



Atlas Pension Fund

Atlas Pension Islamic Fund

ANNUAL REPORT

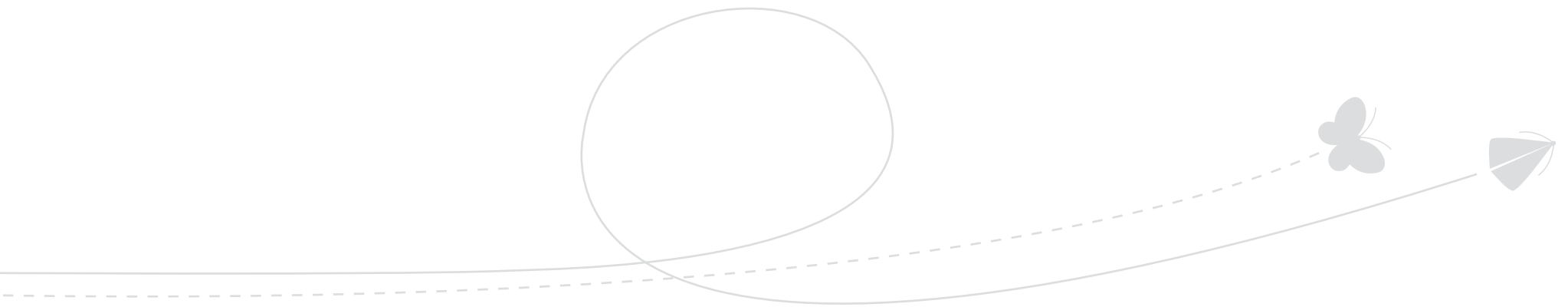
30 June 2020



Managed By

Atlas Asset Management

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



MANAGING TO THE CORE!

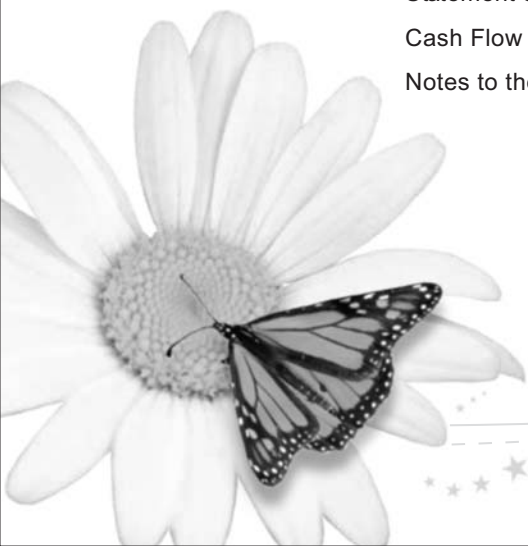
Even the most seemingly diminutive of creatures, hold for us an education. They exhibit qualities of organization that are indeed inspirational. Planning, teamwork and controlling are attributes of a successful and solid organizational structure. At Atlas Funds these elements form the core of our institution.

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Atlas Pension Islamic Fund

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Remembering Our Legend

MR. YUSUF H. SHIRAZI

FOUNDER CHAIRMAN ATLAS GROUP OF COMPANIES
Jan 1st, 1929 - Oct 20th, 2019

October 20, 2019 will be remembered as a sad day when Mr. Yusuf H. Shirazi, the Founder and Chairman of Atlas Group, left for his heavenly abode. Mr. Shirazi was a visionary with a unique business acumen. He will be long remembered as one of the most successful first generation entrepreneurs of Pakistan. After working briefly in the public and private sectors as a professional, he embarked on a long and distinguished career in private enterprise where he set up numerous successful companies in the field of engineering, finance, trading and power generation. In particular, his collaboration with Honda Motor paved the way for establishment of the Auto Industry in Pakistan. He touched countless lives by providing inspiring vision, defining new careers and creating numerous opportunities.

His legacy of professional management, integrity and 'Pakistan first' mantra will continue to inspire generations. Through his entrepreneurial zeal and perseverance, he managed to build enduring joint ventures with world-renowned foreign companies such as Honda, GS Yuasa, MAN, TOTAL, Bank of Tokyo (MUFG), Asian Development Bank, DEG and IFC.

Mr. Shirazi was highly respected as a patriot, industrialist, author and philanthropist. In recognition of his services, he was decorated with the Sitara-e-Essar and Sitara-e-Imtiaz by the Government of Pakistan. He was also bestowed National Awards by the Government of Japan.

At Atlas Asset Management Limited, we will continue to draw inspiration from his extraordinary life and be guided by his principles of the **ATLAS WAY** - a source of guidance for all our future endeavors. While we mourn his passing, we will celebrate his life with the goal to continue making his beloved Atlas Group stronger - Generation after Generation.





Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20th August, 2002 as an unlisted public limited company. AAML as a Non-Banking Finance Company (NBFC) is licensed & regulated by Securities & Exchange Commission of Pakistan to perform Asset Management and Investment Advisory Services as per the NBFC (Establishment and Regulations) Rules, 2003 & NBFC and Notified Entities Regulations, 2008 and as a Pension Fund Manager to manage voluntary pension funds (under Voluntary Pension System Rules, 2005). AAML is a wholly owned subsidiary of Shirazi Investments (Pvt.) Limited. AAML manages assets on behalf of retirement funds, welfare organizations, insurance companies, multinationals, NBFCs and individuals.

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

Organisation

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Iftikhar H. Shirazi (Non-Executive Director)
Directors	Mr. Tariq Amin (Independent Director) Ms Zehra Naqvi (Independent Director) Mr. Frahim Ali Khan (Non-Executive Director) Mr. Ali H. Shirazi (Non-Executive Director) Mr. M. Habib-ur-Rahman (Non-Executive Director)
Chief Executive Officer	Mr. Muhammad Abdul Samad (Executive Director)

Company Secretary Ms Zainab Kazim

Board Committees

Audit Committee

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

Human Resource & Remuneration Committee

Chairperson	Ms Zehra Naqvi Mr. Frahim Ali Khan
Members	Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad
Secretary	Ms Zainab Kazim

Investment Committee

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

Management Committee

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

Risk Management Committee

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

Chief Financial Officer

Ms Qurrat-ul-Ain Jafari

Chief Internal Auditor

Mr. M. Uzair Uddin Siddiqui

Registered Office

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

Board of Directors of the Management Company

Mr. Iftikhar H. Shirazi

Chairman

Mr. Iftikhar H. Shirazi graduated with a Bachelor of Science in Finance from Notre Dame De Namur University (formerly College of Notre Dame), USA, and completed his OPM from Harvard Business School, USA. He has over 30 years of corporate management experience, more particularly in the financial and trading sectors. He has to his credit, work experience at Bank of Tokyo-Mitsubishi, Yamaichi Securities, and Toyota Tsusho Corporation.

He is currently Chairman of Shirazi Investments (Pvt) Limited, Atlas Asset Management Limited, Atlas Insurance Limited, Shirazi Trading Company (Private) Limited, Atlas Foundation and Atlas Information Technology Resource Centre. He is also a member of the SAARC Chamber of Commerce & Industry, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and Karachi Chamber of Commerce & Industry (KCCI). He is also serving on the Board of Governors of the British Overseas Association. He was also a member of the Aga Khan Resource Development Committee and FPCCI Executive Committee. He has also served the Management Association of Pakistan as their Vice President.

He also enjoys membership of several other prestigious associations that include, Harvard Club of New York and Pakistan, Young Presidents Organization, Aitchison College Old Boys Association, Government College of Commerce & Economics Old Students Association and English Speaking Union. He was also President of International Club, Notre Dame De Namur (formerly College of Notre Dame), USA.

Mr. Fahim Ali Khan

Director

Mr. Fahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, U.S.A., Financial Management Program at Stanford University, U.S.A. and General Management Program at Insead University, France. He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently, his other directorships include Atlas Insurance Limited, Atlas Battery Limited, Atlas D.I.D. (Private) Limited, Atlas Engineering (Private) Limited, Atlas Power Limited, Atlas Energy Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Shirazi Trading Company (Private) Limited, Shirazi Investments (Private) Limited, Zhenfa Pakistan and Atlas Foundation. Earlier, he has also served on the boards of Atlas Honda Limited and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management 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. His other directorships include Atlas Insurance Limited & Atlas Foundation.

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 Foundation, Atlas Insurance Limited, Atlas Global FZE, Atlas Venture Limited, Oyster International Holdings Limited, SF Global Holdings Limited, Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Techlogix International Limited, National Management Foundation (sponsoring body of LUMS) and Cherat Packaging Limited. Previously he has also served on the Board of National Clearing Company of Pakistan Limited (NCCPL). He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.

Ms Zehra Naqvi

Independent Director

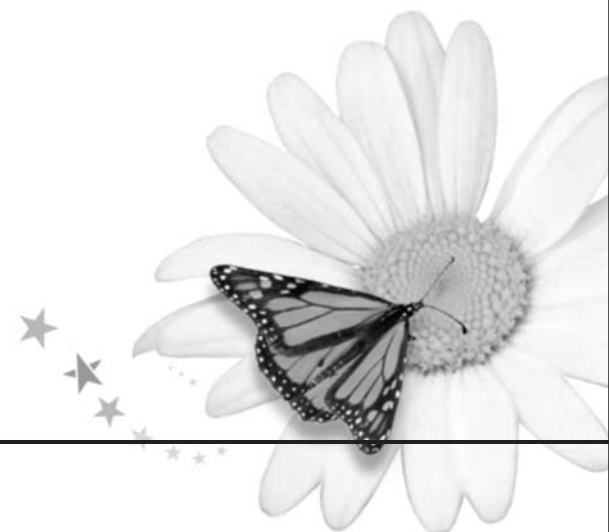
Ms. Zehra Naqvi was the Chief Executive Officer of Chubb Insurance Pakistan, (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware, USA) from September 2005 to September 2017. She has over 35 years of work experience in the insurance sector. Prior to joining Chubb, she worked 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. Muhammad Abdul Samad

Chief Executive Officer

Mr. Muhammad Abdul Samad has a vast experience of local investment management industry. He joined Atlas Asset Management Limited as a Fund Manager - Equity Funds in November 2005, and has held C-suite positions for over a decade, including the Chief Investment Officer and Chief Operating Officer positions. He also attended Advanced Management Program at INSEAD Fontainebleau, on nomination by the Atlas Group. 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 Mutual Funds Association of Pakistan and also Chairman of its Accounts & Taxation Committee.

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



Chairman's Review

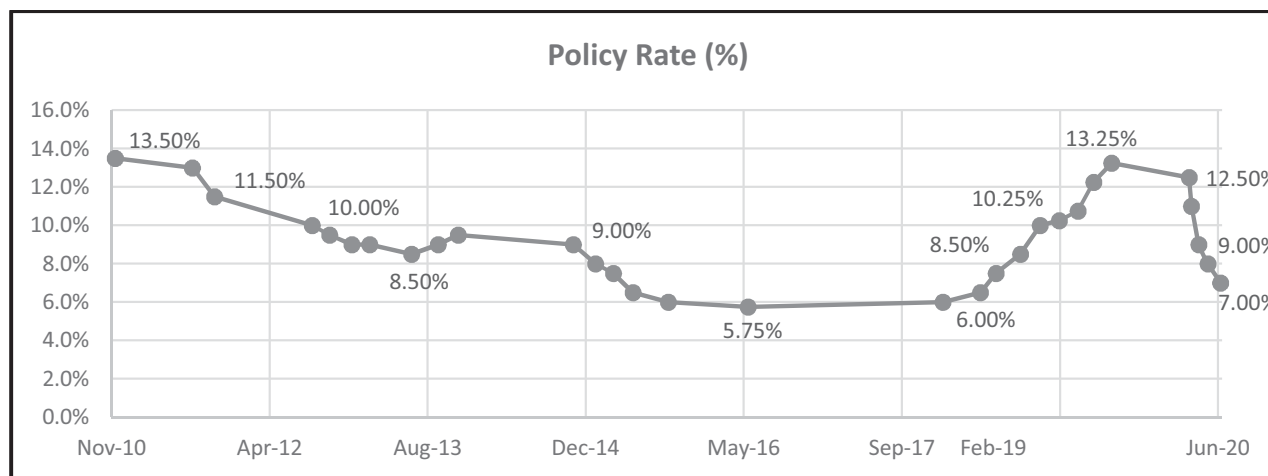
It is my pleasure to present you the Annual Reports of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) for the financial year ended June 30, 2020.

THE ECONOMY

The government's implementation of policy and stabilization measures amid IMF program brought economic stability as both external and fiscal sector showed marked improvement. During the year, broad-based softening of domestic demand due to tight monetary policy and market-based exchange rate regime significantly improved macroeconomic indicators. CAD reduced by 77.89% to US \$2.97 billion in FY20 compared to US \$13.43 billion in FY19, largely on the back of 18.61% decline in FY20 Imports of US \$44.57 billion compared to US \$54.76 billion in FY19. Worker's Remittances of US \$23.12 billion grew by 6.36% in FY20 compared to US \$21.74 billion in FY19 offsetting the decline in Exports of 6.81% in FY20 to US \$21.39 billion compared to US \$22.96 in FY19. However, the outbreak of COVID in Feb'20 undermined growth prospects for the economy as COVID led economic challenges resulted in GDP (provisional) to contract -0.38% in FY20. Total liquid Foreign Exchange Reserves increased by 24.10% YoY to US \$17.97 billion as of June 26, 2020 (SBP's share stood at US \$11.23 billion) primarily due to significant decline in CAD, multilateral inflows from IMF and World Bank to avert COVID based economic erosion and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 10.74% in FY20, slightly lower than State Bank of Pakistan's (SBP) FY20 projection range of 11% to 12% due to steep decline in international crude oil price and subdued domestic demand amid countrywide lockdowns. In order to mitigate COVID based economic woes and safeguard the economically vulnerable segment of population, the government announced its fiscal stimulus package worth Rs. 1.24 trillion. The SBP cumulatively reduced policy rate by 625bps to 7.00% in FY20 to provide liquidity support to households and businesses in order to support economic growth and employment.

THE MONEY MARKET

The SBP reduced policy rate during Jan'20 to Jun'20 by cumulative 625bps from 13.25% to 7.00% based on improved inflation outlook and receding demand-side inflation risks in order to support growth and employment amid pandemic. The Consumer Price Index (CPI) Inflation averaged at 10.74% during FY20 compared to 6.80% in FY19. The FY20 surge in CPI inflation is majorly attributable to increase in food inflation and energy prices.



The growth in money supply (M2) witnessed an increase of 17.46% during 2019-20, which is Rs. 3,106.75 billion against the expansion of 11.26% (Rs. 1,801.33 billion) in preceding period last year. Net Foreign Assets (NFA) increased by Rs. 992.16 billion during 2019-20 as against net decline of Rs. 1,298.67 billion in the comparable period of fiscal year 2018-19.

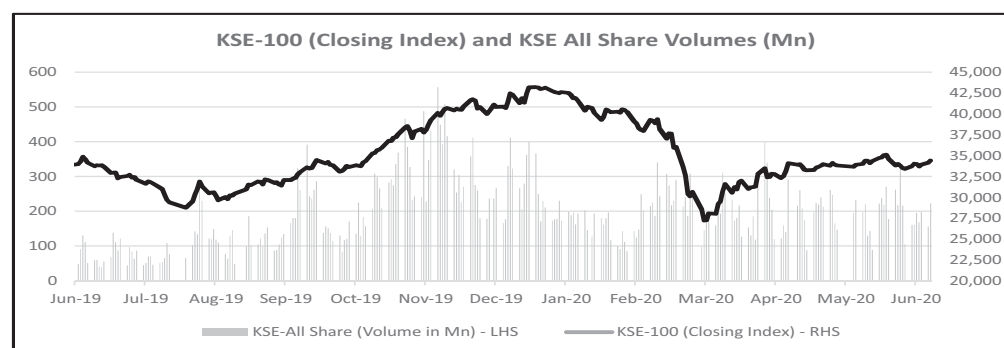
Net Domestic Asset (NDA) of banking system grew by only 10.95% or Rs. 2,114.59 billion during 2019-20 as against an increase of 19.13% or Rs. 3,099.10 billion during the corresponding period last year. Overall NDA of the banking sector increased due to steady demand for private sector and Public Sector Enterprises (PSEs) credit. Credit to private sector increased by Rs. 196.36 billion in FY20 due to high working capital requirement of corporate sector.

THE STOCK MARKET

The KSE-100 index increased 1.53% from 33,901.58 points as on June 28, 2019 to 34,421.92 points as on June 30, 2020. The daily average volume during the year increased by 26.52% to 196.36 million shares from 155.21 million shares traded last year. Net outflow of US \$284.83 was recorded by Foreign Portfolio Investors during FY20 compared to net outflow of US \$355.95 million in FY19. On the local front, Individuals, Insurance Companies and Other Organization were net buyers of US \$213.23 million, US \$128.64 million and US \$31.56 million during FY20. Banks, Mutual Funds and Broker Proprietary Trading Accounts remained net sellers of US \$55.40 million, US \$50.22 million and US \$13.34 million, respectively.

During FY20, sectors that outperformed benchmark KSE-100 index were Pharmaceuticals, Technology & Communication, Cement, Engineering and Fertilizer that posted 56.42%, 35.41%, 33.31%, 27.64% and 8.14% returns, respectively. Sectors that underperformed KSE-100 index include were Oil & Gas Marketing Companies, Oil & Gas Exploration, Commercial Banks and Power Generation & Distribution Companies that posted -3.14%, -14.26%, -16.70% and -19.19% returns, respectively.

During FY20, no new listings were made on the stock exchange. Whereas, new listings on the stock exchange in FY19 were At-Tahur Limited and Interloop Limited. The amounts raised through IPO were Rs. 770 million and Rs. 5,025 million, respectively.



The government of Pakistan in its FY21 budget has not introduced new taxes. Budget FY21 is focused on striking a balance between COVID related expenditure, controlling fiscal deficit, keeping primary balance at sustainable level, successful continuation of IMF program, keeping development expenditure at sufficient level to support economic activity and revenue mobilization. The government has set FBR tax collection target at Rs. 4,963 billion and expects to achieve it by broadening tax base and strengthening administrative controls.

TAXATION - VOLUNTARY PENSION SYSTEM

WORKER'S WELFARE FUND (WWF)

Against the decision of the Honorable Supreme Court of Pakistan (SCP) that declared the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills, the Federal Board of Revenue (FBR) has filed a review petition in the SCP, which is pending for hearing. The Mutual Funds Association of Pakistan (MUFAP) consulted both legal and tax advisors who gave the opinion

that the judgment has removed the very basis on which the demands were raised, therefore, there was no longer any liability against the mutual funds under the WWF Ordinance. Based on legal opinion, the entire provision against WWF held by the Mutual Funds and Voluntary Pension Funds till June 30, 2015 were reversed on January 12, 2017.

SINDH WORKER'S WELFARE FUND (SWWF)

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

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

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

FEDERAL EXCISE DUTY (FED)

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

WITHHOLDING TAX

With effect from July 01, 2015, FBR has required all entities whose income are exempt from income tax to obtain income tax exemption certificates from concerned Commissioner of Income Tax (CIT) by virtue of provision in section 159 of the Income Tax Ordinance, 2001 (Ordinance). After the promulgation of circular dated May 12, 2015, any person required to withhold income tax, may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue, is produced before him. So far, Mutual Funds and approved Pension Funds were automatically allowed exemption from withholding tax by virtue of clause 47(B) of Part IV of the Second Schedule to Ordinance. The Company along with other AMCs filed a petition in the Honorable Sindh High Court against the new requirement of FBR. The Honorable Sindh High Court decided that the requirement of obtaining exemption certificate will apply to those entities as well whose income are otherwise exempt from tax. Thereafter, a petition was filed in the Supreme Court of Pakistan on January 28, 2016 by the Company along with other AMCs. The SCP granted the petitioners leave to appeal from initial judgement of the SHC. Pending resolution to the matter, the amount of tax withheld is shown in Other Receivables, which is refundable. In the meanwhile, Mutual Funds are obtaining exemption certificates from Commissioner of Income Tax.

FUND OPERATIONS - ATLAS PENSION FUND (APF)

The Net Asset Value of APF - Equity Sub Fund increased by 6.44% from Rs. 411.97 as on June 30, 2019 to Rs. 438.49 as on June 30, 2020. APF - Equity Sub Fund exposure in equity stood at 93.11% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement and Fertilizers sectors. The Net Asset Values of APF - Debt Sub Fund and APF - Money Market Sub Fund increased by 19.07% and 12.40% during the period under review, respectively. The APF - Debt Sub Fund had 36.47% exposure in Pakistan Investment Bonds, 2.28% in Banks, 8.68% in Sukuks, 4.76% in Term Finance Certificates, 44.30% in Treasury Bills and 3.50% in others. The APF-Money Market Sub Fund had 72.21% exposure in Treasury Bills, 25.00% in high yielding bank deposits and 2.78% in others. The Net Assets of APF stood at Rs. 1.41 billion as of June 30, 2020.

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs.3,505,510 (Rs.2.91 per unit) (ESF), Rs. 2,957,090 (Rs. 2.18 per unit) (DSF) and Rs. 2,194,559 (Rs. 1.37 per unit) (MMSF). The Scheme has also held provisions for FED liability that amounted to Rs.1,523,347 (ESF), Rs. 1,124,175 (DSF), Rs.706,273 (MMSF) up till June 30, 2020 which is Rs.1.26, Rs.0.82, Rs.0.44 per unit as on June 30, 2020, respectively.

FUND OPERATIONS - ATLAS PENSION ISLAMIC FUND (APIF)

The Net Asset Value of APIF - Equity Sub Fund increased by 8.38% from Rs. 492.71 as on June 30, 2019 to Rs. 534.01 as on June 30, 2020. APIF- Equity Sub Fund exposure in equity stood at 95.78% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks sectors. The Net Asset Values of APIF -Debt Sub Fund and APIF - Money Market Sub Fund increased by 9.90% and 9.81% during the period under review, respectively. The APIF - Debt Sub Fund had 57.98% exposure in high yielding Islamic Bank Deposits, 11.38% in Corporate Sukuks, 26.97% in Ijarah Sukuk and 3.67% in others. The APIF - Money Market Sub Fund had 79.92% exposure in Islamic Bank Deposits, 17.12% in Ijarah Sukuk and 2.96% in others. The Net Assets of APIF stood at Rs. 1.39 billion as of June 30, 2020.

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 3,300,621 (Rs. 4.02 per unit) (ESF), Rs. 2,165,496 (Rs.1.15 per unit) (DSF) and Rs. 2,023,534 (Rs. 1.01 per unit) (MMSF). The Scheme has also held provision for FED liability which amounted to Rs.1,611,207 (ESF), Rs.1,046,875 (DSF) and Rs.644,724 (MMSF) up till June 30, 2020 which is Rs. 1.96, Rs.0.56, Rs.0.32 per units on June 30, 2019, respectively.

RATINGS

- **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained "AM2+" (AM Two Plus) asset manager rating for Atlas Asset Management Limited (AAML). 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

The State Bank of Pakistan expects FY21 inflation to be in range of 7.0% to 9.0%. Subdued demand-side inflationary risks coupled with low international crude oil prices will likely induce softening trend in headline inflation and stability in core inflation over short to medium term. On the external front, high competition among exporters amid recovery in global demand in post-COVID setting may create challenges to achieve desired export growth, whereas imports are likely to remain subdued due to low domestic

demand and soft international oil prices in short to medium term. Government's fiscal stimulus package of Rs. 1.24 trillion and monetary easing by SBP in order to provide liquidity to households and businesses will likely stimulate economic growth. Moreover, declining number of daily COVID cases will eventually lead towards resumption of full-scale economic activity that will help putting the economy on growth trajectory. The IMF's Rapid Financing Instrument (RFI) of US \$1.38 billion and concessionary lending by international financial institutions (World Bank and Asian Development Bank) will shore up reserves and support government's efforts towards social sector spending. The ongoing IMF program will help mobilize further financing from multilateral and bilateral creditors and unlock potential inflows from international bond market. Going forward, government's focus towards widening tax base and implementation of measures to support economic recovery will be instrumental in sustaining economic activity, safeguarding jobs and addressing social needs.

ع خدا رحمت کندای عاشقان پاک طینات را

God, please have mercy on these lovers of clean intention

ACKNOWLEDGEMENT

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

Karachi: 10 September 2020

Iftikhar 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 2020.

