



Atlas Pension Fund

Atlas Pension Islamic Fund

ANNUAL REPORT

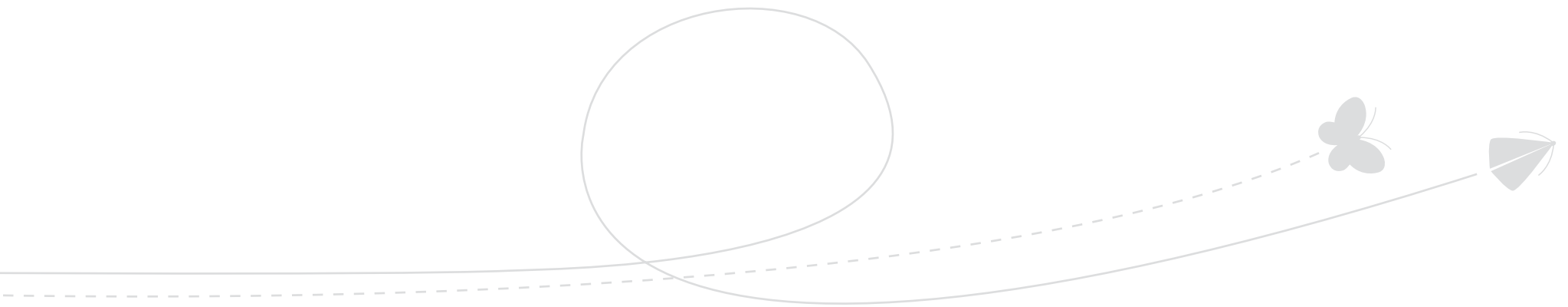
30 June 2018



Managed By

Atlas Asset Management

Rated AM2+ by PACRA



MANAGING TO THE CORE!

Even the most seemingly diminutive of creatures, hold for us an education. 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

Contents

Organisation	05
Board of Directors of the Pension Fund Manager	06
Chairman's Review	08
Directors' Report	13
Atlas Pension Fund	
Corporate Information	18
Fund Manager's Report	19
Trustee Report to the Participants	22
Auditors' Report to the Participants	23
Statement of Assets and Liabilities	25
Income Statement	26
Statement of Comprehensive Income	27
Statement of Movement in Participants' Sub Fund	28
Cash Flow Statement	29
Notes to the Financial Statements	31

Atlas Pension Islamic Fund

Corporate Information	72
Fund Manager's Report	73
Review Report of the Shariah Advisor	76
Trustee Report to the Participants	77
Auditors' Report to the Participants	78
Statement of Assets and Liabilities	80
Income Statement	81
Statement of Comprehensive Income	82
Statement of Movement in Participants' Sub Fund	83
Cash Flow Statement	84
Notes to the Financial Statements	86
ڈائریکٹرز رپورٹ	127



Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

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

Chief Executive Officer	Mr. M. Abdul Samad (Executive Director)
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Company Secretary	Ms Zainab Kazim
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Board Committees

Audit Committee

Chairman	Mr. Tariq Amin
Members	Mr. Frahim Ali Khan Mr. M. Habib-ur-Rahman
Secretary	Mr. M. Uzair Uddin Siddiqui

Human Resource & Remuneration Committee

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

Investment Committee

Chairman	Mr. Muhammad Abdul Samad
Members	Mr. Ali H. Shirazi Mr. Khalid Mahmood Mr. Muhammad Umar Khan Mr. Fawad Javaid Mr. Faran-ul-Haq
Secretary	

Management Committee

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

Risk Management Committee

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

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

The above information is as at 17 September 2018.

Board of Directors of the Management Company

Mr. Yusuf H. Shirazi

Chairman

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

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

Mr. Shirazi has been awarded Sitara-e-Eisaar and Sitara-e-Imtiaz the top Civilian Awards. Sitara-e-Imtiaz conferred by the Government of Pakistan recognizes individuals who have made an "especially meritorious contribution to the security or national interests of Pakistan, world peace, cultural or other significant public endeavors". Sitara-e-Eisaar Award is in recognition of CSR activities in Pakistan. A distinguished Formanite Award for outstanding achievements as an entrepreneur was awarded by Forman Christian College - University Lahore.

The Government of Japan also acknowledged Mr. Shirazi's contributions to promote economic relationship between the two countries by conferring the Japanese National Award

Mr. Fahim Ali Khan

Director

Mr. Fahim Ali Khan has over 50 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from the Karachi University in 1965 and also obtained a degree in law from the same University. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management from Stanford University, USA, and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different senior positions. Currently, his other directorships include Atlas Insurance Limited, Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Pvt.) Limited, Atlas Hi-Tech Limited, Atlas Autos (Pvt.) Limited, Atlas Metals (Pvt.) Limited and Atlas Foundation. Earlier, he has also served on the Boards of Atlas Honda Limited and Atlas Battery Limited, and has been the CEO of Shirazi Investments (Pvt.) Limited, Shirazi Trading Company (Pvt.) Limited, and former Atlas Investment Bank Limited.

Mr. M. Habib-ur-Rahman

Director

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants in England & Wales and has attended 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 Securities and Exchange Commission of Pakistan (SECP) nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of SECP Advisory Group on Capital Markets, member of the SECP Enquiry Committee (appointed in 2001) on management of Exposure Rules by KSE / LSE and member of the SECP Enquiry Committee (appointed in 2013) on 2008 financial crisis. He was the Chief Executive Officer of Atlas Asset Management Limited from March 2004 till March 2018.

Mr. Tariq Amin

Independent Director

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.

Board of Directors of the Management Company

Mr. Ali H. Shirazi

Director

Mr. Ali H. Shirazi graduated with a BA 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 the Chief Executive Officer at Atlas Battery Limited and is a member of the Group Executive Committee, responsible for Group's financial services. He is on the Board of Atlas Asset Management Limited, Atlas Engineering Limited, Atlas Insurance Limited, Atlas Metals (Private) Limited, Pakistan Society of Training and Development (Vice President), YPO (Young Professional Organization), National Management Foundation (sponsoring body of LUMS) and Techlogix International Limited. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

Ms. Zehra Naqvi

Independent Director

Ms. Zehra Naqvi was the Chief Executive Officer of Chubb Insurance Pakistan, (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware, USA) from September 2005 to September 2017. She has over 35 years of work experience in the insurance sector. Prior to joining Chubb, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and Adamjee Insurance Company in Pakistan. Ms. Naqvi holds a B.Sc. Degree, and an MBA Degree from the Institute of Business Administration, Karachi University. She is a Chartered Insurer from the Chartered Insurance Institute, UK and is a Certified Director from Institute of Chartered Accountants of Pakistan. She presently serves as a Non-executive Director on the Board of Chubb Insurance Pakistan Limited and as an Independent Director on the Board of Abbott Laboratories Pakistan Limited. She has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan and of the Executive Committee of The American Business Council.

Mr. M. Abdul Samad

Chief Executive Officer

Mr. Muhammad Abdul Samad has a vast experience of local investment management industry. He joined Atlas Asset Management Limited (AAML) in November 2005, and has held C-suite positions for over a decade, including the Chief Investment Officer and Chief Operating Officer positions. He attended Advanced Management Program at INSEAD, on nomination by the Atlas Group. In more than twelve years of his association with AAML, he has actively been involved in new business initiatives, marketing, human resource, and risk management & compliance areas. Mr. Samad was instrumental in the outsourcing of back office functions at AAML. He has also contributed to industry related issues at association level, and was a member of technical committee on retirement schemes. Prior to joining AAML, Mr. Samad spearheaded the research function at National Investment Trust Limited, and was also a part of various merger, acquisition and corporate governance related matters beside research. He has a significant Board experience, where he has served as a director on the board of nineteen listed companies, including Atlas Battery Limited, Lucky Cement, Berger Paints, Mirpurkhas Sugar, amongst others. Currently he is serving as a Director on the Board of MUFAP also.



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

Growth | Returns | Tax Savings

Chairman's Review

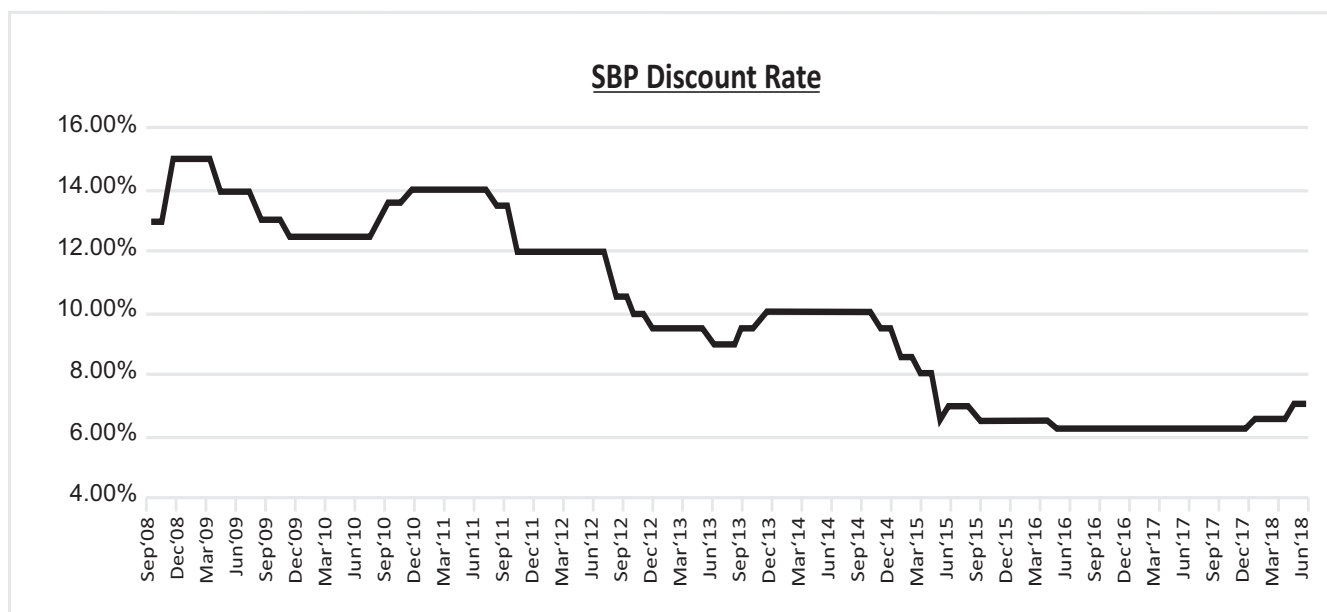
It is my pleasure to present to you the Annual Reports of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) for the financial year ended June 30, 2018.

THE ECONOMY

The economy registered a GDP growth rate of 5.80% in FY18 that is a 13-year high, which was 5.40% in FY17. Industrial sector has shown growth on the back of rise in large-scale manufacturing (LSM increased by 6.00% YoY during July to May 2017-18), coupled with a recovery in mining activities and continued surge in construction activities. Average Consumer Price Index (CPI) inflation was below the target of 6.00% standing at 3.92% for the year. During FY18, the current account deficit was recorded at US\$ 17.99 billion as compared to US\$ 12.62 billion in the same period last year. The foreign exchange reserves of the country stood at US\$ 16.4 billion as on June 29, 2018 with SBP's share of US\$ 9.79 billion in the total liquid foreign exchange reserves. Foreign remittances for FY18 stood at US\$ 19.62 billion, which was an increase of 1.4% YoY compared to the corresponding period last year despite the decline in new labor proceeding abroad. The SBP in its latest monetary policy statement as on July 14, 2018 decided to increase policy rate by 100bps to 7.5% which is a cumulative increase of 175 bps since January, 2018.

THE MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 3.92% during FY2017-18, as compared to 4.16% for the financial year 2016-17. The YoY uptick in inflation was due to global revival of international crude oil prices, along with rise in domestic demand due to pick up of economic activities. The government passed on the increase of fuel prices to domestic consumer, however, stable food prices offset the impact of the rise in petroleum rates.



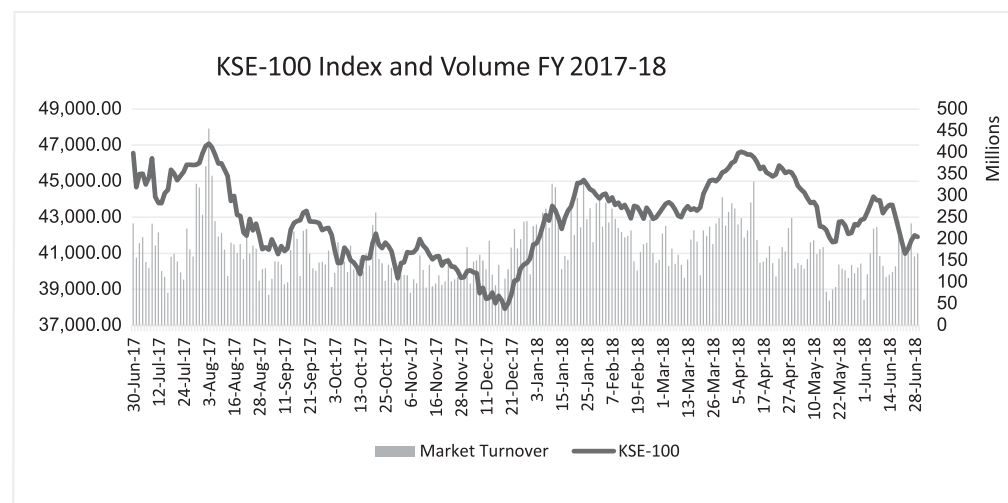
The growth in money supply (M2) witnessed an increase of 9.71% during 2017-18, which is Rs. 1,416.3 billion against the expansion of 13.69% (Rs. 1,756.0 billion) in the comparable period last year. Net Foreign Assets (NFA) declined by Rs. 472.8 billion during nine months 2017-18 as against the net contraction of Rs. 284.8 billion in the comparable period of fiscal year 2016-17. This is mainly due to high financing needs for current account deficit and foreign debt servicing payments. Net Domestic Asset (NDA) of banking system grew by 8.9% or Rs. 1,243.7 billion during nine months 2017-18 as against an increase of 8.8% or Rs. 1,040.9 billion during the corresponding period last year. Overall NDA of the banking sector remained balanced due to steady demand for private sector and Public Sector Enterprises (PSEs) credit and increase in government borrowing from the banking sector. Credit to private sector was Rs. 469.2 billion during nine months 2017-18 as against credit of Rs. 438.6 billion during the corresponding period last year due to favorable macroeconomic indicators, accommodative monetary policy and historic low policy rate especially during early periods of the fiscal year.

During the year, the cautious monetary policy was centered on consolidating the gains from historic-low policy rate at 5.75 percent till January, FY18 and striking a balance between subdued inflation and emerging pressures on external accounts. The SBP changed the monetary policy stance in January 2018 by 25 bps to 6 percent to anchor expected rise in inflation in view of reversal of international oil and commodities prices and to address domestic demand pressure as well as exchange rate movement. In March 2018, the Monetary Policy Committee decided to maintain policy rate at 6.0 percent for the next two months to see impact of policy. However, The Central Bank increased the policy rate by 50bps to 6.50% under its monetary policy statement announced on May 25, 2018. The central bank's decision was based on (i) rising international oil prices which may translate into inflationary pressures going forward (ii) elevated aggregate demand which has kept imports high offsetting the impact of growth in exports worsening the current account deficit and (iii) a lack of foreign inflows amidst absence of triggers. Pakistan's foreign exchange reserves have decreased to US\$ 16.4 billion at June end 2018 compared to US\$ 21.4 billion at June end 2017. The level of foreign exchange reserves declined on the back of widening current account deficit not being fully offset by financial inflows despite growth in export earnings and remittance inflows.

THE STOCK MARKET

The KSE-100 index decreased from 46,565.29 points as on June 30, 2017 to 41,910.90 points as on June 30, 2018, decreasing by 10.00%. The average volumes during the year decreased by 56% to 175 million shares from 399 million shares traded last year. Net Foreign portfolio outflow during the year was recorded at US\$289 million compared to outflow of US\$652 million last year. On the local front Insurance Companies, and Companies were the most active participants investing US\$204 million and US\$100 million during the period. Broker Proprietary Trading Accounts, Mutual Funds and Banks/DFIs, on the other hand, reduced their exposure in the equity market by US\$44 million, US\$35 million and US\$10 million, respectively.

During the period the sectors that outperformed the market were Oil and Gas Exploration, Fertilizer, Chemical, Textile Spinning and Banks that posted 20.2%, 3.4%, 0.5%, -7.1% and -9.8% returns, respectively. Oil & Gas Exploration sector outperformed the market due to increase in international crude oil prices by 54% during the year and 16% devaluation of PKR against US\$ that will bode well for the profitability of E&P companies. Fertilizer sector increased on improving fundamentals as Urea inventory glut subsided and price of Urea was increased by Rs.200/bag, partly to offset the impact of withdrawn cash subsidy (Rs.100/bag), on tighter Urea market. Sectors that remained subdued were Cement, Refinery, Engineering, Automobile Assemblers, Power Generation & Distribution, Textiles Composite, Oil and Gas Marketing and Pharmaceuticals posting -41.9%, -39.8%, -31.7%, -30.1%, -20.3%, -19.0%, -15.8% and -14.8% returns, respectively. Cement sector underperformed due to rise in international coal price that increased by 26% YoY and lower local retention prices of cement. Refineries declined on reduced demand for Furnace oil (FO) as government shifts its focus



to generate electricity from FO based power plants to LNG and Coal based power plants. Pharmaceutical declined on depreciation of PKR against US\$ which will make procurement expensive for the companies as majority of the raw material is imported.

Four new listing on the stock exchange during FY 2017-18 were Habib Metro Modaraba, Orient Rental Modaraba, Matco Foods Limited and AGP Limited. The amounts raised through IPO/Offer for Sale of Habib Metro Modaraba, Orient Rental Modaraba, Matco Foods Limited and AGP Limited were Rs. 90 million, Rs. 150 million, Rs. 758 million and Rs. 2,800 million. As on June 30, 2018 the market capitalization of Habib Metro Modaraba, Orient Rental Modaraba, Matco Foods Limited and AGP Limited were Rs. 300 million, Rs. 769 million, Rs. 4,381 million and Rs. 24,861 million, respectively. 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.

Overall the measures taken in the fiscal budget announced by the government bodes well for the corporate sector. The government in the budget reduced corporate tax rate for non-banking companies where corporate tax rate will be reduced by 1% every year reaching 25% in tax year 2023 from 30% in tax year 2018. Super tax will be abolished in phased manner where it will be reduced by 1% every year. Government also abolished withholding tax of 5% on issuance of bonus shares. Tax on undistributed profits is reduced from 7.5 % to 5% where the condition of distributing 40% of after tax profits was reduced to 20%.

TAXATION - VOLUNTARY PENSION FUND SCHEMES

WORKER'S WELFARE FUND (WWF)

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

SINDH WORKER'S WELFARE FUND (SWWF)

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

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

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

FEDERAL EXCISE DUTY (FED)

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

WITHHOLDING TAX

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

FUND OPERATIONS – ATLAS PENSION FUND (APF)

The Net Asset Value of APF – Equity Sub Fund (ESF) decreased by 2.97% from Rs. 512.86 as on June 30, 2017 to Rs.497.60 as on June 30, 2018. The APF- Equity Sub Fund mainly invested in Commercial Banks, Oil & Gas Exploration, Fertilizer and Cement sectors. The Net Asset Values of APF - Debt Sub Fund (DSF), APF - Money Market Sub Fund (MMSF) appreciated by 4.96% and 5.36% respectively. 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. The Net Assets of APF stood at Rs. 1,036 million as on June 30, 2018.

The Fund has made provision against SWWF, which up till June 30, 2018 amounted to Rs. 2,516,618 (Rs. 3.18 per unit) (ESF), Rs. 1,247,601 (Rs. 0.81 per unit) (DSF) and Rs.779, 783 (Rs. 0.68 per unit) (MSF). The Scheme has also held provisions for FED liability that amounted to (ESF) Rs.1, 523,347, (DSF) Rs.1, 124,175 and (MSF) Rs.706, 273 up till June 30, 2016, which is Rs.1.92, Rs.0.73 and Rs.0.62 per unit respectively as on June 30, 2018.

FUND OPERATIONS – ATLAS PENSION ISLAMIC FUND (APIF)

The Net Asset Value of APIF – Equity Sub Fund (ESF) decreased by 9.54% from Rs 673.59 as on June 30, 2017 to Rs 609.34 as on June 30, 2018. The APIF- Equity Sub Fund mainly invested in Oil & Gas Exploration, Fertilizer, Cement 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 3.58% and 4.02% respectively during the period under review. The APIF Debt Sub-Fund & Money Market Sub Fund were mainly invested in Treasury Bills and high yielding bank deposits. The Net Assets of APIF has stood at Rs. 1,061 million as on June 30, 2018.

The Fund has made provision against SWWF, which up till June 30, 2018 amounted to Rs. 2,442,724 (Rs. 3.68 per unit) (ESF), Rs. 810,013 (Rs. 0.47 per unit) (DSF) and Rs. 613,743 (Rs. 0.43 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.2.43, Rs.0.60 and Rs.0.45 per unit respectively as on June 30, 2018.

REVOCATION OF ATLAS PENSION FUND - GOLD SUB FUND

The Board of Directors of Atlas Asset Management Limited, the Pension Fund Manager (PFM) in its meeting held on October 26, 2017, decided to revoke the APF – Gold Sub Fund under clause 34.2 of the Trust Deed and Part XIX of the Offering Document of the Fund. Subsequently, the PFM, with the consent of participants, units held by them of APF – Gold Sub Fund to other Sub Funds. SECP gave its consent to revocation of APF Gold Sub Fund and also approved refund of seed capital to AAML. APF-Gold sub fund is no longer offered to participants and final settlement has been made on February 23, 2018. However, there is a claim for refund of tax amounting to Rs.0.05 million and also there are provisions in the books for Federal Excise Duty and Sindh Workers' Welfare Fund amounting to Rs.0.36 million that has been made as an abundant precaution. Once these issues are resolved these will be allocated to seed capital and Participants proportionately with prior approval of the Trustee and if required of SECP.

RATINGS

Asset Manager Rating

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

FUTURE OUTLOOK

In recent years Pakistan economy has continued its growth momentum due to better availability of energy, improving security situation and low international commodity prices. Economic activity has been strong as there is growth in industrial output as depicted in LSM index led by improvement in energy supply, infrastructure investment tied to economic corridor project CPEC, and higher credit offtake. However, slowdown in real sector growth may be witnessed next year as shortage of water is likely to constrain agriculture production, and manufacturing sector may show slowdown owing to high base-effect and ongoing monetary tightening that could reduce demand. Moreover, higher domestic petroleum prices due to rising international oil prices and devaluation of Pak Rupee is likely to put pressure on inflation in coming months. Going forward, exchange rate flexibility and active monetary management is going to help arrest widening current account deficit while helping sustain growth momentum in medium term without posing a risk to economic stability. Going forward, continuous external flow would be required to maintain the stable balance of payments position. Shifting focus towards making the exports competitive through devaluation of currency and rebates, would strengthen the external sector outlook over medium to long term.

خدا جب دیتا ہے تو چھپڑ پھاڑ کے دیتا ہے

When god decides to give you something he overwhelms you

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

ACKNOWLEDGEMENT

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

Karachi: 06 September 2018

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 2018.

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 2018 in comparison to the year ended 30 June 2017 are as follows:

Atlas Pension Fund (APF)

Particulars	APF - Equity Sub Fund		APF - Debt Sub Fund		APF - Money Market Sub Fund	
	2018	2017	2018	2017	2018	2017
Net assets - Rs. million	393.87	386.97	375.46	362.25	266.91	240.00
Earnings / (loss) per unit - Rs.	(17.68)	128.15	12.03	11.48	11.43	11.20
Return - %	(2.97)	28.72	4.96	5.24	5.36	5.53
Issuance of units - Rs. million	63.72	59.10	67.64	83.69	55.77	56.10
Redemption of units - Rs. million	(42.83)	84.29	(72.28)	42.33	(41.94)	65.82
Participants' contribution table - disclosure in financial statements	Note 18	Note 17	Note 18	Note 17	Note 18	Note 17

Atlas Pension Islamic Fund (APIF)

Particulars	APIF - Equity Sub Fund		APIF - Debt Sub Fund		APIF - Money Market Sub Fund	
	2018	2017	2018	2017	2018	2017
Net assets - Rs. million	404.13	394.57	351.15	342.05	305.24	252.67
Earnings per unit - Rs.	(56.05)	149.42	8.68	7.37	7.79	7.90
Return - %	(9.54)	28.29	3.58	5.39	4.02	4.88
Issuance of units - Rs. million	108.02	76.35	114.52	108.43	105.27	76.18
Redemption of units - Rs. million	61.29	74.66	118.16	56.27	63.11	40.04
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.

REVOCATION OF ATLAS PENSION FUND- GOLD SUB FUND

The Management Company allocated, with the consent of participants, units held by them of APF - Gold Sub Fund to other sub-funds. Consequently SECP gave its consent for revocation of the sub-fund. There is a claim for refund of tax amounting to Rs.54,047 and also there are provisions in the books for Federal Excise Duty and Sindh Workers' Welfare Fund amounting to Rs.0.35 million that has been made as an abundant precaution. Once these issues are resolved these will be allocated to seed capital and Participants proportionately with prior approval of the Trustee and if required of SECP.

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 there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.
- Key Financial data/ performance table is summarized in notes 22 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.

With regards to SECP letter No. SCD/RS/MUFAP/346/2018 dated April 18, 2018 addressed to MUFAP, whereby open ended collective investment schemes as well as unlisted asset management companies, managing such collective investment schemes, are exempted from the requirement of the new Listing Companies (Code of Corporate Governance) Regulations, 2017.

CHANGE OF CHIEF EXECUTIVE OFFICER

The Board of Directors of AAML, in its 89th Board Meeting held on February 28, 2018 had accepted the resignation of Mr. M. Habib -ur-Rahman, and appointed Mr. Muhammad Abdul Samad as the Chief Executive Officer.

