



Atlas Pension Fund
Atlas Pension Islamic Fund
ANNUAL REPORT

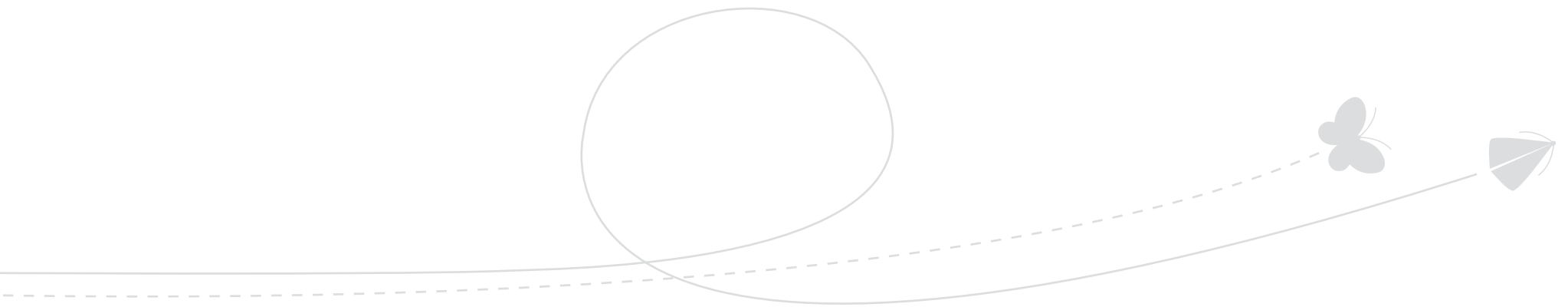
30 June 2021



Managed By

Atlas Asset Management

Rated AM2+ by PACRA
(as of December 24, 2020)



MANAGING TO THE CORE!

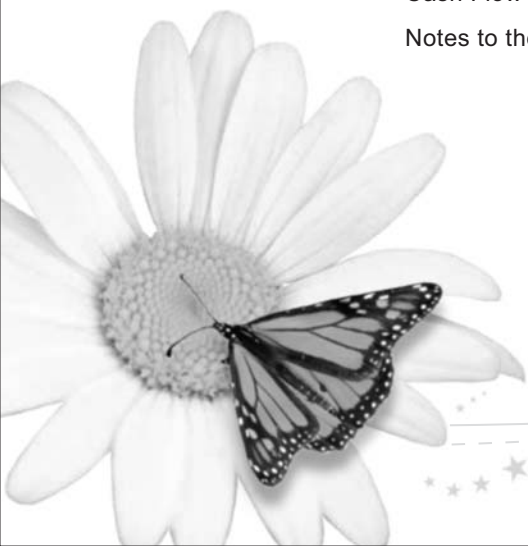
Even the most seemingly diminutive of creatures, hold for us an education. They exhibit qualities of organization that are indeed inspirational. Planning, teamwork and controlling are attributes of a successful and solid organizational structure. At Atlas Funds these elements form the core of our institution.

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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). SECP also issued licenses to the Company to carry out REIT Management Services, Private Equity and Venture Capital Fund Management Services, under rule 5 of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003. 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 | Pension Funds | Investment Advisory Services | Private Equity | REIT

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

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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, Karachi Chamber of Commerce & Industry (KCCI) and Pakistan Japan Business Forum. He is also serving on the Board of the Forman Christian College, Ghulam Ishaq Khan Institute of Engineering Science and Technology, British Overseas Association and Employers Federation of Pakistan. He was also a member of the Aga Khan Resource Development Committee and life member of Federation of Pakistan Chambers of Commerce & Industry (FPCCI). 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 University (formerly College of Notre Dame), USA.

Mr. Frahim Ali Khan

Director

Mr. Frahim 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 joined the Atlas Group in 1967 and has served in different positions. He has over 50 years of experience in General Management, Finance, Investment and Taxation.

He is currently Group Director Financial Affairs and Legal Matters. His other directorships include Atlas Insurance Limited, Atlas Asset Management Limited, Atlas Engineering (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Atlas Power Limited, Atlas Energy Limited, Zhenfa Pakistan New Energy Company Limited, Shirazi Trading Company (Private) Limited, Shirazi Investments (Private) Limited, and Atlas Foundation.

Earlier, he has also served on Atlas Honda Limited and Atlas Battery Limited boards and has been C.E.O of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management and former Atlas Investment Bank Limited.

Mr. M. Habib-ur-Rahman

Director

Mr. M. Habib-ur-Rahman is a fellow of the Institute of Chartered Accountants in England & Wales. He has attended management level programme (PMD) at Harvard Business School.

Mr. Habib-ur-Rahman has a long association with Mutual Fund Industry. He held the position of General Manager Finance & Investment with National Investment Trust Limited. He was NIT nominee director on the Board of Karachi Stock Exchange and various listed companies. He worked for NIT for eleven years from 1971 to 1981 and then left NIT to join motorcycle industry, Atlas Honda Limited, where he worked for fourteen years initially as Director Finance and then as Resident Director in-charge Finance, Administration and Production. In 1995 he returned to mutual funds industry. He played an instrumental role in setting ABAMCO Limited that was the first asset management company in the private sector in Pakistan. ABAMCO was initially established as a joint venture among a leading brokerage house in Pakistan, IFC and an asset management company in US. Mr. Habib-ur-Rahman was its chief executive from 1995 to 2003. He was the Chief Executive Officer of Atlas Asset Management Limited from March 2004 till March 2018. He is a founding member and past Chairman/ Director of the Mutual Funds Association of Pakistan (MUFAP). The foundation of MUFAP was laid in 1995. Mr. Habib ur Rahman was Securities and Exchange Commission of Pakistan (SECP) nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003. He was 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 Committee (appointed in 2013) to review the 2008 financial crisis in capital market in Pakistan. Presently he also holds directorships in 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 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 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, 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 and its predecessor companies (CIGNA and ACE) in 1990, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and with 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 has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan, the Executive Committee of The American Business Council and the Managing Committee of the Overseas Investors Chamber of Commerce & Industry.

Ms. Naqvi has represented the Insurance Association of Pakistan, on the Council of Pakistan Insurance Institute and was Chairperson of the Institute for the term of 2016. She has been a visiting faculty member at the Institute.

Ms. Naqvi has served as an Independent Director on the Board of Abbott Laboratories (Pakistan) Limited. She presently serves as a Non-Executive Director on the Board of Chubb Insurance Pakistan Limited, as an Independent Director on the Boards of Attock Petroleum Limited and IGI Life Insurance Limited.

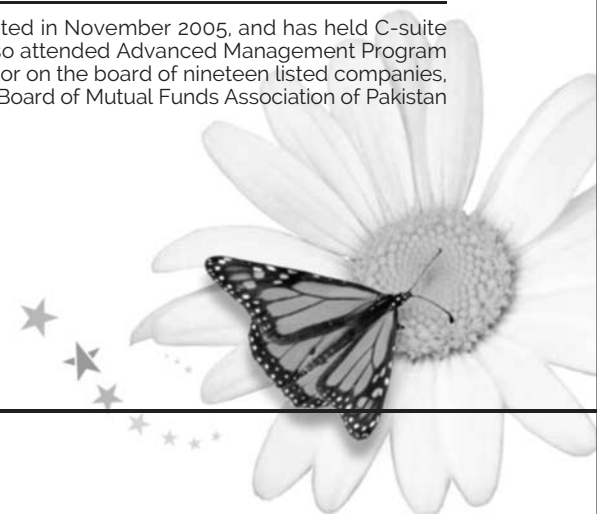
Mr. Muhammad Abdul Samad

Chief Executive Officer

Mr. Muhammad Abdul Samad has a vast experience of local investment management industry. He joined Atlas Asset Management Limited in November 2005, and has held C-suite positions for over a decade, including the Chief Investment Officer and Chief Operating Officer positions. He is a 'Certified Director' and also attended Advanced Management Program at INSEAD Fontainebleau, France on nomination by the Atlas Group. 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!

Growth | Returns | Tax Savings



Chairman's Review

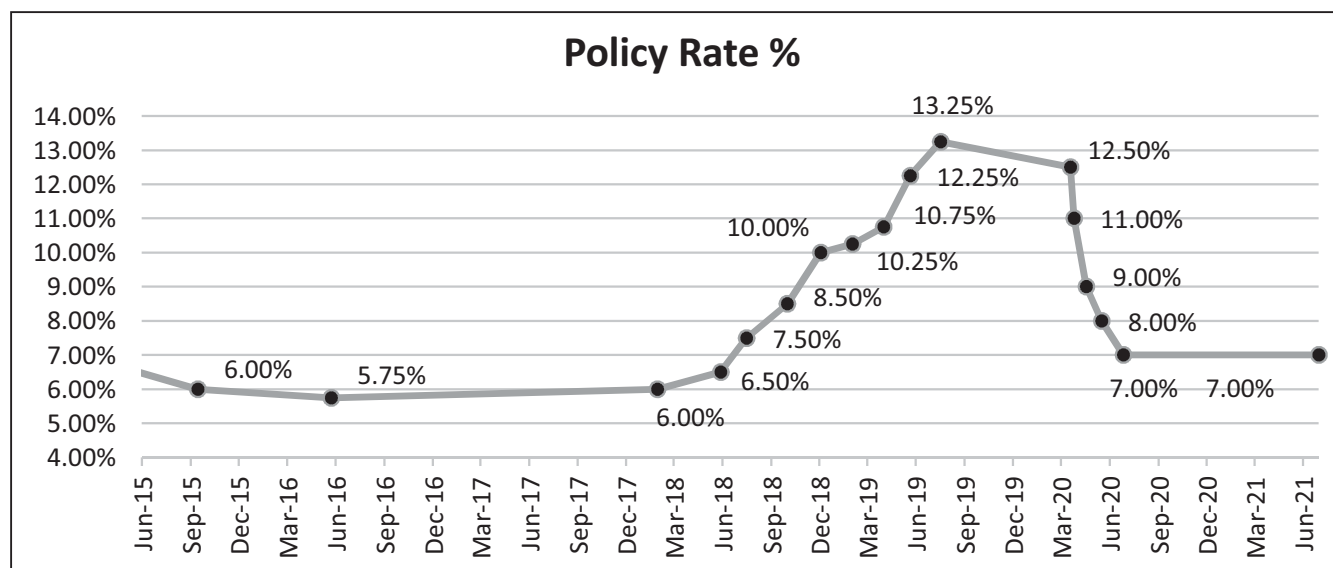
It is my pleasure to present you the Annual Reports of Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF) for the financial year ended June 30, 2021.

THE ECONOMY

After witnessing unprecedented challenges in past two years on account of COVID outbreak and macroeconomic stabilization, the economy made sharp recovery in FY21 by posting GDP growth of 3.94% compared to a negative growth of 0.47% in FY20. Economy progressed towards sustainable growth on the back of government's implementation of Rs. 1,240 billion economic stimulus package, SBP's accommodative monetary policy, targeted financial support to public/industries, and ongoing IMF program. During FY21, CAD reduced by 58.37% to US \$1.85 billion compared to US \$4.45 billion in FY20, largely on the back of 26.98% increase in FY21 Worker's Remittances of US \$29.37 billion compared to US \$23.13 billion in FY20. During FY21, Imports and Exports increased by 26.60% and 18.28% to stand at US \$56.41 billion and US \$25.30 billion, respectively. Total liquid Foreign Exchange Reserves increased by 29.18% YoY to US \$24.40 billion as of June 30, 2021 (SBP's share stood at US \$17.30 billion) primarily due to decline in CAD, stark growth in Worker's Remittances, inflows from Multilateral and Bilateral lenders for budgetary support and approval of debt suspension as part of G-20 debt relief deal. Average CPI inflation remained at 8.90% in FY21, within SBP's projected range of 7.00% to 9.00%. The State Bank maintained policy rate at 7.00% throughout FY21 in order to help economy regain growth momentum and ensure liquidity support to households and businesses.

THE MONEY MARKET

SBP maintained policy rate at 7.00% with objective to stimulate economy and boost investor/consumer confidence, given the enforcement of sporadic lockdowns due to third and fourth wave of pandemic. Going forward, change in monetary policy stance may be witnessed if demand side pressures emerge. The Consumer Price Index (CPI) Inflation averaged at 8.90% during FY21 compared to 10.74 % in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation.



The growth in money supply (M2) witnessed an increase of 13.68% during 2020-21 that is Rs. 2,859 billion against an expansion of 15.74% (Rs. 2,801 billion) in 2019-20. Net Foreign Assets (NFA) increased by Rs. 1,008 billion during 2020-21 compared to an increase of Rs. 991 billion in 2019-20.

Net Domestic Asset (NDA) of banking system declined by 12.61% or Rs. 1,851 billion during 2020-21 against a decline of 31.60% or Rs. 2,118 billion during 2019-20. Credit to private sector increased by Rs. 595 billion in FY20 due to high working capital requirement of corporate sector and a surge in consumer financing.

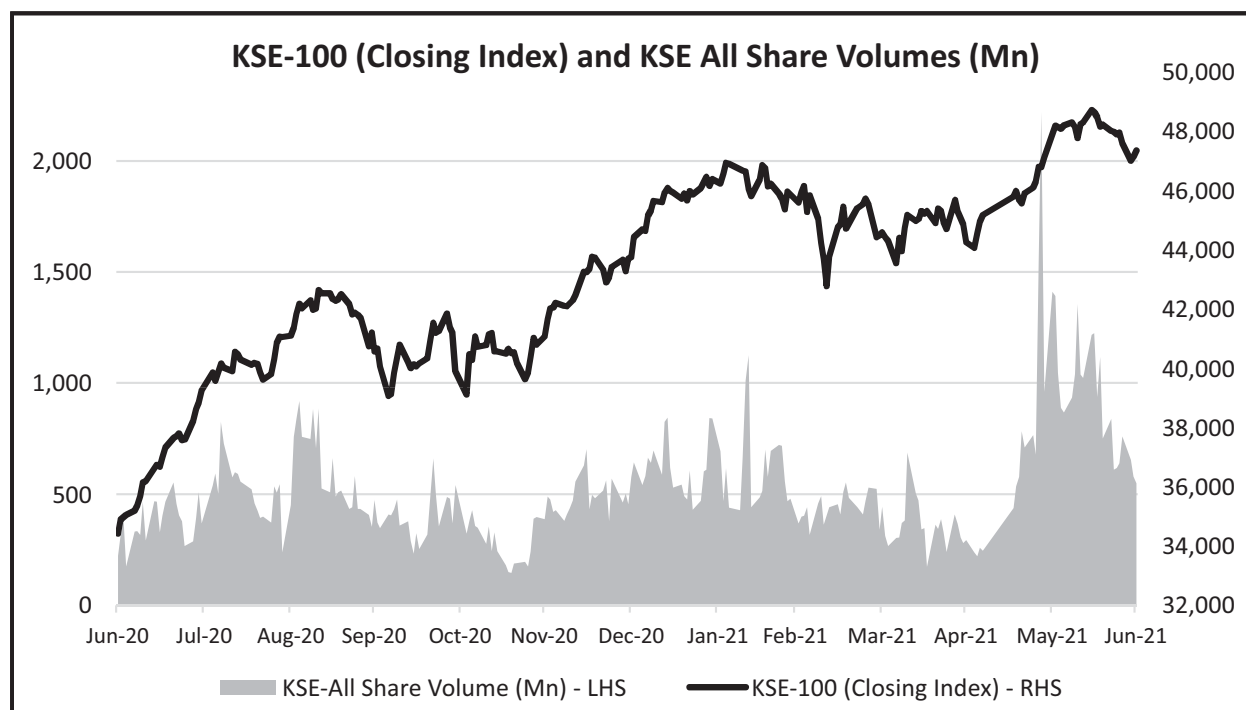
THE STOCK MARKET

The KSE-100 index increased 37.58% from 34,421.92 points as on June 30, 2020 to 47,356.02 points as on June 30, 2021. The daily average volume during 2020-21 increased by 168.80% to 528 million shares compared to daily average of 196 million shares traded in 2019-20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.

During FY21, sectors that outperformed benchmark KSE-100 index were Technology & Communication, Refinery, Engineering, Cement, Textile Composite and Automobile Assembler that posted 196.40%, 161.10%, 98.10%, 74.90%, 54.90% and 47.20% returns, respectively. Sectors that underperformed KSE-100 index were Power Generation & Distribution Companies, Chemical, Oil & Gas Marketing Companies, Commercial Banks, Fertilizer and Oil & Gas Exploration Companies that posted 32.30%, 29.20%, 22.80%, 21.80%, 7.10% and -1.00% returns, respectively.

During the year, new listings on the stock exchange were The Organic Meat Company Limited, TPL Trakker Limited, Agha Steel Industries Limited, Panther Tyres Limited and Service Global Footwear Limited. The amounts raised through IPO by aforementioned companies were Rs. 800 million, Rs. 802 million, Rs. 3,840 million, Rs. 2,632 million and Rs. 2,175 million, respectively. During FY20, no new listings were made on the stock exchange.

The government's FY22 budget is focused on achieving inclusive and sustainable growth. Key budgetary measures include increased development expenditure as well as reduced regulatory duties, custom duties, FED and sales tax on import of raw materials and capital goods. These measures will directly benefit construction and allied industries, as well as export-oriented industries. The FY22 target for growth is set at 4.8% and is focused on striking a balance between COVID related expenditure, controlling fiscal deficit, keeping primary balance at sustainable level, successful continuation of IMF program and keeping development expenditure at sufficient level to support economic activity. The government has budgeted FY22 tax collection (FBR) at Rs. 5,829 billion and expects to achieve it by broadening tax base, strengthening administrative controls and incentivizing economic activity.



TAXATION - VOLUNTARY PENSION SYSTEM

SINDH WORKER'S WELFARE FUND (SWWF)

Levy of WWF has become provincial subject and as Sindh Government has imposed SWWF on industrial, service sectors and financial institutions. Sindh Revenue Board (SRB) has demanded SWWF from mutual funds claiming that these are "financial institutions". According to legal and tax advisors' interpretations, obtained by MUFAP, mutual funds do not fall under the definition of "financial institutions". The Companies Act 2017 has also excluded mutual funds from the definition of financial institutions. However, asset management companies are included in the definition of financial institutions. Nevertheless, as abundant precaution mutual funds made provision in respect of SWWF as recommended by MUFAP from the date of enactment (May 21, 2015) of Sindh Workers Welfare Fund Act, 2014.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds and pension funds do not qualify as Financial Institutions/ Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognized in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognized in the financial statements of the Funds.

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

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 (SCP) 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.

Mutual Funds are exempt from income tax on their Income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). However, in assessment for TY 2018, the said exemption has been denied by The Additional Commissioner Audit (AC) in case of Atlas Income Fund & other Funds of various AMC's, on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be

treated as distribution of income and commented that the distribution by the Fund fell short of 90% threshold. The issue was taken to Commissioner Appeal's office, which upheld the AC decision, later subject matter was taken in Tribunal, which is pending adjudication. Further, the issue of distribution of income is also being contested by MUFAP on behalf of the mutual funds industry at various regulatory and Government levels and are very hopeful that the matter will be resolved soon as the matter has merely arisen due to incorrect interpretation by the relevant commissioners as to what construes as distribution of profit by an open-ended mutual fund. SECP agrees with MUFAP's interpretation and is also actively following up with FBR to resolve the matter at the earliest.

FUND OPERATIONS - ATLAS PENSION FUND (APF)

The Net Asset Value of APF - Equity Sub Fund increased by 41.08% from Rs. 438.49 as on June 30, 2020 to Rs. 618.63 as on June 30, 2021. APF - Equity Sub Fund exposure in equity stood at 97.87% that mainly comprised of Commercial Banks, Cement, Oil & Gas Exploration and Power Generation & Distribution sectors. The Net Asset Values of APF - Debt Sub Fund and APF - Money Market Sub Fund increased by 6.23% and 6.20% during the period under review, respectively. The APF - Debt Sub Fund had 44.28% in Banks, 42.22% exposure in Pakistan Investment Bonds, 6.73% in Sukuks, 2.46% in Term Finance Certificates, 2.31% in Others and 2.00% in Commercial Paper. The APF-Money Market Sub Fund had 94.90% in high yielding Bank Deposits, 3.49% exposure in Commercial Papers and 1.61% in Others. The Net Assets of APF stood at Rs. 1.61 billion as of June 30, 2021.

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 7,608,220 (Rs. 8.17 per unit) (ESF), Rs. 3,783,378 (Rs. 2.59 per unit) (DSF) and Rs. 2,864,215 (Rs. 1.57 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, 2021 which is Rs. 1.64, Rs. 0.77, Rs. 0.39 per unit as on June 30, 2021, respectively.

FUND OPERATIONS - ATLAS PENSION ISLAMIC FUND (APIF)

The Net Asset Value of APIF - Equity Sub Fund increased by 40.22% from Rs. 534.01 as on June 30, 2020 to Rs. 748.80 as on June 30, 2021. APIF - Equity Sub Fund exposure in equity stood at 96.37% that mainly comprised of Cement, Oil & Gas Exploration, Islamic Commercial Banks and Fertilizer sectors. The Net Asset Values of APIF -Debt Sub Fund and APIF - Money Market Sub Fund increased by 5.72% and 5.36% during the period under review, respectively. The APIF - Debt Sub Fund had 50.03% exposure in high yielding Islamic Bank Deposits, 26.17% in Ijarah Sukuk, 13.38% in Corporate Sukuks, 6.18% in others and 4.24% in Commercial Papers. The APIF - Money Market Sub Fund had 82.62% exposure in Islamic Bank Deposits, 10.74% in Ijarah Sukuk, 4.17% in Commercial Papers and 2.47% in others. The Net Assets of APIF stood at Rs. 1.61 billion as of June 30, 2021.