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 2020 in comparison to the year ended 30 June 2019 are as follows:

Atlas Pension Fund (APF)

Particulars	APF - Equity Sub Fund		APF - Debt Sub Fund		APF - Money Market Sub Fund	
	2020	2019	2020	2019	2020	2019
Net assets - Rs. million	528.70	386.84	421.75	377.83	456.68	356.47
Earnings / (loss) per unit - Rs.	40.19	(75.80)	39.69	20.62	27.19	18.28
Return	6.44	-17.21	19.07	7.17	12.40	8.64
Issuance of units - Rs. million	127.43	80.62	44.98	72.12	91.68	106.70
Redemption of units - Rs. million	(34.02)	(16.47)	(75.85)	(96.67)	(36.40)	(42.84)
Participants' contribution table - disclosure in financial statements	Note 18	Note 18	Note 18	Note 18	Note 18	Note 18

Atlas Pension Islamic Fund (APIF)

Particulars	APIF - Equity Sub Fund		APIF - Debt Sub Fund		APIF - Money Market Sub Fund	
	2020	2019	2020	2019	2020	2019
Net assets - Rs. million	438.47	381.66	446.99	374.85	505.44	388.77
Earnings per unit - Rs.	51.20	(110.52)	21.26	15.31	22.24	14.42
Return	8.38	-19.14	9.90	7.30	9.81	7.57
Issuance of units - Rs. million	104.65	132.44	128.56	108.46	178.14	133.06
Redemption of units - Rs. million	(89.88)	(69.31)	(94.10)	(110.59)	(103.41)	(73.82)
Participants' contribution table - disclosure in financial statements	Note 17	Note 17	Note 17	Note 17	Note 17	Note 17

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, and 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 21 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.

BOARD OF DIRECTORS OF THE PENSION FUND MANAGER AND COMMITTEES THEREOF

During the period, the Board of Directors of AAML included: 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. Due to the sad demise of Mr. Yusuf H. Shirazi, Chairman, on October 20, 2019, a casual vacancy was created, which was filled by appointing Mr. Iftikhar H. Shirazi as Director in his place on November 19, 2019.

i. The current total number of Directors is 7 as follows:

- Male: 6
- Female: 1

ii. The current composition of the Board is as follows:

- Independent Directors: 2*
- Non-Executive Directors: 4
- Executive Directors: 1
- Female Director: 1 (*Independent Director)

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 (upto October 20, 2019)	Chairman	1	6
	Mr. Iftikhar H. Shirazi (w.e.f. Feb 27, 2020)		3	6
2	Mr. Tariq Amin	Independent Director	6	6
3	Mr. Frahim Ali Khan	Non-Executive Director	5	6
4	Mr. M. Habib-ur-Rahman	Non-Executive Director	5	6
5	Mr. Ali H. Shirazi	Non-Executive Director	5	6
6	Ms Zehra Naqvi	Independent Director	6	6
7	Mr. Muhammad Abdul Samad	Chief Executive Officer	6	6

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). 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. Frahim Ali Khan	Non-Executive Director	4
3	Mr. M. Habib -ur-Rahman	Non-Executive Director	3

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

Serial no.	Name of Director	Status	Meetings attended
1	Ms. Zehra Naqvi	Independent Director	1
2	Mr. Frahim Ali Khan	Non-Executive Director	1
3	Mr. Ali H. Shirazi	Non-Executive Director	1
4	Mr. M. Abdul Samad	Chief Executive Officer	1

- **Investment Committee** - fifty one 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	10
2	Mr. M. Abdul Samad	Chief Executive Officer	46
3	Mr. Khalid Mahmood (executive management)	Chief Investment Officer - Member IC	50
4	Mr. M. Umar Khan (executive management)	Head of Portfolio Management - Member IC	46
5	Mr. Fawad Javaid (executive management)	Head of Fixed Income - Member IC	49
6	Mr. Faran-ul-Haq (executive management)	Head of Equities -Secretary IC	49

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) [2019: AM2+ (AM Two Plus)] on 26 December 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 4 September 2020, recommended the re-appointment of M/s. EY Ford Rhodes, Chartered Accountants, Karachi, as auditors of Atlas Pension Fund and Atlas Pension Islamic Fund for the financial year ending 30 June 2021. The Board approved the re-appointments.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Muhammad Abdul Samad
Chief Executive Officer

Karachi: 10 September 2020

Frahim Ali Khan
Director

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

EY Ford Rhodes
Chartered Accountants

Legal Advisers

Bawaney & Partners

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Samba Bank Limited
Soneri 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 and APF-Money Market Sub Fund in accordance with the Allocation Scheme selected by the Participants.

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

EQUITY MARKET

The KSE-100 index increased 1.53% from 33,901.58 points as on June 28, 2019 to 34,421.92 points as on June 30, 2020. The daily average volume during the year increased by 26.52% to 196.36 million shares from 155.21 million shares traded last year. Net outflow of US \$284.83 was recorded by Foreign Portfolio Investors during FY20 compared to net outflow of US \$355.95 million in FY19. On the local front, Individuals, Insurance Companies and Other Organization were net buyers of US \$213.23 million, US \$128.64 million and US \$31.56 million during FY20. Banks, Mutual Funds and Broker Proprietary Trading Accounts remained net sellers of US \$55.40 million, US \$50.22 million and US \$13.34 million, respectively.

MONEY MARKET

The SBP reduced policy rate during Jan'20 to Jun'20 by cumulative 625bps from 13.25% to 7.00% on the back of improved inflation outlook due to receding demand-side inflation risks and to support growth and employment amid COVID led economic slowdown. The Consumer Price Index (CPI) Inflation averaged at 10.74% during FY20 compared to 6.80% in FY19. The FY20 surge in CPI inflation is majorly attributable to increase in food inflation and energy prices. The growth in money supply (M2) witnessed an increase of 17.46% during 2019-20, which is Rs. 3,106.75 billion against the expansion of 11.26% (Rs. 1,801.33 billion) in preceding period last year. Net Foreign Assets (NFA) increased by Rs. 992.16 billion during 2019-20 as against net decline of Rs. 1,298.67 billion in the comparable period of fiscal year 2018-19. Net Domestic Asset (NDA) of banking system grew by only 10.95% or Rs. 2,114.59 billion during 2019-20 as against an increase of 19.13% or Rs. 3,099.10 billion during the corresponding period last year. Overall NDA of the banking sector increased due to steady demand for private sector and Public Sector Enterprises (PSEs) credit. Credit to private sector increased by Rs. 196.36 billion in FY20 due to high working capital requirement of corporates.

FUND OPERATIONS

The Net Asset Value of APF - Equity Sub Fund increased by 6.44% from Rs. 411.97 as on June 30, 2019 to Rs. 438.49 as on June 30, 2020. APF - Equity Sub Fund exposure in equity stood at 93.11% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer sectors. The Net Asset Values of APF - Debt Sub Fund and APF - Money Market Sub Fund increased by 19.07% and 12.40% during the period under review, respectively. The APF - Debt Sub Fund had 37.51% exposure in Pakistan Investment Bonds, 1.50% in Banks, 8.93% in Sukuks, 4.90% in Term Finance Certificates, 45.57% in Treasury Bills and 1.60% in Others. The APF-Money Market Sub Fund had 74.51% exposure in Treasury Bills, 24.13% in high yielding bank deposits and 1.36% in Others. The Net Assets of APF stood at Rs. 1.41 billion as of June 30, 2020.

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs. 3,505,510 (Rs. 2.91 per unit) (ESF), Rs. 2,957,090 (Rs. 2.18 per unit) (DSF) and Rs. 2,194,559 (Rs. 1.37 per unit) (MMSF). The Scheme has also held provisions for FED liability that amounted to Rs. 1,523,347 (ESF), Rs. 1,124,175 (DSF), Rs. 706,273 (MMSF) up till June 30, 2020 which is Rs. 1.26, Rs. 0.83 and Rs. 0.44 per unit as on June 30, 2020, respectively.

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 2019-20
High Volatility	80%	20%	Nil	8.96%
Medium Volatility	50%	40%	10%	12.09%
Low Volatility	25%	60%	15%	14.91%
Lower Volatility	Nil	60%	40%	16.4%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return					
	FY-15	FY16	FY17	FY18	FY19	FY20
High Volatility	19.51%	5.18%	24.02%	-1.38%	-12.33%	8.96%
Medium Volatility	16.57%	5.98%	17.01%	1.04%	-4.87%	12.09%
Low Volatility	14.29%	6.71%	11.15%	3.04%	1.30%	14.91%
Lower Volatility	10.99%	7.02%	5.36%	5.12%	7.76%	16.4%

During the year under review, the Investment Committee held fifty-one meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Fawad Javaid
Head of Fixed Income

Faran UI Haq
Head of Equities

Karachi: 10 September 2020

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, 2020 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 30 September 2020

Abdul Samad
Chief Operating 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) statement of movement in participants' sub-funds; and
- v) cash flow statement

of **Atlas Pension Fund** (the Fund) as at 30 June 2020 and for the year ended 30 June 2020 together with the notes forming part thereof for the year then ended.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal control and prepare and present the financial statements of the Fund in conformity with the accounting and reporting standards as applicable in Pakistan and the requirements of Voluntary Pension System Rules, 2005. Our responsibility is to express an opinion on these statements based on our audit.

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

Opinion

In our opinion:

- a) the financial statements prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at 30 June 2020 and of the transactions of the Fund for the year ended 30 June 2020;
- 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 Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund or the financial statements prepared are in agreement with the Fund's books and records, that fact;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Other Matter

The financial statements of the Fund for the year ended 30 June 2019, were audited by another firm of chartered accountants who have expressed unmodified opinion vide audit report issued on 27 September 2019 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Date: 29 September 2020

Karachi

EY Ford Rhodes
Chartered Accountants
Engagement Partner: Arslan Khalid

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2020

2020							2019						
	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 - Revoked	Others (note 4.1)	Total	
Note	Rupees						Rupees						
ASSETS													
Bank balances	11,050,119	10,302,650	119,209,917	457,060	5,985,425	147,005,171	41,344,974	207,328,248	273,833,250	408,828	12,276,191	535,191,491	
Receivable against sale of investments	1,653,899	-	-	-	-	1,653,899	1,456,099	-	-	-	-	1,456,099	
Investments - net	501,754,810	426,053,811	344,328,617	-	-	1,272,137,238	342,903,226	163,892,998	80,005,461	-	-	586,801,685	
Dividend receivable	900	-	-	-	-	900	131,882	-	-	-	-	131,882	
Interest accrued	-	6,153,493	-	-	-	6,153,493	98,088	6,942,761	1,606,244	-	-	8,647,093	
Receivable against sale of units	23,024,601	7,703,398	11,757,556	-	-	42,485,555	5,133,440	3,000,132	4,047,755	-	-	12,181,327	
Security deposit and other receivables	1,416,224	1,986,751	1,520,198	61,418	-	4,984,591	916,224	686,751	220,164	61,418	54,287	1,938,844	
Total assets	538,900,553	452,200,103	476,816,288	518,478	5,985,425	1,474,420,847	391,983,933	381,850,890	359,712,874	470,246	12,330,478	1,146,348,421	
LIABILITIES													
Payable against redemption of units	825,552	25,528,320	16,429,242	-	-	42,783,114	89,061	327,149	561,386	-	-	977,596	
Payable against purchase of investments	2,963,210	-	-	-	-	2,963,210	-	-	-	-	-	-	
Payable to the Pension Fund Manager	2,447,764	1,595,365	1,024,050	238,537	-	5,305,716	2,252,308	1,566,070	978,414	238,537	-	5,035,329	
Payable to the Central Depository Company of Pakistan Limited - Trustee	66,703	54,797	57,307	-	-	178,807	51,940	53,398	48,506	-	-	153,844	
Payable to the Securities and Exchange Commission of Pakistan	121,653	122,388	111,296	-	-	355,337	128,688	129,207	101,699	-	-	359,594	
Unallocated profit	-	-	-	157,632	-	157,632	-	-	-	109,400	-	109,400	
Payable to Sub-Funds	-	-	-	-	5,604,463	5,604,463	-	-	-	-	12,181,327	12,181,327	
Accrued expenses and other liabilities	3,777,137	3,145,245	2,509,555	122,309	380,962	9,935,208	2,620,563	1,943,894	1,548,662	122,309	149,151	6,384,579	
Total liabilities	10,202,019	30,446,115	20,131,450	518,478	5,985,425	67,283,487	5,142,560	4,019,718	3,238,667	470,246	12,330,478	25,201,669	
NET ASSETS	528,698,534	421,753,988	456,684,838	-	-	1,407,137,360	386,841,373	377,831,172	356,474,207	-	-	1,121,146,752	
REPRESENTED BY:													
PARTICIPANTS' SUB-FUNDS (as per statement attached)	528,698,534	421,753,988	456,684,838	-	-	1,407,137,360	386,841,373	377,831,172	356,474,207	-	-	1,121,146,752	
NUMBER OF UNITS IN ISSUE	1,205,734	1,357,820	1,603,416	-			938,997	1,449,032	1,407,176	-			
NET ASSET VALUE PER UNIT	438.49	310.61	284.82	-			411.97	260.75	253.33	-			
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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

		2020					2019				
		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 - Revoked	Total
Note		Rupees					Rupees				
INCOME											
Interest income	15	1,199,292	54,297,389	47,610,137	48,232	103,155,050	1,458,375	37,759,919	29,227,481	33,051	68,478,826
Dividend income		22,022,322	-	-	-	22,022,322	19,957,395	-	-	-	19,957,395
Gain / (loss) from investments at fair value through P&L											
Realised gain / (loss) on sale of investments at fair value through profit or loss - net		29,180,103	-	-	-	29,180,103	(16,958,095)	-	-	-	(16,958,095)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	6,252,606	-	-	-	6,252,606	(67,362,813)	-	-	-	(67,362,813)
		35,432,709	-	-	-	35,432,709	(84,320,908)	-	-	-	(84,320,908)
Realised gain / (loss) on sale / maturity of 'fair value through other comprehensive income investments' - net		-	5,686,956	329,360	-	6,016,316	-	(2,938,498)	(457,226)	-	(3,395,724)
Total Income		58,654,323	59,984,345	47,939,497	48,232	166,626,397	(62,905,138)	34,821,421	28,770,255	33,051	719,589
EXPENSES											
Remuneration of Pension Fund Manager	8.1	6,377,384	3,187,473	1,933,218	-	11,498,075	5,797,868	2,910,273	1,527,423	-	10,235,564
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	829,067	414,375	251,308	-	1,494,750	753,723	378,335	198,565	-	1,330,623
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	9.1	596,363	597,196	543,241	-	1,736,800	565,577	567,739	446,735	-	1,580,051
Sindh Sales tax on Trustee Fee	9.2	77,531	77,653	70,620	-	225,804	73,525	73,806	58,076	-	205,407
Annual fee - Securities and Exchange Commission of Pakistan	10	121,653	122,388	111,296	-	355,337	128,688	129,207	101,699	-	359,594
Auditors' remuneration	16	91,988	90,628	95,140	-	277,756	92,578	89,783	72,229	-	254,590
Legal and professional charges		121,040	130,220	50,260	-	301,520	146,776	159,193	77,960	-	383,929
Securities' transaction cost and settlement charges		955,188	368,261	367,428	-	1,690,877	643,274	7,744	7,128	-	658,146
Bank charges		39,448	9,627	28,165	-	77,240	66,692	17,427	30,478	532	115,129
Provision for Sindh Workers' Welfare Fund	11.1	988,893	1,099,730	889,776	-	2,978,399	-	609,758	524,999	-	1,134,757
Total Expenses		10,198,555	6,097,551	4,340,452	-	20,636,558	8,268,701	4,943,265	3,045,292	532	16,257,790
Net income / (loss) for the year		48,455,768	53,886,794	43,599,045	48,232	145,989,839	(71,173,839)	29,878,156	25,724,963	32,519	(15,538,201)
Earnings / (loss) per unit	3.9	40.19	39.69	27.19	-		(75.80)	20.62	18.28	-	

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020					2019				
	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 - Revoked	Total
Note	-----Rupees-----					-----Rupees-----				
Net income / (loss) for the year	48,455,768	53,886,794	43,599,045	48,232	145,989,839	(71,173,839)	29,878,156	25,724,963	32,519	(15,538,201)
Income that may be re-classified subsequently to Income Statement										
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'fair value through other comprehensive income' 17	-	20,911,034	1,333,779	-	22,244,813	-	(2,963,586)	(14,421)	-	(2,978,007)
Total comprehensive income / (loss) for the year	48,455,768	74,797,828	44,932,824	48,232	168,234,652	(71,173,839)	26,914,570	25,710,542	32,519	(18,516,208)

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020					2019				
		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 - Revoked	Total
		Rupees					Rupees				
Net assets at beginning of the year		386,841,373	377,831,172	356,474,207	-	1,121,146,752	393,869,826	375,462,864	266,906,681	-	1,036,239,371
Issue of units											
- Directly by participants	18	127,425,545	44,977,771	91,681,053	-	264,084,369	80,618,062	72,125,634	106,701,400	-	259,445,096
Redemption of units											
- Directly by participants	12	(34,012,359)	(75,491,457)	(35,340,111)	-	(144,843,927)	(13,586,869)	(94,940,800)	(42,660,014)	-	(151,187,683)
- Transfer to other Pension Fund	12	(11,793)	(361,326)	(1,063,135)	-	(1,436,254)	(2,885,807)	(1,731,096)	(184,402)	-	(4,801,305)
		(34,024,152)	(75,852,783)	(36,403,246)	-	(146,280,181)	(16,472,676)	(96,671,896)	(42,844,416)	-	(155,988,988)
Net other income / (loss) for the year		19,275,665	48,199,838	43,269,685	-	110,745,188	(54,215,744)	32,816,654	26,182,189	-	4,783,099
Capital gain / (loss) on sale of investments at fair value through profit or loss - net		29,180,103	-	-	-	29,180,103	(16,958,095)	-	-	-	(16,958,095)
Gain / (loss) on sale / maturity of 'fair value through other comprehensive income investments' - net		-	5,686,956	329,360	-	6,016,316	-	(2,938,498)	(457,226)	-	(3,395,724)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'fair value through other comprehensive income'		-	20,911,034	1,333,779	-	22,244,813	-	(2,963,586)	(14,421)	-	(2,978,007)
Total comprehensive income / (loss) for the year		48,455,768	74,797,828	44,932,824	-	168,186,420	(71,173,839)	26,914,570	25,710,542	-	(18,548,727)
Net assets at end of the year		528,698,534	421,753,988	456,684,838	-	1,407,137,360	386,841,373	377,831,172	356,474,207	-	1,121,146,752

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	2020						2019					
	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 Revoked	Others (note 4.1)	Total
	-----Rupees-----						-----Rupees-----					
CASH FLOWS FROM OPERATING ACTIVITIES												
Net income / (loss) for the year	48,455,768	53,886,794	43,599,045	48,232	-	145,989,839	(71,173,839)	29,878,156	25,724,963	32,519	-	(15,538,201)
Adjustments for:												
Interest income	(1,199,292)	(54,297,389)	(47,610,137)	(48,232)	-	(103,155,050)	(1,458,375)	(37,759,919)	(29,227,481)	(33,051)	-	(68,478,826)
Dividend income	(22,022,322)	-	-	-	-	(22,022,322)	(19,957,395)	-	-	-	-	(19,957,395)
Realised (gain) / loss on sale of investments at fair value through profit or loss - net	(29,180,103)	-	-	-	-	(29,180,103)	16,958,095	-	-	-	-	16,958,095
Realised gain / (loss) on sale / maturity of fair value through other comprehensive income investments - net	-	(5,686,956)	(329,360)	-	-	(6,016,316)	-	2,938,498	457,226	-	-	3,395,724
Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'	(6,252,606)	-	-	-	-	(6,252,606)	67,362,813	-	-	-	-	67,362,813
Provision for Sindh Workers' Welfare Fund	(988,893)	1,099,730	889,776	-	-	1,000,613	-	609,758	524,999	-	-	1,134,757
	(11,187,448)	(4,997,821)	(3,450,676)	-	-	(19,635,945)	(8,268,701)	(4,333,507)	(2,520,293)	(532)	-	(15,123,033)
(Increase) / decrease in assets												
Receivable against sale of investments	(197,800)	-	-	-	-	(197,800)	28,064	-	-	-	-	28,064
Margin deposits with Pakistan Mercantile Exchange Limited against future contracts	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit and other receivables	(500,000)	(1,300,000)	(1,300,034)	-	54,287	(3,045,747)	(2,500)	(2,695)	(2,502)	-	(51,435)	(59,132)
	(697,800)	(1,300,000)	(1,300,034)	-	54,287	(3,243,547)	25,564	(2,695)	(2,502)	-	(51,435)	(31,068)
Increase / (decrease) in liabilities												
Payable against redemption of units	736,491	25,201,171	15,867,856	-	-	41,805,518	58,489	145,713	166,927	-	-	371,129
Payable against purchase of investments	2,963,210	-	-	-	-	2,963,210	(5,832,658)	-	-	-	-	(5,832,658)
Payable to the Pension Fund Manager	195,456	29,295	45,636	-	-	270,387	(34,935)	12,527	40,547	-	-	18,139
Payable to Central Depository Company of Pakistan Limited - Trustee	14,763	1,399	8,801	-	-	24,963	(4,787)	1,203	10,888	-	-	7,304
Payable to the Securities and Exchange Commission of Pakistan	(7,035)	(6,819)	9,597	-	-	(4,257)	5,228	6,568	18,261	-	-	30,057
Unallocated profit	-	-	-	48,232	-	48,232	-	-	-	32,519	-	32,519
Payable to Sub-Funds	-	-	-	-	(6,576,864)	(6,576,864)	-	-	-	-	3,638,507	3,638,507
Accrued expenses and other liabilities	2,145,467	101,621	71,117	-	231,811	2,550,016	29,000	17,355	196,990	-	(892,062)	(648,717)
	6,048,352	25,326,667	16,003,007	48,232	(6,345,053)	41,081,205	(5,779,663)	183,366	433,613	32,519	2,746,445	(2,383,720)
Interest received	1,297,380	29,581,316	11,106,465	-	-	41,985,161	1,504,486	9,127,760	5,007,265	1,989	-	15,641,500
Dividend received	22,153,304	-	-	-	-	22,153,304	20,474,636	-	-	-	-	20,474,636
Investments made during the year	(463,597,833)	(1,403,669,992)	(3,043,644,156)	-	-	(4,910,911,981)	(355,448,221)	(2,297,453,344)	(2,225,460,393)	-	-	(4,878,361,958)
Investments sold / matured during the year	340,178,958	1,193,612,510	2,819,094,055	-	-	4,352,885,523	284,214,721	2,331,834,697	2,280,597,675	-	-	4,896,647,093
	(99,968,191)	(180,476,166)	(213,443,636)	-	-	(493,887,993)	(49,254,378)	43,509,113	60,144,547	1,989	-	54,401,271
Net cash (used in) / generated from operating activities (carried forwarded)	(105,805,087)	(161,447,320)	(202,191,339)	48,232	(6,290,766)	(475,686,280)	(63,277,178)	39,356,277	58,055,365	33,976	2,695,010	36,863,450

CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED 30 JUNE 2020

	2020						2019					
	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 - Revoked	Others (note 4.1)	Total
Note	-----Rupees-----						-----Rupees-----					
Net cash (used in) / generated from operating activities (brought forward)	(105,805,087)	(161,447,320)	(202,191,339)	48,232	(6,290,766)	(475,686,280)	(63,277,178)	39,356,277	58,055,365	33,976	2,695,010	36,863,450
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts on issue of units												
- Directly by participants	109,534,384	40,274,505	83,971,252	-	-	233,780,141	78,851,168	72,261,077	104,694,344	-	-	255,806,589
Payment on redemptions of units												
- Directly by participants	(34,012,359)	(75,491,457)	(35,340,111)	-	-	(144,843,927)	(13,586,869)	(94,940,800)	(42,660,014)	-	-	(151,187,683)
- Transfer to other Pension Fund	(11,793)	(361,326)	(1,063,135)	-	-	(1,436,254)	(2,885,807)	(1,731,096)	(184,402)	-	-	(4,801,305)
	(34,024,152)	(75,852,783)	(36,403,246)	-	-	(146,280,181)	(16,472,676)	(96,671,896)	(42,844,416)	-	-	(155,988,988)
Net cash generated from / (used in) financing activities	75,510,232	(35,578,278)	47,568,006	-	-	87,499,960	62,378,492	(24,410,819)	61,849,928	-	-	99,817,601
Net (decrease) / increase in cash and cash equivalents	(30,294,855)	(197,025,598)	(154,623,333)	48,232	(6,290,766)	(388,186,320)	(898,686)	14,945,458	119,905,293	33,976	2,695,010	136,681,051
Cash and cash equivalents at beginning of the year	41,344,974	207,328,248	273,833,250	408,828	12,276,191	535,191,491	42,243,660	192,382,790	153,927,957	374,852	9,581,181	398,510,440
Cash and cash equivalents at end of the year	11,050,119	10,302,650	119,209,917	457,060	5,985,425	147,005,171	41,344,974	207,328,248	273,833,250	408,828	12,276,191	535,191,491

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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Atlas Pension Fund (APF) was established under a Trust Deed executed between Atlas Asset Management Limited (AAML) as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 8 June 2007 and was executed under the Voluntary Pension System Rules, 2005 (VPS Rules). The Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013 and Second Supplement Trust Deed dated 3 September 2018, with the approval of the SECP. The Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplements dated 18 December 2008, 28 March 2011, 15 July 2013, 31 March 2015, 4 August 2015 and 6 August 2018 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 on 16 July 2013.
- 1.5** At present, the Fund consists of the following three Sub-Funds. A Sub fund (i.e. Gold-Sub Fund) (refer note 1.7) 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 and shall invest primarily in tradable debt securities with the weighted average duration of the investment portfolio of the Sub-Fund not exceeding ten years.