Mr. Muhammad Abdul Samad, took charge from the outgoing Chief Executive Officer, Mr. M. Habib -ur-Rahman, as the Chief Executive Officer of AAML w.e.f March 19, 2018.

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. The Board of Directors of AAML include: Mr. Yusuf H. Shirazi, Chairman, Mr. Fahim Ali Khan, Director, Mr. M. Habib-ur-Rahman, Director, Mr. Tariq Amin, Independent Director, Mr. Ali H. Shirazi, Director, Ms Zehra Naqvi, Independent Director and Mr. Muhammad Abdul Samad, Chief Executive Officer.

There were two casual vacancies in the Board during the year, which were filled in with the approval of the Securities and Exchange Commission of Pakistan, as required by the NBFC Regulations, 2008.

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

Serial no.	Name of Director	Status	Meetings attended	Out of total Meetings
1	Mr. Yusuf H. Shirazi	Chairman	5	6
2	Mr. Tariq Amin	Independent Director	6	6
3	Mr. Shamshad Nabi**	Independent Director	3	4
4	Mr. Fahim Ali Khan	Non-Executive Director	6	6
5	Mr. Ali H. Shirazi	Non-Executive Director	6	6
6	Mr. M. Arshad P. Rana	Non-Executive Director	4*	4
7	Mr. M. Habib-ur-Rahman	Non-Executive Director	6	6
8	Ms Zehra Naqvi***	Independent Director	1	1
9	Mr. Muhammad Abdul Samad***	Chief Executive Officer	2	2

* Mr. Arshad P. Rana attended three meetings through teleconference call. He resigned w.e.f. March 19, 2018.

**Mr. Shamshad Nabi resigned w.e.f. March 22, 2018.

*** Ms Zehra Naqvi w.e.f. April 26, 2018 and Mr. Muhammad Abdul Samad appointed w.e.f. March 19, 2018.

Committees of the Board comprise the Audit Committee, the Human Resource & Remuneration Committee, and the Investment Committee (which includes executive management personnel as required under the NBFC Regulations, 2008). Board Evaluation Committee was dissolved vide Circular Resolution no.138 passed by the Board dated March 22, 2018. These meetings were attended by the Directors as per the following details:

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

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Tariq Amin	Independent Director	4
2	Mr. Shamshad Nabi*	Independent Director	3
3	Mr. Fahim Ali Khan	Non-Executive Director	4
4	Mr. M. Habib -ur-Rahman	Non-Executive Director	1

* Resigned w.e.f. March 22, 2018

** Member w.e.f. March 22, 2018

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

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Frahim Ali Khan	Non-Executive Director	4
2	Mr. Ali H. Shirazi	Non-Executive Director	4
3	Mr. M. Habib-ur-Rahman	Ex- Chief Executive Officer	2
4	Mr. M. Abdul Samad	Chief Executive Officer	2

Investment Committee (IC) - 34 meetings were held during the year and attended as follows:

Serial no.	Name of Director	Status	Meeting attended
1	Mr. Ali H. Shirazi	Non-Executive Director	6
2	Mr. M. Habib-ur-Rahman	Ex-Chief Executive Officer	21
3	Mr. M. Abdul Samad	Chief Executive Officer	34
4	Mr. Khalid Mahmood (executive management)	Chief Investment Officer - Member IC	30
5	Mr. M. Umar Khan (executive management)	Fund Manager - Member IC	31
6	Mr. Fawad Javaid (executive management)	Fund Manager - Member IC	33
7	Mr. Faran-ul-Haq (executive management)	Fund Manager -Secretary IC	34

APPOINTMENT OF SHARIAH ADVISOR

The Board accepted the resignation of Mr. Yahya Asim, outgoing Shariah Advisor, and approved appointment of Shariah Advisor, Mr. Dr. Mufti Wasie Fasih, of APIF, vide Circular Resolution dated April 11, 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.

RATINGS UPDATE

ASSET MANAGER RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2017: AM2+ (AM Two Plus)] on 30 June 2018. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 03 September 2018, recommended the re-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 financial year ending 30 June 2019. 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

Muhammad Abdul Samad
Chief Executive Officer

Frahim Ali Khan
Director

Karachi: 06 September 2018

Atlas Pension 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

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Fayal Bank Limited
Habib Bank Limited
MCB Bank Limited
Zarai Taraqati Bank Limited



Fund Manager's Report

The objective of Atlas Pension Fund (APF) is to provide the individuals with a portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and provide for their retirement. Atlas Pension Fund is a one-window facility to invest in diversified portfolio of equity, fixed income, 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 decreased from 46,565.29 points as on June 30, 2017 to 41,910.90 points as on June 30, 2018, decreasing by 10.00%. The average volumes during the year decreased by 56% to 175 million shares from 399 million shares traded last year. Net Foreign portfolio outflow during the year was recorded at US\$ 289 million compared to outflow of US\$ 652 million last year. On the local front Insurance Companies, and Companies were the most active participants investing US\$ 204 million and US\$ 100 million during the period. Broker Proprietary Trading Accounts, Mutual Funds and Banks/DFIs, on the other hand, reduced their exposure in the equity market by US\$ 44 million, US\$ 35 million and US\$ 10 million, respectively.

During the period the sectors that outperformed the market were Oil and Gas Exploration, Fertilizer, Chemical, Textile Spinning and Banks that posted 20.2%, 3.4%, 0.5%, -7.1% and -9.8% returns, respectively.

The major outperformers for the index were PPL, POL, BAH, EFERT, FFC, OGDC, PAKT, BAFL and HMB as they contributed approximately 3,064 points to the index. Decline in share price of HBL, LUCK, UBL, DGKC, PAEL, HUBC, HCAR, MLCF, SNGP and FCCL led index to shed 4,876 points.

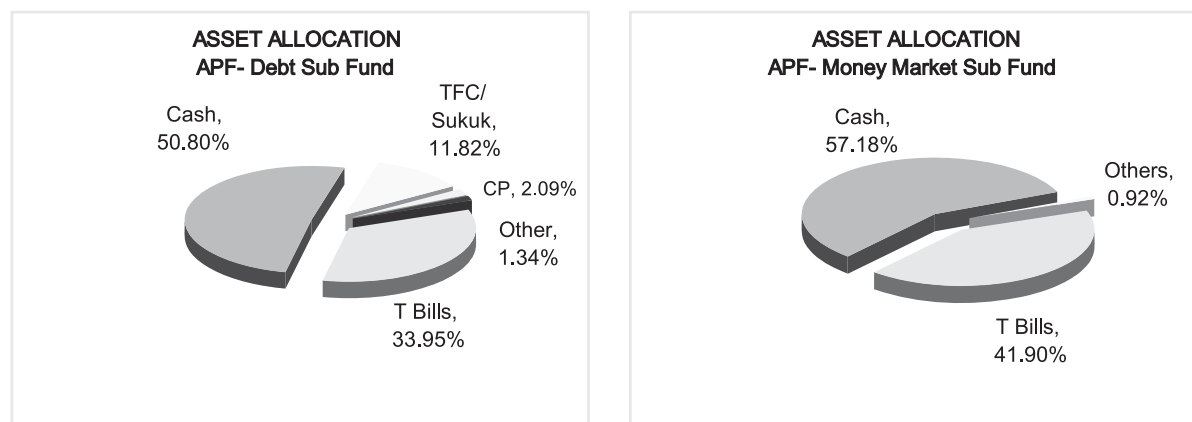
MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 3.92% during financial year 2017-18, as compared to 4.16% for the financial year 2016-17. The YoY uptick in inflation was due to global revival of international crude oil prices, along with rise in domestic demand due to pick up of economic activities. The government passed on the increase of fuel prices to domestic consumer, however, stable food prices offset the impact of the rise in petroleum rates.

During the year, the cautious monetary policy was centered on consolidating the gains from historic-low policy rate at 5.75 percent till January, FY18 and striking a balance between subdued inflation and emerging pressures on external accounts. The SBP changed the monetary policy stance in January 2018 by 25 bps to 6 percent to anchor expected rise in inflation in view of reversal of international oil and commodities prices and to address domestic demand pressure as well as exchange rate movement. In March 2018, the Monetary Policy Committee decided to maintain policy rate at 6.0 percent for the next two months to see impact of policy. However, The Central Bank increased the policy rate by 50bps to 6.50% under its monetary policy statement announced on May 25, 2018. The central bank's decision was based on (i) rising international oil prices which may translate into inflationary pressures going forward (ii) elevated aggregate demand which has kept imports high offsetting the impact of growth in exports worsening the current account deficit and (iii) a lack of foreign inflows amidst absence of triggers. Pakistan's foreign exchange reserves have decreased to US\$ 16.4 billion at June end 2018 compared to US\$ 21.4 billion at June end 2017. The level of foreign exchange reserves declined on the back of widening current account deficit not being fully offset by financial inflows despite growth in export earnings and remittance inflows.

FUND OPERATIONS

The Net Asset Value of APF - Equity Sub Fund (ESF) decreased by 2.97% from Rs. 512.86 as on June 30, 2017 to Rs.497.60 as on June 30, 2018. The APF- Equity Sub Fund mainly invested in Commercial Banks, Oil & Gas Exploration, Fertilizer and Cement sectors. The Net Asset Values of APF - Debt Sub Fund (DSF), APF - Money Market Sub Fund (MMSF) appreciated by 4.96% and 5.36% respectively. 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. The Net Assets of APF stood at Rs. 1,036 million as on June 30, 2018.



The Fund has made provision against SWWF, which up till June 30, 2018 amounted to Rs. 2,516,618 (Rs. 3.18 per unit) (ESF), Rs. 1,247,601 (Rs. 0.81 per unit) (DSF) and Rs.779, 783 (Rs. 0.68 per unit) (MSF). The Scheme has also held provisions for FED liability that amounted to (ESF) Rs.1, 523,347, (DSF) Rs.1, 124,175 and (MSF) Rs.706, 273 up till June 30, 2016, which is Rs.1.92, Rs.0.73 and Rs.0.62 per unit respectively as on June 30, 2018.

ALLOCATION SCHEMES

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

Allocation Schemes	Proportionate Investment in			Return
	Equity	Debt	Money Market	FY 2017-18
High Volatility	80%	20%	Nil	-1.38%
Medium Volatility	50%	40%	10%	1.04%
Low Volatility	25%	60%	15%	3.04%
Lower Volatility	Nil	60%	40%	5.12%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return					
	FY-13	FY-14	FY15	FY16	FY17	FY18
High Volatility	43.68%	29.81%	19.51%	5.18%	24.02%	-1.38%
Medium Volatility	30.44%	21.54%	16.57%	5.98%	17.01%	1.04%
Low Volatility	19.42%	14.66%	14.29%	6.71%	11.15%	3.04%
Lower Volatility	8.34%	7.73%	10.99%	7.02%	5.36%	5.12%

During the year under review, the Investment Committee held 34 meetings to review investment of the Fund and the Risk Committee held 22 meetings to review risk management.

Fawad Javaid
Fund Manager - Fixed Income

M. Umar Khan
Fund Manager - Equity

Karachi: 06 September 2018

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, 2018 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 18 September 2018

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

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 2018 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 assessment, 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 2018 and of the transactions of the Fund for the year ended 30 June 2018 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.

Emphasis of Matter

We draw attention to note 1.7 to the financial statements, which describes that the financial statements of Atlas Pension Fund - Gold Sub Fund has not been prepared on going concern basis because the said sub-fund was revoked on 23 February 2018. Our opinion is not modified in respect of this matter.

Date: 06 September 2018

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Malik

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2018

2018							2017						
Note	Gold Sub-Fund -												
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Revoked (Note 13)	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	
	Rupees						Rupees						
ASSETS													
Bank balances	42,243,660	192,382,790	153,927,957	374,852	9,581,181	398,510,440	54,739,588	208,386,831	180,973,062	30,622,242	3,759,271	478,480,994	
Receivable against sale of investments	1,484,163	-	-	-	-	1,484,163	1,888,118	-	-	-	-	1,888,118	
Investments - net	355,990,634	181,266,748	112,781,978	-	-	650,039,360	374,238,437	129,570,757	49,753,190	-	-	553,562,384	
Dividend receivable	649,123	-	-	-	-	649,123	986,265	-	-	-	-	986,265	
Interest accrued	144,199	1,220,289	218,440	1,457	-	1,584,385	173,336	1,285,550	165,018	68,811	-	1,692,715	
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	-	-	-	-	-	-	7,045,426	-	7,045,426	
Security deposit and other receivables	4,280,270	3,819,631	2,258,361	61,418	2,852	10,422,532	2,571,279	25,708,593	10,942,166	737,848	2,852	39,962,738	
Total assets	404,792,049	378,689,458	269,186,736	437,727	9,584,033	1,062,690,003	434,597,023	364,951,731	241,833,436	38,474,327	3,762,123	1,083,618,640	
LIABILITIES													
Payable against redemption of units	30,572	181,436	394,459	-	-	606,467	34,565,938	98,544	248,491	-	-	34,912,973	
Payable against purchase of investments	5,832,658	-	-	-	-	5,832,658	7,925,214	-	-	-	-	7,925,214	
Payable to the Pension Fund Manager	2,287,243	1,553,543	937,867	238,537	-	5,017,190	2,335,116	1,519,439	918,681	273,049	-	5,046,285	
Payable to the Central Depository Company of Pakistan Limited - Trustee	56,727	52,195	37,618	-	-	146,540	63,835	45,696	32,095	5,158	-	146,784	
Payable to the Securities and Exchange Commission of Pakistan	123,460	122,639	83,438	-	-	329,537	134,316	102,380	75,061	12,096	-	323,853	
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-	731,481	-	731,481	
Payable to the auditors	66,640	66,247	45,061	4,207	-	182,155	75,310	57,624	42,254	6,812	-	182,000	
Post revocation profit	-	-	-	76,881	-	76,881	-	-	-	-	-	-	
Accrued expenses and other liabilities	2,524,923	1,250,534	781,612	118,102	9,584,033	14,259,204	2,531,504	873,273	516,214	86,016	3,762,123	7,769,130	
Total liabilities	10,922,223	3,226,594	2,280,055	437,727	9,584,033	26,450,632	47,631,233	2,696,956	1,832,796	1,114,612	3,762,123	57,037,720	
NET ASSETS	393,869,826	375,462,864	266,906,681	-	-	1,036,239,371	386,965,790	362,254,775	240,000,640	37,359,715	-	1,026,580,920	
REPRESENTED BY:													
PARTICIPANTS' SUB-FUNDS (as per statement attached)	393,869,826	375,462,864	266,906,681	-	-	1,036,239,371	386,965,790	362,254,775	240,000,640	37,359,715	-	1,026,580,920	
NUMBER OF UNITS IN ISSUE	791,532	1,543,116	1,144,654	-			754,525	1,562,676	1,084,381	335,782			
NET ASSET VALUE PER UNIT	497.60	243.31	233.18	-			512.86	231.82	221.32	111.26			
CONTINGENCIES AND COMMITMENTS													

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

		2018					2017				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked (Note 13)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
Note		Rupees					Rupees				
INCOME											
Interest income	15	1,938,730	23,017,689	15,452,563	77,450	40,486,432	1,366,159	19,620,695	13,556,970	1,823,118	36,366,942
Dividend income		19,532,957	-	-	-	19,532,957	19,231,650	-	-	-	19,231,650
Realised (loss) / gain on sale of investments at fair value through profit or loss - net		(24,428,527)	-	-	-	(24,428,527)	70,664,530	-	-	-	70,664,530
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(2,980,379)	-	-	-	(2,980,379)	13,809,573	-	-	-	13,809,573
		(27,408,906)	-	-	-	(27,408,906)	84,474,103	-	-	-	84,474,103
Realised loss on gold contracts		-	-	-	-	-	-	-	-	(1,529,421)	(1,529,421)
Net unrealised diminution on future contracts of gold		-	-	-	-	-	-	-	-	(731,481)	(731,481)
(Loss) / gain on sale / maturity of 'available for sale investments' - net		-	(15,909)	(58,918)	-	(74,827)	-	914,278	(200,820)	-	713,458
		(5,937,219)	23,001,780	15,393,645	77,450	32,535,656	105,071,912	20,534,973	13,356,150	(437,784)	138,525,251
EXPENSE											
Remuneration of Pension Fund Manager	8.1	5,561,112	2,762,264	1,252,811	-	9,576,187	6,050,661	2,306,033	1,126,604	363,395	9,846,693
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	722,945	359,094	162,865	-	1,244,904	786,586	299,784	146,459	47,241	1,280,070
Federal Excise Duty on remuneration of the Pension Fund Manager	8.3	-	-	-	-	-	-	-	-	-	-
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	9.1	553,390	549,827	374,038	-	1,477,255	604,874	461,059	337,882	54,486	1,458,301
Sindh Sales tax on Trustee Fee	9.2	71,941	71,478	48,625	-	192,044	78,634	59,938	43,925	7,083	189,580
Annual fee - Securities and Exchange Commission of Pakistan		123,460	122,639	83,438	-	329,537	134,316	102,380	75,061	12,096	323,853
Auditor's remuneration	16	61,455	74,270	46,300	-	182,025	77,172	57,276	41,375	6,781	182,604
Legal and professional charges		65,052	75,322	49,857	-	190,231	10,474	7,174	5,300	812	23,760
Securities' transaction cost and settlement charges		804,598	10,745	9,371	-	824,714	1,176,619	16,755	11,147	125,577	1,330,098
Bank charges		93,018	29,075	20,967	569	143,629	116,502	17,669	15,420	11,193	160,784
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	-	378,942	266,908	-	645,850	2,516,619	868,650	512,852	85,476	3,983,597
		8,056,971	4,433,656	2,315,180	569	14,806,376	8,375,761	2,591,707	1,207,870	587,097	12,762,435
Net (loss) / income for the year		(13,994,190)	18,568,124	13,078,465	76,881	17,729,280	96,696,151	17,943,266	12,148,280	(1,024,881)	125,762,816
(Loss) / earnings per unit	3.9	(17.68)	12.03	11.43	-		128.15	11.48	11.20	(3.05)	

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018					2017				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked (Note 13)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
		-----Rupees-----					-----Rupees-----				
Net (loss) / income for the year		(13,994,190)	18,568,124	13,078,465	76,881	17,729,280	96,696,151	17,943,266	12,148,280	(1,024,881)	125,762,816
Income that may be re-classified subsequently to Income Statement											
Net unrealised diminution on re-measurement of investments classified as 'available for sale'	17	-	(721,638)	(6,880)	-	(728,518)	-	(2,277,644)	(45,213)	-	(2,322,857)
Total comprehensive (loss) / income for the year		(13,994,190)	17,846,486	13,071,585	76,881	17,000,762	96,696,151	15,665,622	12,103,067	(1,024,881)	123,439,959

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2018

Note	2018					2017				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked (Note 13)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	-----Rupees-----					-----Rupees-----				
Net assets at the beginning of the year	386,965,790	362,254,775	240,000,640	37,359,715	1,026,580,920	315,463,800	305,222,170	237,619,284	37,119,684	895,424,938
Issue of units										
- Directly by participants	63,724,897	67,637,228	55,773,924	177,974	187,314,023	59,100,013	83,693,828	56,097,042	1,291,804	200,182,687
Redemption of units										
- Directly by participants	(42,806,959)	(71,969,995)	(41,641,965)	(37,614,570)	(194,033,489)	(74,562,293)	(34,632,483)	(57,265,339)	(26,892)	(166,487,007)
- Transfer to other Pension Fund	(19,712)	(305,630)	(297,503)	-	(622,845)	(9,731,881)	(7,694,362)	(8,553,414)	-	(25,979,657)
	(42,826,671)	(72,275,625)	(41,939,468)	(37,614,570)	(194,656,334)	(84,294,174)	(42,326,845)	(65,818,753)	(26,892)	(192,466,664)
Net other income / (loss) for the year	10,434,337	18,584,033	13,137,383	76,881	42,232,634	26,031,621	17,028,988	12,349,100	(1,024,881)	54,384,828
Capital (loss) / gain on sale of investments at fair value through income statement - net	(24,428,527)	-	-	-	(24,428,527)	70,664,530	-	-	-	70,664,530
(loss) / Gain on sale / maturity of 'available for sale investments' - net	-	(15,909)	(58,918)	-	(74,827)	-	914,278	(200,820)	-	713,458
Net unrealised diminution on re-measurement of investments classified as 'available for sale'	-	(721,638)	(6,880)	-	(728,518)	-	(2,277,644)	(45,213)	-	(2,322,857)
Total comprehensive income for the year	(13,994,190)	17,846,486	13,071,585	76,881	17,000,762	96,696,151	15,665,622	12,103,067	(1,024,881)	123,439,959
Net assets at the end of the year	393,869,826	375,462,864	266,906,681	-	1,036,239,371	386,965,790	362,254,775	240,000,640	37,359,715	1,026,580,920

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	2018						2017					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked (Note 13)	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----						-----Rupees-----					
CASH FLOWS FROM OPERATING ACTIVITIES												
Net (loss) / income for the year	(13,994,190)	18,568,124	13,078,465	76,881	-	17,729,280	96,696,151	17,943,266	12,148,280	(1,024,881)	-	125,762,816
Adjustments for:												
Interest income	(1,938,730)	(23,017,689)	(15,452,563)	(77,450)	-	(40,486,432)	(1,366,159)	(19,620,695)	(13,556,970)	(1,823,118)	-	(36,366,942)
Dividend income	(19,532,957)	-	-	-	-	(19,532,957)	(19,231,650)	-	-	-	-	(19,231,650)
Capital loss / (gain) on sale of investments at fair value through profit or loss - net	24,428,527	-	-	-	-	24,428,527	(70,664,530)	-	-	-	-	(70,664,530)
Realised loss on gold contracts	-	-	-	-	-	-	-	-	-	1,529,421	-	1,529,421
loss / (gain) on sale / maturity of available for sale investments - net	-	15,909	58,918	-	-	74,827	-	(914,278)	200,820	-	-	(713,458)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss'	2,980,379	-	-	-	-	2,980,379	(13,809,573)	-	-	-	-	(13,809,573)
Net unrealised loss on future contracts of gold	-	-	-	-	-	-	-	-	-	731,481	-	731,481
Reversal of provision for Workers' Welfare Fund	-	-	-	-	-	-	(3,176,696)	(1,605,011)	(1,108,155)	(127,043)	-	(6,016,905)
Provision for Sindh Workers' Welfare Fund	-	378,942	266,908	-	-	645,850	2,516,619	868,650	512,852	85,476	-	3,983,597
	(8,056,971)	(4,054,714)	(2,048,272)	(569)	-	(14,160,526)	(9,035,838)	(3,328,068)	(1,803,173)	(628,664)	-	(14,795,743)
(Increase) / decrease in assets												
Receivable against sale of investments	403,955	-	-	-	-	403,955	2,090,277	-	-	-	-	2,090,277
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	7,045,426	-	7,045,426	-	-	-	966,867	-	966,867
Security deposit and other receivables	(1,708,991)	21,888,962	8,683,805	676,430	-	29,540,206	4,491,889	(20,416,265)	(4,134,069)	(653,923)	-	(20,712,368)
	(1,305,036)	21,888,962	8,683,805	7,721,856	-	36,989,587	6,582,166	(20,416,265)	(4,134,069)	312,944	-	(17,655,224)
(Decrease) / increase in liabilities												
Payable against redemption of units	(34,535,366)	82,892	145,968	-	-	(34,306,506)	34,562,633	(1,542,916)	35,253	(165,898)	(123,776)	32,765,296
Payable against purchase of investments	(2,667,556)	-	-	-	-	(2,667,556)	7,478,824	-	-	-	-	7,478,824
Payable to the Pension Fund Manager	(47,873)	34,104	19,186	(34,512)	-	(29,095)	154,942	18,889	(2,074)	751	-	172,508
Payable to Central Depository Company of Pakistan Limited - Trustee	(7,108)	6,499	5,523	(5,158)	-	(244)	17,276	3,605	(746)	93	-	20,228
Payable to the Securities and Exchange Commission of Pakistan	(10,856)	20,259	8,377	(12,096)	-	5,684	43,419	11,295	3,313	1,085	-	59,112
Payable to the auditors	(8,670)	8,623	2,807	(2,605)	-	155	12,274	(5,514)	(7,509)	(854)	-	(1,603)
Profit from revocation	-	-	-	76,881	-	76,881	-	-	-	-	-	-
Accrued expenses and other liabilities	(6,581)	(1,681)	(1,510)	32,086	5,821,910	5,844,224	7,532	(137)	(480)	(1)	(12,151,730)	(12,144,816)
	(37,284,010)	150,696	180,351	54,596	5,821,910	(31,076,457)	42,276,900	(1,514,778)	27,757	(164,824)	(12,275,506)	28,349,549
Interest received	1,967,867	10,595,304	6,151,156	144,804	-	18,859,131	1,250,504	12,721,990	6,806,132	1,234,616	-	22,013,242
Dividend received	19,870,099	-	-	-	-	19,870,099	18,960,385	-	-	-	-	18,960,385
Investments made during the year	(429,153,230)	(1,915,977,005)	(1,266,238,930)	-	-	(3,611,369,165)	(674,732,124)	(1,620,327,006)	(1,595,567,075)	(94,410,503)	-	(3,985,036,708)
Investments sold / matured during the year	420,567,127	1,876,031,113	1,212,392,329	(731,481)	-	3,508,259,088	680,755,270	1,739,898,901	1,738,484,750	95,000,000	-	4,254,138,921
	13,251,863	(29,350,588)	(47,695,445)	(586,677)	-	(64,380,847)	26,234,035	132,293,885	149,723,807	1,824,113	-	310,075,840
Net cash (used in) / generated from operating activities (carried forwarded)	(33,394,154)	(11,365,644)	(40,879,561)	7,189,206	5,821,910	(72,628,243)	66,057,263	107,034,774	143,814,322	1,343,569	(12,275,506)	305,974,422

CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED 30 JUNE 2018

		2018					2017							
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked (Note 13)	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total	
Note		-----Rupees-----						-----Rupees-----						
	Net cash (used in) / generated from operating activities (brought forward)	(33,394,154)	(11,365,644)	(40,879,561)	7,189,206	5,821,910	(72,628,243)	66,057,263	107,034,774	143,814,322	1,343,569	(12,275,506)	305,974,422	
	CASH FLOWS FROM FINANCING ACTIVITIES													
	Receipts on issue of units													
	- Directly by participants	18	63,724,897	67,637,228	55,773,924	177,974	-	187,314,023	59,100,013	83,693,828	56,097,042	1,291,804	-	200,182,687
	Payment on redemptions of units													
	- Directly by participants		(42,806,959)	(71,969,995)	(41,641,965)	(37,614,570)	-	(194,033,489)	(84,294,174)	(34,632,483)	(57,265,339)	(26,892)	-	(176,218,888)
	- Transfer to other Pension Fund		(19,712)	(305,630)	(297,503)	-	-	(622,845)	-	(7,694,362)	(8,553,414)	-	-	(16,247,776)
			(42,826,671)	(72,275,625)	(41,939,468)	(37,614,570)	-	(194,656,334)	(84,294,174)	(42,326,845)	(65,818,753)	(26,892)	-	(192,466,664)
	Net cash generated from / (used in) financing activities		20,898,226	(4,638,397)	13,834,456	(37,436,596)	-	(7,342,311)	(25,194,161)	41,366,983	(9,721,711)	1,264,912	-	7,716,023
	Net (decrease) / increase in cash and cash equivalents		(12,495,928)	(16,004,041)	(27,045,105)	(30,247,390)	5,821,910	(79,970,554)	40,863,102	148,401,757	134,092,611	2,608,481	(12,275,506)	313,690,445
	Cash and cash equivalents at the beginning of the year		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
	Cash and cash equivalents at the end of the year	4	42,243,660	192,382,790	153,927,957	374,852	9,581,181	398,510,440	54,739,588	208,386,831	180,973,062	30,622,242	3,759,271	478,480,994

The annexed notes 1 to 24 form an integral part of these financial statements.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1.1** 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, Third, Fourth and Fifth Supplements dated 18 December 2008, 28 March 2011, 15 July 2013, 31 March 2015 and 4 August 2015 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** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.4** 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 (APF-GSF) 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.
- 1.5** At present, the Fund consists of the following three Sub-Funds whereas a Sub fund was revoked on 23 February 2018. These are as follows

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) - Revoked

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

- 1.6** 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.

