

September 28, 2023

The General Manager  
Pakistan Stock Exchange (Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road,  
Karachi

Dear Sir,

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR/PERIOD ENDED JUNE 30, 2023.**

- **ATLAS MONEY MARKET FUND (AMF)**
- **ATLAS LIQUID FUND (ALF)**
- **ATLAS SOVEREIGN FUND (ASF)**
- **ATLAS INCOME FUND (AIF)**
- **ATLAS STOCK MARKET FUND (ASMF)**
- **ATLAS ISLAMIC MONEY MARKET FUND (AIMF)**
- **ATLAS ISLAMIC INCOME FUND (AIIF)**
- **ATLAS ISLAMIC STOCK FUND (AISF)**
- **ATLAS ISLAMIC FUND OF FUNDS (AIFOF)**
- **ATLAS ISLAMIC DEDICATED STOCK FUND (AIDSF)**

This is to inform you that the audited condensed interim financial statements of **Atlas Funds** (AMF, ALF, ASF, AIF and ASMF) and **Atlas Meraj** (AIMF, AIIF, AISF, AIFOF and AIDSF) for the year/period ended June 30, 2023 have been placed on the Company's website [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk) and may be downloaded there from.

Intimation of the website transmittal will be notified to the unit holders of the above mentioned funds. The press notice shall be published in September 29, 2023 issue of the Business Recorder.

Also, please find enclosed herewith, three printed copies each of the year ended June 30, 2023, of our following fund brands, for your record.

1. **Atlas Funds**, covering Atlas Money Market Fund, Atlas Liquid Fund, Atlas Sovereign Fund, Atlas Income Fund and Atlas Stock Market Fund; and
2. **Atlas Meraj**, covering Atlas Islamic Money Market Fund, Atlas Islamic Income Fund, Atlas Islamic Stock Fund, Atlas Islamic Fund of Funds and Atlas Islamic Dedicated Stock Fund.

Thanking you,  
Yours truly

**For Atlas Asset Management Limited (Management Company)**

  
Zainab Kazim  
Company Secretary

Encl.: as specified above

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**Head Office**

Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600, Pakistan.  
Ph: (92-21) 35379501-04, Fax: (92-21) 35379280, UAN: (92-21) 111-MUTUAL (6-888-25)  
Website: [www.atlasfunds.com.pk](http://www.atlasfunds.com.pk), E-mail: [info@atlasfunds.com.pk](mailto:info@atlasfunds.com.pk)



**Atlas Money Market Fund**

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**Atlas Liquid Fund**

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**Atlas Sovereign Fund**

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**Atlas Income Fund**

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**Atlas Stock Market Fund**

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**ANNUAL REPORT**

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**30 June 2023**

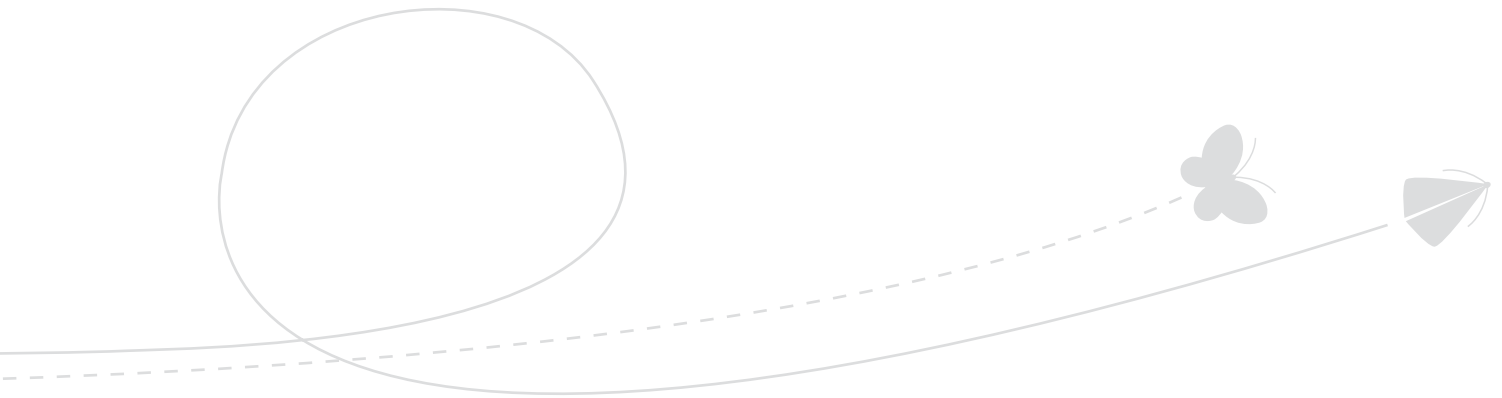
**Atlas**  
**funds**  
*Nurturing your investments*



Managed By

**Atlas Asset Management**

Rated AM2+ by PACRA  
(as of December 23, 2022)



# 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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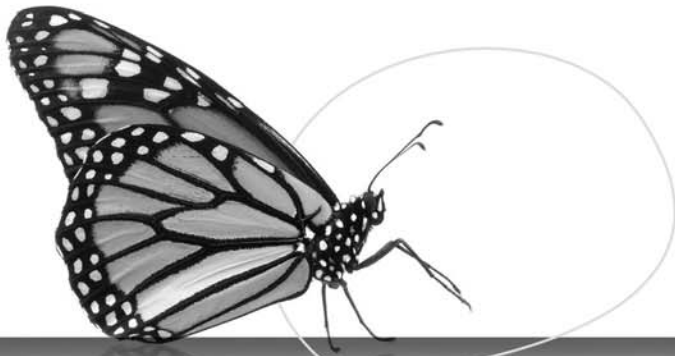
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## Diversity

Understanding the social, cultural and financial diversity in our country and coming up with innovative plans to cater distinctive needs



# 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

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# Organisation

## Management Company

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Atlas Asset Management Limited