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 6,817,939 (Rs. 8.82 per unit) (ESF), Rs. 2,666,132 (Rs.1.47 per unit) (DSF) and Rs. 2,568,708 (Rs. 1.18 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, 2021 which is Rs. 2.08, Rs. 0.58, Rs. 0.30 per unit as on June 30, 2021, 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

In FY22, economic growth is expected to pick up further from 3.94% (FY21) to 4.00% - 5.00% range taking support from measures announced in 2021-22 budget, accommodative monetary conditions, disbursements under SBP's TERF facility for investment and other refinance facilities. Downside risks to growth stems from resurgence of COVID cases associated with new strains of the virus both globally and domestically. Imports are expected to grow on the back of domestic recovery and rebound in global commodity prices whereby market-based flexible exchange rate system, strong inflows from Worker's Remittances, improving outlook for Exports and appropriate macroeconomic policies will likely contain the Current Account Deficit in a sustainable range of 2.00% - 3.00% of GDP in FY22. Foreign Exchange Reserves will likely continue to improve in FY22 due to adequate availability of external financing and IMF's new SDR allocation of US \$2.80 billion. Inflation is expected to range between 7.00% - 9.00% in FY22. The Monetary Policy Committee expects policy stance to remain accommodative in near term. In case of emergence of demand-led inflationary pressures or current account vulnerabilities, adjustments in policy rate will be made in order to achieve mildly positive real interest rates. 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.

روشن شَرِ ریتشہ سے ہے خانہء فرہاد!

Hard work always pays rich tribute

ACKNOWLEDGEMENT

I would like to thank the Securities and Exchange Commission of Pakistan and other Regulatory Bodies, the Board of Directors, and the Group Executive Committee for their help 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: 6 September 2021

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 2021.

FUND SIZE AND OPERATIONS

The Fund sizes, earnings per unit (EPU), and summary of issuance and withdrawal of units of the APF and APIF for the year ended 30 June 2021 in comparison to the year ended 30 June 2020 are as follows:

Atlas Pension Fund (APF)

Particulars	APF - Equity Sub Fund		APF - Debt Sub Fund		APF - Money Market Sub Fund	
	2021	2020	2021	2020	2021	2020
Net assets - Rs. million	575.94	528.70	481.87	421.75	553.53	456.68
Earnings / (loss) per unit - Rs.	215.93	40.19	27.72	39.69	17.93	27.19
Return	41.08%	6.44%	6.23%	19.07%	6.20%	12.40%
Issuance of units - Rs. Million	100.99	127.43	127.80	44.98	311.40	91.68
Redemption of units - Rs. Million	254.79	34.02	94.10	75.85	246.06	36.40
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	
	2021	2020	2021	2020	2021	2020
Net assets - Rs. million	578.80	438.47	455.67	446.99	577.30	505.44
Earnings / (loss) per unit - Rs.	222.97	51.20	13.55	21.26	12.28	22.24
Return	40.22%	8.38%	5.72%	9.90	5.36%	9.81
Issuance of units - Rs. Million	150.60	104.65	168.81	128.56	215.56	178.14
Redemption of units - Rs. Million	182.62	89.88	185.86	94.10	171.24	103.41
Participants' contribution table - disclosure in financial statements	Note 18	Note 17	Note 18	Note 17	Note 18	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 therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.
- Key Financial data/ performance table is summarized in notes 21 and 22 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. Iftikhar 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.

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. Iftikhar H. Shirazi	Chairman	6	6
2	Mr. Tariq Amin	Independent Director	6	6
3	Mr. Frahim Ali Khan	Non-Executive Director	6	6
4	Mr. M. Habib-ur-Rahman	Non-Executive Director	6	6
5	Mr. Ali H. Shirazi	Non-Executive Director	6	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	3
3	Mr. M. Habib -ur-Rahman	Non-Executive Director	4

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

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

- **Investment Committee** - fifty two meetings were held during the year and attended as follows:

Serial no.	Name of Director	Status	Meetings attended
1	Mr. Ali H. Shirazi	Non-Executive Director	21
2	Mr. M. Abdul Samad	Chief Executive Officer	47
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	52
5	Mr. Fawad Javaid (executive management)	Head of Fixed Income -Member IC	52
6	Mr. Faran-ul-Haq (executive management)	Head of Equities -Secretary IC	50

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 ShariahNon 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) [2020: AM2+ (AM Two Plus)] on 24 December 2020. 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 01 September 2021, 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 2022. 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: 6 September 2021

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 out performance and that active portfolio management can produce consistently superior results than those produced through passive management. Fundamental analysis is used to identify overall portfolio, sectors, yield curve and credit positioning to provide sustainable rates of return.

THE STOCK MARKET

The KSE-100 index increased 37.58% from 34,421.92 points as on June 30, 2020 to 47,356.02 points as on June 30, 2021. The daily average volume during FY21 increased by 168.80% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.

THE MONEY MARKET

SBP maintained policy rate at 7.00% with objective to stimulate economy and boost investor/consumer confidence, given the enforcement of sporadic lockdowns due to third and fourth wave of pandemic. Going forward, change in monetary policy stance may be witnessed if demand side pressures emerge. The Consumer Price Index (CPI) Inflation averaged at 8.90% during FY21 compared to 10.74 % in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation. The growth in money supply (M2) witnessed an increase of 13.68% during FY21 that is Rs. 2,859 billion against an expansion of 15.74% (Rs. 2,801 billion) in FY20. Net Foreign Assets (NFA) increased by Rs. 1,008 billion during FY21 compared to an increase of Rs. 991 billion in FY20. Net Domestic Asset (NDA) of banking system declined by 12.61% or Rs. 1,851 billion during FY21 against a decline of 31.60% or Rs. 2,118 billion during FY20. Credit to private sector increased by Rs. 595 billion in FY21 due to high working capital requirement of corporate sector and a surge in consumer financing.

FUND OPERATIONS

The Net Asset Value of APF - Equity Sub Fund increased by 41.08% from Rs. 438.49 as on June 30, 2020 to Rs. 618.63 as on June 30, 2021. APF - Equity Sub Fund exposure in equity stood at 97.87% that mainly comprised of Commercial Banks, Cement, Oil & Gas Exploration and Power Generation & Distribution sectors. The Net Asset Values of APF - Debt Sub Fund and APF - Money Market Sub Fund increased by 6.23% and 6.20% during the period under review, respectively. The APF - Debt Sub Fund had 44.28% in Banks, 42.22% exposure in Pakistan Investment Bonds, 6.73% in Sukuks, 2.46% in Term Finance Certificates, 2.31% in Others and 2.00% in Commercial Paper. The APF-Money Market Sub Fund had 94.90% in high yielding Bank Deposits, 3.49% exposure in Commercial Papers and 1.61% in Others. The Net Assets of APF stood at Rs. 1.61 billion as of June 30, 2021.

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 7,608,220 (Rs. 8.17 per unit) (ESF), Rs. 3,783,378 (Rs. 2.59 per unit) (DSF) and Rs. 2,864,215 (Rs. 1.57 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, 2021 which is Rs. 1.64, Rs. 0.77, Rs. 0.39 per unit as on June 30, 2021, 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 2020-21
High Volatility	80%	20%	Nil	34.11%
Medium Volatility	50%	40%	10%	23.65%
Low Volatility	25%	60%	15%	14.94%
Lower Volatility	Nil	60%	40%	6.22%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return					
	FY16	FY17	FY18	FY19	FY20	FY21
High Volatility	5.18%	24.02%	-1.38%	-12.33%	8.96%	34.11%
Medium Volatility	5.98%	17.01%	1.04%	-4.87%	12.09%	23.65%
Low Volatility	6.71%	11.15%	3.04%	1.30%	14.91%	14.94%
Lower Volatility	7.02%	5.36%	5.12%	7.76%	16.4%	6.22%

During the year under review, the Investment Committee held fifty-two 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: 6 September 2021

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, 2021 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 30 September 2021

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS

We have audited the annexed financial statements comprising:

- i) statement of assets and liabilities;
- ii) income statement;
- iii) statement of comprehensive income;
- iv) statement of movement in participants' sub-funds; and
- v) cash flow statement

of **Atlas Pension Fund** (the Fund) as at 30 June 2021 and for the year ended 30 June 2021 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 2021 and of the transactions of the Fund for the year ended 30 June 2021;
- 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) Zakat deductible at source under the Zakat and Usher Ordinance, 1980 was deducted by the Fund and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

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

Date: 20 September 2021

Karachi

EY Ford Rhodes
Chartered Accountants
Engagement Partner: Arslan Khalid

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021

2021							2020						
	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	4	4,533,334	216,057,910	530,432,461	484,793	26,524,242	778,032,740	11,050,119	10,302,650	119,209,917	457,060	5,985,425	147,005,171
Receivable against sale of investments		-	-	-	-	-	-	1,653,899	-	-	-	-	1,653,899
Investments - net	5	613,594,140	260,615,931	19,519,149	-	-	893,729,220	501,754,810	426,053,811	344,328,617	-	-	1,272,137,238
Dividend receivable		-	-	-	-	-	-	900	-	-	-	-	900
Interest accrued	6	46,029	5,420,579	1,251,445	-	-	6,718,053	-	6,153,493	-	-	-	6,153,493
Receivable against sale of units		7,290,611	3,617,781	6,748,777	-	-	17,657,169	23,024,601	7,703,398	11,757,556	-	-	42,485,555
Security deposit and other receivables	7	1,458,808	2,243,549	988,251	61,418	-	4,752,026	1,416,224	1,986,751	1,520,198	61,418	-	4,984,591
Total assets		626,922,922	487,955,750	558,940,083	546,211	26,524,242	1,700,889,208	538,900,553	452,200,103	476,816,288	518,478	5,985,425	1,474,420,847
LIABILITIES													
Payable against redemption of units		40,355,288	438,535	1,005,400	-	-	41,799,223	825,552	25,528,320	16,429,242	-	-	42,783,114
Payable against purchase of investments		-	-	-	-	-	-	2,963,210	-	-	-	-	2,963,210
Payable to the Pension Fund Manager	8	2,620,312	1,611,217	1,064,245	238,537	-	5,534,311	2,447,764	1,595,365	1,024,050	238,537	-	5,305,716
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	76,010	55,510	65,680	-	-	197,200	66,703	54,797	57,307	-	-	178,807
Payable to the Securities and Exchange Commission of Pakistan	10	146,660	108,429	130,197	-	-	385,286	121,653	122,388	111,296	-	-	355,337
Unallocated profit		-	-	-	185,365	-	185,365	-	-	-	157,632	-	157,632
Payable to Sub-Funds		-	-	-	-	22,700,148	22,700,148	-	-	-	-	5,604,463	5,604,463
Accrued expenses and other liabilities	11	7,786,791	3,871,840	3,144,509	122,309	3,824,094	18,749,543	3,777,137	3,145,245	2,509,555	122,309	380,962	9,935,208
Total liabilities		50,985,061	6,085,531	5,410,031	546,211	26,524,242	89,551,076	10,202,019	30,446,115	20,131,450	518,478	5,985,425	67,283,487
NET ASSETS		575,937,861	481,870,219	553,530,052	-	-	1,611,338,132	528,698,534	421,753,988	456,684,838	-	-	1,407,137,360
REPRESENTED BY:													
PARTICIPANTS' SUB-FUNDS (as per statement attached)		575,937,861	481,870,219	553,530,052	-	-	1,611,338,132	528,698,534	421,753,988	456,684,838	-	-	1,407,137,360
NUMBER OF UNITS IN ISSUE	12	930,988	1,460,375	1,829,886	-			1,205,734	1,357,820	1,603,416	-		
NET ASSET VALUE PER UNIT		618.63	329.96	302.49	-			438.49	310.61	284.82	-		
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 2021

		2021					2020				
		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	579,386	38,859,127	37,334,243	27,733	76,800,489	1,199,292	54,297,389	47,610,137	48,232	103,155,050
Dividend income		32,362,278	-	-	-	32,362,278	22,022,322	-	-	-	22,022,322
Realised gain on sale of investments at fair value through profit or loss - net		93,925,282	-	-	-	93,925,282	29,180,103	-	-	-	29,180,103
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		90,487,026	-	-	-	90,487,026	6,252,606	-	-	-	6,252,606
		184,412,308	-	-	-	184,412,308	35,432,709	-	-	-	35,432,709
Realised gain on sale / maturity of 'fair value through other comprehensive income investments' - net			7,386,703	449,473	-	7,836,176	-	5,686,956	329,360	-	6,016,316
		217,353,972	46,245,830	37,783,716	27,733	301,411,251	58,654,323	59,984,345	47,939,497	48,232	166,626,397
EXPENSES											
Remuneration of Pension Fund Manager	8.1	8,799,586	3,252,877	2,603,951	-	14,656,414	6,377,384	3,187,473	1,933,218	-	11,498,075
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	1,143,946	422,874	338,514	-	1,905,334	829,067	414,375	251,308	-	1,494,750
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	9.1	776,932	574,607	689,606	-	2,041,145	596,363	597,196	543,241	-	1,736,800
Sindh Sales tax on Trustee Fee	9.2	101,001	74,699	89,648	-	265,348	77,531	77,653	70,620	-	225,804
Annual fee - Securities and Exchange Commission of Pakistan		146,660	108,429	130,197	-	385,286	121,653	122,388	111,296	-	355,337
Auditors' remuneration	16	119,909	69,437	101,502	-	290,848	91,988	90,628	95,140	-	277,756
Legal and professional charges		138,413	143,003	45,103	-	326,519	121,040	130,220	50,260	-	301,520
Securities' transaction cost and settlement charges		950,715	280,280	292,280	-	1,523,275	955,188	368,261	367,428	-	1,690,877
Bank charges		41,399	5,226	10,098	-	56,723	39,448	9,627	28,165	-	77,240
Provision for Sindh Workers' Welfare Fund	11.1	4,102,710	826,288	669,657	-	5,598,655	988,893	1,099,730	889,776	-	2,978,399
		16,321,271	5,757,720	4,970,556	-	27,049,547	10,198,555	6,097,551	4,340,452	-	20,636,558
Net income for the year		201,032,701	40,488,110	32,813,160	27,733	274,361,704	48,455,768	53,886,794	43,599,045	48,232	145,989,839
Earnings per unit	3.9	215.93	27.72	17.93	-		40.19	39.69	27.19	-	

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 2021

	2021					2020					
	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 for the year	201,032,701	40,488,110	32,813,160	27,733	274,361,704	48,455,768	53,886,794	43,599,045	48,232	145,989,839	
Income that may be re-classified subsequently to Income Statement											
Net unrealised (diminution)/appreciation on re-measurement of investments classified as 'fair value through other comprehensive income'	17	-	(14,066,322)	(1,309,546)	-	(15,375,868)	-	20,911,034	1,333,779	-	22,244,813
Total comprehensive income for the year	201,032,701	26,421,788	31,503,614	27,733	258,985,836	48,455,768	74,797,828	44,932,824	48,232	168,234,652	

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 2021

	Note	2021					2020				
		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		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
Issue of units											
- Directly by participants	18	100,994,486	127,798,771	311,404,642	-	540,197,899	127,425,545	44,977,771	91,681,053	-	264,084,369
Redemption of units											
- Directly by participants	12	(253,536,648)	(92,633,692)	(88,380,263)	-	(434,550,603)	(34,012,359)	(75,491,457)	(35,340,111)	-	(144,843,927)
- Transfer to other Pension Fund	12	(1,251,212)	(1,470,637)	(157,682,787)	-	(160,404,636)	(11,793)	(361,326)	(1,063,135)	-	(1,436,254)
		(254,787,860)	(94,104,329)	(246,063,050)	-	(594,955,239)	(34,024,152)	(75,852,783)	(36,403,246)	-	(146,280,181)
Net other income for the year		107,107,419	33,101,407	32,363,687	-	172,572,513	19,275,665	48,199,838	43,269,685	-	110,745,188
Capital gain on sale of investments at fair value through profit or loss - net		93,925,282	-	-	-	93,925,282	29,180,103	-	-	-	29,180,103
Gain on sale / maturity of 'fair value through other comprehensive income investments' - net		-	7,386,703	449,473	-	7,836,176	-	5,686,956	329,360	-	6,016,316
Net unrealised appreciation on re-measurement of investments classified as 'fair value through other comprehensive income'		-	(14,066,321)	(1,309,538)	-	(15,375,859)	-	20,911,034	1,333,779	-	22,244,813
Total comprehensive income for the year		201,032,701	26,421,789	31,503,622	-	258,958,112	48,455,768	74,797,828	44,932,824	-	168,186,420
Net assets at end of the year		575,937,861	481,870,219	553,530,052	-	1,611,338,132	528,698,534	421,753,988	456,684,838	-	1,407,137,360

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 2021

	2021						2020					
	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 for the year	201,032,701	40,488,110	32,813,160	27,733	-	274,361,704	48,455,768	53,886,794	43,599,045	48,232	-	145,989,839
Adjustments for:												
Interest income	(579,386)	(38,859,127)	(37,334,243)	-	-	(76,772,756)	(1,199,292)	(54,297,389)	(47,610,137)	(48,232)	-	(103,155,050)
Dividend income	(32,362,278)	-	-	-	-	(32,362,278)	(22,022,322)	-	-	-	-	(22,022,322)
Realised (gain) on sale of investments at fair value through profit or loss - net	-	-	-	-	-	-	(29,180,103)	-	-	-	-	(29,180,103)
Realised gain on sale / maturity of fair value through other comprehensive income investments - net	(93,925,282)	(7,386,703)	(449,473)	-	-	(101,761,458)	-	(5,686,956)	(329,360)	-	-	(6,016,316)
Net unrealised (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss'	(90,487,026)	-	-	-	-	(90,487,026)	(6,252,606)	-	-	-	-	(6,252,606)
Provision for Sindh Workers' Welfare Fund	(4,102,710)	(826,288)	(669,657)	-	-	(5,598,655)	(988,893)	1,099,730	889,776	-	-	1,000,613
	(20,423,981)	(6,584,008)	(5,640,213)	27,733	-	(32,620,469)	(11,187,448)	(4,997,821)	(3,450,676)	-	-	(19,635,945)
Decrease / (Increase) in assets												
Receivable against sale of investments	1,653,899	-	-	-	-	1,653,899	(197,800)	-	-	-	-	(197,800)
Security deposit and other receivables	(42,584)	(256,798)	531,947	-	-	232,565	(500,000)	(1,300,000)	(1,300,034)	-	54,287	(3,045,747)
	1,611,315	(256,798)	531,947	-	-	1,886,464	(697,800)	(1,300,000)	(1,300,034)	-	54,287	(3,243,547)
Increase in liabilities												
Payable against redemption of units	39,529,736	(25,089,785)	(15,423,842)	-	-	(983,891)	736,491	25,201,171	15,867,856	-	-	41,805,518
Payable against purchase of investments	(2,963,210)	-	-	-	-	(2,963,210)	2,963,210	-	-	-	-	2,963,210
Payable to the Pension Fund Manager	172,548	15,852	40,195	-	-	228,595	195,456	29,295	45,636	-	-	270,387
Payable to Central Depository Company of Pakistan Limited - Trustee	9,307	713	8,373	-	-	18,393	14,763	1,399	8,801	-	-	24,963
Payable to the Securities and Exchange Commission of Pakistan	25,007	(13,959)	18,901	-	-	29,949	(7,035)	(6,819)	9,597	-	-	(4,257)
Unallocated profit	-	-	-	-	-	-	-	-	-	48,232	-	48,232
Payable to Sub-Funds	-	-	-	-	17,095,685	17,095,685	-	-	-	-	(6,576,864)	(6,576,864)
Accrued expenses and other liabilities	8,112,364	1,552,883	1,304,611	-	3,443,132	14,412,990	2,145,467	101,621	71,117	-	231,811	2,550,010
	44,885,752	(23,534,296)	(14,051,762)	-	20,538,817	27,838,511	6,048,352	25,326,667	16,003,007	48,232	(6,345,053)	41,081,205
Interest received	533,357	39,592,041	36,082,798	-	-	76,208,196	1,297,380	29,581,316	11,106,465	-	-	41,985,161
Dividend received	32,363,178	-	-	-	-	32,363,178	22,153,304	-	-	-	-	22,153,304
Investments made during the year	(466,035,261)	(1,113,837,033)	(1,616,759,302)	-	-	(3,196,631,596)	(463,597,833)	(1,403,669,992)	(3,043,644,156)	-	-	(4,910,911,981)
Investments sold / matured during the year	538,608,239	1,272,595,295	1,940,708,705	-	-	3,751,912,239	340,178,958	1,193,612,510	2,819,094,055	-	-	4,352,885,523
	105,469,513	198,350,303	360,032,201	-	-	663,852,017	(99,968,191)	(180,476,166)	(213,443,636)	-	-	(493,887,993)
Net cash generated from/ (used in) operating activities (carried forwarded)	131,542,599	167,975,201	340,872,173	27,733	20,538,817	660,956,523	(105,805,087)	(161,447,320)	(202,191,339)	48,232	(6,290,766)	(475,686,280)

CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED 30 JUNE 2021

	2021						2020					
	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 generated from / (used in) operating activities (brought forward)	131,542,599	167,975,201	340,872,173	27,733	20,538,817	660,956,523	(105,805,087)	(161,447,320)	(202,191,339)	48,232	(6,290,766)	(475,688,280)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts on issue of units - Directly by participants	116,728,476	131,884,388	316,413,421	-	-	565,026,285	109,534,384	40,274,505	83,971,252	-	-	233,780,141
Payment on redemptions of units - Directly by participants	(253,536,648)	(92,633,692)	(88,380,263)	-	-	(434,550,603)	(34,012,359)	(75,491,457)	(35,340,111)	-	-	(144,843,927)
- Transfer to other Pension Fund	(1,251,212)	(1,470,637)	(157,682,787)	-	-	(160,404,636)	(11,793)	(361,326)	(1,063,135)	-	-	(1,436,254)
	(254,787,860)	(94,104,329)	(246,063,050)	-	-	(594,955,239)	(34,024,152)	(75,852,783)	(36,403,246)	-	-	(146,280,181)
Net cash (used in) / generated from financing activities	(138,059,384)	37,780,059	70,350,371	-	-	(29,928,954)	75,510,232	(35,578,278)	47,568,006	-	-	87,499,960
Net increase / (decrease) in cash and cash equivalents	(6,516,785)	205,755,260	411,222,544	27,733	20,538,817	631,027,569	(30,294,855)	(197,025,598)	(154,623,333)	48,232	(6,290,766)	(388,186,320)
Cash and cash equivalents at beginning 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
Cash and cash equivalents at end of the year	4,533,334	216,057,910	530,432,461	484,793	26,524,242	778,032,740	11,050,114	10,302,650	119,209,117	457,060	5,985,425	147,015,171

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 2021

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** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company had submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.6** 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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 1.8)

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.