1.7 Revocation of APF (Gold Sub Fund) - refer note 13

The Board of Directors of Atlas Asset Management Limited, the Pension Fund Manager of Atlas Pension Fund in their meeting held on 26 October 2017 decided to revoke APF-Gold Sub Fund. The SECP has approved the revocation of APF - Gold Sub Fund vide their letter no.SCD/PRDD/VPS/AAML/327/2017 dated 27 December 2017. Thereafter, the units of the sub-fund were not offered to participants. The Pension Fund Manager requested SECP for refund of seed capital and waiver of three months' notice period before refund of seed capital as there is only one participant in APF - Gold Sub Fund i.e. the Pension Fund Manager. The approval for the same was granted by SECP vide their letter no.SCD/PRDD/VPS/AAML/21/2018 dated 7 February 2018. Accordingly, the final settlement was made to the participant.

Resultantly, the financial statements of APF - Gold Sub Fund have not been prepared on a going concern basis. Therefore, the assets and liabilities of APF - Gold Sub Fund are measured at lower of their carrying amount and fair value less cost to sell.

- 1.8** 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

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, 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.

2.2 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 2018:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Standard, interpretation or amendment

Effective date (accounting periods beginning)

- 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 2018
- IAS 28 - Investment in Associates and Joint Ventures	01 January 2019
- IAS 19 - Employee Benefits	01 January 2019

Annual improvements to IFRS standards 2014 - 2016 cycle

- 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
- IFRS 15 - Revenue from contracts with customers	01 July 2018
- IFRS 9 - Financial Instruments	01 July 2018 and 01 January 2019
- IFRS 16 - Leases	01 January 2019

Annual improvements to IFRS standards 2015 - 2017 cycle

The improved address amendments to following approved accounting standards

- IFRS 3 and IFRS 11 - Business Combination and Joint Arrangements	01 January 2019
- IAS 12 - Income Taxes	01 January 2019
- IAS 23 - Borrowing cost	01 January 2019

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 (notes 3.2.5 and 5.2.1.1);
- Recognition of provision for Sindh Workers' Welfare Fund (SWWF) (note 9.2); and
- Taxation (note 3.6).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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.

3.2 Financial assets

3.2.1 Classification

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

a) Loans and receivables

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

b) Financial assets at fair value through profit or loss

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

c) Available for sale

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

3.2.2 Regular way contracts

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

3.2.3 Initial recognition and measurement

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

a) Loans and receivables

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

b) Financial assets at fair value through profit or loss

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

c) Available for sale

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

3.2.2 Regular way contracts

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

3.2.3 Initial recognition and measurement

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

3.2.4 Subsequent measurement

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

a) Basis of valuation of government securities

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

b) Basis of valuation of equity securities

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

c) Basis of valuation of debt securities

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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

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

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

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

3.2.5 Impairment

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

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

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

A significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the securities are impaired. Impairment loss on investment is recognised in the profit and loss whenever the acquisition cost of investment exceeds its recoverable amount. Impairment losses recognised on equity securities in the profit and loss are not reversed subsequently in the profit and loss.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3.3 Derivatives

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

3.4 Financial liabilities

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

3.5 Provisions

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

3.6 Taxation

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

3.7 Issue, allocation, reallocation and redemption of units

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 (Loss) / earnings per unit

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

3.10 Revenue recognition

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

4 BANK BALANCES

		2018						2017					
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Others (note 4.1)	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others (note 4.1)	Total
Note		-----Rupees-----						-----Rupees-----					
In current account		-	-	-	-	8,577,373	8,577,373	-	-	-	-	3,610,105	3,610,105
In savings accounts	4.2	42,243,660	192,382,790	153,927,957	374,852	1,003,808	389,933,067	54,739,588	208,386,831	180,973,062	30,622,242	149,166	474,870,889
		<u>42,243,660</u>	<u>192,382,790</u>	<u>153,927,957</u>	<u>374,852</u>	<u>9,581,181</u>	<u>398,510,440</u>	<u>54,739,588</u>	<u>208,386,831</u>	<u>180,973,062</u>	<u>30,622,242</u>	<u>3,759,271</u>	<u>478,480,994</u>

4.1 These represent collection and redemption accounts maintained by the Fund. The rate of return on accounts is 7.35% per annum (2017: 5.30% per annum).

4.2 These carry interest at the rates ranging from 4.00% to 7.35% per annum (2017: 5.30% to 6.75% per annum).

5 INVESTMENTS - NET

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

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

Arif Habib Limited

Commercial Banks

Insurance

39

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Balance as at 30 June 2018									
Name of the investee company	As at 1 July 2017	Purchases during the year	Bonus / right during the year	Sales during the year	As at 30 June 2018	Carrying Value as at 30 June 2018	Market Value as at 30 June 2018	Market Value as a % of net assets of the Sub-Fund	Market Value as a % of paid-up capital of the investee company
	-----Number of shares-----				-----Rupees-----		-----%age-----		
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
Textile Spinning									
Gadoon Textile Mills Limited	-	10,000	-	10,000	-	-	-	-	-
	-	10,000	-	10,000	-	-	-	-	-
Textile Composite									
Gul Ahmed Textile Mills Limited	16,000	80,000	-	96,000	-	-	-	-	-
Kohinoor Textile Mills Limited	-	60,000	-	19,500	40,500	2,350,526	2,227,095	0.57	0.0135
Nishat (Chunian) Limited	157,500	180,000	-	227,500	110,000	5,764,661	5,222,800	1.33	0.0458
Nishat Mills Limited	52,000	29,500	-	37,000	44,500	6,997,535	6,270,940	1.59	0.0127
	225,500	349,500	-	380,000	195,000	15,112,722	13,720,835	3.48	
Synthetic & Rayon									
Gatron (Industries) Limited	-	6,800	-	1,000	5,800	1,062,736	1,290,848	0.33	0.0151
	-	6,800	-	1,000	5,800	1,062,736	1,290,848	0.33	
Sugar & Allied Industries									
Habib Sugar Mills Limited	-	50,000	-	50,000	-	-	-	-	-
	-	50,000	-	50,000	-	-	-	-	-
Cement									
D.G. Khan Cement Company Limited	35,000	36,000	-	20,000	51,000	8,729,574	5,838,990	1.48	0.0116
Fauji Cement Company Limited	260,000	25,000	-	285,000	-	-	-	-	-
Kohat Cement Company Limited	35,000	26,800	-	51,800	10,000	2,108,306	1,230,700	0.31	0.0065
Lucky Cement Limited	20,500	16,100	-	9,500	27,100	18,394,674	13,764,903	3.49	0.0084
Maple Leaf Cement Factory Limited	-	35,000	-	-	35,000	1,795,590	1,775,900	0.45	-
Pioneer Cement Limited	43,500	-	-	23,500	20,000	2,600,000	937,200	0.24	0.0088
	394,000	138,900	-	389,800	143,100	33,628,144	23,547,693	5.98	
Refinery									
Attock Refinery Limited	-	8,000	-	8,000	-	-	-	-	-
National Refinery Limited	4,500	4,000	-	4,500	4,000	1,679,980	1,772,040	0.45	0.0050
	4,500	12,000	-	12,500	4,000	1,679,980	1,772,040	0.45	
Power Generation & Distribution									
K-Electric Limited									
(Face value Rs. 3.5 per share)	-	600,000	-	600,000	-	-	-	-	-
Lalpir Power Limited	-	75,000	-	-	75,000	1,650,013	1,440,750	0.37	0.0197
Nishat Chunian Power Limited	-	60,000	-	-	60,000	1,531,393	1,688,400	0.43	-
Nishat Power Limited	200,000	50,000	-	250,000	-	-	-	-	-
Pakgen Power Limited	-	215,000	-	-	215,000	4,677,500	4,145,200	1.05	0.0578
The Hub Power Company Limited	82,000	119,500	-	54,000	147,500	16,401,434	13,593,600	3.45	0.0127
	282,000	1,119,500	-	904,000	497,500	24,260,340	20,867,950	5.30	
Oil and Gas Marketing Companies									
Attock Petroleum Limited	10,000	3,000	-	13,000	-	-	-	-	-
Hi-Tech Lubricants Limited	-	500	-	500	-	-	-	-	-
Pakistan State Oil Company Limited	30,000	68,500	4,100	55,000	47,600	14,265,298	15,151,556	3.85	0.0146
Sui Northern Gas Pipelines Limited	54,000	45,200	-	50,000	49,200	5,655,858	4,930,824	1.25	0.0078
	94,000	117,200	4,100	118,500	96,800	19,921,156	20,082,380	5.10	
Oil and Gas Exploration Companies									
Mari Petroleum Company Limited	11,000	2,460	-	2,260	11,200	17,485,456	16,869,216	4.28	0.0102
Oil & Gas Development Company Limited	84,000	150,900	-	68,400	166,500	25,366,732	25,910,730	6.58	-
Pakistan Oilfields Limited	34,000	16,700	-	21,700	29,000	14,674,063	19,481,910	4.95	0.0123
Pakistan Petroleum Limited	55,000	52,500	-	16,000	91,500	16,859,623	19,663,350	4.99	0.0046
	184,000	222,560	-	108,360	298,200	74,385,874	81,925,206	20.80	
Engineering									
International Industries Limited	28,500	26,000	-	32,500	22,000	7,305,097	5,110,380	1.30	0.0183
International Steels Limited	-	61,000	-	61,000	-	-	-	-	-
Mughal Iron And Steel Industries Limited	750	23,500	-	10,000	14,250	1,064,718	875,235	0.22	0.0057
	29,250	110,500	-	103,500	36,250	8,369,815	5,985,615	1.52	
Automobile Assembler									
Indus Motor Company Limited	4,460	-	-	2,960	1,500	2,690,400	2,132,190	0.54	0.0019
Millat Tractors Limited	2,500	-	-	800	1,700	2,336,548	2,019,702	0.51	0.0038
Pak Suzuki Motor Company Limited	3,100	-	-	3,100	-	-	-	-	-
	10,060	-	-	6,860	3,200	5,026,948	4,151,892	1.05	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Name of the investee company	As at 01 July 2017	Purchases during the year	Bonus / right during the year	Sales during the year	As at 30 June 2018	Carrying Value as at 30 June 2018	Market Value as at 30 June 2018	Market Value as a % of net assets of the Sub-Fund	Market Value as a % of paid-up capital of the investee company
	Number of shares				Rupees			%age	
Fully paid-up ordinary shares of Rs. 10/- each unless otherwise stated.									
Automobile Parts and Accessories									
Agriauto Industries Limited (Face value Rs. 5 per share)	-	3,000	-	3,000	-	-	-	-	-
Thal Limited (Face value Rs. 5 per share)	8,000	3,500	-	3,500	8,000	4,722,220	3,820,240	0.97	0.0099
The General Tyre & Rubber Company of Pakistan Limited	-	25,000	-	25,000	-	-	-	-	-
	8,000	31,500	-	31,500	8,000	4,722,220	3,820,240	0.97	
Cables and Electrical Goods									
Pak Elektron Limited	60,000	80,000	-	140,000	-	-	-	-	-
Pakistan Cables Limited	5,600	-	-	5,600	-	-	-	-	-
	65,600	80,000	-	145,600	-	-	-	-	-
Transport									
Pakistan International Bulk Terminal Limited	-	100,000	-	100,000	-	-	-	-	-
	-	100,000	-	100,000	-	-	-	-	-
Technology and Communication									
Hum Network Limited (Face value Rs. 1 per share)	750,000	425,000	-	575,000	600,000	6,675,404	4,854,000	1.23	0.6349
Systems Limited	-	47,500	-	22,500	25,000	2,425,000	2,530,500	0.64	0.0224
	750,000	472,500	-	597,500	625,000	9,100,404	7,384,500	1.87	
Fertilizers									
Dawood Hercules Corporation Limited	-	2,000	-	2,000	-	-	-	-	-
Engro Corporation Limited	51,000	79,000	-	52,500	77,500	22,745,403	24,324,150	6.18	0.0148
Engro Fertilizers Limited	400,000	80,000	-	230,000	250,000	14,644,577	18,727,500	4.75	0.0187
Fauji Fertilizer Bin Qasim Limited	-	200,000	-	150,000	50,000	2,218,494	1,930,000	0.49	0.0054
Fauji Fertilizer Company Limited	60,000	325,000	-	305,000	80,000	7,132,913	7,911,200	2.01	0.0038
	511,000	686,000	-	739,500	457,500	46,741,387	52,892,850	13.43	
Pharmaceuticals									
Abbott Laboratories (Pakistan) Limited	2,500	-	-	2,500	-	-	-	-	-
Ferozsons Laboratories Limited	-	5,000	-	5,000	-	-	-	-	-
Glaxosmithkline Pakistan Limited	18,800	-	-	18,800	-	-	-	-	-
The Searle Company Limited	400	14,000	10	9,350	5,060	1,669,583	1,717,870	0.44	0.0027
	21,700	19,000	10	35,650	5,060	1,669,583	1,717,870	0.44	
Chemicals									
Archroma Pakistan Limited	3,000	-	-	3,000	-	-	-	-	-
Dynea Pakistan Limited	-	10,000	-	10,000	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	187,500	-	187,500	-	-	-	-	-
ICI Pakistan Limited	-	2,000	-	2,000	-	-	-	-	-
Ittehad Chemicals Limited	-	30,000	-	30,000	-	-	-	-	-
Sitara Chemical Industries Limited	5,000	1,100	-	6,100	-	-	-	-	-
	8,000	230,600	-	238,600	-	-	-	-	-
Paper and Board									
Packages Limited	-	6,850	-	6,850	-	-	-	-	-
	-	6,850	-	6,850	-	-	-	-	-
Leather and Tanneries									
Service Industries Limited	-	5,000	-	2,000	3,000	2,565,980	2,354,940	0.60	0.0249
	-	5,000	-	2,000	3,000	2,565,980	2,354,940	0.60	
Foods and Personal Care Products									
Al Shaheer Corporation Limited	1,635	110,000	-	45,000	66,635	2,004,600	1,815,804	0.46	0.0469
Engro Foods Limited	-	30,000	-	30,000	-	-	-	-	-
Matco Foods Limited	-	-	125,622	125,622	-	-	-	-	-
Nestle Pakistan Limited	460	-	-	460	-	-	-	-	-
Rafhan Maize Products Company Limited	500	-	-	500	-	-	-	-	-
	2,595	140,000	125,622	201,582	66,635	2,004,600	1,815,804	0.46	
Glass and Ceramics									
Shabbir Tiles & Ceramics Limited	-	125,000	-	125,000	-	-	-	-	-
Tariq Glass Industries Limited	-	18,000	-	18,000	-	-	-	-	-
	-	143,000	-	143,000	-	-	-	-	-
Miscellaneous									
Tri-Pack Films Limited	-	5,000	-	5,000	-	-	-	-	-
	-	5,000	-	5,000	-	-	-	-	-

5.1.1 The cost of listed equity securities as at 30 June 2018 is Rs. 358,396,013 (2017: Rs. 335,754,636).

358,396,013 355,415,634 90.2368

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

5.2 Treasury Bills - Available for sale

		Balance as at June 30, 2018							
		As at 1 July 2017	Purchases during the year	Sales during the year	As at 30 June 2018	Amortised cost	Market value	Unrealised loss	Market value as a % of net assets of the Sub-Fund
		-----Face value (Rupees)-----				-----Rupees-----			-----%-----
5.2.1	Debt Sub-Fund								
	Treasury Bills	89,000,000	1,793,045,000	1,752,045,000	130,000,000	128,585,655	128,583,781	(1,874)	34.25

5.2.1.1 The cost of investments as on 30 June 2018 is Rs. 128,019,970 (2017: Rs. 87,604,320).

5.2.1.2 This Government treasury bills carry purchase yields ranging from 5.91% to 6.72% per annum (2017: 5.84% to 5.99% per annum) and will mature on 30 August 2018 (2017: 6 July 2017 and 3 August 2017).

		Balance as at June 30, 2018							
		As at 1 July 2017	Purchases during the year	Sales during the year	As at 30 June 2018	Amortised cost	Market value	Unrealised loss	Market value as a % of net assets of the Sub-Fund
		-----Face value (Rupees)-----				-----Rupees-----			-----%-----
5.2.2	Money Market Sub-Fund								
	Treasury Bills	50,000,000	1,278,000,000	1,215,000,000	113,000,000	112,791,211	112,781,978	(9,233)	42.26

5.2.2.1 The cost of investments as on 30 June 2018 is Rs. 111,494,177 (2017: Rs. 49,346,910).

5.2.2.2 These Government treasury bills carry purchase yields ranging from 5.86% to 6.72% per annum (2017: 5.93% to 5.99% per annum) and will mature between 7 July 2018 and 30 August 2018 (2017: 6 July 2017 and 3 August 2017).

		Balance as at June 30, 2018							
		As at 1 July 2017	Purchases during the year	Sales during the year	As at 30 June 2018	Amortised cost	Market value	Unrealised gain / (loss)	Market value as a % of net assets of the Sub-Fund
		-----Face value (Rupees)-----				-----Rupees-----			-----%-----
5.2.3	Gold Sub-Fund - Revoked								
	Treasury Bills	-	30,000,000	30,000,000	-	-	-	-	-

5.2.3.1 The cost of investments as on 30 June 2018 is Rs. Nil (30 June 2017: Rs. Nil).

5.3 Term Finance Certificates - Available for sale

				30 June 2018		30 June 2017	
		Note		-----Rupees-----		-----Rupees-----	
5.3.1	Debt Sub-Fund						
	Term Finance certificates	5.3.2		22,536,611		22,884,277	
				22,536,611		22,884,277	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Balance as at June 30, 2018										
Name of the investee company	Status	As at 1 July 2017	Purchases during the year	Sales / matured during the year	As at 30 June 2018	Carrying value	Market Value	Unrealised Gain / (loss)	Market value as a % of net assets of the Sub-Fund	Market value as a % of total issue size
-----Number of certificates-----						-----Rupees-----		-----%-----		
Commercial Banks										
Bank Alfalah Limited - V (face value of Rs. 5,000 per certificate each)	Listed	153	-	-	153	763,470	767,766	4,296	0.20	0.0154
Habib Bank Limited Tier II (face value of Rs. 100,000 per certificate)	Listed	200	-	-	200	19,984,000	19,734,200	(249,800)	5.26	0.4934
Soneri Bank Limited - II (face value of Rs. 5,000 per certificate)	Listed	400	-	-	400	1,998,000	2,034,645	36,645	0.54	0.0678
Chemicals										
Agritech Limited - IV (note 5.4.2)	Unlisted	29	-	-	29	-	-	-	-	-
						22,745,470	22,536,611	(208,859)	6.00	

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
Commercial Banks						
Bank Alfalah Limited - V	AA-	8 years	Semi annually	February 2021	9.02%	1.25% + 6 month KIBOR
Soneri Bank Limited - II	A+	8 years	Semi annually	July 2023	8.11%	1.35% + 6 month KIBOR
Habib Bank Limited Tier - II	AAA	10 years	Semi annually	February 2026	6.86%	0.5% + 6 month KIBOR
Chemicals						
Agritech Limited - IV	NPA	3.5 years	Semi annually	July 2011 - January 2015	N/A	N/A

5.4 Sukuk Certificates - Available for sale

Debt Sub-Fund									
Balance as at June 30, 2018									
Name of the investee company	Status	As at 1 July 2017	Purchases during the year	Sales / matured during the year	As at 30 June 2018	Carrying value	Market Value	Unrealised gain	Market value as a % of net assets of the Sub-Fund
-----Number of certificates-----									
Commercial Banks									
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	Unlisted	14	-	-	14	14,000,000	14,210,000	210,000	3.78
Fertilizers									
Dawood Hercules Corporation Limited Sukuk II	Unlisted	-	80	-	80	8,000,000	8,005,168	5,168	2.13
Chemicals									
Agritech Limited IV (note 5.4.2)	Unlisted	200	-	-	200	-	-	-	-
						22,000,000	22,215,168	215,168	5.91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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

Name of the investee company	Rating	Tenure	Profit payments / Principal	Repayment period	Effective rate during the year	Rate of return
-----Number of certificates-----						
Chemicals Agritech Limited - IV	NPA	7 years	Semi annually	February 2011 - August 2015	0.00%	6 month KIBOR + 2.00%
Commercial Banks Meezan Bank Limited Tier - II	AA-	7 years	Semi annually	September 2016 - September 2026	6.62%	6 month KIBOR + 0.50%
Fertilizers Dawood Hercules Corporation Limited II	AA	5 years	Quarterly	March 2018 - March 2023	7.80%	3 month KIBOR + 1.00%

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 2017: Rs.1,145,000) has been made in accordance with the provisioning requirements specified by the SECP. During the year ended 30 June 2012, the Debt Sub-Fund had entered into a restructuring agreement with Agritech Limited (the Company) whereby all overdue profit receivable on Sukuk Certificates held by the Debt Sub-Fund was converted into zero coupon Term Finance Certificates (TFCs). In this regard, the aggregate provision also includes a provision amounting to Rs. 145,000 against these TFCs to fully cover the amount of investment. Accordingly, the Fund holds 29 certificates (having face value of Rs. 5,000 each) of Agritech Limited IV as at 30 June 2018 (2017: 29 certificates). The details of these non-performing investments are as follow

Non-performing investment	Type of investment	Value before	Provision held	Carrying value
-----Rupees-----				
Agritech Limited	Sukuk Certificates	1,000,000	1,000,000	-
Agritech Limited - IV	Term Finance Certificate	145,000	145,000	-
		1,145,000	1,145,000	-

5.5 Pakistan Investment Bonds - Available for sale

Balance as at 30 June 2018							
As at 1 July 2017	Purchases during the year	Sales / Matured during the year	As at 30 June 2018	Amortised cost	Market value	Unrealised gain / loss	Market value as a % of net assets of Sub Fund
-----Number of certificates-----				-----Rupees-----		-----%-----	
3,500,000	125,000,000	128,500,000	-	-	-	-	-

5.5.1 Debt Sub-Fund

Pakistan Investment Bonds

5.5.1.1 The cost of investments as on 30 June 2018 is Rs. Nil (2017: Rs. 3,590,430).

5.5.1.2 These carry interest at the rate of Nil per annum (2017: 11.25% per annum and will mature on 17 July 2017).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

5.6 Commercial Papers - Available for sale

5.6.1 Debt Sub-Fund

Crescent Steel & Allied Products Limited

5.6.1.1 Total cost of investment as at 30 June 2018 is Rs. 7,441,860 (30 June 2017: Nil).

5.6.1.2 These carry interest rates of 7.50% per annum (30 June 2017: Nil per annum) and will mature on Nil (30 June 2017: Nil).