## Board of Directors of the Management Company

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<b>Chairman</b>	Mr. Iftikhar H. Shirazi <i>(Non-Executive Director)</i>
<b>Directors</b>	Mr. Tariq Amin <i>(Independent Director)</i> Ms Zehra Naqvi <i>(Independent Director)</i> Mr. Frahim Ali Khan <i>(Non-Executive Director)</i> Mr. Ali H. Shirazi <i>(Non-Executive Director)</i> Mr. M. Habib-ur-Rahman <i>(Non-Executive Director)</i>
<b>Chief Executive Officer</b>	Mr. Muhammad Abdul Samad <i>(Executive Director)</i>
<b>Company Secretary</b>	Ms Zainab Kazim

## Board Committees

### Audit Committee

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

### Human Resource & Remuneration Committee

---

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

## Investment Committee

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

## Management Committee

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

## Risk Management Committee

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<b>Chairman</b>	Mr. Muhammad Abdul Samad
<b>Members</b>	Mr. Khalid Mahmood
<b>Secretary</b>	Mr. Shaikh Owais Ahmed

## Chief Financial Officer

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Ms Qurrat-ul-Ain Jafari

## Chief Internal Auditor

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Mr. M. Uzair Uddin Siddiqui

## Registered Office

---

Ground Floor, Federation House Sharae Firdousi,  
Clifton, Karachi - 75600

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(92-21) 35379501-04

Fax: (92-21) 35379280

Email: info@atlasfunds.com.pk

Website: www.atlasfunds.com.pk

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## Board of Directors of the Management Company

### Mr. Iftikhar H. Shirazi

Chairman

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

He is currently Chairman of Atlas Asset Management Limited, Shirazi Investments (Private) 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, the Federation of Pakistan Chambers of Commerce & Industry (FPCCI), and the Karachi Chamber of Commerce & Industry (KCCI). He is also serving on the Board of the Forman Christian College, Ghulam Ishaq Khan Institute of Engineering Science and Technology and British Overseas School Association. He was also a member of the Aga Khan Resource Development Committee and FPCCI Executive Committee. He has also served the Management Association of Pakistan as their Vice President.

He also enjoys membership in several other prestigious associations, including 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 the International Club, Notre Dame De Namur University (formerly College of Notre Dame), U.S.A.

### Mr. Fahim Ali Khan

Director

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Mr. Fahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, U.S.A., Financial Management Program at Stanford University, U.S.A., and the Board of Director's Program at Insead University, France.

He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently, his directorships include Atlas Asset Management Limited, Atlas Power Limited, Atlas Solar Limited, Atlas Energy Limited, Atlas Insurance Limited, Shirazi Investments (Private) Limited, Atlas Engineering (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Shirazi Trading Company (Private) Limited, and Atlas Foundation.

Earlier, he has also served on the Boards of Atlas Honda Limited, Atlas Battery Limited, and Atlas Bank Limited (former), and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management Limited and Atlas Investment Bank Limited (former).

### Mr. M. Habib-ur-Rahman

Director

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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

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Mr. Tariq Amin is the Chairman of Orkila Pakistan (Private) Limited, a leading company dealing in chemicals. He is also on the Boards of 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 Sindh Minister/ Chairman 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.

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## Board of Directors of the Management Company

### Mr. Ali H. Shirazi

Director

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Mr. Ali H. Shirazi graduated with a B.A. from Yale University, U.S.A., in 2000 and thereafter completed his Masters in Law from Bristol University, U.K., in 2005. During the period, he worked for the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is Atlas Group Director Financial Services and President / Chief Executive of Atlas Battery Limited. He serves on the board of Atlas Asset Management Limited, Atlas Insurance Limited, Shirazi Investments (Private) Limited, National Management Foundation (sponsoring body of LUMS), National Foods Limited, Cherat Packaging Limited, Pakistan Cables Limited and Pakistan Society for Training and Development. Previously, he has also served on the Board of the 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 (O.P.M.) from Harvard Business School.

### Ms Zehra Naqvi

Independent Director

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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

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Mr. Muhammad Abdul Samad has over two decades 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. He also served as a Director on the Board of Mutual Funds Association of Pakistan (MUFAP) and currently, he is serving as Chairman of its Taxation Committee. He is also an Independent Director on the Board of Institute of Financial Markets of Pakistan (IFMP). Mr. Samad is also serving as a member on Board of Studies Faculty of Business Administration of Jinnah University for Women, Industrial Advisory Board of UIT University and Islamic Finance Academic Advisory Board of Hamdard University.

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 Money Market Fund (AMF), Atlas Liquid Fund (ALF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) for the financial year ended June 30, 2023.

## THE ECONOMY

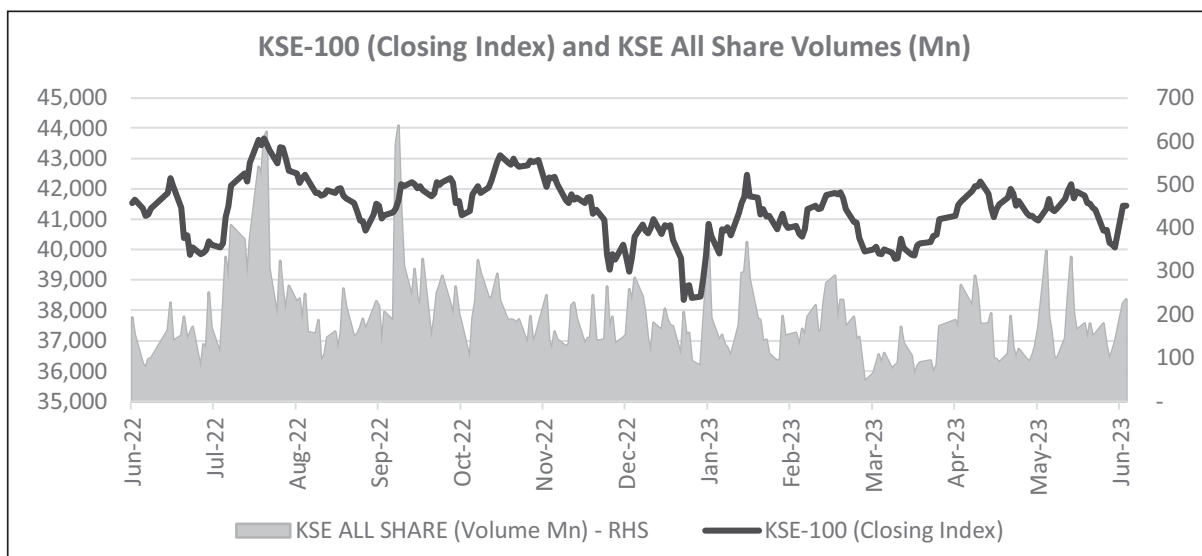
The country is going through a correction phase to address long-standing structural challenges. To address the challenges and sustain macroeconomic stability, the authorities have recently reached a 9-month Staff Level Agreement (SBA) with IMF. However, the nation looks forward to a long-term sustainable plan to ensure financing needs are met in the years ahead.