- 1.7** 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.

1.8 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.

- 1.9** 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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

- Provisions of the Voluntary Pension System Rules, 2005 (The VPS Rules); and
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirement 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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these 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)
Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	01 January 2023

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

Standard	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 2023

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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund, taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 11.1, 7.1 and 8.3 respectively

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.

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 Fund 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

Business model assessment

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; 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 etc.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

'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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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. 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 2021

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 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income at the year end in order to avail this tax exemption. 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 2021

4 BANK BALANCES

		2021					2020						
		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		-	-	-	-	14,330,228	14,330,228	-	-	-	-	2,581,047	2,581,047
In savings accounts	4.2	4,533,334	216,057,910	530,432,461	484,793	12,194,014	763,702,512	11,050,119	10,302,650	119,209,917	457,060	3,404,378	144,424,124
		4,533,334	216,057,910	530,432,461	484,793	26,524,242	778,032,740	11,050,119	10,302,650	119,209,917	457,060	5,985,425	147,005,171

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

4.2 These carry interest at the rates ranging from 5.50% to 7.80% (30 June 2020: 4.00% to 7.80%) per annum.

		2021					2020				
		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	613,594,140	-	-	-	613,594,140	501,754,810	-	-	-	501,754,810
At fair value through other comprehensive income											
Treasury Bills	5.3	-	-	-	-	-	-	200,343,888	344,328,617	-	544,672,505
Term Finance Certificates	5.4	-	11,995,600	-	-	11,995,600	-	21,526,067	-	-	21,526,067
Sukuk Certificates	5.5	-	32,857,714	-	-	32,857,714	-	39,252,698	-	-	39,252,698
Pakistan Investment Bonds	5.6	-	206,003,315	-	-	206,003,315	-	164,931,158	-	-	164,931,158
Commercial paper	5.7	-	9,759,302	19,519,149	-	29,278,451	-	-	-	-	-
		-	260,615,931	19,519,149	-	280,135,080	-	426,053,811	344,328,617	-	770,382,428
		613,594,140	260,615,931	19,519,149	-	893,729,220	501,754,810	426,053,811	344,328,617	-	1,272,137,238

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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

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

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
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----- Number of shares ----- Rupees ----- % age -----

BANKS

Askari Bank Limited	-	220,000	-	25,500	194,500	4,345,204	4,420,985	0.73	0.77	0.0200
Bank Al Habib Limited	275,500	50,000	-	97,500	228,000	12,793,499	15,987,360	2.65	2.78	0.0200
Bank Alfalah Limited	139,320	170,000	-	309,320	-	-	-	-	-	-
Bankislami Pakistan Limited	499,600	-	-	499,600	-	-	-	-	-	-
Faysal Bank Limited	371,750	150,000	-	521,750	-	-	-	-	-	-
Habib Bank Limited	233,000	155,000	-	97,500	290,500	32,517,617	35,548,485	5.90	6.17	0.0200
Habib Metropolitan Bank Limited	300,000	198,000	-	25,000	473,000	15,523,742	19,203,800	3.19	3.33	0.0500
MCB Bank Limited	118,500	10,000	-	76,500	52,000	8,586,776	8,311,160	1.38	1.44	-
Meezan Bank Limited	182,940	110,000	15,644	60,000	248,584	20,199,417	28,689,079	4.76	4.98	0.0200
The Bank Of Punjab	720,000	134,000	-	854,000	-	-	-	-	-	-
United Bank Limited	143,060	202,800	-	55,000	290,860	32,603,187	35,543,092	5.90	6.17	0.0200
	2,983,670	1,399,800	15,644	2,621,670	1,777,444	126,569,442	147,703,961	24.51	24.87	

INSURANCE

Adamjee Insurance Company Limited	104,500	109,000	-	113,500	100,000	4,564,825	4,147,000	0.69	0.72	0.0300
EFU Life Assurance Limited	-	12,500	-	12,500	-	-	-	-	-	-
IGI Holdings Limited	-	30,000	-	-	30,000	5,756,750	5,806,800	0.96	1.01	0.0200
Jubilee Life Insurance Company Limited	-	16,300	-	10,000	6,300	2,235,432	2,108,925	0.35	0.37	0.0100
Pakistan Reinsurance Company Limited	71,500	30,000	-	-	101,500	2,578,375	2,469,495	0.41	0.43	0.0300
	176,000	197,800	-	136,000	237,800	15,135,382	14,532,220	2.41	2.53	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
<div>----- Number of shares ----- ----- Rupees ----- ----- % age -----</div>										
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	-	132,000	9,000	87,000	54,000	2,272,474	2,739,420	0.45	0.48	0.0105
Interloop Limited	-	130,000	-	48,000	82,000	5,807,025	5,742,460	0.95	1.00	0.0094
Kohinoor Textile Mills Limited	-	165,000	-	87,000	78,000	3,601,452	5,865,600	0.97	1.02	0.0261
Nishat (Chunian) Limited	-	70,000	-	70,000	-	-	-	-	-	-
Nishat Mills Limited	55,800	124,500	-	79,000	101,300	9,142,690	9,451,290	1.57	1.64	0.0288
	55,800	621,500	9,000	371,000	315,300	20,823,641	23,798,770	3.94	4.14	
CEMENT										
					-					
Attock Cement Pakistan Limited	41,500	44,000	-	60,600	24,900	3,723,005	4,477,518	0.74	0.78	0.0200
Bestway Cement Limited	14,700	-	-	-	14,700	1,598,331	2,374,344	0.39	0.41	-
Cherat Cement Company Limited	48,500	48,000	-	54,500	42,000	5,774,172	7,449,960	1.24	1.29	0.0200
D.G. Khan Cement Company Limited	62,000	40,000	-	16,000	86,000	8,762,684	10,141,120	1.68	1.76	0.0200
Fauji Cement Company Limited	5,000	400,000	-	45,000	360,000	7,798,366	8,280,000	1.37	1.44	0.0300
Gharibwal Cement Limited	100,000	150,000	-	250,000	-	-	-	-	-	-
Kohat Cement Company Limited	53,000	18,500	-	13,000	58,500	9,615,152	12,079,665	2.00	2.10	0.0300
Lucky Cement Limited	55,800	8,000	-	20,850	42,950	21,594,375	37,084,748	6.15	6.44	0.0100
Maple Leaf Cement Factory Limited	-	171,000	-	35,000	136,000	6,271,358	6,389,280	1.06	1.11	0.0100
Pioneer Cement Limited	255,000	-	-	255,000	-	-	-	-	-	-
	635,500	879,500	-	749,950	765,050	65,137,443	88,276,635	14.63	15.33	
POWER GENERATION AND DISTRIBUTION										
K-Electric Limited (Face value of Rs.3.5 per share)	343,000	400,000	-	-	743,000	2,762,430	3,105,740	0.52	0.54	0.0027
Kot Addu Power Company Limited	250,000	75,000	-	250,000	75,000	2,978,430	3,326,250	0.55	0.58	0.0085
Lalpir Power Limited	172,500	448,000	-	-	620,500	9,221,505	11,082,130	1.84	1.92	0.1634
Nishat Chunian Power Limited	72,500	-	-	72,500	-	-	-	-	-	-
Pakgen Power Limited	315,000	-	-	115,000	200,000	2,402,000	4,932,000	0.82	0.86	0.0538
The Hub Power Company Limited	475,565	15,000	-	157,000	333,565	24,361,588	26,575,124	4.41	4.61	0.0257
	1,628,565	938,000	-	594,500	1,972,065	41,725,953	49,021,244	8.14	8.51	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	----- Number of shares -----				----- Rupees -----		----- % age -----			
OIL AND GAS MARKETING COMPANIES										
Attock Petroleum Limited	7,500	-	-	7,500	-	-	-	-	-	-
Hi-Tech Lubricants Limited	75,000	65,000	-	140,000	-	-	-	-	-	-
	82,500	65,000	-	147,500	-	-	-	-	-	-
REFINERY										
Attock Refinery Limited	-	40,000	-	24,100	15,900	3,576,427	4,077,555	0.68	0.71	0.0149
National Refinery Limited	-	3,500	-	1,000	2,500	1,385,107	1,307,975	0.22	0.23	0.0031
	-	43,500	-	25,100	18,400	4,961,534	5,385,530	0.90	0.94	
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	21,267	2,000	-	5,680	17,587	22,374,629	26,809,447	4.45	4.65	0.0132
Oil & Gas Development Company Limited	257,800	113,000	-	59,500	311,300	33,365,934	29,582,839	4.91	5.14	0.0072
Pakistan Oilfields Limited	33,000	10,000	-	19,500	23,500	8,511,265	9,255,710	1.54	1.61	0.0072
Pakistan State Oil Company Limited	86,788	7,500	-	39,500	54,788	8,918,826	12,286,209	2.04	2.13	0.0117
Sui Northern Gas Pipelines Limited	45,000	85,000	-	10,000	120,000	5,100,593	5,829,600	0.97	1.01	0.0189
Pakistan Petroleum Limited	144,180	73,500	-	49,000	168,680	15,334,636	14,646,484	2.43	2.54	0.0072
	588,035	291,000	-	183,180	695,855	93,605,883	98,410,289	16.34	17.08	
INDUSTRIAL ENGINEERING										
Aisha Steel Mills Limited	-	147,500	-	-	147,500	-	-	-	-	-
International Industries Limited	25,090	35,500	-	25,090	35,500	7,904,668	7,491,210	1.24	1.30	0.0300
International Steel Limited	-	147,100	-	72,100	75,000	6,926,171	7,005,750	1.16	1.22	0.0200
Crescent Steel and Allied Product Limited	-	25,000	-	6,000	19,000	1,689,480	1,595,620	0.26	0.28	0.0200
Agha Steel Industries Limited	-	181,592	-	181,592	-	-	-	-	-	-
Mughal Iron And Steel Industries Limited	750	45,000	-	9,500	36,250	3,247,572	3,784,500	0.63	0.66	0.0100
	25,840	581,692	-	294,282	313,250	19,767,891	19,877,080	3.29	3.46	
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	5,740	-	-	1,700	4,040	4,019,760	5,066,726	0.84	0.88	0.0100
Pak Suzuki Motor Company Limited	-	29,500	-	14,000	15,500	4,741,487	5,509,320	0.91	0.96	0.0200
Millat Tractors Limited	7,200	-	-	7,200	-	-	-	-	-	-
	12,940	29,500	-	22,900	19,540	8,761,247	10,576,046	1.75	1.84	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	Number of shares					Rupees		% age		
AUTOMOBILE PARTS AND ACCESSORIES										
Thal Limited (Face value of Rs.5 per share)	19,000	15,000	-	-	34,000	12,200,623	14,374,520	2.38	2.50	0.0400
Panther Tyres Limited	-	67,125	-	25,000	42,125	2,780,980	2,912,101	0.48	0.51	0.0300
	19,000	82,125	-	25,000	76,125	14,981,603	17,286,621	2.86	2.50	
CABLE & ELECTRICAL GOODS										
Pak Elektron Limited	-	100,000	-	100,000	-	-	-	-	-	-
PAK ELEKTRON LIMITED - LoR	-	12,500	-	-	12,500	-	-	-	-	-
	-	112,500	-	100,000	12,500	-	-	-	-	-
TECHNOLOGY AND COMMUNICATIONS										
Avanceon Limited	-	150,000	-	150,000	-	-	-	-	-	-
TRG Pakistan Limited Class 'A'	-	210,000	-	166,000	44,000	5,361,791	7,318,520	1.21	1.27	0.0081
Pakistan Telecommunication Company Limited	-	775,000	-	260,000	515,000	4,989,679	6,097,600	1.01	1.06	0.0136
Systems Limited	109,500	-	3,250	87,200	25,550	4,266,386	14,313,621	2.37	2.49	0.0188
	109,500	1,135,000	3,250	663,200	584,550	14,617,856	27,729,741	4.59	4.82	
FERTILIZER										
Engro Corporation Limited	83,450	53,000	-	56,200	80,250	23,944,006	23,642,453	3.92	4.11	0.0100
Engro Fertilizers Limited	291,500	216,000	-	322,500	185,000	12,367,884	12,999,950	2.16	2.26	0.0100
Fauji Fertilizer Company Limited	89,300	9,000	-	53,500	44,800	4,934,577	4,753,280	0.79	0.83	-
	464,250	278,000	-	432,200	310,050	41,246,467	41,395,683	6.87	7.20	
PHARMACEUTICALS										
AGP Limited	69,000	48,500	-	69,000	48,500	-	-	-	-	-
Glaxosmithkline Pakistan Limited	24,500	40,500	-	39,000	26,000	4,770,752	4,307,420	0.71	0.75	0.0082
Highnoon Laboratories Limited	12,595	5,000	1,259	-	18,854	9,359,379	11,312,400	1.88	1.96	0.0495
IBL Healthcare Limited	5,500	-	-	5,500	-	-	-	-	-	-
The Searle Company Limited LOR	-	4,676	-	4,676	-	-	-	-	-	-
The Searle Company Limited	51,540	11,500	-	37,969	25,071	5,336,200	6,082,726	1.01	1.06	0.0104
	163,135	110,176	1,259	156,145	118,425	19,466,331	21,702,546	3.60	3.77	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
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----- Number of shares ----- Rupees ----- % age -----

CHEMICALS

Archroma Pakistan Limited	9,200	-	-	9,200	-	-	-	-	-	-
Berger Paints Pakistan Limited	-	28,000	-	28,000	-	-	-	-	-	-
Dynea Pakistan Limited	-	17,500	-	17,500	-	-	-	-	-	-
Engro Polymer & Chemicals Limited	367,000	45,000	-	262,000	150,000	4,894,520	7,086,000	1.18	1.23	0.0200
ICI Pakistan Limited	5,300	7,500	-	12,800	-	-	-	-	-	-
Shabbir Tiles and Ceramic Limited	-	300,000	-	200,000	100,000	3,296,906	3,335,000	0.55	0.58	0.0400
Sitara Chemical Industries Limited	-	18,500	-	13,500	5,000	1,850,000	1,760,000	0.29	0.31	0.0200
	381,500	416,500	-	543,000	255,000	10,041,426	12,181,000	2.02	2.12	

LEATHER AND TANNERIES

Bata Pakistan Limited	4,900	-	-	3,280	1,620	2,175,822.00	2,777,328	0.46	0.48	0.0200
Service Global Footwear Limited	-	60,377	-	-	60,377	3,397,828.66	3,491,601	0.58	0.61	0.0300
Service Industries Limited	7,375	-	11,061	10,400	8,036	2,622,328.50	4,722,195	0.78	0.82	0.0200
	12,275	60,377	11,061	13,680	70,033	8,195,979	10,991,124	1.82	1.91	

FOODS AND PERSONAL CARE PRODUCTS

AT-Tahur Limited	265,000	-	26,500	16,500	275,000	4,307,501	6,407,500	1.06	1.11	0.1600
Shezan International Limited	-	5,000	-	-	5,000	1,708,950	1,656,800	0.27	0.29	0.0600
Treet Corporation Limited	-	115,000	-	20,000	95,000	3,167,526	4,701,550	0.78	0.82	0.0500
Unity Foods Limited	25,000	453,000	-	388,000	90,000	2,618,182	4,006,800	0.66	0.70	0.0100
	290,000	573,000	26,500	424,500	465,000	11,802,159	16,772,650	2.77	2.92	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Name of Investee Company	As at 01 July 2020	Purchases during the period	Bonus / right shares issued during the period	Sales during the period	As at 30 June 2021	Average cost as at 30 June 2021	Market value as at 30 June 2021	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid up capital of the Investee Company
	Number of shares					Rupees		% age		
GLASS AND CERAMICS										
Tariq Glass Industries Limited	33,250	-	-	33,250	-	-	-	-	-	-
	33,250	-	-	33,250	-	-	-	-	-	-
MISCELLANEOUS										
Synthetic Products Enterprises Limited	53,500	-	-	53,500	-	-	-	-	-	-
Pakistan International Bulk Terminal Limited	-	100,000	-	-	100,000	1,197,998	1,138,000	0.19	0.20	0.0056
Siddiqsons Tin Plate Limited	-	175,000	-	175,000	-	-	-	-	-	-
Tri-Pack Films Limited	-	25,000	-	25,000	-	-	-	-	-	-
	53,500	300,000	-	253,500	100,000	1,197,998	1,138,000	0.19	0.20	
PAPER AND BOARD										
Packages Limited	6,000	11,500	-	5,000	12,500	5,068,855	6,815,000	1.13	1.18	0.0140
Security Papers Limited	-	10,000	-	10,000	-	-	-	-	-	-
	6,000	21,500	-	15,000	12,500	5,068,855	6,815,000	1.13		
Total as at 30 June 2021						523,107,090	613,594,140	100.86		
Total as at 30 June 2020						495,502,204	501,754,810	100.00		

5.2 The cost of listed equity securities as at 30 June 2021 is Rs. 544,054,507 (30 June 2020: Rs. 520,351,452).

5.3 Treasury Bills

Debt Sub-Fund
Money Market Sub-Fund

	2021 ----- (Rupees) -----	2020 -----
	-	200,343,888
	-	344,328,617
	-	544,672,505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

				Balance as at June 30, 2021			
As at 1 July 2020	Purchases during the year	Sales during the year	As at 30 June 2021	Amortised cost	Market value	Unrealised gain	Market value as a % of net assets of the Sub-Fund
----- Face value (Rupees) -----				----- Rupees -----			%

5.3.1 Debt Sub-Fund

Treasury Bills	205,000,000	894,750,000	1,099,750,000	-	-	-	-
30 June 2020				197,716,740	200,343,888	2,627,148	47.50

5.3.1.1 These Government treasury bills carry nil purchase yield (30 June 2020: 7.88% to 14.89%) per annum and having nil maturity (30 June 2020: 11 March 2021).

				Balance as at June 30, 2021			
As at 1 July 2020	Purchases during the year	Sales during the year	As at 30 June 2021	Amortised cost	Market value	Unrealised gain	Market value as a % of net assets of the Sub-Fund
----- Face value (Rupees) -----				----- Rupees -----			%

5.3.2 Money Market Sub-Fund

Treasury Bills	350,000,000	1,607,000,000	1,957,000,000	-	-	-	-
30 June 2020				343,018,492	344,328,617	1,310,125	75.40

5.3.2.1 The Purchase cost of investments as on (2020: Rs 338,786,730)

5.3.2.2 The fund carry nil Government treasury bills (30 June 2020: 7.48% to 12.48%) per annum and having nil maturity (30 June 2020: 16 July 2020 and 17 December 2020).

5.4 Term Finance Certificates

5.4.1 Debt Sub-Fund

Term Finance certificates - At fair value through other comprehensive income

Note	30 June 2021	30 June 2020
	----- (Rupees) -----	-----
5.4.2	11,995,600	21,526,067
	<u>11,995,600</u>	<u>21,526,067</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.4.2

						Balance as at June 30, 2021				
Name of the investee company	Status	As at 1 July 2020	Purchases during the year	Sales / matured during the year	As at 30 June 2021	Carrying value	Market Value	Unrealised Gain / (loss)	Market value as a % of net assets of the Sub-Fund	Market value as a % of total issue size
-----Number of certificates-----						-----Rupees-----		-----%-----		
Commercial Banks										
Bank Alfalah Limited - V (face value of Rs. 5,000 per certificate each)	Listed	-	-	-	-	-	-	-	0.00	-
Habib Bank Limited Tier II (face value of Rs. 100,000 per certificate)	Listed	200	-	200	-	-	-	-	0.00	-
Soneri Bank Limited - II (face value of Rs. 5,000 per certificate)	Listed	400	-	-	400	1,996,502	1,995,600	(902)	0.41	0.0665
Samba Bank Limited (face value of Rs. 5,000 per certificate)	Listed	-	100	-	100	10,000,000	10,000,000	-	2.08	0.3333
						11,996,502	11,995,600	(902)	2.48	
30 June 2020						21,967,418	21,526,067	(441,351)	5.10	

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 7.4.2)	Unlisted	NPA	3.5 years	Semi annually	July 2011 - January 2015	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.5 Sukuk Certificates

Debt Sub-Fund

						Balance as at June 30, 2021			
Name of the investee company	Status	As at 1 July 2020	Purchases during the year	Sales / matured during the year	As at 30 June 2021	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	14,498,704	498,704	3.01
Fertilizers									
Dawood Hercules Corporation Limited Sukuk II	Listed	80	-	80	-	-	-	-	0.00
Power Generation									
The Hub Power Company Limited	Unlisted	180	-	-	180	18,000,000	18,359,010	359,010	3.81
						32,000,000	32,857,714	857,714	6.82
30 June 2020						38,400,000	39,252,698	852,698	9.31

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%
Chemicals							
AgriTech Limited - IV	Unlisted	NPA	7 years	Semi annually	February 2011 - August 2015	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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 2018: 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 2021 (2020: 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	-

5.6 Pakistan Investment Bonds

At fair value through other comprehensive income

At fair value through other comprehensive income				Balance as at 30 June 2021				
	As at 1 July 2020	Purchases during the year	Sales / Matured during the year	As at 30 June 2021	Amortised cost	Market value	Unrealised gain / loss	Market value as a % of net assets of Sub Fund
5.6.1 Debt Sub-Fund	-----Rupees-----							%
Pakistan Investment Bonds - 3 years	149,500,000	27,000,000	80,000,000	96,500,000	94,148,308	96,986,527	2,838,219	20.13
Pakistan Investment Bonds - 5 years	10,000,000	122,500,000	50,000,000	82,500,000	81,669,936	81,973,377	303,441	17.01
Pakistan Investment Bonds - 10 years	-	28,100,000	-	28,100,000	27,153,573	27,043,411	(110,162)	5.61
	<u>159,500,000</u>	<u>177,600,000</u>	<u>130,000,000</u>	<u>207,100,000</u>	<u>202,971,817</u>	<u>206,003,315</u>	<u>3,031,498</u>	<u>42.75</u>
30 June 2020					<u>150,017,772</u>	<u>164,931,158</u>	<u>14,913,386</u>	<u>30.85</u>