Balance as at 30 June 2018					
As at 1 July 2017	Purchases during the year	Matured / sold during the year	As at 30 June 2018	Face value	Amortised cost
Number of certificates			Rupees		
-	80	-	80	8,000,000	7,931,188

6 INTEREST ACCRUED

Note	2018						2017					
	Equity Sub-Fund	Debt Sub- Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	Rupees						Rupees					
Profit on deposits	144,199	246,427	218,440	1,457	-	610,523	173,336	224,602	165,018	68,811	-	631,767
Pakistan Investment Bonds	-	-	-	-	-	-	-	179,471	-	-	-	179,471
Term Finance Certificates	-	593,069	-	-	-	593,069	-	571,697	-	-	-	571,697
Sukuk Certificates	-	380,793	-	-	-	380,793	-	309,780	-	-	-	309,780
	144,199	1,220,289	218,440	1,457	-	1,584,385	173,336	1,285,550	165,018	68,811	-	1,692,715

7 SECURITY DEPOSIT AND OTHER RECEIVABLES

Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	100,000	-	-	300,000	100,000	100,000	100,000	-	-	300,000
Receivable against sale of units	3,366,546	3,135,575	2,040,699	-	-	8,542,820	1,657,555	25,024,818	10,711,665	676,431	-	38,070,469
Other receivable	813,724	584,056	117,662	61,418	2,852	1,579,712	813,724	583,775	130,501	61,417	2,852	1,592,269
	4,280,270	3,819,631	2,258,361	61,418	2,852	10,422,532	2,571,279	25,708,593	10,942,166	737,848	2,852	39,962,738

8 PAYABLE TO THE PENSION FUND MANAGER

Pension Fund Manager fee	8.1	476,514	230,621	110,340	-	-	817,475	518,877	200,441	93,361	30,551	-	843,230
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	287,382	198,747	121,254	31,329	-	638,712	292,892	194,823	119,047	35,290	-	642,052
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
		2,287,243	1,553,543	937,867	238,537	-	5,017,190	2,335,116	1,519,439	918,681	273,049	-	5,046,285

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 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 (2017:1.50%) of the average value of the net assets of the Equity Sub Fund for the year ended, whilst for APF - Debt Sub Fund (APF - DSF), APF - Money Market Sub Fund (APF - MMSF) and APF - Gold Sub Fund (APF - GSF), the Pension Fund Manager has charged its remuneration at the rate of 0.75% (2017: 0.75%), 0.50% (2017: 0.50%) and Nil (2017: 1.00%) respectively of the average value of the net assets of these Sub Funds, which is paid monthly in arrears.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

- 8.2** During the year, an amount of Rs. 1,244,904 (2017: Rs. 1,280,070) 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. 1,248,244 (2017: Rs. 925,990) 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 Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duties 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 2018 amounting to Rs. 3,561,003 (30 June 2017: Rs. 3,561,003) is being retained in the condensed interim 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 - TRUSTEE

		2018					2017				
		Equity	Debt	Money	Gold		Equity	Debt	Money	Gold	
		Sub-Fund	Sub-Fund	Market	Sub-Fund -	Total	Sub-Fund	Sub-Fund	Market	Sub-Fund	Total
Note		Rupees					Rupees				
Trustee fee	9.1	47,201	45,690	32,790	-	125,681	51,691	39,939	27,903	4,565	124,098
Sindh sales tax on Trustee fee	9.2	6,136	5,940	4,263	-	16,339	6,720	5,192	3,627	593	16,132
Settlement charges		3,000	500	500	-	4,000	4,800	500	500	-	5,800
Sindh sales tax on settlement charges		390	65	65	-	520	624	65	65	-	754
		56,727	52,195	37,618	-	146,540	63,835	45,696	32,095	5,158	146,784

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

- 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. 192,044 (2017: Rs. 189,580) was charged on account of sale tax on remuneration of the Trustee levied through Sindh Sales Tax on Service Act, 2011 and an amount of Rs. 191,837 (2017: Rs. 188,430) was paid to the Trustee which acts as a collecting agent.

10 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Held-for-trading - Derivative financial instruments

GOLD SUB FUND

- Future Gold Contracts (Financial Liabilities)

30 June 2018	30 June 2017
-----Rupees-----	
-	(731,481)

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2018						2017					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund Revoked	Others	Total	Equity Sub-Fund	Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----						-----Rupees-----					
Withholding tax payable	8,304	2,944	1,840	-	832,283	845,371	9,473	4,623	3,362	540	839	18,837
Zakat payable	-	-	-	-	11,260	11,260	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	2,516,619	1,247,590	779,772	118,102	-	4,662,083	2,516,619	868,650	512,852	85,476	-	3,983,597
Others	-	-	-	-	8,740,490	8,740,490	5,412	-	-	-	3,761,284	3,766,696
	2,524,923	1,250,534	781,612	118,102	9,584,033	14,259,204	2,531,504	873,273	516,214	86,016	3,762,123	7,769,130

- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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.

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.

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 12 January 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.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2018 would have been higher by Rs. 3.18 per unit (30 June 2017: Rs. 3.34 per unit), Re. 0.81 per unit (30 June 2017: Re. 0.56 per unit), Re. 0.68 per unit (30 June 2017: Re. 0.47 per unit) and (30 June 2017: Re. 0.25 per unit) for equity sub fund, debt sub fund, money market sub fund and gold sub fund respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

12 NUMBER OF UNITS IN ISSUE

	2018					2017				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	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	754,525	1,562,676	1,084,381	335,782	3,737,364	791,745	1,385,597	1,132,972	324,352	3,634,666
Add: Issue of units during the year										
- Directly by participants	128,196	284,064	243,482	1,561	657,303	125,808	364,646	259,011	11,674	761,139
Less: Units redeemed during the year										
- Directly by participants	(91,146)	(302,353)	(181,918)	(337,343)	(912,760)	(144,450)	(153,297)	(268,168)	(244)	(566,159)
- Transfer to other Pension Fund	(43)	(1,271)	(1,291)	-	(2,605)	(18,578)	(34,270)	(39,434)	-	(92,282)
	(91,189)	(303,624)	(183,209)	(337,343)	(915,365)	(163,028)	(187,567)	(307,602)	(244)	(658,441)
Total units in issue at the end of the year	791,532	1,543,116	1,144,654	-	3,479,302	754,525	1,562,676	1,084,381	335,782	3,737,364

13 REVOCATION OF GOLD SUB FUND - refer note 1.7

13.1 STATEMENT OF ASSETS AND LIABILITIES

Assets

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

Total assets

Liabilities

Payable to the Pension Fund Manager
Payable to the Securities and Exchange Commission of Pakistan
Payable to the auditors
Post revocation profit
Accrued expenses and other liabilities

Total liabilities

Net Assets

Number of units in issue

Net asset value per unit

30-Jun-18	23-Feb-18	Distribution
-----Rupees-----		
374,852	35,045,946	(34,671,094)
-	8	(8)
1,457	117,176	(115,719)
61,418	61,418	-
437,727	35,224,548	(34,786,821)
238,537	238,537	-
-	7,504	(7,504)
4,207	4,207	-
76,881	-	76,881
118,102	123,300	(5,198)
437,727	373,548	64,179
-	34,851,000	(34,851,000)
-	300,000	
-	116.17	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

13.2 INCOME STATEMENT

Income

	Note	30-Jun-18	23-Feb-18	Distribution
-----Rupees-----				
Interest income	13.2.1	77,450	1,288,358	(1,210,908)
Realised gain on gold contracts		-	713,755	(713,755)
Gain on sale / maturity of 'available for sale investments' - net		-	(1,771)	1,771
		77,450	2,000,342	(1,922,892)

Expenses

Remuneration of Pension Fund Manager	-	224,909	(224,909)
Sindh sales tax on remuneration of the Pension Fund Manager	-	29,248	(29,248)
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	-	33,570	(33,570)
Sindh Sales tax on Trustee Fee	-	4,364	(4,364)
Annual fee - Securities and Exchange Commission of Pakistan	-	7,504	(7,504)
Auditor's remuneration	-	4,166	(4,166)
Legal and professional charges	-	6,326	(6,326)
Securities' transaction cost and settlement charges	-	52,876	(52,876)
Bank charges	569	6,101	(5,532)
Provision for Sindh Workers' Welfare Fund	-	32,626	(32,626)
	569	401,690	(401,121)

Net Income	13.2.2	76,881	1,598,652	(1,521,771)
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13.2.1 INTEREST INCOME

Profit on PLS savings accounts	77,450	1,143,980	(1,066,530)
Profit on PMEX	-	41,407	(41,407)
Treasury Bills	-	102,971	(102,971)
	77,450	1,288,358	(1,210,908)

13.2.2 Post revocation profit of Rs. 76,881 is payable to unit holders as at 30 June 2018.

14 CONTINGENCIES AND COMMITMENTS

14.1 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.

The management of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, have filed various petitions in Honorable Sindh High Court challenging the levy of withholding of income tax on bonus shares received by mutual funds based on the principle that exemption is already given to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay orders while the matter is still pending adjudication.

The Honorable Supreme Court in its decision dated June 27, 2018 in a case held that the suits which are already pending or shall be filed in future, must only be maintained / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. In pursuance of said Supreme Court order, SHC issued notices of hearing for cases of tax related matters and held that Plaintiffs are directed to deposit 50% of amount by the tax department, if the deposits are not made with in time, the suits stand dismissed as not maintainable. MUFAP discussed this matter with the lawyer alongwith members of the AMC's, and it was agreed that 50% of the said tax withheld amount must have to be deposited, in order of saving our remaining 50% withheld tax amount. The lawyer vide its letter dated August 16, 2018 has directed share registrars to deposit 50% of tax withheld in FBR accounts, in respect of all bonus shares cases.

There were no other contingencies outstanding as at 30 June 2018 and as at 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

14.2 COMMITMENTS

Note	2018					2017				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	Rupees					Rupees				
Purchase of: Ounce Gold Contracts Nil (30 June 2017 : US \$ 295,028)	-	-	-	-	-	-	-	-	30,933,649	30,933,649

14.2.1 This represents the investment in future gold contracts with settlement date of Nil (30 June 2017: 27 July 2017) .

15 INTEREST INCOME

Note	2018					2017				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	Rupees					Rupees				
Profit on PLS savings accounts and deposits	1,938,730	7,700,138	6,204,578	77,450	15,920,896	1,366,159	2,544,210	1,966,359	1,247,943	7,124,671
Pakistan Investment Bonds	-	124,176	-	-	124,176	-	4,275,922	462,363	-	4,738,285
Treasury Bills	-	11,998,318	9,247,985	-	21,246,303	-	10,539,531	11,128,248	575,175	22,242,954
Term Finance Certificates and Sukuk Certificates	-	2,705,729	-	-	2,705,729	-	2,261,032	-	-	2,261,032
Commercial Paper	-	489,328	-	-	489,328	-	-	-	-	-
	1,938,730	23,017,689	15,452,563	77,450	40,486,432	1,366,159	19,620,695	13,556,970	1,823,118	36,366,942

15.1 Mark-up on non-performing securities amounting to Rs. 743,525 (2017: Rs. 661,692) based on outstanding principal has not been recognised, in accordance with SECP's directives.

16 AUDITOR'S REMUNERATION

	2018					2017				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	Rupees					Rupees				
Audit fee	54,922	54,600	37,137	-	146,659	62,069	47,494	34,823	5,614	150,000
Sindh Sales Tax on services	4,394	4,369	2,969	-	11,732	4,966	3,799	2,786	449	12,000
Out of pocket expenses	2,139	15,301	6,194	-	23,634	10,137	5,983	3,766	718	20,604
	61,455	74,270	46,300	-	182,025	77,172	57,276	41,375	6,781	182,604

17 NET UNREALISED DIMINUTION ON REMEASUREMENT OF INVESTMENTS CLASSIFIED AS 'AVAILABLE FOR SALE'

	2018					2017				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Total
	Rupees					Rupees				
Market value of investments*	-	173,335,560	112,781,978	-	286,117,538	-	129,570,757	49,753,190	-	179,323,947
Less: Carrying value of investments	-	174,476,125	112,791,211	-	287,267,336	-	129,989,684	49,755,543	-	179,745,227
	-	(1,140,565)	(9,233)	-	(1,149,798)	-	(418,927)	(2,353)	-	(421,280)
Add / (less): Net unrealised appreciation / (diminution) in the value of investments at the beginning of the year	-	418,927	2,353	-	421,280	-	(1,858,717)	(42,860)	-	(1,901,577)
Transferred to comprehensive income / (loss) during the year	-	(721,638)	(6,880)	-	(728,518)	-	(2,277,644)	(45,213)	-	(2,322,857)
(Loss) / gain arise during the year	-	(705,729)	52,038	-	(653,691)	-	(3,191,922)	155,607	-	(3,036,315)
Reclassification to income statement upon disposal during the year	-	(15,909)	(58,918)	-	(74,827)	-	914,278	(200,820)	-	713,458
	-	(721,638)	(6,880)	-	(728,518)	-	(2,277,644)	(45,213)	-	(2,322,857)

* This excludes investment in Commercial Paper.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

18 CONTRIBUTION TABLE

		2018									
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund - Revoked		Total	
		Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees	Units	Rupees
Individuals		64,005	31,970,729	132,081	31,537,377	162,783	37,440,683	-	-	358,869	100,948,789
Employers		64,191	31,754,168	151,983	36,099,851	80,699	18,333,241	1,561	177,974	298,434	86,365,234
		128,196	63,724,897	284,064	67,637,228	243,482	55,773,924	1,561	177,974	657,303	187,314,023

		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
		125,808	59,100,013	364,646	83,693,828	259,011	56,097,042	11,674	1,291,804	761,139	200,182,687

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

The transactions with connected persons are in the normal course of business, carried out at contracted rates and terms determined in accordance with market rates. Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

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

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

	June 30, 2018						June 30, 2017					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	-----Rupees-----						-----Rupees-----					
Atlas Asset Management Limited (Pension Fund Manager)												
Pension Fund Manager Fee payable (Rupees)	476,514	230,621	110,340	-	-	817,475	518,877	200,441	93,361	30,551	-	843,230
Sindh sales tax payable on the Pension Fund Manager (Rupees)	287,382	198,747	121,254	31,329	-	638,712	292,892	194,823	119,047	35,290	-	642,052
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 at year end (Rupees)	82,601,600	40,389,460	38,706,220	-	-	161,697,280	85,134,760	38,482,120	36,739,120	33,378,000	-	193,734,000
Units held (Number of units)	166,000	166,000	166,000	-	-	498,000	166,000	166,000	166,000	300,000	-	798,000
Central Depository Company of Pakistan Limited (Trustee)												
Remuneration on Trustee fee payable (Rupees)	47,201	45,690	32,790	-	-	125,681	51,691	39,939	27,903	4,565	-	124,098
Sindh sales tax payable on remuneration on Trustee fee (Rupees)	6,136	5,940	4,263	-	-	16,339	6,720	5,192	3,627	593	-	16,132
Settlement charges (Rupees)	3,000	500	500	-	-	4,000	4,800	500	500	-	-	5,800
Sindh sales tax on settlement charges (Rupees)	390	65	65	-	-	520	624	65	65	-	-	754
Directors and Executives												
Investment at year end (Rupees)	153,735,329	135,847,420	100,182,477	-	-	389,765,226	56,878,738	32,686,620	9,484,447	-	-	99,049,805
Units held (Number of units)	308,954	558,331	429,654	-	-	1,296,939	110,905	141,000	42,854	-	-	294,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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

	For the year ended June 30, 2018						For the year ended June 30, 201					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund	Others	Total
	Rupees						Rupees					
Atlas Asset Management Limited (Pension Fund Manager)												
Remuneration for the year (Rupees)	5,561,112	2,762,264	1,252,811	-	-	9,576,187	6,050,661	2,306,033	1,126,604	363,395	-	9,846,693
Sindh sales tax on remuneration of the Pension Fund Manager (Rupees)	722,945	359,094	162,865	-	-	1,244,904	786,586	299,784	146,459	47,241	-	1,280,070
Withdrawal of seed capital (Rupees)	-	-	-	(34,851,000)	-	(34,851,000)	-	-	-	-	-	-
Withdrawal of seed capital (Number of units)	-	-	-	(300,000)	-	(300,000)	-	-	-	-	-	-
Central Depository Company of Pakistan Limited (Trustee)												
Remuneration for the year (Rupees)	553,390	549,827	374,038	-	-	1,477,255	604,874	461,059	337,882	54,486	-	1,458,301
Sindh sales tax on remuneration (Rupees)	71,941	71,478	48,625	-	-	192,044	78,634	59,938	43,925	7,083	-	189,580
Directors and Executives												
Contributions (Rupees)	10,046,289	5,761,241	3,360,757	-	-	19,168,287	7,386,584	5,257,953	497,400	-	-	13,141,937
Contributions (Number of units)	23,272	24,583	14,476	-	-	62,331	15,887	22,961	2,304	-	-	41,152
Redemptions (Rupees)	-	-	(854,979)	-	-	(854,979)	(3,200,000)	(800,000)	(746,104)	-	-	(4,746,104)
Redemptions (Number of units)	-	-	(3,474)	-	-	(3,474)	(5,785)	(3,464)	(3,455)	-	-	(12,704)
Re-allocation (Rupees)	7,260,662	(3,969,921)	(3,290,742)	-	-	-	(13,514,855)	12,025,063	1,489,792	-	-	-
Re-allocation (Number of units)	7,114	(17,861)	(15,139)	-	-	(25,886)	(25,293)	52,018	6,700	-	-	33,425

20 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 financial 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.

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, 2018 along with comparatives is as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

		Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial assets categorised as 'available for sale'	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
Note		Rupees								
June 30, 2018										
Financial assets - measured at fair value										
	Investments - net	-	355,990,634	294,048,726	-	650,039,360	355,990,634	294,048,726	-	650,039,360
Financial assets - not measured at fair value										
	Bank balances	398,510,440	-	-	-	398,510,440	-	-	-	-
	Receivable against sale of investments	20.1 1,484,163	-	-	-	1,484,163	-	-	-	-
	Dividend receivable	20.1 649,123	-	-	-	649,123	-	-	-	-
	Interest accrued	20.1 1,584,385	-	-	-	1,584,385	-	-	-	-
	Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	20.1 -	-	-	-	-	-	-	-	-
	Security deposit and other receivables	20.1 10,422,532	-	-	-	10,422,532	-	-	-	-
		412,650,643	355,990,634	294,048,726	-	1,062,690,003				
Financial liabilities - measured at fair value										
	Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Financial liabilities - not measured at fair value										
	Payable against redemption of units	20.1 -	-	-	606,467	606,467	-	-	-	-
	Payable against purchase of investments	20.1 -	-	-	5,832,658	5,832,658	-	-	-	-
	Payable to the Pension Fund Manager	20.1 -	-	-	5,017,190	5,017,190	-	-	-	-
	Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	20.1 -	-	-	146,540	146,540	-	-	-	-
	Payable to the auditors	20.1 -	-	-	182,155	182,155	-	-	-	-
	Post revocation profit	20.1 -	-	-	76,881	76,881	-	-	-	-
	Accrued expenses and other liabilities	20.1 -	-	-	8,740,490	8,740,490	-	-	-	-
		-	-	-	20,602,381	20,602,381				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Loans and receivables	Financial assets 'at fair value through profit or loss'	Financial assets categorised as 'available for sale'	Financial liabilities measured at amortised cost	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	20.1	-	-	478,480,994	-	478,480,994	-	-	-	-
Receivable against sale of investments	20.1	-	1,888,118	-	-	1,888,118	-	-	-	-
Dividend receivable	20.1	-	986,265	-	-	986,265	-	-	-	-
Interest accrued	20.1	-	1,692,715	-	-	1,692,715	-	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	20.1	-	7,045,426	-	-	7,045,426	-	-	-	-
Security deposit and other receivables	20.1	-	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>				
Financial liabilities - measured at fair value										
Financial liabilities at fair value through profit or loss		-	-	-	731,481	731,481	731,481	-	-	731,481
Financial liabilities - not measured at fair value										
Payable against redemption of units	20.1	-	-	-	34,912,973	34,912,973	-	-	-	-
Payable against purchase of investments	20.1	-	-	-	7,925,214	7,925,214	-	-	-	-
Payable to the Pension Fund Manager	20.1	-	-	-	5,046,285	5,046,285	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	20.1	-	-	-	146,784	146,784	-	-	-	-
Financial liabilities at fair value through profit or loss	20.1	-	-	-	182,000	182,000	-	-	-	-
Payable to the auditors	20.1	-	-	-	3,766,696	3,766,696	-	-	-	-
Accrued expenses and other liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>52,711,433</u>	<u>52,711,433</u>				

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

21 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.

21.1 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.

21.1.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

21.1.2 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 2018, 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

	2018			2017		
	Effect on net income and net assets			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	367,466	-	367,466	374,806	-	374,806
(100)	(367,466)	-	(367,466)	(374,806)	-	(374,806)

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 2018, with all variables held constant, on the net assets and other comprehensive income for the year is as follows:

Change in basis points

	2018			2017		
	Effect on comprehensive income and net assets			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	1,285,838	1,127,820	2,413,658	920,902	497,532	1,418,434
(100)	(1,285,838)	(1,127,820)	(2,413,658)	(920,902)	(497,532)	(1,418,434)

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 2018 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Equity Sub-Fund

On-balance sheet financial instruments

Financial assets

Bank balances	4.00 - 7.35	42,243,660	-	-	-	42,243,660
Receivable against sale of investments		-	-	-	1,484,163	1,484,163
Investments - net		-	-	-	355,990,634	355,990,634
Dividend receivable		-	-	-	649,123	649,123
Interest accrued		-	-	-	144,199	144,199
Security deposit and other receivables		-	-	-	4,280,270	4,280,270
		42,243,660	-	-	362,548,389	404,792,049

Financial liabilities

Payable against redemption of units	-	-	-	30,572	30,572
Payable against purchase of investments	-	-	-	5,832,658	5,832,658
Payable to the Pension Fund Manager	-	-	-	476,514	476,514
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	50,201	50,201
Payable to the auditors	-	-	-	66,640	66,640
Accrued expenses and other liabilities	-	-	-	-	-
		-	-	6,456,585	6,456,585

On-balance sheet gap

42,243,660	-	-	356,091,804	398,335,464
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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

42,243,660	-	-	356,091,804	398,335,464
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Cumulative interest rate sensitivity gap

42,243,660	42,243,660	42,243,660	398,335,464	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

As at 30 June 2017

Equity Sub-Fund

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	5.30 - 6.75	54,739,588	-	-	-	54,739,588
Receivable against investments		-	-	-	1,888,118	1,888,118
Investments - net		-	-	-	374,238,437	374,238,437
Dividend receivable		-	-	-	986,265	986,265
Interest accrued		-	-	-	173,336	173,336
Security deposit and other receivables		-	-	-	2,571,279	2,571,279
		54,739,588	-	-	379,857,435	434,597,023

Financial liabilities

Payable against redemption of units		-	-	-	34,565,938	34,565,938
Payable against purchase of investments		-	-	-	7,925,214	7,925,214
Payable to the Pension Fund Manager		-	-	-	2,335,116	2,335,116
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	63,835	63,835
Payable to the auditors		-	-	-	75,310	75,310
Accrued expenses and other liabilities		-	-	-	5,412	5,412
		-	-	-	44,970,825	44,970,825

On-balance sheet gap

54,739,588	-	-	334,886,610	389,626,198
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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

54,739,588	-	-	334,886,610	389,626,198
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Cumulative interest rate sensitivity gap

54,739,588	54,739,588	54,739,588	389,626,198	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Debt Sub-Fund

On-balance sheet financial instruments

Financial assets

	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		
Bank balances	4.00 - 7.35	192,382,790	-	-	-	192,382,790
Investments - net	5.91 - 7.50	128,583,781	-	52,682,967	-	181,266,748
Interest accrued		-	-	-	1,220,289	1,220,289
Security deposit and other receivables		-	-	-	3,819,631	3,819,631
		320,966,571	-	52,682,967	5,039,920	378,689,458

Financial liabilities

Payable against redemption of units	-	-	-	181,436	181,436
Payable to the Pension Fund Manager	-	-	-	230,621	230,621
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	46,190	46,190
Payable to the auditors	-	-	-	66,247	66,247
Accrued expenses and other liabilities	-	-	-	-	-
	-	-	-	524,494	524,494

On-balance sheet gap

320,966,571	-	52,682,967	4,515,426	378,164,964
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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

320,966,571	-	52,682,967	4,515,426	378,164,964
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Cumulative interest rate sensitivity gap

320,966,571	320,966,571	373,649,538	378,164,964
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Debt Sub-Fund

On-balance sheet financial instruments

Financial assets

Bank balances	5.30 - 6.75	208,386,831	-	-	-	208,386,831
Investments - net	5.84 - 11.25	25,451,562	66,638,602	37,480,593	-	129,570,757
Interest accrued		-	-	-	1,285,550	1,285,550
Security deposit and other receivables		-	-	-	25,708,593	25,708,593
		233,838,393	66,638,602	37,480,593	26,994,143	364,951,731

Financial liabilities

Payable against redemption of units	-	-	-	98,544	98,544
Payable to the Pension Fund Manager	-	-	-	1,519,439	1,519,439
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	45,696	45,696
Payable to the auditors	-	-	-	57,624	57,624
Accrued expenses and other liabilities	-	-	-	-	-
	-	-	-	1,721,303	1,721,303

On-balance sheet gap

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

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

233,838,393	300,476,995	337,957,588	363,230,428
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Money Market Sub-Fund

As at 30 June 2018

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	4.00 - 7.35	153,927,957	-	-	-	153,927,957
Investments - net	5.86 - 6.72	112,781,978	-	-	-	112,781,978
Interest accrued		-	-	-	218,440	218,440
Security deposit and other receivables		-	-	-	2,258,361	2,258,361
		266,709,935	-	-	2,476,801	269,186,736

Financial liabilities

Payable against redemption of units		-	-	-	394,459	394,459
Payable to the Pension Fund Manager		-	-	-	110,340	110,340
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	33,290	33,290
Payable to the auditors		-	-	-	45,061	45,061
		-	-	-	583,150	583,150

On-balance sheet gap

266,709,935	-	-	1,893,651	268,603,586
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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

266,709,935	-	-	1,893,651	268,603,586
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Cumulative interest rate sensitivity gap

266,709,935	266,709,935	266,709,935	268,603,586
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 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
	185,968,982	44,757,270	-	11,107,184	241,833,436

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

-	-	-	248,491	248,491
-	-	-	918,681	918,681
-	-	-	32,095	32,095
-	-	-	42,254	42,254
-	-	-	-	-
-	-	-	1,241,521	1,241,521

On-balance sheet gap

185,968,982	44,757,270	-	9,865,663	240,591,915
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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

185,968,982	44,757,270	-	9,865,663	240,591,915
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Cumulative interest rate sensitivity gap

185,968,982	230,726,252	230,726,252	240,591,915	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

As at 30 June 2018

Gold Sub-Fund - Revoked

On-balance sheet financial instruments

Financial assets

Bank balances

Interest accrued

Security deposit and other receivables

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 - 6.60	374,852	-	-	-	374,852
	-	-	-	1,457	1,457
	-	-	-	61,418	61,418
	374,852	-	-	62,875	437,727

Financial liabilities

Payable against redemption of units

Payable to the Pension Fund Manager

Payable to the Central Depository Company of Pakistan Limited - Trustee

Financial liabilities at fair value through profit or loss

Post revocation profit

Payable to the auditors

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	76,881	76,881
-	-	-	4,207	4,207
-	-	-	81,088	81,088

On-balance sheet gap

374,852	-	-	(18,213)	356,639
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Off-balance sheet financial instruments

-	-	-	-	-
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Total interest rate sensitivity gap

374,852	-	-	(18,213)	356,639
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Cumulative interest rate sensitivity gap

374,852	374,852	374,852	356,639
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

As at 30 June 2017

Gold Sub-Fund - Revoked

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	More than one year		

Rupees

On-balance sheet financial instruments

Financial assets

Bank balances	5.30 - 6.75	30,622,242	-	-	-	30,622,242
Financial assets at fair value through profit or loss		-	-	-	-	-
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	2.00	7,045,426	-	-	-	7,045,426
Interest accrued		-	-	-	68,811	68,811
Security deposit and other receivables		-	-	-	737,848	737,848
		37,667,668	-	-	806,659	38,474,327

Financial liabilities

Payable to the Pension Fund Manager		-	-	-	273,049	273,049
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	5,158	5,158
Financial assets at fair value through profit or loss		-	-	-	731,481	731,481
Payable to the auditors		-	-	-	6,812	6,812
Accrued expenses and other liabilities		-	-	-	-	-
		-	-	-	1,016,500	1,016,500

On-balance sheet gap

37,667,668	-	-	(209,841)	37,457,827
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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

37,667,668	-	-	(209,841)	37,457,827
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Cumulative interest rate sensitivity gap

37,667,668	37,667,668	37,667,668	37,457,827	
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

21.1.3 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 2018, with all other variables held constant, net income for the year would increase / decrease by Rs. 17,770,782 (2017: Rs.18,711,922) 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 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 2018 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 - Revoked

The Gold Sub Fund was 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. Nil (30 June 2017: Rs.1,510,108) on the net income for the year with the consequent effect on net assets of the Sub-Fund's. 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.