On the external front, policy tightening, and adoption of stabilization strategies has yielded positive results. The current account deficit (CAD) has narrowed by 85.4% to USD 2.6 billion in FY23. The improvement in CAD was mainly driven through the reduction in the import bill from USD 80.1 billion to USD 55.3 billion. However, due to slowdown in global demand and an exchange rate peg, exports and workers' remittances declined by 14.1% and 13.6%, respectively. Despite positive development in CAD, foreign exchange reserves held by the Central Bank dipped below USD 5.0 billion for the first time in ten years. However, improvements are expected in the coming months with the receipt of bailout funds from IMF and substantial deposits from multilateral countries. The significant low level of forex reserves put extra ordinary pressure on the local currency. Accordingly, to maintain macroeconomic stability and regulate aggregate demand, the Central Bank increased the benchmark interest rate to 22%, representing 825 bps increase since July 2022. On the fiscal front, due to the slowdown in economic activity, revenue collection remained short of target. Total Rs. 7,000 billion was collected against the projection of Rs. 7,600 billion. Going forward, in order to narrow the fiscal deficit, the Government has recently passed Finance Act, 2023 which has imposed further taxes on targeted segments and withdrawal of certain tax credits. Many other macroeconomic factors including energy tariff adjustments resulted in slow growth and increased inflation. The GDP was 0.3% in FY23 compared to 6.1% in FY22.

The agriculture sector recorded a growth of 1.6% in FY23 as compared to 4.3% of last year. This is due to a heavy monsoon spell and floods which caused massive damage to the standing crops. To support the sector, the agriculture financial institutions disbursed Rs. 1,222 billion as compared to Rs. 958 billion last year. Further, with better input situation and water supply, Rabi crops performed better. This helped to improve farm incomes. As a result, demand for consumer durables remained stable in rural areas.

## THE STOCK MARKET

The KSE-100 index declined 0.21% from 41,540.83 points as on June 30, 2022, to 41,452.69 points as on June 27, 2023. The daily average volume during FY23 declined by 34.26% to 192 million shares compared to daily average of 292 million shares traded in FY22. Net outflow of US \$1.53 million was recorded by Foreign Portfolio Investors during FY23 compared to net outflow of US \$297.51 million in FY22. On local investors' front, Companies, Individuals, Banks and Other Organizations were net buyers of US \$99.68 million, US \$83.96 million, US \$73.68 million, and US \$24.79 million. Mutual Funds, Insurance Companies and Broker Proprietary Trading remained net sellers of US \$144.49 million, US \$124.31 million, and US \$14.76 million, respectively.



During FY23, a new listing on the stock exchange was Globe Residency REIT. The amount raised through IPO by the company was Rs. 140 million. Whereas, during FY22, new listings on the stock exchange were Citi Pharma Limited, Pakistan Aluminum Beverage Cans Limited, Airlink Communication Limited, Octopus Digital Limited, and Adamjee Life Assurance Company Limited. The amounts raised through IPO by these companies were Rs. 2,326 million, Rs. 4,600 million, Rs. 6,435 million, Rs. 1,110 million and Rs. 700 million, respectively.

The outlay of budget FY24 stood at Rs. 14.5 trillion (up 30% compared to FY23 budget). The government's FY24 budget aims to increase tax collection in line with growing expenditures in order to maintain fiscal slippage, reiterate IMF program and move towards sustainable growth. The government targets a reduction in fiscal deficit from 7.0% of GDP in FY23 to 6.5% of GDP in FY24 on the back of increasing FBR tax collection by 27.80% along with 83.10% increase in non-tax revenues. Achieving revenue targets is entrusted with expanding the tax base, streamlining collection process, formalizing the economy and imposing super tax on high earning companies.

### MUTUAL FUND INDUSTRY

The assets under management (AUMs) for the mutual funds industry increased by 29.11% to Rs. 1,621.21 billion as of June 30, 2023, from Rs. 1,255.70 billion as of June 30, 2022. In FY23, Money Market funds (both Conventional and Shariah Compliant) dominated in terms of AUMs representing 54.96% of total mutual fund industry AUMs (Rs. 891.01 billion) followed by Income funds (both Conventional and Shariah Compliant) representing 28.36% of total mutual fund industry AUMs (Rs. 459.78 billion) and Equity Funds representing 8.03% of total mutual fund industry AUMs (Rs. 130.18 billion). The AUM of VPS increased by 21.30% from Rs. 40.92 billion as on June 30, 2022, to Rs. 49.63 billion as on June 30, 2023. The share of Shariah Compliant VPS stood at Rs. 32.34 billion or 65.16% of total VPS.

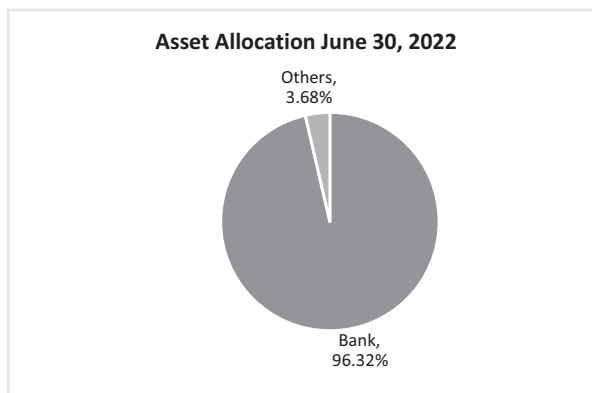
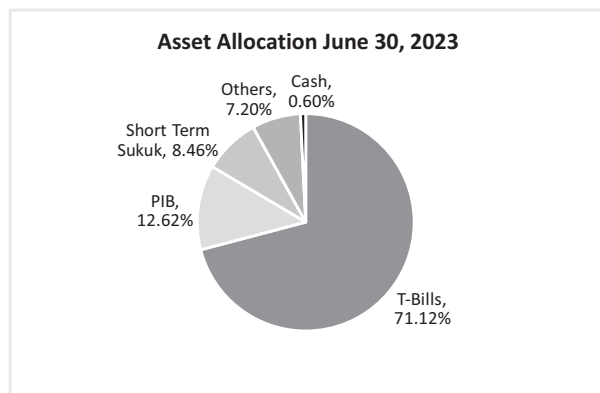
### MUTUAL FUND TAXATION