5.6.1.1 The Purchase cost of investments as on 30 June 2021 is Rs. 200,587,033.00/- (30 June 2020: 147,479,671)

5.6.1.2 These carry interest at the rate ranging from 8.12% and 12.29% (30 June 2020: 9.00% to 9.50%) per annum and will mature between 19 September 2022 and 18 June 2030 (30 June 2020: 19 September 2022 and 19 September 2024).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5.7 Commercial paper

				Balance as at 30 June 2021					
	As at 1 July 2020	Purchases during the year	Sales / Matured during the year	As at 30 June 2021	Amortised cost	Market value	Unrealised gain / loss	Market value as a % of net assets of Sub Fund	
	----- Number of certificates -----				----- Rupees -----			%	
5.7.1	Debt Sub-Fund								
	Electric & Supply								
	KEL-ICP 18	-	10	-	10	9,759,302	9,759,302	-	2.03
5.7.2	Money Market Sub-Fund								
	Electric & Supply								
	KEL-ICP 18	-	20	-	20	19,519,149	19,519,149	-	4.05

6 INTEREST ACCRUED

	2021						2020					
	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
	Rupees						Rupees					
Profit on deposits	46,029	574,474	1,251,445	117,176	-	1,989,124	-	-	-	-	-	-
Pakistan Investment Bonds	-	3,903,134	-	-	-	3,903,134	-	4,070,978	-	-	-	4,070,978
Term Finance Certificates	-	383,778	-	-	-	383,778	-	1,171,899	-	-	-	1,171,899
Sukuk Certificates	-	559,193	-	-	-	559,193	-	910,616	-	-	-	910,616
	46,029	5,420,579	1,251,445	117,176	-	6,835,229	-	6,153,493	-	-	-	6,153,493

7 SECURITY DEPOSIT AND OTHER RECEIVABLES

Security deposit with Central Depository

Company of Pakistan Limited

Advances

Tax Recoverable

7.1

100,000	100,000	100,000	-	-	300,000	100,000	100,000	100,000	-	-	300,000
53,962	-	117,662	-	-	171,624	-	-	-	-	-	-
1,304,846	2,143,549	770,589	61,418	-	4,280,402	1,316,224	1,886,751	1,420,198	61,418	-	4,684,591
1,458,808	2,243,549	988,251	61,418	-	4,752,026	1,416,224	1,986,751	1,520,198	61,418	-	4,984,591

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) / Pension Funds are exempt from withholding tax under sections 150 and 151. However, during the year ended 30 June 2016, several companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The amount of tax withheld on dividend and profit on bank deposits aggregates to Rs.1.305 million (30 June 2020: Rs. 1.316 million), Rs. 2.144 million (30 June 2020: Rs. 1.887 million) and Rs 0.771 million (30 June 2020: Rs 1.420 million) for Equity Sub Fund, Debt Sub Fund, and Money Market Sub Fund respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds and Pension Funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all Funds managed by the Company to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs / VPS being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs/VPS (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit received on bank deposits by the Fund has been shown as Tax Receivable as at 30 June 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the tax recoverable not been recorded in these financial statements, the net asset value of the Equity Sub Fund, Debt Sub Fund, and Money Market Sub Fund as at 30 June 2021 would have been lower by Rs. 1.40 per unit (30 June 2020: Rs. 1.09 per unit), Rs. 1.47 per unit (30 June 2020: Rs. 1.05 per unit), and Rs. 0.42 per unit (30 June 2020: Rs. 0.89 per unit) respectively.

8 PAYABLE TO THE PENSION FUND MANAGER

		2021						2020					
		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-----					
Pension Fund Manager fee	8.1	771,390	281,668	222,183	-	-	1,275,241	618,551	267,636	186,614	-	-	1,072,801
Sindh sales tax on remuneration of the Pension Fund Manager	8.2	325,575	205,374	135,789	31,329	-	698,067	305,866	203,554	131,163	31,329	-	671,912
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
		2,620,312	1,611,217	1,064,245	238,537	-	5,534,311	2,447,764	1,595,365	1,024,050	238,537	-	5,305,716

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- 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 1.5% per annum (2020:1.50%) 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% (2020: 0.75%), 0.5% (2020: 0.50%) and Nil (2020: 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. 1.90 million (2020: Rs. 1.49 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. 1.91 million (2020: Rs. 1.46 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 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 2020: 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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

		2021					2020				
		Equity	Debt	Money	Gold	Total	Equity	Debt	Money	Gold	Total
		Sub-Fund	Sub-Fund	Market	Sub-Fund -		Sub-Fund	Sub-Fund	Market	Sub-Fund -	
Note		Rupees					Rupees				
Trustee fee	9.1	67,266	49,124	58,124	-	174,514	56,028	48,486	50,712	-	155,226
Sindh sales tax on Trustee fee	9.2	8,744	6,386	7,556	-	22,686	7,285	6,311	6,595	-	20,191
Settlement charges		-	-	-	-	-	3,000	-	-	-	3,000
Sindh sales tax on settlement charges		-	-	-	-	-	390	-	-	-	390
		76,010	55,510	65,680	-	197,200	66,703	54,797	57,307	-	178,807

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

On net assets:

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

- 9.2 During the year, an amount of Rs. 265,348 (2020: Rs. 225,804) 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. 262,853 (2020: Rs. 222,808) was paid to the Trustee which acts as a collecting agent.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		2021					2020				
		Equity	Debt	Money	Gold	Total	Equity	Debt	Money	Gold	Total
		Sub-Fund	Sub-Fund	Market	Sub-Fund -		Sub-Fund	Sub-Fund	Market	Sub-Fund -	
				Sub-Fund	Revoked				Sub-Fund	Revoked	
Note		-----Rupees-----					-----Rupees-----				
Annual Fee Payable	10.1	146,660	108,429	130,197	-	385,286	121,653	122,388	111,296	-	355,337
		146,660	108,429	130,197	-	385,286	121,653	122,388	111,296	-	355,337

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

		2021					2020						
		Equity	Debt	Money	Gold		Equity	Debt	Money	Gold			
		Sub-Fund	Sub-Fund	Market	Sub-Fund -	Others	Sub-Fund	Sub-Fund	Market	Sub-Fund -	Others	Total	
				Sub-Fund	Revoked				Sub-Fund	Revoked			
Note		-----Rupees-----					-----Rupees-----						
Auditor remuneration payable		108,925	80,647	96,631	4,207	-	290,410	94,521	95,374	86,261	4,207	-	280,363
Withholding tax payable		43,779	1,815	1,663	-	2,318,696	2,365,953	161,106	62,781	22,735	-	165,461	412,083
Zakat payable		-	-	-	-	15,528	15,528	-	-	-	-	24,462	24,462
Provision for Sindh Workers' Welfare Fund	11.1	7,608,220	3,783,378	2,864,215	118,102	-	14,373,915	3,505,510	2,957,090	2,194,559	118,102	-	8,775,261
Others		25,867	6,000	182,000	-	1,489,870	1,703,737	16,000	30,000	206,000	-	191,039	443,039
		7,786,791	3,871,840	3,144,509	122,309	3,824,094	18,749,543	3,777,137	3,145,245	2,509,555	122,309	380,962	9,935,208

11.1 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 Mutual Fund Association of Pakistan (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 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 / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 would have been higher by Rs. 8.17 per unit (30 June 2020: Rs. 2.91 per unit), Rs. 2.59 per unit (30 June 2020: Rs. 2.18 per unit) and Rs. 1.57 per unit (30 June 2020: Rs. 1.37 per unit) respectively.

12 NUMBER OF UNITS IN ISSUE

	2021				2020			
	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	1,205,734	1,357,820	1,603,416	-	938,997	1,449,032	1,407,176	-
Add: Issue of units during the year								
- Directly by participants	181,969	396,197	1,069,766	-	339,283	157,391	332,179	-
Less: Units redeemed during the year								
- Directly by participants	454,660	289,053	540,148	-	(72,520)	(247,276)	(131,872)	-
- Transfer to other Pension Fund	2,055	4,589	303,148	-	(26)	(1,327)	(4,067)	-
	456,715	293,642	843,296	-	(72,546)	(248,603)	(135,939)	-
Total units in issue at end of the year	930,988	1,460,375	1,829,886	-	1,205,734	1,357,820	1,603,416	-

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies & commitments as at 30 June 2021 and as at 30 June 2020.

14 TOTAL EXPENSE RATIO

- 14.1** The Total Expense Ratio (TER) of the Atlas Pension Fund - Equity Sub Fund as at 30 June 2021 is 2.78 (30 June 2020: 2.42%) which includes 0.97% 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 2021 is 1.38% (30 June 2020: 1.44%) which includes 0.33% 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 2021 is 0.95% (30 June 2020: 1.13%) which includes 0.24% 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 2021

15 INTEREST INCOME

		2021					2020				
		Equity	Debt	Money	Gold		Equity	Debt	Money	Gold	
		Sub-Fund	Sub-Fund	Market	Sub-Fund -	Total	Sub-Fund	Sub-Fund	Market	Sub-Fund -	Total
Note		-----Rupees-----					-----Rupees-----				
Profit on PLS savings accounts and deposits		579,386	3,791,590	7,223,686	27,733	11,043,009	1,199,292	4,936,604	8,976,847	48,232	15,160,975
Pakistan Investment Bonds		-	19,818,565	-	-	19,818,565	-	20,457,943	870,736	-	21,328,679
Treasury Bills		-	10,215,869	29,790,536	-	40,006,405	-	20,325,330	37,762,554	-	58,087,884
Term Finance Certificates and Sukuk Certificates 15.1		-	1,622,864	320,021	-	1,942,885	-	8,390,391	-	-	8,390,391
Commercial Paper		-	3,410,239	-	-	3,410,239	-	187,121	-	-	187,121
		579,386	38,859,127	37,334,243	27,733	76,221,103	1,199,292	54,297,389	47,610,137	48,232	103,155,050

15.1 Mark-up on non-performing securities amounting to Rs. 1,108,720 (2020: Rs. 1,008,531) based on outstanding principal has not been recognised, in accordance with SECP's directives.

16 AUDITORS' REMUNERATION

	2021					2020				
	Equity	Debt	Money	Gold		Equity	Debt	Money	Gold	
	Sub-Fund	Sub-Fund	Market	Sub-Fund -		Sub-Fund	Sub-Fund	Market	Sub-Fund -	
			Sub-Fund	Revoked	Total			Sub-Fund	Revoked	Total
	-----Rupees-----					-----Rupees-----				
Audit fee	87,536	64,811	77,656	-	230,003	79,388	80,241	71,128	-	230,757
Sindh Sales Tax on services	8,069	5,974	7,158	-	21,201	8,333	8,333	8,333	-	24,999
Out of pocket expenses	13,321	9,862	11,817	-	35,000	6,800	6,800	6,800	-	20,400
Prior year adjustment	10,983	(11,211)	4,872	-	4,644	(2,533)	(4,746)	8,879	-	1,600
	119,909	69,436	101,503	-	290,848	91,988	90,628	95,140	-	277,756

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	2021					2020				
	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	-	260,615,931	19,519,149	-	280,135,080	-	426,053,811	344,328,617	-	770,382,428
Less: Cost of investments	-	256,727,620	19,519,149	-	276,246,769	-	408,099,178	343,019,071	-	751,118,249
	-	3,888,311	-	-	3,888,311	-	17,954,633	1,309,546	-	19,264,179
Add / (less): Net unrealised (appreciation) / diminution in the value of investments at beginning of the year	-	-	-	-	-	-	4,104,151	23,654	-	4,127,805
Transferred to comprehensive income / (loss) during the year	-	(17,954,633)	(1,309,546)	-	(19,264,179)	-	-	-	-	-
	-	(14,066,322)	(1,309,546)	-	3,888,311	-	22,058,784	1,333,200	-	23,391,984
(Loss) / gain arise during the year	-	(21,453,025)	(1,759,019)	-	(3,947,865)	-	-	-	-	-
Reclassification to income statement upon disposal during the year	-	7,386,703	449,473	-	7,836,176	-	-	-	-	-
	-	(14,066,322)	(1,309,546)	-	3,888,311	-	-	-	-	-

18 CONTRIBUTION TABLE

	2021									
	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	100,937	55,544,508	218,629	70,466,299	835,485	242,287,203	-	-	1,155,051	368,298,010
Employers	81,032	45,449,978	177,568	57,332,472	234,281	69,117,439	-	-	492,881	171,899,889
	181,969	100,994,486	396,197	127,798,771	1,069,766	311,404,642	-	-	1,647,932	540,197,899

	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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, 2021					June 30, 2020				
	Equity	Debt	Money	Gold		Equity	Debt	Money	Gold	
	Sub-Fund	Sub-Fund	Market	Sub-Fund -		Sub-Fund	Sub-Fund	Market	Sub-Fund -	
			Sub-Fund	Revoked	Total			Sub-Fund	Revoked	Total
	-----Rupees-----					-----Rupees-----				
Atlas Asset Management Limited (Pension Fund Manager)										
Pension Fund Manager Fee payable (Rupees)	771,390	281,668	222,183	-	1,275,241	618,551	267,636	186,614	-	1,072,801
Sindh sales tax payable on the Pension Fund Manager (Rupees)	325,575	205,374	135,789	31,329	698,067	305,866	203,554	131,163	31,329	671,912
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)	102,692,580	54,773,360	50,213,340	-	207,679,280	72,789,340	51,561,260	47,280,120	-	171,630,720
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)	67,266	49,124	58,124	-	174,514	56,028	48,486	50,712	-	155,226
Sindh sales tax payable on remuneration on Trustee fee (Rupees)	8,744	6,386	7,556	-	22,686	7,285	6,311	6,595	-	20,191
Settlement charges (Rupees)	-	-	-	-	-	3,000	-	-	-	3,000
Sindh sales tax on settlement charges (Rupees)	-	-	-	-	-	390	-	-	-	390
Directors and Executives										
Investment at year end (Rupees)	154,445,310	147,591,768	89,705,829	-	391,742,907	115,899,484	120,544,014	76,704,874	-	313,148,372
Units held (Number of units)	249,657	447,302	296,558	-	993,517	264,315	388,088	269,310	-	921,713

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	For the year ended June 30, 2021					For the year ended June 30, 2020				
	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)	8,799,586	3,252,877	2,603,951	-	14,656,414	6,377,384	3,187,473	1,933,218	-	11,498,075
Sindh sales tax on remuneration of the Pension Fund Manager (Rupees)	1,143,946	422,874	338,514	-	1,905,334	829,067	414,375	251,308	-	1,494,750
Withdrawal of seed capital (Rupees)	-	-	-	-	-	-	-	-	-	-
Withdrawal of seed capital (Number of units)	-	-	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited (Trustee)										
Remuneration for the year (Rupees)	776,932	574,607	689,606	-	2,041,145	596,363	597,196	543,241	-	1,736,800
Sindh sales tax on remuneration (Rupees)	101,001	74,699	89,648	-	265,348	77,531	77,653	70,620	-	225,804
Directors and Executives										
Contributions (Rupees)	10,095,868	6,094,544	3,035,136	-	19,225,548	5,587,491	3,384,895	1,719,515	-	10,691,901
Contributions (Number of units)	18,327	19,175	10,371	-	47,873	12,987	12,090	6,483	-	31,560
Redemptions (Rupees)	1,062,047	-	1,034,675	-	2,096,722	(4,068,370)	-	(930,562)	-	(4,998,932)
Redemptions (Number of units)	1,727	-	(3,548)	-	(1,821)	(9,705)	-	(3,434)	-	(13,139)
Re-allocation (Rupees)	19,382,841	13,205,290	6,177,551	-	38,765,682	5,182,055	(6,108,622)	926,567	-	-
Re-allocation (Number of units)	31,438	40,039	20,426	-	91,903	11,818	(19,667)	3,253	-	(4,596)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

A Financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Investments on the Statement of Assets and Liabilities are carried at fair value. The Management is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

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

- Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The following table presents assets that are measured at fair value as at June 30, 2021 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, 2021	Note	----- Rupees -----								
Financial assets - measured at fair value										
Investments - net		-	613,594,140	280,135,080	-	893,729,220	613,594,140	280,135,080	-	893,729,220
Financial assets - not measured at fair value										
Bank balances	20.1	778,032,740	-	-	-	778,032,740	-	-	-	-
Receivable against sale of investments	20.1	-	-	-	-	-	-	-	-	-
Dividend receivable	20.1	-	-	-	-	-	-	-	-	-
Interest accrued	20.1	6,718,053	-	-	-	6,718,053	-	-	-	-
Receivable against sale of units	20.1	17,657,169	-	-	-	17,657,169	-	-	-	-
Security deposit and other receivables	20.1	4,752,026	-	-	-	4,752,026	-	-	-	-
		807,159,988	613,594,140	280,135,080	-	1,700,889,208				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

		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
Note		Rupees								
Financial liabilities - measured at fair value										
Financial liabilities - not measured at fair value										
	20.1	-	-	-	41,799,223	41,799,223	-	-	-	-
	20.1	-	-	-	1,275,241	1,275,241	-	-	-	-
	20.1	-	-	-	174,514	174,514	-	-	-	-
	20.1	-	-	-	185,365	185,365	-	-	-	-
	20.1	-	-	-	22,700,148	22,700,148	-	-	-	-
	20.1	-	-	-	1,703,737	1,703,737	-	-	-	-
		-	-	-	67,838,228	67,838,228				
		Loans and receivables	Financial assets 'at fair value through profit or loss'	Investments 'at fair value through available for sale'	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
Note		Rupees								
June 30, 2020										
Financial assets - measured at fair value										
		-	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										
	20.1	147,005,171	-	-	-	147,005,171	-	-	-	-
	20.1	1,653,899	-	-	-	1,653,899	-	-	-	-
	20.1	900	-	-	-	900	-	-	-	-
	20.1	6,153,493	-	-	-	6,153,493	-	-	-	-
		42,485,555	-	-	-	42,485,555	-	-	-	-
	20.1	4,984,591	-	-	-	4,984,591	-	-	-	-
		202,283,609	501,754,810	770,382,428	-	1,474,420,847				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

		Loans and receivables	Financial assets 'at fair value through profit or loss'	Investments 'at fair value through available for sale'	Financial liabilities measured at amortised cost	Total	Fair value			
							Level 1	Level 2	Level 3	Total
	Note	Rupees								
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 against purchase of investment	20.1	-	-	-	2,963,210	2,963,210	-	-	-	-
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				

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

21 FINANCIAL RISK MANAGEMENT

The Fund'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.

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

21.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

comprises of three types of risk: currency risk, interest rate risk and other price risk.

21.2 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.

21.3 Interest rate risk

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

a) Sensitivity analysis of variable rate instruments

Presently the Debt Sub-Fund holds KIBOR based profit bearing Term Finance Certificates and Sukuk Certificates exposing the Sub-Funds to cash flow interest rate risk. The impact of 100 basis points increase / decrease in KIBOR on 30 June 2021, with all other variables held constant, on the net assets of the Fund and on net income for the year is shown below:

Change in basis points	2021				2020			
	Effect on net income and net assets				Effect on net income and net assets			
	Equity	Debt	Money		Equity	Debt	Money	
	Sub-Fund	Sub-Fund	Market	Total	Sub-Fund	Sub-Fund	Market	Total
	----- Rupees -----				----- Rupees -----			
100	45,333	2,160,579	5,304,325	7,464,904	110,483	704,132	1,181,091	1,885,223
(100)	(45,333)	(2,160,579)	(5,304,325)	(7,464,904)	(110,483)	(704,132)	(1,181,091)	(1,885,223)

b) Sensitivity analysis of fixed rate instruments

Presently the Debt Sub-Fund and Money Market Sub-Fund hold Pakistan Investment Bonds and Treasury Bills which are classified as '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 average broker rates on 30 June 2021, with all variables held constant, on the net assets and other comprehensive income for the year is as follows:

Change in basis points	2021			2020		
	Effect on net income and net assets			Effect on net income and net assets		
	Money		Total	Money		Total
	Debt	Market		Debt	Market	
	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	
	----- Rupees -----			----- Rupees -----		
100	2,060,033	-	2,060,033	1,595,000	-	1,595,000
(100)	(2,060,033)	-	(2,060,033)	(1,595,000)	-	(1,595,000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

Equity Sub-Fund

As at 30 June 2021

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	4,533,334	-	-	-	4,533,334
Receivable against sale of investments		-	-	-	-	-
Investments - net		-	-	-	613,594,140	613,594,140
Dividend receivable		-	-	-	-	-
Interest accrued		-	-	-	46,029	46,029
Receivable against sale of units		-	-	-	7,290,611	7,290,611
Security deposit and other receivables		-	-	-	1,458,808	1,458,808
		4,533,334	-	-	622,389,588	626,922,922

Financial liabilities

Payable against redemption of units		-	-	-	40,355,288	40,355,288
Payable against purchase of investments		-	-	-	-	-
Payable to the Pension Fund Manager		-	-	-	771,390	771,390
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	67,266	67,266
Payable to the auditors		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	134,792	134,792
		-	-	-	41,328,736	41,328,736

On-balance sheet gap

	4,533,334	-	-	581,060,852	585,594,186
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Off-balance sheet financial instruments

Off-balance sheet gap

	-	-	-	-	-
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Total interest rate sensitivity gap

	4,533,334	-	-	581,060,852	585,594,186
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Cumulative interest rate sensitivity gap

	4,533,334	4,533,334	4,533,334	585,594,186	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Equity Sub-Fund

As at 30 June 2020

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 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
Payable to the auditors		-	-	-	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
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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

8,086,909	-	-	523,273,572	531,360,481
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Cumulative interest rate sensitivity gap

8,086,909	8,086,909	8,086,909	531,360,481	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Debt Sub-Fund

As at 30 June 2021

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	216,057,910	-	-	-	216,057,910
Investments - net	10.95 - 13.71	-	9,759,302	250,856,629	-	260,615,931
Interest accrued		-	-	-	5,420,579	5,420,579
Receivable against sale of units		-	-	-	3,617,781	3,617,781
Security deposit and other receivables		-	-	-	2,243,549	2,243,549
		216,057,910	9,759,302	250,856,629	11,281,909	487,955,750