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

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

APF - Gold Sub-Fund (APF - GSF) - Revoked (refer note 1.7)

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 2020

- 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.

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)

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. The financial statements of Atlas Pension Fund - Gold Sub Fund represents liabilities towards Government and others.

Resultantly, the financial statements of APF - Gold Sub Fund have not been prepared on 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 accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- Provision of the Voluntary Pensions Systems Rules, 2005 (the VPS Rules); and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.
- Where provisions of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the requirement of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

IFRS 16 – Leases
 IFRIC 23 – Uncertainty over Income Tax Treatments
 IFRS 3 – Business Combinations – Previously held interests in a joint operation
 IFRS 9 – Financial instruments – Prepayment Features with Negative Compensation (Amendments)
 IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendments)
 IFRS 11 – Joint Arrangements – Previously held interests in a joint operation
 IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity
 IAS 23 – Borrowing Costs - Borrowing costs eligible for capitalisation
 IAS 19 – Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)
 IFRS 14 – Regulatory Deferral Accounts

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017 which became effective in the current period.

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of a Business - Amendments to IFRS 3	January 01, 2020
Interest rate benchmark reform - Amendment to IFRS 9, IAS 39 and IFRS 7	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020
Covid-19-Related Rent Concessions – Amendment to IFRS 16	June 01, 2020
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	January 01, 2020
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2020
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standards

IASB Effective date (annual periods beginning on or after)

IFRS 1 - First-time Adoption of International Financial Reporting Standards

01 January 2009

IFRS 17 - Insurance Contracts

01 January 2021

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out as below. These policies have been applied consistently to all years except for the changes in accounting policies as explained in the note 3.1 below.

3.1 Financial instruments

a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

b) Classification

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL.

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

c) **Subsequent Measurement**

Financial assets (equity and debt instruments) at fair value through profit or loss

Financial assets (both equity and debt) at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Debt instruments at Amortised Cost

After initial measurement, such debt instruments are subsequently measured at amortised cost. Under local regulations all the assets of the Fund's are required to be carried at fair value therefore, in case the fair value of debt instruments differs from its amortized cost then such assets, if any, are carried at fair value.

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

d) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

e) Reclassification of financial assets and liabilities

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

f) Impairment of financial assets

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

For trade and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, the Fund has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade and other receivables. The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The expected credit losses in respect of debt securities are not considered since SECP vide its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated 24 October 2012 will be followed.

g) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h) Determination of fair value

Debt securities (other than government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated October 24, 2012.

Government securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan

Equity securities

The equity securities are valued on the basis of closing quoted market prices available at Pakistan Stock Exchange (PSX)

3.2 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

3.3 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.4 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The participant may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made on the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of Zakat and withholding taxes, as applicable.

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

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

3.5 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Interest income on bank balances, placements and deposits is recognised on an accrual basis.
- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised appreciation / (loss) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Unrealised appreciation / (loss) in the value of investments classified as 'financial assets at fair value through Other Comprehensive Income' are included in the Other Comprehensive Income in the period in which they arise.

3.6 Expenses

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of SECP are recognised in the income statement on an accrual basis.

3.7 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 is made for current and deferred taxation in these financial statements.

3.8 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.9 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

4 BANK BALANCES

		2020					2019						
		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 - Revoked	Others (note 4.1)	Total
Note		-----Rupees-----						-----Rupees-----					
In current account		-	-	-	-	2,581,047	2,581,047	-	-	-	-	12,207,648	12,207,648
In savings accounts	4.2	11,050,119	10,302,650	119,209,917	457,060	3,404,378	144,424,124	41,344,974	207,328,248	273,833,250	408,828	68,543	522,983,843
		11,050,119	10,302,650	119,209,917	457,060	5,985,425	147,005,171	41,344,974	207,328,248	273,833,250	408,828	12,276,191	535,191,491

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

4.2 These carry interest at the rates ranging from 4.00% to 7.80% per annum (2019: 6.00% to 13.40% per annum).

5 INVESTMENTS - NET

		2020					2019				
		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 - Revoked	Total
Note		Rupees					Rupees				
At fair value through profit or loss											
Equity securities - listed	5.1	501,754,810	-	-	-	501,754,810	342,903,226	-	-	-	342,903,226
At fair value through other comprehensive income											
Treasury Bills	5.3	-	200,343,888	344,328,617	-	544,672,505	-	2,982,623	80,005,461	-	82,988,084
Term Finance Certificates	5.4	-	21,526,067	-	-	21,526,067	-	22,361,326	-	-	22,361,326
Sukuk Certificates	5.5	-	39,252,698	-	-	39,252,698	-	21,983,664	-	-	21,983,664
Pakistan Investment Bonds	5.6	-	164,931,158	-	-	164,931,158	-	116,565,385	-	-	116,565,385
		-	426,053,811	344,328,617	-	770,382,428	-	163,892,998	80,005,461	-	243,898,459
		501,754,810	426,053,811	344,328,617	-	1,272,137,238	342,903,226	163,892,998	80,005,461	-	586,801,685

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

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

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period / (Write off)	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets of the Sub Fund	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
		Number of shares				Rupees		Percentage			
Inv. Bank/Inv. Companies/Securities Co.											
Arif Habib Limited		-	151,000	-	151,000	-	-	-	-	-	-
		-	151,000	-	151,000	-	-	-	-	-	
Banks											
Bank Al Habib Limited		271,000	130,000	-	125,500	275,500	21,459,283	14,408,650	2.87	2.73	0.02
Bank Alfalah Limited		382,000	98,000	-	340,680	139,320	5,948,563	4,676,972	0.93	0.88	0.01
BankIslami Pakistan Limited		-	586,000	23,600	110,000	499,600	5,697,594	3,776,976	0.75	0.71	0.05
Faysal Bank Limited		555,500	94,250	-	278,000	371,750	7,992,670	5,178,478	1.03	0.98	0.02
Habib Bank Limited		140,000	131,000	-	38,000	233,000	28,048,254	22,570,710	4.50	4.27	0.02
Habib Metropolitan Bank Limited		2,500	300,000	-	2,500	300,000	11,300,000	8,343,000	1.66	1.58	0.03
MCB Bank Limited		-	128,500	-	10,000	118,500	17,622,397	19,205,295	3.83	3.63	0.01
Meezan Bank Limited		100,440	180,000	-	97,500	182,940	13,752,480	12,595,419	2.51	2.38	0.01
The Bank Of Punjab		500,000	1,330,000	-	1,110,000	720,000	6,033,964	6,048,000	1.21	1.14	0.03
United Bank Limited		160,060	73,600	-	90,600	143,060	18,901,432	14,786,682	2.95	2.80	0.01
		2,111,500	3,051,350	23,600	2,202,780	2,983,670	136,756,637	111,590,182	22.24	21.10	
Insurance											
Adamjee Insurance Company Limited		-	105,500	-	1,000	104,500	3,970,822	3,459,995	0.69	0.65	0.03
Pakistan Reinsurance Company Limited		-	75,000	-	3,500	71,500	2,094,255	1,626,625	0.32	0.31	0.02
		-	180,500	-	4,500	176,000	6,065,077	5,086,620	1.01	0.96	
Textile Spinning											
Gadoon Textile Mills Limited		-	10,900	-	10,900	-	-	-	-	-	-
		-	10,900	-	10,900	-	-	-	-	-	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period / (Write off)	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets of the Sub Fund	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
			----- Number of shares -----			----- Rupees -----			----- Percentage -----		

Textile Composite

Gul Ahmed Textile Mills Limited	72,000	-	-	72,000	-	-	-	-	-	-
Interloop Limited	75,000	116,000	-	191,000	-	-	-	-	-	-
Kohinoor Textile Mills Limited	142,500	-	-	142,500	-	-	-	-	-	-
Nishat (Chunian) Limited	75,000	25,000	-	100,000	-	-	-	-	-	-
Nishat Mills Limited	-	196,800	-	141,000	55,800	3,176,947	4,352,958	0.87	0.82	0.02
	364,500	337,800	-	646,500	55,800	3,176,947	4,352,958	0.87	0.82	

Synthetic And Rayon

Gatron (Industries) Limited	5,800	-	-	5,800	-	-	-	-	-	-
	5,800	-	-	5,800	-	-	-	-	-	

Cement

Attock Cement Pakistan Limited	22,000	41,500	-	22,000	41,500	4,555,115	5,172,145	1.03	0.98	0.03
Bestway Cement Limited	15,000	-	-	300	14,700	1,515,129	1,598,331	0.32	0.30	-
Cherat Cement Company Limited	40,000	150,000	4,000	145,500	48,500	2,421,892	4,227,745	0.84	0.80	0.02
D.G. Khan Cement Company Limited	65,000	180,500	-	183,500	62,000	3,967,453	5,290,460	1.05	1.00	0.01
Fauji Cement Company Limited	-	75,000	-	70,000	5,000	83,735	84,400	0.02	0.02	-
Gharibwal Cement Limited	-	100,000	-	-	100,000	1,548,870	1,628,000	0.32	0.31	0.02
Kohat Cement Company Limited	-	88,000	-	35,000	53,000	5,960,884	7,284,850	1.45	1.38	0.03
Lucky Cement Limited	30,000	44,500	-	18,700	55,800	22,291,899	25,756,164	5.13	4.87	0.02
Maple Leaf Cement Factory Limited	-	60,000	-	60,000	-	-	-	-	-	-
Pioneer Cement Limited	-	275,000	-	20,000	255,000	9,687,899	16,075,200	3.20	3.04	0.11
	172,000	1,014,500	4,000	555,000	635,500	52,032,875	67,117,295	13.36	12.70	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period / (Write off)	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets of the Sub Fund	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
<div>----- Number of shares ----- ----- Rupees ----- ----- Percentage -----</div>											
Refinery											
Attock Refinery Limited		-	8,000	-	8,000	-	-	-	-	-	-
National Refinery Limited		-	8,000	-	8,000	-	-	-	-	-	-
		-	16,000	-	16,000	-	-	-	-	-	
Power Generation And Distribution											
K-Electric Limited (Face value Rs. 3.5 per share)		350,000	-	-	7,000	343,000	1,505,770	1,032,430	0.21	0.20	-
Kot Addu Power Company Limited		-	250,000	-	-	250,000	4,210,520	5,037,500	1.00	0.95	0.03
Lalpir Power Limited		75,000	100,000	-	2,500	172,500	2,301,643	2,013,075	0.40	0.38	0.05
Nishat Chunian Power Limited		72,500	-	-	-	72,500	1,262,225	1,096,200	0.22	0.21	0.02
Pakgen Power Limited		215,000	100,000	-	-	315,000	4,746,400	3,783,150	0.75	0.72	0.08
The Hub Power Company Limited		278,565	250,500	-	53,500	475,565	36,041,520	34,478,463	6.87	6.52	0.04
		991,065	700,500	-	63,000	1,628,565	50,068,078	47,440,818	9.45	8.98	
Oil And Gas Marketing Companies											
Hi-Tech Lubricants Limited		-	145,000	-	70,000	75,000	2,053,620	2,271,000	0.45	0.43	0.06
Attock Petroleum Limited		-	7,500	-	-	7,500	2,153,437	2,289,000	0.46	0.43	0.01
Shell Pakistan Limited		-	20,000	-	20,000	-	-	-	-	-	-
Pakistan State Oil Company Limited*		81,820	43,000	18,968	57,000	86,788	11,813,941	13,726,390	2.74	2.60	0.02
Sui Northern Gas Pipelines Limited		39,200	117,000	-	26,000	130,200	7,461,794	7,108,920	1.42	1.34	0.02
		121,020	332,500	18,968	173,000	299,488	23,482,792	25,395,310	5.07	4.80	
Oil And Gas Exploration Companies											
Mari Petroleum Company Limited		16,470	11,700	2,297	9,200	21,267	19,823,762	26,299,836	5.24	4.97	0.02
Oil And Gas Development Company Limited		238,400	162,200	-	142,800	257,800	29,170,338	28,100,200	5.60	5.31	0.01
Pakistan Oilfields Limited		52,800	7,000	-	26,800	33,000	13,386,304	11,570,790	2.31	2.19	0.01
Pakistan Petroleum Limited		134,700	89,200	25,480	105,200	144,180	17,265,786	12,511,940	2.49	2.37	0.01
		442,370	270,100	27,777	284,000	456,247	79,646,190	78,482,766	15.64	14.84	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period / (Write off)	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets of the Sub Fund	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
----- Number of shares ----- ----- Rupees ----- ----- Percentage -----											
Industrial Engineering											
International Industries Limited		68,900	45,000	8,890	97,700	25,090	2,421,396	2,301,506	0.46	0.44	0.02
International Steels Limited		30,500	-	-	30,500	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited		750	-	-	-	750	18,870	29,910	0.01	0.01	-
		100,150	45,000	8,890	128,200	25,840	2,440,266	2,331,416	0.47	0.45	
Automobile Assembler											
Indus Motor Company Limited		-	5,740	-	-	5,740	5,533,771	5,711,243	1.14	1.08	0.01
Millat Tractors Limited		-	7,300	-	100	7,200	4,166,562	5,084,352	1.01	0.96	0.01
		-	13,040	-	100	12,940	9,700,333	10,795,595	2.15	2.04	
Automobile Parts And Accessories											
Thal Limited (Face Value Of Rs.5 Per Share)		-	20,500	-	1,500	19,000	5,725,234	6,173,860	1.23	1.17	0.05
		-	20,500	-	1,500	19,000	5,725,234	6,173,860	1.23	1.17	
Transport											
Pakistan International Bulk Terminal Limited		-	90,000	-	90,000	-	-	-	-	-	-
		-	90,000	-	90,000	-	-	-	-	-	-
Technology And Communications											
Pakistan Telecommunication Company Limited		-	200,000	-	200,000	-	-	-	-	-	-
Systems Limited		67,500	59,000	-	17,000	109,500	10,376,228	20,112,960	4.01	3.80	0.10
		67,500	259,000	-	217,000	109,500	10,376,228	20,112,960	4.01	3.80	
Fertilizer											
Engro Corporation Limited		78,650	51,800	-	47,000	83,450	22,893,089	24,444,174	4.87	4.62	0.01
Engro Fertilizers Limited		263,500	310,500	-	282,500	291,500	18,542,131	17,571,620	3.50	3.32	0.05
Fauji Fertilizer Bin Qasim Limited		-	100,000	-	100,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited		112,500	196,300	-	219,500	89,300	8,378,405	9,822,107	1.96	1.86	0.01
		454,650	658,600	-	649,000	464,250	49,813,625	51,837,901	10.33	9.80	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period / (Write off)	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets of the Sub Fund	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
----- Number of shares ----- Rupees ----- Percentage -----											
Pharmaceuticals											
AGP Limited		20,000	50,000	-	1,000	69,000	5,529,986	7,572,060	1.51	1.43	0.02
Ferozsons Laboratories Limited		12,600	3,000	-	15,600	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited		20,000	14,000	-	9,500	24,500	2,898,690	4,264,960	0.85	0.81	0.01
Highnoon Laboratories Limited		-	11,650	1,145	200	12,595	4,829,454	6,313,622	1.26	1.19	0.04
IBL Healthcare Limited		-	6,000	-	500	5,500	248,256	425,975	0.08	0.08	-
The Searle Company Limited		33,769	41,171	-	23,400	51,540	8,979,422	10,268,314	2.05	1.94	0.02
		86,369	125,821	1,145	50,200	163,135	22,485,808	28,844,931	5.75	5.45	
Chemicals											
Archroma Pakistan Limited		-	9,300	-	100	9,200	5,865,660	5,422,480	1.08	1.03	0.03
Engro Polymer And Chemicals Limited		65,000	410,000	-	108,000	367,000	10,475,486	9,167,660	1.83	1.73	0.04
ICI Pakistan Limited		-	11,000	-	5,700	5,300	3,462,886	3,681,963	0.73	0.70	0.01
		65,000	430,300	-	113,800	381,500	19,804,032	18,272,103	3.64	3.46	
Vanaspati And Allied Industries											
Unity Foods Limited		-	450,000	-	425,000	25,000	264,645	278,750	0.06	0.05	-
		-	450,000	-	425,000	25,000	264,645	278,750	0.06	0.05	
Leather And Tanneries											
Bata Pakistan Limited		-	4,900	-	-	4,900	7,288,442	6,581,190	1.31	1.24	0.06
Service Industries Limited		-	10,350	375	3,350	7,375	4,995,579	6,016,083	1.20	1.14	0.04
		-	15,250	375	3,350	12,275	12,284,021	12,597,273	2.51	2.38	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	Note	As at 01 July 2019	Purchases during the period	Bonus / right shares issued during the period / (Write off)	Sales during the period	As at 30 June 2020	Average cost as at 30 June 2020	Market value as at 30 June 2020	Market value as a percentage of total investments	Market value as a percentage of net assets of the Sub Fund	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
----- Number of shares ----- Rupees ----- Percentage -----											
Foods And Personal Care Products											
Al Shaheer Corporation Limited*		1,317	-	(1,317)	-	-	-	-	-	-	-
At-Tahur Limited		-	265,000	-	-	265,000	4,814,480	4,565,950	0.91	0.86	0.16
National Foods Limited		-	5,000	-	4,900	100	22,437	25,042	-	-	-
		1,317	270,000	(1,317)	4,900	265,100	4,836,917	4,590,992	0.91	0.86	
Glass And Ceramics											
Tariq Glass Industries Limited		-	70,000	7,750	44,500	33,250	2,090,426	2,145,290	0.43	0.41	0.03
		-	70,000	7,750	44,500	33,250	2,090,426	2,145,290	0.43	0.41	
Miscellaneous											
Synthetic Products Enterprises Limited		-	53,500	-	-	53,500	2,093,823	2,224,530	0.44	0.42	0.06
		-	53,500	-	-	53,500	2,093,823	2,224,530	0.44	0.42	
Paper And Board											
Packages Limited		-	6,000	-	-	6,000	2,358,250	2,083,260	0.42	0.39	0.01
		-	6,000	-	-	6,000	2,358,250	2,083,260	0.42	0.39	
30 June 2020							495,502,204	501,754,810	100.00	94.83	
30 June 2019							410,266,039	342,903,226			

* Bonus shares were withheld @5% vide section 236M of ITO, 2001. AMC's filed various suits and obtained stay orders from time to time. Later, Supreme Court judgement dated June 27, 2018 held that suits must only be entertained on condition of depositing 50% of tax demand to tax authorities. SHC issued notices to deposit 50% of tax demand and later dismissed the cases. Therefore, withheld bonus shares have been excluded from the portfolio.

5.2 The cost of listed equity securities as at 30 June 2020 is Rs.520,351,452 (30 June 2019: Rs. 399,085,806).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

5.3 Treasury Bills

Debt Sub-Fund

Money Market Sub-Fund

	2020	2019
	----- (Rupees) -----	-----
	200,343,888	2,982,623
	344,328,617	80,005,461
	544,672,505	82,988,084

				Balance as at June 30, 2020			
As at 1 July 2019	Purchases during the year	Sales/ Matured during the year	As at 30 June 2020	Amortised cost	Market value	Unrealised gain	Market value as a % of net assets of the Sub-Fund
----- Face value (Rupees) -----				----- Rupees -----			%
Treasury Bills - 3 Months	3,000,000	855,000,000	858,000,000	-	-	-	-
Treasury Bills - 6 Months	-	144,500,000	81,500,000	63,000,000	61,360,955	61,789,088	428,133
Treasury Bills - 12 Months	-	193,000,000	51,000,000	142,000,000	136,355,785	138,554,800	2,199,015
Total - 30 June 2020	3,000,000	1,192,500,000	990,500,000	205,000,000	197,716,740	200,343,888	2,627,148
Total - 30 June 2019					2,984,516	2,982,623	(1,893)
							0.79

5.3.1 Debt Sub-Fund

5.3.1.1 The cost of investments as on 30 June 2020 is Rs. 186,072,234 (2019: Rs. 2,926,257).

5.3.1.2 These Government treasury bills carry purchase yield % per annum 7.88% to 14.89% (2019: 10.95% per annum) and will mature on 11 March 2021 (2019: 18 July 2019).

				Balance as at June 30, 2020			
As at 1 July 2019	Purchases during the year	Sales/ Matured during the year	As at 30 June 2020	Amortised cost	Market value	Unrealised gain	Market value as a % of net assets of the Sub-Fund
----- Face value (Rupees) -----				----- Rupees -----			%
Treasury Bills - 3 Months	81,000,000	1,952,500,000	1,899,000,000	134,500,000	133,483,863	133,573,389	89,526
Treasury Bills - 6 Months	-	553,500,000	338,000,000	215,500,000	209,534,629	210,755,228	1,220,599
Total - 30 June 2020	81,000,000	2,506,000,000	2,237,000,000	350,000,000	343,018,492	344,328,617	1,310,125
Total - 30 June 2019					80,029,702	80,005,461	(24,241.0)
							22.44

5.3.2 Money Market Sub-Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5.3.2.1 The cost of investments as on 30 June 2020 is Rs. 338,786,730 (2019: Rs. 78,965,635).

5.3.2.2 These Government treasury bills carry purchase yields ranging from 7.48% to 12.48% per annum (2019: 10.95% to 12.57% per annum) and will mature between 16 July 2020 to 17 December 2020 (2019: 18 July 2019 and 15 August 2019).