#### 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.

### FUND OPERATIONS - AMF

The Net Asset Value per unit of Atlas Money Market Fund increased by 16.40% to Rs. 509.39 as on June 30, 2023. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated as selected by MUFAP) and 70% average 3 Month PKRV rate for the period stood at 17.02%. The AMF total exposure in T-Bills, Pakistan Investment Bonds, Short Term Sukuk, Bank Balances and Others stood at 71.12%, 12.62%, 8.46%, 0.60% and 7.20%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 23.80 billion, with 46.71 million units outstanding as of June 30, 2023.

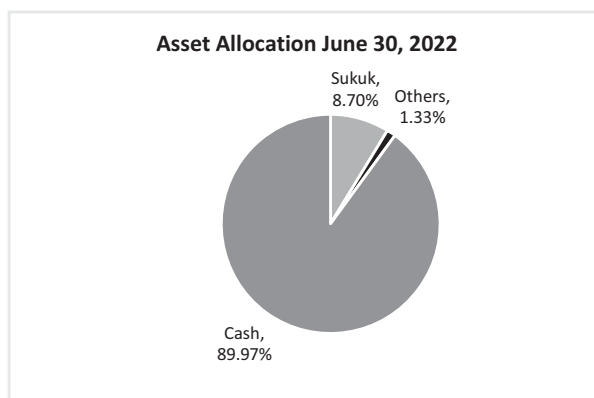
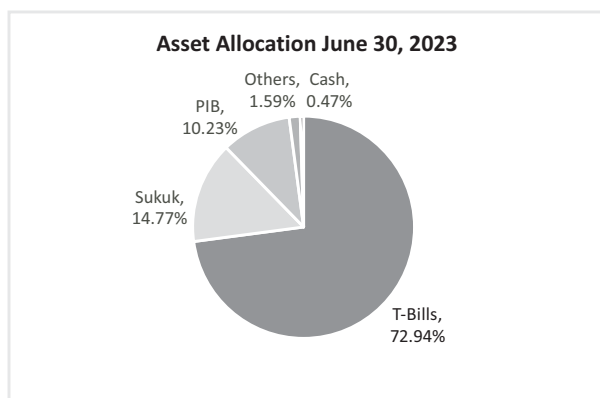


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 81.36 per unit for the period ended June 30, 2023 (16.27% on the face value of Rs. 500 per unit).

The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 up till June 30, 2023 (Rs. 0.44 per unit).

### FUND OPERATIONS - ALF

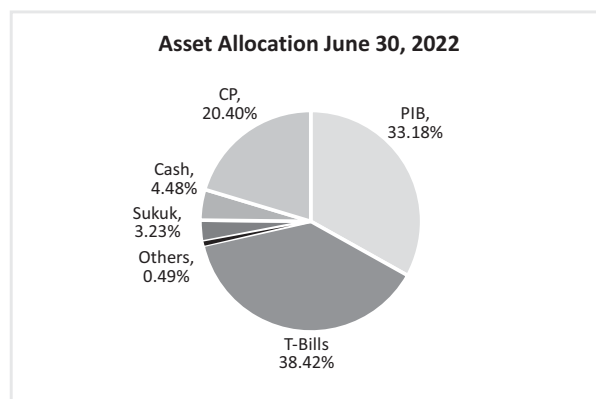
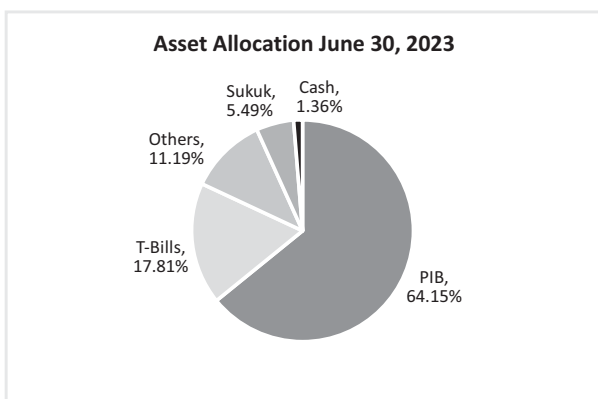
The ALF provided 17.29% annual return as on June 30, 2023. The ALF total exposure in T-Bills, Sukuks, Pakistan Investment Bonds, Bank Balances, and Others are 72.94%, 14.77%, 10.23%, 0.47%, and 1.59% respectively. ALF presents a good investment opportunity for investors to earn attractive returns (with a periodic payout) while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 3.89 billion, with 7.78 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Liquid Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 80.54 per unit for the period ended June 30, 2023 (16.11% on the face value of Rs. 500 per unit).

### FUND OPERATIONS - ASF

The Net Asset Value per unit of Atlas Sovereign Fund increased by 13.87% to Rs. 101.78 as on June 30, 2023. The benchmark average six months PKRV rate stood at 18.16% during the period under review. The ASF total exposure in Pakistan Investment Bonds, T-Bills, Sukuks, Bank Balances and Others, stood at 64.15%, 17.81%, 5.49%, 1.36%, and 11.19% respectively. ASF presents a good investment opportunity for investors to earn competitive returns with medium risk. The Net Assets of the Fund stood at Rs. 586 million, with 5.76 million units outstanding as of June 30, 2023.