21.2 Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

21.2.1 Equity Sub-Fund

	2018						Total	2017						Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity		Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	
	Rupees							Rupees						
Financial assets														
Bank balances	42,243,660	-	-	-	-	-	42,243,660	54,739,588	-	-	-	-	-	54,739,588
Receivable against sale of investments	1,484,163	-	-	-	-	-	1,484,163	1,888,118	-	-	-	-	-	1,888,118
Investments - net	-	-	-	-	-	355,990,634	355,990,634	-	-	-	-	-	374,238,437	374,238,437
Dividends receivable	649,123	-	-	-	-	-	649,123	986,265	-	-	-	-	-	986,265
Interest accrued	144,199	-	-	-	-	-	144,199	173,336	-	-	-	-	-	173,336
Security deposit and other receivables	-	-	-	-	4,280,270	-	4,280,270	-	-	-	-	2,571,279	-	2,571,279
	44,521,145	-	-	-	4,280,270	355,990,634	404,792,049	57,787,307	-	-	-	2,571,279	374,238,437	434,597,023
Financial liabilities														
Payable against purchase of investments	5,832,658	-	-	-	-	-	5,832,658	7,925,214	-	-	-	-	-	7,925,214
Payable against redemption of units	30,572	-	-	-	-	-	30,572	34,565,938	-	-	-	-	-	34,565,938
Payable to the Pension Fund Manager	476,514	-	-	-	-	-	476,514	2,335,116	-	-	-	-	-	2,335,116
Payable to the Central Depository Company of Pakistan - Trustee	56,727	-	-	-	-	-	56,727	63,835	-	-	-	-	-	63,835
Payable to the auditors	-	66,640	-	-	-	-	66,640	-	75,310	-	-	-	-	75,310
Accrued expenses and other liabilities	-	-	-	-	-	-	-	5,412	-	-	-	-	-	5,412
	6,396,471	66,640	-	-	-	-	6,463,111	44,895,515	75,310	-	-	-	-	44,970,825
Net assets	38,124,674	(66,640)	-	-	4,280,270	355,990,634	398,328,938	12,891,792	(75,310)	-	-	2,571,279	374,238,437	389,626,198

21.2.2 Debt Sub-Fund

	2018						Total	2017						Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years			Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years		
	Rupees							Rupees						
Financial assets														
Bank balances	192,382,790	-	-	-	-	-	192,382,790	208,386,831	-	-	-	-	-	208,386,831
Investments - net	-	128,583,781	-	38,472,967	14,210,000	-	181,266,748	25,451,562	66,638,602	-	37,480,593	-	-	129,570,757
Interest accrued	1,220,289	-	-	-	-	-	1,220,289	475,442	810,108	-	-	-	-	1,285,550
Security deposit and other receivables	-	-	-	-	-	3,819,631	3,819,631	-	-	-	-	25,708,593	-	25,708,593
	193,603,079	128,583,781	-	38,472,967	18,029,631	-	378,689,458	234,313,835	67,448,710	-	37,480,593	25,708,593	-	364,951,731
Financial liabilities														
Payable against redemption of units	181,436	-	-	-	-	-	181,436	98,544	-	-	-	-	-	98,544
Payable to the Pension Fund Manager	1,553,543	-	-	-	-	-	1,553,543	1,519,439	-	-	-	-	-	1,519,439
Payable to the Central Depository Company of Pakistan Limited - Trustee	52,195	-	-	-	-	-	52,195	45,696	-	-	-	-	-	45,696
Payable to the auditors	66,247	-	-	-	-	-	66,247	-	57,624	-	-	-	-	57,624
Accrued expenses and other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,853,421	-	-	-	-	-	1,853,421	1,663,679	57,624	-	-	-	-	1,721,303
Net assets	191,749,658	128,583,781	-	38,472,967	18,029,631	-	376,836,037	232,650,156	67,391,086	-	37,480,593	25,708,593	-	363,230,428

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

21.2.3 Money Market Sub-Fund

Financial assets

Bank balances	153,927,957	-	-	-	-	153,927,957
Investments - net	-	112,781,978	-	-	-	112,781,978
Interest accrued	218,440	-	-	-	-	218,440
Security deposit and other receivables	-	-	-	-	2,258,361	2,258,361
	154,146,397	112,781,978	-	-	2,258,361	269,186,736

Financial liabilities

Payable against redemption of units	394,459	-	-	-	-	394,459
Payable to the Pension Fund Manager	937,867	-	-	-	-	937,867
Payable to the Central Depository Company of Pakistan Limited - Trustee	37,618	-	-	-	-	37,618
Payable to the auditors	45,061	-	-	-	-	45,061
Accrued expenses and other liabilities	-	-	-	-	-	-
	1,415,005	-	-	-	-	1,415,005

Net assets

2018						
Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
Rupees						
153,927,957	-	-	-	-	153,927,957	
-	112,781,978	-	-	-	112,781,978	
218,440	-	-	-	-	218,440	
-	-	-	-	2,258,361	2,258,361	
154,146,397	112,781,978	-	-	2,258,361	269,186,736	
394,459	-	-	-	-	394,459	
937,867	-	-	-	-	937,867	
37,618	-	-	-	-	37,618	
45,061	-	-	-	-	45,061	
-	-	-	-	-	-	
1,415,005	-	-	-	-	1,415,005	
152,731,392	112,781,978	-	-	2,258,361	267,771,731	

2017						
Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
Rupees						
180,973,062	-	-	-	-	180,973,062	
4,995,920	44,757,270	-	-	-	49,753,190	
165,018	-	-	-	-	165,018	
-	-	-	-	10,942,166	10,942,166	
186,134,000	44,757,270	-	-	10,942,166	241,833,436	
248,491	-	-	-	-	248,491	
918,681	-	-	-	-	918,681	
32,095	-	-	-	-	32,095	
-	42,254	-	-	-	42,254	
-	-	-	-	-	-	
1,199,267	42,254	-	-	-	1,241,521	
184,934,733	44,715,016	-	-	10,942,166	240,591,915	

21.2.4 Gold Sub-Fund - Revoked

Financial assets

Bank balances	374,852	-	-	-	-	374,852
Investments - net	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	-
Interest accrued	1,457	-	-	-	-	1,457
Security deposit and other receivables	61,418	-	-	-	-	61,418
	437,727	-	-	-	-	437,727

Financial liabilities

Payable to the Pension Fund Manager	238,537	-	-	-	-	238,537
Payable against redemption of units	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Post revocation profit	76,881	-	-	-	-	76,881
Payable to the auditors	4,207	-	-	-	-	4,207
	319,625	-	-	-	-	319,625

Net assets

2018						
Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
Rupees						
374,852	-	-	-	-	374,852	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,457	-	-	-	-	1,457	
61,418	-	-	-	-	61,418	
437,727	-	-	-	-	437,727	
238,537	-	-	-	-	238,537	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
76,881	-	-	-	-	76,881	
4,207	-	-	-	-	4,207	
319,625	-	-	-	-	319,625	
118,102	-	-	-	-	118,102	

2017						
Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total	
Rupees						
30,622,242	-	-	-	-	30,622,242	
-	-	-	-	-	-	
7,045,426	-	-	-	-	7,045,426	
68,811	-	-	-	-	68,811	
-	-	-	-	737,848	737,848	
37,736,479	-	-	-	737,848	38,474,327	
273,049	-	-	-	-	273,049	
-	-	-	-	-	-	
5,158	-	-	-	-	5,158	
-	731,481	-	-	-	731,481	
-	-	-	-	-	-	
-	6,812	-	-	-	6,812	
278,207	738,293	-	-	-	1,016,500	
37,458,272	(738,293)	-	-	737,848	37,457,827	

21.3 Credit risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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

	2018	2017
	-----Rupees-----	
Equity Sub Fund	48,801,415	60,358,586
Debt Sub Fund	250,105,677	272,682,096
Money Market Sub Fund	156,404,758	192,080,246
Gold Sub Fund - Revoked	437,727	38,474,327
	455,749,577	563,595,255

21.3.1 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 - Revoked	
	% 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Government securities	-	-	-	-	-	-	-	-
AAA	-	-	40.96	39.26	33.84	48.64	-	-
AA+	-	-	22.35	25.02	33.88	24.31	-	81.66
AA	100.00	100.00	29.26	28.62	32.28	27.05	-	18.34
AA-	-	-	6.54	6.26	-	-	-	-
A+	-	-	0.89	0.84	-	-	-	-
A	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
	100.00	100.00	100.00	100.00	100.00	100.00	-	100.00

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

	Debt Sub-Fund					
	As at 30 June 2018			As at 30 June 2017		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
		1-365	Above 365		1-365	Above 365
	-----Rupees-----					
Investments - Agritech Limited	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Investments - Agritech Limited IV	145,000	-	145,000	145,000	-	145,000

The impaired investments are fully provided.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

21.4 Fair value of financial instruments

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

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

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Investments in government securities are valued on the basis of average rates of brokers as announced on the Reuters page.
- Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP), as per the method of valuation agreed with the Trustees of the Fund under the Rules. The MUFAP calculates these prices in accordance with the methodology specified by the SECP. The methodology in case of currently traded securities, is based on weighted average prices during the 15 days preceding the valuation date and in case of thinly or non-traded securities, on the basis of discount coupon method which takes into consideration credit risk and maturities of the instruments.
- The fair value of gold futures contracts is determined on the basis of the closing prices in US Dollars, converted at the equivalent Pak Rupees rates, as announced by the Pakistan Mercantile Exchange Limited.
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

21.5 Fair value hierarchy

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

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

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

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

As at 30 June 2018, the Fund held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3
	-----Rupees-----		
Equity Sub-Fund			
At fair value through profit or loss	355,990,634	-	-
Debt Sub-Fund			
Available for sale	-	181,266,748	-
Money Market Sub-Fund			
Available for sale	-	112,781,978	-
Gold Sub Fund - Revoked			
At fair value through profit or loss	-	-	-
	<u>355,990,634</u>	<u>294,048,726</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

21.6 Participants' Fund 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.

22 FINANCIAL PERFORMANCE

22.1 EQUITY SUB-FUND

Particulars	Equity Sub-Fund					
	2018	2017	% Change	2016	2015	2014
	-----Rupees-----			-----Rupees-----		
Net (loss) / income for the year	(13,994,190)	96,696,151	(114.47)	13,499,917	41,620,004	41,121,158
Capital (loss) / gain on sale of investments - net	(24,428,527)	70,664,530	(134.57)	(7,923,736)	26,509,249	17,981,303
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	(2,980,379)	13,809,573	(121.58)	14,299,300	7,988,390	17,925,680
Dividend income	19,532,957	19,231,650	1.57	13,334,225	12,567,654	8,323,230
Interest income	1,938,730	1,366,159	41.91	843,497	708,803	1,187,920
Net asset value per unit	497.60	512.86	(2.98)	398.44	381.30	314.79
(Loss) / earnings per unit	(17.68)	128.15	(113.80)	17.05	59.20	69.94
Transactions in securities - Purchases	(429,153,230)	(674,732,124)	(36.40)	(399,734,706)	(274,047,790)	(173,091,694)
Transactions in securities - Sales	420,567,127	680,755,270	(38.22)	368,862,890	224,580,119	138,459,082
Total contributions received	63,724,897	59,100,013	7.83	73,616,658	55,225,755	52,512,152

22.2 DEBT SUB-FUND

Particulars	Debt Sub-Fund					
	2018	2017	% Change	2016	2015	2014
	-----Rupees-----			-----Rupees-----		
Net income / (loss) for the year	18,568,124	17,943,266	3.48	22,188,340	22,637,186	11,116,912
Interest income	23,017,689	19,620,695	17.31	21,860,478	23,119,051	14,406,381
(Loss) / gain on sale / maturity of 'available for sale investments' - net	(15,909)	914,278	(101.74)	4,187,944	4,294,592	26,121
Net asset value per unit	243.31	231.82	4.96	220.28	204.15	180.61
Earnings per unit	12.03	11.48	4.79	16.01	17.74	10.48
Transactions in securities - Purchases	(1,915,977,005)	(1,620,327,006)	18.25	(798,162,129)	(449,389,342)	(702,257,469)
Transactions in securities - Sales	1,876,031,113	1,739,898,901	7.82	801,775,431	395,552,433	642,547,771
Total contributions received	67,637,228	83,693,828	(19.18)	76,639,901	80,623,659	93,169,242

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

22.3 MONEY MARKET SUB-FUND

Particulars	Money Market Sub-Fund					
	2018	2017	% Change	2016	2015	2014
	Rupees			Rupees		
Net income for the year	13,078,465	12,148,280	7.66	12,056,049	12,432,915	9,048,138
Interest income	15,452,563	13,556,970	13.98	14,216,674	15,182,205	11,658,935
(Loss) / Gain on sale/maturity of 'available for sale investments' - net	(58,918)	(200,820)	(70.66)	39,251	73,614	8,396
Net asset value per unit	233.18	221.32	5.36	209.73	198.32	184.00
Earnings per unit	11.43	11.20	2.05	10.64	12.57	11.00
Transactions in securities - Purchases	(1,266,238,930)	(1,595,567,075)	(20.64)	(838,934,183)	(611,684,042)	(641,701,851)
Transactions in securities - Sales	1,212,392,329	1,738,484,750	(30.26)	814,892,479	576,914,599	621,801,516
Total contributions received	55,773,924	56,097,042	(0.58)	100,284,495	59,529,124	50,640,576

22.4 GOLD SUB-FUND - Revoked

Particulars	Gold Sub-Fund					
	2018	2017	% Change	2016	2015	2014
	Rupees			Rupees		
Net income / (loss) for the year	76,881	(1,024,881)	(107.50)	4,273,781	(1,546,364)	1,935,756
Interest income	77,450	1,823,118	(95.75)	1,849,006	2,640,352	2,723,790
Realised loss / (gain) on gold contracts	-	(1,529,421)	(100.00)	1,620,104	(2,855,256)	(1,009,464)
Net unrealised diminution on future contracts of gold	-	(731,481)	(100.00)	1,543,719	(503,136)	1,135,275
Net asset value per unit	-	111.26	(100.00)	114.44	101.35	106.24
(Loss) / earnings per unit	-	(3.05)	(100.00)	13.18	(4.84)	6.12
Transactions in securities - Purchases	-	(94,410,503)	100.00	(65,069,683)	(139,967,397)	(177,000,000)
Transactions in securities - Sales	(731,481)	95,000,000	100.00	86,152,472	118,280,019	175,990,536
Total contributions received	177,974	1,291,804	100.00	935,157	409,341	1,661,730

22.5 Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
	Rupees							
Highest issue price	533.02	570.23	243.26	231.82	233.13	221.25	119.54	117.44
Lowest issue price	429.15	401.57	231.94	219.90	221.44	209.84	109.16	101.47

23 GENERAL

23.1 Figures have been rounded off to the nearest Rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 06 September 2018.

For Atlas Asset Management Limited
(Pension Fund Manager)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

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

Dr. Mufti Muhammad Wasih Fasih Butt

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited - Islamic Banking
Askari Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking
BankIslami Pakistan Limited
Bank Al Falah Limited - Islamic Banking
Fayal Bank Limited - Islamic Banking
HBL Bank Limited - Islamic Banking
MCB Bank Limited - Islamic Banking
Meezan Bank Limited
Soneri Bank Limited - Islamic Banking



Fund Manager's Report

The objective of Atlas Pension Islamic Fund (APIF) is to provide the individuals with a Shariah Compliant, portable, individualized, funded (based on defined contribution), flexible pension scheme assisting and facilitating them to plan and provide for their retirement. Atlas Pension Islamic Fund is a one-window facility to invest in diversified Shariah compliant portfolio of equity, fixed income and money market securities/instruments. The Contributions received from the Participants 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 decreased from 78,598.22 points as on June 30, 2017 to 71,060.34 points as on June 30, 2018, decreasing by 9.59%. The average volumes during the year decreased by 56% to 175 million shares from 399 million shares traded last year. Net Foreign portfolio outflow during the year was recorded at US\$289 million compared to outflow of US\$652 million last year. On the local front Insurance Companies, and Companies were the most active participants investing US\$204 million and US\$100 million during the period. Broker Proprietary Trading Accounts, Mutual Funds and Banks/DFIs, on the other hand, reduced their exposure in the equity market by US\$44 million, US\$35 million and US\$10 million, respectively.

During the period the sectors that outperformed the market were Oil and Gas Exploration, Fertilizer, Chemical, Textile Spinning and Banks that posted 20.2%, 3.4%, 0.5%, -7.1% and -9.8% returns, respectively. The major outperformers for the index were PPL, POL, EFERT, OGDC, APL and EPCL as they contributed approximately 7,271 points to the index. Decline in share price of LUCK, DGKC, PAEL, HUBC, MLCF, FCCL, SNGP, HCAR, DAWH and PIOC led index to shed 12,192 points.

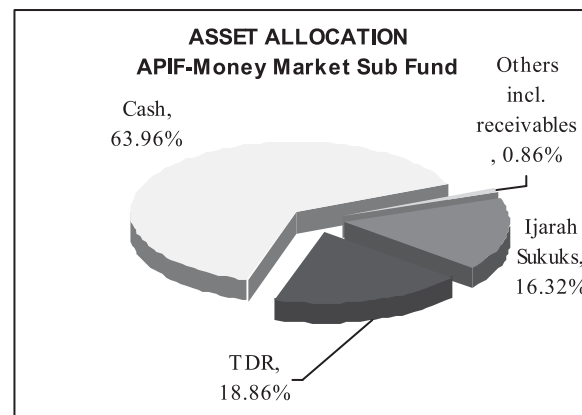
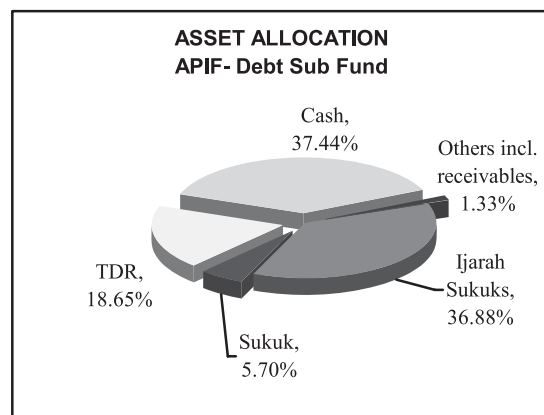
MONEY MARKET

The Consumer Price Index (CPI) on average was recorded at 3.92% during financial year 2017-18, as compared to 4.16% for the financial year 2016-17. The YoY uptick in inflation was due to global revival of international crude oil prices, along with rise in domestic demand due to pick up of economic activities. The government passed on the increase of fuel prices to domestic consumer, however, stable food prices offset the impact of the rise in petroleum rates.

During the year, the cautious monetary policy was centered on consolidating the gains from historic-low policy rate at 5.75 percent till January, FY18 and striking a balance between subdued inflation and emerging pressures on external accounts. The SBP changed the monetary policy stance in January 2018 by 25 bps to 6 percent to anchor expected rise in inflation in view of reversal of international oil and commodities prices and to address domestic demand pressure as well as exchange rate movement. In March 2018, the Monetary Policy Committee decided to maintain policy rate at 6.0 percent for the next two months to see impact of policy. However, The Central Bank increased the policy rate by 50bps to 6.50% under its monetary policy statement announced on May 25, 2018. The central bank's decision was based on (i) rising international oil prices which may translate into inflationary pressures going forward (ii) elevated aggregate demand which has kept imports high offsetting the impact of growth in exports worsening the current account deficit and (iii) a lack of foreign inflows amidst absence of triggers. Pakistan's foreign exchange reserves have decreased to US\$ 16.4 billion at June end 2018 compared to US\$ 21.4 billion at June end 2017. The level of foreign exchange reserves declined on the back of widening current account deficit not being fully offset by financial inflows despite growth in export earnings and remittance inflows.

FUND OPERATIONS

The Net Asset Value of APIF - Equity Sub Fund (ESF) decreased by 9.54% from Rs 673.59 as on June 30, 2017 to Rs 609.34 as on June 30, 2018. The APIF- Equity Sub Fund mainly invested in Oil & Gas Exploration, Fertilizer, Cement 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 3.58% and 4.02% respectively during the period under review. The APIF Debt Sub-Fund & Money Market Sub Fund was mainly invested in Treasury Bills and high yielding bank deposits. The Net Assets of APIF has stood at Rs. 1,060 million as on June 30, 2018.



The Fund has made provision against SWWF, which up till June 30, 2018 amounted to Rs. 2,442,724 (Rs. 3.68 per unit) (ESF), Rs. 810,013 (Rs. 0.47 per unit) (DSF) and Rs. 613,743 (Rs. 0.43 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.2.43, Rs.0.60 and Rs.0.45 per unit respectively as on June 30, 2018.

ALLOCATION SCHEMES

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

Allocation Schemes	Proportionate Investment in			Return FY 2017-18
	Equity	Debt	Money Market	
High Volatility	80%	20%	Nil	-6.92%
Medium Volatility	50%	40%	10%	-2.94%
Low Volatility	25%	60%	15%	0.37%
Lower Volatility	Nil	60%	40%	3.76%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return					
	FY-13	FY-14	FY15	FY16	FY17	FY18
High Volatility	40.77%	21.51%	20.56%	4.84%	23.71%	-6.92%
Medium Volatility	28.34%	16.42%	14.97%	4.61%	16.79%	-2.94%
Low Volatility	18.00%	12.19%	10.29%	4.42%	11.04%	0.37%
Lower Volatility	7.52%	7.89%	5.71%	4.22%	5.19%	3.76%

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

Fawad Javaid
Fund Manager - Fixed Income

M. Umar Khan
Fund Manager - Equity

Karachi: 06 September 2018

REVIEW REPORT OF THE SHARIAH ADVISOR

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

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

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

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

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

In light of the above scope, I hereby certify that all the provisions of the scheme and investments made by the Fund for the year ended 30 June 2018 are in compliance with the Shariah principles.

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

Karachi: 30 June 2018

Dr. Mufti Muhammad Wasie Fasih Butt
Shariah Advisor

TRUSTEE REPORT TO THE PARTICIPANTS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Pension Islamic Fund (the Fund) are of the opinion that Atlas Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 18 September 2018

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

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 2018 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 assessment, 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 2018 and of the transactions of the Fund for the year ended 30 June 2018 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.