Financial liabilities

Payable against redemption of units	-	-	-	438,535	438,535
Payable to the Pension Fund Manager	-	-	-	281,668	281,668
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	49,124	49,124
Accrued expenses and other liabilities	-	-	-	86,647	86,647
	-	-	-	855,974	855,974

On-balance sheet gap

216,057,910	9,759,302	250,856,629	10,425,935	487,099,776
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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

216,057,910	9,759,302	250,856,629	10,425,935	487,099,776
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Cumulative interest rate sensitivity gap

216,057,910	225,817,212	476,673,841	487,099,776	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Debt Sub-Fund

As at 30 June 2020

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
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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

210,646,538	-	225,709,923	(10,126,174)	426,230,287
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Cumulative interest rate sensitivity gap

210,646,538	210,646,538	436,356,461	426,230,287
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Money Market Sub-Fund

As at 30 June 2021

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	530,432,461	-	-	-	530,432,461
Investments - net	10.95 - 12.57	-	19,519,149	-	-	19,519,149
Interest accrued		-	-	-	1,251,445	1,251,445
Receivable against sale of units		-	-	-	6,748,777	6,748,777
Security deposit and other receivables		-	-	-	988,251	988,251
		530,432,461	19,519,149	-	8,988,473	558,940,083

Financial liabilities

Payable against redemption of units	-	-	-	1,005,400	1,005,400
Payable to the Pension Fund Manager	-	-	-	222,183	222,183
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	58,124	58,124
Accrued expenses and other liabilities	-	-	-	278,631	278,631
	-	-	-	1,564,338	1,564,338

On-balance sheet gap

530,432,461 19,519,149 - 7,424,135 557,375,745

Off-balance sheet financial instruments

- - - - -

Off-balance sheet gap

- - - - -

Total interest rate sensitivity gap

530,432,461 19,519,149 - 7,424,135 557,375,745

Cumulative interest rate sensitivity gap

530,432,461 549,951,610 549,951,610 557,375,745

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Money Market Sub-Fund

As at 30 June 2020

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 2021

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 2021, with all other variables held constant, net income for the year would increase / decrease by Rs. 30,679,707 (2020: Rs.25,087,471) 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 2021 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 2021

21.2.1 Equity Sub-Fund

	2021							2020						
	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	40,355,288	-	-	-	-	-	40,355,288	825,552	-	-	-	-	-	825,552
Payable to the Pension Fund Manager	771,390	-	-	-	-	-	771,390	618,551	-	-	-	-	-	618,551
Payable to the Central Depository Company of Pakistan - Trustee	67,266	-	-	-	-	-	67,266	59,028	-	-	-	-	-	59,028
Accrued expenses and other liabilities	25,867	108,925	-	-	-	-	134,792	16,000	94,521	-	-	-	-	110,521
	41,219,811	108,925	-	-	-	-	41,328,736	4,482,341	94,521	-	-	-	-	4,576,862

21.2.2 Debt Sub-Fund

Financial liabilities														
Payable against redemption of units	438,535	-	-	-	-	-	438,535	25,528,320	-	-	-	-	-	25,528,320
Payable to the Pension Fund Manager	1,611,217	-	-	-	-	-	1,611,217	267,636	-	-	-	-	-	267,636
Payable to the Central Depository Company of Pakistan - Trustee	55,510	-	-	-	-	-	55,510	48,486	-	-	-	-	-	48,486
Accrued expenses and other liabilities	6,000	80,647	-	-	-	-	86,647	30,000	95,374	-	-	-	-	125,374
	2,197,909	80,647	-	-	-	-	2,278,556	25,874,442	95,374	-	-	-	-	25,969,816

21.2.3 Money Market Sub-Fund

Financial liabilities														
Payable against redemption of units	1,005,400	-	-	-	-	-	1,005,400	16,429,242	-	-	-	-	-	16,429,242
Payable to the Pension Fund Manager	222,183	-	-	-	-	-	222,183	186,614	-	-	-	-	-	186,614
Payable to the Central Depository Company of Pakistan - Trustee	58,124	-	-	-	-	-	58,124	50,712	-	-	-	-	-	50,712
Accrued expenses and other liabilities	182,000	96,631	-	-	-	-	278,631	206,000	86,261	-	-	-	-	292,261
	1,467,707	96,631	-	-	-	-	1,564,338	16,872,568	86,261	-	-	-	-	16,958,829

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021							2020						
		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-----						
21.2.4	Gold Sub-Fund - Revoked														
	Financial liabilities														
	Payable to the Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Unallocated profit	185,365	-	-	-	-	-	185,365	157,632	-	-	-	-	-	157,632
	Payable to the auditors	-	4,207	-	-	-	-	4,207	-	4,207	-	-	-	-	4,207
		185,365	4,207	-	-	-	-	189,572	157,632	4,207	-	-	-	-	161,839

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

	2021	2020
	----- (Rupees) -----	
Equity Sub Fund	13,328,782	37,145,743
Debt Sub Fund	281,952,435	82,854,079
Money Market Sub Fund	558,940,083	132,487,671
Gold Sub Fund - Revoked	546,211	518,478
	854,767,511	253,005,971

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	
	2021	2020	2021	2020	2021	2020	2021	2020
Government securities	-	-	-	-	-	-	-	-
AAA	-	0.02	69.14	27.78	75.75	76.12	-	-
AA+	-	99.98	0.01	40.06	(0.01)	23.00	-	-
AA	99.00	-	23.76	29.37	24.26	0.11	-	-
AA-	-	-	6.24	-	-	-	-	-
A+	-	-	0.86	2.79	-	0.77	-	-
	99.00	100.00	100.01	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 2021			As at 30 June 2020		
	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 2021

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					
	2021	2020	% Change	2019	2018	2017
	-----Rupees-----		%	-----Rupees-----		
Net (loss) / income for the year	201,032,701	48,455,768	314.88	(7,173,839)	(13,994,190)	96,696,151
Capital (loss) / gain on sale of investments - net	93,925,282	29,180,103	221.88	(16,958,095)	(24,428,527)	70,664,530
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	90,487,026	6,252,606	1,347.19	(67,362,813)	(2,980,379)	13,809,573
Dividend income	32,362,278	22,022,322	46.95	19,957,395	19,532,957	19,231,650
Interest income	579,386	1,199,292	(51.69)	1,458,375	1,938,730	1,366,159
Net asset value	575,937,861	528,698,534	8.94	386,841,373	386,841,373	366,965,790
Net asset value per unit	618.63	438.49	41.08	411.97	497.60	512.86
Earnings per unit	215.93	40.19	437.27	(75.80)	(17.68)	128.15
Transactions in securities - Purchases	1,864,141,044	(463,597,833)	(502.10)	(355,448,221)	(429,153,230)	(674,732,124)
Transactions in securities - Sales	538,608,239	340,178,958	58.33	284,214,721	420,567,127	680,755,270
Total contributions received	116,728,476	109,534,384	6.57	78,851,168	63,724,897	59,100,013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

22.2 DEBT SUB-FUND

Particulars	Debt Sub-Fund					
	2021	2020	% Change	2019	2018	2017
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	40,488,110	53,886,794	(24.86)	29,878,156	18,568,124	17,943,266
Interest income	38,859,127	54,297,389	(28.43)	37,759,919	23,017,689	19,620,695
Loss on sale / maturity classified at fair value through OCI / available for sale' - net	7,386,703	5,686,956	29.89	(2,938,498)	(15,909)	914,278
Net asset value	481,870,219	421,753,988	14.25	377,831,172	377,831,172	362,254,775
Net asset value per unit	619	310.61	99.29	260.75	243.31	231.82
Earnings per unit	215.93	39.69	444.04	20.62	12.03	11.48
Transactions in securities - Purchases	1,113,837,033	(1,403,669,992)	(179.35)	(2,297,453,344)	(1,915,977,005)	(1,620,327,006)
Transactions in securities - Sales	1,272,595,295	1,193,612,510	6.62	2,331,834,697	1,876,031,113	1,739,898,901
Total contributions received	131,884,388	40,274,505	227.46	72,261,077	67,637,228	83,693,828

22.3 MONEY MARKET SUB-FUND

Particulars	Money Market Sub-Fund					
	2021	2020	% Change	2019	2018	2017
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	32,813,160	43,599,045	(24.74)	25,724,963	13,078,465	12,148,280
Interest income	37,334,243	47,610,137	(21.58)	29,227,481	15,452,563	13,556,970
Loss on sale / maturity classified at fair value through OCI / available for sale' - net	449,473	329,360	36.47	(457,226)	(58,918)	(200,820)
Net asset value	553,530,052	456,684,838	21.21	356,474,207	266,906,681	240,000,640
Net asset value per unit	302.49	284.82	6.20	253.33	233.18	221.32
Earnings per unit	17.93	27.19	(34.06)	18.28	11.43	11.20
Transactions in securities - Purchases	1,616,759,302	(3,043,644,156)	(153.12)	(2,255,460,393)	(1,266,238,930)	(1,595,567,075)
Transactions in securities - Sales	1,940,708,705	2,819,094,055	(31.16)	2,280,597,675	1,212,392,329	1,738,484,750
Total contributions received	131,884,388	83,971,252	57.06	104,694,344	55,773,924	56,097,042

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22.4 GOLD SUB-FUND - Revoked

Particulars	Gold Sub-Fund - Revoked					
	2021	2020	% Change	2019	2018	2017
	-----Rupees-----		%	-----Rupees-----		
Net income / (loss) for the year	27,733	48,232	(42.50)	32,519	76,881	(1,024,881)
Interest income	27,733	48,232	(42.50)	33,051	77,450	1,823,118
Realised loss / (gain) on gold contracts	-	-	-	-	-	(1,529,421)
Net unrealised diminution on future contracts of gold	-	-	-	-	-	(731,481)
Net asset value per unit	-	-	-	-	-	111.26
(Loss) / earnings per unit	-	-	-	-	-	(3.05)
Transactions in securities - Purchases	-	-	-	-	-	(94,410,503)
Transactions in securities - Sales	-	-	-	-	-	95,000,000
Total contributions received	-	-	-	-	177,974	1,291,804

22.5 Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Gold Sub-Fund - Revoked	
	2021	2020	2021	2020	2021	2020	2021	2020
	-----Rupees-----							
Highest issue price	302.49	536.72	329.96	311.04	640.74	284.82	-	-
Lowest issue price	284.87	337.23	310.67	260.56	435.80	253.16	-	-

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 6 September 2021.

**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 39.32% from 54,995.25 points as on June 30, 2020 to 76,621.54 points as on June 30, 2021. The daily average volume during FY21 increased by 168.80% to 528 million shares compared to daily average of 196 million shares traded in FY20. Net outflow of US \$387 was recorded by Foreign Portfolio Investors during FY21 compared to net outflow of US \$285 million in FY20. On local investors front, Individuals, Companies, Other Organizations and Mutual Funds were net buyers of US \$332 million, US \$138 million, US \$45 million and US \$10 million. Insurance Companies, Broker Proprietary Trading and Banks remained net sellers of US \$10 million, US \$32 million and US \$95 million, respectively.

MONEY MARKET

SBP maintained policy rate at 7.00% with objective to stimulate economy and boost investor/consumer confidence, given the enforcement of sporadic lockdowns due to third and fourth wave of pandemic. Going forward, change in monetary policy stance may be witnessed if demand side pressures emerge. The Consumer Price Index (CPI) Inflation averaged at 8.90% during FY21 compared to 10.74 % in FY20. Food inflation and rising energy prices remained major contributors to FY21 CPI inflation. The growth in money supply (M2) witnessed an increase of 13.68% during FY21 that is Rs. 2,859 billion against an expansion of 15.74% (Rs. 2,801 billion) in FY20. Net Foreign Assets (NFA) increased by Rs. 1,008 billion during FY21 compared to an increase of Rs. 991 billion in FY20. Net Domestic Asset (NDA) of banking system declined by 12.61% or Rs. 1,851 billion during FY21 against a decline of 31.60% or Rs. 2,118 billion during FY20. Credit to private sector increased by Rs. 595 billion in FY21 due to high working capital requirement of corporate sector and a surge in consumer financing.

FUND OPERATIONS

The Net Asset Value of APIF - Equity Sub Fund increased by 40.22% from Rs. 534.01 as on June 30, 2020 to Rs. 748.80 as on June 30, 2021. APIF- Equity Sub Fund exposure in equity stood at 96.37% that mainly comprised of Cement, Oil & Gas Exploration, Islamic Commercial Banks and Fertilizer sectors. The Net Asset Values of APIF -Debt Sub Fund and APIF - Money Market Sub Fund increased by 5.72% and 5.36% during the period under review, respectively. The APIF - Debt Sub Fund had 50.03% exposure in high yielding Islamic Bank Deposits, 26.17% in Ijarah Sukuk, 13.38% in Corporate Sukuks, 6.18% in others and 4.24% in Commercial Papers. The APIF - Money Market Sub Fund had 82.62% exposure in Islamic Bank Deposits, 10.74% in Ijarah Sukuk, 4.17% in Commercial Papers and 2.47% in others. The Net Assets of APIF stood at Rs. 1.61 billion as of June 30, 2021.

The Fund has made provision against SWWF, which up till June 30, 2021 amounted to Rs. 6,817,939 (Rs. 8.82 per unit) (ESF), Rs. 2,666,132 (Rs.1.47 per unit) (DSF) and Rs. 2,568,708 (Rs. 1.18 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, 2021 which is Rs. 2.08, Rs. 0.58, Rs. 0.30 per unit as on June 30, 2021, 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 2020-21
High Volatility	80%	20%	Nil	33.32%
Medium Volatility	50%	40%	10%	22.94%
Low Volatility	25%	60%	15%	14.29%
Lower Volatility	Nil	60%	40%	5.58%

ALLOCATION SCHEMES HISTORICAL PERFORMANCE:

Allocation Schemes	Return					
	FY16	FY17	FY18	FY19	FY20	FY21
High Volatility	4.84%	23.71%	-6.92%	-13.85%	8.69%	33.32%
Medium Volatility	4.61%	16.79%	-2.94%	-5.89%	9.13%	22.94%
Low Volatility	4.42%	11.04%	0.37%	0.73%	9.51%	14.29%
Lower Volatility	4.22%	5.19%	3.76%	7.41%	9.87%	5.58%

During the year under review, the Investment Committee held fifty-two 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: 6 September 2021

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, 2021 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 2021

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, 2021 in accordance with the provisions of the constitutive documents of the Fund and the Voluntary Pension System Rules, 2005.

Karachi: 30 September 2021

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

INDEPENDENT AUDITORS' REPORT TO THE PARTICIPANTS

We have audited the annexed financial statements comprising:

- i) statement of assets and liabilities;
- ii) income statement;
- iii) statement of comprehensive income;
- iv) statement of movement in participants' sub-funds; and
- v) cash flow statement

of **Atlas Pension Islamic Fund** (the Fund) as at 30 June 2021 and for the year ended 30 June 2021 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 2021 and of the transactions of the Fund for the year ended 30 June 2021;
- 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) Zakat deductible at source under the Zakat and Usher Ordinance, 1980 was deducted by the Fund and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

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

Date: 20 September 2021

Karachi

EY Ford Rhodes
Chartered Accountants
Engagement Partner: Arslan Khalid

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021

		2021					2020				
		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	11,002,442	231,162,604	485,629,051	45,658,997	773,453,094	5,472,605	261,739,598	407,483,284	28,467,827	703,163,314
	5	568,196,401	202,350,363	87,668,416	-	858,215,180	428,123,553	173,137,090	87,300,000	-	688,560,643
Receivable against sale of investments		-	-	-	-	-	5,892,487	-	-	-	5,892,487
Receivable against issue of units		9,545,892	10,996,579	8,401,470	-	28,943,941	3,377,332	3,570,795	5,002,004	-	11,950,131
Dividend receivable		-	-	-	-	-	-	-	-	-	-
Mark-up accrued	6	104,916	6,338,929	3,343,205	-	9,787,050	46,420	5,518,282	4,432,461	-	9,997,163
Security deposit and other receivables	7	755,432	11,228,287	2,759,576	-	14,743,295	3,621,477	7,493,399	5,637,782	-	16,752,658
Total assets		589,605,083	462,076,762	587,801,718	45,658,997	1,685,142,560	446,533,874	451,459,164	509,855,531	28,467,827	1,436,316,396
LIABILITIES											
Payable against purchase of investments		-	-	-	-	-	1,560,340	-	-	-	1,560,340
Payable against redemption of units		584,752	1,972,293	6,503,315	-	9,060,360	281,249	483,113	1,106,806	298,493	2,169,661
Payable to the Pension Fund Manager	8	2,657,952	1,518,819	1,008,801	-	5,185,572	2,461,991	1,503,233	973,270	-	4,938,494
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	70,635	55,001	69,845	-	195,481	57,908	54,980	63,588	-	176,476
Payable to the Securities and Exchange Commission of Pakistan	10	136,031	114,232	130,985	-	381,248	120,230	116,215	130,000	-	366,445
Payable to the auditors		103,317	78,075	87,985	-	269,377	89,159	86,366	96,865	-	272,390
Payable to Sub-Funds		-	-	-	44,953,950	44,953,950	-	-	-	27,301,131	27,301,131
Accrued expenses and other liabilities	11	7,254,241	2,669,241	2,702,665	705,047	13,331,194	3,495,344	2,227,843	2,049,160	868,203	8,640,550
Total liabilities		10,806,928	6,407,661	10,503,596	45,658,997	73,377,182	8,066,221	4,471,750	4,419,689	28,467,827	45,425,487
NET ASSETS		578,798,155	455,669,101	577,298,122	-	1,611,765,378	438,467,653	446,987,414	505,435,842	-	1,390,890,909
REPRESENTED BY:											
PARTICIPANTS' SUB-FUND (as per statement attached)		578,798,155	455,669,101	577,298,122	-	1,611,765,378	438,467,653	446,987,414	505,435,842	-	1,390,890,909
NUMBER OF UNITS IN ISSUE	12	772,963	1,810,635	2,175,848			821,084	1,877,817	2,007,075		
NET ASSET VALUE PER UNIT		748.80	251.66	265.32			534.01	238.04	251.83		
CONTINGENCIES AND COMMITMENTS											

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The annexed notes 1 to 28 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 2021

		2021				2020			
		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	15	706,385	30,703,687	31,910,044	63,320,116	1,107,659	45,131,954	49,126,672	95,366,285
Dividend income		24,709,838	-	-	24,709,838	19,624,091	-	-	19,624,091
Gain / (loss) from investments at fair value through P&L									
Net Gain / (loss) on sale of investments at 'fair value through profit or loss'		74,714,057	(741,886)	(611,572)	73,360,599	37,498,506	-	-	37,498,506
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1	87,021,501	-	-	87,021,501	(6,606,710)	-	-	(6,606,710)
		161,735,558	(741,886)	(611,572)	160,382,100	30,891,796	-	-	30,891,796
		187,151,781	29,961,801	31,298,472	248,412,054	51,623,546	45,131,954	49,126,672	145,882,172
EXPENSES									
Remuneration of the Pension Fund Manager	8.1	8,162,448	3,427,176	2,619,374	14,208,998	6,265,070	3,020,423	2,264,158	11,549,651
Sindh Sales Tax on remuneration of the Pension Fund Manager	8.2	1,061,125	445,545	340,523	1,847,193	814,459	392,655	294,341	1,501,455
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	722,424	606,894	695,680	2,024,998	581,243	561,275	630,706	1,773,224
Sindh Sales Tax on Remuneration of the Trustee	9.2	93,909	78,881	90,441	263,231	75,562	72,966	81,992	230,520
Annual fee to the Securities and Exchange Commission of Pakistan		136,031	114,232	130,985	381,248	120,230	116,215	130,000	366,445
Bank charges		47,356	17,678	14,412	79,446	9,640	16,757	18,297	44,694
Legal and professional charges		138,413	140,453	45,113	323,979	121,040	130,220	50,260	301,520
Auditors' remuneration	16	102,679	81,950	93,161	277,790	79,580	86,561	107,985	274,126
Securities' transaction cost and settlement charges		821,528	17,192	10,114	848,834	661,864	6,780	6,780	675,424
Provision for Sindh Workers' Welfare Fund	11.2	3,517,317	500,636	545,173	4,563,126	857,897	814,562	910,784	2,583,243
		14,803,230	5,430,637	4,584,976	24,818,843	9,586,585	5,218,414	4,495,303	19,300,302
		172,348,551	24,531,164	26,713,496	223,593,211	42,036,961	39,913,540	44,631,369	126,581,870
Net income for the year									
Earnings per unit	3.9	222.97	13.55	12.28		51.20	21.26	22.24	

The annexed notes 1 to 28 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 2021

	Note	2021				2020			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
Net income for the year		172,348,551	24,531,164	26,713,496	223,593,211	42,036,961	39,913,540	44,631,369	126,581,870
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	-	1,203,931	827,997	2,031,928	-	(2,246,622)	(2,700,000)	(4,946,622)
Total comprehensive income for the year		172,348,551	25,735,095	27,541,493	225,625,139	42,036,961	37,666,918	41,931,369	121,635,248

The annexed notes 1 to 28 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 2021

	Note	2021				2020			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees-----				-----Rupees-----			
Net assets at the beginning of the year		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
Amount received on issuance of units	18	150,604,208	168,805,424	215,557,612	534,967,244	104,651,290	128,563,869	178,140,025	411,355,184
Amount paid on redemptions of units									
- Transfer to other Pension Fund		(7,890,427)	(42,374,045)	(18,249,336)	(68,513,808)	(3,381,247)	(4,868,813)	(489,444)	(8,739,504)
- Directly by participants		(174,731,830)	(143,484,787)	(152,987,489)	(471,204,106)	(86,496,164)	(89,227,642)	(102,917,577)	(278,641,383)
		(182,622,257)	(185,858,832)	(171,236,825)	(539,717,914)	(89,877,411)	(94,096,455)	(103,407,021)	(287,380,887)
Net income for the year		97,634,494	24,531,164	26,713,496	148,879,154	4,538,455	39,913,540	44,631,369	89,083,364
Net gain on sale of investments at 'fair value through profit or loss'		74,714,057	-	-	74,714,057	37,498,506	-	-	37,498,506
Other comprehensive loss for the year	17	-	1,203,931	827,997	2,031,928	-	(2,246,622)	(2,700,000)	(4,946,622)
Total comprehensive income for the year		172,348,551	25,735,095	27,541,493	225,625,139	42,036,961	37,666,918	41,931,369	121,635,248
Net assets at the end of the year		578,798,155	455,669,101	577,298,122	1,611,765,378	438,467,653	446,987,414	505,435,842	1,390,890,909

