. The fund's property comprises of different types of allocation plans which are accounted for and maintained separately in books of accounts and collectively constitute the Fund's property.

The brief description of the sub funds is as follows:

**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.



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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

**1.5** Mufti Muhammad Yahya Asim acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.

**1.6** The Pension Fund Manager of the Fund has been given quality rating of AM2+ by The Pakistan Credit Rating Agency Limited.

### **2. BASIS OF PREPARATION**

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

#### **2.1 Statement of Compliance**

**2.1.1** 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 shall prevail.

**2.1.2** The Companies Act, 2017 was enacted on 30 May 2017 and is applicable with immediate effect. The Securities and Exchange Commission of Pakistan through press release and vide circular no 17 of 2017 dated 20 July 2017 has decided that all the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after 30 June 2017.

#### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for investments which have been measured at their respective fair values.

#### **2.3 Functional and presentation currency**

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

#### **2.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and interpretations of approved accounting standards and requirements of Companies Act, 2017, will be effective for accounting periods beginning on or after 01 July 2017:

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Standard, interpretation or amendment

### Effective date (accounting periods beginning)

- IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
- IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
- IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
- IAS 40 Investment Property - Transfers of investment property	01 January 2017

### Annual improvements to IFRS standards 2014 - 2016 cycle

- IFRS 12 - Disclosure of Interest in Other Entities	01 January 2017
- IAS 28 - Investment in Associates and Joint Ventures	01 January 2018
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
- IFRIC 23 - Uncertainty Over Income Tax Treatments	01 January 2019

- As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017, shall be applicable to the financial statements issued on or after 30 June 2017. The Act included mutual funds in Third Schedule, accordingly certain additional requirements / disclosures in Fifth Schedule are also applicable to the financial statements of mutual funds. Significant disclosures / requirements, which are relevant to the funds includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and / or percentage of shareholding; summary of significant transactions and events that have affected the financial position and performance during the year; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; management assessment of sufficiency of tax provision including comparisons of tax provision as per accounts with tax assessment for last three years and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.

The above amendments are not likely to have an impact on Fund's financial statements except for additional disclosures and reclassifications mentioned above.

## 2.5 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 are as follows:

- Classification and valuation of financial instruments (notes 3.2, 3.4 and 5);
- Impairment of financial instruments (note 3.2.5 and 5.2.2);
- Recognition of provision for Sindh Workers' Welfare Fund (SWWF) (note 9.2); and
- Taxation (note 3.6).

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 the time of initial recognition and re-evaluates this classification on a regular basis.

##### 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 i.e., 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'.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 vide Circular No. 1 of 2009 and Circular No. 33 of 2012. Under the said directives, 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.

#### 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 exchange.

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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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.

### 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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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.

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.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' and 'available for sale' are included in the Income Statement and Statement of Comprehensive Income, respectively, in the period in which they arise.
- 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 THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 4. BANK BALANCES

	Note	2017					2016				
		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		118,014	-	-	6,576,695	6,694,709	118,014	-	-	2,871,522	2,989,536
Saving accounts	4.2	46,450,640	141,971,485	159,753,831	176,791	348,352,747	19,774,993	17,453,498	32,749,429	155,283	70,133,203
Term deposit receipts	4.3	-	53,000,000	41,000,000	-	94,000,000	-	51,000,000	77,000,000	-	128,000,000
		<b>46,568,654</b>	<b>194,971,485</b>	<b>200,753,831</b>	<b>6,753,486</b>	<b>449,047,456</b>	<b>19,893,007</b>	<b>68,453,498</b>	<b>109,749,429</b>	<b>3,026,805</b>	<b>201,122,739</b>

4.1 These represent collection and redemption accounts maintained by the Fund. The expected rate of return on savings account is 2.00% per annum (2016: 4.00% per annum).

4.2 These accounts carry expected rates ranging from 2.00% to 5.60% (2016: 3.00% to 6.50%) per annum.

4.3 These accounts carry expected rates of 5.35% (2016: 5.50% to 6.0%) per annum with maturities upto 01 July 2017.

### 5. INVESTMENTS - net

	Note	2017					2016				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		Rupees					Rupees				
<b>At fair value through profit or loss held for trading</b>											
Equity securities - listed	5.1	352,101,520	-	-	-	352,101,520	289,010,180	-	-	-	289,010,180
<b>Available for sale</b>											
Sukuk certificates - unlisted	5.2	-	12,511,128	-	-	12,511,128	-	-	-	-	-
Government of Pakistan - Ijarah Sukuks	5.3	-	132,587,000	50,995,000	-	183,582,000	-	206,895,440	96,839,780	-	303,735,220
		<b>352,101,520</b>	<b>145,098,128</b>	<b>50,995,000</b>	<b>-</b>	<b>548,194,648</b>	<b>289,010,180</b>	<b>206,895,440</b>	<b>96,839,780</b>	<b>-</b>	<b>592,745,400</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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

Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.