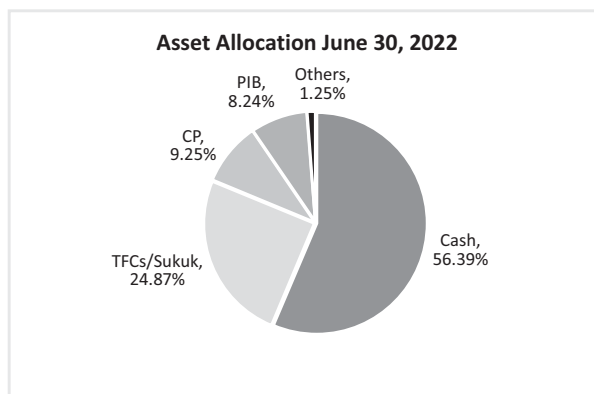
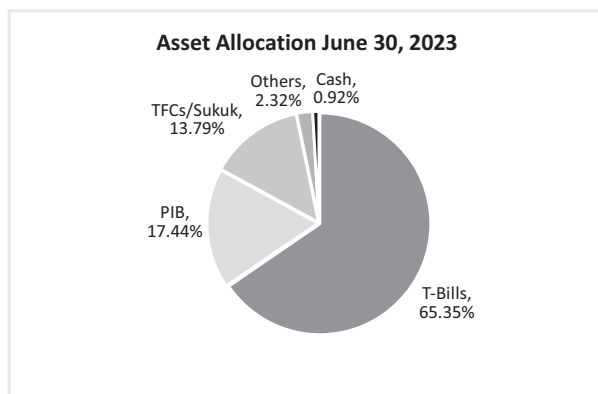


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs. 13.52 per unit for the period ended June 30, 2023 (13.52% on the face value of Rs. 100 per unit).

The Scheme has held provision for FED liability that amounted to Rs. 905,341 up till June 30, 2023 (Rs. 0.16 per unit).

### FUND OPERATIONS - AIF

The Net Asset Value per unit of Atlas Income Fund increased by 15.03% to Rs. 525.35 as on June 30, 2023. The benchmark average six months KIBOR rate stood at 18.30% during the period under review. AIF total exposure in T-Bills, Pakistan Investment Bonds, Term Finance Certificates/Sukuk, Bank Balances and Others stood at 65.53%, 17.44%, 13.79%, 0.92%, and 2.32% respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 3.49 billion with 6.65 million units outstanding as of June 30, 2023.

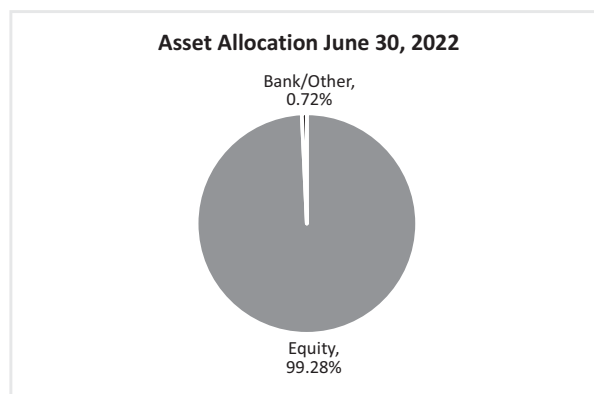
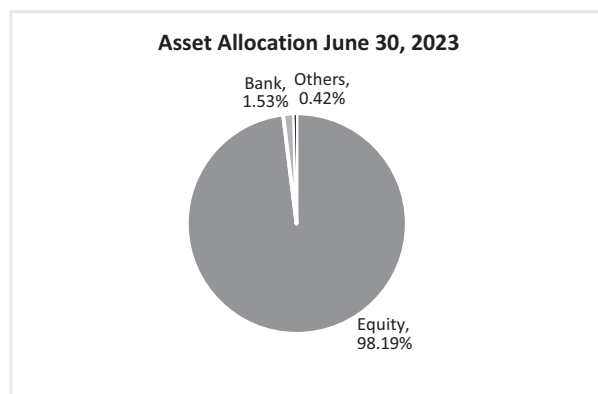


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 76.79 per unit for the period ended June 30, 2023 (15.36% on the face value of Rs. 500 per unit).

The Scheme has held provision for FED liability that amounted to Rs. 23,582,917 up till June 30, 2023 (Rs. 3.55 per unit).

### FUND OPERATIONS - ASMF

The Net Asset Value per unit of Atlas Stock Market Fund decreased by 3.52% to Rs. 572.68 as on June 30, 2023. KSE-100 index declined 0.21% from 41,540.83 points as on June 30, 2022, to 41,452.69 points as on June 30, 2023. The ASMF equity portfolio exposure stood at 98.19% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects of earnings growth. The Net Assets of the Fund stood at Rs. 8.04 billion, with 14.04 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Stock Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved NIL profit distribution.



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The Scheme has held provision for FED liability that amounted to Rs. 20,301,988 up till June 30, 2023 (Rs. 1.45 per unit).

## 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.

- **Fund Stability Rating - AMF**

PACRA has assigned a stability rating of "AA+ (f)" (Double A Plus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

- **Fund Stability Rating - ALF**

PACRA has assigned a stability rating of "AA+ (f)" (Double A Plus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

- **Fund Stability Rating - ASF**

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

- **Fund Stability Rating - AIF**

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risk.

## FUTURE OUTLOOK

In FY24, growth is expected to moderately recover around 3% taking support from better agricultural production and normalization of economic activity post IMF program. Inflation is expected to average at 21% in FY24 before falling to single digits by the end of FY25 subject to favorable base effect and softening of global commodity prices. On fiscal front, sharp monetary contraction have resulted in substantial fiscal/debt vulnerabilities that are likely to improve once interest rates start to taper off. The FY24 CAD is expected to remain contained around 2.00% of GDP. On the external side, the IMF (SBA) will support building foreign exchange buffers and meeting external financing needs. Going forward, government's focus towards averting fiscal slippage, measures to conserve energy, and policies to reinforce import substitution shall be instrumental in achieving economic and financial stability.

مشک آنست که خود بیو دنه که عطار بگوید  
(Performance speaks itself)

## 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: 11 September 2023

**Iftikhar H. Shirazi**  
Chairman

## DIRECTORS' REPORT

The Board of Directors of Atlas Asset Management Limited (AAML), the Management Company of Atlas Money Market Fund (AMF), Atlas Liquid Fund (ALF), Atlas Sovereign Fund (ASF), Atlas Income Fund (AIF) and Atlas Stock Market Fund (ASMF) take pleasure in presenting the Annual Reports along with the audited financial statements and Auditors' Reports thereon of AMF, ALF, ASF, AIF and ASMF for the year ended 30 June 2023.