The annexed notes 1 to 28 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 2021

		2021					2020				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
Note		Rupees					Rupees				
CASH FLOWS FROM OPERATING ACTIVITIES											
	Net income for the year	172,348,551	24,531,164	26,713,496	-	223,593,211	42,036,961	39,913,540	44,631,369	-	126,581,870
	Adjustments for:										
	Mark-up income	(706,385)	(30,703,687)	(31,910,044)	-	(63,320,116)	(1,107,659)	(45,131,954)	(49,126,672)	-	(95,366,285)
	Dividend income	(24,709,838)	-	-	-	(24,709,838)	(19,624,091)	-	-	-	(19,624,091)
	Net gain on sale of investments at 'fair value through profit or loss'	(74,714,057)	741,886	611,572	-	(73,360,599)	(37,498,506)	-	-	-	(37,498,506)
	Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(87,021,501)	-	-	-	(87,021,501)	6,606,710	-	-	-	6,606,710
	Provision for sindh workers' welfare fund	(3,517,317)	(500,636)	(545,173)	-	(4,563,126)	(857,897)	(814,562)	(910,784)	-	(2,583,243)
		(18,320,547)	(5,931,273)	(5,130,149)	-	(29,381,969)	(10,444,482)	(6,032,976)	(5,406,087)	-	(21,883,545)
	Decrease / (Increase) in assets										
	Security deposit and other receivables	2,866,045	(3,734,888)	2,878,206	-	2,009,363	(6,385,896)	(7,213,919)	(5,227,220)	-	(18,827,035)
	Receivable against sale of investments	5,892,487	-	-	-	5,892,487	-	-	-	-	-
		8,758,532	(3,734,888)	2,878,206	-	7,901,850	(6,385,896)	(7,213,919)	(5,227,220)	-	(18,827,035)
	Increase in liabilities										
	Payable against purchase of investments	(1,560,340)	-	-	-	(1,560,340)	1,560,340	-	-	-	1,560,340
	Payable against redemption of units	303,503	1,489,180	5,396,509	(298,493)	6,890,699	(97,687)	(85,524)	(808,732)	253,615	(738,328)
	Payable to the Pension Fund Manager	195,961	15,586	35,531	-	247,078	62,396	41,972	52,736	-	157,104
	Payable to the Central Depository Company of Pakistan Limited - Trustee	12,727	21	6,257	-	19,005	2,185	5,215	11,876	-	19,276
	Payable to the Securities and Exchange Commission of Pakistan	15,801	(1,983)	985	-	14,803	(18,432)	(5,287)	20,740	-	(2,979)
	Payable to the auditors	14,158	(8,291)	(8,880)	-	(3,013)	(206)	8,198	26,713	-	34,705
	Payable to Sub-Funds	-	-	-	17,652,819	17,652,819	-	-	-	22,644,765	22,644,765
	Accrued expenses and other liabilities	7,276,214	942,034	1,198,678	(163,156)	9,253,770	1,772,304	1,681,545	1,845,992	632,482	5,932,323
		6,258,024	2,436,547	6,629,080	17,191,170	32,514,821	3,280,900	1,646,119	1,149,325	23,530,862	29,607,206
	Mark-up received	647,889	29,883,040	32,999,300	-	63,530,229	-	-	47,975,546	-	47,975,546
	Dividend received	24,709,838	-	-	-	24,709,838	20,673,071	-	-	-	20,673,071
	Investments made during the year	(401,035,020)	(118,357,640)	(48,877,550)	-	(568,270,210)	(299,746,519)	(155,001,421)	(148,999,999)	-	(603,747,939)
	Investments sold / amortised / matured during the year	422,697,730	89,606,412	48,725,559	-	561,029,701	274,188,519	43,527,283	59,000,000	-	376,715,802
		47,020,437	1,131,812	32,847,309	-	80,999,558	(4,884,929)	(111,474,138)	(42,024,453)	-	(158,383,520)
	Net cash generated from / (used in) from operating activities - carried forwarded	43,716,446	(6,097,802)	37,224,446	17,191,170	92,034,260	(18,434,407)	(123,074,914)	(51,508,435)	23,530,862	(169,486,894)

CASH FLOW STATEMENT (Continued...)

FOR THE YEAR ENDED 30 JUNE 2021

	2021					2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
Note	Rupees					Rupees				
Net cash generated from / (used in) from operating activities - brought forward	43,716,446	(6,097,802)	37,224,446	17,191,170	92,034,260	(18,434,407)	(123,074,914)	(51,508,435)	23,530,862	(169,486,894)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts on issue of units	144,435,648	161,379,640	212,158,146	-	517,973,434	102,615,463	126,416,936	175,029,019	-	404,061,418
Payment on redemptions of units										
- Transfer to other Pension Fund	(7,890,427)	(42,374,045)	(18,249,336)	-	(68,513,808)	(3,381,248)	(4,868,813)	(489,444)	-	(8,739,505)
- Directly by participants	(174,731,830)	(143,484,787)	(152,987,489)	-	(471,204,106)	(86,496,164)	(89,227,642)	(102,917,577)	-	(278,641,383)
Net cash (used in) / generated from financing activities	(38,186,609)	(24,479,192)	40,921,321	-	(21,744,480)	12,738,051	32,320,481	71,621,998	-	116,680,530
Net increase / (decrease) in cash and cash equivalents	5,529,837	(30,576,994)	78,145,767	17,191,170	70,289,780	(5,696,356)	(90,754,433)	20,113,563	23,530,862	(52,806,364)
Cash and cash equivalents at beginning 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
Cash and cash equivalents at end of the year	4 11,002,442	231,162,604	485,629,051	45,658,997	773,453,094	5,472,605	261,739,598	407,483,284	28,467,827	703,163,314

The annexed notes 1 to 28 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 2021

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** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act “Sindh Act 2020” as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company had submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act, 2020.
- 1.5** 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

- 1.7** 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.

- 1.8** 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

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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

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

Standard	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 2023

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 and provision under uncertain circumstances such as provision for Sindh Workers' Welfare Fund, taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 11.1, 7.1 and 8.3 respectively.

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 Fund 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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'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; 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 etc.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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.

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 2021

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that no less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income at the year end in order to avail this tax exemption. 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 2021

4. BANK BALANCES

		2021					2020				
		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	-	-	-	27,328,659	27,328,659	-	-	-	3,203,000	3,203,000
Saving accounts	4.2	11,002,442	231,162,604	485,629,051	18,330,338	746,124,435	5,472,605	261,739,598	407,483,284	25,264,827	699,960,314
		<u>11,002,442</u>	<u>231,162,604</u>	<u>485,629,051</u>	<u>45,658,997</u>	<u>773,453,094</u>	<u>5,472,605</u>	<u>261,739,598</u>	<u>407,483,284</u>	<u>28,467,827</u>	<u>703,163,314</u>

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

4.2 The accounts carry expected rates ranging from 5.50% to 8.25% (30 June 2020: ranging from 4.00% to 7.25%) per annum.

5. INVESTMENTS - net

INVESTMENTS - net		2021					2020				
		Equity Sub-Fund	Equity Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Equity Sub-Fund	Money Market Sub-Fund	Others	Total
Note		-----Rupees-----					-----Rupees-----				
At fair value through profit or loss											
Equity securities - listed	5.1	568,196,401	-	-	-	568,196,401	428,123,553	-	-	-	428,123,553
At fair value through other comprehensive income											
Sukuk certificates	5.2	-	61,820,729	-	-	61,820,729	-	51,396,590	-	-	51,396,590
Government of Pakistan - Ijarah Sukuks	5.3.1	-	120,915,900	63,128,000	-	184,043,900	-	121,740,500	87,300,000	-	209,040,500
Connercial papers	5.4	-	19,613,734	24,540,416	-	44,154,150	-	-	-	-	-
		568,196,401	202,350,363	87,668,416	-	858,215,180	428,123,553	173,137,090	87,300,000	-	688,560,643

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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

Equity Sub-Fund

Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Unrealised gain / (loss) as at 30 June 2021	Market Value as a Percentage of	
									Net Assets of the sub-funds	Paid-up capital of Investee Company
<div>----- Number of Shares ----- Rupees ----- % age -----</div> Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated.										
Banks										
BankIslami Pakistan Limited	1,050,850	450,000	-	1,500,850	-	-	-	-	-	-
Meezan Bank Limited	506,806	150,000	37,830	224,000	470,636	34,116,420	54,316,101	20,199,681	9.3843	0.0400
	1,557,656	600,000	37,830	1,724,850	470,636	34,116,420	54,316,101	20,199,681	9.3843	
Textile Composite										
Interloop Limited	217	117,000	-	15,000	102,217	6,099,474	7,158,257	1,058,783	1.2367	0.0100
Kohinoor Textile Mills Limited	100,000	35,000	-	16,000	119,000	4,619,888	8,948,800	4,328,912	1.5461	0.0400
Nishat Mills Limited	41,000	148,000	-	67,000	122,000	11,273,894	11,382,600	108,706	1.9666	0.0300
	141,217	300,000	-	98,000	343,217	21,993,256	27,489,657	5,496,401	4.7494	
Cement										
Attock Cement Pakistan Limited	41,500	40,000	-	59,000	22,500	3,366,841	4,045,950	679,109	0.6990	0.0200
Bestway Cement Limited	11,800	-	-	-	11,800	1,283,014	1,905,936	622,922	0.3293	-
Cherat Cement Company Limited	81,750	46,000	-	82,500	45,250	6,133,961	8,026,445	1,892,484	1.3867	0.0200
D.G. Khan Cement Company Limited	79,500	77,000	-	46,500	110,000	12,730,282	12,971,200	240,918	2.2411	0.0300
Fauji Cement Company Limited	129,000	553,500	-	70,000	612,500	12,180,984	14,087,500	1,906,516	2.4339	0.0400
Gharibwal Cement Limited	100,000	125,000	-	225,000	-	-	-	-	-	-
Kohat Cement Company Limited	44,000	32,000	-	23,000	53,000	9,568,004	10,943,970	1,375,966	1.8908	0.0300
Lucky Cement Limited	78,700	14,500	-	29,300	63,900	34,931,052	55,173,816	20,242,764	9.5325	0.0200
Maple Leaf Cement Factory Limited	-	171,000	-	35,000	136,000	6,270,464	6,389,280	118,816	1.1039	-
	566,250	1,059,000	-	570,300	1,054,950	86,464,602	113,544,097	27,079,495	19.6172	
Refinery										
Attock Refinery Limited	-	45,000	-	34,500	10,500	2,387,309	2,692,725	305,416	0.4652	0.0100
National Refinery Limited	-	3,500	-	1,500	2,000	1,108,068	1,046,380	(61,688)	0.1808	-
	-	48,500	-	36,000	12,500	3,495,377	3,739,105	243,728	0.6460	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

									Market Value as a Percentage of	
Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Unrealised gain / (loss) as at 30 June 2021	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.										
Power Generation & Distribution										
K-Electric Limited (face value Rs. 3.5)	1,005,000	200,000	-	-	1,205,000	3,894,050	5,036,900	1,142,850	0.8702	0.0100
The Hub Power Company Limited	532,893	307,000	-	504,500	335,393	27,434,536	26,720,760	(713,776)	4.6166	0.0300
	1,537,893	507,000	-	504,500	1,540,393	31,328,586	31,757,660	429,074	5.4868	
Oil & Gas Marketing Companies										
Attock Petroleum Limited	10,000	-	-	10,000	-	-	-	-	-	-
Hi-Tech Lubricants Limited	75,000	114,000	-	189,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	91,116	40,000	-	27,800	103,316	17,673,257	23,113,672	5,440,415	3.9934	0.0200
Sui Northern Gas Pipelines Limited	113,200	267,500	-	225,200	155,500	6,967,172	7,554,190	587,018	1.3052	0.0200
	289,316	421,500	-	452,000	258,816	24,640,429	30,667,862	6,027,433	5.2986	
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	25,535	2,000	-	7,000	20,535	26,018,079	31,303,349	5,285,270	5.4083	0.0200
Oil & Gas Development Company Limited	304,500	159,600	-	44,500	419,600	45,697,347	39,874,588	(5,822,759)	6.8892	0.0100
Pakistan Oilfields Limited	53,200	8,000	-	28,700	32,500	11,593,942	12,800,450	1,206,508	2.2116	0.0100
Pakistan Petroleum Limited	272,700	72,000	-	42,000	302,700	27,097,869	26,283,441	(814,428)	4.5410	0.0100
	655,935	241,600	-	122,200	775,335	110,407,237	110,261,828	(145,409)	19.0501	
Industrial Engineering										
International Industries Limited	15,050	36,500	-	15,050	36,500	8,084,565	7,702,230	(382,335)	1.3307	0.0300
Agha Steel Industries Limited	-	177,792	-	177,792	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	40,000	6,400	10,400	36,000	3,284,603	3,758,400	473,797	0.6493	-
International Steels Limited	-	201,500	-	121,500	80,000	7,367,787	7,472,800	105,013	1.2911	0.0200
	15,050	455,792	6,400	324,742	152,500	18,736,955	18,933,430	196,475	3.2711	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

									Market Value as a Percentage of	
Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Unrealised gain / (loss) as at 30 June 2021	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	1,200	900	900	7,600	5,181,000	8,205,036	3,024,036	1.4176	0.0200
Indus Motor Company Limited	-	6,000	-	6,000	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	-	26,000	-	9,000	17,000	5,369,766	6,042,480	672,714	1.0440	-
	6,400	33,200	900	15,900	24,600	10,550,766	14,247,516	3,696,750	2.4616	0.0200
Automobile Parts & Accessories										
Thal Limited (face value Rs. 5 per share)	-	26,300	-	-	26,300	11,855,175	11,119,114	(736,061)	1.9211	0.0600
Panther Tyres Limited	-	64,115	-	5,000	59,115	3,901,256	4,086,620	185,364	0.7061	-
	-	90,415	-	5,000	85,415	15,756,431	15,205,734	(550,697)	2.6272	0.0600
Technology & Communications										
Pakistan Telecommunication Company Limited	-	620,000	-	85,000	535,000	5,355,680	6,334,400	978,720	1.0944	0.0100
Avanceon Limited	-	93,000	-	93,000	-	-	-	-	-	-
Systems Limited	94,000	-	3,500	65,000	32,500	5,426,909	18,207,150	12,780,241	3.1457	0.0300
	94,000	713,000	3,500	243,000	567,500	10,782,589	24,541,550	13,758,961	4.2401	
Fertilizer										
Engro Corporation Limited	112,000	66,500	-	53,100	125,400	37,189,540	36,944,094	(245,446)	6.3829	0.0200
Engro Fertilizers Limited	361,660	175,000	-	290,000	246,660	16,243,564	17,332,798	1,089,234	2.9946	0.0200
	473,660	241,500	-	343,100	372,060	53,433,104	54,276,892	843,788	9.3775	
Pharmaceuticals										
AGP Limited	51,500	22,500	-	74,000	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	26,000	41,500	-	38,000	29,500	5,370,999	4,887,265	(483,734)	0.8444	0.0100
Highnoon Laboratories Limited	8,085	10,500	1,858	-	20,443	10,638,762	12,265,800	1,627,038	2.1192	0.0600
The Searle Company Limited	59,629	11,000	-	53,629	17,000	3,626,411	4,124,540	498,130	0.7126	0.0100
	145,214	85,500	1,858	165,629	66,943	19,636,172	21,277,605	1,641,434	3.6762	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

									Market Value as a Percentage of	
Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Unrealised gain / (loss) as at 30 June 2021	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.										
Chemicals										
Engro Polymer & Chemicals Limited	423,500	70,000	-	313,500	180,000	6,406,793	8,503,200	2,096,407	1.4691	0.0200
Lotte Chemical Pakistan Limited	300,000	-	-	300,000	-	-	-	-	-	-
Berger Paints Pakistan Limited	-	29,000	-	29,000	-	-	-	-	-	-
Dynea Pakistan Limited	-	13,000	-	13,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	18,000	-	12,100	5,900	2,281,848	2,076,800	(205,048)	0.3588	-
ICI Pakistan Limited	6,600	4,000	-	8,100	2,500	1,852,427	2,172,000	319,573	0.3753	0.0300
	730,100	134,000	-	675,700	188,400	10,541,068	12,752,000	2,210,932	2.2032	
Cables & Electrical Goods										
Pak Elektron Limited	-	75,000	-	75,000	-	-	-	-	-	-
	-	75,000	-	75,000	-	-	-	-	-	
Paper & Board										
Packages Limited	7,200	8,800	-	2,000	14,000	5,762,553	7,632,800	1,870,247	1.3187	0.0200
Securities Paper Limited	-	14,300	-	4,000	10,300	1,975,078	1,489,071	(486,007)	0.2573	0.0200
	7,200	23,100	-	6,000	24,300	7,737,631	9,121,871	1,384,240	1.5760	
Leather & Tanneries										
Bata Pakistan Limited	5,200	-	-	3,300	1,900	2,551,890	3,257,360	705,470	0.5628	0.0300
Service Global Footwear Limited	-	58,561	-	-	58,561	3,303,545	3,386,583	83,037	0.5851	0.0300
	5,200	58,561	-	3,300	60,461	5,855,435	6,643,943	788,507	1.1479	
Foods & Personal Care Products										
Al-Tahur Limited	180,000	75,000	25,500	-	280,500	4,475,745	6,535,650	2,059,905	1.1292	0.1700
Unity Foods Limited	-	501,500	-	406,500	95,000	2,839,978	4,229,400	1,389,422	0.7307	0.0200
Treet Corporation Limited	-	70,000	-	20,000	50,000	2,109,844	2,474,500	364,656	0.4275	0.0700
	180,000	646,500	25,500	426,500	425,500	9,425,567	13,239,550	3,813,983	2.2874	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

									Market Value as a Percentage of	
Name of Investee Company	As at 01 July 2020	Purchases during the year	Bonus / Right issues during the year	Sales during the year	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Unrealised gain / (loss) as at 30 June 2021	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.										
Glass & Ceramics										
Tariq Glass Industries Limited	22,500	-	-	22,500	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited	-	290,000	-	190,000	100,000	3,252,552	3,335,000	82,448	0.5762	-
	22,500	290,000	-	212,500	100,000	3,252,552	3,335,000	82,448	0.5762	
Transport										
Pakistan International Bulk Terminal Limited	-	250,000	-	-	250,000	3,020,705	2,845,000	(175,705)	0.4915	0.0100
	-	250,000	-	-	250,000	3,020,705	2,845,000	(175,705)	0.4915	
Miscellaneous										
Synthetic Products Enterprises Limited	31,000	-	-	31,000	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	170,000	-	170,000	-	-	-	-	-	-
	31,000	-	-	31,000	-	-	-	-	-	
30 June 2021	6,458,591	6,199,168	75,988	5,960,221	6,773,526	481,174,882	568,196,401	87,021,519	98.17	
30 June 2020						434,730,261	428,123,553	(6,606,709)	97.64	

5.1.1 The cost of listed equity securities as at 30 June 2021 is Rs.503,112,257.14 (2020: Rs.464,426,018)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5.2 Sukuk certificates

Debt Sub-Fund

Debt Sub-Fund		As at 1 July 2020	Purchases during the year	Sales / Matured during the year	As at 30 June 2021	Carrying Value as at 30 June 2021	Market Value as at 30 June 2021	Unrealised loss as at 30 June 2021	Market Value as a Percentage of Net assets of the Sub-Fund
Note		Number of certificates				Rupees			% age
Face value of Rs.5,000 per certificate otherwise stated:									
Banks									
	Meezan Bank Limited Tier - II (face value of Rs. 1,000,000 per certificate)	12	-	-	12	12,000,000	12,427,464	427,464	2.78
	Meezan Bank Limited Tier - III (<i>face value of Rs. 1,000,000 per certificate</i>)	15	-	-	15	15,000,000	15,562,500	562,500	3.48
Fertilizers									
	Dawood Hercules Corporation Limited Sukuk II (face value of Rs. 100,000 per certificate)	80	-	80	-	-	-	-	-
Power Generation & Distribution									
	The Hub Power Company Limited (<i>face value of Rs. 100,000 per certificate</i>)	170	-	-	170	17,000,000	17,339,065	339,065	3.88
	Hub Power Holdings Limited	-	200	-	200	16,406,740	16,491,700	84,960	3.69
Chemicals									
	Agritech Limited 5.2.1.1	740	-	-	740	-	-	-	-
	Agritech Limited IV 5.2.1.1	107	-	-	107	-	-	-	-
30 June 2021						60,406,740	61,820,729	1,413,989	13.83
30 June 2020						50,400,000	51,396,590	996,590	

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 (2020: 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 2021. In this regard, the aggregate provision also includes a provision

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2020	Purchases during the year	Sold / matured during the year	As at 30 June 2021	Amortised Cost as at 30 June 2021	Market Value as at 30 June 2021	Unrealised loss as at 30 June 2021	Market value as a % of net assets of the Sub-Fund
Note	Rupees							%
Government of Pakistan - Ijarah Sukuks	1,250	830	850	1,230	122,899,821	120,915,900	(1,983,921)	(0.44)
30 June 2020					125,000,000	121,740,500	(3,259,500)	

5.3.1 The Purchase cost of investments is Rs. 122,880,960/- (2020: 125,000,000) These investments carrying rate of return ranging from 6.27% to 8.37% (2020: 6.63% TO 7.65%) per annum with maturity upto 29 Jul 2025 (2020: 29 July 2025).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.3.2 Money Market Sub-Fund

	As at 1 July 2020	Purchases during the year	Sold / matured during the year	As at 30 June 2021	Amortised Cost as at 30 June 2021	Market Value as at 30 June 2021	Unrealised loss as at 30 June 2021	Market value as a % of net assets of the Sub-Fund
Note	----- Rupees -----							%
Government of Pakistan - Ijarah Sukuks	900	250	500	650	65,000,000	63,128,000	(1,872,000)	(0.41)
30 June 2020					90,000,000	87,300,000	(2,700,000)	

5.3.1 The Purchase cost of investments is Rs. 65,000,000/- (2020: 90,000,000) These investments carrying rate of return ranging from 6.63% (2020: 6.63%) per annum with maturity upto 30 April 2025 (2020: 30 April 2025).