Name of the investee company	Balance as at 30 June 2017									
	As at 1 July 2016	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised gain / (loss) as at 30 June 2017	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					%
<b>Modaraba</b>										
B.R.R. Guardian Modaraba	-	250,000	-	250,000	-	-	-	-	-	-
	-	<b>250,000</b>	-	<b>250,000</b>	-	-	-	-	-	-
<b>Commercial Banks</b>										
Meezan Bank Limited	315,000	115,000	-	375,000	55,000	2,980,231	4,345,000	1,364,769	1.10	0.0055
	<b>315,000</b>	<b>115,000</b>	-	<b>375,000</b>	<b>55,000</b>	<b>2,980,231</b>	<b>4,345,000</b>	<b>1,364,769</b>	<b>1.10</b>	<b>0.0055</b>
<b>Textile Composite</b>										
Nishat Mills Limited	107,500	67,500	-	95,000	80,000	10,522,732	12,694,400	2,171,668	3.22	0.0228
	<b>107,500</b>	<b>67,500</b>	-	<b>95,000</b>	<b>80,000</b>	<b>10,522,732</b>	<b>12,694,400</b>	<b>2,171,668</b>	<b>3.22</b>	<b>0.0228</b>
<b>Woollen</b>										
Bannu Woollen Mills Limited	-	93,500	-	93,500	-	-	-	-	-	-
	-	<b>93,500</b>	-	<b>93,500</b>	-	-	-	-	-	-
<b>Cement</b>										
D.G. Khan Cement Company Limited	87,500	63,000	-	90,500	60,000	11,776,960	12,789,600	1,012,640	3.24	0.0137
Dewan Cement Limited	-	150,000	-	150,000	-	-	-	-	-	-
Fauji Cement Company Limited	329,000	256,000	-	200,000	385,000	14,865,016	15,796,550	931,534	4.00	0.0279
Kohat Cement Company Limited	23,500	15,300	-	-	38,800	10,245,391	8,895,288	(1,350,103)	2.25	-
Lucky Cement Limited	30,000	17,500	-	19,000	28,500	22,492,907	23,833,410	1,340,503	6.04	-
Pioneer Cement Limited	85,000	58,500	-	44,500	99,000	11,727,384	12,870,000	1,142,616	3.26	0.0436
	<b>555,000</b>	<b>560,300</b>	-	<b>504,000</b>	<b>611,300</b>	<b>71,107,658</b>	<b>74,184,848</b>	<b>3,077,190</b>	<b>18.79</b>	<b>0.0852</b>
<b>Refinery</b>										
Attock Refinery Limited	-	10,000	-	10,000	-	-	-	-	-	-
National Refinery Limited	12,500	8,500	-	15,500	5,500	4,072,137	3,992,945	(79,192)	1.01	0.0069
	<b>12,500</b>	<b>18,500</b>	-	<b>25,500</b>	<b>5,500</b>	<b>4,072,137</b>	<b>3,992,945</b>	<b>(79,192)</b>	<b>1.01</b>	<b>0.0069</b>
<b>Power Generation &amp; Distribution</b>										
The Hub Power Company Limited	115,000	204,000	-	152,400	166,600	19,547,748	19,563,838	16,090	4.96	0.0144
	<b>115,000</b>	<b>204,000</b>	-	<b>152,400</b>	<b>166,600</b>	<b>19,547,748</b>	<b>19,563,838</b>	<b>16,090</b>	<b>4.96</b>	<b>0.0144</b>
<b>Oil &amp; Gas Marketing Companies</b>										
Attock Petroleum Limited	26,000	12,500	-	11,300	27,200	14,238,512	17,038,896	2,800,384	4.32	0.0328
Hi-Tech Lubricants Limited	50,000	25,000	-	75,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	55,000	-	-	28,000	27,000	10,137,420	10,458,450	321,030	2.65	0.0099
Sui Northern Gas Pipelines Limited	-	130,000	-	70,000	60,000	9,566,840	8,935,200	(631,640)	2.26	0.0095
	<b>131,000</b>	<b>167,500</b>	-	<b>184,300</b>	<b>114,200</b>	<b>33,942,772</b>	<b>36,432,546</b>	<b>2,489,774</b>	<b>9.23</b>	<b>0.0522</b>
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	24,000	17,050	-	28,790	12,260	13,334,663	19,317,346	5,982,683	4.90	0.0111
Oil and Gas Development Company Limited	90,000	185,500	-	148,000	127,500	18,796,636	17,937,975	(858,661)	4.55	0.0030
Pakistan Oilfields Limited	40,000	55,900	-	63,400	32,500	14,231,424	14,889,875	658,451	3.77	0.0137
Pakistan Petroleum Limited	111,000	75,000	-	105,000	81,000	12,833,209	11,999,340	(833,869)	3.04	0.0041
	<b>265,000</b>	<b>333,450</b>	-	<b>345,190</b>	<b>253,260</b>	<b>59,195,932</b>	<b>64,144,536</b>	<b>4,948,604</b>	<b>16.26</b>	<b>0.0319</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Name of the investee company	Balance as at 30 June 2017									
	As at 1 July 2016	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised gain / (loss) as at 30 June 2017	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.										
<b>Engineering</b>										
Amreli Steels Limited	110,000	30,000	-	140,000	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	15,000	-	-	15,000	-	-	-	-	-	-
International Industries Limited	-	100,500	-	66,000	34,500	8,529,713	12,715,665	4,185,952	3.22	0.0288
International Steels Limited	-	32,500	-	20,000	12,500	1,787,705	1,598,625	(189,080)	0.41	0.0029
Mughal Iron and Steel Industries Limited	35,000	75,000	-	103,000	7,000	641,944	565,110	(76,834)	0.14	0.0028
	<b>160,000</b>	<b>238,000</b>	<b>-</b>	<b>344,000</b>	<b>54,000</b>	<b>10,959,362</b>	<b>14,879,400</b>	<b>3,920,038</b>	<b>3.77</b>	<b>0.0345</b>
<b>Automobile Assembler</b>										
Millat Tractors Limited	6,050	1,000	-	3,050	4,000	2,920,750	5,497,760	2,577,010	1.39	0.0090
Pak Suzuki Motor Company Limited	7,500	9,500	-	10,400	6,600	4,820,967	5,150,376	329,409	1.31	0.0080
	<b>13,550</b>	<b>10,500</b>	<b>-</b>	<b>13,450</b>	<b>10,600</b>	<b>7,741,717</b>	<b>10,648,136</b>	<b>2,906,419</b>	<b>2.70</b>	<b>0.0170</b>
<b>Automobile Parts &amp; Accessories</b>										
Agriauto Industries Limited (face value Rs.5/- per share)	15,000	17,000	-	7,000	25,000	6,354,171	10,797,500	4,443,329	2.74	0.0868
Thal Limited (face value Rs.5/- per share)	10,000	7,000	-	10,000	7,000	4,042,537	4,242,210	199,673	1.08	0.0086
	<b>25,000</b>	<b>24,000</b>	<b>-</b>	<b>17,000</b>	<b>32,000</b>	<b>10,396,708</b>	<b>15,039,710</b>	<b>4,643,002</b>	<b>3.82</b>	<b>0.0954</b>
<b>Cables &amp; Electrical Goods</b>										
Pak Elektron Limited	-	152,500	-	52,500	100,000	7,875,862	11,032,000	3,156,138	2.80	0.0201
Pakistan Cables Limited	-	6,500	-	-	6,500	2,261,100	2,080,000	(181,100)	0.53	0.0228
	<b>-</b>	<b>159,000</b>	<b>-</b>	<b>52,500</b>	<b>106,500</b>	<b>10,136,962</b>	<b>13,112,000</b>	<b>2,975,038</b>	<b>3.33</b>	<b>0.0429</b>
<b>Transport</b>										
Pakistan National Shipping Corporation	-	30,000	-	30,000	-	-	-	-	-	-
	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Technology &amp; Communications</b>										
Netsol Technologies Limited	40,000	20,000	-	60,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	230,000	370,000	-	150,000	450,000	7,267,845	7,024,500	(243,345)	1.78	0.0119
	<b>270,000</b>	<b>390,000</b>	<b>-</b>	<b>210,000</b>	<b>450,000</b>	<b>7,267,845</b>	<b>7,024,500</b>	<b>(243,345)</b>	<b>1.78</b>	<b>0.0119</b>
<b>Fertilizer</b>										
Dawood Hercules Corporation Limited	-	55,000	-	20,000	35,000	4,709,044	4,772,600	63,556	1.21	0.0073
Engro Corporation Limited	64,000	76,500	-	73,500	67,000	22,236,484	21,835,970	(400,514)	5.53	0.0128
Engro Fertilizers Limited	240,000	370,000	-	180,000	430,000	27,669,373	23,753,200	(3,916,173)	6.02	0.0322
Fauji Fertilizer Company Limited	40,000	-	-	40,000	-	-	-	-	-	-
	<b>344,000</b>	<b>501,500</b>	<b>-</b>	<b>313,500</b>	<b>532,000</b>	<b>54,614,901</b>	<b>50,361,770</b>	<b>(4,253,131)</b>	<b>12.76</b>	<b>0.0523</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Name of the investee company	Balance as at 30 June 2017									
	As at 1 July 2016	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised gain / (loss) as at 30 June 2017	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.										
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	5,000	3,500	-	-	8,500	6,861,572	7,944,100	1,082,528	2.01	0.0087
Ferozsons Laboratories Limited	-	5,000	-	5,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	37,500	-	15,000	22,500	4,914,072	4,430,700	(483,372)	1.12	0.0071
The Searle Company Limited	-	4,550	355	4,500	405	247,554	207,352	(40,202)	0.05	0.0003
	<b>5,000</b>	<b>50,550</b>	<b>355</b>	<b>24,500</b>	<b>31,405</b>	<b>12,023,198</b>	<b>12,582,152</b>	<b>558,954</b>	<b>3.18</b>	<b>0.0161</b>
<b>Chemicals</b>										
Akzo Nobel Pakistan Limited	-	15,000	-	15,000	-	-	-	-	-	-
Archroma Pakistan Limited	-	3,000	-	-	3,000	2,099,700	2,138,370	38,670	0.54	0.0088
ICI Pakistan Limited	-	2,500	-	2,500	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	22,000	-	7,350	14,650	7,265,880	6,513,681	(752,199)	1.65	0.0684
	-	<b>42,500</b>	-	<b>24,850</b>	<b>17,650</b>	<b>9,365,580</b>	<b>8,652,051</b>	<b>(713,529)</b>	<b>2.19</b>	<b>0.0772</b>
<b>Foods &amp; Personal Care Products</b>										
Al Shaheer Corporation Limited	57,250	22,500	11,962	90,000	1,712	83,094	68,668	(14,426)	0.02	0.0014
Engro Foods Limited	17,500	-	-	17,500	-	-	-	-	-	-
Treet Corporation Limited	-	70,000	-	70,000	-	-	-	-	-	-
	<b>74,750</b>	<b>92,500</b>	<b>12,250</b>	<b>177,500</b>	<b>2,000</b>	<b>83,094</b>	<b>68,668</b>	<b>(14,426)</b>	<b>0.02</b>	<b>0.0014</b>
<b>Glass &amp; Ceramics</b>										
Ghani Glass Limited	-	45,000	-	45,000	-	-	-	-	-	-
Tariq Glass Industries Limited	-	67,500	-	28,000	39,500	4,757,685	4,375,020	(382,665)	1.11	0.0538
	-	<b>112,500</b>	-	<b>73,000</b>	<b>39,500</b>	<b>4,757,685</b>	<b>4,375,020</b>	<b>(382,665)</b>	<b>1.11</b>	<b>0.0538</b>
<b>Miscellaneous</b>										
Shifa International Hospitals Limited	10,000	-	-	10,000	-	-	-	-	-	-
	<b>10,000</b>	-	-	<b>10,000</b>	-	-	-	-	-	-
	<b>2,403,300</b>	<b>3,460,800</b>	<b>12,317</b>	<b>3,315,190</b>	<b>2,561,227</b>	<b>328,716,262</b>	<b>352,101,520</b>	<b>23,385,258</b>	<b>89.23</b>	

5.1.1 The cost of listed equity securities as at 30 June 2017 is Rs. 319,564,277 (2016: Rs. 262,720,655).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 5.2 Unlisted Sukuk certificates - Available for sale

Note	As at 1 July 2016	Purchases during the year	Sales during the year	As at 30 June 2017	Carrying value as at 30 June 2017	Market value as at 30 June 2017	Unrealised gain as at 30 June 2017	Market rate as a % of net assets of the Sub-Fund	Market value as % of total issue size
	-----Number of certificates-----				-----Rupees-----		-----Percentage-----		
<b>5.2.1 Debt Sub-Fund</b>									
<b>Banks</b>									
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	-	12	-	12	12,000,000	12,511,128	511,128	3.66	0.1714
<b>Chemicals</b>									
Agritech Limited	5.2.2	740	-	740	-	-	-	-	-
Agritech Limited IV	5.2.2	107	-	107	-	-	-	-	-
					<u>12,000,000</u>	<u>12,511,128</u>	<u>511,128</u>	<u>3.66</u>	<u>0.1714</u>

**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 (2016: 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 2017. 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 Rupees	Net carrying value
Agritech Limited	Sukuk Certificate	3,700,000	3,700,000	-
Agritech Limited IV	Term Finance Certificates	535,000	535,000	-
		<u>4,235,000</u>	<u>4,235,000</u>	<u>-</u>

### 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
Meezan Bank Limited Tier - II	AA-	10 years	Semi annually	September 2016 - September 2026	6.62%	6 month KIBOR + 0.50%
Agritech Limited	NPA	7 years	Semi annually	February 2011 - August 2015	12.18%	2.00%+6 month KIBOR
Agritech Limited - IV	NPA	3.5 years	Semi annually	July 2011 - January 2015	0%	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 5.3 Government of Pakistan - Ijarah Sukuks

#### 5.3.1 Debt Sub-Fund

Note	As at 1 July 2016	Purchases during the year	Sold / matured during the year	As at 30 June 2017	Amortised Cost	Market value	Unrealised gain as at 30 June 2017	Market rate as a % of net assets of the Sub-Fund
	Rupees							----
Government of Pakistan - Ijarah Sukuks	206,400,000	-	76,400,000	130,000,000	<u>130,090,571</u>	<u>132,587,000</u>	<u>2,496,429</u>	<u>38.76</u>

5.3.2 The cost of investment as on 30 June 2017 is Rs. 130,167,800 (2016: Rs. 206,572,642). These investments carry rate of return 5.51% (2016: 3.89% to 6.10%) per annum with maturity on 18 December 2018 (2016: 15 February 2019).