5.4 Term Finance Certificates

5.4.1 Debt Sub-Fund

Term Finance certificates - At fair value through other comprehensive income

	30 June 2020	30 June 2019
Note	(Rupees)	
5.4.2	21,526,067	22,361,326
	21,526,067	22,361,326

5.4.2	Name of the investee company	Status	As at 1 July 2019	Purchases during the year	Sales / matured during the year	As at 30 June 2020	Balance as at June 30, 2020			
							Carrying value	Market Value	Unrealised Gain / (loss)	Market value as a % of net assets of the Sub-Fund
				Number of certificates				Rupees		%
Commercial Banks										
	Bank Alfalah Limited - V (face value of Rs. 5,000 per certificate each)	Listed	153	-	153	-	-	-	-	-
	Habib Bank Limited Tier II (face value of Rs. 100,000 per certificate)	Listed	200	-	-	200	19,970,400	19,544,938	(425,462)	4.63
	Soneri Bank Limited - II (face value of Rs. 5,000 per certificate)	Listed	400	-	-	400	1,997,018	1,981,129	(15,889)	0.47
Chemicals										
	AgriTech Limited - IV	Unlisted	29	-	-	29	-	-	-	-
							21,967,418	21,526,067	(441,351)	5.09
30 June 2019							22,749,677	22,361,326	(388,351)	5.92

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

Name of the investee company	Status	Rating	Tenure	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
Commercial Banks							
Bank Alfalah Limited - V	Listed	AA	8 years	Semi annually	February 2021	12.09%	1.25% + 6 month KIBOR
Soneri Bank Limited - II	Listed	A+	8 years	Semi annually	July 2023	12.13%	1.35% + 6 month KIBOR
Habib Bank Limited Tier - II	Listed	AAA	10 years	Semi annually	February 2026	11.34%	0.5% + 6 month KIBOR
Chemicals							
AgriTech Limited - IV (note 5.5.2)	Unlisted	NPA	3.5 years	Semi annually	July 2011 - January 2015	N/A	N/A

5.5 Sukuk Certificates

Debt Sub-Fund

						Balance as at June 30, 2020			
Name of the investee company	Status	As at 1 July 2019	Purchases during the year	Sales / matured during the year	As at 30 June 2020	Carrying value	Market Value	Unrealised (loss) / gain	Market value as a % of net assets of the Sub-Fund
-----Number of certificates-----						-----Rupees-----			%
Commercial Banks									
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	Unlisted	14	-	-	14	14,000,000	14,350,000	350,000	3.40
Fertilizers									
Dawood Hercules Corporation Limited Sukuk II	Listed	80	-	-	80	6,400,000	6,516,634	116,634	1.55
Power Generation and Distribution									
The Hub Power Company Limited (Face value of Rs. 100,000 per certificate)	Unlisted	-	180	-	180	18,000,000	18,386,064	386,064	4.36
Chemicals									
Agritech Limited (note 5.5.2)	Unlisted	200	-	-	200	-	-	-	-
						38,400,000	39,252,698	852,698	9.31
30 June 2019						22,000,000	21,983,664	(16,336)	5.82

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

Name of the investee company	Status	Rating	Tenure	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
Commercial Banks							
Meezan Bank Limited Tier - II	Unlisted	AA	7 years	Semi annually	September 2016 - September 2026	11.35%	6 month KIBOR + 0.50%
Fertilizers							
Dawood Hercules Corporation Limited II	Listed	AA	5 years	Quarterly	March 2018 - March 2023	13.88%	3 month KIBOR + 1.00%
Power Generation and Distribution							
The Hub Power Company Sukuk	Unlisted	AA+	4 years	Quarterly	August 2019 - August 2023	15.81%	3 month KIBOR + 1.90%
Chemicals							
Agritech Limited - IV	Unlisted	NPA	7 years	Semi annually	February 2011 - August 2015	N/A	N/A

5.5.2 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 2019: Rs.1,145,000) has been made in accordance with the provisioning requirements specified by the SECP. In the year 30 June 2012, the Debt Sub-Fund had entered into a restructuring agreement with Agritech Limited (the Company) whereby all overdue profit receivable on Sukuk Certificates held by the Deb Sub-Fund was converted into zero coupon Term Finance Certificates (TFCs). In this regard, the aggregate provision also includes a provision amounting to Rs. 145,000 against these TFCs to fully cover the amount of investment. Accordingly, the Fund holds 29 certificates (having face value of Rs. 5,000 each) of Agritech Limited IV as at 30 June 2020(2019: 29 certificates). The details of these non-performing investments are as follows:

Non-performing investment	Type of investment	Value before provision	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	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5.6 Pakistan Investment Bonds -

At fair value through other comprehensive income

At fair value through other comprehensive income

				Balance as at 30 June 2020				
As at 1 July 2019	Purchases during the year	Sales / Matured during the year	As at 30 June 2020	Amortised cost	Market value	Unrealised gain / loss	Market value as a % of net assets of Sub Fund	
----- Number of certificates -----				-----Rupees-----				
							%	
Pakistan Investment Bonds - 3 Years	89,500,000	164,500,000	104,500,000	149,500,000	140,656,195	154,408,686	13,752,491	36.61
Pakistan Investment Bonds - 5 Years	45,000,000	33,500,000	68,500,000	10,000,000	9,361,577	10,522,472	1,160,895	2.49
Pakistan Investment Bonds - 10 Years	-	63,500,000	63,500,000	-	-	-	-	
Total - 30 June 2020	134,500,000	261,500,000	236,500,000	159,500,000	150,017,772	164,931,158	14,913,386	39.10
Total - 30 June 2019					119,117,958	116,565,385	(2,552,573)	30.85

5.6.1.1 The cost of investments as on 30 June 2019 is Rs. 147,479,671 (2019: Rs. 117,832,999).

5.6.1.2 These carry interest at the rate ranging from 9% to 9.50% per annum (2019: 12.14% to 13.71% per annum) and will mature between 19 September 2022 and 19 September 2024 (2019: 12 July 2021 and 12 July 2023).

				Balance as at 30 June 2020			
As at 1 July 2019	Purchases during the year	Sales / Matured during the year	As at 30 June 2020	Amortised cost	Market value	Unrealised gain / loss	Market value as a % of net assets of Sub Fund
----- Number of certificates -----				-----Rupees-----			
				%			
5.6.2 Money Market Sub-Fund							
Pakistan Investment Bonds - 3 Years							
Total - 30 June 2020							
Total - 30 June 2019							

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6	INTEREST ACCRUED	Note	2020					2019					
			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 - Revoked	Others
			Rupees					Rupees					
	Profit on deposits		-	-	-	-	-	98,088	610,386	1,606,244	-	-	2,314,718
	Pakistan Investment Bonds		-	4,070,978	-	-	4,070,978	-	4,737,811	-	-	4,737,811	
	Term Finance Certificates		-	1,171,899	-	-	1,171,899	-	967,827	-	-	967,827	
	Sukuk Certificates		-	910,616	-	-	910,616	-	626,737	-	-	626,737	
			-	6,153,493	-	-	6,153,493	98,088	6,942,761	1,606,244	-	-	8,647,093
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
	Other receivable		1,316,224	1,886,751	1,420,198	61,418	4,684,591	816,224	586,751	120,164	61,418	54,287	1,638,844
			1,416,224	1,986,751	1,520,198	61,418	4,984,591	916,224	686,751	220,164	61,418	54,287	1,938,844
8	PAYABLE TO THE PENSION FUND MANAGER												
	Pension Fund Manager fee	8.1	618,551	267,636	186,614	-	1,072,801	445,588	241,714	146,219	-	-	833,521
	Sindh sales tax on remuneration of the Pension Fund Manager	8.2	305,866	203,554	131,163	31,329	671,912	283,373	200,181	125,922	31,329	-	640,805
	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
			2,447,764	1,595,365	1,024,050	238,537	5,305,716	2,252,308	1,566,070	978,414	238,537	-	5,035,329
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 of the average value of 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 (2019: 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% (2019: 0.75%), 0.50% (2019: 0.50%) and Nil (2019: Nil) respectively of the average value of the net assets of these Sub Funds, which is paid monthly in arrears.												
8.2	During the year, an amount of Rs. 1.49 million (2019: Rs. 1.33 million) was charged on account of sales tax on remuneration of the Pension Fund Manager levied under Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1.46 million (2019: Rs. 1.33 million) 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												

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

from 13 June 2013. As the asset management services rendered by the Pension Fund Manager of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 10.2 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.

In 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 2016 amounting to Rs. 3.56 million (30 June 2019: Rs. 3.56 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		2020					2019				
		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 - Revoked	Total
Note		Rupees					Rupees				
Trustee fee	9.1	56,028	48,486	50,712	-	155,226	43,095	46,755	42,426	-	132,276
Sindh sales tax on Trustee fee	9.2	7,285	6,311	6,595	-	20,191	5,602	6,078	5,515	-	17,195
Settlement charges		3,000	-	-	-	3,000	2,870	500	500	-	3,870
Sindh sales tax on settlement charges		390	-	-	-	390	373	65	65	-	503
		66,703	54,797	57,307	-	178,807	51,940	53,398	48,506	-	153,844

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. |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 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. 225,804 (2019: Rs. 205,407) was charged on account of sale tax on remuneration of the Trustee levied under Sindh Sales Tax on Service Act, 2011 and an amount of Rs. 222,808 (2019: Rs. 204,551) was paid to the Trustee which acts as a collecting agent.

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		2020						2019					
		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 - Revoked	Others	Total
Note		Rupees						Rupees					
Annual fee payable	10.1	121,653	122,388	111,296	-	-	355,337	128,688	129,207	101,699	-	-	359,594
		121,653	122,388	111,296	-	-	355,337	128,688	129,207	101,699	-	-	359,594

- 10.1** In accordance with NBFC regulations, a voluntary pension scheme (VPS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 24 December 2019, the SECP vide SRO No.1620(1)2019 dated 24 December 2019 revised the rate of annual fee to 0.025% of net assets on all categories of Voluntary Pension Schemes. Previously, the rate of annual fee applicable on Voluntary Pension Schemes was 0.0333% per annum of net assets.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

		2020						2019					
		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 - Revoked	Others	Total
Note		Rupees						Rupees					
Auditor remuneration payable		94,521	95,374	86,261	4,207	-	280,363	84,514	84,818	66,667	4,207	-	240,206
Withholding tax payable		161,106	62,781	22,735	-	165,461	412,083	19,431	1,716	1,213	-	948	23,308
Zakat payable		-	-	-	-	24,462	24,462	-	-	-	-	5,744	5,744
Provision for Sindh Workers' Welfare Fund	11.1	3,505,510	2,957,090	2,194,559	118,102	-	8,775,261	2,516,618	1,857,360	1,304,782	118,102	-	5,796,862
Others		16,000	30,000	206,000	-	191,039	443,039	-	-	176,000	-	142,459	318,459
		3,777,137	3,145,245	2,509,555	122,309	380,962	9,935,208	2,620,563	1,943,894	1,548,662	122,309	149,151	6,384,579

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 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 with the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed off 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 (FBR) 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 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 has been made from 21 May 2015 till date.

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 2020 would have been higher by Rs. 2.91 per unit (30 June 2019: Rs. 2.68 per unit), Rs. 2.18 per unit (30 June 2019: Rs. 1.28 per unit) and Rs. 1.37 per unit (30 June 2019: Rs. 0.92 per unit) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

12 NUMBER OF UNITS IN ISSUE

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Gold Sub-Fund - Revoked
	-----Number of units-----				-----Number of units-----			
Total units in issue at beginning of the year	938,997	1,449,032	1,407,176	-	791,532	1,543,116	1,144,654	-
Add: Issue of units during the year								
- Directly by participants	339,283	157,391	332,179	-	182,010	284,823	438,296	-
Less: Units redeemed during the year								
- Directly by participants	(72,520)	(247,276)	(131,872)	-	(28,701)	(371,970)	(175,007)	-
- Transfer to other Pension Fund	(26)	(1,327)	(4,067)	-	(5,844)	(6,937)	(767)	-
	(72,546)	(248,603)	(135,939)	-	(34,545)	(378,907)	(175,774)	-
Total units in issue at end of the year	1,205,734	1,357,820	1,603,416	-	938,997	1,449,032	1,407,176	-

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies & commitments as at 30 June 2020 and as at 30 June 2019.

14. TOTAL EXPENSE RATIO

- 14.1** The Total Expense Ratio (TER) of the Atlas Pension Fund - Equity Sub Fund as at 30 June 2020 is 2.42% (30 June 2019: 2.19%) which includes 0.53% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.
- 14.2** The Total Expense Ratio (TER) of the Atlas Pension Fund - Debt Sub Fund as at 30 June 2020 is 1.44% (30 June 2019: 1.13%) which includes 0.41% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.
- 14.3** The Total Expense Ratio (TER) of the Atlas Pension Fund - Money Market Sub Fund as at 30 June 2020 is 1.13% (30 June 2019: 0.82%) which includes 0.35% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

	2020					2019				
	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 - Revoked	Total
15 INTEREST INCOME	-----Rupees-----					-----Rupees-----				
Profit on PLS savings accounts and deposits	1,199,292	4,936,604	8,976,847	48,232	15,160,975	1,458,375	5,555,688	6,395,069	33,051	13,442,183
Pakistan Investment Bonds	-	20,457,943	870,736	-	21,328,679	-	7,815,272	-	-	7,815,272
Treasury Bills	-	20,325,330	37,762,554	-	58,087,884	-	20,062,716	22,832,412	-	42,895,128
Term Finance Certificates and Sukuk Certificates	-	8,577,512	-	-	8,577,512	-	4,257,431	-	-	4,257,431
Commercial Paper	-	-	-	-	-	-	68,812	-	-	68,812
	1,199,292	54,297,389	47,610,137	48,232	103,155,050	1,458,375	37,759,919	29,227,481	33,051	68,478,826

15.1 Mark-up on non-performing securities amounting to Rs. 1,008,531 (2019: Rs. 853,242) based on outstanding principal has not been recognised, in accordance with SECP's directives.

	2020					2019				
	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 - Revoked	Total
16 AUDITORS' REMUNERATION	-----Rupees-----					-----Rupees-----				
Audit fee	79,388	80,241	71,128	-	230,757	71,622	71,880	56,498	-	200,000
Sindh Sales Tax on services	8,333	8,333	8,333	-	24,999	5,730	5,750	4,520	-	16,000
Out of pocket expenses	6,800	6,800	6,800	-	20,400	7,162	7,188	5,650	-	20,000
Prior year adjustment	(2,533)	(4,746)	8,879	-	1,600	8,064	4,965	5,561	-	18,590
	91,988	90,628	95,140	-	277,756	92,578	89,783	72,229	-	254,590

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

17 NET UNREALISED DIMINUTION ON REMEASUREMENT OF INVESTMENTS CLASSIFIED AS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME'

	2020					2019				
	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 - Revoked	Total
	Rupees					Rupees				
Market value of investments	-	426,053,811	344,328,617	-	770,382,428	-	163,892,998	80,005,461	-	243,898,459
Less: Cost of investments	-	409,246,928	343,018,492	-	752,265,420	-	167,997,149	80,029,115	-	248,026,264
	-	16,806,883	1,310,125	-	18,117,008	-	(4,104,151)	(23,654)	-	(4,127,805)
Add / (less): Net unrealised (appreciation) / diminution in the value of investments at beginning of the year	-	4,104,151	23,654	-	4,127,805	-	1,140,565	9,233	-	1,149,798
Transferred to comprehensive income / (loss) during the year	-	20,911,034	1,333,779	-	22,244,813	-	(2,963,586)	(14,421)	-	(2,978,007)
(Loss) / gain arise during the year	-	15,224,078	1,004,419	-	16,228,497	-	(25,088)	442,805	-	417,717
Reclassification to income statement upon disposal during the year	-	5,686,956	329,360	-	6,016,316	-	(2,938,498)	(457,226)	-	(3,395,724)
	-	20,911,034	1,333,779	-	22,244,813	-	(2,963,586)	(14,421)	-	(2,978,007)

18 CONTRIBUTION TABLE

	2020									
	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	23,842	10,025,230	38,970	11,494,914	170,417	48,167,799	-	-	233,229	69,687,943
Employers	315,441	117,400,315	118,421	33,482,857	161,762	43,513,254	-	-	595,624	194,396,426
	339,283	127,425,545	157,391	44,977,771	332,179	91,681,053	-	-	828,853	264,084,369

	2019									
	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	113,359	48,250,973	152,633	38,811,229	304,663	73,886,036	-	-	570,655	160,948,238
Employers	68,651	32,367,089	132,190	33,314,405	133,633	32,815,364	-	-	334,474	98,496,858
	182,010	80,618,062	284,823	72,125,634	438,296	106,701,400	-	-	905,129	259,445,096

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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 balances with connected persons at the year end are as follows:

	June 30, 2020					June 30, 2019				
	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 - Revoked	Total
	Rupees					Rupees				
Atlas Asset Management Limited (Pension Fund Manager)										
Pension Fund Manager Fee payable (Rupees)	618,551	267,636	186,614	-	1,072,801	445,588	241,714	146,219	-	833,521
Sindh sales tax payable on the Pension Fund Manager (Rupees)	305,866	203,554	131,163	31,329	671,912	283,373	200,181	125,922	31,329	640,805
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)	72,789,340	51,561,260	47,280,120	-	171,630,720	68,387,020	43,284,500	42,051,120	-	153,722,640
Units held (Number of units)	166,000	166,000	166,000	-	498,000	166,000	166,000	166,000	-	498,000
Central Depository Company of Pakistan Limited (Trustee)										
Remuneration on Trustee fee payable (Rupees)	56,028	48,486	50,712	-	155,226	43,095	46,755	42,426	-	132,276
Sindh sales tax payable on remuneration on Trustee fee (Rupees)	7,285	6,311	6,595	-	20,191	5,602	6,078	5,515	-	17,195
Settlement charges (Rupees)	3,000	-	-	-	3,000	2,870	500	500	-	3,870
Sindh sales tax on settlement charges (Rupees)	390	-	-	-	390	373	65	65	-	503
Directors and Executives										
Investment at year end (Rupees)	115,899,484	120,544,014	76,704,874	-	313,148,372	102,669,168	103,169,552	66,627,738	-	272,466,458
Units held (Number of units)	264,315	388,088	269,310	-	921,713	249,215	395,665	263,008	-	907,888

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

	For the year ended June 30, 2020					For the year ended June 30, 2019				
	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 - Revoked	Total
	Rupees					Rupees				
Atlas Asset Management Limited (Pension Fund Manager)										
Remuneration for the year (Rupees)	6,377,384	3,187,473	1,933,218	-	11,498,075	5,797,868	2,910,273	1,527,423	-	10,235,564
Sindh sales tax on remuneration of the Pension Fund Manager (Rupees)	829,067	414,375	251,308	-	1,494,750	753,723	378,335	198,565	-	1,330,623
Withdrawal of seed capital (Rupees)	-	-	-	-	-	-	-	-	-	-
Withdrawal of seed capital (Number of units)	-	-	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited (Trustee)										
Remuneration for the year (Rupees)	596,363	597,196	543,241	-	1,736,800	565,577	567,739	446,735	-	1,580,051
Sindh sales tax on remuneration (Rupees)	77,531	77,653	70,620	-	225,804	73,525	73,806	58,076	-	205,407
Directors and Executives										
Contributions (Rupees)	5,587,491	3,384,895	1,719,515	-	10,691,901	6,663,832	4,696,197	2,593,716	-	13,953,745
Contributions (Number of units)	12,987	12,090	6,483	-	31,560	14,087	18,632	10,714	-	43,433
Redemptions (Rupees)	(4,068,370)	-	(930,562)	-	(4,998,932)	(375,609)	-	(843,824)	-	(1,219,433)
Redemptions (Number of units)	(9,705)	-	(3,434)	-	(13,139)	(775)	-	(3,471)	-	(4,246)
Re-allocation (Rupees)	5,182,055	(6,108,622)	926,567	-	-	11,212,327	(8,536,906)	(2,675,421)	-	-
Re-allocation (Number of units)	11,818	(19,667)	3,253	-	(4,596)	27,214	(32,764)	(10,568)	-	(16,118)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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, 2020 along with comparatives is as follows:

		Financial asset measured at amortized cost	Financial assets 'at fair value through profit or loss'	Financial assets categorised as 'at fair value through other comprehensive income'	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
June 30, 2020	Note	-----Rupees-----								
Financial assets - measured at fair value										
Investments - net		-	501,754,810	770,382,428	-	1,272,137,238	501,754,810	770,382,428	-	1,272,137,238
Financial assets - not measured at fair value										
Bank balances	20.1	147,005,171	-	-	-	147,005,171	-	-	-	-
Receivable against sale of investments	20.1	1,653,899	-	-	-	1,653,899	-	-	-	-
Dividend receivable	20.1	900	-	-	-	900	-	-	-	-
Interest accrued	20.1	6,153,493	-	-	-	6,153,493	-	-	-	-
Receivable against sale of units	20.1	42,485,555	-	-	-	42,485,555	-	-	-	-
Security deposit and other receivables	20.1	4,984,591	-	-	-	4,984,591	-	-	-	-
		202,283,609	501,754,810	770,382,428	-	1,474,420,847				
Financial liabilities - measured at fair value										
Financial liabilities - not measured at fair value										
Payable against redemption of units	20.1	-	-	-	42,783,114	42,783,114	-	-	-	-
Payable to the Pension Fund Manager	20.1	-	-	-	1,072,801	1,072,801	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	20.1	-	-	-	158,226	158,226	-	-	-	-
Unallocated profit	20.1	-	-	-	157,632	157,632	-	-	-	-
Payable to Sub-Funds	20.1	-	-	-	5,604,463	5,604,463	-	-	-	-
Accrued expenses and other liabilities	20.1	-	-	-	443,039	443,039	-	-	-	-
		-	-	-	53,182,485	53,182,485				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

		Financial asset measured at amortized cost	Financial assets 'at fair value through profit or loss'	Financial assets categorised as 'at fair value through other comprehensive income'	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
June 30, 2019	Note	Rupees								
Financial assets - measured at fair value										
Investments - net		-	342,903,226	243,898,459	-	586,801,685	342,903,226	243,898,459	-	586,801,685
Financial assets - not measured at fair value										
Bank balances	20.1	535,191,491	-	-	-	535,191,491	-	-	-	-
Receivable against sale of investments	20.1	1,456,099	-	-	-	1,456,099	-	-	-	-
Dividend receivable	20.1	131,882	-	-	-	131,882	-	-	-	-
Interest accrued	20.1	8,647,093	-	-	-	8,647,093	-	-	-	-
Receivable against sale of units		12,181,327	-	-	-	12,181,327	-	-	-	-
Security deposit and other receivables	20.1	1,938,844				1,938,844				
		559,546,736	342,903,226	243,898,459	-	1,146,348,421				
Financial liabilities - measured at fair value										
Financial liabilities - not measured at fair value										
Payable against redemption of units	20.1	-	-	-	977,596	977,596	-	-	-	-
Payable against purchase of investments	20.1	-	-	-	-	-	-	-	-	-
Payable to the Pension Fund Manager	20.1	-	-	-	833,521	833,521	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited (CDC) - Trustee	20.1	-	-	-	136,146	136,146	-	-	-	-
Unallocated profit	20.1	-	-	-	109,400	109,400	-	-	-	-
Payable to Sub-Funds	20.1	-	-	-	12,181,327	12,181,327	-	-	-	-
Accrued expenses and other liabilities	20.1				558,665	558,665				
		-	-	-	14,796,655	14,796,655				

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

21 FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

During the year ended June 30, 2020, the global economic environment including Pakistan has been severely affected by the COVID -19 outbreak. COVID-19 has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat. The State Bank of Pakistan has also responded to the crisis by cutting the policy rate by 225 bps to 11% in March '20, by 200 bps to 9% on April '20, by 100 bps to 8% in May '20 and again by 100 bps to 7% in June '20. SECP has also provided certain relaxation to the asset management companies in Pakistan for specific period.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation.

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.