Date: 06 September 2018

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Malik

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2018

	Note	2018					2017				
		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-----				
ASSETS											
Bank balances	4	30,457,930	198,482,251	254,722,067	6,891,802	490,554,050	46,568,654	194,971,485	200,753,831	6,753,486	449,047,456
Investments - net	5	376,286,902	150,679,168	50,190,000	-	577,156,070	352,101,520	145,098,128	50,995,000	-	548,194,648
Receivable against issue of units		2,940,976	2,628,074	966,474	-	6,535,524	2,154,674	2,854,198	1,514,009	-	6,522,881
Dividend receivable		717,240	-	-	-	717,240	1,406,450	-	-	-	1,406,450
Mark-up accrued	6	149,801	1,811,674	1,327,579	-	3,289,054	130,128	1,042,236	743,625	-	1,915,989
Security deposit and other receivables		673,360	279,480	372,972	-	1,325,812	673,360	279,480	372,972	-	1,325,812
Total assets		411,226,209	353,880,647	307,579,092	6,891,802	1,079,577,750	403,034,786	344,245,527	254,379,437	6,753,486	1,008,413,236
LIABILITIES											
Payable against purchase of investments		1,799,359	-	-	-	1,799,359	3,272,777	-	-	-	3,272,777
Payable against redemption of units		92,052	241,900	667,048	-	1,001,000	3,109	44,237	312,538	-	359,884
Payable to the Pension Fund Manager	7	2,420,872	1,446,064	882,231	-	4,749,167	2,408,233	1,437,860	859,468	-	4,705,561
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	59,412	48,037	41,738	-	149,187	53,151	41,780	30,990	-	125,921
Payable to the Securities and Exchange Commission of Pakistan		130,145	120,239	87,695	-	338,079	122,547	100,423	75,658	-	298,628
Payable to the auditors		71,242	65,243	47,517	-	184,002	73,882	61,203	45,587	-	180,672
Accrued expenses and other liabilities	9	2,525,674	811,288	614,714	6,891,802	10,843,478	2,534,302	506,916	389,776	6,753,486	10,184,480
Total liabilities		7,098,756	2,732,771	2,340,943	6,891,802	19,064,272	8,468,001	2,192,419	1,714,017	6,753,486	19,127,923
NET ASSETS		404,127,453	351,147,876	305,238,149	-	1,060,513,478	394,566,785	342,053,108	252,665,420	-	989,285,313
REPRESENTED BY:											
PARTICIPANTS' SUB-FUND (as per statement attached)		404,127,453	351,147,876	305,238,149	-	1,060,513,478	394,566,785	342,053,108	252,665,420	-	989,285,313
NUMBER OF UNITS IN ISSUE	10	663,220	1,740,080	1,432,082			585,771	1,755,655	1,233,077		
NET ASSET VALUE PER UNIT (RUPEES)		609.34	201.80	213.14			673.59	194.83	204.91		
CONTINGENCIES AND COMMITMENTS	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

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

		2018				2017			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		Rupees				Rupees			
INCOME									
Mark-up income	12	1,697,251	19,364,507	13,549,059	34,610,817	1,457,560	15,266,385	10,940,678	27,664,623
Dividend income		18,503,470	-	-	18,503,470	15,765,975	-	-	15,765,975
Net (loss) / gain on sale of investments at 'fair value through profit or loss'		(23,149,804)	-	-	(23,149,804)	53,554,640	-	-	53,554,640
Net gain on sale / maturity of 'available for sale investments'		-	-	-	-	-	298,468	69,582	368,050
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	(25,995,021)	-	-	(25,995,021)	23,385,258	-	-	23,385,258
		(49,144,825)	-	-	(49,144,825)	76,939,898	298,468	69,582	77,307,948
		(28,944,104)	19,364,507	13,549,059	3,969,462	94,163,433	15,564,853	11,010,260	120,738,546
EXPENSES									
Remuneration of the Pension Fund Manager	7.1	5,932,790	2,708,399	1,316,685	9,957,874	5,520,171	2,261,876	1,136,065	8,918,112
Sindh Sales Tax on remuneration of the Pension Fund Manager	7.2	771,263	352,092	171,169	1,294,524	717,622	294,044	147,688	1,159,354
Federal Excise Duty on remuneration of the Pension Fund Manager	7.3	-	-	-	-	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		593,446	542,065	395,761	1,531,272	546,634	447,460	336,643	1,330,737
Sindh Sales Tax on Remuneration of the Trustee	8.2	77,148	70,468	51,449	199,065	71,062	58,170	43,764	172,996
Annual fee to the Securities and Exchange Commission of Pakistan		130,145	120,239	87,695	338,079	122,547	100,423	75,658	298,628
Bank charges		18,907	19,319	29,402	67,628	10,995	18,048	21,328	50,371
Legal and professional charges		70,777	72,924	51,759	195,460	29,985	8,079	5,973	44,037
Auditors' remuneration	13	71,558	68,364	49,444	189,366	76,603	62,441	46,994	186,038
Securities' transaction cost and settlement charges		566,346	6,780	6,780	579,906	607,311	17,266	16,792	641,369
Reversal of Workers' Welfare Fund	9.2	-	-	-	-	(3,691,246)	(1,136,349)	(941,945)	(5,769,540)
Provision for Sindh Workers' Welfare Fund	9.2	-	308,077	227,778	535,855	2,442,724	501,936	385,965	3,330,625
		8,232,380	4,268,727	2,387,922	14,889,029	6,454,408	2,633,394	1,274,925	10,362,727
Net (loss) / income for the year		(37,176,484)	15,095,780	11,161,137	(10,919,567)	87,709,025	12,931,459	9,735,335	110,375,819
(Loss) / earnings per unit		(56.05)	8.68	7.79		149.73	7.37	7.90	

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

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018				2017			
		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 (loss) / income for the year		(37,176,484)	15,095,780	11,161,137	(10,919,567)	87,709,025	12,931,459	9,735,335	110,375,819
Income that may be re-classified subsequently to Income Statement									
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	14	-	(2,357,169)	(746,048)	(3,103,217)	-	2,667,620	1,016,938	3,684,558
Total comprehensive (loss) / income for the year		(37,176,484)	12,738,611	10,415,089	(14,022,784)	87,709,025	15,599,079	10,752,273	114,060,377

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

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2018

		2018				2017			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		-----Rupees-----				-----Rupees-----			
	Net assets at the beginning of the year	394,566,785	342,053,108	252,665,420	989,285,313	305,352,010	274,294,159	205,775,271	785,421,440
	Amount received on issuance of units	108,023,651	114,519,914	105,267,953	327,811,518	76,348,692	108,431,141	76,179,543	260,959,376
	Amount paid on redemptions of units								
	- Transfer to other Pension Fund	(195,025)	(151,654)	(101,415)	(448,094)	(3,446,183)	(1,584,749)	(418,457)	(5,449,389)
	- Directly by participants	(61,091,474)	(118,012,103)	(63,008,898)	(242,112,475)	(71,214,915)	(54,686,522)	(39,623,210)	(165,524,647)
		(61,286,499)	(118,163,757)	(63,110,313)	(242,560,569)	(74,661,098)	(56,271,271)	(40,041,667)	(170,974,036)
	Net (loss) / income for the year	(14,026,680)	15,095,780	11,161,137	12,230,237	33,972,541	12,632,991	9,665,753	56,271,285
	Net (loss) / gain on sale of investments at 'fair value through profit or loss'	(23,149,804)	-	-	(23,149,804)	53,554,640	-	-	53,554,640
	Net gain on sale / maturity of 'available for sale investments'	-	-	-	-	-	298,468	69,582	368,050
	Other comprehensive (loss) / income for the year	-	(2,357,169)	(746,048)	(3,103,217)	-	2,667,620	1,016,938	3,684,558
	Total comprehensive (loss) / income for the year	(37,176,484)	12,738,611	10,415,089	(14,022,784)	87,527,181	15,599,079	10,752,273	113,878,533
	Net assets at the end of the year	404,127,453	351,147,876	305,238,149	1,060,513,478	394,566,785	342,053,108	252,665,420	989,285,313

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

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

		2018					2017				
		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				
CASH FLOWS FROM OPERATING ACTIVITIES											
		(37,176,484)	15,095,780	11,161,137	-	(10,919,567)	87,527,181	12,931,459	9,735,335	-	110,193,975
		Adjustments for:									
		(1,697,251)	(19,364,507)	(13,549,059)	-	(34,610,817)	(1,457,560)	(15,266,385)	(10,940,678)	-	(27,664,623)
		(18,503,470)	-	-	-	(18,503,470)	(15,584,131)	-	-	-	(15,584,131)
		23,149,804	-	-	-	23,149,804	(53,554,640)	-	-	-	(53,554,640)
		Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'									
		25,995,021	-	-	-	25,995,021	(23,385,258)	-	-	-	(23,385,258)
		-	-	-	-	-	-	(298,468)	(69,582)	-	(368,050)
		-	-	-	-	-	(3,691,246)	(1,136,349)	(941,945)	-	(5,769,540)
		-	(308,077)	(227,778)	-	(535,855)	2,442,724	501,936	385,965	-	3,330,625
		(8,232,380)	(4,576,804)	(2,615,700)	-	(15,424,884)	(7,702,930)	(3,267,807)	(1,830,905)	-	(12,801,642)
		-	-	-	-	-	8,329	11,269	(8,734)	-	10,864
		-	-	-	-	-	8,329	11,269	(8,734)	-	10,864
		(Decrease) / increase in liabilities									
		(1,473,418)	-	-	-	(1,473,418)	3,272,777	-	-	-	3,272,777
		12,639	8,204	22,763	-	43,606	136,821	41,617	21,793	(27,206)	173,025
		6,261	6,257	10,748	-	23,266	7,619	2,818	1,852	-	12,289
		7,598	19,816	12,037	-	39,451	30,757	16,361	13,211	-	60,329
		(2,640)	4,040	1,930	-	3,330	4,736	(2,117)	(1,437)	-	1,182
		(8,628)	612,449	452,716	138,316	1,194,853	67,758	737	503	3,753,887	3,822,885
		(1,458,188)	650,766	500,194	138,316	(168,912)	3,520,468	59,416	35,922	3,726,681	7,342,487
		1,677,578	18,595,069	12,965,105	-	33,237,752	1,414,938	14,962,803	10,779,306	-	27,157,047
		19,192,680	-	-	-	19,192,680	14,892,681	-	-	-	14,892,681
		(316,385,104)	(8,000,000)	-	-	(324,385,104)	(404,820,118)	(12,000,000)	-	-	(416,820,118)
		243,054,897	61,791	58,953	-	243,175,641	418,668,676	76,763,400	46,931,300	-	542,363,376
		(52,459,949)	10,656,860	13,024,058	-	(28,779,031)	30,156,177	79,726,203	57,710,606	-	167,592,986
		(62,150,517)	6,730,822	10,908,552	138,316	(44,372,827)	25,982,044	76,529,081	55,906,889	3,726,681	162,144,695

CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018					2017				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		-----Rupees-----					-----Rupees-----				
Net cash (used in) / generated from operating activities - brought forward		(62,150,517)	6,730,822	10,908,552	138,316	(44,372,827)	25,982,044	76,529,081	55,906,889	3,726,681	162,144,695
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts on issue of units		107,237,349	114,746,038	105,815,487	-	327,798,874	75,415,692	106,595,056	75,220,671	-	257,231,419
Payment on redemptions of units											
- Transfer to other Pension Fund		(195,025)	(151,654)	(101,415)	-	(448,094)	(3,446,183)	(1,584,749)	(418,457)	-	(5,449,389)
- Directly by participants		(61,002,531)	(117,814,440)	(62,654,388)	-	(241,471,359)	(71,275,906)	(55,021,401)	(39,704,701)	-	(166,002,008)
Net cash generated from / (used in) financing activities		46,039,793	(3,220,056)	43,059,684	-	85,879,421	693,603	49,988,906	35,097,513	-	85,780,022
Net (decrease) / increase in cash and cash equivalents		(16,110,724)	3,510,766	53,968,236	138,316	41,506,594	26,675,647	126,517,987	91,004,402	3,726,681	247,924,717
Cash and cash equivalents at the beginning of the year		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
Cash and cash equivalents at the end of the year	4	30,457,930	198,482,251	254,722,067	6,891,802	490,554,050	46,568,654	194,971,485	200,753,831	6,753,486	449,047,456

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

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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.

1.5 Mufti Muhammad Wasie Fasih Butt 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

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 Act, 2017, 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.

2.2 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 will be effective for accounting periods beginning on or after 01 July 2018:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Standard, interpretation or amendment

Effective date (accounting periods beginning)

- 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 2018
- IAS 28 - Investment in Associates and Joint Ventures	01 January 2019
- IAS 19 - Employee Benefits	01 January 2019

Annual improvements to IFRS standards 2014 - 2016 cycle

- 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
- IFRS 15 - Revenue from contracts with customers	01 July 2018
- IFRS 9 - Financial Instruments	01 July 2018 and 01 January 2019
- IFRS 16 - Leases	01 January 2019

Annual improvements to IFRS standards 2015 - 2017 cycle

The improved address amendments to following approved accounting standards

- IFRS 3 and IFRS 11 - Business Combination and Joint Arrangements	01 January 2019
- IAS 12 - Income Taxes	01 January 2019
- IAS 23 - Borrowing cost	01 January 2019

The above amendments are not likely to have an impact on Fund's financial statements.

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 (notes 3.2.5 and 5.2.1.1);
- Recognition of provision for Sindh Workers' Welfare Fund (SWWF) (note 9.2); and
- Taxation (note 3.6).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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'.

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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'.

A significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the securities are impaired. Impairment loss on investment is recognised in the profit and loss whenever the acquisition cost of investment exceeds its recoverable amount. Impairment losses recognised on equity securities in the profit and loss are not reversed subsequently in the profit and loss.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2018

4. BANK BALANCES

Note	2018					2017				
	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 accounts	118,014	-	-	6,589,721	6,707,735	118,014	-	-	6,576,695	6,694,709
Saving accounts 4.2	30,339,916	132,482,251	196,722,067	302,081	359,846,315	46,450,640	141,971,485	159,753,831	176,791	348,352,747
Term deposit receipts 4.3	-	66,000,000	58,000,000	-	124,000,000	-	53,000,000	41,000,000	-	94,000,000
	30,457,930	198,482,251	254,722,067	6,891,802	490,554,050	46,568,654	194,971,485	200,753,831	6,753,486	449,047,456

4.1 These represent collection and redemption accounts maintained by the Fund.

4.2 These accounts carry expected rates ranging from 2.4% to 6.5% (2017: 2.00% to 5.60%) per annum.

4.3 These accounts carry expected rate of 6.25% (2017: 5.35%) per annum with maturities upto 04 July 2018 (2017: 01 July 2017).

5. INVESTMENTS - net

Note	2018					2017				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	Rupees					Rupees				
At fair value through profit or loss										
Held for trading										
Equity securities - listed 5.1	375,654,402	-	-	-	375,654,402	352,101,520	-	-	-	352,101,520
Investment through book building for 82,499 ordinary shares of AI - Tahir Limited	632,500	-	-	-	632,500	-	-	-	-	-
Available-for-sale										
Sukuk certificates - unlisted 5.2	-	20,185,168	-	-	20,185,168	-	12,511,128	-	-	12,511,128
Government of Pakistan - Ijarah Sukuks 5.3	-	130,494,000	50,190,000	-	180,684,000	-	132,587,000	50,995,000	-	183,582,000
	376,286,902	150,679,168	50,190,000	-	577,156,070	352,101,520	145,098,128	50,995,000	-	548,194,648

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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

Equity Sub-Fund

Balance as at 30 June 2018

Name of Investee Company	As at 01 July 2017	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2018	Carrying Value as at 30 June 2018	Market Value as at 30 June 2018	Unrealised gain / (loss) as at 30 June 2018	Market Value as a % of net assets of the sub-funds	Market Value as a % of paid-up capital of investee company
	-----Number of Shares-----					-----Rupees-----			-----%age-----	

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

COMMERCIAL BANK

Meezan Bank Limited	55,000	265,500	10,410	4,500	326,410	24,987,754	26,674,225	1,686,471	6.60	0.0326
	55,000	265,500	10,410	4,500	326,410	24,987,754	26,674,225	1,686,471	6.60	

TEXTILE COMPOSITE

Kohinoor Textile Mills Limited	-	82,500	-	19,500	63,000	3,647,316	3,464,370	(182,946)	0.86	0.0210
Nishat Mills Limited	80,000	76,500	-	22,000	134,500	20,668,316	18,953,740	(1,714,576)	4.69	0.0383
	80,000	159,000	-	41,500	197,500	24,315,632	22,418,110	(1,897,522)	5.55	

WOOLLEN

Bannu Woollen Mills Limited	-	33,000	-	33,000	-	-	-	-	-	-
	-	33,000	-	33,000	-	-	-	-	-	-

CEMENT

Attock Cement Pakistan Limited	-	19,000	-	-	19,000	3,060,199	2,555,120	(505,079)	0.63	0.0200
D.G. Khan Cement Company Limited	60,000	53,000	-	30,000	83,000	14,546,296	9,502,670	(5,043,626)	2.35	0.0189
Fauji Cement Company Limited	385,000	25,000	-	410,000	-	-	-	-	-	-
Kohat Cement Company Limited	38,800	20,000	-	32,800	26,000	5,511,414	3,199,820	(2,311,594)	0.79	0.0168
Lucky Cement Limited	28,500	21,700	-	10,000	40,200	28,192,704	20,418,786	(7,773,918)	5.05	0.0124
Maple Leaf Cement Factory Limited	-	35,000	-	-	35,000	1,795,315	1,775,900	(19,415)	0.44	0.0108
Pioneer Cement Limited	99,000	-	-	39,000	60,000	7,800,000	2,811,600	(4,988,400)	0.70	0.0264
	611,300	173,700	-	521,800	263,200	60,905,928	40,263,896	(20,642,032)	9.96	

REFINERY

Attock Refinery Limited	-	8,000	-	3,000	5,000	1,312,150	1,076,550	(235,600)	0.27	0.0059
National Refinery Limited	5,500	4,500	-	6,000	4,000	1,679,990	1,772,040	92,050	0.44	0.0050
	5,500	12,500	-	9,000	9,000	2,992,140	2,848,590	(143,550)	0.70	

POWER GENERATION AND DISTRIBUTION

K-Electric Limited (face value Rs. 3.5)	-	900,000	-	495,000	405,000	3,003,788	2,300,400	(703,388)	0.57	0.0015
Lalpir Power Limited	-	175,000	-	-	175,000	3,800,050	3,361,750	(438,300)	0.83	0.0461
Pakgen Power Limited	-	260,000	-	-	260,000	5,648,750	5,012,800	(635,950)	1.24	0.0699
The Hub Power Company Limited	166,600	182,100	-	135,600	213,100	23,109,237	19,639,296	(3,469,941)	4.86	0.0184
	166,600	1,517,100	-	630,600	1,053,100	35,561,825	30,314,246	(5,247,579)	7.50	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Balance as at 30 June 2018

Name of Investee Company	As at 01 July 2017	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2018	Carrying Value as at 30 June 2018	Market Value as at 30 June 2018	Unrealised gain / (loss) as at 30 June 2018	Market Value as a % of net assets of the sub-funds	Market Value as a % of paid-up capital of investee company
-----Number of Shares-----Rupees-----%age-----										
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
OIL AND GAS MARKETING COMPANIES										
Attock Petroleum Limited	27,200	5,000	-	13,500	18,700	11,431,751	11,032,813	(398,938)	2.73	0.0225
Hi-Tech Lubricants Limited	-	3,500	-	3,500	-	-	-	-	-	-
Pakistan State Oil Company Limited	27,000	-	3,400	15,000	15,400	4,970,992	4,901,974	(69,018)	1.21	0.0057
Sui Northern Gas Pipelines Limited	60,000	83,200	-	65,000	78,200	9,392,514	7,837,204	(1,555,310)	1.94	0.0123
	114,200	91,700	3,400	65,000	112,300	25,795,257	23,771,991	(2,023,266)	5.88	
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	12,260	5,780	-	2,020	16,020	24,936,169	24,129,004	(807,165)	5.97	0.0145
Oil & Gas Development Company Limited	127,500	154,000	-	56,000	225,500	33,857,057	35,092,310	1,235,253	8.68	0.0052
Pakistan Oilfields Limited	32,500	22,200	-	14,700	40,000	19,944,375	26,871,600	6,927,225	6.65	0.0169
Pakistan Petroleum Limited	81,000	56,000	-	10,000	127,000	22,196,927	27,292,300	5,095,373	6.75	0.0064
	253,260	237,980	-	82,720	408,520	100,934,528	113,385,214	12,450,686	28.06	
ENGINEERING										
International Industries Limited	34,500	34,000	-	29,000	39,500	12,583,942	9,175,455	(3,408,487)	2.27	0.0329
International Steels Limited	12,500	63,000	-	75,500	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	7,000	30,500	-	17,500	20,000	1,536,384	1,228,400	(307,984)	0.30	0.0159
	54,000	127,500	-	122,000	59,500	14,120,326	10,403,855	(3,716,471)	2.57	
AUTOMOBILE ASSEMBLER										
Millat Tractors Limited	4,000	500	-	-	4,500	6,057,128	5,346,270	(710,858)	1.32	0.0102
Pak Suzuki Motor Company Limited	6,600	-	-	6,600	-	-	-	-	-	-
	10,600	500	-	6,600	4,500	6,057,128	5,346,270	(710,858)	1.32	
AUTOMOBILE PARTS AND ACCESSORIES										
Agriauto Industries Limited (face value Rs. 5)	25,000	1,000	-	-	26,000	11,097,500	7,670,000	(3,427,500)	1.90	0.0903
Thal Limited (face value Rs. 5)	7,000	4,000	-	11,000	-	-	-	-	-	-
The General Tyre & Rubber Company of Pakistan Limited	-	25,800	-	25,800	-	-	-	-	-	-
	32,000	30,800	-	36,800	26,000	11,097,500	7,670,000	(3,427,500)	1.90	
CABLES AND ELECTRICAL GOODS										
Pak Elektron Limited	100,000	105,000	-	82,500	122,500	9,631,734	4,343,850	(5,287,884)	1.07	0.0246
Pakistan Cables Limited	6,500	-	-	6,500	-	-	-	-	-	-
	106,500	105,000	-	89,000	122,500	9,631,734	4,343,850	(5,287,884)	1.07	
TECHNOLOGY AND COMMUNICATIONS										
Pakistan Telecommunication Company Limited	450,000	790,000	-	1,240,000	-	-	-	-	-	-
Systems Limited	-	26,500	-	-	26,500	2,512,820	2,682,330	169,510	0.66	0.0007
	450,000	816,500	-	1,240,000	26,500	2,512,820	2,682,330	169,510	0.66	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Balance as at 30 June 2018

Name of Investee Company	As at 01 July 2017	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2018	Carrying Value as at 30 June 2018	Market Value as at 30 June 2018	Unrealised gain / (loss) as at 30 June 2018	Market Value as a % of net assets of the sub-funds	Market Value as a % of paid-up capital of investee company
<div>-----Number of Shares-----</div> <div>-----Rupees-----</div> <div>-----%age-----</div>										
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
FERTILIZER										
Dawood Hercules Corporation Limited	35,000	20,000	-	20,000	35,000	4,512,383	3,877,300	(635,083)	0.96	0.0073
Engro Corporation Limited	67,000	97,000	-	52,000	112,000	33,482,542	35,152,320	1,669,778	8.70	0.0214
Engro Fertilizers Limited	430,000	170,000	-	220,000	380,000	22,575,808	28,465,800	5,889,992	7.04	0.0286
	532,000	287,000	-	292,000	527,000	60,570,733	67,495,420	6,924,687	16.70	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	8,500	-	-	8,500	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	5,000	-	5,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	22,500	-	-	22,500	-	-	-	-	-	-
The Searle Company Limited	405	14,000	81	3,000	11,486	3,825,954	3,899,497	73,543	0.96	0.0082
	31,405	19,000	81	39,000	11,486	3,825,954	3,899,497	73,543	0.96	
CHEMICALS										
Archroma Pakistan Limited	3,000	-	-	3,000	-	-	-	-	-	-
Dynea Pakistan Limited	-	10,000	-	10,000	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	-	212,500	-	212,500	-	-	-	-	-	-
ICI Pakistan Limited	-	2,000	-	2,000	-	-	-	-	-	-
Ittehad Chemicals Limited	-	30,000	-	30,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	14,650	4,800	-	19,450	-	-	-	-	-	-
	17,650	259,300	-	276,950	-	-	-	-	-	-
PAPER AND BOARD										
Packages Limited	-	35,000	-	26,400	8,600	5,665,916	4,211,592	(1,454,324)	1.04	0.0096
	-	35,000	-	26,400	8,600	5,665,916	4,211,592	(1,454,324)	1.04	
LEATHER AND TANNERIES										
Service Industries Limited	-	5,000	-	-	5,000	5,813,582	3,924,900	(1,888,682)	0.97	0.0416
	-	5,000	-	-	5,000	5,813,582	3,924,900	(1,888,682)	0.97	
FOODS AND PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	1,712	210,000	-	50,500	161,212	5,268,525	4,393,016	(875,509)	1.09	0.1134
Engro Foods Limited	-	30,000	-	30,000	-	-	-	-	-	-
	1,712	240,000	-	80,500	161,212	5,268,525	4,393,016	(875,509)	1.09	
GLASS AND CERAMICS										
Shabbir Tiles & Ceramics Limited	-	125,000	-	125,000	-	-	-	-	-	-
Tariq Glass Industries Limited	39,500	65,500	-	90,000	15,000	1,592,141	1,607,400	15,259	0.40	0.0204
	39,500	190,500	-	215,000	15,000	1,592,141	1,607,400	15,259	0.40	
MISCELLANEOUS										
Tri-Pack Films Limited	-	4,300	-	4,300	-	-	-	-	-	-
	-	4,300	-	4,300	-	-	-	-	-	-
						401,649,423	375,654,402	(25,995,021)	92.95	

5.1.1 The cost of listed equity securities as at 30 June 2018 is Rs. 377,345,547 (2017: Rs. 319,564,277)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

5.2 Unlisted Sukuk certificates - Available for sale

5.2.1 Debt Sub-Fund

	As at 1 July 2017	Purchases during the year	Sales / Matured during the year	As at 30 June 2018	Carrying Value as at 30 June 2018	Market Value as at 30 June 2018	Unrealised gain as at 30 June 2018	Market Value as a % of net assets of the Sub-Fund	Market Value as a % of total issue size
Face value of Rs.5,000 per certificate otherwise stated:	-----Number of certificates-----			-----Rupees-----			-----%age-----		
Banks									
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	12	-	-	12	12,000,000	12,180,000	180,000	3.47	0.17
Fertilizers									
Dawood Hercules Corporation Limited Sukuk II (face value of Rs. 100,000 per certificate)	-	80	-	80	8,000,000	8,005,168	5,168	2.28	0.13
Chemicals									
Agritech Limited	740	-	-	740	-	-	-	-	-
Agritech Limited IV	107	-	-	107	-	-	-	-	-
					20,000,000	20,185,168	185,168	5.75	0.30

5.2.1.1 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 (2017: 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 2018. 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	Net carrying value
		----- Rupees -----		
Agritech Limited	Sukuk Certificate	3,700,000	3,700,000	-
Agritech Limited IV	Term Finance Certificates	535,000	535,000	-
		4,235,000	4,235,000	-

5.2.2 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
Dawood Hercules Corporation Limited Sukuk II	AA	5 years	Quarterly	March 2018 - March 2023	7.80%	3 Month Kibor + 1.00%
Meezan Bank Limited Tier - II	AA	10 years	Semi annually	September 2016 - September 2026	6.95%	6 Month Kibor + 0.50%
Agritech Limited	NPA	7 years	Semi annually	February 2011 - August 2015	12.18%	6 Month Kibor + 2%
Agritech Limited - IV	NPA	3.5 years	Semi annually	July 2011 - January 2015	0%	6 Month Kibor + 2%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

5.3 Government of Pakistan - Ijarah Sukuks

5.3.1 Debt Sub-Fund

		As at 1 July 2017	Purchases during the year	Sold / matured during the year	As at 30 June 2018	Amortised Cost as at 30 June 2018	Market Value as at 30 June 2018	Unrealised gain as at 30 June 2018	Market rate as a % of net assets of the Sub-Fund
Note		Face Value (Rupees)				Rupees		%	
Government of Pakistan - Ijarah Sukuks	5.3.2	130,000,000	-	-	130,000,000	130,028,780	130,494,000	465,220	37.16

5.3.2 The cost of investment as on 30 June 2018 is Rs. 130,167,800 (2017: 130,167,800). These investments carry rate of 6.33% (2017: 5.51%) per annum with maturity upto 18 December 2018 (2017: 18 December 2018).