#### 5.3.3 Money Market Sub-Fund

Note	As at 1 July 2016	Purchases during the year	Sold / matured during the year	As at 30 June 2017	Amortised Cost	Market value	Unrealised gain as at 30 June 2017	Market rate as a % of net assets of the Sub-Fund
	Rupees							----
Government of Pakistan - Ijarah Sukuks	96,800,000	-	46,800,000	50,000,000	<u>50,086,410</u>	<u>50,995,000</u>	<u>908,590</u>	<u>20.18</u>

5.3.4 The cost of investment as on 30 June 2017 is Rs.50,151,500 (2016: Rs.96,956,100). These investments carry rate of return 5.51% (2016: 3.891% to 6.10%) per annum with maturities upto 18 December 2018 (2016: 15 February 2019).

### 6. MARK UP ACCRUED

2017					2016				
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				
130,128	521,547	645,486	-	1,297,161	87,506	214,636	344,199	-	646,341
-	255,163	98,139	-	353,302	-	524,018	238,054	-	762,072
-	265,526	-	-	265,526	-	-	-	-	-
130,128	1,042,236	743,625	-	1,915,989	87,506	738,654	582,253	-	1,408,413

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 7. PAYABLE TO THE PENSION FUND MANAGER

Note	2017					2016				
	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				
Remuneration of Pension Fund Manager	493,740	206,711	103,551	-	804,002	369,402	168,393	83,525	-	621,320
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	303,286	184,274	111,193	-	598,753	290,803	180,975	109,426	-	581,204
Provision for Federal Excise Duty payable on remuneration of the Pension Fund Manager	1,611,207	1,046,875	644,724	-	3,302,806	1,611,207	1,046,875	644,724	-	3,302,806
Others	-	-	-	-	-	-	-	-	27,206	27,206
	<b>2,408,233</b>	<b>1,437,860</b>	<b>859,468</b>	<b>-</b>	<b>4,705,561</b>	<b>2,271,412</b>	<b>1,396,243</b>	<b>837,675</b>	<b>27,206</b>	<b>4,532,536</b>

**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% (2016:1.50%), 0.75% (2016: 0.75%) and 0.50% (2016: 0.50%) per annum of the average value of the net assets of the Fund for the year on APIF - equity sub fund, APIF - debt sub fund and APIF - money market sub fund respectively, which is paid monthly in arrears.

**7.2** During the year, an amount of Rs.1,159,354 (30 June 2016: Rs.1,130,825) was charged on account of sales tax on remuneration of the Pension Fund Manager at the rate of 13 percent (June 30, 2016: 14 percent) levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.1,141,805 (2016: Rs.994,068) has been already paid to the Pension Fund Manager who acts as a collecting agent.

**7.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

During the year, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 1 July 2016, FED on services provided or rendered by Pension Fund Managers dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made for the period from 13 June 2013 till 30 June 2016 amounting to Rs 3.3 million (30 June 2016: Rs 3.3 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

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

	Note	2017				2016			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		Rupees				Rupees			
Trustee fee	8.1	44,036	36,473	26,925	107,434	36,940	33,679	25,060	95,679
Sindh Sales Tax on Remuneration of the Trustee		5,725	4,742	3,500	13,967	5,172	4,713	3,508	13,393
Settlement charges		3,000	500	500	4,000	3,000	500	500	4,000
Sindh Sales Tax on settlement charges		390	65	65	520	420	70	70	560
		<b>53,151</b>	<b>41,780</b>	<b>30,990</b>	<b>125,921</b>	<b>45,532</b>	<b>38,962</b>	<b>29,138</b>	<b>113,632</b>

- 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:

Net Assets	Tariff
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.

- 8.2** During the year, an amount of Rs.172,996 (2016: 150,224) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs.172,422 (2016: 136,831) was paid to the Trustee who acts as a collecting agent.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 9. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2017					2016				
	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	28,052	-	-	-	28,052	16,799	-	-	-	16,799
Withholding tax payable	7,669	4,980	3,811	136,046	152,506	7,021	4,243	3,308	59,168	73,740
Zakat payable	-	-	-	15,835	15,835	-	-	-	52,463	52,463
Provision for Workers' Welfare Fund	-	-	-	-	-	3,691,246	1,136,349	941,945	-	5,769,540
Provision for Sindh Workers' Welfare Fund	2,442,724	501,936	385,965	-	3,330,625	-	-	-	-	-
Others	55,857	-	-	6,601,605	6,657,462	-	-	-	2,887,968	2,887,968
	<b>2,534,302</b>	<b>506,916</b>	<b>389,776</b>	<b>6,753,486</b>	<b>10,184,480</b>	<b>3,715,066</b>	<b>1,140,592</b>	<b>945,253</b>	<b>2,999,599</b>	<b>8,800,510</b>

**9.1** The Shariah Advisor of the Fund has certified an amount of Rs. 181,844 (30 June 2016: Rs.166,998) against dividend income as Shariah non-compliant income which has accordingly, been marked to charity, out of which Rs. 170,591 (2016: Rs. 150,199) has been paid to charities approved by the Shariah Advisor and remaining amount of Rs. 28,052 (2016:16,799 ) will be paid in due course of time.

**9.2** The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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

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

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

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

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

### 10. NUMBER OF UNITS IN ISSUE

	2017				2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Total units in issue at beginning of the year	581,556	1,483,791	1,053,287	3,118,634	553,419	1,315,061	910,812	2,779,292
Add: Units issued during the year	118,214	568,842	379,813	1,066,869	135,617	430,174	332,024	897,815
Less: Units redeemed during the year	(5,167)	(8,281)	(2,077)	(15,525)	(25,575)	(21,091)	(7,667)	(54,333)
- Change of Pension Fund Manager	(108,832)	(288,697)	(197,946)	(595,475)	(81,905)	(240,353)	(181,882)	(504,140)
- Directly by participants	(113,999)	(296,978)	(200,023)	(611,000)	(107,480)	(261,444)	(189,549)	(558,473)
Total units in issue at end of the year	585,771	1,755,655	1,233,077	3,574,503	581,556	1,483,791	1,053,287	3,118,634



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 11. CONTINGENCIES AND COMMITMENTS

The Finance Act, 2014, introduced amendments to Income Tax Ordinance, 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

In the current year, Al Shaheer Corporation Limited and The Searle Company Limited issued bonus shares after withholding 5 percent shares on account of tax on bonus shares. These have not been deposited with the Government Treasury due to pending adjudication of the aforementioned Constitutional Petition and the stay order.

There were no other contingencies and commitments outstanding as at 30 June 2017 and 30 June 2016.

### 12. MARK-UP INCOME

Note	2017				2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Income on bank balances and term deposit receipts	1,457,560	6,053,996	6,895,214	14,406,770	872,350	1,815,245	2,701,046	5,388,641
Income on Sukuk certificates	-	628,639	-	628,639	-	-	-	-
Income on Government of Pakistan - Ijarah Sukuks	-	8,583,750	4,045,464	12,629,214	-	12,060,117	7,175,025	19,235,142
	<b>1,457,560</b>	<b>15,266,385</b>	<b>10,940,678</b>	<b>27,664,623</b>	<b>872,350</b>	<b>13,875,362</b>	<b>9,876,071</b>	<b>24,623,783</b>

12.1 Mark-up on non performing securities amounting to Rs. 2,329,430 (2016: Rs. 2,149,295) based on outstanding principal has not been recognised, in accordance with SECP's directives.