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 all the Sub-Funds hold balances with banks and Debt Sub Fund holds KIBOR based profit bearing Term Finance Certificates and Sukuk Certificates exposing the Sub-Funds to cash flow interest rate risk. In case of 100 basis points increase / decrease in market rates as at 30 June 2020, with all other variables held constant, net income for the year and net assets for the year would have been higher/lower as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Change in basis points	2020				2019			
	Effect on net income and net assets				Effect on net income and net assets			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----				----- Rupees -----			
100	110,483	704,132	1,181,091	1,885,223	434,023	2,554,287	2,801,114	5,355,401
(100)	(110,483)	(704,132)	(1,181,091)	(1,885,223)	(434,023)	(2,554,287)	(2,801,114)	(5,355,401)

b) Sensitivity analysis of fixed rate instruments

Presently the Debt Sub-Fund hold Pakistan Investment Bonds which are classified as 'at fair value through Other Comprehensive Income' exposing the Fund to fair value interest rate risk. The impact of 100 basis points increase / decrease in market rates on 30 June 2020, with all variables held constant, on the net assets and other comprehensive income for the year is as follows:

Change in basis points	2020			2019		
	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
100	1,595,000	-	1,595,000	1,195,480	800,055	1,995,535
(100)	(1,595,000)	-	(1,595,000)	(1,195,480)	(800,055)	(1,995,535)

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 2020 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 2020

-----As at 30 June 2020-----						
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	4.00 - 7.80	11,050,119	-	-	-	11,050,119
Receivable against sale of investments		-	-	-	1,653,899	1,653,899
Investments - net		-	-	-	501,754,810	501,754,810
Dividend receivable		-	-	-	900	900
Interest accrued		-	-	-	-	-
Receivable against sale of units		-	-	-	23,024,601	23,024,601
Security deposit and other receivables		-	-	-	1,416,224	1,416,224
		11,050,119	-	-	527,850,434	538,900,553
Financial liabilities						
Payable against redemption of units		-	-	-	825,552	825,552
Payable against purchase of investments		2,963,210	-	-	2,963,210	5,926,420
Payable to the Pension Fund Manager		-	-	-	618,551	618,551
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	59,028	59,028
Accrued expenses and other liabilities		-	-	-	110,521	110,521
		2,963,210	-	-	4,576,862	7,540,072
On-balance sheet gap		8,086,909	-	-	523,273,572	531,360,481
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		8,086,909	-	-	523,273,572	531,360,481
Cumulative interest rate sensitivity gap		8,086,909	8,086,909	8,086,909	531,360,481	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

-----As at 30 June 2019-----						
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	6.00-13.40	41,344,974	-	-	-	41,344,974
Receivable against investments		-	-	-	1,456,099	1,456,099
Investments - net		-	-	-	342,903,226	342,903,226
Dividend receivable		-	-	-	131,882	131,882
Interest accrued		-	-	-	98,088	98,088
Receivable against sale of units		-	-	-	5,133,440	5,133,440
Security deposit and other receivables		-	-	-	916,224	916,224
		41,344,974	-	-	350,638,959	391,983,933
Financial liabilities						
Payable against redemption of units		-	-	-	89,061	89,061
Payable against purchase of investments		-	-	-	-	-
Payable to the Pension Fund Manager		-	-	-	445,588	445,588
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	45,965	45,965
Accrued expenses and other liabilities		-	-	-	84,514	84,514
		-	-	-	665,128	665,128
On-balance sheet gap		41,344,974	-	-	349,973,831	391,318,805
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		41,344,974	-	-	349,973,831	391,318,805
Cumulative interest rate sensitivity gap		41,344,974	41,344,974	41,344,974	391,318,805	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

-----As at 30 June 2020-----

Debt 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	4.00 - 7.80	10,302,650	-	-	-	10,302,650
Investments - net	9.00 - 13.71	200,343,888	-	225,709,923	-	426,053,811
Interest accrued		-	-	-	6,153,493	6,153,493
Receivable against sale of units		-	-	-	7,703,398	7,703,398
Security deposit and other receivables		-	-	-	1,986,751	1,986,751
		210,646,538	-	225,709,923	15,843,642	452,200,103
Financial liabilities						
Payable against redemption of units		-	-	-	25,528,320	25,528,320
Payable to the Pension Fund Manager		-	-	-	267,636	267,636
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	48,486	48,486
Accrued expenses and other liabilities		-	-	-	125,374	125,374
		-	-	-	25,969,816	25,969,816
On-balance sheet gap		210,646,538	-	225,709,923	(10,126,174)	426,230,287
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		210,646,538	-	225,709,923	(10,126,174)	426,230,287
Cumulative interest rate sensitivity gap		210,646,538	210,646,538	436,356,461	426,230,287	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

-----As at 30 June 2019-----

Debt 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	6.00-13.40	207,328,248	-	-	-	207,328,248
Investments - net	10.95-13.71	2,982,623	-	160,910,375	-	163,892,998
Interest accrued		-	-	-	6,942,761	6,942,761
Receivable against sale of units		-	-	-	3,000,132	3,000,132
Security deposit and other receivables		-	-	-	686,751	686,751
		210,310,871	-	160,910,375	10,629,644	381,850,890
Financial liabilities						
Payable against redemption of units		-	-	-	327,149	327,149
Payable to the Pension Fund Manager		-	-	-	241,714	241,714
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	47,255	47,255
Accrued expenses and other liabilities		-	-	-	84,818	84,818
		-	-	-	700,936	700,936
On-balance sheet gap		210,310,871	-	160,910,375	9,928,708	381,149,954
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		210,310,871	-	160,910,375	9,928,708	381,149,954
Cumulative interest rate sensitivity gap		210,310,871	210,310,871	371,221,246	381,149,954	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

-----As at 30 June 2020-----

Money Market 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	4.00 - 7.80	119,209,917	-	-	-	119,209,917
Investments - net	10.95 - 12.57	344,328,617	-	-	-	344,328,617
Interest accrued		-	-	-	-	-
Receivable against sale of units		-	-	-	11,757,556	11,757,556
Security deposit and other receivables		-	-	-	1,520,198	1,520,198
		463,538,534	-	-	13,277,754	476,816,288

Financial liabilities

Payable against redemption of units		-	-	-	16,429,242	16,429,242
Payable to the Pension Fund Manager		-	-	-	186,614	186,614
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	50,712	50,712
Accrued expenses and other liabilities		-	-	-	292,261	292,261
		-	-	-	16,958,829	16,958,829

On-balance sheet gap

463,538,534	-	-	(3,681,075)	459,857,459
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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

463,538,534	-	-	(3,681,075)	459,857,459
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Cumulative interest rate sensitivity gap

463,538,534	463,538,534	463,538,534	459,857,459	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

-----As at 30 June 2019-----

Money Market 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	6.00 - 13.4	273,833,250	-	-	-	273,833,250
Investments - net	10.95 - 12.57	80,005,461	-	-	-	80,005,461
Interest accrued		-	-	-	1,606,244	1,606,244
Receivable against sale of units		-	-	-	4,047,755	4,047,755
Security deposit and other receivables		-	-	-	220,164	220,164
		353,838,711	-	-	5,874,163	359,712,874

Financial liabilities

Payable against redemption of units		-	-	-	561,386	561,386
Payable to the Pension Fund Manager		-	-	-	146,219	146,219
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	42,926	42,926
Accrued expenses and other liabilities		-	-	-	242,667	242,667
		-	-	-	993,198	993,198

On-balance sheet gap

353,838,711	-	-	4,880,965	358,719,676
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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

353,838,711	-	-	4,880,965	358,719,676
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Cumulative interest rate sensitivity gap

353,838,711	353,838,711	353,838,711	358,719,676	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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 2020, with all other variables held constant, net income for the year would increase / decrease by Rs.25,087,471 (2019: Rs.17,145,161) 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 2020 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.

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 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 2020

21.2.1 Equity Sub-Fund

	2020							2019						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	Rupees							Rupees						
Financial liabilities														
Payable against purchase of investments	2,963,210	-	-	-	-	-	2,963,210	-	-	-	-	-	-	-
Payable against redemption of units	825,552	-	-	-	-	-	825,552	89,061	-	-	-	-	-	89,061
Payable to the Pension Fund Manager	618,551	-	-	-	-	-	618,551	445,588	-	-	-	-	-	445,588
Payable to the Central Depository Company of Pakistan - Trustee	59,028	-	-	-	-	-	59,028	45,965	-	-	-	-	-	45,965
Accrued expenses and other liabilities	16,000	94,521	-	-	-	-	110,521	-	84,514	-	-	-	-	84,514
	4,482,341	94,521	-	-	-	-	4,576,862	580,614	84,514	-	-	-	-	665,128

21.2.2 Debt Sub-Fund

Financial liabilities														
Payable against redemption of units	25,528,320	-	-	-	-	-	25,528,320	327,149	-	-	-	-	-	327,149
Payable to the Pension Fund Manager	267,636	-	-	-	-	-	267,636	241,714	-	-	-	-	-	241,714
Payable to the Central Depository Company of Pakistan - Trustee	48,486	-	-	-	-	-	48,486	47,255	-	-	-	-	-	47,255
Accrued expenses and other liabilities	30,000	95,374	-	-	-	-	125,374	-	84,818	-	-	-	-	84,818
	25,874,442	95,374	-	-	-	-	25,969,816	616,118	84,818	-	-	-	-	700,936

21.2.3 Money Market Sub-Fund

Financial liabilities														
Payable against redemption of units	16,429,242	-	-	-	-	-	16,429,242	561,386	-	-	-	-	-	561,386
Payable to the Pension Fund Manager	186,614	-	-	-	-	-	186,614	146,219	-	-	-	-	-	146,219
Payable to the Central Depository Company of Pakistan - Trustee	50,712	-	-	-	-	-	50,712	42,926	-	-	-	-	-	42,926
Accrued expenses and other liabilities	206,000	86,261	-	-	-	-	292,261	176,000	66,667	-	-	-	-	242,667
	16,872,568	86,261	-	-	-	-	16,958,829	926,531	66,667	-	-	-	-	993,198

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

21.2.4 Gold Sub-Fund - Revoked

	2020							2019						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Financial instruments without maturity	Total
	-----Rupees-----							-----Rupees-----						
Financial liabilities														
Payable to the Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated profit	157,632	-	-	-	-	-	157,632	109,400	-	-	-	-	-	109,400
Accrued expenses and other liabilities	-	4,207	-	-	-	-	4,207	-	4,207	-	-	-	-	4,207
	157,632	4,207	-	-	-	-	161,839	109,400	4,207	-	-	-	-	113,607

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.

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

	2020	2019
	-----Rupees-----	
Equity Sub Fund	37,145,743	49,080,707
Debt Sub Fund	82,854,079	257,565,071
Money Market Sub Fund	132,487,671	279,707,413
Gold Sub Fund - Revoked	518,478	470,246
	253,005,971	586,823,437

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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	
	2020	2019	2020	2019	2020	2019	2020	2019
Government securities	-	-	-	-	-	-	-	-
AAA	0.02	-	27.78	16.28	76.12	25.62	-	-
AA+	99.98	-	40.06	30.78	23.00	25.95	-	-
AA	-	100.00	29.37	46.39	0.11	48.43	-	-
AA-	-	-	-	5.75	-	-	-	-
A+	-	-	2.79	0.80	0.77	-	-	-
	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 2020			As at 30 June 2019		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
		1-365	Above 365		1-365	Above 365
Investments - Agritech Limited	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Investments - Agritech Limited IV	145,000	-	145,000	145,000	-	145,000

The impaired investments are fully provided.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

21.4 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).

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					
	2020	2019	% Change	2018	2017	2016
	-----Rupees-----		%	-----Rupees-----		
Net (loss) / income for the year	48,455,768	(7,173,839)	(775.45)	(13,994,190)	96,696,151	13,499,917
Capital (loss) / gain on sale of investments - net	29,180,103	(16,958,095)	(272.07)	(24,428,527)	70,664,530	(7,923,736)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	6,252,606	(67,362,813)	(109.28)	(2,980,379)	13,809,573	14,299,300
Dividend income	22,022,322	19,957,395	10.35	19,532,957	19,231,650	13,334,225
Interest income	1,199,292	1,458,375	(17.77)	1,938,730	1,366,159	843,497
Net asset value	528,698,534	386,841,373	36.67	386,841,373	366,965,790	305,352,010
Net asset value per unit	438.49	411.97	6.44	497.60	512.86	398.44
Earnings / (loss) per unit	40.19	(75.80)	(153.02)	(17.68)	128.15	17.05
Transactions in securities - Purchases	(463,597,833)	(355,448,221)	30.43	(429,153,230)	(674,732,124)	(399,734,706)
Transactions in securities - Sales	340,178,958	284,214,721	19.69	420,567,127	680,755,270	368,862,890
Total contributions received	109,534,384	78,851,168	38.91	63,724,897	59,100,013	73,616,658

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

22.2 DEBT SUB-FUND

Particulars	Debt Sub-Fund					
	2020	2019	% Change	2018	2017	2016
	Rupees		%	Rupees		
Net income for the year	53,886,794	29,878,156	80.36	18,568,124	17,943,266	22,188,340
Interest income	54,297,389	37,759,919	43.80	23,017,689	19,620,695	21,860,478
Loss on sale / maturity classified at fair value through OCI / available for sale' - net	5,686,956	(2,938,498)	(293.53)	(15,909)	914,278	4,187,944
Net asset value	421,753,988	377,831,172	11.62	375,462,864	362,254,775	274,294,159
Net asset value per unit	310.61	260.75	19.12	243.31	231.82	220.28
Earnings per unit	39.69	20.62	92.48	12.03	11.48	16.01
Transactions in securities - Purchases	(1,403,669,992)	(2,297,453,344)	(38.90)	(1,915,977,005)	(1,620,327,006)	(798,162,129)
Transactions in securities - Sales	1,193,612,510	2,331,834,697	(48.81)	1,876,031,113	1,739,898,901	801,775,431
Total contributions received	40,274,505	72,261,077	(44.27)	67,637,228	83,693,828	76,639,901

22.3 MONEY MARKET SUB-FUND

Particulars	Money Market Sub-Fund					
	2020	2019	% Change	2018	2017	2016
	Rupees		%	Rupees		
Net income for the year	43,599,045	25,724,963	69.48	13,078,465	12,148,280	12,056,049
Interest income	47,610,137	29,227,481	62.90	15,452,563	13,556,970	14,216,674
Loss on sale / maturity classified at fair value through OCI / available for sale' - net	329,360	(457,226)	(172.03)	(58,918)	(200,820)	39,251
Net asset value	456,684,838	356,474,207	28.11	266,906,681	240,000,640	205,775,271
Net asset value per unit	284.82	253.33	12.43	233.18	221.32	209.73
Earnings per unit	27.19	18.28	48.74	11.43	11.20	10.64
Transactions in securities - Purchases	(3,043,644,156)	(2,255,460,393)	34.95	(1,266,238,930)	(1,595,567,075)	(838,934,183)
Transactions in securities - Sales	2,819,094,055	2,280,597,675	23.61	1,212,392,329	1,738,484,750	814,892,479
Total contributions received	83,971,252	104,694,344	(19.79)	55,773,924	56,097,042	100,284,495

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

22.4 GOLD SUB-FUND - Revoked

Particulars	Gold Sub-Fund - Revoked					
	2020	2019	% Change	2018	2017	2016
	-----Rupees-----		%	-----Rupees-----		
Net income / (loss) for the year	48,232	32,519	48.32	76,881	(1,024,881)	4,273,781
Interest income	48,232	33,051	45.93	77,450	1,823,118	1,849,006
Realised loss / (gain) on gold contracts	-	-	-	-	(1,529,421)	1,620,104
Net unrealised diminution on future contracts of gold	-	-	-	-	(731,481)	1,543,719
Net asset value per unit	-	-	-	-	111.26	114.44
(Loss) / earnings per unit	-	-	-	-	(3.05)	13.18
Transactions in securities - Purchases	-	-	-	-	(94,410,503)	(65,069,683)
Transactions in securities - Sales	-	-	-	-	95,000,000	86,152,472
Total contributions received	-	-	-	177,974	1,291,804	935,157

22.5 Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund-Revoked	
	2020	2019	2020	2019	2020	2019	2020	2019
	-----Rupees-----							
Highest issue price	536.72	518.73	311.04	260.75	284.82	253.33	-	-
Lowest issue price	337.23	402.98	260.56	243.46	253.16	233.30	-	-

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 10 September 2020.

For Atlas Asset Management Limited
(Pension Fund Manager)

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar 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

EY Ford Rhodes
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
Dubai Islamic Bank Limited
Faysal Bank Limited - Islamic Banking
Habib 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 increased 1.62% from 54,118.51 points as on June 28, 2019 to 54,995.25 as on June 30, 2020. The daily average volume during the year increased by 26.52% to 196.36 million shares from 155.21 million shares traded last year. Net outflow of US \$284.83 was recorded by Foreign Portfolio Investors during FY20 compared to net outflow of US \$355.95 million in FY19. On the local front, Individuals, Insurance Companies and Other Organization were net buyers of US \$213.23 million, US \$128.64 million and US \$31.56 million during FY20. Banks, Mutual Funds and Broker Proprietary Trading Accounts remained net sellers of US \$55.40 million, US \$50.22 million and US \$13.34 million, respectively.

MONEY MARKET

The SBP reduced policy rate from Jan'20 to Jun'20 by cumulative 625bps from 13.25% to 7.00% on the back of improved inflation outlook due to receding demand-side inflation risks and to support growth and employment amid COVID led economic slowdown. The Consumer Price Index (CPI) Inflation averaged at 10.74% during FY20 compared to 6.80% in FY19. The FY20 surge in CPI inflation is majorly attributable to increase in food inflation and energy prices. The growth in money supply (M2) witnessed an increase of 17.46% during 2019-20, which is Rs. 3,106.75 billion against the expansion of 11.26% (Rs. 1,801.33 billion) in preceding period last year. Net Foreign Assets (NFA) increased by Rs. 992.16 billion during 2019-20 as against net decline of Rs. 1,298.67 billion in the comparable period of fiscal year 2018-19. Net Domestic Asset (NDA) of banking system grew by only 10.95% or Rs. 2,114.59 billion during 2019-20 as against an increase of 19.13% or Rs. 3,099.10 billion during the corresponding period last year. Overall NDA of the banking sector increased due to steady demand for private sector and Public Sector Enterprises (PSEs) credit. Credit to private sector increased by Rs. 196.36 billion in FY20 due to high working capital requirement of corporates.

FUND OPERATIONS

The Net Asset Value of APIF - Equity Sub Fund increased by 8.38% from Rs. 492.71 as on June 30, 2019 to Rs. 534.01 as on June 30, 2020. APIF- Equity Sub Fund exposure in equity stood at 95.88% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer and Islamic Commercial Banks sectors. The Net Asset Values of APIF - Debt Sub Fund and APIF - Money Market Sub Fund increased by 9.90% and 9.81% during the period under review, respectively. The APIF - Debt Sub Fund had 57.98% exposure in high yielding Islamic Bank Deposits, 11.38% in Corporate Sukuks, 26.97% in Ijarah Sukuk and 3.67% in Others. The APIF - Money Market Sub Fund had 79.92% exposure in Islamic Bank Deposits, 17.12% in Ijarah Sukuk and 2.96% in Others. The Net Assets of APIF stood at Rs. 1.39 billion as of June 30, 2020.

The Fund has made provision against SWWF, which up till June 30, 2020 amounted to Rs 3,300,621 (Rs. 4.02 per unit) (ESF), Rs. 2,165,496 (Rs. 1.15 per unit) (DSF) and Rs. 2,023,534 (Rs. 1.01 per unit) (MMSF). The scheme has also held provision for FED liability which amounted to Rs. 1,611,207 (ESF), Rs. 1,046,875 (DSF), Rs. 644,724 (MMSF) up till June 30, 2020 which is Rs. 1.96, Rs. 0.56 and Rs.0.32 per unit as on June 30, 2020, respectively.

ALLOCATION SCHEMES

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

Allocation Schemes	Proportionate Investment in			Return
	Equity	Debt	Money Market	FY 2019-20
High Volatility	80%	20%	Nil	8.69%
Medium Volatility	50%	40%	10%	9.13%
Low Volatility	25%	60%	15%	9.51%
Lower Volatility	Nil	60%	40%	9.87%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return					
	FY-15	FY16	FY17	FY18	FY19	FY20
High Volatility	20.56%	4.84%	23.71%	-6.92%	-13.85%	8.69%
Medium Volatility	14.97%	4.61%	16.79%	-2.94%	-5.89%	9.13%
Low Volatility	10.29%	4.42%	11.04%	0.37%	0.73%	9.51%
Lower Volatility	5.71%	4.22%	5.19%	3.76%	7.41%	9.87%

During the year under review, the Investment Committee held fifty-one meetings to review investment of the Fund and the Risk Committee held fifteen meetings to review risk management.

Fawad Javaid
Head of Fixed Income

Faran Ul Haq
Head of Equities

Karachi: 10 September 2020

REVIEW REPORT OF THE SHARIAH ADVISOR

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

It is the responsibility of Atlas Asset Management Limited (AAML), the management company of the Fund, to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. As Shariah Adviser, my responsibility is to express an opinion based on my review of the representations made by the management, to the extent where such compliancy 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 Adviser 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 June 30, 2020 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 Board of the Fund, have determined the Haram portion of the income of the Fund and marked to charity in order to purify the whole income.

Karachi: 30 June 2020

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, 2020 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 30 September 2020

Abdul Samad
Chief Operating 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) statement of movement in participants' sub-funds; and
- v) cash flow statement

of **Atlas Pension Islamic Fund** (the Fund) as at 30 June 2020 and for the year ended 30 June 2020 together with the notes forming part thereof for the year then ended.

It is the responsibility of the Pension Fund Manager to establish and maintain a system of internal control and prepare and present the financial statements of the Fund in conformity with the accounting and reporting standards as applicable in Pakistan and the requirements of Voluntary Pension System Rules, 2005. Our responsibility is to express an opinion on these statements based on our audit.

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

Opinion

In our opinion:

- a) the financial statements prepared for the year have been properly drawn in accordance with the relevant provisions of the trust deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) a true and fair view is given of the disposition of the Fund as at 30 June 2020 and of the transactions of the Fund for the year ended 30 June 2020;
- 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 Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- e) proper books and records have been kept by the Fund or the financial statements prepared are in agreement with the Fund's books and records, that fact;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Other Matter

The financial statements of the Fund for the year ended 30 June 2019, were audited by another firm of chartered accountants who have expressed unmodified opinion vide audit report issued on 27 September 2019 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Arslan Khalid.

Date: 29 September 2020

Karachi

EY Ford Rhodes
Chartered Accountants
Engagement Partner: Arslan Khalid

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2020

		2020					2019				
		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
Note		Rupees					Rupees				
ASSETS											
	4	5,472,605	261,739,598	407,483,284	28,467,827	703,163,314	11,168,961	352,494,031	387,369,721	4,936,965	755,969,678
	5	428,123,553	173,137,090	87,300,000	-	688,560,643	370,303,203	19,983,712	-	-	390,286,915
		5,892,487	-	-	-	5,892,487	2,454,708	-	-	-	2,454,708
		3,377,332	3,570,795	5,002,004	-	11,950,131	1,341,505	1,423,862	1,890,999	-	4,656,366
		-	-	-	-	-	1,048,980	-	-	-	1,048,980
	6	46,420	5,518,282	4,432,461	-	9,997,163	309,314	4,312,190	3,281,335	-	7,902,839
		3,621,477	7,493,399	5,637,782	-	16,752,658	673,360	279,480	410,562	-	1,363,402
Total assets		446,533,874	451,459,164	509,855,531	28,467,827	1,436,316,396	387,300,031	378,493,275	392,952,617	4,936,965	1,163,682,888
LIABILITIES											
		1,560,340	-	-	-	1,560,340	-	-	-	-	-
		281,249	483,113	1,106,806	298,493	2,169,661	378,936	568,637	1,915,538	44,878	2,907,989
	7	2,461,991	1,503,233	973,270	-	4,938,494	2,399,595	1,461,261	920,534	-	4,781,390
	8	57,908	54,980	63,588	-	176,476	55,723	49,765	51,712	-	157,200
	9	120,230	116,215	130,000	-	366,445	138,662	121,502	109,260	-	369,424
		89,159	86,366	96,865	-	272,390	89,365	78,168	70,152	-	237,685
		-	-	-	27,301,131	27,301,131	-	-	-	4,656,366	4,656,366
	10	3,495,344	2,227,843	2,049,160	868,203	8,640,550	2,580,937	1,360,860	1,113,952	235,721	5,291,470
Total liabilities		8,066,221	4,471,750	4,419,689	28,467,827	45,425,487	5,643,218	3,640,193	4,181,148	4,936,965	18,401,524
NET ASSETS		438,467,653	446,987,414	505,435,842	-	1,390,890,909	381,656,813	374,853,082	388,771,469	-	1,145,281,364
REPRESENTED BY:											
PARTICIPANTS' SUB-FUND (as per statement attached)											
		438,467,653	446,987,414	505,435,842	-	1,390,890,909	381,656,813	374,853,082	388,771,469	-	1,145,281,364
NUMBER OF UNITS IN ISSUE											
	11	821,084	1,877,817	2,007,075			774,609	1,731,126	1,695,675		
NET ASSET VALUE PER UNIT											
		534.01	238.04	251.83			492.71	216.54	229.27		
CONTINGENCIES AND COMMITMENTS											
	12										

The annexed notes 1 to 27 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

		2020				2019			
		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	14	1,107,659	45,131,954	49,126,672	95,366,285	1,569,661	31,149,328	27,664,029	60,383,018
Dividend income		19,624,091	-	-	19,624,091	20,488,995	-	-	20,488,995
Gain / (loss) from investments at fair value through P&L									
Net Gain / (loss) on sale of investments at 'fair value through profit or loss'		37,498,506	-	-	37,498,506	(21,153,322)	-	-	(21,153,322)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	(6,606,710)	-	-	(6,606,710)	(77,830,194)	-	-	(77,830,194)
		30,891,796	-	-	30,891,796	(98,983,516)	-	-	(98,983,516)
		51,623,546	45,131,954	49,126,672	145,882,172	(76,924,860)	31,149,328	27,664,029	(18,111,503)
EXPENSES									
Remuneration of the Pension Fund Manager	7.1	6,265,070	3,020,423	2,264,158	11,549,651	6,245,700	2,736,431	1,639,777	10,621,908
Sindh Sales Tax on remuneration of the Pension Fund Manager	7.2	814,459	392,655	294,341	1,501,455	811,941	355,736	213,171	1,380,848
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1	581,243	561,275	630,706	1,773,224	604,097	529,350	475,903	1,609,350
Sindh Sales Tax on Remuneration of the Trustee	8.2	75,562	72,966	81,992	230,520	78,533	68,816	61,867	209,216
Annual fee to the Securities and Exchange Commission of Pakistan		120,230	116,215	130,000	366,445	138,662	121,502	109,260	369,424
Bank charges		9,640	16,757	18,297	44,694	40,893	51,369	49,213	141,475
Legal and professional charges		121,040	130,220	50,260	301,520	151,134	155,285	77,510	383,929
Auditors' remuneration	15	79,580	86,561	107,985	274,126	93,016	78,002	79,203	250,221
Securities' transaction cost and settlement charges		661,864	6,780	6,780	675,424	518,471	6,780	7,797	533,048
Provision for Sindh Workers' Welfare Fund	10.2	857,897	814,562	910,784	2,583,243	-	540,921	499,007	1,039,928
		9,586,585	5,218,414	4,495,303	19,300,302	8,682,447	4,644,192	3,212,708	16,539,347
Net income / (loss) for the year		42,036,961	39,913,540	44,631,369	126,581,870	(85,607,307)	26,505,136	24,451,321	(34,650,850)
Earnings / (loss) per unit	3.90	51.20	21.26	22.24		(110.52)	15.31	14.42	