### EARNINGS PER UNIT, NET ASSETS AND SALES/REDEMPTIONS SUMMARY

Earnings per unit, net assets, and summary of sales / redemption of units of AMF, ALF, ASF, AIF and ASMF for the year ended 30 June 2023 and 30 June 2022 are as follows:

	AMF		ALF		ASF		AIF		ASMF	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Earnings/(loss) per unit - Rupees	67.64	54.15	74.10	22.62	19.14	11.74	79.01	70.40	(22.80)	(94.84)
Return (YTD) %	17.67%	10.64%	17.29%	11.36%	13.93%	7.30%	15.08%	8.43%	-3.52%	-13.73%
Net assets - Rupees million	23,798.39	18,300.89	3,889.80	3,441.11	585.85	1,214.24	3,492.33	2,665.84	8,037.74	9,076.52
Sales - Rupees million	64,657.61	37,255.33	3,502.80	5,189.31	272.95	771.33	2,749.00	3,327.68	329.87	2,824.07
Sales - in units	126,127,941	73,120,932	7,005,609	10,378,616	2,630,735	7,438,717	5,084,204	6,149,124	593,435	4,245,038
Redemptions - Rupees million	59,174.00	43,252.60	3,054.11	1,748.20	948.41	1,840.38	1,997.75	5,798.82	1,048.59	2,159.80
Redemptions - in units	115,469,252	84,955,273	6,108,228	3,496,405	8,866,125	17,454,104	3,529,250	10,602,560	1,848,807	3,287,728
Units outstanding at year end	46,719,048	36,060,359	7,779,593	6,882,212	5,755,910	11,991,300	6,647,647	5,092,694	14,035,265	15,290,637

### REVOCAION OF ATLAS GOLD FUND

AGF has been revoked on November 3, 2017 and is no longer offered to investors. An amount of Rs.210.29 million has been paid to investors against final settlement.

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund by AGF amounting to Rs.668,356 million has been reversed on the clarification received by Sindh Revenue Board vide letter No. SRB/TP/70/2013/8772 dated August 12, 2021, addressed to Mutual Fund Association of Pakistan. Since Atlas Gold Fund is a revoked Fund, therefore the said provision of Rs.668,356/- has been paid along with post revocation profit of Rs.719,612/- up till September 30, 2021 to the unit holder.

However, there is a claim for refund of tax amounting to Rs.0.33 million and also there is provision in the books for Federal Excise Duty amounting to Rs.1.32 million that has been made as an abundant precaution. Once these issues are resolved a further payment will be made to unit holders.

### INCOME DISTRIBUTION - AMF

The Investment Committee of the Management Company of AMF, under the authority delegated to them by the Board of Directors, approved an aggregate interim distribution of Rs. 81.3624 per unit (2022: Rs. 49.80 per unit) for the FY 2022-23. The total payout for the year works out to 16.27% (2022: 9.96%) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.

### INCOME DISTRIBUTION - ALF

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Liquid Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs. 80.54 per unit (2022: Rs 32.90 per unit) for the period ended June 30, 2023. The total payout for the year works out to 16.11% (6.58% on the face value of Rs. 500 per unit). There was nil final distribution for the outgoing year.

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## **INCOME DISTRIBUTION - ASF**

The Investment Committee of the Management Company of ASF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 13.52 per unit (2022: Rs. 7.24 per unit) for the FY 2022-23. The total payout for the year works out to 13.52% (2022: 7.24%) on the face value of Rs.100 per unit. There was nil final distribution for the outgoing year.

## **INCOME DISTRIBUTION - AIF**

The Investment Committee of the Management Company of AIF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 76.79 per unit (2022: Rs. 43.10 per unit) for the FY 2022-23. The total payout for the year works out to 15.36% (2022: 8.62%) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.

## **INCOME DISTRIBUTION - ASMF**

The Investment Committee of the Management Company of ASMF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. Nil per unit (2022: Nil) for the FY 2022-23. The total payout for the year works out to 0% (2022: 0%) on the face value of Rs.500 per unit. Nil distribution was due to losses on account of the decrease in KSE 100-Index that stood at 41,540.83 points at June 30, 2022 and at 41,453.00 points as on June 30, 2023 reflecting a decrease of 0.21% during the year under review. There was nil final distribution for the outgoing year.

## **CHAIRMAN'S REVIEW**

The review included in the Annual Report of AMF, ALF, ASF, AIF and ASMF deals inter alia with the performance of these Funds for the year and future prospects. The directors endorse the contents of the review.

## **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.

## **STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors states for AMF, ALF, ASF, AIF and ASMF that:

- The financial statements, prepared by the Management Company of these funds present fairly their state of affairs, the results of operations, comprehensive income for the year, cash flows, and movement in Unit Holders' Funds.
- Proper books of account of these Funds have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.
- Statutory payments, taxes, levies properly disclosed in the Financial Statements.
- Summaries of key financial data/ performance tables of AMF, ALF, ASF, AIF and ASMF are annexed on pages 22, 62, 101, 137 and 179 respectively, of the Annual Report.
- The statement as to the value of investments of provident fund is not applicable in the case of these funds as these relate to retirement benefits to the employees of the Management Company, and are not chargeable to these Funds.
- The pattern of unit holdings is appended as notes 23, 24, 24, 24, 21 respectively, to the financial statements of AMF, ALF, ASF, AIF and ASMF.

## **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY 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)

Seven Board Meetings were held and attended during FY 2022-23. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 27, 28, 28, 28 and 25 respectively to the financial statements of AMF, ALF, ASF, AIF and ASMF.