5.3.3 Money Market Sub-Fund

		As at 1 July 2017	Purchases during the year	Sold / matured during the year	As at 30 June 2018	Amortised Cost as at 30 June 2018	Market Value as at 30 June 2018	Unrealised gain as at 30 June 2018	Market rate as a % of net assets of the Sub-Fund
Note		Face Value (Rupees)				Rupees		%	
Government of Pakistan - Ijarah Sukuks	5.3.4	50,000,000	-	-	50,000,000	50,027,458	50,190,000	162,542	16.44

5.3.4 The cost of investment as on 30 June 2018 is Rs. 50,151,500 (2017: Rs.50,151,500). These investments carry rate of return from 6.33% (2017:5.51%) per annum with maturities upto 18 December 2018 (2017: 18 December 2018).

6. MARK-UP ACCRUED

	2018					2017				
	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				
Income accrued on:										
- Bank balances and term deposits receipts	149,801	1,186,140	1,215,508	-	2,551,449	130,128	521,547	645,486	-	1,297,161
- Government of Pakistan - Ijarah Sukuks	-	291,582	112,071	-	403,653	-	255,163	98,139	-	353,302
- Sukuk Certificates	-	333,952	-	-	333,952	-	265,526	-	-	265,526
	149,801	1,811,674	1,327,579	-	3,289,054	130,128	1,042,236	743,625	-	1,915,989

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

7. PAYABLE TO THE PENSION FUND MANAGER

		2018					2017				
		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				
Remuneration of Pension Fund Manager	7.1	504,928	213,955	123,702	-	842,585	493,740	206,711	103,551	-	804,002
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	7.2	304,737	185,234	113,805	-	603,776	303,286	184,274	111,193	-	598,753
Provision for Federal Excise Duty payable on remuneration of the Pension Fund Manager	7.3	1,611,207	1,046,875	644,724	-	3,302,806	1,611,207	1,046,875	644,724	-	3,302,806
		2,420,872	1,446,064	882,231	-	4,749,167	2,408,233	1,437,860	859,468	-	4,705,561

- 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% (2017: 1.50%), 0.75% (2017: 0.75%) and 0.50% (2017: 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.1,294,524 (2017: Rs.1,159,354) was charged on account of sales tax on remuneration of the Pension Fund Manager at the rate of 13 percent (June 30, 2017: 13 percent) levied through Sindh Sales Tax on Services Act, 2011, and an amount of Rs.1,289,501 (2017: Rs.1,141,805) 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 Honorable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

During the previous 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2017: 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	2018				2017			
		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	49,577	42,011	36,436	128,024	44,036	36,473	26,925	107,434
Sindh Sales Tax on Remuneration of the Trustee		6,445	5,461	4,737	16,643	5,725	4,742	3,500	13,967
Settlement charges		3,000	500	500	4,000	3,000	500	500	4,000
Sindh Sales Tax on settlement charges		390	65	65	520	390	65	65	520
		59,412	48,037	41,738	149,187	53,151	41,780	30,990	125,921

- 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 Fund, paid monthly, in arrears:

Net Assets

Tariff

upto Rs. 1 billion
Rs.1 billion upto Rs. 3 billion
Rs.3 billion upto Rs. 6 billion
Exceeding Rs. 6 billion

Rs.0.3 million, or 0.15% per annum of net assets, whichever is higher.
Rs.1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs.1 billion.
Rs.3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs.3 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.199,065 (2017: 172,996) 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.196,389 (2017: 172,422) was paid to the Trustee who acts as a collecting agent.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

9. ACCRUED EXPENSES AND OTHER LIABILITIES

		2018					2017				
		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				
Payable to charity	9.1	80,314	-	-	-	80,314	28,052	-	-	-	28,052
Withholding tax payable		2,636	1,275	971	119,184	124,066	7,669	4,980	3,811	136,046	152,506
Zakat payable		-	-	-	150,403	150,403	-	-	-	15,835	15,835
Provision for Sindh Workers' Welfare Fund	9.2	2,442,724	810,013	613,743	-	3,866,480	2,442,724	501,936	385,965	-	3,330,625
Others		-	-	-	6,622,215	6,622,215	55,857	-	-	6,601,605	6,657,462
		2,525,674	811,288	614,714	6,891,802	10,843,478	2,534,302	506,916	389,776	6,753,486	10,184,480

9.1 The Shariah Advisor of the Fund has certified an amount of Rs. 276,188 (2017: Rs.181,844) against dividend income as Shariah non-compliant income which has accordingly, been marked to charity, out of which Rs. 223,926 (2017: Rs. 170,591) has been paid to charities approved by the Shariah Advisor and remaining amount of Rs. 80,314 (2017: 28,052) 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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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;

- 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.

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at 30 June 2018 would have been higher by Rs. 3.68 per unit (30 June 2017: Rs. 4.17 per unit), Rs. 0.47 per unit (30 June 2017: Rs. 0.29 per unit) and Rs. 0.43 per unit (30 June 2017: 0.31 per unit) for equity sub fund, debt sub fund and money market sub fund respectively.

10 NUMBER OF UNITS IN ISSUE

	2018				2017			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- Number of units in issue -----								
Total units in issue at beginning 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
Add: Units issued during the year	176,287	583,582	501,358	1,261,227	118,214	568,842	379,813	1,066,869
Less: Units redeemed during the year								
- Change of Pension Fund Manager	(319)	(774)	(491)	(1,584)	(5,167)	(8,281)	(2,077)	(15,525)
- Directly by participants	(98,519)	(598,383)	(301,862)	(998,764)	(108,832)	(288,697)	(197,946)	(595,475)
	(98,838)	(599,157)	(302,353)	(1,000,348)	(113,999)	(296,978)	(200,023)	(611,000)
Total units in issue at end of the year	663,220	1,740,080	1,432,082	3,835,382	585,771	1,755,655	1,233,077	3,574,503

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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.

The management of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, have filed various petitions in Honorable Sindh High Court challenging the levy of withholding of income tax on bonus shares received by mutual funds based on the principle that exemption is already given to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay orders while the matter is still pending adjudication.

The Honorable Supreme Court in its decision dated June 27, 2018 in a case held that the suits which are already pending or shall be filed in future, must only be maintained / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. In pursuance of said Supreme Court order, SHC issued notices of hearing for cases of tax related matters and held that Plaintiffs are directed to deposit 50% of amount by the tax department, if the deposits are not made with in time, the suits stand dismissed as not maintainable. MUFAP discussed this matter with the lawyer alongwith members of the AMC's, and it was agreed that 50% of the said tax withheld amount must have to be deposited, in order of saving our remaining 50% withheld tax amount. The lawyer vide its letter dated August 16, 2018 has directed share registrars to deposit 50% of tax withheld in FBR accounts, in respect of all bonus shares cases.

There were no other contingencies and commitments outstanding as at 30 June 2018 and 30 June 2017.

12. MARK-UP INCOME

		2018				2017			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		-----Rupees-----				-----Rupees-----			
Income on bank balances and term deposit receipts		1,697,251	11,211,286	10,838,629	23,747,166	1,457,560	6,053,996	6,895,214	14,406,770
Income on Sukuk certificates	12.1	-	1,014,423	-	1,014,423	-	628,639	-	628,639
Income on Government of Pakistan - Ijarah Sukuks		-	7,138,798	2,710,430	9,849,228	-	8,583,750	4,045,464	12,629,214
		1,697,251	19,364,507	13,549,059	34,610,817	1,457,560	15,266,385	10,940,678	27,664,623

12.1 Mark-up on non performing securities amounting to Rs. 2,751,031 (2017: Rs. 2,329,430) based on outstanding principal has not been recognised, in accordance with SECP's directives.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

13. AUDITOR'S REMUNERATION

	2018				2017			
	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	58,078	53,186	38,736	150,000	61,312	50,857	37,831	150,000
Sindh Sales Tax on services	4,646	4,255	3,099	12,000	4,904	4,069	3,027	12,000
Out of pocket expenses	8,834	10,923	7,609	27,366	10,387	7,515	6,136	24,038
	71,558	68,364	49,444	189,366	76,603	62,441	46,994	186,038

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

	2018					2017				
	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	-	150,679,168	50,190,000	-	200,869,168	-	145,098,128	50,995,000	-	196,093,128
Less: Carrying value of investments	-	150,028,780	50,027,458	-	200,056,238	-	142,090,571	50,086,410	-	192,176,981
	-	650,388	162,542	-	812,930	-	3,007,557	908,590	-	3,916,147
Less: Net unrealised (diminution) / appreciation in the value of investments at the beginning of the year	-	(3,007,557)	(908,590)	-	(3,916,147)	-	(339,937)	108,348	-	(231,589)
Transferred to comprehensive income during the year	-	(2,357,169)	(746,048)	-	(3,103,217)	-	2,667,620	1,016,938	-	3,684,558
(Loss) / Gain arise during the year	-	(2,357,169)	(746,048)	-	(3,103,217)	-	2,369,152	947,356	-	3,316,508
Reclassification to profit and loss upon disposal of investment during the year	-	-	-	-	-	-	298,468	69,582	-	368,050
	-	(2,357,169)	(746,048)	-	(3,103,217)	-	2,667,620	1,016,938	-	3,684,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

15. CONTRIBUTION TABLE

CONTRIBUTION TABLE		2018						
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
		Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals		43,938	27,042,544	177,952	35,341,804	275,402	58,111,932	120,496,280
Employers		132,349	80,981,107	405,630	79,178,110	225,956	47,156,021	207,315,238
		176,287	108,023,651	583,582	114,519,914	501,358	105,267,953	327,811,518
		2017						
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
		Units	Rupees	Units	Rupees	Units	Rupees	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
		118,214	76,348,692	568,842	108,431,141	379,813	76,179,543	260,959,376

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 and balances with them at the year end are as follows:

		2018					2017				
		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)	7	504,928	213,955	123,702	-	842,585	493,740	206,711	103,551	-	804,002
Sindh Sales Tax payable on the Pension Fund Manager (Rupees)	7	304,737	185,234	113,805	-	603,776	303,286	184,274	111,193	-	598,753
Federal Excise Duty payable on remuneration of the Pension Fund Manager (Rupees)	7	1,611,207	1,046,875	644,724	-	3,302,806	1,611,207	1,046,875	644,724	-	3,302,806
Investment (Rupees)		101,150,440	33,498,800	35,381,240	-	170,030,480	111,815,940	32,341,780	34,015,060	-	178,172,780
Units held (Number of units)		166,000	166,000	166,000	-	498,000	166,000	166,000	166,000	-	498,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

		2018					2017				
		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-----				
Central Depository Company of Pakistan Limited (Trustee)											
Remuneration payable (Rupees)	8	49,577	42,011	36,436	-	128,024	44,036	36,473	26,925	-	107,434
Sindh Sales Tax on Remuneration (Rupees)	8	6,445	5,461	4,737	-	16,643	5,725	4,742	3,500	-	13,967
Deposit (Rupees)		-	-	-	-	-	100	100	100	-	300
Settlement charges (Rupees)	8	3,000	500	500	-	4,000	3,000	500	500	-	4,000
Sindh Sales Tax on settlement charges (Rupees)	8	390	65	65	-	520	390	65	65	-	520
Directors and executives											
Investment at year end		35,968,634	30,124,429	36,074,359	-	102,167,422	698,513	413,040	200,197	-	1,311,750
Units held (Number of units)		59,029	149,279	169,252	-	377,560	1,037	2,120	977	-	4,134

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

	2018					2017				
	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)	5,932,790	2,708,399	1,316,685	-	9,957,874	5,520,171	2,261,876	1,136,065	-	8,918,112
Sindh Sales Tax on remuneration (Rupees)	771,263	352,092	171,169	-	1,294,524	717,622	294,044	147,688	-	1,159,354
Central Depository Company of Pakistan Limited (Trustee)										
Remuneration for the year (Rupees)	593,446	542,065	395,761	-	1,531,272	546,634	447,460	336,643	-	1,330,737
Sindh Sales Tax on Remuneration (Rupees)	77,148	70,468	51,449	-	199,065	71,062	58,170	43,764	-	172,996
Directors and executives										
Contributions	1,918,246	1,390,156	2,257,239	-	5,565,641	1,107,000	234,389	948,855	-	2,290,244
Contributions (number of units)	3,092	7,006	10,797	-	20,895	1,780	1,233	4,729	-	7,742
Redemptions	(585,780)	(595,279)	-	-	(1,181,059)	1,209,630	270,787	4,603,202	-	6,083,619
Redemptions (number of units)	(938)	(2,996)	-	-	(3,934)	1,952	1,443	22,757	-	26,152
Re-allocation	3,145,707	(1,124,456)	(1,982,433)	-	38,818	(1,526,911)	58,962	1,467,949	-	-
Re-allocation (Number of units)	5,500	(5,689)	(9,508)	-	(9,697)	(2,201)	228	7,315	-	5,342

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 financial 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.

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, 2018 along with comparatives is as follows:

		Loans and receivables	At fair value through profit or loss	Available for sale	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
June 30, 2018	Note	Rupees								
Financial assets - measured at fair value										
Investments		-	376,286,902	200,869,168	-	577,156,070	376,286,902	200,869,168	-	577,156,070
Financial assets - not measured at fair value										
Bank balances	17.1	490,554,050	-	-	-	490,554,050	-	-	-	-
Receivable against issue of units	17.1	6,535,524	-	-	-	6,535,524	-	-	-	-
Dividend receivable	17.1	717,240	-	-	-	717,240	-	-	-	-
Mark-up accrued	17.1	3,289,054	-	-	-	3,289,054	-	-	-	-
Security deposit and other receivables	17.1	1,325,812	-	-	-	1,325,812	-	-	-	-
		502,421,680	376,286,902	200,869,168	-	1,079,577,750				
Financial liabilities - not measured at fair value										
Payable against purchase of investments	17.1	-	-	-	1,799,359	1,799,359	-	-	-	-
Payable against redemption of units	17.1	-	-	-	1,001,000	1,001,000	-	-	-	-
Payable to the Pension Fund Manager	17.1	-	-	-	842,585	842,585	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	17.1	-	-	-	132,024	132,024	-	-	-	-
Payable to the auditors	17.1	-	-	-	184,002	184,002	-	-	-	-
Accrued expenses and other liabilities	17.1	-	-	-	6,702,529	6,702,529	-	-	-	-
		-	-	-	10,661,499	10,661,499				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		Loans and receivables	At fair value through profit or loss	Available for sale	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
June 30, 2017	Note	Rupees								
Financial assets - measured at fair value										
Investments		-	352,101,520	196,093,128	-	548,194,648	352,101,520	196,093,128	-	548,194,648
Financial assets - not measured at fair value										
Bank balances	17.1	449,047,456	-	-	-	449,047,456	-	-	-	-
Receivable against issue of units	17.1	6,522,881	-	-	-	6,522,881	-	-	-	-
Dividend receivable	17.1	1,406,450	-	-	-	1,406,450	-	-	-	-
Mark-up accrued	17.1	1,915,989	-	-	-	1,915,989	-	-	-	-
Security deposit and other receivables	17.1	1,325,812	-	-	-	1,325,812	-	-	-	-
		460,218,588	352,101,520	196,093,128	-	1,008,413,236				
Financial liabilities - not measured at fair value										
Payable against purchase of investments	17.1	-	-	-	3,272,777	3,272,777	-	-	-	-
Payable against redemption of units	17.1	-	-	-	359,884	359,884	-	-	-	-
Payable to the Pension Fund Manager	17.1	-	-	-	804,002	804,002	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	17.1	-	-	-	111,434	111,434	-	-	-	-
Payable to the auditors	17.1	-	-	-	180,672	180,672	-	-	-	-
Accrued expenses and other liabilities	17.1	-	-	-	6,685,514	6,685,514	-	-	-	-
		-	-	-	11,414,283	11,414,283				

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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

- Presently the Debt Sub-Fund hold KIBOR based profit bearing Sukuk certificates (other than Government Ijarah Sukuks) exposing the Sub-Funds to cash flow in interest rate risk. However, except for Meezan Bank Limited Tier - II and Dawood Hercules Corporation Limited Sukuk II, all securities are non-performing assets and have been fully provided for, with their markup being credited to suspense account.
- As at 30 June 2018, 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 2018 with all variables held, constant on the net income for the year is as follows:

Change in base points

	2018 Effect on net income			2017 Effect on net income		
	Debt Sub-Fund	Money Market Sub-Fund	Total	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----			-----Rupees-----		
100	1,506,792	501,900	2,008,692	1,450,981	509,950	1,960,931
(100)	(1,506,792)	(501,900)	(2,008,692)	(1,450,981)	(509,950)	(1,960,931)

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 2018 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Equity Sub-Fund

As at 30 June 2018

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	2.40 - 6.50
Investments - net	
Receivable against issue of units	
Dividend receivable	
Mark-up accrued	
Security deposit and other receivables	

30,457,930	-	-	-	30,457,930
-	-	-	376,286,902	376,286,902
-	-	-	2,940,976	2,940,976
-	-	-	717,240	717,240
-	-	-	149,801	149,801
-	-	-	673,360	673,360
30,457,930	-	-	380,768,279	411,226,209

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

-	-	-	1,799,359	1,799,359
-	-	-	92,052	92,052
-	-	-	504,928	504,928
-	-	-	52,577	52,577
-	-	-	71,242	71,242
-	-	-	80,314	80,314
-	-	-	2,600,472	2,600,472

On-balance sheet gap

30,457,930	-	-	378,167,807	408,625,737
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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

30,457,930	-	-	378,167,807	408,625,737
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Cumulative interest rate sensitivity gap

30,457,930	30,457,930	30,457,930	408,625,737	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Equity Sub-Fund

----- As at 30 June 2017 -----						
Equity Sub-Fund	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		-	-	-	493,740	493,740
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	47,036	47,036
Payable to the auditors		-	-	-	73,882	73,882
Accrued expenses and other liabilities		-	-	-	83,909	83,909
		-	-	-	3,974,453	3,974,453
On-balance sheet gap		46,568,654	-	-	352,491,679	399,060,333
Off-balance sheet financial instruments						
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		46,568,654	-	-	352,491,679	399,060,333
Cumulative interest rate sensitivity gap		46,568,654	46,568,654	46,568,654	399,060,333	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Debt Sub-Fund

As at 30 June 2018

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	2.40 - 6.50	198,482,251	-	-	-	198,482,251
Investments - net	6.33 - 7.80	-	-	150,679,168	-	150,679,168
Receivable against issue of units		-	-	-	2,628,074	2,628,074
Mark-up accrued		-	-	-	1,811,674	1,811,674
Security deposit and other receivables		-	-	-	279,480	279,480
		198,482,251	-	150,679,168	4,719,228	353,880,647

Financial liabilities

Payable against redemption of units		-	-	-	241,900	241,900
Payable to the Pension Fund Manager		-	-	-	213,955	213,955
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	42,511	42,511
Payable to the auditors		-	-	-	65,243	65,243
		-	-	-	563,609	563,609

On-balance sheet gap

198,482,251	-	150,679,168	4,155,619	353,317,038
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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

198,482,251	-	150,679,168	4,155,619	353,317,038
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Cumulative interest rate sensitivity gap

198,482,251	198,482,251	349,161,419	353,317,038	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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	2.00 - 5.60	194,971,485	-	-	-	194,971,485
Investments - net	5.51 - 6.62	-	-	145,098,128	-	145,098,128
Receivable against issue of units		-	-	-	2,854,198	2,854,198
Mark-up accrued		-	-	-	1,042,236	1,042,236
Security deposit and other receivables		-	-	-	279,480	279,480
		194,971,485	-	145,098,128	4,175,914	344,245,527

Financial liabilities

Payable against redemption of units		-	-	-	44,237	44,237
Payable to the Pension Fund Manager		-	-	-	206,711	206,711
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	36,973	36,973
Payable to the auditors		-	-	-	61,203	61,203
		-	-	-	349,124	349,124

On-balance sheet gap

194,971,485	-	145,098,128	3,826,790	343,896,403
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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

194,971,485	-	145,098,128	3,826,790	343,896,403
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Cumulative interest rate sensitivity gap

194,971,485	194,971,485	340,069,613	343,896,403	
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Money Market Sub-Fund

----- As at 30 June 2018 -----					
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	2.40 - 6.50	254,722,067	-	-	-	254,722,067
Investments - net	6.33	-	-	50,190,000	-	50,190,000
Receivable against issue of units		-	-	-	966,474	966,474
Mark-up accrued		-	-	-	1,327,579	1,327,579
Security deposit and other receivables		-	-	-	372,972	372,972
		254,722,067	-	50,190,000	2,667,025	307,579,092

Financial liabilities

Payable against redemption of units		-	-	-	667,048	667,048
Payable to the Pension Fund Manager		-	-	-	123,702	123,702
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	36,936	36,936
Payable to the auditors		-	-	-	47,517	47,517
		-	-	-	875,203	875,203

On-balance sheet gap

254,722,067	-	50,190,000	1,791,822	306,703,889
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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

254,722,067	-	50,190,000	1,791,822	306,703,889
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Cumulative interest rate sensitivity gap

254,722,067	254,722,067	304,912,067	306,703,889	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Money Market 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
Investments - net	5.51
Receivable against issue of units	
Mark-up accrued	
Security deposit and other receivables	

200,753,831	-	-	-	200,753,831
-	-	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

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

-	-	-	312,538	312,538
-	-	-	103,551	103,551
-	-	-	27,425	27,425
-	-	-	45,587	45,587
-	-	-	489,101	489,101

On-balance sheet gap

200,753,831	-	50,995,000	2,141,505	253,890,336
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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

200,753,831	-	50,995,000	2,141,505	253,890,336
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Cumulative interest rate sensitivity gap

200,753,831	200,753,831	251,748,831	253,890,336	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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 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, 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 PSX 100 index on 30 June 2018, with all other variables held constant, net income for the year would increase / decrease by Rs. 18,782,720 (2017: Rs.17,605,076) 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 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 2018 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.