The annexed notes 1 to 27 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

		2020				2019			
		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 income / (loss) for the year		42,036,961	39,913,540	44,631,369	126,581,870	(85,607,307)	26,505,136	24,451,321	(34,650,850)
Income that may be re-classified subsequently to Income Statement									
Net unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income'	16	-	(2,246,622)	(2,700,000)	(4,946,622)	-	(666,676)	(162,542)	(829,218)
Total comprehensive income / (loss) for the year		42,036,961	37,666,918	41,931,369	121,635,248	(85,607,307)	25,838,460	24,288,779	(35,480,068)

The annexed notes 1 to 27 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND FOR THE YEAR ENDED 30 JUNE 2020

		2020				2019			
		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		381,656,813	374,853,082	388,771,469	1,145,281,364	404,127,453	351,147,876	305,238,149	1,060,513,478
Amount received on issuance of units	17	104,651,290	128,563,869	178,140,025	411,355,184	132,444,960	108,456,659	133,062,054	373,963,673
Amount paid on redemptions of units									
- Transfer to other Pension Fund		(3,381,247)	(4,868,813)	(489,444)	(8,739,504)	(7,864,989)	(4,851,471)	(2,743,007)	(15,459,467)
- Directly by participants		(86,496,164)	(89,227,642)	(102,917,577)	(278,641,383)	(61,443,304)	(105,738,442)	(71,074,506)	(238,256,252)
		(89,877,411)	(94,096,455)	(103,407,021)	(287,380,887)	(69,308,293)	(110,589,913)	(73,817,513)	(253,715,719)
Net income / (loss) for the year		4,538,455	39,913,540	44,631,369	89,083,364	(64,453,985)	26,505,136	24,451,321	(13,497,528)
Net (Loss) / gain on sale of investments at 'fair value through profit or loss'		37,498,506	-	-	37,498,506	(21,153,322)	-	-	(21,153,322)
Other comprehensive loss for the year	16	-	(2,246,622)	(2,700,000)	(4,946,622)	-	(666,676)	(162,542)	(829,218)
Total comprehensive income / (loss) for the year		42,036,961	37,666,918	41,931,369	121,635,248	(85,607,307)	25,838,460	24,288,779	(35,480,068)
Net assets at the end of the year		438,467,653	446,987,414	505,435,842	1,390,890,909	381,656,813	374,853,082	388,771,469	1,145,281,364

The annexed notes 1 to 27 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

		2020					2019				
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		Rupees					Rupees				
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income / (loss) for the year		42,036,961	39,913,540	44,631,369	-	126,581,870	(85,607,307)	26,505,136	24,451,321	-	(34,650,850)
Adjustments for:											
Mark-up income	14	(1,107,659)	(45,131,954)	(49,126,672)	-	(95,366,285)	(1,569,661)	(31,149,328)	(27,664,029)	-	(60,383,018)
Dividend income		(19,624,091)	-	-	-	(19,624,091)	(20,488,995)	-	-	-	(20,488,995)
Net loss on sale of investments at 'fair value through profit or loss'		(37,498,506)	-	-	-	(37,498,506)	21,153,322	-	-	-	21,153,322
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5	6,606,710	-	-	-	6,606,710	77,830,194	-	-	-	77,830,194
Provision for sindh workers' welfare fund		(857,897)	(814,562)	(910,784)	-	(2,583,243)	-	(540,921)	(499,007)	-	(1,039,928)
		(10,444,482)	(6,032,976)	(5,406,087)	-	(21,883,545)	(8,682,447)	(5,185,113)	(3,711,715)	-	(17,579,275)
Increase in assets											
Security deposit and other receivables		(6,385,896)	(7,213,919)	(5,227,220)	-	(18,827,035)	(2,454,708)	-	(37,590)	-	(2,492,298)
		(6,385,896)	(7,213,919)	(5,227,220)	-	(18,827,035)	(2,454,708)	-	(37,590)	-	(2,492,298)
(Decrease) / increase in liabilities											
Payable against purchase of investments		1,560,340	-	-	-	1,560,340	(1,799,359)	-	-	-	(1,799,359)
Payable against redemption of units		(97,687)	(85,524)	(808,732)	253,615	(738,328)	286,884	326,737	1,248,490	44,878	1,906,989
Payable to the Pension Fund Manager		62,396	41,972	52,736	-	157,104	(21,277)	15,197	38,303	-	32,223
Payable to the Central Depository Company of Pakistan Limited - Trustee		2,185	5,215	11,876	-	19,276	(3,689)	1,728	9,974	-	8,013
Payable to the Securities and Exchange Commission of Pakistan		(18,432)	(5,287)	20,740	-	(2,979)	8,517	1,263	21,565	-	31,345
Payable to the auditors		(206)	8,198	26,713	-	34,705	18,123	12,925	22,635	-	53,683
Payable to Sub-Funds		-	-	-	22,644,765	22,644,765	-	-	-	(1,879,158)	(1,879,158)
Accrued expenses and other liabilities		1,772,304	1,681,545	1,845,992	632,482	5,932,323	55,263	1,090,493	998,245	(120,557)	2,023,444
		3,280,900	1,646,119	1,149,325	23,530,862	29,607,206	(1,455,538)	1,448,343	2,339,212	(1,954,837)	377,180
Mark-up received		-	-	47,975,546	-	47,975,546	1,410,148	28,677,592	25,719,730	-	55,807,470
Dividend received		20,673,071	-	-	-	20,673,071	20,157,255	-	-	-	20,157,255
Investments made during the year		(299,746,519)	(155,001,421)	(148,999,999)	-	(603,747,939)	(304,757,403)	-	(8,981,998)	-	(313,739,401)
Investments sold / amortised / matured during the year		274,188,519	43,527,283	59,000,000	-	376,715,802	211,757,586	130,000,000	59,000,000	-	400,757,586
		(4,884,929)	(111,474,138)	(42,024,453)	-	(158,383,520)	(71,432,414)	158,677,592	75,737,732	-	162,982,910
Net cash (used in) / generated from operating activities - carried forwarded											
		(18,434,407)	(123,074,914)	(51,508,435)	23,530,862	(169,486,894)	(84,025,107)	154,940,822	74,327,639	(1,954,837)	143,288,517

CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED 30 JUNE 2020

Note	2020					2019				
	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	(18,434,407)	(123,074,914)	(51,508,435)	23,530,862	(169,486,894)	(84,025,107)	154,940,822	74,327,639	(1,954,837)	143,288,517
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts on issue of units	102,615,463	126,416,936	175,029,019	-	404,061,418	134,044,431	109,660,871	132,137,528	-	375,842,830
Payment on redemptions of units										
- Transfer to other Pension Fund	(3,381,248)	(4,868,813)	(489,444)	-	(8,739,505)	(7,864,989)	(4,851,471)	(2,743,007)	-	(15,459,467)
- Directly by participants	(86,496,164)	(89,227,642)	(102,917,577)	-	(278,641,383)	(61,443,304)	(105,738,442)	(71,074,506)	-	(238,256,252)
Net cash generated from / (used in) financing activities	12,738,051	32,320,481	71,621,998	-	116,680,530	64,736,138	(929,042)	58,320,015	-	122,127,111
Net (decrease) / increase in cash and cash equivalents	(5,696,356)	(90,754,433)	20,113,563	23,530,862	(52,806,364)	(19,288,969)	154,011,780	132,647,654	(1,954,837)	265,415,628
Cash and cash equivalents at beginning of the year	11,168,961	352,494,031	387,369,721	4,936,965	755,969,678	30,457,930	198,482,251	254,722,067	6,891,802	490,554,050
Cash and cash equivalents at end of the year	5,472,605	261,739,598	407,483,284	28,467,827	703,163,314	11,168,961	352,494,031	387,369,721	4,936,965	755,969,678

The annexed notes 1 to 27 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

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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, fifth Supplement dated 4 August 2015, and the sixth supplement dated 9 August 2018, with the approval of the SECP, whilst the Trust Deed has been amended through the First Supplement Trust Deed dated 6 June 2013 and the Second supplement dated 3 September 2018, 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 Central Depository Company of Pakistan Limited as a Trustee of the Fund.

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

APIF - Equity Sub-Fund (APIF - ESF)

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

APIF - Debt Sub-Fund (APIF - DSF)

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

1.5 The Sub-Funds' units are issued against contributions by the eligible participants on a continuous basis since 6 November 2007, and can be redeemed by surrendering them to the Fund.

The participants of the Fund voluntarily determine the contribution amount subject to the minimum limit fixed by the Pension Fund Manager. Such contributions received from the participants are allocated among different Sub-Funds, in accordance with their respective preferences and in line with the prescribed allocation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

1.6 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.

1.7 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 accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the Voluntary Pension System Rules, 2005 (The VPS Rules); and
- Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the requirement of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 16 – Leases

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRS 3 – Business Combinations – Previously held interests in a joint operation

IFRS 9 – Financial instruments – Prepayment Features with Negative Compensation (Amendments)

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

IFRS 11 – Joint Arrangements – Previously held interests in a joint operation

IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

IAS 23 – Borrowing Costs - Borrowing costs eligible for capitalisation
IAS 19 – Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)
IFRS 14 – Regulatory Deferral Accounts

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017 which became effective in the current period.

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Definition of a Business - Amendments to IFRS 3	January 01, 2020
Interest rate benchmark reform - Amendment to IFRS 9, IAS 39 and IFRS 7	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020
Covid-19-Related Rent Concessions – Amendment to IFRS 16	January 01, 2020
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	January 01, 2020
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2020
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2020
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 January 2009
IFRS 17 - Insurance Contracts	01 January 2021

2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the approved accounting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets.

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out as below. These policies have been applied consistently to all years except for the changes in accounting policies as explained in the note 3.1 below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3.1 Financial instruments

a) Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

b) Classification

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL.

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

c) Subsequent Measurement

Financial assets (equity and debt instruments) at fair value through profit or loss

Financial assets (both equity and debt) at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Debt instruments at Amortised Cost

After initial measurement, such debt instruments are subsequently measured at amortised cost. Under local regulations all the assets of the Fund's are required to be carried at fair value therefore, in case the fair value of debt instruments differs from its amortized cost then such assets, if any, are carried at fair value.

Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. Debt instruments are subject to impairment and the impairment is charged profit or loss.

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

d) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

e) **Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

f) **Impairment of financial assets**

The Fund only considers expected credit losses for bank balances and trade and other receivables. The Fund measures expected credit losses on bank balances using the probability of default (PD) and loss given default (LGD) estimates using the published information about these risk parameters.

For trade and other receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, the Fund has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade and other receivables. The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

The expected credit losses in respect of debt securities are not considered since SECP vide its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 has deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated 24 October 2012 will be followed.

g) **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

h) Determination of fair value

Debt securities (other than government securities)

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated October 24, 2012.

Government securities

The government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan

Equity securities

The equity securities are valued on the basis of closing quoted market prices available at Pakistan Stock Exchange (PSX)

3.2 Cash and cash equivalents

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

3.3 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.4 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

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

3.5 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Interest income on bank balances, placements and deposits is recognised on an accrual basis.
- Gains or losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised appreciation / (loss) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Unrealised appreciation / (loss) in the value of investments classified as 'financial assets at fair value through other comprehensive income' are included in the Other Comprehensive Income in the period in which they arise.

3.6 Expenses

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of SECP are recognised in the income statement on an accrual basis.

3.7 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 is made for current and deferred taxation in these financial statements.

3.8 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

3.9 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

4. BANK BALANCES

		2020					2019				
		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
Note		Rupees					Rupees				
Current accounts	4.1	-	-	-	3,203,000	3,203,000	-	-	-	4,735,340	4,735,340
Saving accounts	4.2	5,472,605	261,739,598	407,483,284	25,264,827	699,960,314	11,168,961	352,494,031	316,369,721	201,625	680,234,338
Term deposit receipts	4.3	-	-	-	-	-	-	-	71,000,000	-	71,000,000
		5,472,605	261,739,598	407,483,284	28,467,827	703,163,314	11,168,961	352,494,031	387,369,721	4,936,965	755,969,678

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

4.2 These accounts carry expected rates ranging from 4.00% to 7.25% (2019: 6.00% to 13.00%) per annum. Saving accounts in Others Fund represent collection and redemption accounts.

4.3 These accounts carry expected rate of Nil (2019: 12.00%) per annum with maturities upto Nil (2019: 12 September 2019).

5. INVESTMENTS - net

INVESTMENTS - net		2020					2019				
		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
Note		-----Rupees-----					-----Rupees-----				
At fair value through profit or loss											
Equity securities - listed	5.1	428,123,553	-	-	-	428,123,553	370,303,203	-	-	-	370,303,203
At fair value through other comprehensive income											
Sukuk certificates	5.2	-	51,396,590	-	-	51,396,590	-	19,983,712	-	-	19,983,712
Government of Pakistan - Ijarah Sukuks	5.3	-	121,740,500	87,300,000	-	209,040,500	-	-	-	-	-
		428,123,553	173,137,090	87,300,000	-	688,560,643	370,303,203	19,983,712	-	-	390,286,915

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

Equity Sub-Fund

Name of Investee Company	As at 01 July 2019	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2020	Carrying Value as at 30 June 2020	Market Value as at 30 June 2020	Unrealised gain / (loss) as at 30 June 2020	Market Value as a Percentage of	
									Net Assets of the sub-funds	Paid-up capital of Investee Company

----- Number of Shares ----- Rupees ----- % age -----

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

Investment Bank/ Companies/ Securities Co.s

Dawood Hercules Corporation Limited	35,000	-	-	35,000	-	-	-	-	-	-
	35,000	-	-	35,000	-	-	-	-	-	-

Banks

Bankislami Pakistan Limited	360,500	820,500	69,850	200,000	1,050,850	12,239,780	7,944,426	(4,295,354)	1.8119	0.09
Meezan Bank Limited	429,806	188,000	-	111,000	506,806	42,182,240	34,893,593	(7,288,647)	7.9581	0.04
	790,306	1,008,500	69,850	311,000	1,557,656	54,422,020	42,838,019	(11,584,001)	9.7700	

Textile Composite

Interloop Limited	81,717	114,000	-	195,500	217	9,757	9,531	(227)	0.0022	-
Kohinoor Textile Mills Limited	197,500	-	-	97,500	100,000	2,505,000	3,551,000	1,046,000	0.8099	0.03
Nishat Mills Limited	57,000	144,000	-	160,000	41,000	2,969,260	3,198,410	229,150	0.7295	0.01
	336,217	258,000	-	453,000	141,217	5,484,017	6,758,941	1,274,923	1.5416	

Woollen

Bannu Woollen Mills Limited	3,500	-	-	3,500	-	-	-	-	-	-
	3,500	-	-	3,500	-	-	-	-	-	-

Cement

Attock Cement Pakistan Limited	38,200	41,500	-	38,200	41,500	4,558,030	5,172,145	614,115	1.1796	0.03
Bestway Cement Limited	15,000	-	-	3,200	11,800	1,216,226	1,283,014	66,788	0.2926	-
Cherat Cement Company Limited	72,500	143,500	7,250	141,500	81,750	4,221,079	7,126,148	2,905,069	1.6252	0.04
D.G. Khan Cement Company Limited	97,000	209,500	-	227,000	79,500	5,728,756	6,783,735	1,054,979	1.5471	0.02
Fauji Cement Company Limited	-	194,000	-	65,000	129,000	2,116,158	2,177,520	61,362	0.4966	0.01
Gharibwal Cement Limited	-	100,000	-	-	100,000	1,557,435	1,628,000	70,565	0.3713	0.02
Kohat Cement Company Limited	49,000	59,000	-	64,000	44,000	5,469,058	6,047,800	578,742	1.3793	0.02
Lucky Cement Limited	52,000	42,700	-	16,000	78,700	32,184,378	36,326,346	4,141,968	8.2848	0.02
Maple Leaf Cement Factory Limited	-	60,000	-	60,000	-	-	-	-	-	-
	323,700	850,200	7,250	614,900	566,250	57,051,120	66,544,708	9,493,588	15.1765	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	As at 01 July 2019	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2020	Carrying Value as at 30 June 2020	Market Value as at 30 June 2020	Unrealised gain / (loss) as at 30 June 2020	Market Value as a Percentage of	
									Net Assets of the sub-funds	Paid-up capital of Investee Company
----- Number of Shares ----- Rupees ----- % age -----										
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
Refinery										
Attock Refinery Limited	-	8,000	-	8,000	-	-	-	-	-	-
National Refinery Limited	-	8,300	-	8,300	-	-	-	-	-	-
	-	16,300	-	16,300	-	-	-	-	-	
Power Generation & Distribution										
K-Electric Limited (face value Rs. 3.5)	1,005,000	-	-	-	1,005,000	4,411,950	3,025,050	(1,386,900)	0.6899	0.01
The Hub Power Company Limited	410,393	237,500	-	115,000	532,893	42,030,611	38,634,743	(3,395,868)	8.8113	0.04
	1,415,393	237,500	-	115,000	1,537,893	46,442,561	41,659,793	(4,782,768)	9.5012	
Oil & Gas Marketing Companies										
Attock Petroleum Limited	19,500	11,600	-	21,100	10,000	2,882,537	3,052,000	169,463	0.6961	0.01
Hi-Tech Lubricants Limited	-	145,000	-	70,000	75,000	2,050,647	2,271,000	220,353	0.5179	0.06
Pakistan State Oil Company Limited	117,180	2,000	23,436	51,500	91,116	12,932,891	14,372,157	1,439,266	3.2778	0.02
Shell Pakistan Limited	-	22,500	-	22,500	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	58,200	77,500	-	22,500	113,200	7,956,050	6,180,720	(1,775,330)	1.4096	0.02
	194,880	258,600	23,436	187,600	289,316	25,822,125	25,875,877	53,752	5.9014	
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	25,732	6,700	2,943	9,840	25,535	24,144,685	31,577,858	7,433,173	7.2019	0.02
Oil & Gas Development Company Limited	270,300	118,700	-	84,500	304,500	38,100,044	33,190,500	(4,909,544)	7.5697	0.01
Pakistan Oilfields Limited	63,700	1,000	-	11,500	53,200	21,579,713	18,653,516	(2,926,197)	4.2543	0.02
Pakistan Petroleum Limited	226,000	65,500	45,200	64,000	272,700	32,966,169	23,664,906	(9,301,263)	5.3972	0.01
	585,732	191,900	48,143	169,840	655,935	116,790,611	107,086,780	(9,703,831)	24.4231	
Industrial Engineering										
International Industries Limited	89,500	45,000	11,950	131,400	15,050	1,735,817	1,380,537	(355,281)	0.3149	0.01
International Steels Limited	31,000	10,000	-	41,000	-	-	-	-	-	-
	120,500	55,000	11,950	172,400	15,050	1,735,817	1,380,537	(355,281)	0.3149	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	As at 01 July 2019	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2020	Carrying Value as at 30 June 2020	Market Value as at 30 June 2020	Unrealised gain / (loss) as at 30 June 2020	Market Value as a Percentage of	
									Net Assets of the sub-funds	Paid-up capital of Investee Company
----- Number of Shares ----- Rupees ----- % age -----										
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
Automobile Assembler										
Millat Tractors Limited	-	6,400	-	-	6,400	4,181,447	4,519,424	337,978	1.0307	0.01
	-	6,400	-	-	6,400	4,181,447	4,519,424	337,978	1.0307	
Automobile Parts & Accessories										
Thal Limited (face value Rs. 5 per share)	-	9,600	-	9,600	-	-	-	-	-	-
	-	9,600	-	9,600	-	-	-	-	-	
Technology & Communications										
Pakistan Telecommunication Company Limited	425,000	200,000	-	625,000	-	-	-	-	-	-
Systems Limited	70,950	131,000	-	107,950	94,000	11,826,947	17,265,920	5,438,973	3.9378	0.08
	495,950	331,000	-	732,950	94,000	11,826,947	17,265,920	5,438,973	3.9378	
Fertilizer										
Engro Corporation Limited	133,300	35,500	-	56,800	112,000	30,699,212	32,807,040	2,107,828	7.4822	0.02
Engro Fertilizers Limited	384,000	225,000	-	247,340	361,660	23,526,604	21,800,865	(1,725,739)	4.9721	0.03
	517,300	260,500	-	304,140	473,660	54,225,816	54,607,905	382,089	12.4543	
Pharmaceuticals										
AGP Limited	20,000	31,500	-	-	51,500	4,074,550	5,651,610	1,577,060	1.2889	0.02
Ferozsons Laboratories Limited	17,100	-	-	17,100	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	20,000	8,000	-	2,000	26,000	2,717,719	4,526,080	1,808,361	1.0322	0.01
Highnoon Laboratories Limited	-	7,350	735	-	8,085	3,006,311	4,052,849	1,046,538	0.9243	0.02
IBL Healthcare Limited	-	9,000	-	9,000	-	-	-	-	-	-
The Searle Company Limited	29,758	40,000	-	10,100	59,658	9,989,733	11,879,886	1,890,153	2.7094	0.03
	86,858	95,850	735	38,200	145,243	19,788,313	26,110,425	6,322,112	5.9548	
Chemicals										
Archroma Pakistan Limited	-	9,400	-	9,400	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	70,000	393,500	-	40,000	423,500	12,497,506	10,579,030	(1,918,476)	2.4127	0.05
Lotte Chemical Pakistan Limited	-	300,000	-	-	300,000	3,146,530	2,985,000	(161,530)	0.6808	0.02
ICI Pakistan Limited	-	18,000	-	11,400	6,600	4,443,432	4,585,086	141,654	1.0457	0.01
	70,000	720,900	-	60,800	730,100	20,087,468	18,149,116	(1,938,352)	4.1392	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Name of Investee Company	As at 01 July 2019	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2020	Carrying Value as at 30 June 2020	Market Value as at 30 June 2020	Unrealised gain / (loss) as at 30 June 2020	Market Value as a Percentage of	
									Net Assets of the sub-funds	Paid-up capital of Investee Company
----- Number of Shares ----- Rupees ----- % age -----										
Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
Paper & Board										
Packages Limited	-	7,200	-	-	7,200	2,584,708	2,499,912	(84,796)	0.5701	0.01
	-	7,200	-	-	7,200	2,584,708	2,499,912	(84,796)	0.5701	
Vanaspati & Allied Industries										
Unity Foods Limited	-	400,000	-	400,000	-	-	-	-	-	-
	-	400,000	-	400,000	-	-	-	-	-	
Leather & Tanneries										
Bata Pakistan Limited	-	5,200	-	-	5,200	7,829,079	6,984,120	(844,959)	1.5928	0.07
	-	5,200	-	-	5,200	7,829,079	6,984,120	(844,959)	1.5928	
Foods & Personal Care Products										
Al Shaheer Corporation Limited*	1,298	-	(1,298)	-	-	-	-	-	-	-
Al-Tahur Limited	-	180,000	-	-	180,000	3,631,745	3,101,400	(530,345)	0.7073	0.11
National Foods Limited	1,500	5,000	-	6,500	-	-	-	-	-	-
	2,798	185,000	(1,298)	6,500	180,000	3,631,745	3,101,400	(530,345)	0.7073	
Glass & Ceramics										
Tariq Glass Industries Limited	-	60,000	7,500	45,000	22,500	1,586,499	1,451,700	(134,799)	0.3311	0.02
	-	60,000	7,500	45,000	22,500	1,586,499	1,451,700	(134,799)	0.3311	
Transport										
Pakistan International Bulk Terminal Limited	-	90,000	-	90,000	-	-	-	-	-	-
	-	90,000	-	90,000	-	-	-	-	-	
Miscellaneous										
Synthetic Products Enterprises Limited	-	50,000	-	19,000	31,000	1,239,969	1,288,976	49,007	0.2940	0.04
	-	50,000	-	19,000	31,000	1,239,969	1,288,976	49,007	0.2940	
30 June 2020	4,978,134	5,097,650	167,566	3,784,730	6,458,620	434,730,262	428,123,553	(6,606,710)	97.6408	
30 June 2019						448,133,397	370,303,203	(77,830,194)	97.0251	

* Bonus shares were withheld @5% vide section 236M of ITO, 2001. AMC's filed various suits and obtained stay orders from time to time. Later, Supreme Court judgement dated June 27, 2018 held that suits must only be entertained on condition of depositing 50% of tax demand to tax authorities. SHC issued notices to deposit 50% of tax demand and later dismissed the cases. Therefore, withheld bonus shares have been excluded from the portfolio.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5.1.1 The cost of listed equity securities as at 30 June 2020 is Rs.464,426,018 (2019: Rs. 439,888,639)

5.2 Sukuk certificates

5.2.1 Debt Sub-Fund

	As at 1 July 2019	Purchases during the year	Sales / Matured during the year	As at 30 June 2020	Carrying Value as at 30 June 2020	Market Value as at 30 June 2020	Unrealised loss as at 30 June 2020	Market Value as a Percentage of Net assets of the Sub-Fund
Face value of Rs.5,000 per certificate otherwise stated:	<div> <div>Note</div> <div>----- Number of certificates -----</div> <div>----- Rupees -----</div> <div>----- % age -----</div> </div>							
Banks								
Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	12	-	-	12	12,000,000	12,300,000	300,000	2.75
Meezan Bank Limited Tier - III (face value of Rs. 1,000,000 per certificate)	-	15	-	15	15,000,000	15,215,340	215,340	3.40
Fertilizers								
Dawood Hercules Corporation Limited Sukuk II (face value of Rs. 100,000 per certificate)	80	-	-	80	6,400,000	6,516,634	116,634	1.46
Power Generation & Distribution								
The Hub Power Company Limited (face value of Rs. 100,000 per certificate)	-	170	-	170	17,000,000	17,364,616	364,616	3.88
Chemicals								
AgriTech Limited	5.2.1.1	740	-	-	740	-	-	-
AgriTech Limited IV	5.2.1.1	107	-	-	107	-	-	-
30 June 2020					50,400,000	51,396,590	996,590	11.49
30 June 2019					20,000,000	19,983,712	(16,288)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 (2019: Rs. 4,235,000), has been made in accordance with provisioning requirements specified by the SECP. In the year 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 2020. 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	Status	Rating	Tenor	Profit payments / Principal redemptions	Repayment period	Effective rate during the year	Rate of return
Dawood Hercules Corporation Limited Sukuk II	Unlisted	AA	5 years	Quarterly	March 2018 - March 2023	9.15%	3 Month Kibor + 1.00%
Meezan Bank Limited Tier - II	Listed	AA	10 years	Semi annually	September 2016 - September 2026	13.97%	6 Month Kibor + 0.50%
Meezan Bank Limited Tier - II (Second Issue)	Listed	AA	10 years	Semi annually	January 2020- January 2030	15.00%	6 Month Kibor + 0.50%
The Hub Power Company Limited	Listed	AA+	4 years	Quarterly	August 2019 - August 2023	10.04%	3 Month Kibor + 1.00%
Agritech Limited	Unlisted	NPA	3.5 years	Semi annually	February 2011 - August 2015	12.86%	6 Month Kibor + 2%
Agritech Limited - IV	Unlisted	NPA	3.5 years	Semi annually	July 2011 - January 2015	N/A	N/A

5.3 Government of Pakistan - Ijarah Sukuks

5.3.1 Debt Sub-Fund

	As at 1 July 2019	Purchases during the year	Sold / Matured during the year	As at 30 June 2020	Amortised Cost as at 30 June 2020	Market Value as at 30 June 2020	Unrealised gain as at 30 June 2020	Market value as a % of net assets of the Sub-Fund
	----- Rupees -----							%
Government of Pakistan - Ijarah Sukuks	-	1,250	-	1,250	125,000,000	121,740,500	(3,259,500)	27.24
30 June 2019	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5.3.2 The cost of investment as on 30 June 2020 is Rs. 125,000,000 (2019: Nil). These investments carry rate ranging from 6.63% to 7.65% (2019: Nil) per annum with maturity till 29 May 2025 (2019: Nil).