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

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

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

- **Human Resource & Remuneration Committee (HR& RC)** - 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 five 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	13
2	Mr. M. Abdul Samad	Chief Executive Officer	48
3	Mr. Khalid Mahmood (executive management)	Chief Investment Officer Member IC	51
4	Mr. M. Umar Khan (executive management)	Head of Portfolio Management Member IC	53
5	Mr. Fawad Javaid (executive management)	Head of Fixed Income Member IC	48
6	Mr. Faran-ul-Haq (executive management)	Head of Equities Secretary IC	50

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## **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) [2022: AM2+ (AM Two Plus)] on 23rd December 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

### **FUND STABILITY RATING - AMF**

PACRA maintained the stability rating of "AA + (f)" (Double A Plus; fund rating) to the Fund on 17 April 2023. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

### **FUND STABILITY RATING - ALF**

PACRA maintained the stability rating of "AA + (f)" (Double A Plus; fund rating) to the Fund on 17 April 2023. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

### **FUND STABILITY RATING - ASF**

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund on 17 April 2023. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

### **FUND STABILITY RATING - AIF**

PACRA maintained the stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund on 17 April 2023. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

## **AUDITORS**

The Audit Committee of the Board of Directors, in their meeting held on September 06, 2023, recommended the re-appointment and appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, being eligible, as auditors of Atlas Sovereign Fund, and Atlas Income Fund, Atlas Stock Market Fund, for the financial year ending 30 June 2024 respectively, and the re-appointment of M/s. EY Ford Rhodes, Chartered Accountants, Karachi, being eligible, as auditors of the Atlas Money Market Fund and Atlas Liquid Fund, for the financial year ending 30 June 2024.

## **ACKNOWLEDGEMENT**

The Board of Directors of the Management Company thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee, for their dedication and hard work, and the Unit Holders, for their confidence in the Management Company.

For and on behalf of the Board

**Muhammad Abdul Samad**  
Chief Executive Officer

**Frahim Ali Khan**  
Director

Karachi: 11 September 2023

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# Atlas Money Market Fund

## Corporate Information

### Trustee

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

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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Allied Bank Limited  
Askari 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  
Zarai Taraqiati Bank Limited



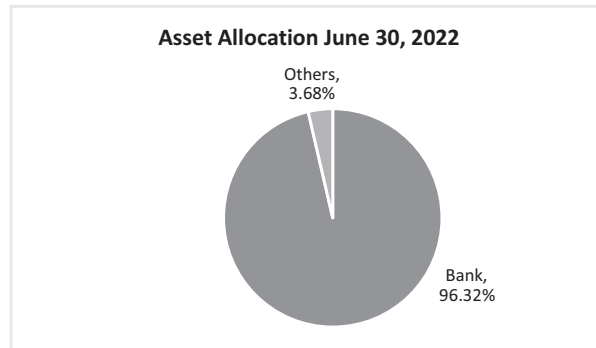
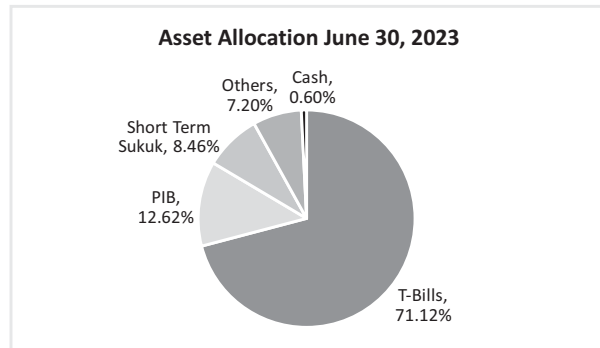
## Fund Manager's Report

Atlas Money Market Fund (AMF) is an Open-ended Money Market Fund. The investment objective of AMF is to provide its unit-holders attractive returns from a portfolio of very low risk, short duration assets while maintaining high liquidity. The Fund will invest the entire assets in authorized short-term money market investment avenues with a maximum time to maturity of six months and weighted average time to maturity of ninety days. This is intended to reduce risk while maintaining liquidity. The Fund's investment strategy is based on fundamental credit analysis of counter parties. Specifically, the investment strategy will seek to invest in those money market instruments that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay.

The Benchmark for "Atlas Money Market Fund" is 30% of "3-Month deposit rates of three scheduled banks (AA and above rated) as selected by MUFAP" for the period of return; and 70% that would be an average of "3 Month PKRV rate".

The Monetary Policy Committee of SBP has increased its policy rate by 825 bps to 22.0% with the objective of moderating demand to a sustainable pace and reducing external pressures. The Consumer Price Index (CPI) Inflation averaged at 29.18% during FY23 compared to 12.15% in FY22. The increase in FY23 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants regarding the impact of ongoing inflationary pressures. Going forward, frequency of local demand and impact of international commodity prices on domestic inflation will remain a major determinant towards any change in monetary policy stance.

The Net Asset Value per unit of Atlas Money Market Fund increased by 16.40% to Rs. 509.39 as on June 30, 2023. The benchmark 30% of average 3-Month deposit rates of three scheduled banks (AA and above rated as selected by MUFAP) and 70% average 3 Month PKRV rate for the period stood at 17.02%. The AMF total exposure in T-Bills, Pakistan Investment Bonds, Short Term Sukuk, Bank Balances and Others stood at 71.12%, 12.62%, 8.46%, 0.60% and 7.20%, respectively. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 23.80 billion, with 46.71 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 81.36 per unit for the period ended June 30, 2023 (16.27% on the face value of Rs. 500 per unit).

### Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	1404	4,476,618,400	18.81%
Associated Companies / Directors	16	11,721,321,800	49.25%
Insurance Companies	5	104,097,800	0.44%
Banks / DFIs	1	1,339,768,900	5.63%
Retirement Funds	42	1,355,922,800	5.70%
Others	42	4,800,663,421	20.17%
<b>Grand total</b>	<b>1510</b>	<b>23,798,393,121</b>	<b>100.00%</b>

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The Scheme has held provision for FED liability that amounted to Rs. 20,428,502 up till June 30, 2023 (Rs. 0.44 per unit).

The Total Expense Ratio (TER) of the Fund is 0.86% including Government levy and SECP Fee of 0.10%.