### 13. AUDITOR'S REMUNERATION

	2017				2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Audit fee	61,312	50,857	37,831	150,000	57,786	52,916	39,298	150,000
Sindh Sales Tax on services	4,904	4,069	3,027	12,000	3,467	3,175	2,358	9,000
Out of pocket expenses	10,387	7,515	6,136	24,038	7,894	7,229	5,368	20,491
	<b>76,603</b>	<b>62,441</b>	<b>46,994</b>	<b>186,038</b>	<b>69,147</b>	<b>63,320</b>	<b>47,024</b>	<b>179,491</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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

Note	2017					2016				
	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	-	145,098,128	50,995,000	-	196,093,128	-	206,895,440	96,839,780	-	303,735,220
Less: Cost of investments	-	142,090,571	50,086,410	-	192,176,981	-	206,555,503	96,948,128	-	303,503,631
	-	<b>3,007,557</b>	<b>908,590</b>	-	<b>3,916,147</b>	-	339,937	(108,348)	-	231,589
Less: Net unrealised (diminution) / appreciation in the value of investments at the beginning of the year	-	(339,937)	108,348	-	(231,589)	-	(456,164)	(526,893)	-	(983,057)
Transferred to comprehensive income during the year	-	<b>2,667,620</b>	<b>1,016,938</b>	-	<b>3,684,558</b>	-	(116,227)	(635,241)	-	(751,468)
Gain / (loss) arise during the year	-	2,369,152	947,356	-	3,316,508	-	(116,227)	(972,741)	-	(1,088,968)
Reclassification to profit and loss upon disposal of investment during the year	-	298,468	69,582	-	368,050	-	-	337,500	-	337,500
	-	<b>2,667,620</b>	<b>1,016,938</b>	-	<b>3,684,558</b>	-	(116,227)	(635,241)	-	(751,468)

### 15. CONTRIBUTION TABLE

	2017						
	Equity Sub-Fund Units	Rupees	Debt Sub-Fund Units	Rupees	Money Market Sub-Fund Units	Rupees	Total Rupees
Individuals	14,212	9,406,673	139,217	26,687,086	72,435	14,603,729	50,697,488
Employers	104,002	66,942,019	429,625	81,744,055	307,378	61,575,814	210,261,888
	<b>118,214</b>	<b>76,348,692</b>	<b>568,842</b>	<b>108,431,141</b>	<b>379,813</b>	<b>76,179,543</b>	<b>260,959,376</b>

	2016						
	Equity Sub-Fund Units	Rupees	Debt Sub-Fund Units	Rupees	Money Market Sub-Fund Units	Rupees	Total Rupees
Individuals	32,031	15,442,021	79,407	14,305,849	122,047	23,294,185	53,042,055
Employers	103,585	50,953,057	350,767	63,803,149	209,977	40,387,627	155,143,833
	<b>135,616</b>	<b>66,395,078</b>	<b>430,174</b>	<b>78,108,998</b>	<b>332,024</b>	<b>63,681,812</b>	<b>208,185,888</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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.

#### 16.1 Details of transaction with connected persons / related parties and balances with them at the year end are as follows:

	2017					2016				
	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)										
Pension Fund Manager fee payable (Rupees)	493,740	206,711	103,551	-	804,002	369,402	168,393	83,525	-	621,320
Sindh Sales Tax payable on the Pension Fund Manager fee (Rupees)	303,286	184,274	111,193	-	598,753	290,803	180,975	109,426	-	581,204
Federal Excise Duty payable on remuneration of the Pension Fund Manager (Rupees)	1,611,207	1,046,875	644,724	-	3,302,806	1,611,207	1,046,875	644,724	-	3,302,806
Investment (Rupees)	111,815,940	32,341,780	34,015,060	-	178,172,780	87,159,960	30,686,760	32,429,760	-	150,276,480
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)										
Remuneration payable (Rupees)	44,036	36,473	26,925	-	107,434	36,940	33,679	25,060	-	95,679
Sindh Sales Tax on Remuneration (Rupees)	5,725	4,742	3,500	-	13,967	5,172	4,713	3,508	-	13,393
Deposit (Rupees)	100	100	100	-	300	100	100	100	-	300
Settlement charges (Rupees)	3,000	500	500	-	4,000	3,000	500	500	-	4,000
Sindh Sales Tax on settlement charges (Rupees)	390	65	65	-	520	420	70	70	-	560
Key management personnel										
Investment at year end	698,513	413,040	200,197	-	1,311,750	1,790,208	388,548	2,283,859	-	4,462,615
Units held (Number of units)	1,037	2,120	977	-	4,134	3,410	2,102	11,691	-	17,203

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 16.2 Details of transactions with related parties / connected persons during the year:

	2017					2016				
	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 for the year (Rupees)	5,520,171	2,261,876	1,136,065	-	8,918,112	4,133,179	1,892,767	937,266	-	6,963,212
Sindh Sales Tax on remuneration (Rupees)	717,622	294,044	147,688	-	1,159,354	671,227	307,386	152,212	-	1,130,825
Federal Excise Duty on remuneration (Rupees)	-	-	-	-	-	661,308	302,842	149,963	-	1,114,113
Central Depository Company of Pakistan Limited (Trustee)										
Remuneration for the year (Rupees)	546,634	447,460	336,643	-	1,330,737	413,309	378,548	281,173	-	1,073,030
Sindh Sales Tax on Remuneration (Rupees)	71,062	58,170	43,764	-	172,996	57,863	52,996	39,365	-	150,224
Key management personnel										
Contributions (Rupees)	1,107,000	234,389	948,855	-	2,290,244	1,042,006	290,886	1,199,255	-	2,532,147
Contributions (Number of units)	1,780	1,233	4,729	-	7,742	2,122	1,606	6,269	-	9,997
Redemptions (Rupees)	1,209,630	270,787	4,603,202	-	6,083,619	531,124	207,844	518,272	-	1,257,240
Redemptions (Number of units)	1,952	1,443	22,757	-	26,152	1,095	1,141	2,709	-	4,945
Re-allocation (Rupees)	(1,526,911)	58,962	1,467,949	-	-	585,710	24,528	(610,238)	-	-
Re-allocation (Number of units)	(2,201)	228	7,315	-	5,342	1,174	133	(3,141)	-	(1,834)
Payment from Income Payment Plan	-	-	-	-	-	-	-	429,944	-	429,944
Payment from Income Payment Plan (Units)	-	-	-	-	-	-	-	2,250	-	2,250

## 17. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 or adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A Financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The following table presents assets that are measured at fair value as at June 30, 2017 along with comparatives is as follows:

	Investments	Other receivables (Note 17.1)	Cash and cash equivalents (Note 17.1)	Other financial liabilities (Note 17.1)	Total	Fair value			
						Level 1	Level 2	Level 3	Total
-----Rupees-----									
<b>June 30, 2017</b>									
<b>Financial assets - measured at fair value</b>									
Investments	548,194,648	-	-	-	548,194,648	352,101,520	196,093,128	-	548,194,648
<b>Financial assets - not measured at fair value</b>									
Bank balances	-	-	449,047,456	-	449,047,456	-	-	-	-
Receivable against issue of units	-	6,522,881	-	-	6,522,881	-	-	-	-
Dividend receivable	-	1,406,450	-	-	1,406,450	-	-	-	-
Mark-up accrued	-	1,915,989	-	-	1,915,989	-	-	-	-
Security deposit and other receivables	-	1,325,812	-	-	1,325,812	-	-	-	-
	<b>548,194,648</b>	<b>11,171,132</b>	<b>449,047,456</b>	<b>-</b>	<b>1,008,413,236</b>	<b>352,101,520</b>	<b>196,093,128</b>	<b>-</b>	<b>548,194,648</b>
<b>Financial liabilities - not measured at fair value</b>									
Payable against purchase of investments	-	-	-	3,272,777	3,272,777	-	-	-	-
Payable against redemption of units	-	-	-	359,884	359,884	-	-	-	-
Payable to the Pension Fund Manager	-	-	-	4,705,561	4,705,561	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	125,921	125,921	-	-	-	-
Payable to the auditors	-	-	-	180,672	180,672	-	-	-	-
Accrued expenses and other liabilities	-	-	-	6,685,514	6,685,514	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,330,329</b>	<b>15,330,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

June 30, 2016

### Financial assets - measured at fair value

Investments	592,745,400	-	-	-	592,745,400	289,010,180	303,735,220	-	592,745,400
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### Financial assets - not measured at fair value

Bank balances	-	-	201,122,739	-	201,122,739	-	-	-	-
Receivable against issue of units	-	2,794,924	-	-	2,794,924	-	-	-	-
Dividend receivable	-	715,000	-	-	715,000	-	-	-	-
Mark-up accrued	-	1,408,413	-	-	1,408,413	-	-	-	-
Security deposit and other receivables	-	1,336,676	-	-	1,336,676	-	-	-	-
	<b>592,745,400</b>	<b>6,255,013</b>	<b>201,122,739</b>	<b>-</b>	<b>800,123,152</b>	<b>289,010,180</b>	<b>303,735,220</b>	<b>-</b>	<b>592,745,400</b>

### Financial liabilities - not measured at fair value

Payable against purchase of investments	-	-	-	-	-	-	-	-	-
Payable against redemption of units	-	-	-	837,245	837,245	-	-	-	-
Payable to the Pension Fund Manager	-	-	-	4,532,536	4,532,536	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	-	113,632	113,632	-	-	-	-
Payable to the auditors	-	-	-	179,490	179,490	-	-	-	-
Accrued expenses and other liabilities	-	-	-	2,904,767	2,904,767	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,567,670</b>	<b>8,567,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**17.1** The Fund has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

## **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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 hold KIBOR based profit bearing Sukuk certificates (other than Government Ijara Sukuks) exposing the Sub-Funds to cash flow in interest rate risk. However, except for Meezan Bank Limited Tier - II sukuk, all the securities are non-performing assets and have been fully provided for, with their markup being credited to suspense account.
- b) As at 30 June 2017, the Debt Sub-Fund and Money Market Sub-Fund hold Government Ijarah Sukuks and Sukuk Certificates 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 2017 with all variables held, constant on the net income for the year is as follows:

##### Change in base points

	2017 Effect on net income			2016 Effect on net income		
	Debt Sub-Fund	Money Market Sub-Fund	Total	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----			----- Rupees -----		
100	1,450,981	509,950	1,960,931	2,068,954	968,398	3,037,352
(100)	(1,450,981)	(509,950)	(1,960,931)	(2,068,954)	(968,398)	(3,037,352)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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 2017 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 2017					
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	2.00 - 5.60	46,568,654	-	-	46,568,654
Investments - net		-	-	352,101,520	352,101,520
Receivable against issue of units		-	-	2,154,674	2,154,674
Dividend receivable		-	-	1,406,450	1,406,450
Mark-up accrued		-	-	130,128	130,128
Security deposit and other receivables		-	-	673,360	673,360
		46,568,654	-	356,466,132	403,034,786
Financial liabilities					
Payable against purchase of investments		-	-	3,272,777	3,272,777
Payable against redemption of units		-	-	3,109	3,109
Payable to the Pension Fund Manager		-	-	2,408,233	2,408,233
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	53,151	53,151
Payable to the auditors		-	-	73,882	73,882
Accrued expenses and other liabilities		-	-	83,909	83,909
		-	-	5,895,061	5,895,061
On-balance sheet gap		46,568,654	-	350,571,071	397,139,725
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		46,568,654	-	350,571,071	397,139,725
Cumulative interest rate sensitivity gap		46,568,654	46,568,654	397,139,725	



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Equity Sub-Fund

#### On-balance sheet financial instruments

##### Financial assets

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

As at 30 June 2016					
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					
3.00 - 6.50	19,893,007	-	-	-	19,893,007
	-	-	-	289,010,180	289,010,180
	-	-	-	1,221,674	1,221,674
	-	-	-	715,000	715,000
	-	-	-	87,506	87,506
	-	-	-	681,689	681,689
	19,893,007	-	-	291,716,049	311,609,056

##### Financial liabilities

Payable against purchase of investments  
Payable against redemption of units  
Payable to the Pension Fund Manager  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Payable to the auditors  
Accrued expenses and other liabilities

-	-	-	-	-
-	-	-	64,100	64,100
-	-	-	2,271,412	2,271,412
-	-	-	45,532	45,532
-	-	-	69,146	69,146
-	-	-	16,799	16,799
-	-	-	2,466,989	2,466,989
<b>19,893,007</b>	<b>-</b>	<b>-</b>	<b>289,249,060</b>	<b>309,142,067</b>

#### On-balance sheet gap

#### Off-balance sheet financial instruments

#### Off-balance sheet gap

#### Total interest rate sensitivity gap

#### Cumulative interest rate sensitivity gap

-	-	-	-	-
-	-	-	-	-
<b>19,893,007</b>	<b>-</b>	<b>-</b>	<b>289,249,060</b>	<b>309,142,067</b>
<b>19,893,007</b>	<b>19,893,007</b>	<b>19,893,007</b>	<b>309,142,067</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Debt Sub-Fund

#### On-balance sheet financial instruments

##### Financial assets

Bank balances  
Investments - net  
Receivable against issue of units  
Mark-up accrued  
Security deposit and other receivables

As at 30 June 2017					
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					
2.00 - 5.60	194,971,485	-	-	-	194,971,485
5.51 - 6.62	-	-	145,098,128	-	145,098,128
	-	-	-	2,854,198	2,854,198
	-	-	-	1,042,236	1,042,236
	-	-	-	279,480	279,480
	194,971,485	-	145,098,128	4,175,914	344,245,527

##### 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

-	-	-	44,237	44,237
-	-	-	1,437,860	1,437,860
-	-	-	41,780	41,780
-	-	-	61,203	61,203
-	-	-	1,585,080	1,585,080
<b>194,971,485</b>	<b>-</b>	<b>145,098,128</b>	<b>2,590,834</b>	<b>342,660,447</b>

#### On-balance sheet gap

#### Off-balance sheet financial instruments

#### Off-balance sheet gap

#### Total interest rate sensitivity gap

#### Cumulative interest rate sensitivity gap

-	-	-	-	-
-	-	-	-	-
<b>194,971,485</b>	<b>-</b>	<b>145,098,128</b>	<b>2,590,834</b>	<b>342,660,447</b>
<b>194,971,485</b>	<b>194,971,485</b>	<b>340,069,613</b>	<b>342,660,447</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Debt Sub-Fund

#### On-balance sheet financial instruments

##### Financial assets

Bank balances  
Investments - net  
Receivable against issue of units  
Mark-up accrued  
Security deposit and other receivables

As at 30 June 2016					
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					
3.00 - 6.50	68,453,498	-	-	-	68,453,498
3.89 - 6.10	-	65,709,440	141,186,000	-	206,895,440
	-	-	-	1,018,113	1,018,113
	-	-	-	738,654	738,654
	-	-	-	290,749	290,749
	68,453,498	65,709,440	141,186,000	2,047,516	277,396,454

##### 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

-	-	-	379,116	379,116
-	-	-	1,396,243	1,396,243
-	-	-	38,962	38,962
-	-	-	63,320	63,320
-	-	-	1,877,641	1,877,641
<b>68,453,498</b>	<b>65,709,440</b>	<b>141,186,000</b>	<b>169,875</b>	<b>275,518,813</b>

#### On-balance sheet gap

#### Off-balance sheet financial instruments

#### Off-balance sheet gap

#### Total interest rate sensitivity gap

#### Cumulative interest rate sensitivity gap

-	-	-	-	-
-	-	-	-	-
<b>68,453,498</b>	<b>65,709,440</b>	<b>141,186,000</b>	<b>169,875</b>	<b>275,518,813</b>
<b>68,453,498</b>	<b>134,162,938</b>	<b>275,348,938</b>	<b>275,518,813</b>	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Money Market Sub-Fund

#### On-balance sheet financial instruments

##### Financial assets

Bank balances  
Investments - net  
Receivable against issue of units  
Mark-up accrued  
Security deposit and other receivables

2.00 - 5.60  
5.51

##### 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 2017					
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					
2.00 - 5.60	200,753,831	-	-	-	200,753,831
5.51	-	-	50,995,000	-	50,995,000
	-	-	-	1,514,009	1,514,009
	-	-	-	743,625	743,625
	-	-	-	372,972	372,972
	200,753,831	-	50,995,000	2,630,606	254,379,437
	-	-	-	312,538	312,538
	-	-	-	859,468	859,468
	-	-	-	30,990	30,990
	-	-	-	45,587	45,587
	-	-	-	1,248,583	1,248,583
	200,753,831	-	50,995,000	1,382,023	253,130,854
	-	-	-	-	-
	-	-	-	-	-
	200,753,831	-	50,995,000	1,382,023	253,130,854
	200,753,831	200,753,831	251,748,831	253,130,854	

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### Money Market Sub-Fund

#### On-balance sheet financial instruments

##### Financial assets

Bank balances  
Investments - net  
Receivable against issue of units  
Mark-up accrued  
Security deposit and other receivables

As at 30 June 2016					
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					
3.00 - 6.50	109,749,429	-	-	-	109,749,429
3.89 - 6.10	-	41,365,280	55,474,500	-	96,839,780
	-	-	-	555,137	555,137
	-	-	-	582,253	582,253
	-	-	-	364,238	364,238
	109,749,429	41,365,280	55,474,500	1,501,628	208,090,837

##### 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

-	-	-	394,029	394,029
-	-	-	837,675	837,675
-	-	-	29,138	29,138
-	-	-	47,024	47,024
-	-	-	1,307,866	1,307,866
<b>109,749,429</b>	<b>41,365,280</b>	<b>55,474,500</b>	<b>193,762</b>	<b>206,782,971</b>

#### On-balance sheet gap

#### Off-balance sheet financial instruments

#### Off-balance sheet gap

#### Total interest rate sensitivity gap

#### Cumulative interest rate sensitivity gap

-	-	-	-	-
-	-	-	-	-
<b>109,749,429</b>	<b>41,365,280</b>	<b>55,474,500</b>	<b>193,762</b>	<b>206,782,971</b>
<b>109,749,429</b>	<b>151,114,709</b>	<b>206,589,209</b>	<b>206,782,971</b>	

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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 2017, with all other variables held constant, net income for the year would increase / decrease by Rs. 17,605,076 (2016: Rs. 14,450,509) 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 2017 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 may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's asset in highly liquid financial assets. 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 18.3.1 Equity Sub-Fund