5.4 Commercial Papers

	Number of Certificates							
	As at 1 July 2020	Purchases during the year	Sold / matured during the year	As at 30 June 2021	Amortised Cost as at 30 June 2021	Market Value as at 30 June 2021	Unrealised loss as at 30 June 2021	Market value as a % of net assets of the Sub-Fund
	----- Rupees -----							%
Debt Sub-Fund								
Power Generation & Distribution								
K-Electric Limited - Islamic Commercial Paper (ICP-16)	-	10	-	10	9,828,441	9,828,441	-	4.86%
K-Electric Limited - Islamic Commercial Paper (ICP-17)	-	10	-	10	9,785,293	9,785,293	-	4.84%
	-	20	-	20	19,613,734	19,613,734	-	9.70%
Money Market Sub-Fund								
Power Generation & Distribution								
K-Electric Limited - Islamic Commercial Paper (ICP-16)	-	20	-	20	19,656,881	19,656,881	-	22.42%
K-Electric Limited - Islamic Commercial Paper (ICP-17)	-	5	-	5	4,883,535	4,883,535	-	5.57%
	-	25	-	25	24,540,416	24,540,416	-	27.99%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021					2020				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
6. MARK-UP ACCRUED	Note					Rupees				
Income accrued on:										
- Bank balances and term deposit receipts	104,916	1,924,192	2,606,983	-	4,636,091	46,420	2,338,617	3,418,445	-	5,803,482
- Sukuk Certificates	-	2,323,857	-	-	2,323,857	-	3,179,665	1,014,016	-	4,193,681
- Placements	-	65,096	19,493	-	84,589	-	-	-	-	-
- Government of Pakistan - Ijarah Sukuks	-	2,025,784	716,729	-	2,742,513	-	-	-	-	-
	104,916	6,338,929	3,343,205	-	9,787,050	46,420	5,518,282	4,432,461	-	9,997,163
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
Advances	18,664	18,665	18,667	-	55,996	18,664	18,665	18,667	-	55,996
Tax Recoverable	7.1 636,768	11,109,622	2,640,909	-	14,387,299	3,502,813	7,374,734	5,519,115	-	16,396,662
	755,432	11,228,287	2,759,576	-	14,743,295	3,621,477	7,493,399	5,637,782	-	16,752,658

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) / Pension Funds are exempt from withholding tax under sections 150 and 151. However, during the year ended 30 June 2016, several companies (including banks) deducted withholding tax on dividend and profit on bank deposits paid to the Fund based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The amount of tax withheld on dividend and profit on bank deposits aggregates to Rs.0.637 million (30 June 2020: Rs. 3.503 million), Rs. 11.110 million (30 June 2020: Rs. 7.375 million) and Rs 2.641 million (30 June 2020: Rs 5.519 million) for Equity Sub Fund, Debt Sub Fund, and Money Market Sub Fund respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds and Pension Funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all Funds managed by the Company to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs / VPS being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs/VPS (managed by the Management Company and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted from dividend and profit received on bank deposits by the Fund has been shown as Tax Recoverable as at 30 June 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

Had the tax recoverable not been recorded in these financial statements, the net asset value of the Equity Sub Fund, Debt Sub Fund, and Money Market Sub Fund as at 30 June 2021 would have been lower by Rs. 0.82 per unit (30 June 2020: Rs. 4.27 per unit), Rs. 6.14 per unit (30 June 2020: Rs. 3.93 per unit), and Rs. 1.21 per unit (30 June 2020: Rs. 2.75 per unit) respectively.

8. PAYABLE TO THE PENSION FUND MANAGER

		2021					2020				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Others	Total
	Note	Rupees					Rupees				
Remuneration of Pension Fund Manager	8.1	714,880	278,314	235,618	-	1,228,812	541,318	264,529	204,264	-	1,010,111
Sindh Sales Tax payable on Fund Manager	8.2	331,865	193,630	128,459	-	653,954	309,466	191,829	124,282	-	625,577
Provision for Federal Excise Duty payable on remuneration of the Pension Fund Manager	8.3	1,611,207	1,046,875	644,724	-	3,302,806	1,611,207	1,046,875	644,724	-	3,302,806
		2,657,952	1,518,819	1,008,801	-	5,185,572	2,461,991	1,503,233	973,270	-	4,938,494

- 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% (2020: 1.50%), 0.75% (2020: 0.75%) and 0.50% (2020: 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.
- 8.2** During the year, an amount of Rs.1.85 million (2020: Rs.1.50 million) was charged on account of sales tax on remuneration of the Pension Fund Manager at the rate of 13 percent (June 30, 2020: 13 percent) levied under Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 1.82 million (2020: Rs. 1.48 million) has been already paid to the Pension Fund Manager who acts as a collecting agent.
- 8.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Pension Fund Manager of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 9.2 above, the Pension Fund Manager is of the view that further levy of FED is not justified.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

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

		2021				2020			
		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			
Trustee fee	9.1	62,509	48,674	61,805	172,988	49,267	48,153	55,773	153,193
Sindh Sales Tax on Remuneration of the Trustee	9.2	8,126	6,327	8,040	22,493	6,381	6,262	7,250	19,893
Settlement charges		-	-	-	-	2,000	500	500	3,000
Sindh Sales Tax on settlement charges		-	-	-	-	260	65	65	390
		70,635	55,001	69,845	195,481	57,908	54,980	63,588	176,476

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

Net Assets

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9.2 During the year, an amount of Rs. 263,231 (2020: 230,520) 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. 260,631 (2020: 228,221) was paid to the Trustee who acts as a collecting agent.

10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2021					2020				
		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	10.1	136,031	114,232	130,985	-	381,248	120,230	116,215	130,000	-	366,445
		136,031	114,232	130,985	-	381,248	120,230	116,215	130,000	-	366,445

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

	Note	2021					2020				
		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	11.1	333,099	-	-	-	333,099	59,110	-	-	-	59,110
Withholding tax payable		43,648	3,109	4,720	-	51,477	119,613	62,347	25,626	675,000	882,586
Audit Remuneration		-	-	-	-	-	-	-	-	-	-
Zakat payable		-	-	-	-	-	-	-	-	134,159	134,159
Provision for Sindh Workers' Welfare Fund	11.2	6,817,939	2,666,132	2,568,708	-	12,052,779	3,300,621	2,165,496	2,023,534	-	7,489,651
Others		59,555	-	129,237	705,047	893,839	16,000	-	-	59,044	75,044
		7,254,241	2,669,241	2,702,665	705,047	13,331,194	3,495,344	2,227,843	2,049,160	868,203	8,640,550

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11.1 The Shariah Advisor of the Fund has certified an amount of Rs. 986,288 (30 June 2020: Rs. 412,282) against dividend income as Non-Shariah income which has accordingly, been marked to charity out of which Rs. 712,299 (2020: Rs. 478,230) has been paid to charities approved by the Shariah Advisor and remaining amount of Rs. 333,099 (2020: 59,110) will be paid in due course of time.

11.2 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 Mutual Fund Association of Pakistan (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 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 / pension funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / pension funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds have accordingly made provision in respect of SWWF as recommended by MUFAP.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the CISs / pension funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

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 2021 would have been higher by Rs. 8.82 per unit (30 June 2020: Rs. 4.02 per unit), Rs. 1.47 per unit (30 June 2020: Rs. 1.15 per unit) and Rs. 1.18 per unit (30 June 2020: 1.01 per unit) for equity sub fund, debt sub fund and money market sub fund respectively.

12. NUMBER OF UNITS IN ISSUE

	2021				2020			
	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	821,084	1,877,817	2,007,075	4,705,976	774,609	1,731,126	1,695,675	4,201,410
Add: Units issued during the year	217,707	689,231	830,838	1,737,776	202,220	559,400	736,931	1,498,551
Less: Units redeemed during the year								
- Change of Pension Fund Manager	(10,962)	(171,811)	(71,871)	(254,644)	(6,347)	(21,290)	(2,039)	(29,676)
- Directly by participants	(254,866)	(584,602)	(590,194)	(1,429,662)	(149,398)	(391,419)	(423,492)	(964,309)
	(265,828)	(756,413)	(662,065)	(1,684,306)	(155,745)	(412,709)	(425,531)	(993,985)
Total units in issue at end of the year	772,963	1,810,635	2,175,848	4,759,446	821,084	1,877,817	2,007,075	4,705,976

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2021 and 30 June 2020.

14. TOTAL EXPENSE RATIO

- 14.1** The Total Expense Ratio (TER) of the Atlas Pension Islamic Fund - Equity Sub Fund as at 30 June 2021 is 2.72% (30 June 2020: 2.30%) which includes 0.91% 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 Islamic Fund - Debt Sub Fund as at 30 June 2021 is 1.19% (30 June 2020: 1.30%) which includes 0.25% 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 Islamic Fund - Money Market Sub Fund as at 30 June 2021 is 0.79% (30 June 2020: 1.00%) which includes 0.19% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

15. MARK-UP INCOME

	2021				2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees				Rupees			
Income on bank balances and term deposit receipts	706,385	12,213,930	22,474,639	35,394,954	1,107,659	38,858,898	48,178,076	88,144,633
Income on Sukuk certificates	-	6,350,821	562,866	6,913,687	-	4,930,004	-	4,930,004
Income on Placements	-	1,008,986	2,739,347	3,748,333	-	-	-	-
Income on Government of Pakistan - Ijarah Sukuks	-	11,129,950	6,133,192	17,263,142	-	1,343,052	948,596	2,291,648
	706,385	30,703,687	31,910,044	63,320,116	1,107,659	45,131,954	49,126,672	95,366,285

- 15.1** Mark-up on non performing securities amounting to Rs. 4.10 (2020: Rs. Rs.3.73) based on outstanding principal has not been recognized, in accordance with the SECP's directives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

16. AUDITOR'S REMUNERATION

	2021				2020			
	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	82,003	68,971	79,026	230,000	74,026	71,233	81,733	226,992
Sindh Sales Tax on services	7,559	6,357	7,284	21,200	8,333	8,333	8,333	24,999
Out of pocket expenses	12,479	10,496	12,026	35,001	6,800	6,800	6,800	20,400
Prior year adjustment	638	(3,874)	(5,175)	(82,609)	(9,579)	195	11,119	1,735
	102,679	81,950	93,161	203,592	79,580	86,561	107,985	274,126

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

	2021					2020				
	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	-	202,350,363	87,668,416	-	290,018,779	-	173,137,090	87,300,000	-	260,437,090
Less: Cost of investments	-	202,920,301	89,540,419	-	292,460,720	-	174,910,959	90,000,000	-	264,910,959
	-	(569,938)	(1,872,003)	-	(2,441,941)	-	(1,773,869)	(2,700,000)	-	(4,473,869)
Less: Net unrealised (diminution) / appreciation in the value of investments at beginning of the year	-	1,773,869	2,700,000	-	4,473,869	-	16,288	-	-	16,288
Transferred to comprehensive income during the year	-	1,203,931	827,997	-	2,031,928	-	(1,757,581)	(2,700,000)	-	(4,457,581)
Gain / (loss) arise during the year	-	1,203,931	827,997	-	2,031,928	-	(2,246,622)	(2,700,000)	-	(4,946,622)
Reclassification to profit and loss upon disposal of investment during the year	-	-	-	-	-	-	-	-	-	-
	-	1,203,931	827,997	-	2,031,928	-	(1,757,581)	(2,700,000)	-	(4,457,581)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18. CONTRIBUTION TABLE

		2021						
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
		Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals		112,193	78,007,432	370,446	90,700,941	587,842	152,524,086	321,232,459
Employers		105,514	72,596,776	318,785	78,104,483	242,996	63,033,526	213,734,785
		217,707	150,604,208	689,231	168,805,424	830,838	215,557,612	534,967,244
		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

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	2021				2020			
	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)	714,880	278,314	235,618	1,228,812	541,318	264,529	204,264	1,010,111
Sindh Sales Tax payable on the Pension Fund Manager (Rupees)	331,865	193,630	128,459	653,954	309,466	191,829	124,282	625,577
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)	124,300,800	41,775,560	44,043,120	210,119,480	88,645,660	39,514,640	41,803,780	169,964,080
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)	62,509	48,674	61,805	172,988	49,267	48,153	55,773	153,193
Sindh Sales Tax on Remuneration (Rupees)	8,126	6,327	8,040	22,493	6,381	6,262	7,250	19,893
Settlement charges (Rupees)	-	-	-	-	2,000	500	500	3,000
Sindh Sales Tax on settlement charges (Rupees)	-	-	-	-	260	65	65	390
Directors and executives								
Investment at year end	69,081,293	46,035,409	52,643,998	167,760,700	47,864,696	40,074,034	46,862,692	134,801,422
Units held (Number of units)	92,256	182,927	198,417	473,600	89,633	168,350	186,089	444,072

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

	2021				2020			
	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)	8,162,448	3,427,176	2,619,374	14,208,998	6,265,070	3,020,423	2,264,158	11,549,651
Sindh Sales Tax on remuneration (Rupees)	1,061,125	445,545	340,523	1,847,193	814,459	392,655	294,341	1,501,455

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021				2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees -----				----- Rupees -----			
Central Depository Company of Pakistan Limited (Trustee)								
Remuneration for the year (Rupees)	722,424	606,894	695,680	2,024,998	581,243	561,275	630,706	1,773,224
Sindh Sales Tax on Remuneration (Rupees)	93,909	78,881	90,441	263,231	75,562	72,966	81,992	230,520
Directors and executives								
Contributions	7,588,591	3,000,705	7,550,563	18,139,859	5,221,881	1,713,787	2,613,438	9,549,106
Contributions (number of units)	10,886	12,179	29,460	52,525	10,080	7,506	10,867	28,453
Redemptions	(4,820,873)	(303,669)	(4,003,198)	(9,127,740)	(1,484,022)	(290,004)	289,991	(1,484,035)
Redemptions (number of units)	(7,696)	(1,238)	(15,600)	(24,534)	(2,682)	(1,271)	(1,201)	(5,154)
Re-allocation	(497,257)	886,009	(388,752)	-	2,245,303	145,982	(2,391,285)	-
Re-allocation (Number of units)	(567)	3,636	(1,531)	1,538	4,413	637	(9,926)	(4,876)

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 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 2021

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
<u>June 30, 2021</u>	<i>Note</i>	<hr/> Rupees <hr/>								
Financial assets - measured at fair value										
Investments - net		-	568,196,401	290,018,779	-	858,215,180	568,196,401	290,018,779	-	858,215,180
Financial assets - not measured at fair value										
Bank balances	20.1	773,453,094	-	-	-	773,453,094				
Receivable against sale of investments	20.1	-	-	-	-	-				
Receivable against issue of units	20.1	28,943,941	-	-	-	28,943,941				
Dividend receivable	20.1	-	-	-	-	-				
Mark-up accrued	20.1	9,787,050	-	-	-	9,787,050				
Security deposit and other receivables	20.1	14,743,295	-	-	-	14,743,295				
		<u>826,927,380</u>	<u>568,196,401</u>	<u>290,018,779</u>	<u>-</u>	<u>1,685,142,560</u>				
Financial liabilities - not measured at fair value										
Payable against redemption of units	20.1	-	-	-	9,060,360	9,060,360				
Payable to the Pension Fund Manager	20.1	-	-	-	1,228,812	1,228,812				
Payable to the Central Depository Company of Pakistan Limited - Trustee	20.1	-	-	-	172,988	172,988				
Payable to the auditors	20.1	-	-	-	269,377	269,377				
Payable to Sub-Funds		-	-	-	44,953,950	44,953,950				
Accrued expenses and other liabilities	20.1	-	-	-	1,226,938	1,226,938				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>56,912,425</u>	<u>56,912,425</u>				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

		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	20.1	703,163,314	-	-	-	703,163,314				
Receivable against sale of investments	20.1	5,892,487	-	-	-	5,892,487				
Receivable against issue of units	20.1	11,950,131	-	-	-	11,950,131				
Dividend receivable	20.1	-	-	-	-	-				
Mark-up accrued	20.1	9,997,163	-	-	-	9,997,163				
Security deposit and other receivables		16,752,658	-	-	-	16,752,658				
		<u>747,755,753</u>	<u>428,123,553</u>	<u>260,437,090</u>	<u>-</u>	<u>1,436,316,396</u>				
Financial liabilities - not measured at fair value										
Payable against purchase of investments	20.1	-	-	-	2,169,661	2,169,661				
Payable against redemption of units	20.1	-	-	-	-	-				
Payable to the Pension Fund Manager	20.1	-	-	-	1,010,111	1,010,111				
Payable to the Central Depository Company of Pakistan Limited - Trustee	20.1	-	-	-	156,193	156,193				
Payable to the auditors	20.1	-	-	-	272,390	272,390				
Payable to Sub-Funds		-	-	-	27,301,131	27,301,131				
Accrued expenses and other liabilities	20.1	-	-	-	134,154	134,154				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>31,043,640</u>	<u>31,043,640</u>				

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

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

21.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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.

21.2 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.

21.3 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.

21.4 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 2021, 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.

Sensitivity Analysis of fixed rate instruments

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

Sensitivity Analysis of variable rate instruments

- a) Presently 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	2021				2020			
	Effect on net income				Effect on net income			
	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	110,024	2,311,626	4,856,291	7,277,941	54,069	4,426,199	5,065,858	9,546,126
(100)	(110,024)	(2,311,626)	(4,856,291)	(7,277,941)	(54,069)	(4,426,199)	(5,065,858)	(9,546,126)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

Equity Sub-Fund

Effective yield / interest rate (%)	2021 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	5.00 - 6.85	11,002,442	-	-	-	11,002,442
Investments - net		-	-	-	568,196,401	568,196,401
Receivable against sale of investments		-	-	-	-	-
Receivable against issue of units		-	-	-	9,545,892	9,545,892
Dividend receivable		-	-	-	-	-
Mark-up accrued		-	-	-	104,916	104,916
Security deposit and other receivables		-	-	-	755,432	755,432
		11,002,442	-	-	578,602,641	589,605,083

Financial liabilities

Payable against purchase of investments		-	-	-	-	-
Payable against redemption of units		-	-	-	584,752	584,752
Payable to the Pension Fund Manager		-	-	-	714,880	714,880
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	62,509	62,509
Payable to the auditors		-	-	-	103,317	103,317
Accrued expenses and other liabilities		-	-	-	392,654	392,654
		-	-	-	1,858,112	1,858,112

On-balance sheet gap		11,002,442	-	-	576,744,529	587,746,971
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Off-balance sheet financial instruments

Off-balance sheet gap		-	-	-	-	-
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Total interest rate sensitivity gap		11,002,442	-	-	576,744,529	587,746,971
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Cumulative interest rate sensitivity gap		11,002,442	11,002,442	11,002,442	587,746,971	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Equity Sub-Fund

2020					
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
		-	-	-	75,110	75,110
		-	-	-	2,598,443	2,598,443

On-balance sheet gap		5,472,605	-	-	438,462,826	443,935,431
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Off-balance sheet financial instruments

Off-balance sheet gap		-	-	-	-	-
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Total interest rate sensitivity gap		5,472,605	-	-	438,462,826	443,935,431
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Cumulative interest rate sensitivity gap		5,472,605	5,472,605	5,472,605	443,935,431	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Debt Sub-Fund

Effective yield / interest rate (%)	2021 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	5.00 - 6.85	231,162,604	-	-	-	231,162,604
Investments - net	5.95 to 8.45	-	-	202,350,363	-	202,350,363
Receivable against issue of units		-	-	-	10,996,579	10,996,579
Mark-up accrued		-	-	-	6,338,929	6,338,929
Security deposit and other receivables		-	-	-	11,228,287	11,228,287
		231,162,604	-	202,350,363	28,563,795	462,076,762

Financial liabilities

Payable against redemption of units		-	-	-	1,972,293	1,972,293
Payable to the Pension Fund Manager		-	-	-	278,314	278,314
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	48,674	48,674
Payable to the auditors		-	-	-	78,075	78,075
		-	-	-	2,377,356	2,377,356

On-balance sheet gap

231,162,604	-	202,350,363	26,186,439	459,699,406
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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

231,162,604	-	202,350,363	26,186,439	459,699,406
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Cumulative interest rate sensitivity gap

231,162,604	231,162,604	433,512,967	459,699,406	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Debt Sub-Fund

2020					
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
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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

261,739,598	-	173,137,090	15,699,815	450,576,503
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Cumulative interest rate sensitivity gap

261,739,598	261,739,598	434,876,688	450,576,503
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Money Market Sub-Fund

Effective yield / interest rate (%)	2021 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	485,629,051	-	-	-	485,629,051
Investments - net	5.95 - 6.27	-	-	87,668,416	-	87,668,416
Receivable against issue of units		-	-	-	8,401,470	8,401,470
Mark-up accrued		-	-	-	3,343,205	3,343,205
Security deposit and other receivables		-	-	-	2,759,576	2,759,576
		485,629,051	-	87,668,416	14,504,251	587,801,718

Financial liabilities

Payable against redemption of units	-	-	-	6,503,315	6,503,315
Payable to the Pension Fund Manager	-	-	-	235,618	235,618
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	61,805	61,805
Payable to the auditors	-	-	-	87,985	87,985
	-	-	-	6,888,723	6,888,723

On-balance sheet gap

485,629,051	-	87,668,416	7,615,528	580,912,995
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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

485,629,051	-	87,668,416	7,615,528	580,912,995
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Cumulative interest rate sensitivity gap

485,629,051	485,629,051	573,297,467	580,912,995	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Money Market Sub-Fund

2020					
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 2021

22 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 2021, with all other variables held constant, net income for the year would increase / decrease by Rs. 28.4 million (2020: Rs. 21.41 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 2021 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.