5.3.3 Money Market Sub-Fund

	Note	Face value				Amortised Cost as at 30 June 2020	Market Value as at 30 June 2020	Unrealised gain as at 30 June 2020	Market value as a % of net assets of the Sub-Fund
		As at 1 July 2019	Purchases during the year	Sold / matured during the year	As at 30 June 2020				
		Rupees							%
Government of Pakistan - Ijarah Sukuks	5.3.4	-	900	-	900	90,000,000	87,300,000	(2,700,000)	(0.60)
30 June 2019						90,000,000	87,300,000	(2,700,000)	

5.3.4 The cost of investment as on 30 June 2020 is Rs.90,000,000 (2019: Rs.Nil). These investments carry rate of return of 6.63% (2019: Nil) per annum with maturities by 30 April 2025 (2019: Nil). SECP vide its circular no. 14/2020 dated April 16, 2020, allowed the Shariah Complaint Money Market Sub Fund of Voluntary Pension Scheme to invest in any Government Ijarah Sukuk of maturity not exceeding 5 years and accordingly the Fund has invested in above Ijarah Sukuk. Previously, Fund was allowed to invest in Shariah Complaint Securities of maturity upto 3 years.

	Note	2020					2019				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
		Rupees					Rupees				
6. MARK-UP ACCRUED											
Income accrued on:											
- Bank balances and term deposit receipts		46,420	2,338,617	3,418,445	-	5,803,482	309,314	3,761,949	3,281,335	-	7,352,598
- Sukuk Certificates		-	3,179,665	1,014,016	-	4,193,681	-	550,241	-	-	550,241
- Government of Pakistan - Ijarah Sukuks		-	-	-	-	-	-	-	-	-	-
		46,420	5,518,282	4,432,461	-	9,997,163	309,314	4,312,190	3,281,335	-	7,902,839
7. PAYABLE TO THE PENSION FUND MANAGER											
Remuneration of Pension Fund Manager	7.1	541,318	264,529	204,264	-	1,010,111	486,102	227,394	157,594	-	871,090
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	7.2	309,466	191,829	124,282	-	625,577	302,286	186,992	118,216	-	607,494
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
		2,461,991	1,503,233	973,270	-	4,938,494	2,399,595	1,461,261	920,534	-	4,781,390

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 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 of the average value of 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% (2019: 1.50%), 0.75% (2019: 0.75%) and 0.50% (2019: 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.1.50 million (2019: Rs.1.38 million) was charged on account of sales tax on remuneration of the Pension Fund Manager at the rate of 13 percent (June 30, 2019: 13 percent) levied under Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1.48 million (2019: Rs. 1.38 million) 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.

In 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.

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 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	2020				2019			
		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	49,267	48,153	55,773	153,193	46,538	43,540	45,263	135,341
Sindh Sales Tax on Remuneration of the Trustee	8.2	6,381	6,262	7,250	19,893	6,050	5,660	5,884	17,594
Settlement charges		2,000	500	500	3,000	2,774	500	500	3,774
Sindh Sales Tax on settlement charges		260	65	65	390	361	65	65	491
		57,908	54,980	63,588	176,476	55,723	49,765	51,712	157,200

- 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Net Assets

upto Rs. 1 billion

Rs.1 billion upto Rs. 3 billion

Rs.3 billion upto Rs. 6 billion

Exceeding Rs. 6 billion

Tariff

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. 230,520 (2019: 209,216) was charged on account of sales tax on remuneration of the Trustee levied under Sindh Sales Tax on Services Act, 2011 and an amount of Rs.228,221 (2019: 208,265) was paid to the Trustee who acts as a collecting agent.

9. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - SCEP

Note	2020					2019				
	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				
Annual fee payable	120,230	116,215	130,000	-	366,445	138,662	121,502	109,260	-	369,424
	120,230	116,215	130,000	-	366,445	138,662	121,502	109,260	-	369,424

- 9.1 In accordance with NBFC regulations, a voluntary pension scheme (VPS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 24 December 2019, the SECP vide SRO No.1620(1)2019 dated 24 December 2019 revised the rate of annual fee to 0.025% of net assets on all categories of Voluntary Pension Schemes. Previously, the rate of annual fee applicable on Voluntary Pension Schemes was 0.0333% per annum of net assets.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2020					2019				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	Rupees					Rupees				
Payable to charity	59,110	-	-	-	59,110	125,058	-	-	-	125,058
Withholding tax payable	119,613	62,347	25,626	675,000	882,586	13,155	9,926	1,202	115,041	139,324
Zakat payable	-	-	-	134,159	134,159	-	-	-	61,636	61,636
Provision for Sindh Workers' Welfare Fund	3,300,621	2,165,496	2,023,534	-	7,489,651	2,442,724	1,350,934	1,112,750	-	4,906,408
Others	16,000	-	-	59,044	75,044	-	-	-	59,044	59,044
	3,495,344	2,227,843	2,049,160	868,203	8,640,550	2,580,937	1,360,860	1,113,952	235,721	5,291,470

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- 10.1** The Shariah Advisor of the Fund has certified an amount of Rs. 412,282 (2019: Rs.343,077) against dividend income as Shariah non-compliant income which has accordingly, been marked to charity out of which Rs. 478,230 (2019: Rs. 298,333) has been paid to charities approved by the Shariah Advisor and remaining amount of Rs. 59,110 (2019: 125,058) will be paid in due course of time.
- 10.2** 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 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 date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020 would have been higher by Rs. 4.02 per unit (30 June 2019: Rs. 3.15 per unit), Rs. 1.15 per unit (30 June 2019: Rs. 0.78 per unit) and Rs. 1.01 per unit (30 June 2019: 0.66 per unit) for equity sub fund, debt sub fund and money market sub fund respectively.

11. NUMBER OF UNITS IN ISSUE

	2020				2019			
	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	774,609	1,731,126	1,695,675	4,201,410	663,220	1,740,080	1,432,082	3,835,382
Add: Units issued during the year	202,220	559,400	736,931	1,498,551	231,018	521,685	598,978	1,351,681
Less: Units redeemed during the year								
- Change of Pension Fund Manager	(6,347)	(21,290)	(2,039)	(29,676)	(13,844)	(23,273)	(12,351)	(49,468)
- Directly by participants	(149,398)	(391,419)	(423,492)	(964,309)	(105,785)	(507,366)	(323,034)	(936,185)
	(155,745)	(412,709)	(425,531)	(993,985)	(119,629)	(530,639)	(335,385)	(985,653)
Total units in issue at end of the year	821,084	1,877,817	2,007,075	4,705,976	774,609	1,731,126	1,695,675	4,201,410

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2020 and 30 June 2019.

13. TOTAL EXPENSE RATIO

13.1 The Total Expense Ratio (TER) of the Atlas Pension Islamic Fund - Equity Sub Fund as at 30 June 2020 is 2.30% (30 June 2019: 1.80%) which includes 0.49% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13.2 The Total Expense Ratio (TER) of the Atlas Pension Islamic Fund - Debt Sub Fund as at 30 June 2020 is 1.30% (30 June 2019: 0.95%) which includes 0.35% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

13.3 The Total Expense Ratio (TER) of the Atlas Pension Islamic Fund - Money Market Sub Fund as at 30 June 2020 is 1.00% (30 June 2019: 0.67%) which includes 0.32% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

14. MARK-UP INCOME

	2020				2019			
	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	1,107,659	38,858,898	48,178,076	88,144,633	1,569,661	25,411,640	26,155,971	53,137,272
Income on Sukuk certificates	-	4,930,004	-	4,930,004	-	1,932,450	-	1,932,450
Income on Government of Pakistan - Ijarah Sukuks	-	1,343,052	948,596	2,291,648	-	3,805,238	1,508,058	5,313,296
	1,107,659	45,131,954	49,126,672	95,366,285	1,569,661	31,149,328	27,664,029	60,383,018

14.1 Mark-up on non performing securities amounting to Rs. 3.73 (2019: Rs. 3.16 million) based on outstanding principal has not been recognised, in accordance with SECP's directives.

15. AUDITOR'S REMUNERATION

	2020				2019			
	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	74,026	71,233	81,733	226,992	75,196	65,774	59,030	200,000
Sindh Sales Tax on services	8,333	8,333	8,333	24,999	6,016	5,262	4,722	16,000
Out of pocket expenses	6,800	6,800	6,800	20,400	8,153	7,132	6,401	21,686
Prior year adjustment	(9,579)	195	11,119	1,735	3,651	(166)	9,050	12,535
	79,580	86,561	107,985	274,126	93,016	78,002	79,203	250,221

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

	2020					2019				
	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	-	173,137,090	87,300,000	-	260,437,090	-	19,983,712	-	-	19,983,712
Less: Cost of investments	-	175,400,000	90,000,000	-	265,400,000	-	20,000,000	-	-	20,000,000
	-	(2,262,910)	(2,700,000)	-	(4,962,910)	-	(16,288)	-	-	(16,288)
Less: Net unrealised (diminution) / appreciation in the value of investments at beginning of the year	-	16,288	-	-	16,288	-	(650,388)	(162,542)	-	(812,930)
Transferred to comprehensive income during the year	-	(2,246,622)	(2,700,000)	-	(4,946,622)	-	(666,676)	(162,542)	-	(829,218)
(Loss) / Gain arise during the year	-	(2,246,622)	(2,700,000)	-	(4,946,622)	-	(666,676)	(162,542)	-	(829,218)
	-	(2,246,622)	(2,700,000)	-	(4,946,622)	-	(666,676)	(162,542)	-	(829,218)

17. CONTRIBUTION TABLE

	2020						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	20,954	9,917,482	101,409	23,975,450	251,936	60,980,639	94,873,571
Employers	181,266	94,733,808	457,991	104,588,419	484,995	117,159,386	316,481,613
	202,220	104,651,290	559,400	128,563,869	736,931	178,140,025	411,355,184

	2019						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	54,331	30,502,794	36,155	7,560,467	145,837	32,761,825	70,825,086
Employers	176,687	101,942,166	485,530	100,896,192	453,141	100,300,229	303,138,587
	231,018	132,444,960	521,685	108,456,659	598,978	133,062,054	373,963,673

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Atlas Asset Management Limited (Pension Fund Manager)								
Pension Fund Manager fee payable (Rupees)	541,318	264,529	204,264	1,010,111	486,102	227,394	157,594	871,090
Sindh Sales Tax payable on the Pension Fund Manager (Rupees)	309,466	191,829	124,282	625,577	302,286	186,992	118,216	607,494
Federal Excise Duty payable on remuneration of the Pension Fund Manager (Rupees)	1,611,207	1,046,875	644,724	3,302,806	1,611,207	1,046,875	644,724	3,302,806
Investment (Rupees)	88,645,660	39,514,640	41,803,780	169,964,080	81,789,860	35,945,640	38,058,820	155,794,320
Units held (Number of units)	166,000	166,000	166,000	498,000	166,000	166,000	166,000	498,000
Central Depository Company of Pakistan Limited (Trustee)								
Remuneration payable (Rupees)	49,267	48,153	55,773	153,193	46,538	43,540	45,263	135,341
Sindh Sales Tax on Remuneration (Rupees)	6,381	6,262	7,250	19,893	6,050	5,660	5,884	17,594
Settlement charges (Rupees)	2,000	500	500	3,000	2,774	500	500	3,774
Sindh Sales Tax on settlement charges (Rupees)	260	65	65	390	361	65	65	491
Directors and executives								
Investment at year end	47,864,696	40,074,034	46,862,692	134,801,422	38,343,759	34,966,326	42,724,102	116,034,187
Units held (Number of units)	89,633	168,350	186,089	444,072	77,822	161,477	186,348	425,647

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

	2020				2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----			
Atlas Asset Management Limited (Pension Fund Manager)								
Remuneration for the year (Rupees)	6,265,070	3,020,423	2,264,158	11,549,651	6,245,700	2,736,431	1,639,777	10,621,908
Sindh Sales Tax on remuneration (Rupees)	814,459	392,655	294,341	1,501,455	811,941	355,736	213,171	1,380,848
Central Depository Company of Pakistan Limited (Trustee)								
Remuneration for the year (Rupees)	581,243	561,275	630,706	1,773,224	604,097	529,350	475,903	1,609,350
Sindh Sales Tax on Remuneration (Rupees)	75,562	72,966	81,992	230,520	78,533	68,816	61,867	209,216
Directors and executives								
Contributions	5,221,881	1,713,787	2,613,438	9,549,106	7,198,771	4,013,189	7,287,356	18,499,316
Contributions (number of units)	10,080	7,506	10,867	28,453	12,819	18,946	32,640	64,405
Redemptions	(1,484,022)	(290,004)	(289,991)	(2,064,017)	(4,380,434)	(804,479)	(521,087)	(5,706,000)
Redemptions (number of units)	(2,682)	(1,271)	(1,201)	(5,154)	(7,339)	(3,937)	(2,402)	(13,678)
Re-allocation	2,245,303	145,982	(2,391,285)	-	5,914,748	(1,116,938)	(4,113,866)	683,944
Re-allocation (Number of units)	4,413	637	(9,926)	(4,876)	10,181	(5,387)	(18,940)	(14,146)

19. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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. 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 shows the carrying amounts and fair values of financial assets and financial liabilities, including their fair value hierarchy.

		Amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
June 30, 2020	Note	Rupees								
Financial assets - measured at fair value										
Investments - net		-	428,123,553	260,437,090	-	688,560,643	428,123,553	260,437,090	-	688,560,643
Financial assets - not measured at fair value										
Bank balances	19.1	703,163,314	-	-	-	703,163,314				
Receivable against sale of investments	19.1	5,892,487	-	-	-	5,892,487				
Receivable against issue of units	19.1	11,950,131	-	-	-	11,950,131				
Dividend receivable	19.1	-	-	-	-	-				
Mark-up accrued	19.1	9,997,163	-	-	-	9,997,163				
Security deposit and other receivables	19.1	16,752,658	-	-	-	16,752,658				
		747,755,753	428,123,553	260,437,090	-	1,436,316,396				
Financial liabilities - not measured at fair value										
Payable against redemption of units	19.1	-	-	-	2,169,661	2,169,661				
Payable to the Pension Fund Manager	19.1	-	-	-	1,010,111	1,010,111				
Payable to the Central Depository Company of Pakistan Limited - Trustee	19.1	-	-	-	156,193	156,193				
Payable to the auditors	19.1	-	-	-	272,390	272,390				
Payable to Sub-Funds		-	-	-	27,301,131	27,301,131				
Accrued expenses and other liabilities	19.1	-	-	-	134,154	134,154				
		-	-	-	31,043,640	31,043,640				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		Amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
June 30, 2019										
Note		Rupees								
Financial assets - measured at fair value										
	Investments - net	-	370,303,203	19,983,712	-	390,286,915	370,303,203	19,983,712	-	390,286,915
Financial assets - not measured at fair value										
	Bank balances	19.1	755,969,678	-	-	755,969,678				
	Receivable against sale of investments	19.1	2,454,708	-	-	2,454,708				
	Receivable against issue of units	19.1	4,656,366	-	-	4,656,366				
	Dividend receivable	19.1	1,048,980	-	-	1,048,980				
	Mark-up accrued	19.1	7,902,839	-	-	7,902,839				
	Security deposit and other receivables		1,363,402			1,363,402				
			773,395,973	370,303,203	19,983,712	-	1,163,682,888			
Financial liabilities - not measured at fair value										
	Payable against purchase of investments	19.1	-	-	-	-				
	Payable against redemption of units	19.1	-	-	-	2,907,989	2,907,989			
	Payable to the Pension Fund Manager	19.1	-	-	-	871,090	871,090			
	Payable to the Central Depository Company of Pakistan Limited - Trustee	19.1	-	-	-	139,115	139,115			
	Payable to the auditors	19.1	-	-	-	237,685	237,685			
	Payable to Sub-Funds		-	-	-	4,656,366	4,656,366			
	Accrued expenses and other liabilities	19.1	-	-	-	184,102	184,102			
			-	-	-	8,996,347	8,996,347			

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

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

20.1 The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

During the year ended June 30, 2020, the global economic environment including Pakistan has been severely affected by the COVID -19 outbreak. COVID-19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

has impacted the businesses in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat. The State Bank of Pakistan has also responded to the crisis by cutting the policy rate by 225 bps to 11% in March '20, by 200 bps to 9% on April '20, by 100 bps to 8% in May '20 and again by 100 bps to 7% in June '20. SECP has also provided certain relaxation to the asset management companies in Pakistan for specific period.

The Fund's management and Board is fully cognizant of the business challenges posed by the COVID-19 outbreak and constantly monitoring the situation and believe that its current policies for managing credit, liquidity, market and operational risk are adequate in response to the current situation."

20.2 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.

20.3 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.

20.4 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. As of 30 June 2020, the Fund is exposed to interest rate risk on its balances held with banks, Sukuks Certificates and GOP Ijarah Certificates. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

a) 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.

b) Sensitivity Analysis of variable rate instruments

Presently all the Sub-Funds hold balances with banks and the Debt Sub-Fund and Money Market Sub - Fund hold KIBOR based profit bearing Sukuk certificates and Weighted Average Yield based profit bearing Government Ijara Sukuks exposing the Sub-Funds to cash flow in interest rate risk. However, except for Meezan Bank Limited Tier - II (First and Second Issue), Hub Power Company Sukuk and Dawood Hercules Corporation Limited Sukuk II, all securities are non-performing assets and have been fully provided for, with their markup not being recognised.

Change in base points

	2020				2019		
	Effect on net income				Effect on net income		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----				-----Rupees-----		
100	54,069	4,426,199	5,065,858	9,546,126	199,837	-	199,837
(100)	(54,069)	(4,426,199)	(5,065,858)	(9,546,126)	(199,837)	-	(199,837)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020 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.

----- As at 30 June 2020 -----						
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	5.01 - 7.00	5,472,605	-	-	-	5,472,605
Investments - net		-	-	-	428,123,553	428,123,553
Receivable against sale of investments		-	-	-	5,892,487	5,892,487
Receivable against issue of units		-	-	-	3,377,332	3,377,332
Dividend receivable		-	-	-	-	-
Mark-up accrued		-	-	-	46,420	46,420
Security deposit and other receivables		-	-	-	3,621,477	3,621,477
		5,472,605	-	-	441,061,269	446,533,874
Financial liabilities						
Payable against purchase of investments		-	-	-	1,560,340	1,560,340
Payable against redemption of units		-	-	-	281,249	281,249
Payable to the Pension Fund Manager		-	-	-	541,318	541,318
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	51,267	51,267
Payable to the auditors		-	-	-	89,159	89,159
Accrued expenses and other liabilities		-	-	-	75,110	75,110
		-	-	-	2,598,443	2,598,443
On-balance sheet gap		5,472,605	-	-	438,462,826	443,935,431
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		5,472,605	-	-	438,462,826	443,935,431
Cumulative interest rate sensitivity gap		5,472,605	5,472,605	5,472,605	443,935,431	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June 2019

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	6.00-13.00	11,168,961	-	-	-	11,168,961
Investments - net		-	-	-	370,303,203	370,303,203
Receivable against sale of investments		-	-	-	2,454,708	2,454,708
Receivable against issue of units		-	-	-	1,341,505	1,341,505
Dividend receivable		-	-	-	1,048,980	1,048,980
Mark-up accrued		-	-	-	309,314	309,314
Security deposit and other receivables		-	-	-	673,360	673,360
		11,168,961	-	-	376,131,070	387,300,031
Financial liabilities						
Payable against purchase of investments		-	-	-	-	-
Payable against redemption of units		-	-	-	378,936	378,936
Payable to the Pension Fund Manager		-	-	-	486,102	486,102
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	49,312	49,312
Payable to the auditors		-	-	-	89,365	89,365
Accrued expenses and other liabilities		-	-	-	125,058	125,058
		-	-	-	1,128,773	1,128,773
On-balance sheet gap		11,168,961	-	-	375,002,297	386,171,258
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		11,168,961	-	-	375,002,297	386,171,258
Cumulative interest rate sensitivity gap		11,168,961	11,168,961	11,168,961	386,171,258	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June 2020

Debt 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	4.00 - 7.25	261,739,598	-	-	-	261,739,598
Investments - net	6.63 - 7.65	-	-	173,137,090	-	173,137,090
Receivable against issue of units		-	-	-	3,570,795	3,570,795
Mark-up accrued		-	-	-	5,518,282	5,518,282
Security deposit and other receivables		-	-	-	7,493,399	7,493,399
		261,739,598	-	173,137,090	16,582,476	451,459,164
Financial liabilities						
Payable against redemption of units		-	-	-	483,113	483,113
Payable to the Pension Fund Manager		-	-	-	264,529	264,529
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	48,653	48,653
Payable to the auditors		-	-	-	86,366	86,366
		-	-	-	882,661	882,661
On-balance sheet gap		261,739,598	-	173,137,090	15,699,815	450,576,503
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		261,739,598	-	173,137,090	15,699,815	450,576,503
Cumulative interest rate sensitivity gap		261,739,598	261,739,598	434,876,688	450,576,503	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June 2019

Debt 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	6.00 - 13.00	352,494,031	-	-	-	352,494,031
Investments - net	11.35	-	-	19,983,712	-	19,983,712
Receivable against issue of units		-	-	-	1,423,862	1,423,862
Mark-up accrued		-	-	-	4,312,190	4,312,190
Security deposit and other receivables		-	-	-	279,480	279,480
		352,494,031	-	19,983,712	6,015,532	378,493,275
Financial liabilities						
Payable against redemption of units		-	-	-	568,637	568,637
Payable to the Pension Fund Manager		-	-	-	227,394	227,394
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	44,040	44,040
Payable to the auditors		-	-	-	78,168	78,168
		-	-	-	918,239	918,239
On-balance sheet gap		352,494,031	-	19,983,712	5,097,293	377,575,036
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		352,494,031	-	19,983,712	5,097,293	377,575,036
Cumulative interest rate sensitivity gap		352,494,031	352,494,031	372,477,743	377,575,036	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June 2020

Money Market 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	4.00 - 7.25	407,483,284	-	-	-	407,483,284
Investments - net	6.63	-	-	87,300,000	-	87,300,000
Receivable against issue of units		-	-	-	5,002,004	5,002,004
Mark-up accrued		-	-	-	4,432,461	4,432,461
Security deposit and other receivables		-	-	-	5,637,782	5,637,782
		407,483,284	-	87,300,000	15,072,247	509,855,531

Financial liabilities

Payable against redemption of units		-	-	-	1,106,806	1,106,806
Payable to the Pension Fund Manager		-	-	-	204,264	204,264
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	56,273	56,273
Payable to the auditors		-	-	-	96,865	96,865
		-	-	-	1,464,208	1,464,208

On-balance sheet gap

407,483,284	-	87,300,000	13,608,039	508,391,323
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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

407,483,284	-	87,300,000	13,608,039	508,391,323
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Cumulative interest rate sensitivity gap

407,483,284	407,483,284	494,783,284	508,391,323	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June 2019

Money Market 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	6.00 - 13.00	387,369,721	-	-	-	387,369,721
Investments - net		-	-	-	-	-
Receivable against issue of units		-	-	-	1,890,999	1,890,999
Mark-up accrued		-	-	-	3,281,335	3,281,335
Security deposit and other receivables		-	-	-	410,562	410,562
		387,369,721	-	-	5,582,896	392,952,617

Financial liabilities

Payable against redemption of units		-	-	-	1,915,538	1,915,538
Payable to the Pension Fund Manager		-	-	-	157,594	157,594
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	45,763	45,763
Payable to the auditors		-	-	-	70,152	70,152
		-	-	-	2,189,047	2,189,047

On-balance sheet gap		387,369,721	-	-	3,393,849	390,763,570
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		387,369,721	-	-	3,393,849	390,763,570
Cumulative interest rate sensitivity gap		387,369,721	387,369,721	387,369,721	390,763,570	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

21 Price risk

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

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

In case of 5% change in KSE 100 index on 30 June 2020, with all other variables held constant, net income for the year would increase / decrease by Rs. 21.41 million (2019: Rs. 18.52 million) as a result of gains / losses on equity securities classified as 'at fair value through profit or loss'.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Funds equity instruments moved according to historical correlation with the index. This represents the Pension Fund Manager's best estimate of a reasonable possible shift in the KSE 100 index, having regard to historical volatility of the index. The composition of the Sub-Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2020 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the KSE 100 index.