	2017						2016							
	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						
<b>Assets</b>														
Bank balances	46,568,654	-	-	-	-	-	46,568,654	19,893,007	-	-	-	-	-	19,893,007
Receivable against issue of units	2,154,674	-	-	-	-	-	2,154,674	1,221,674	-	-	-	-	-	1,221,674
Investments - net	-	-	-	-	-	352,101,520	352,101,520	-	-	-	-	-	289,010,180	289,010,180
Dividend receivable	1,406,450	-	-	-	-	-	1,406,450	715,000	-	-	-	-	-	715,000
Mark-up accrued	130,128	-	-	-	-	-	130,128	87,506	-	-	-	-	-	87,506
Security deposit and other receivables	-	-	-	-	673,360	-	673,360	-	-	-	-	681,689	-	681,689
	<b>50,259,906</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>673,360</b>	<b>352,101,520</b>	<b>403,034,786</b>	<b>21,917,187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>681,689</b>	<b>289,010,180</b>	<b>311,609,056</b>
<b>Liabilities</b>														
Payable against purchase of investments	3,272,777	-	-	-	-	-	3,272,777	-	-	-	-	-	-	-
Payable against redemption of units	3,109	-	-	-	-	-	3,109	64,100	-	-	-	-	-	64,100
Payable to the Pension Fund Manager	2,408,233	-	-	-	-	-	2,408,233	2,271,412	-	-	-	-	-	2,271,412
Payable to Central Depository Company of Pakistan Limited - Trustee	53,151	-	-	-	-	-	53,151	45,532	-	-	-	-	-	45,532
Payable to the auditors	73,882	-	-	-	-	-	73,882	-	69,146	-	-	-	-	69,146
Accrued expenses and other liabilities	83,909	-	-	-	-	-	83,909	16,799	-	-	-	-	-	16,799
	<b>5,895,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,895,061</b>	<b>2,397,843</b>	<b>69,146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,466,989</b>
<b>Net assets / (liabilities)</b>	<b>44,364,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>673,360</b>	<b>352,101,520</b>	<b>397,139,725</b>	<b>19,519,344</b>	<b>(69,146)</b>	<b>-</b>	<b>-</b>	<b>681,689</b>	<b>289,010,180</b>	<b>309,142,067</b>

### 18.3.2 Debt Sub-Fund

	2017						2016							
	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						
<b>Assets</b>														
Bank balances	194,971,485	-	-	-	-	-	194,971,485	68,453,498	-	-	-	-	-	68,453,498
Receivable against issue of units	2,854,198	-	-	-	-	-	2,854,198	1,018,113	-	-	-	-	-	1,018,113
Investments - net	-	-	-	132,587,000	12,511,128	-	145,098,128	-	-	65,709,440	141,186,000	-	-	206,895,440
Mark-up accrued	521,547	265,526	255,163	-	-	-	1,042,236	214,636	-	524,018	-	-	-	738,654
Security deposit and other receivables	-	-	-	-	279,480	-	279,480	-	-	-	-	290,749	-	290,749
	198,347,230	265,526	255,163	132,587,000	12,790,608	-	344,245,527	69,686,247	-	66,233,458	141,186,000	290,749	-	277,396,454
<b>Liabilities</b>														
Payable against redemption of units	44,237	-	-	-	-	-	44,237	379,116	-	-	-	-	-	379,116
Payable to the Pension Fund Manager	1,437,860	-	-	-	-	-	1,437,860	1,396,243	-	-	-	-	-	1,396,243
Payable to Central Depository Company of Pakistan Limited - Trustee	41,780	-	-	-	-	-	41,780	38,962	-	-	-	-	-	38,962
Payable to the auditors	-	61,203	-	-	-	-	61,203	-	63,320	-	-	-	-	63,320
	1,523,877	61,203	-	-	-	-	1,585,080	1,814,321	63,320	-	-	-	-	1,877,641
<b>Net assets / (liabilities)</b>	<b>196,823,353</b>	<b>204,323</b>	<b>255,163</b>	<b>132,587,000</b>	<b>12,790,608</b>	<b>-</b>	<b>342,660,447</b>	<b>67,871,926</b>	<b>(63,320)</b>	<b>66,233,458</b>	<b>141,186,000</b>	<b>290,749</b>	<b>-</b>	<b>275,518,813</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 18.3.3 Money Market Sub-Fund

Money Market Sub-1 and

	2017						2016							
	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-----						
<b>Assets</b>														
Bank balances	200,753,831	-	-	-	-	-	200,753,831	109,749,429	-	-	-	-	-	109,749,429
Receivable against issue of units	1,514,009	-	-	-	-	-	1,514,009	555,137	-	-	-	-	-	555,137
Investments - net	-	-	-	50,995,000	-	-	50,995,000	-	-	41,365,280	55,474,500	-	-	96,839,780
Mark-up accrued	645,486	-	98,139	-	-	-	743,625	344,199	-	238,054	-	-	-	582,253
Security deposit and other receivables	-	-	-	-	372,972	-	372,972	-	-	-	-	364,238	-	364,238
	<b>202,913,326</b>	<b>-</b>	<b>98,139</b>	<b>50,995,000</b>	<b>372,972</b>	<b>-</b>	<b>254,379,437</b>	<b>110,648,765</b>	<b>-</b>	<b>41,603,334</b>	<b>55,474,500</b>	<b>364,238</b>	<b>-</b>	<b>208,090,837</b>
<b>Liabilities</b>														
Payable against redemption of units	312,538	-	-	-	-	-	312,538	394,029	-	-	-	-	-	394,029
Payable to the Pension Fund Manager	859,468	-	-	-	-	-	859,468	837,675	-	-	-	-	-	837,675
Payable to Central Depository Company of Pakistan Limited - Trustee	30,990	-	-	-	-	-	30,990	29,138	-	-	-	-	-	29,138
Payable to the auditors	-	45,587	-	-	-	-	45,587	-	47,024	-	-	-	-	47,024
	<b>1,202,996</b>	<b>45,587</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,248,583</b>	<b>1,260,842</b>	<b>47,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,307,866</b>
<b>Net assets / (liabilities)</b>	<b>201,710,330</b>	<b>(45,587)</b>	<b>98,139</b>	<b>50,995,000</b>	<b>372,972</b>	<b>-</b>	<b>253,130,854</b>	<b>109,387,923</b>	<b>(47,024)</b>	<b>41,603,334</b>	<b>55,474,500</b>	<b>364,238</b>	<b>-</b>	<b>206,782,971</b>

### 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:

	2017	2016
	-----Rupees-----	
Equity Sub-Fund	50,933,266	22,598,876
Debt Sub-Fund	198,892,236	69,976,996
Money Market Sub-Fund	203,286,298	111,013,003
	<b>453,111,800</b>	<b>203,588,875</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

### 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:

Rating	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	
	2017	2016	2017	2016	2017	2016
Government securities	-	-	32.57	75.14	24.20	46.88
AAA	0.01	63.70	4.78	5.33	19.94	1.78
AA+	-	-	11.64	9.50	8.59	19.03
AA-	-	-	32.57	-	22.21	-
AA	68.15	0.62	18.44	10.03	25.06	32.31
A+	-	35.68	-	-	-	-
A	31.84	-	-	-	-	-
Others	-	-	-	-	-	-
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

	Debt Sub-Fund					
	As at 30 June 2017			As at 30 June 2016		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
		(1-365)	Above 365		(1-365)	Above 365
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
	<b>4,235,000</b>	<b>-</b>	<b>4,235,000</b>	<b>4,235,000</b>	<b>-</b>	<b>4,235,000</b>

The impaired investments are fully provided.

### 18.5 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-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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

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 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.

### 19. FINANCIAL PERFORMANCE

Particulars	Equity Sub-Fund					
	2017	2016	Change	2015	2014	2013
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	87,527,181	13,795,916	534.44	49,310,493	34,860,015	39,395,281
Net gain / (loss) on sale of investments at fair value through profit or loss	53,554,640	(8,012,239)	(768.41)	26,705,581	10,881,480	15,284,548
Net unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss	23,385,258	15,387,878	51.97	15,607,413	18,464,034	20,184,962
Dividend income	15,584,131	12,542,377	24.25	12,622,812	8,760,488	6,171,847
Mark-up Income	1,457,560	872,350	67.08	911,121	1,328,675	755,147
Net asset value per unit	673.59	525.06	28.29	500.09	402.26	322.12
Earnings per unit	149.42	23.72	529.93	89.10	69.38	95.08
Transactions in securities - Purchases	(404,820,118)	(355,255,845)	13.95	(280,501,148)	(160,172,664)	(131,354,278)
Transactions in securities - Sales / Matured	418,668,676	337,579,329	24.02	248,995,862	118,529,563	112,692,311
Total contributions received	76,348,692	66,395,078	14.99	66,743,935	59,826,458	53,784,157

Particulars	Debt Sub-Fund					
	2017	2016	Change	2015	2014	2013
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	12,931,459	10,515,915	22.97	12,600,067	9,083,793	6,894,099
Net gain / (loss) on sale / maturity of 'available for sale investments'	298,468	-	-	-	-	(48,750)
Mark-up Income	15,266,385	13,875,362	10.03	16,692,859	12,322,273	9,098,479
Net asset value per unit	194.83	184.86	5.39	177.34	168.04	155.54
Earnings per unit	7.37	7.09	3.95	9.58	8.69	8.25
Transactions in securities - Purchases	(12,000,000)	(176,641,823)	(93.21)	(56,675,102)	(118,755,548)	(77,610,179)
Transactions in securities - Sales / matured	76,763,400	178,800,000	(57.07)	-	84,001,000	24,625,000
Total contributions received	108,431,141	78,108,998	38.82	87,132,633	69,420,667	83,744,943

Particulars	Money Market Sub-Fund					
	2017	2016	Change	2015	2014	2013
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	9,735,335	8,311,131	17.14	9,563,703	7,105,755	5,217,604
Net gain on sale / maturity of 'available for sale investments'	69,582	337,500	(79.38)	-	-	(26,250)
Mark-up Income	10,940,678	9,876,071	10.78	12,122,472	9,537,456	7,016,317
Net asset value per unit	204.91	195.36	4.89	187.46	176.90	164.29
Earnings per unit	7.90	7.89	0.13	10.50	9.10	8.46
Transactions in securities - Purchases	-	(153,299,372)	(100.00)	(51,970,998)	(85,632,662)	(78,286,149)
Transactions in securities - Sales / matured	46,931,300	206,237,500	(77.24)	-	79,501,000	35,875,000
Total contributions received	76,179,543	63,681,812	19.63	49,758,749	50,404,669	64,510,132