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 2018

18.3.1 Equity Sub-Fund

	2018							2017						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	Rupees							Rupees						
Assets														
Bank balances	30,457,930	-	-	-	-	-	30,457,930	46,568,654	-	-	-	-	-	46,568,654
Receivable against issue of units	2,940,976	-	-	-	-	-	2,940,976	2,154,674	-	-	-	-	-	2,154,674
Investments - net	-	-	-	-	-	376,286,902	376,286,902	-	-	-	-	-	352,101,520	352,101,520
Dividend receivable	717,240	-	-	-	-	-	717,240	1,406,450	-	-	-	-	-	1,406,450
Mark-up accrued	149,801	-	-	-	-	-	149,801	130,128	-	-	-	-	-	130,128
Security deposit and other receivables	-	-	-	-	673,360	-	673,360	-	-	-	-	673,360	-	673,360
	34,265,947	-	-	-	673,360	376,286,902	411,226,209	50,259,906	-	-	-	673,360	352,101,520	403,034,786
Liabilities														
Payable against purchase of investments	1,799,359	-	-	-	-	-	1,799,359	3,272,777	-	-	-	-	-	3,272,777
Payable against redemption of units	92,052	-	-	-	-	-	92,052	3,109	-	-	-	-	-	3,109
Payable to the Pension Fund Manager	504,928	-	-	-	-	-	504,928	493,740	-	-	-	-	-	493,740
Payable to Central Depository Company of Pakistan Limited - Trustee	52,577	-	-	-	-	-	52,577	47,036	-	-	-	-	-	47,036
Payable to the auditors	71,242	-	-	-	-	-	71,242	73,882	-	-	-	-	-	73,882
Accrued expenses and other liabilities	80,314	-	-	-	-	-	80,314	83,909	-	-	-	-	-	83,909
	2,600,472	-	-	-	-	-	2,600,472	3,974,453	-	-	-	-	-	3,974,453
Net assets	31,665,475	-	-	-	673,360	376,286,902	408,625,737	46,285,453	-	-	-	673,360	352,101,520	399,060,333

18.3.2 Debt Sub-Fund

	2018							2017						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	Rupees							Rupees						
Assets														
Bank balances	198,482,251	-	-	-	-	-	198,482,251	194,971,485	-	-	-	-	-	194,971,485
Receivable against issue of units	2,628,074	-	-	-	-	-	2,628,074	2,854,198	-	-	-	-	-	2,854,198
Investments - net	-	-	130,494,000	-	20,185,168	-	150,679,168	-	-	-	132,587,000	12,511,128	-	145,098,128
Mark-up accrued	1,186,140	333,952	291,582	-	-	-	1,811,674	521,547	265,526	255,163	-	-	-	1,042,236
Security deposit and other receivables	-	-	-	-	279,480	-	279,480	-	-	-	-	279,480	-	279,480
	202,296,465	333,952	130,785,582	-	20,464,648	-	353,880,647	198,347,230	265,526	255,163	132,587,000	12,790,608	-	344,245,527
Liabilities														
Payable against redemption of units	241,900	-	-	-	-	-	241,900	44,237	-	-	-	-	-	44,237
Payable to the Pension Fund Manager	213,955	-	-	-	-	-	213,955	206,711	-	-	-	-	-	206,711
Payable to Central Depository Company of Pakistan Limited - Trustee	42,511	-	-	-	-	-	42,511	36,973	-	-	-	-	-	36,973
Payable to the auditors	-	65,243	-	-	-	-	65,243	-	61,203	-	-	-	-	61,203
	498,366	65,243	-	-	-	-	563,609	287,921	61,203	-	-	-	-	349,124
Net assets	201,798,099	268,709	130,785,582	-	20,464,648	-	353,317,038	198,059,309	204,323	255,163	132,587,000	12,790,608	-	343,896,403

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

18.3.3 Money Market Sub-Fund

3 Money Market Sub-Fund

	2018							2017							
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total		Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	-----Rupees-----							-----Rupees-----							
Assets															
Bank balances	254,722,067	-	-	-	-	-	254,722,067	200,753,831	-	-	-	-	-	-	200,753,831
Receivable against issue of units	966,474	-	-	-	-	-	966,474	1,514,009	-	-	-	-	-	-	1,514,009
Investments - net	-	-	50,190,000	-	-	-	50,190,000	-	-	-	50,995,000	-	-	-	50,995,000
Mark-up accrued	1,215,508	-	112,071	-	-	-	1,327,579	645,486	-	98,139	-	-	-	-	743,625
Security deposit and other receivables	-	-	-	-	372,972	-	372,972	-	-	-	-	372,972	-	-	372,972
	256,904,049	-	50,302,071	-	372,972	-	307,579,092	202,913,326	-	98,139	50,995,000	372,972	-	-	254,379,437
Liabilities															
Payable against redemption of units	667,048	-	-	-	-	-	667,048	312,538	-	-	-	-	-	-	312,538
Payable to the Pension Fund Manager	123,702	-	-	-	-	-	123,702	103,551	-	-	-	-	-	-	103,551
Payable to Central Depository Company of Pakistan Limited - Trustee	36,936	-	-	-	-	-	36,936	27,425	-	-	-	-	-	-	27,425
Payable to the auditors	-	47,517	-	-	-	-	47,517	-	45,587	-	-	-	-	-	45,587
	827,686	47,517	-	-	-	-	875,203	443,514	45,587	-	-	-	-	-	489,101
Net assets	256,076,363	(47,517)	50,302,071	-	372,972	-	306,703,889	202,469,812	(45,587)	98,139	50,995,000	372,972	-	-	253,890,336

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. 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 government securities:

	2018	2017
	-----Rupees-----	
Equity Sub-Fund	34,939,307	50,933,266
Debt Sub-Fund	202,575,945	198,892,236
Money Market Sub-Fund	257,277,021	203,286,298
	494,792,273	453,111,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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	
	2018	2017	2018	2017	2018	2017
Government securities	-	-	40.08	32.57	26.60	24.20
AAA	0.01	0.01	17.54	4.78	31.03	19.94
AA+	-	-	1.26	11.64	38.89	8.59
AA-	-	-	40.08	32.57	0.29	22.21
AA	52.91	68.15	1.04	18.44	3.19	25.06
A+	-	-	-	-	-	-
A	47.08	31.84	-	-	-	-
Others	-	-	-	-	-	-
	100.00	100.00	100.00	100.00	100.00	100.00

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

	Debt Sub-Fund					
	As at 30 June 2018			As at 30 June 2017		
	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
	4,235,000	-	4,235,000	4,235,000	-	4,235,000

The impaired investments are fully provided.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

18.5 Participants' Fund 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.

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					
	2018	2017	Change	2016	2015	2014
	-----Rupees-----		%	-----Rupees-----		
Net (loss) / income for the year	(37,176,484)	87,709,025	(142.39)	13,795,916	49,310,493	34,860,015
Net (loss) / gain on sale of investments at fair value through profit or loss	(23,149,804)	53,554,640	(143.23)	(8,012,239)	26,705,581	10,881,480
Net unrealised (diminution) / appreciation on re-measurement of investments classified as at fair value through profit or loss	(25,995,021)	23,385,258	(211.16)	15,387,878	15,607,413	18,464,034
Dividend income	18,503,470	15,765,975	17.36	12,542,377	12,622,812	8,760,488
Mark-up Income	1,697,251	1,457,560	16.44	872,350	911,121	1,328,675
Net asset value per unit	609.34	673.59	(9.54)	525.06	500.09	402.26
(Loss) / earnings per unit	(56.05)	149.73	(137.43)	23.72	89.10	69.38
Transactions in securities - Purchased	(316,385,104)	(404,820,118)	(21.85)	(355,255,845)	(280,501,148)	(160,172,664)
Transactions in securities - Sold / Matured	243,054,897	418,668,676	(41.95)	337,579,329	248,995,862	118,529,563
Total contributions received	108,023,651	76,348,692	41.49	66,395,078	66,743,935	59,826,458

Particulars	Debt Sub-Fund					
	2018	2017	Change	2016	2015	2014
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	15,095,780	12,931,459	16.74	10,515,915	12,600,067	9,083,793
Net gain on sale / maturity of 'available for sale investments'	-	298,468	-	-	-	-
Mark-up Income	19,364,507	15,266,385	26.84	13,875,362	16,692,859	12,322,273
Net asset value per unit	201.80	194.83	3.58	184.86	177.34	168.04
Earnings per unit	8.68	7.37	17.77	7.09	9.58	8.69
Transactions in securities - Purchases	(8,000,000)	(12,000,000)	(33.33)	(176,641,823)	(56,675,102)	(118,755,548)
Transactions in securities - Sold / Matured	61,791	76,763,400	(99.92)	178,800,000	-	84,001,000
Total contributions received	114,519,914	108,431,141	5.62	78,108,998	87,132,633	69,420,667

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Particulars	Money Market Sub-Fund					
	2018	2017	Change	2016	2015	2014
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	11,161,137	9,735,335	14.65	8,311,131	9,563,703	7,105,755
Net gain on sale / maturity of 'available for sale investments'	-	69,582	(100.00)	337,500	-	-
Mark-up Income	13,549,059	10,940,678	23.84	9,876,071	12,122,472	9,537,456
Net asset value per unit	213.14	204.91	4.02	195.36	187.46	176.90
Earnings per unit	7.79	7.90	(1.39)	7.89	10.50	9.10
Transactions in securities - Purchases	-	-	-	(153,299,372)	(51,970,998)	(85,632,662)
Transactions in securities - Sold / Matured	58,953	46,931,300	(99.87)	206,237,500	-	79,501,000
Total contributions received	105,267,953	76,179,543	38.18	63,681,812	49,758,749	50,404,669
Highest and lowest issue prices of units						

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2018	2017	2018	2017	2018	2017
	-----Rupees-----					
Highest issue price	693.69	751.61	201.75	194.92	213.08	204.95
Lowest issue price	553.88	529.46	194.66	184.94	204.93	195.45

20. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 06 September 2018.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Yusuf H. Shirazi
Chairman

Tariq Amin
Director

آڈٹرز

بورڈ آف ڈائریکٹرز کی آڈٹ کمپنی نے اپنے اجلاس منعقدہ ۳ ستمبر ۲۰۱۸ء کو میسرز کے پی ایم جی تاثیر بادی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس، کراچی کو اختتام سال ۲۰۱۹ء کیلئے ٹلس پینشن فنڈ اور ٹلس پینشن اسلامک فنڈ کا بطور آڈیٹرز دوبارہ تفری کیلئے تجویز کیا۔ بورڈ نے اس تفری کو منظور کر لیا۔

توثیق

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

از طرف اور منجانب بورڈ

محمد عبدالصمد

چیف ایگزیکٹو آفیسر

فراہیم علی خان

ڈائریکٹر

کراچی: ۶ ستمبر، ۲۰۱۸ء

- ہیومن ریسورس اینڈ ری مینوریشن کمیٹی (ایچ آر اینڈ آری)۔ دوران سال چار میٹنگز منعقد ہوئیں اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب فراہیم علی خان	ٹان ایگزیکٹو ڈائریکٹر	۴
۲	جناب علی ایچ شیرازی	ٹان ایگزیکٹو ڈائریکٹر	۴
۳	جناب ایم حبیب الرحمن	سابق چیف ایگزیکٹو آفیسر	۲
۴	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۲

- انویسٹمنٹ کمیٹی۔ چونتیس میٹنگز منعقد ہوئیں دوران سال اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب علی ایچ شیرازی	ٹان ایگزیکٹو ڈائریکٹر	۶
۲	جناب ایم حبیب الرحمن	سابق چیف ایگزیکٹو آفیسر	۲۱
۳	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۳۴
4	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر۔ رکن IC	۳۰
5	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	فنانس مینجر۔ رکن IC	۳۱
6	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	فنانس مینجر۔ رکن IC	۳۳
7	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	فنانس مینجر۔ سیکریٹری IC	۳۴

شرعی مشیر کا تقرر

بورڈ نے جناب یحییٰ عاصم، سبکدوش ہو نیوالے شرعی مشیر کا استعفیٰ منظور کیا، اور جناب مفتی وصی فصیح کو اے آئی آئی ایف اور اے آئی ایف کیلئے شرعی مشیر بذریعہ سرکلر بزنس وولوشن بتاریخ ۱۱۱ اپریل ۲۰۱۸ء مقرر کیا۔

ادارے پر عائد معاشرتی ذمہ داریاں اور عطیات

بورڈ سے منظور شدہ کمپنی کے عطیات دینے کے اصول و ضوابط کے تحت ہر سال کمپنی، منظم کمپنی کے منافع، بعد از ادائیگی 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 فنڈز کی آمدنی کو اس میں شامل حرام جزو سے پاک کیا جائے۔ شرعی مشیر کی تصدیق کے بعد اس طرح کی آمدنی کو سماہی بنیادوں پر، شرعی مشیر کی جانب سے منظور کردہ خیراتی اداروں کو عطیہ کر دیا جاتا ہے۔

تازہ ترین درجہ بندی

اعاشہ جات منجری درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (بیکرا) نے بتاریخ ۳۰ جون ۲۰۱۸ء کو مینجمنٹ کمپنی کی ایسیڈٹ منجری ریٹنگ اے ایم ۲+ (اے ایم ٹوپلس) ترتیب دی ہے۔ [۲۰۱۷ء: اے ایم ۲+ (اے ایم ٹوپلس)۔ یہ درجہ بندی کمپنی کی تجربہ کار ٹیم، منظم سرمایہ کاری نظام اور ہم آہنگ معیاری نظام اور طریقہ کار کی عکاسی کرتی ہے۔

سال کے دوران، چھ بورڈ میٹنگ منعقد ہوئیں جس میں درج ذیل شرکت کی گئی:

نمبر شمار	نام ڈائریکٹر	عہدہ	میٹنگ میں شرکت	کل میٹنگ میں سے
۱	جناب یوسف ایچ شیرازی	چیئر مین	۵	۶
۲	جناب طارق امین	آزاد ڈائریکٹر	۶	۶
۳	جناب شمشاد نبی**	آزاد ڈائریکٹر	۳	۴
۴	جناب فراہیم 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*	۴
۷	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۶	۶
۸	مس زہرا نقوی***	آزاد ڈائریکٹر	۱	۱
۹	جناب محمد عبدالصمد***	چیف ایگزیکٹو آفیسر	۲	۲

* جناب ارشد بی۔ رانا نے تین میٹنگ بذریعہ ٹیلی کانفرنس کال شرکت کی۔ انہوں نے ۱۹ مارچ ۲۰۱۸ء کو متغیٰ دیا۔

** جناب شمشاد نبی نے ۲۲ مارچ ۲۰۱۸ء کو متغیٰ دیا۔

*** مس زہرا نقوی ۲۶ اپریل ۲۰۱۸ء کو اور جناب محمد عبدالصمد ۱۹ مارچ ۲۰۱۸ء کو حقر ہوئے۔

بورڈ کی کمیٹیوں میں شامل ہیں آڈٹ کمیٹی، ہیومن ریسورس اینڈ ری مینوریشن کمیٹی، اور انویسٹمنٹ کمیٹی (جس میں ایگزیکٹو مینجمنٹ کے افراد شامل ہیں جیسا کہ این بی ایف سی قواعد ۲۰۰۸ء میں درکار ہے)۔ بورڈ ایویلوایشن کمیٹی کو بورڈ کی منظوری سے ۲۲ مارچ ۲۰۱۸ء کو سرکلر ریزولوشن نمبر ۱۳۸ کے ذریعے تحلیل کر دیا گیا تھا۔ ان میٹنگز میں ڈائریکٹر ان نے شرکت کی جس کی تفصیل درج ذیل ہے:

● آڈٹ کمیٹی (اے سی)۔ چار اے سی میٹنگز دوران سال منعقد کی گئیں، اور درج ذیل شرکت کی گئی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب طارق امین	آزاد ڈائریکٹر	۴
۲	جناب شمشاد نبی*	آزاد ڈائریکٹر	۳
۳	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۴
۴	جناب ایم حبیب الرحمن**	نان ایگزیکٹو ڈائریکٹر	۱

* مستغیٰ تاریخ ۲۲ مارچ ۲۰۱۸ء

** رکن ۲۲ مارچ ۲۰۱۸ء سے

- ☆ اندرونی نظم و ضبط کا نظام مؤثر نگرانی میں مستحکم بنیادوں پر نافذ ہے۔
- ☆ فنڈز کے مستقبل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔
- ☆ پینشن کی ملکیت کا انداز (اے پی ایف)، اور (اے پی آئی ایف)، کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۱۲ اور ۱۹ پر علی الترتیب 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 لا ینفک ہے۔ جولائی ۲۰۱۲ء 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۔ یہ ضابطہ اخلاق کمپنی کی ویب سائٹ پر دستیاب ہے۔

مفاپ کو ارسال کردہ ایس ای سی پی لیٹر نمبر ۲۰۱۸ء/۳۴۶/مفاپ/آر ایس/ایس سی ڈ مورخہ ۱۸ اپریل ۲۰۱۸ء کے مطابق جس کے تحت غیر محدود مجموعی سرمایہ کاری منصوبہ نیز غیر مندرج مینجمنٹ کمپنیاں، جو اس طرح کے مجموعی سرمایہ کاری منصوبہ چلا رہی ہیں، نئی لسٹنگ کمپنیز (ضابطہ برائے انتظامی تشکیل) کے قواعد و ضوابط ۲۰۱۷ء کی ضروریات سے مستثنیٰ ہیں۔

چیف ایگزیکٹو آفیسر کی تبدیلی

اے اے ایم ایل کے بورڈ آف ڈائریکٹران نے، اپنے ۸۹ ویں اجلاس منعقدہ ۲۸ فروری ۲۰۱۸ء میں جناب ایم حبیب الرحمن کا استعفیٰ منظور کیا تھا، اور جناب محمد عبدالصمد کو بحیثیت چیف ایگزیکٹو آفیسر مقرر کیا تھا۔ جناب محمد عبدالصمد نے، جناب حبیب الرحمن کی بطور چیف ایگزیکٹو سکدوشی کے بعد ۱۹ مارچ ۲۰۱۸ء سے بطور چیف ایگزیکٹو آفیسر کی ذمہ داریاں سنبھال لی ہیں۔

مینجمنٹ فنڈ منیجر اور کمیٹیڈ کے بورڈ آف ڈائریکٹران

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز ایک ایگزیکٹو اور چھ نان ایگزیکٹو ڈائریکٹران پر مشتمل ہیں۔ اے اے ایم ایل کے ڈائریکٹران میں شامل ہیں جناب یوسف ایچ شیرازی، چیئرمین، جناب فراہم علی خان ڈائریکٹر، جناب ایم حبیب الرحمن ڈائریکٹر، جناب طارق امین آزاد ڈائریکٹر، جناب علی ایچ شیرازی ڈائریکٹر، مس زہرا نقوی آزاد ڈائریکٹر اور جناب محمد عبدالصمد چیف ایگزیکٹو آفیسر۔

دوران سال، بورڈ میں دو اتفاقی آسامیاں این بی ایف سی کے قواعد و ضوابط ۲۰۰۸ء کے تحت، سیوریٹیز اینڈ ایکچینج کمیشن آف پاکستان کی منظوری سے کی گئی ہیں۔

اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف)

تفصیلات		اے پی آئی ایف - ایکویٹی		اے پی آئی ایف - ڈیویڈنڈ		اے پی آئی ایف - منی مارکیٹ	
		۲۰۱۸ء	۲۰۱۷ء	۲۰۱۸ء	۲۰۱۷ء	۲۰۱۸ء	۲۰۱۷ء
مجموعی اثاثے - ملین روپے		۳۰۴.۱۳	۳۹۴.۵۷	۳۵۱.۱۵	۳۴۲.۰۵	۳۰۵.۲۴	۲۵۲.۶۷
آمدنی فی یونٹ - روپے		(۵۶.۰۵)	۱۴۹.۴۲	۸.۶۸	۷.۳۷	۷.۷۹	۷.۹۰
منافع		(۹.۵۴)	۲۸.۲۹	۳.۵۸	۵.۳۹	۴.۰۲	۴.۸۸
یونٹس کا اجراء - ملین روپے		۱۰۸.۰۲	۷۶.۳۵	۱۱۴.۵۲	۱۰۸.۴۳	۱۰۵.۲۷	۷۶.۱۸
یونٹس کی واپسی - ملین روپے		۶۱.۲۹	۷۴.۶۶	۱۱۸.۱۶	۵۶.۲۷	۶۳.۱۱	۴۰.۰۴
شرکاء کا تقسیم جدول - مالیاتی تفصیلات میں ظاہر کردہ		نوٹس ۱۵	نوٹس ۱۵	نوٹس ۱۵	نوٹس ۱۵	نوٹس ۱۵	نوٹس ۱۵

فنڈ کے وقف نامہ کے مطابق، ذیلی فنڈز کے ذریعے ہونیوالی آمدنی کو فنڈز میں محفوظ رکھا جائے گا۔

اٹلس پینشن فنڈ گولڈ ذیلی فنڈ کی منسوخی

مینجمنٹ کمپنی نے یونٹ ہولڈرز کی رضامندی سے، اے پی ایف گولڈ ذیلی فنڈ میں ان کی سرمایہ کاری کو دوسرے ذیلی فنڈز میں منتقل کر دیا ہے۔ نتیجتاً ایس ای سی پی نے ذیلی فنڈ کی منسوخی کیلئے اپنی رضامندی دے دی۔ ۵۴،۰۴۷ روپے ٹیکس واپسی کلیم ہیں اور فیڈرل ایکسائز ڈیوٹی اور سندھ ورکرز ویلفیئر فنڈ کی مد میں ۰.۳۵ ملین روپے ہیں جسکی بہت زیادہ محتاط پیش بندی کی گئی ہے۔ ایک بار یہ مسائل حل ہو جائیں تو انہیں سرمایہ میں اور شرکاء میں مساوی طور پر رزٹی اور ضرورت پڑنے پر ایس ای سی پی سے پیشگی منظوری کے ساتھ مختص کیا جائے گا۔

چیئر مین کا جائزہ:

سالانہ رپورٹ میں شامل جائزہ منجملہ طور پر اس سال کے فنڈز کی کارکردگی اور اسکے آئندہ لائحہ عمل سے متعلق ہے۔ ڈائریکٹران اس جائزے کے مندرجات کی توثیق کرتے ہیں۔

بورڈ کے ڈائریکٹران کی جانب سے توثیق نامہ

☆ بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ (اے پی ایف)، اور (اے پی آئی ایف)، کی مالیاتی تفصیلات، جسے ان فنڈز کے پینشن فنڈ منیجر کی جانب سے تیار کیا گیا ہے، جو شفاف طریقے سے پیش کرتی ہے اپنے حالات و واقعات، کارگزاری نتائج، جامع آمدنی برائے سال، نقد گوشوارے، اور شرکاء کے ذیلی فنڈ میں نقل و حرکت۔

☆ تمام فنڈز کے کھاتوں کو مناسب طریقے 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 فراست کا استعمال کیا جا رہا ہے۔

☆ گوشواروں کی تیاری میں وہ بین الاقوامی معیارات جو پاکستان میں لاگو ہوتے ہیں، کو مدنظر رکھا گیا ہے اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔

ڈائریکٹر رپورٹ

اٹلس ایسٹ پیمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز، مینشن فنڈ مینجر برائے اٹلس پینشن فنڈ (اے پی ایف) اور اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف) کو اے پی ایف اور اے پی آئی ایف کی سالانہ رپورٹس بشمول آڈٹ شدہ مالیاتی تفصیلات اور آڈیٹرز رپورٹ برائے اختتام سال ۲۰۱۸ء پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

فنڈ کا حجم اور افعال

فنڈ کے حجم، آمدنی فی یونٹ (ای پی ایس)، اور اے پی ایف اور اے پی آئی ایف کے یونٹس کے اجراء اور واپسی کا خلاصہ برائے اختتام سال ۲۰۱۸ء بمقابلہ اختتام سال ۲۰۱۷ء درج ذیل ہے۔















تفصیلات		اے پی ایف - ایکویٹی		اے پی ایف - ڈیبٹ		اے پی ایف - منی مارکیٹ	
		ذیلی فنڈ		ذیلی فنڈ		ذیلی فنڈ	
		۲۰۱۸ء	۲۰۱۷ء	۲۰۱۸ء	۲۰۱۷ء	۲۰۱۸ء	۲۰۱۷ء
مجموعی اثاثے - ملین روپے		۳۹۳.۸۷	۳۸۶.۹۷	۳۷۵.۳۶	۳۶۲.۲۵	۲۶۶.۹۱	۲۳۰.۰۰
آمدنی / (خسارہ) فی یونٹ - روپے		(۱۷.۶۸)	۱۲۸.۱۵	۱۲.۰۳	۱۱.۴۸	۱۱.۴۳	۱۱.۲۰
منافع		(۲.۹۷)	۲۸.۷۲	۴.۹۶	۵.۲۲	۵.۳۶	۵.۵۳
یونٹس کا اجراء - ملین روپے		۶۳.۷۲	۵۹.۱۰	۶۷.۶۴	۸۳.۶۹	۵۵.۷۷	۵۶.۱۰
یونٹس کی واپسی - ملین روپے		(۴۲.۸۳)	۸۴.۲۹	(۷۲.۲۸)	۴۲.۳۳	(۴۱.۹۴)	۶۵.۸۲
شرکاء کا تقسیم جدول - مالیاتی تفصیلات میں ظاہر کردہ		نوٹ ۱۸	نوٹ ۱۷	نوٹ ۱۸	نوٹ ۱۷	نوٹ ۱۸	نوٹ ۱۷



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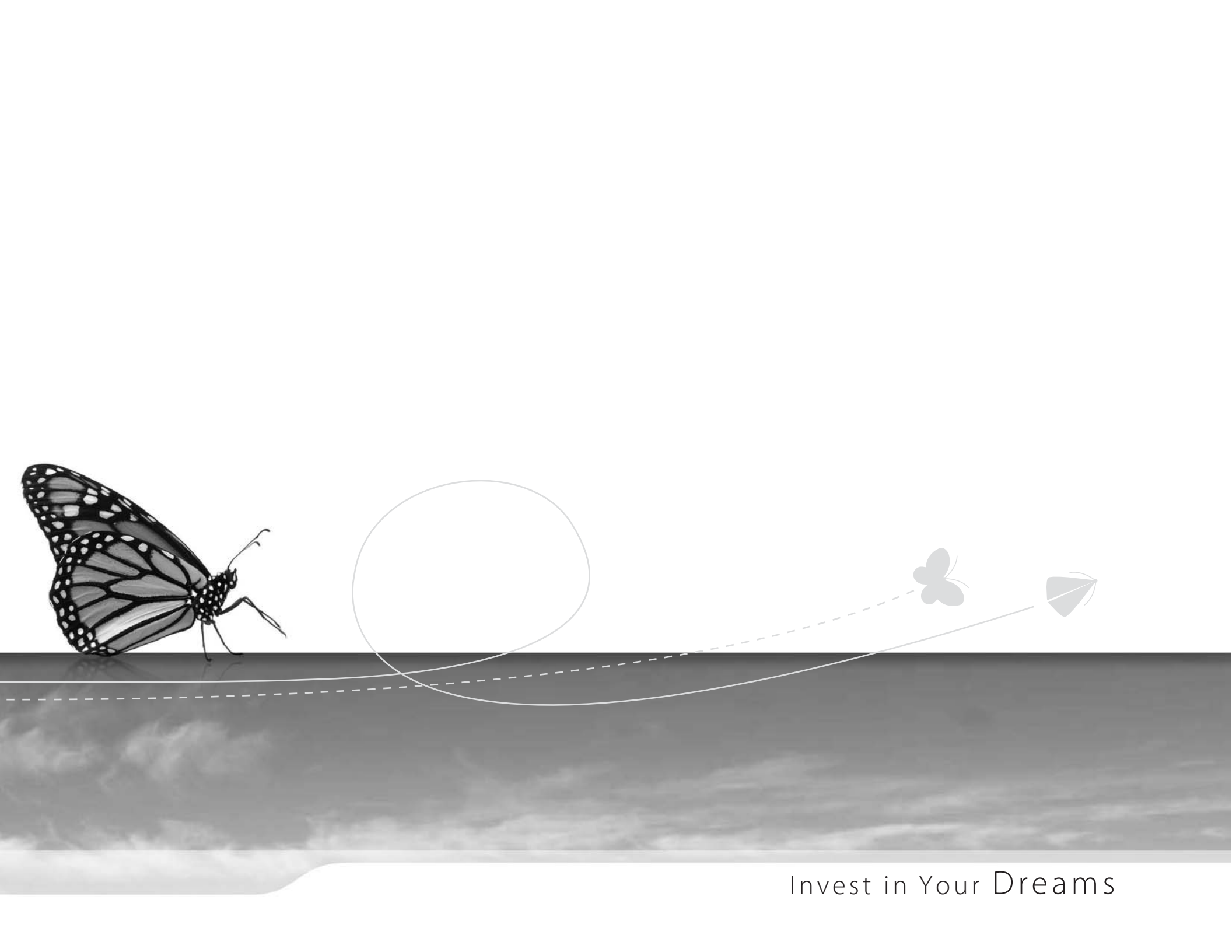


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