22 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 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 2020

		2020							2019						
		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
22.1	Equity Sub-Fund	Rupees													
Liabilities															
	Payable against purchase of investments	1,560,340	-	-	-	-	-	1,560,340	-	-	-	-	-	-	-
	Payable against redemption of units	281,249	-	-	-	-	-	281,249	378,936	-	-	-	-	-	378,936
	Payable to the Pension Fund Manager	541,318	-	-	-	-	-	541,318	486,102	-	-	-	-	-	486,102
	Payable to Central Depository Company of Pakistan Limited - Trustee	51,267	-	-	-	-	-	51,267	49,312	-	-	-	-	-	49,312
	Payable to the auditors	-	89,159	-	-	-	-	89,159	-	89,365	-	-	-	-	89,365
	Accrued expenses and other liabilities	75,110	-	-	-	-	-	75,110	125,058	-	-	-	-	-	125,058
		2,509,284	89,159	-	-	-	-	2,598,443	1,039,408	89,365	-	-	-	-	1,128,773
22.2	Debt Sub-Fund														
Liabilities															
	Payable against redemption of units	483,113	-	-	-	-	-	483,113	568,637	-	-	-	-	-	568,637
	Payable to the Pension Fund Manager	264,529	-	-	-	-	-	264,529	227,394	-	-	-	-	-	227,394
	Payable to Central Depository Company of Pakistan Limited - Trustee	48,653	-	-	-	-	-	48,653	44,040	-	-	-	-	-	44,040
	Payable to the auditors	-	86,366	-	-	-	-	86,366	-	78,168	-	-	-	-	78,168
		796,295	86,366	-	-	-	-	882,661	840,071	78,168	-	-	-	-	918,239
22.3	Money Market Sub-Fund														
Liabilities															
	Payable against redemption of units	1,106,806	-	-	-	-	-	1,106,806	1,915,538	-	-	-	-	-	1,915,538
	Payable to the Pension Fund Manager	204,264	-	-	-	-	-	204,264	157,594	-	-	-	-	-	157,594
	Payable to Central Depository Company of Pakistan Limited - Trustee	56,273	-	-	-	-	-	56,273	45,763	-	-	-	-	-	45,763
	Payable to the auditors	-	96,865	-	-	-	-	96,865	-	70,152	-	-	-	-	70,152
		1,367,343	96,865	-	-	-	-	1,464,208	2,118,895	70,152	-	-	-	-	2,189,047

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

23 Credit risk

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

Concentration of Credit risk

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

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

	2020	2019
	-----Rupees-----	
Equity Sub-Fund	18,410,321	16,996,828
Debt Sub-Fund	278,322,074	358,509,563
Money Market Sub-Fund	422,555,531	392,952,617
	719,287,926	768,459,008

23.1 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	
	2020	2019	2020	2019	2020	2019
Government securities	-	-	-	-	-	-
AAA	0.13	0.04	19.19	19.25	19.33	23.80
AA+	0.19	48.71	0.28	40.35	0.03	49.98
AA-	-	0.06	-	19.53	-	23.61
AA	3.86	0.36	29.72	5.42	20.89	0.03
A+	-	-	1.33	15.45	22.90	2.58
A	95.82	50.83	16.85	-	19.19	-
Others	-	-	-	-	-	-
	100.00	100.00	67.37	100.00	82.34	100.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

	----- Debt Sub-Fund -----					
	2020			2019		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
		(1-365)	Above 365		(1-365)	Above 365
	----- Rupees -----					
Investments - Agritech Limited	3,700,000	-	3,700,000	3,700,000	-	3,700,000
Investments - Agritech Limited IV	535,000	-	535,000	535,000	-	535,000
	4,235,000	-	4,235,000	4,235,000	-	4,235,000

The impaired investments are fully provided.

24 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.

25. FINANCIAL PERFORMANCE

Particulars	Equity Sub-Fund					
	2020	2019	Change	2018	2017	2016
	-----Rupees-----		%	-----Rupees-----		
Net (loss) / income for the year	42,036,961	(85,607,307)	(149.10)	(37,176,484)	87,709,025	13,795,916
Net (loss) / gain on sale of investments at fair value through profit or loss	37,498,506	(21,153,322)	(277.27)	(23,149,804)	53,554,640	(8,012,239)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as at fair value through profit or loss	(6,606,710)	(77,830,194)	(91.51)	(25,995,021)	23,385,258	15,387,878
Dividend income	19,624,091	20,488,995	(4.22)	18,503,470	15,765,975	12,542,377
Mark-up Income	1,107,659	1,569,661	(29.43)	1,697,251	1,457,560	872,350
Net asset value	438,467,653	381,656,813	14.89	404,127,453	394,566,785	305,352,010
Net asset value per unit	534.01	492.71	8.38	609.34	673.59	525.06
(Loss) / earnings per unit	51.20	(110.52)	(146.33)	(56.05)	149.73	23.72
Transactions in securities - Purchased	(299,746,519)	(304,757,403)	(1.64)	(316,385,104)	(404,820,118)	(355,255,845)
Transactions in securities - Sold / Matured	274,188,519	211,757,586	29.48	243,054,897	418,668,676	337,579,329
Total contributions received	102,615,463	134,044,431	(23.45)	107,237,349	76,348,692	66,395,078

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Debt Sub-Fund					
	2020	2019	Change	2018	2017	2016
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	39,913,540	26,505,136	50.59	15,095,780	10,515,915	12,600,067
Mark-up Income	45,131,954	31,149,328	44.89	19,634,507	13,875,362	16,692,859
Net asset value	446,987,414	374,853,082	19.24	351,147,876	342,053,108	274,294,159
Net asset value per unit	238.04	216.54	9.93	201.80	184.86	177.34
Earnings per unit	21.26	15.31	38.86	8.68	7.09	9.58
Transactions in securities - Purchases	(155,001,421)	-	-	(8,000,000)	(176,641,823)	(56,675,102)
Transactions in securities - Sold / Matured	43,527,283	130,000,000	(66.52)	61,791	178,800,000	-
Total contributions received	126,416,936	109,660,871	15.28	114,746,038	78,108,998	87,132,633

Particulars	Money Market Sub-Fund					
	2020	2019	Change	2018	2017	2016
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	44,631,369	24,451,321	82.53	11,161,137	9,735,335	8,311,131
Net gain on sale / maturity of 'available for sale investments'	-	-	-	-	69,582	337,500
Mark-up Income	49,126,672	27,664,029	77.58	13,549,059	10,940,678	9,876,071
Net asset value	505,435,842	388,771,469	30.01	305,238,149	252,665,420	205,775,271
Net asset value per unit	251.83	229.27	9.84	213.14	204.91	195.36
Earnings per unit	22.24	14.42	54.23	7.79	7.90	7.89
Transactions in securities - Purchases	(148,999,999)	(8,981,998)	1,558.87	-	-	(153,299,372)
Transactions in securities - Sold / Matured	59,000,000	59,000,000	-	58,953	46,931,300	206,237,500
Total contributions received	175,029,019	132,137,528	32.46	105,815,487	76,179,543	63,681,812

Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2020	2019	2020	2019	2020	2019
Highest issue price	650.16	637.31	238.56	216.54	251.83	229.27
Lowest issue price	405.12	478.28	216.25	201.52	229.04	213.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

26 GENERAL

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

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

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 10 September 2020.

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

Qurrat-ul-Ain Jafari
Chief Financial Officer

Muhammad Abdul Samad
Chief Executive Officer

Iftikhar H. Shirazi
Chairman

Tariq Amin
Director

”اٹلس اسلامک اسٹاک فنڈ“ اور ”اٹلس اسلامک انکم 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 سہ ماہی بنیادوں پر، شرعی مشیر کی جانب سے منظور کردہ خیراتی اداروں کو عطیہ کر دیا جاتا ہے۔

تازہ ترین درجہ بندی:

اثاثہ جات نیچر کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پیکرا) نے بینجمنٹ کمپنی کی اسیٹ نیچر درجہ بندی اے ایم ۲+ (اے ایم ٹوپلس) ترتیب دی ہے۔

(۲۰۱۹ء: اے ایم ۲+ (اے ایم ٹوپلس)) تاریخ ۲۶ دسمبر ۲۰۱۹ء کو یہ درجہ بندی کمپنی کی تجربہ کار ٹیم، منظم سرمایہ کاری نظام اور ہم آہنگ معیاری نظام اور طریقہ کار کی عکاسی کرتی ہے۔

آڈیٹرز

بورڈ آف ڈائریکٹرز کی آڈٹ کمپنی نے اپنے اجلاس منعقدہ ۳ ستمبر ۲۰۲۰ء کو میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس، کراچی کو اختتام سال ۳۰ جون ۲۰۲۱ء کیلئے اٹلس پینشن فنڈ اور اٹلس پینشن اسلامک فنڈ کا بطور آڈیٹرز دوبارہ تقرری کیلئے تجویز کیا۔ بورڈ نے اس تقرری کو منظور کر لیا۔

توثیق

پینشن فنڈ منظم 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 منظم کمپنی کے ملازمین اور ٹرسٹی کا ان کی انتھک محنت اور خلوص کے لئے اور پینشن فنڈز کے شراکت داروں کا پینشن فنڈ منظم کمپنی پر بھرپور اعتماد کرنے کیلئے بھی تہہ دل سے شکر گزار ہے۔

از طرف اور منجانب بورڈ

فراہیم علی خان

ڈائریکٹر

محمد عبدالصمد

چیف ایگزیکٹو آفیسر

کراچی: ۱۰ ستمبر، ۲۰۲۰ء

● ہیومن ریسورس اینڈری مینوریشن کمیٹی (ایچ آر اینڈ آری)۔ ایک میٹنگ منعقد ہوئیں دوران سال اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	محترمہ زہرا نقوی	آزاد ڈائریکٹر	۱
۲	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۱
۳	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱
	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۱

● انویسٹمنٹ کمیٹی۔ اکیاون میٹنگ منعقد ہوئیں دوران سال اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱۰
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۴۶
۳	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر رکن آئی سی	۵۰
۴	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	ہیڈ آف پورٹ فولیو مینجمنٹ۔ رکن آئی سی	۴۶
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف فکسڈ انکم۔ رکن آئی سی	۴۹
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف اکیویٹیز۔ سیکریٹری آئی سی	۴۹

ادارے پر عائد معاشرتی ذمہ داریاں (سی ایس آر) اور عطیات

بورڈ سے منظور شدہ کمپنی کے سی ایس آر / عطیات دینے کے اصول و ضوابط کے تحت ہر سال کمپنی، منتظم کمپنی کے منافع، بعد از ادائیگی محصول، کا ایک فیصد عطیہ کرتی ہے۔ اس کے علاوہ شرعی اصولوں پر عمل پیرا

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 (۲۰ اکتوبر ۲۰۱۹ تک) جناب افتخار ایچ شیرازی (۲۷ فروری ۲۰۲۰ سے)	چیرمین	۱ ۳	۶
۲	جناب طارق امین	آزاد ڈائریکٹر	۶	۶
۳	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۵	۶
۴	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۵	۶
۵	جناب علی ایچ۔ شیرازی	نان ایگزیکٹو ڈائریکٹر	۵	۶
۶	مس زہرا نقوی	آزاد ڈائریکٹر	۶	۶
۷	جناب محمد عبدالصمد	چیف ایگزیکٹو آفیسر	۶	۶

یورڈ 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)۔ 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 فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۴
۳	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۳

پینشن فنڈ منیجر اور کمیٹیز کے بورڈ آف ڈائریکٹران

اس عرصے کے دوران، اے اے ایم ایل کے بورڈ آف ڈائریکٹرز میں شامل ہیں۔ جناب یوسف ایچ شیرازی، چیئرمین، مسٹر فراہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ زہرا نقوی، آزاد ڈائریکٹر اور مسٹر محمد عبدالصمد، چیف ایگزیکٹو آفیسر۔ مسٹر یوسف ایچ شیرازی، چیئرمین، کے ۲۰ اکتوبر ۲۰۱۹ء کو افسوس ناک موت کے سبب، ایک عارضی طور پر خالی آسامی پیدا ہو گئی، جسے ۱۹ نومبر ۲۰۱۹ء کو مسٹر افتخار ایچ شیرازی کو ان کی جگہ ڈائریکٹر مقرر کر کے بھردیا گیا۔

☆ ڈائریکٹرز کی موجودہ کل تعداد ۷ درج ذیل ہیں۔

مرد: ۶

عورت: ۱

☆ بورڈ کی موجودہ تشکیل مندرجہ ذیل ہیں۔

آزاد ڈائریکٹر: ۲*

غیر ایگزیکٹو ڈائریکٹرز: ۴

ایگزیکٹو ڈائریکٹرز: ۱

خواتین ڈائریکٹر: ۱ (* آزاد ڈائریکٹر)

چیرمین کا جائزہ:

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

پورڈ کے ڈائریکٹر ان کی جانب سے توثیق نامہ

پورڈ آف ڈائریکٹر 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۔
- ☆ اے پی ایف اور اے پی آئی ایف کے تمام فنڈز کے کھاتوں کو مناسب طریقہ سے تیار کیا گیا ہے۔
- ☆ گوشواروں کی تیاری میں حساب داری کے اصولوں کو تسلسل کے ساتھ لاگو کیا جا رہا ہے اور گوشواروں کی تیاری میں احتیاط اور فہم و فراست کا استعمال کیا جا رہا ہے۔
- ☆ گوشواروں کی تیاری میں وہ بین الاقوامی معیارات جو پاکستان میں لاگو ہوتے ہیں، کو مد نظر رکھا گیا ہے اگر اگر کہیں انحراف ہوا ہے تو اسے مناسب طریقے سے ظاہر کر دیا گیا ہے۔
- ☆ اندرونی نظم و ضبط کا نظام مؤثر نگرانی میں مستحکم بنیادوں پر نافذ ہے۔
- ☆ فنڈز کے مستقل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔
- ☆ اہم مالیاتی اعداد و شمار / کارکردگی کے چارٹ، (اے پی ایف)، اور (اے پی آئی ایف) کی سالانہ رپورٹس کے نوٹس ۱۹ اور ۱۸ پر علی الترتیب شائع کئے گئے ہیں۔

کارپوریٹ نظم و ضبط:

کمپنی کارپوریٹ نظم و ضبط کے معیارات، ضابطہ اخلاق اور بہترین کاروباری طریقوں پر سختی سے عمل کرنے پر یقین رکھتی ہے۔ اور یہ سب اٹلس گروپ کی کاروباری تہذیب کا ایک جزو لاینفک ہے۔ جولائی ۲۰۱۲ء میں کارپوریٹ نظم و ضبط کے اصولوں کی منظوری دی گئی جس میں پورڈ 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۔

اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف)

اے پی آئی ایف - منی مارکیٹ ذیلی فنڈ		اے پی آئی ایف - ڈیٹ ذیلی فنڈ		اے پی آئی ایف - ایکویٹی ذیلی فنڈ		تفصیلات
۲۰۱۹ء	۲۰۲۰ء	۲۰۱۹ء	۲۰۲۰ء	۲۰۱۹ء	۲۰۲۰ء	
۳۸۸.۷۷	۵۰۵.۴۴	۳۷۴.۸۵	۴۴۶.۹۹	۳۸۱.۶۶	۴۳۸.۴۷	مجموعی اثاثے - ملین روپے
۱۴.۴۲	۲۲.۲۴	۱۵.۳۱	۲۱.۲۶	(۱۱۰.۵۲)	۵۱.۲۰	آمدنی فی یونٹ - روپے
۷.۵۷	۹.۸۱	۷.۳۰	۹.۹۰	(۱۹.۱۴)	۸.۳۸	منافع
۱۳۳.۰۶	۱۷۸.۱۴	۱۰۸.۴۶	۱۲۸.۵۶	۱۳۲.۴۴	۱۰۴.۶۵	یونٹس کا اجراء - ملین روپے
۷۳.۸۲	۱۰۳.۴۱	۱۱۰.۵۹	۹۴.۱۰	۶۹.۳۱	۸۹.۸۸	یونٹس کی واپسی - ملین روپے
نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	نوٹ ۱۷	شرکاء کا تقسیم جدول - مالیاتی تفصیلات میں ظاہر کردہ

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

میجمنٹ 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 باریہ مسائل حل ہو جائیں تو انہیں سرمایہ میں اور شرکاء میں مساوی طور پر ٹرسٹی اور ضرورت پڑنے پر ایس ای سی پی سے پیشگی منظوری کے ساتھ مختص کیا جائے گا۔

ڈائریکٹرز رپورٹ

اٹلس ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز، پینشن 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 ۳۰ جون ۲۰۲۰ء 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 ۳۰ جون ۲۰۲۰ء بمقابلہ اختتام سال ۳۰ جون ۲۰۱۹ء درج ذیل ہے۔















تفصیلات		اے پی ایف - ایکویٹی		اے پی ایف - ڈیبٹ		اے پی ایف - منی مارکیٹ	
		ذیلی فنڈ		ذیلی فنڈ		ذیلی فنڈ	
		۲۰۲۰ء	۲۰۱۹ء	۲۰۲۰ء	۲۰۱۹ء	۲۰۲۰ء	۲۰۱۹ء
مجموعی اثاثے - ملین روپے		۵۲۸.۷۰	۳۸۶.۸۴	۴۲۱.۷۵	۳۷۷.۸۳	۴۵۶.۶۸	۳۵۶.۴۷
آمدنی / (خسارہ) فی یونٹ - روپے		۴۰.۱۹	(۷۵.۸۰)	۳۹.۶۹	۲۰.۶۲	۲۷.۱۹	۱۸.۲۸
منافع		۶.۴۴	(۱۷.۲۱)	۱۹.۰۷	۷.۱۷	۱۲.۴۰	۸.۶۴
یونٹس کا اجراء - ملین روپے		۱۲۷.۴۳	۸۰.۶۲	۴۴.۹۸	۷۲.۱۲	۹۱.۶۸	۱۰۶.۷۰
یونٹس کی واپسی - ملین روپے		(۳۴.۰۲)	(۱۶.۴۷)	(۷۵.۸۵)	(۹۶.۶۷)	(۳۶.۴۰)	(۴۲.۸۴)
شرکاء کا تقسیم جدول - مالیاتی تفصیلات میں ظاہر کردہ		نوٹ ۱۸	نوٹ ۱۸	نوٹ ۱۸	نوٹ ۱۸	نوٹ ۱۸	نوٹ ۱۸



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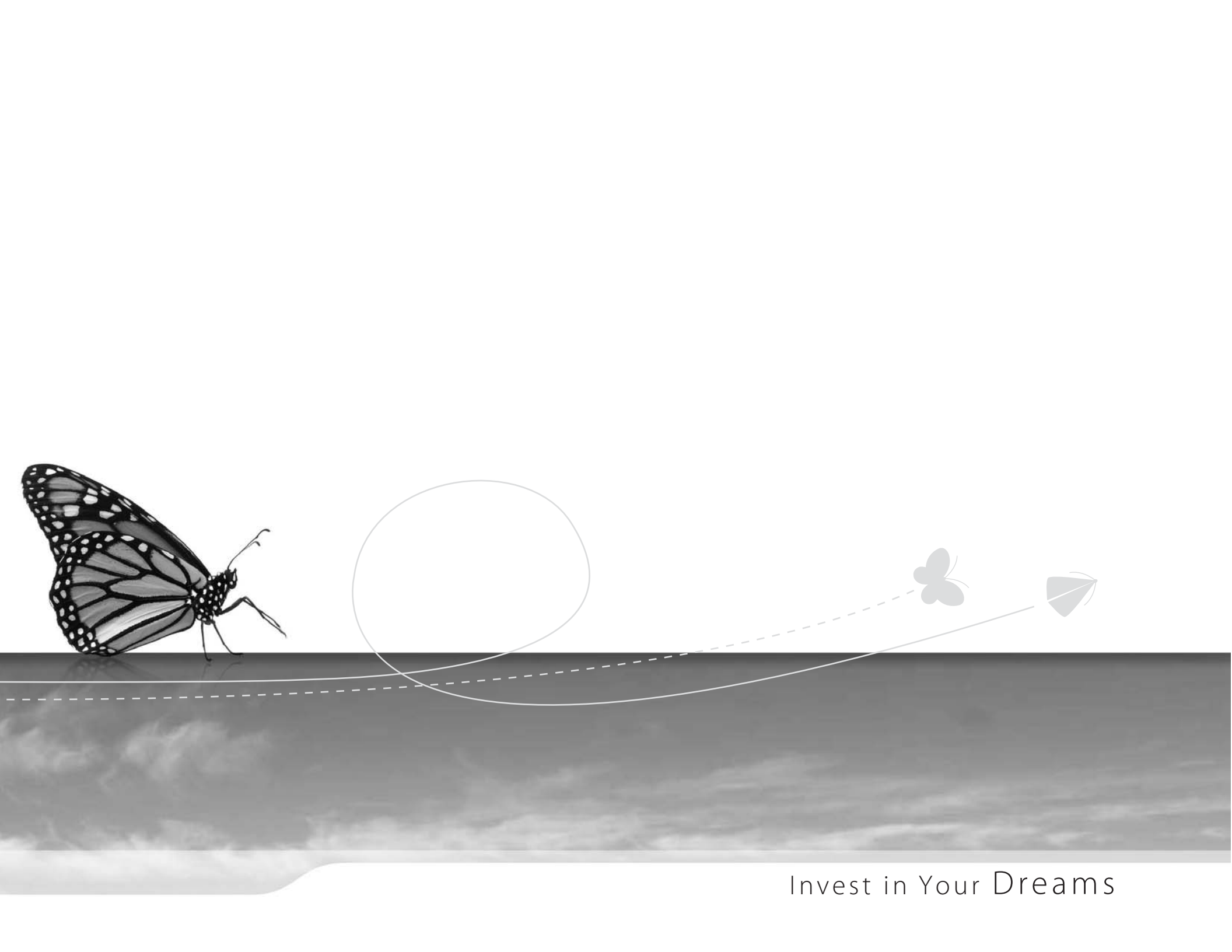


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Invest in Your Dreams

Head Office- Karachi

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

Savings Center- Karachi

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

SITE Office- Karachi

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

Landhi Office- Karachi

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

Hyderabad Office

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

Savings Center - Lahore

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

Multan Office

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

Faisalabad Office

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

Rawalpindi Office

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

Savings Center- Islamabad

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

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