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2017

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2017	2016	2017	2016	2017	2016

-----Rupees-----

#### Highest and lowest issue prices of units

Highest issue price	<b>751.61</b>	541.63	<b>194.92</b>	184.88	<b>204.95</b>	195.36
Lowest issue price	<b>529.46</b>	435.47	<b>184.94</b>	177.38	<b>195.45</b>	187.51

#### 20. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 30 August 2017.

For Atlas Asset Management Limited  
(Pension Fund Manager)

**Qurrat-ul-Ain Jafari**  
Chief Financial Officer

**M. Habib-ur-Rahman**  
Chief Executive Officer

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

انویسٹمنٹ کمیٹی (آئی سی) دوران سال (آئی سی) کے ۳۵ اجلاس منعقد ہوئے جس میں شرکت کے اعداد و شمار مندرجہ ذیل ہیں:

نمبر شمار	ڈائریکٹر/افسر کا نام	عہدہ	تعداد شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱۳
۲	جناب ایم حبیب الرحمن	چیف ایگزیکٹو آفیسر	۲۳
۳	جناب ایم عبدالصمد (ایگزیکٹو مینجمنٹ)	چیف آپریننگ آفیسر، ممبر (آئی سی)	۲۹
۴	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر، ممبر (آئی سی)	۲۹
۵	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	فنانس مینجر، ممبر (آئی سی)	۳۰
۶	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	فنانس مینجر، ممبر (آئی سی)	۳۴
۷	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	فنانس مینجر، سیکریٹری (آئی سی)	۳۵

یونٹس کے سودے:

دوران سال ڈائریکٹر صاحبان، چیف ایگزیکٹو آفیسر، چیف فنانسٹیل آفیسر، کمپنی سیکریٹری اور ان کی بیویوں اور زیر کفالت بچوں نے فنڈز کے یونٹس کی خرید و فروخت نہیں کی، سوائے ان کے جن کی تفصیل اٹلس پینشن فنڈ (اے پی ایف) اور اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف) کے مالیاتی گوشواروں کے ”واحد افراد متعلقہ فریق“ کے علی الترتیب نوٹس نمبر ۱۸ اور ۱۶ میں دے دی گئی ہے۔

آڈیٹرز:

بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی نے اپنے اجلاس منعقدہ ۲۸ اگست ۲۰۱۷ کو میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کراچی کو اٹلس پینشن فنڈ اور اٹلس پینشن اسلامک فنڈ کے ۳۰ جون ۲۰۱۸ کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز دوبارہ تعیناتی کی منظوری دی۔ بورڈ آف ڈائریکٹرز نے آڈیٹرز کی دوبارہ تعیناتی کی توثیق کر دی ہے۔

اقرار نامہ

پینشن فنڈ منتظم کمپنی کا بورڈ آف ڈائریکٹرز، سیکریٹری اینڈ ایگزیکٹو کمیشن آف پاکستان کا ان کی مسلسل اور قابل قدر رہنمائی پر شکریہ ادا کرتا ہے۔ بورڈ پینشن فنڈ منتظم کمپنی کے ملازمین اور ٹرسٹی کا ان کی انتھک محنت اور خلوص کے لئے اور پینشن فنڈز کے شراکت داروں کا پینشن فنڈ منتظم کمپنی پر بھرپور اعتماد کرنے کے لیے بھی تہ دل سے شکر گزار ہے۔

از طرف بورڈ

ایم حبیب الرحمن

چیف ایگزیکٹو آفیسر

کراچی: ۳۰ اگست ۲۰۱۷ء

دوران سال بورڈ کے چھ اجلاس منعقد ہوئے اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر / افسر کا نام	عہدہ	تعداد شرکت	کل تعداد
۱	جناب یوسف ایچ شیرازی	چیئر مین	۵	۶
۲	جناب طارق امین	انڈیپنڈنٹ ڈائریکٹر	۵	۶
۳	جناب شمشاد نبی	انڈیپنڈنٹ ڈائریکٹر	۴*	۶
۴	جناب فراہم علی خان	نان ایگزیکٹو ڈائریکٹر	۶	۶
۵	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۶	۶
۶	جناب ایم ارشد بی رانا	نان ایگزیکٹو ڈائریکٹر	۴*	۶
۷	جناب حبیب الرحمن	چیف ایگزیکٹو آفیسر	۵	۶

\* جناب شمشاد نبی اور جناب ایم ارشد بی رانا صاحب چار اجلاس میں شریک ہوئے جس میں سے ایک میں بذریعہ ٹیلی کانفرنس کال شرکت کی۔

☆ آڈٹ کمیٹی (اے سی)۔ دوران سال (اے سی) کے چار اجلاس منعقد ہوئے اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب طارق امین	انڈیپنڈنٹ ڈائریکٹر	۴
۲	جناب شمشاد نبی	انڈیپنڈنٹ ڈائریکٹر	۲
۳	جناب فراہم علی خان	نان ایگزیکٹو ڈائریکٹر	۴

☆ بورڈ ایوالتون کمیٹی (بی ای سی)، دوران سال (بی ای سی) کا کوئی اجلاس منعقد نہیں ہوا۔

☆ ہیومن ریسورس اینڈ ریمونیریشن کمیٹی (ایچ اینڈ آر سی) دوران سال (ایچ اینڈ آر سی) کے دو اجلاس منعقد ہوئے اور مندرجہ ذیل ڈائریکٹر صاحبان نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	تعداد شرکت
۱	جناب فراہم علی خان	نان ایگزیکٹو ڈائریکٹر	۳
۲	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۲
۳	جناب ایم حبیب الرحمن	چیف ایگزیکٹو آفیسر	۳

- ☆ گوشواروں کی تیاری میں وہ بین الاقوامی معیارات جو پاکستان میں لاگو ہوتے ہیں، کو مد نظر رکھا گیا ہے اور اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔
- ☆ اندورنی نظم و ضبط کا نظام موثر نگرانی میں مستحکم بنیادوں پر نافذ ہے۔
- ☆ فنڈز کے مستقل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔
- ☆ اہم مالیاتی اعداد و شمار اور کارکردگی کے جدول کا خلاصہ اے پی ایف اور اے پی آئی ایف کے مالیاتی گوشواروں کے علی الترتیب نمبر ۲۱ اور ۱۹ میں دیا گیا ہے۔

#### کارپوریٹ نظم و ضبط:

کمپنی کارپوریٹ نظم و ضبط کے معیارات، ضابطہ اخلاق اور بہترین کاروباری طریقوں پر سختی سے عمل کرنے پر یقین رکھتی ہے۔ اور یہ سب اٹلس گروپ کی کاروباری تہذیب کا ایک جزو لاینفک ہے۔ جولائی ۲۰۱۲ میں کارپوریٹ نظم و ضبط کے اصولوں کی منظوری دی گئی جس میں بورڈ کے ممبران، ملازمین اور کمپنی پر مختلف حلقوں، آپس کے معاملات اور معاشرے کی فلاح و بہبود کے سلسلے میں عائد کردہ فرائض اور ذمہ داریوں کو صراحت کے ساتھ بیان کر دیا گیا ہے۔

کارپوریٹ نظم و ضبط کے تقاضوں کو مد نظر رکھتے ہوئے ۲۰۱۴ میں بورڈ ایوایویشن کمیٹی کا قیام عمل میں لایا گیا تاکہ بورڈ کی سالانہ کارکردگی کو جانچنے کے طریقہ کار پر عمل ہو سکے، بی ای سی تین ممبران پر مشتمل ہے، دو خود مختار ڈائریکٹر جس میں سے ایک کمیٹی کے چیئر مین ہیں، جبکہ دوسرے سرپرست خاندان کی نمائندگی کرتے ہیں۔ بی ای سی نے بورڈ کی کارکردگی کا جانچنے کا عمل مکمل کر لیا ہے۔ بورڈ ایوایویشن کمیٹی کا اجلاس دو سال میں ایک بار منعقد ہوتا ہے۔ بورڈ ایوایویشن کمیٹی کا اگلا اجلاس اپریل ۲۰۱۸ میں منعقد ہوگا۔

#### ادارے پر عائد معاشرتی ذمے داریاں اور عطیات:

بورڈ سے منظور شدہ کمپنی کے عطیات دینے کے اصول و ضوابط کے تحت ہر سال کمپنی، منتظم کمپنی کے منافع، بعد ازاں ایجنسی محصول، کا ایک فیصد عطیہ کرتی ہے۔ اس کے علاوہ شرعی اصولوں پر عمل پیرا ”اٹلس پینشن اسلامک فنڈ“ کی تاسیسی دستاویزات کے تحت یہ لازم ہے کہ فنڈ کی آمدنی کو اس میں شامل حرام جزو سے پاک کیا جائے۔ شرعی مشیر کی تصدیق کے بعد اس طرح کی آمدنی کو سہ ماہی بنیادوں پر، شرعی مشیر کی جانب سے منظور کردہ خیراتی اداروں کو عطیہ کر دیا جاتا ہے۔