23 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 2021

		2021							2020							
		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																
23.1	Equity Sub-Fund															
	Liabilities															
	Payable against purchase of investments	-	-	-	-	-	-	-	1,560,340	-	-	-	-	-	-	1,560,340
	Payable against redemption of units	584,752	-	-	-	-	-	584,752	281,249	-	-	-	-	-	-	281,249
	Payable to the Pension Fund Manager	714,880	-	-	-	-	-	714,880	541,318	-	-	-	-	-	-	541,318
	Payable to Central Depository Company of Pakistan Limited - Trustee	62,509	-	-	-	-	-	62,509	51,267	-	-	-	-	-	-	51,267
	Payable to the auditors	-	103,317	-	-	-	-	103,317	-	89,159	-	-	-	-	-	89,159
	Accrued expenses and other liabilities	392,654	-	-	-	-	-	392,654	75,110	-	-	-	-	-	-	75,110
		1,754,795	103,317	-	-	-	-	1,858,112	2,509,284	89,159	-	-	-	-	-	2,598,443
23.2	Debt Sub-Fund															
	Liabilities															
	Payable against redemption of units	1,972,293	-	-	-	-	-	1,972,293	483,113	-	-	-	-	-	-	483,113
	Payable to the Pension Fund Manager	278,314	-	-	-	-	-	278,314	264,529	-	-	-	-	-	-	264,529
	Payable to Central Depository Company of Pakistan Limited - Trustee	48,674	-	-	-	-	-	48,674	48,653	-	-	-	-	-	-	48,653
	Payable to the auditors	-	78,075	-	-	-	-	78,075	-	86,366	-	-	-	-	-	86,366
		2,299,281	78,075	-	-	-	-	2,377,356	796,295	86,366	-	-	-	-	-	882,661
23.3	Money Market Sub-Fund															
	Liabilities															
	Payable against redemption of units	6,503,315	-	-	-	-	-	6,503,315	1,106,806	-	-	-	-	-	-	1,106,806
	Payable to the Pension Fund Manager	235,618	-	-	-	-	-	235,618	204,264	-	-	-	-	-	-	204,264
	Payable to Central Depository Company of Pakistan Limited - Trustee	61,805	-	-	-	-	-	61,805	56,273	-	-	-	-	-	-	56,273
	Payable to the auditors	-	87,985	-	-	-	-	87,985	-	96,865	-	-	-	-	-	96,865
		6,800,738	87,985	-	-	-	-	6,888,723	1,367,343	96,865	-	-	-	-	-	1,464,208

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

24 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:

	2021	2020
	-----Rupees-----	
Equity Sub-Fund	21,408,682	18,410,321
Debt Sub-Fund	254,678,662	278,322,074
Money Market Sub-Fund	499,397,080	422,555,531
	775,484,424	719,287,926

24.1 Credit quality of financial assets

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

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	% of financial assets exposed to credit risk		% of financial assets exposed to credit risk		% of financial assets exposed to credit risk	
	2021	2020	2021	2020	2021	2020
Government securities	-	-	27.72	-	11.50	-
AAA	0.13	0.04	19.19	19.25	0.66	23.80
AA+	0.19	48.71	4.23	40.35	0.11	49.98
AA-	-	0.06	-	19.53	-	23.61
AA	3.86	0.36	29.72	5.42	87.59	0.03
A+	-	-	1.33	15.45	0.14	2.58
A	95.82	50.83	16.85	-	-	-
Others	-	-	0.96	-	-	-
	100.00	100.00	100.00	100.00	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

Debt Sub-Fund						
2021			2020			
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.

25 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.

26. FINANCIAL PERFORMANCE

Particulars	Equity Sub-Fund					
	2021	2020	Change	2019	2018	2017
	Rupees		%	Rupees		
Net income / (loss) for the year	172,348,551	42,036,961	309.99	(85,607,307)	(37,176,484)	87,709,025
Net gain / (loss) on sale of investments at fair value through profit or loss	74,714,057	37,498,506	99.25	(21,153,322)	(23,149,804)	53,554,640
Net unrealised appreciation / (diminution) on re-measurement of investments classified as at fair value through profit or loss	87,021,501	(6,606,710)	(1,417.17)	(77,830,194)	(25,995,021)	23,385,258
Dividend income	24,709,838	19,624,091	25.92	20,488,995	18,503,470	15,765,975
Mark-up Income	706,385	1,107,659	(36.23)	1,569,661	1,697,251	1,457,560
Net asset value	578,798,155	438,467,653	32.00	381,656,813	404,127,453	394,566,785
Net asset value per unit	748.80	534.01	40.22	492.71	609.34	673.59
(Loss) / earnings per unit	222.97	51.20	335.49	(110.52)	(56.05)	149.73
Transactions in securities - Purchased	(401,035,020)	(299,746,519)	33.79	(304,757,403)	(316,385,104)	(404,820,118)
Transactions in securities - Sold / Matured	422,697,730	274,188,519	54.16	211,757,586	243,054,897	418,668,676
Total contributions received	144,435,648	102,615,463	40.75	134,044,431	107,237,349	76,348,692

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Debt Sub-Fund					
	2021	2020	Change	2019	2018	2017
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	24,531,164	39,913,540	(38.54)	26,505,136	15,095,780	10,515,915
Mark-up Income	30,703,687	45,131,954	(31.97)	31,149,328	19,634,507	13,875,362
Net asset value	455,669,101	446,987,414	1.94	374,853,082	351,147,876	342,053,108
Net asset value per unit	251.66	238.04	5.72	216.54	201.80	184.86
Earnings per unit	13.55	21.26	(36.27)	15.31	8.68	7.09
Transactions in securities - Purchases	(118,357,640)	(155,001,421)	-	-	(8,000,000)	(176,641,823)
Transactions in securities - Sold / Matured	89,606,412	43,527,283	105.86	130,000,000	61,791	178,800,000
Total contributions received	161,379,640	126,416,936	27.66	109,660,871	114,746,038	78,108,998

Particulars	Money Market Sub-Fund					
	2021	2020	Change	2019	2018	2017
	-----Rupees-----		%	-----Rupees-----		
Net income for the year	26,713,496	44,631,369	(40.15)	24,451,321	11,161,137	9,735,335
Net gain on sale / maturity of 'available for sale investments'	-	-	-	-	-	69,582
Mark-up Income	31,910,044	49,126,672	(35.05)	27,664,029	13,549,059	10,940,678
Net asset value	577,298,122	505,435,842	14.22	388,771,469	305,238,149	252,665,420
Net asset value per unit	265.32	251.83	5.36	229.27	213.14	204.91
Earnings per unit	12.28	22.24	(44.78)	14.42	7.79	7.90
Transactions in securities - Purchases	(48,877,550)	(148,999,999)	(67.20)	(8,981,998)	-	-
Transactions in securities - Sold / Matured	48,725,559	59,000,000	(17.41)	59,000,000	58,953	46,931,300
Total contributions received	212,158,146	175,029,019	21.21	132,137,528	105,815,487	76,179,543

Highest and lowest issue prices of units

Particulars	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2021	2020	2021	2020	2021	2020
Highest issue price (Rs.)	772.88	650.16	251.66	238.56	265.32	251.83
Lowest issue price (Rs.)	546.42	405.12	238.07	216.25	251.86	229.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

27 GENERAL

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

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

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on 6 September 2021.

**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

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے اے پی آئی ایف فنڈ کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے پی آئی ڈی ایس ایف کی جانب سے سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر مطابقت پذیر ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ مینجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے حرام حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے صدقہ کا نشان لگا دیا ہے۔

کراچی ۳۰ جون، ۲۰۲۱
ڈاکٹر مفتی محمد وصی بٹ
شرعیہ ایڈوائزرز

شریعی ایڈوائزرز کی رپورٹ کا جائزہ

اٹلس پنشن اسلامک فنڈ (اے پی آئی ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۲.۳ (iv) کے مطابق جاری کر رہا ہوں۔ رپورٹ کا دائرہ کار فنڈ کی سرگرمیوں کی شرعی تعمیل پر رائے کا اظہار کرنا ہے۔

یہ فنڈ کی مینجمنٹ کمپنی اٹلس ایسیٹ مینجمنٹ لمیٹڈ (اے اے ایم ایل) کی ذمہ داری ہے کہ وہ شرعی ہدایات کی تعمیل کو یقینی بنانے کے لیے اندرونی کنٹرول کا نظام قائم اور برقرار رکھے۔ بطور شرعی مشیر، میری ذمہ داری ہے کہ مینجمنٹ کی طرف سے کی گئی نمائندگیوں کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل پر تصدیق کی جاسکے۔

معاملات میں سرمایہ کاری کی تشخیص کے لئے مجھے درج ذیل کی بنیاد پر عمل کرنے کی ہدایت کی ہے (۱) کاروبار کی نوعیت (۲) انٹریسٹ بحوالہ کل اثاثہ جات میں ڈیپٹ (۳) کل اثاثہ جات کے متعلق غیر لیکویڈ اثاثہ جات (۴) کل اثاثہ جات کی سرگرمیوں میں شریعت کے بغیر سرمایہ کاری اور (۵) فی شیئر بحوالہ شیئر کی قیمت کا صافی اثاثہ جات۔

فنڈ کے شرعی مشیر کی حیثیت سے میرے مینڈیٹ کے حصے کے طور پر، میں نے سال کے دوران درج ذیل کا جائزہ لیا ہے۔

- فنڈز پر اپرٹی کی سرمایہ کاری کے طریقے اور شرعی ہدایات کی تعمیل۔
- فنڈز پر اپرٹی کی تعیناتی کا عمل اور اس کی شرعی ہدایات کی تعمیل۔
- آمدنی کو پاک کرنے کا عمل اور اس کی شرعی ہدایات کی تعمیل۔

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

کراچی: ۶ ستمبر، ۲۰۲۱ء

محمد عبدالصمد
چیف ایگزیکٹو آفیسر

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 ”اٹلس پینشن اسلامک فنڈ“ کی تاسیسی دستاویزات کے تحت یہ لازم ہے کہ فنڈز کی آمدنی کو اس میں شامل حرام جزو سے پاک کیا جائے۔ شرعی مشیر کی تصدیق کے بعد اس طرح کی آمدنی کو 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 مینجمنٹ کمپنی کی اسیٹ نیچر درجہ بندی اے ایم ۲+ (اے ایم ٹو پلس) ترتیب دی ہے۔

(۲۰۲۰ء: اے ایم ۲+ (اے ایم ٹو پلس)) تاریخ ۲۴ دسمبر ۲۰۲۰ء کو یہ درجہ بندی کمپنی کی تجربہ کار ٹیم، منتظم سرمایہ کاری نظام اور ہم آہنگ معیاری نظام اور طریقہ کار کی عکاسی کرتی ہے۔

آڈیٹرز

بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی نے اپنے اجلاس منعقدہ ستمبر ۲۰۲۱ء کو میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس، کراچی کو اختتام سال 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۔

● ہیومن ریسورس اینڈری مینوریشن کمیٹی (ایچ آر اینڈ آئی)۔ دو میٹنگز 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	۲
۲	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۲
۳	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۲
۴	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۲

انویسٹمنٹ کمیٹی۔ باون میٹنگز منعقد ہوئیں دوران سال اور شریک کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	میٹنگ میں شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۲۱
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۴۷
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	۵۲
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف فکسڈ انکم۔ رکن آئی سی	۵۲
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف اکیویٹیز۔ سیکریٹری آئی سی	۵۰

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 افتخار ایچ شیرازی	چیئر مین	۶	۶
۲	جناب طارق امین	آزاد ڈائریکٹر	۶	۶
۳	جناب فراہیم علی خان	نان ایگزیکٹو ڈائریکٹر	۶	۶
۴	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۶	۶
۵	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۶	۶
۶	محترمہ زہرا نقوی	آزاد ڈائریکٹر	۶	۶
۷	جناب محمد عبدالصمد	چیف ایگزیکٹو آفیسر	۶	۶

بورڈ کی کمیٹیوں میں شامل ہیں آڈٹ کمیٹی، ہیومن ریسورس اینڈ ری مینوریشن کمیٹی، اور انویسٹمنٹ کمیٹی (جس میں ایگزیکٹو مینجمنٹ کے افراد شامل ہیں جیسا کہ این بی ایف سی قواعد ۲۰۰۸ء میں درکار ہے)۔ 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	۳
۳	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۴

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 بورڈ کے ممبران، ملازمین اور کمپنی پر مختلف حلقوں، آپس کے معاملات اور معاشرے کی فلاح و بہبود کے سلسلے میں عائد کردہ فرائض اور ذمہ داریوں کو صراحت کے ساتھ بیان کر دیا گیا ہے۔ یہ ضابطہ اخلاق کمپنی کی ویب سائٹ پر دستیاب ہے۔

مینیجمنٹ کمپنی اور کمیٹی کے بورڈ آف ڈائریکٹران

اس عرصے کے دوران، اے اے ایم ایل کے بورڈ آف ڈائریکٹرز میں شامل ہیں۔ جناب افتخار ایچ شیرازی، چیئرمین، مسٹر فراہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ زہرہ نقوی، آزاد ڈائریکٹر اور مسٹر محمد عید الصمد، چیف ایگزیکٹو آفیسر۔

☆ 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 ڈائریکٹر: ۴

ایگزیکٹو ڈائریکٹر: ۱

خواتین ڈائریکٹر: ۱ (* آزاد ڈائریکٹر)

چیمبرمین کا جائزہ:

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

بورڈ کے ڈائریکٹران کی جانب سے توثیق نامہ

بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ:

- ☆ (اے پی ایف)، اور (اے پی آئی ایف)، کی مالیاتی تفصیلات، جسے ان فنڈز کے پینشن فنڈ منیجر کی جانب سے تیار کیا گیا ہے، جو شفاف طریقے سے پیش کرتی ہے اپنے حالات و واقعات، کارگزاری نتائج، جامع آمدنی برائے سال، نقد گوشوارے، اور شرکاء کے ذیلی فنڈ میں نقل و حرکت۔
- ☆ 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 ۲۱ اور ۲۲ پر علی الترتیب شائع کئے گئے ہیں۔

اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف)

تفصیلات		اے پی آئی ایف - ایکویٹی سب فنڈ		اے پی آئی ایف - ڈیبٹ سب فنڈ		اے پی آئی ایف - منی مارکیٹ سب فنڈ	
		۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء
مجموعی اثاثے - ملین روپے		۴۳۸.۴۷	۵۷۸.۸۰	۴۳۶.۹۹	۴۵۵.۶۷	۵۰۵.۴۴	۵۷۷.۳۰
آمدنی فی یونٹ - روپے		۵۱.۲۰	۲۲۲.۹۷	۲۱.۲۶	۱۳.۵۵	۲۲.۲۴	۱۲.۲۸
منافع (فیصد)		۸.۳۸	۴۰.۲۲	۹.۹۰	۵.۷۲	۹.۸۱	۵.۳۶
یونٹس کا اجراء - ملین روپے		۱۰۴.۶۵	۱۵۰.۶۰	۱۲۸.۵۶	۱۶۸.۸۱	۱۷۸.۱۴	۲۱۵.۵۶
یونٹس کی واپسی - ملین روپے		۸۹.۸۸	۱۸۲.۶۲	۹۴.۱۰	۱۸۵.۸۶	۱۰۳.۴۱	۱۷۱.۲۴
شرکاء کا تقسیم جدول - مالیاتی تفصیلات میں ظاہر کردہ		نوٹ ۱۸	نوٹ ۱۸	نوٹ ۱۷	نوٹ ۱۸	نوٹ ۱۷	نوٹ ۱۸

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

اٹلس پینشن فنڈ - گولڈ ذیلی فنڈ کی منسوخی

مینجمنٹ کمپنی نے یونٹ ہولڈرز کی رضامندی سے، اے پی ایف گولڈ ذیلی فنڈ میں ان کی سرمایہ کاری کو دوسرے ذیلی فنڈز میں منتقل کر دیا ہے۔ نتیجتاً ایس ای سی پی نے ذیلی فنڈ کی منسوخی کیلئے اپنی رضامندی دے دی۔ ۵۴،۰۴۷ روپے ٹیکس واپسی کلیم ہیں اور فیڈرل ایکسائز ڈیوٹی اور سندھ ورکرز ویلفیئر فنڈ کی مد میں ۰.۳۵ ملین روپے ہیں جسکی بہت زیادہ محتاط پیش بندی کی گئی ہے۔ ایک 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

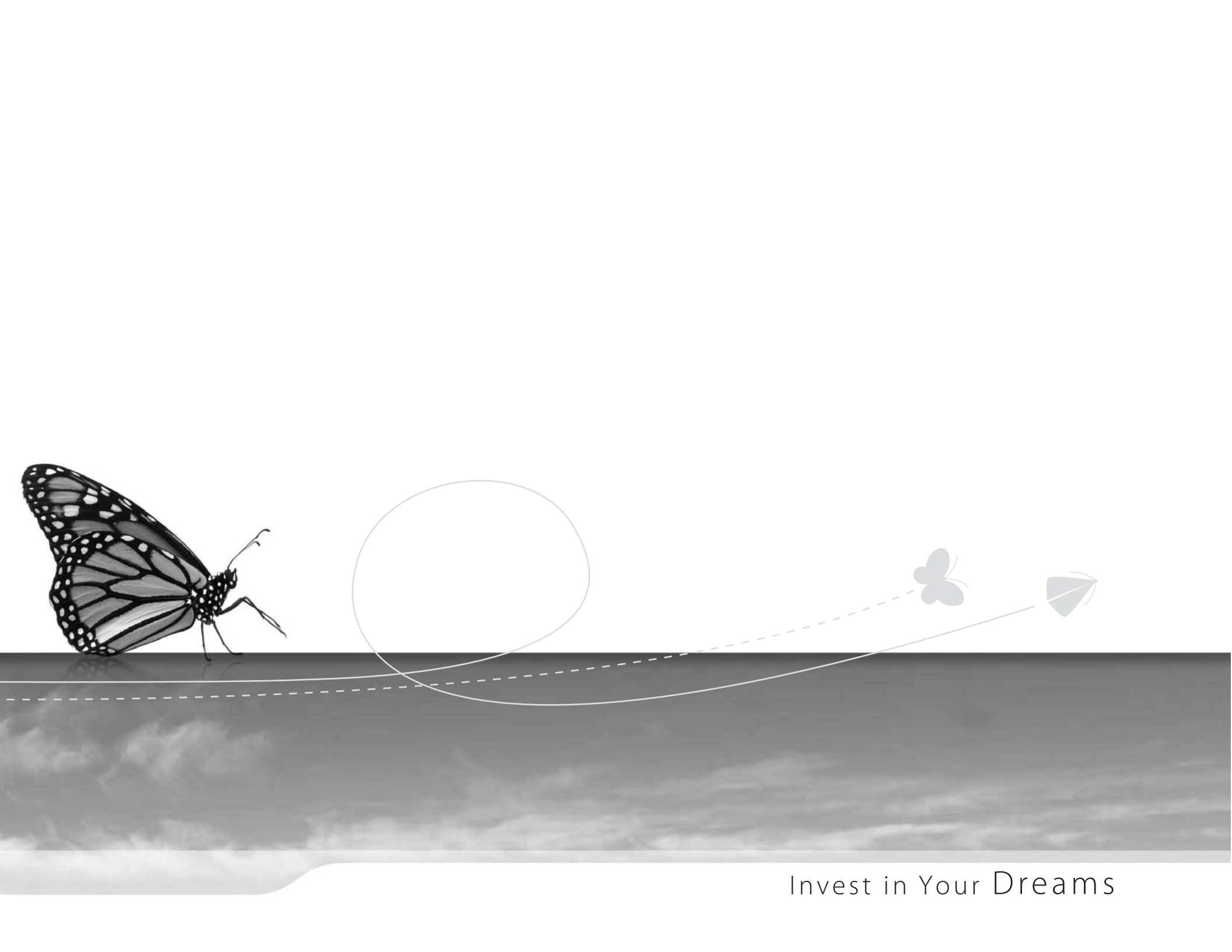
اٹلس ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز، پینشن فنڈ مینجر برائے اٹلس پینشن فنڈ (اے پی ایف) اور اٹلس پینشن اسلامک فنڈ (اے پی آئی ایف) کو اے پی ایف اور اے پی آئی ایف کی سالانہ رپورٹس بشمول آڈٹ شدہ مالیاتی تفصیلات اور آڈیٹرز رپورٹ برائے اختتام سال ۳۰ جون ۲۰۲۱ء پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

فنڈ کا حجم اور انفعال

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 ۲۰۲۱ء بمقابلہ اختتام سال ۳۰ جون ۲۰۲۰ء درج ذیل ہے۔

اٹلس پینشن فنڈ (اے پی ایف)

تفصیلات		اے پی ایف - ایکویٹی سب فنڈ		اے پی ایف - ڈیبٹ سب فنڈ		اے پی ایف - منی مارکیٹ سب فنڈ	
		۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء	۲۰۲۱ء	۲۰۲۰ء
مجموعی اثاثے - ملین روپے		۵۷۵.۹۳	۵۲۸.۷۰	۲۸۱.۸۷	۲۲۱.۷۵	۵۵۳.۵۳	۴۵۶.۶۸
آمدنی / (خسارہ) فی یونٹ - روپے		۲۱۵.۹۳	۲۰.۱۹	۲۷.۷۲	۳۹.۶۹	۱۷.۹۳	۲۷.۱۹
منافع - فیصد		۴۱.۰۸	۶.۴۳	۶.۲۳	۱۹.۰۷	۶.۲۰	۱۲.۴۰
یونٹس کا اجراء - ملین روپے		۱۰۰.۹۹	۱۲۷.۴۳	۱۲۷.۸۰	۴۴.۹۸	۳۱۱.۴۰	۹۱.۶۸
یونٹس کی واپسی - ملین روپے		۲۵۴.۷۹	۳۴.۰۲	۹۴.۱۰	۷۵.۸۵	۲۴۶.۰۶	۳۶.۴۰
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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