#### پینشن فنڈز منتظم کا بورڈ آف ڈائریکٹرز اور مختلف کمیٹیاں:

منتظم کمپنی کا بورڈ آف ڈائریکٹرز ایک ایگزیکٹو اور چھ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ این بی ایف سی قواعد ۲۰۰۸ کے تحت دوران سال اتفاقہ طور پر ڈائریکٹر کی خالی ہونے والی آسامی کو سیکوریٹی ایچینج کمیشن کی منظوری سے پر کیا جاتا ہے۔

## اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف)

تفصیلات	اے پی آئی ایف - ایکٹیو (ذیلی فنڈ)		اے پی آئی ایف - ڈیٹ (ذیلی فنڈ)		اے پی آئی ایف - مٹی مارکیٹ (ذیلی فنڈ)	
	۲۰۱۷	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷	۲۰۱۶
خالص اثاثہ جات (روپے بلین میں)	۳۹۴.۵۷	۳۰۵.۳۵	۳۴۲.۰۵	۲۷۴.۲۹	۲۵۲.۶۷	۲۰۵.۷۸
نفع/(نقصان) فی یونٹ (روپے)	۱۴۹.۴۲	۲۳.۷۲	۷.۳۷	۷.۰۹	۷.۹۰	۷.۸۹
منافع	۲۸.۲۹ فیصد	۲۹.۹۹ فیصد	۵.۳۹ فیصد	۴.۳۳ فیصد	۴.۸۸ فیصد	۴.۲۱ فیصد
نیٹس کا اجراء (روپے بلین میں)	۷۶.۳۵	۶۶.۴۰	۱۰۸.۴۳	۷۸.۱۱	۷۶.۱۸	۶۳.۶۸
نیٹس کی واپسی (روپے بلین میں)	۷۴.۶۶	۵۱.۶۰	۵۶.۲۷	۴۷.۴۲	۴۰.۰۴	۳۶.۳۲
شرکت داروں کی رقم کا جدول مالیاتی گوشواروں کے جدول میں ظاہر کر دیا گیا ہے	نوٹ ۱۵	نوٹ ۱۵	نوٹ ۱۵	نوٹ ۱۵	نوٹ ۱۵	نوٹ ۱۵

فنڈ کے وقف نامہ کے مطابق ذیلی فنڈ کو حاصل ہونے والی آمدنی کو فنڈز میں محفوظ رکھا جائے گا۔

### چیئر مین کا جائزہ:

یہ جائزہ اٹلس پینشن فنڈ (اے پی ایف)، اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف) کی سالانہ رپورٹس میں شامل ہے جو کہ منجملہ دوسرے پہلوؤں کے، فنڈز کی کارکردگی اور مستقبل کے امکانات و توقعات کا بھی احاطہ کرتا ہے۔ بورڈ میں شامل ڈائریکٹر صاحبان اس جائزے کے مندرجات سے متفق ہیں اور اس کی تصدیق کرتے ہیں۔

### بورڈ آف ڈائریکٹر کا بیان:

بورڈ آف ڈائریکٹر تصدیق کرتا ہے کہ:

- ☆ پینشن فنڈ منظم کی جانب سے (اے، پی، ایف) اور (اے، پی، آئی، ایف) کے تیار کردہ گوشوارے، فنڈز کی کارکردگی، سالانہ آمدنی، کیش فلو اور شرکت داروں کے ذیلی فنڈز میں سرمائے کی نقل و حرکت کی ایک منصفانہ تصویر پیش کرتے ہیں۔
- ☆ اے پی ایف اور اے پی آئی ایف کے کھاتوں کو مناسب طریقہ سے تیار کیا گیا ہے۔
- ☆ گوشواروں کی تیاری میں حساب داری کے اصولوں کو تسلسل کے ساتھ لاگو کیا جا رہا ہے اور گوشواروں کی تیاری میں احتیاط اور فہم و فراست کا استعمال کیا جا رہا ہے۔

## ڈائریکٹر رپورٹ:

اٹلس ایسٹ منیجمنٹ لیمیٹڈ، منظم برائے اٹلس پینشن فنڈ (اے پی ایف)، اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کے آڈٹ شدہ مالیاتی نتائج برائے اختتام سال ۲۰۱۶ء، آڈیٹرز کی رپورٹ کے ہمراہ پیش کرتے ہوئے دلی مسرت محسوس کرتے ہیں۔

فنڈز کا حجم اور کاروباری سرگرمیاں:

(اے پی ایف) اور (اے پی آئی ایف) کے فنڈز کا حجم، آمدنی فی یونٹ، پنشن کے اجراء اور واپسی کا خلاصہ برائے اختتام مالی سال ۲۰۱۶ء اور اختتام سال ۲۰۱۶ء کا موازنہ حسب ذیل ہے:

اٹلس پینشن فنڈ (اے پی ایف)

تفصیلات	اے پی ایف- ایکویٹی (ذیلی فنڈ)		اے پی ایف- ڈیٹ (ذیلی فنڈ)		اے پی ایف- منی مارکیٹ (ذیلی فنڈ)		اے پی ایف- گولڈ (ذیلی فنڈ)	
	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷	۲۰۱۶	۲۰۱۷
خالص اثاثہ جات (روپے بلین میں)	۳۸۶.۹۷	۳۱۵.۴۶	۳۶۲.۲۵	۳۰۵.۲۲	۲۴۰.۰۰	۲۳۷.۶۲	۳۷.۳۶	۳۷.۱۲
نفع/(نقصان) فی یونٹ (روپے)	۱۲۸.۱۵	۱۷.۰۵	۱۱.۴۸	۱۶.۰۱	۱۱.۲۰	۱۰.۶۴	(۳.۰۵)	۱۳.۱۸
منافع	۲۸.۷۲ فیصد	۲.۵۰ فیصد	۵.۲۴ فیصد	۷.۸۸ فیصد	۵.۵۳ فیصد	۷.۷۴ فیصد	(۲.۷۸) فیصد	۱۲.۹۲ فیصد
پنشن کا اجراء (روپے بلین میں)	۵۹.۱۰	۷۳.۶۲	۸۳.۶۹	۷۶.۶۴	۵۶.۱۰	۱۰۰.۴۸	۱.۲۹	۰.۹۴
پنشن کی واپسی (روپے بلین میں)	۸۴.۲۹	۳۹.۷۰	۴۲.۳۳	۵۲.۸۵	۶۵.۸۲	۷۰.۸۸	۰.۰۳	۰.۴۴
شرکت داروں کی رقم کا جدول مالیاتی گوشواروں کے جدول میں ظاہر کر دیا گیا ہے	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷


















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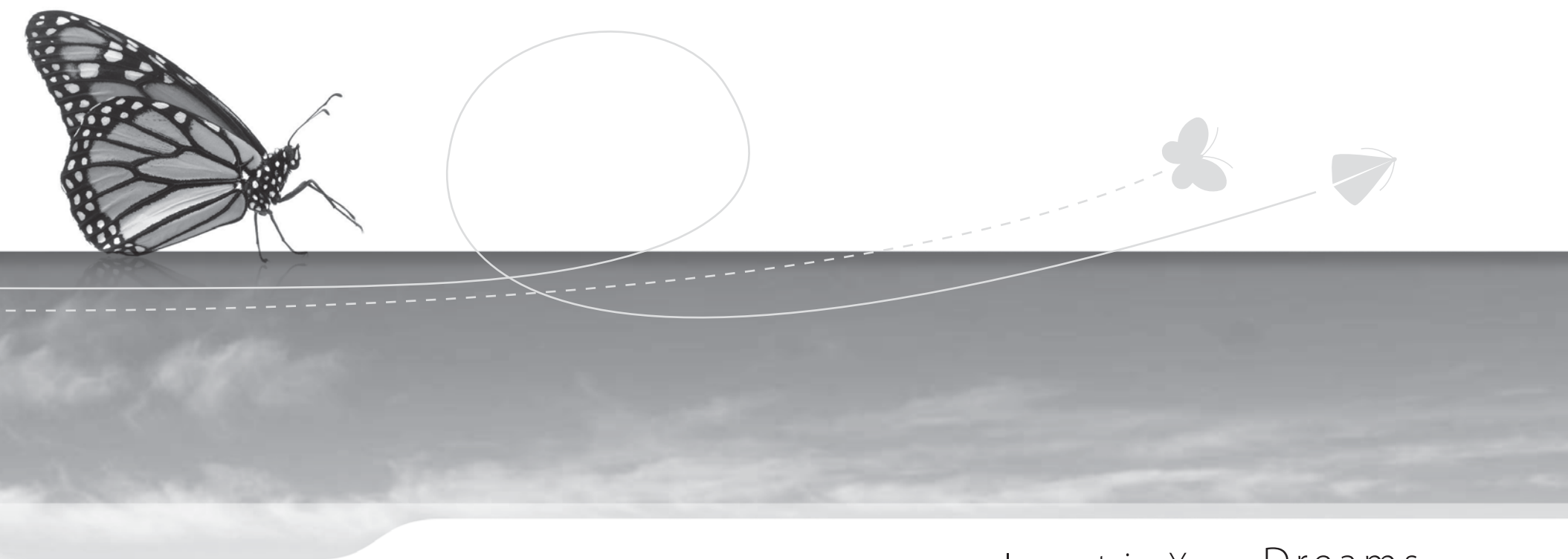
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