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

Karachi: 11 September 2023

**Fawad Javaid**  
Head of Fixed Income



## PERFORMANCE SINCE INCEPTION

	2023	2022	2021	2020	2019	2018	2017
Net assets (Rs. in '000)	23,798,393	18,300,889	24,228,825	10,031,480	10,239,504	13,160,883	4,629,482
Number of units in issue	46,719,048	36,060,359	47,894,699	19,854,239	20,351,995	24,859,132	9,224,702
Net asset value per unit (Rs.)	509.39	507.51	505.88	505.26	503.12	529.42	501.86
Net income (Rs. in '000)	3,160,062	1,952,799	1,200,552	1,393,183	1,225,892	549,628	77,403
Earnings per unit (Rs.)	67.64	54.15	25.07	70.17	60.23	22.11	8.39
Annual return of the Fund (%)	17.67	10.64	6.86	12.81	8.87	5.49	6.14
Offer price ** (Rs.)	509.39	507.51	505.88	505.26	503.12	529.42	501.86
Redemption price ** (Rs.)	509.39	507.51	505.88	505.26	503.12	529.42	501.86
Highest offer price (Rs.)	518.11	513.74	508.90	509.79	523.51	529.33	530.81
Lowest offer price (Rs.)	507.79	506.04	505.36	503.31	502.60	502.63	501.18
Highest repurchase price per unit (Rs.)	518.11	513.74	508.90	509.79	523.51	529.33	530.81
Lowest repurchase price per unit (Rs.)	507.79	506.04	505.36	503.31	502.60	502.63	501.18
Weighted average portfolio (No. of days)	51.48	0.97	38.69	26.80	1.00	1.01	0.97

	2016	2015	2014	2013	2012	2011	2010*
Net assets (Rs. in '000)	3,269,852	3,699,654	6,049,597	3,821,637	4,532,025	3,316,616	1,410,417
Number of units in issue	6,525,388	7,345,095	12,038,054	7,607,048	9,015,663	6,415,479	2,746,118
Net asset value per unit (Rs.)	501.10	503.69	502.54	502.38	502.68	516.97	513.60
Net income (Rs. in '000)	56,325	97,766	496,778	348,581	467,312	283,224	62,542
Earnings per unit (Rs.)	8.63	13.31	41.27	45.82	51.83	44.15	22.77
Annual return of the Fund (%)	6.02	8.59	8.29	9.02	11.33	11.64	10.16
Offer price ** (Rs.)	501.10	503.69	502.54	502.19	502.54	516.97	513.60
Redemption price ** (Rs.)	501.10	503.69	502.54	502.19	502.54	516.97	513.60
Highest offer price (Rs.)	533.67	544.97	506.35	508.59	508.12	517.25	513.60
Lowest offer price (Rs.)	500.76	503.60	501.14	502.07	502.27	501.41	502.07
Highest repurchase price per unit (Rs.)	533.67	544.97	506.35	508.59	508.12	517.25	513.60
Lowest repurchase price per unit (Rs.)	500.76	503.60	501.14	502.07	502.27	501.41	502.07
Weighted average portfolio (No. of days)	9.30	6.95	47.49	44.61	55.12	78.82	50.81

\* Date of Launch: 20 January 2010

\*\*Relates to announced prices

**Note:** Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.

## DISTRIBUTION HISTORY

Distribution detail	2023	2022	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend	4.25	2.85	2.10	4.25	20.00	-	30.00	33.00	42.00
First Interim distribution as a % of Ex-NAV of units	0.84	0.56	0.42	0.84	3.98	-	5.99	6.55	8.36
Date of distribution	22-Jul-22	30-Jul-21	24-Jul-20	26-Jul-19	18-Jan-19	-	20-Jun-17	24-Jun-16	29-Jun-15
Second Interim distribution cash dividend	5.25	4.85	2.50	4.85	4.50	-	-	-	-
Second Interim distribution as a % of Ex-NAV of units	1.03	0.96	0.49	0.96	0.90	-	-	-	-
Date of distribution	18-Aug-22	27-Aug-21	28-Aug-20	23-Aug-19	15-Feb-19	-	-	-	-
Third Interim distribution cash dividend	6.80	2.75	2.60	4.90	3.75	-	-	-	-
Third Interim distribution as a % of Ex-NAV of units	1.34	0.54	0.51	0.97	0.75	-	-	-	-
Date of distribution	23-Sep-22	24-Sep-21	25-Sep-20	20-Sep-19	15-Mar-19	-	-	-	-
Fourth Interim distribution cash dividend	5.30	2.95	2.60	6.30	3.90	-	-	-	-
Fourth Interim distribution as a % of Ex-NAV of units	1.04	0.58	0.51	1.25	0.78	-	-	-	-
Date of distribution	21-Oct-22	22-Oct-21	23-Oct-20	25-Oct-19	15-Apr-19	-	-	-	-
Fifth Interim distribution cash dividend	7.00	2.95	3.10	4.80	4.25	-	-	-	-
Fifth Interim distribution as a % of Ex-NAV of units	1.37	0.58	0.61	0.95	0.85	-	-	-	-
Date of distribution	25-Nov-22	19-Nov-21	27-Nov-20	22-Nov-19	15-May-19	-	-	-	-
Sixth Interim distribution cash dividend	7.50	4.50	2.50	6.20	6.15	-	-	-	-
Sixth Interim distribution as a % of Ex-NAV of units	1.48	0.89	0.49	1.23	1.22	-	-	-	-
Date of distribution	23-Dec-22	24-Dec-21	24-Dec-20	27-Dec-19	27-Jun-19	-	-	-	-
Seventh Interim distribution cash dividend	6.00	4.00	3.40	5.00	-	-	-	-	-
Seventh Interim distribution as a % of Ex-NAV of units	1.18	0.79	0.67	0.99	-	-	-	-	-
Date of distribution	20-Jan-23	21-Jan-22	29-Jan-21	24-Jan-20	-	-	-	-	-
Eighth Interim distribution cash dividend	6.00	3.20	2.50	4.75	-	-	-	-	-
Eighth Interim distribution as a % of Ex-NAV of units	1.18	0.63	0.49	0.94	-	-	-	-	-
Date of distribution	17-Feb-23	18-Feb-22	26-Feb-21	21-Feb-20	-	-	-	-	-
Ninth Interim distribution cash dividend	5.60	4.75	2.65	6.40	-	-	-	-	-
Ninth Interim distribution as a % of Ex-NAV of units	1.10	0.94	0.52	1.27	-	-	-	-	-
Date of distribution	17-Mar-23	25-Mar-22	26-Mar-21	27-Mar-20	-	-	-	-	-
Tenth Interim distribution cash dividend	9.00	4.35	2.70	5.00	-	-	-	-	-
Tenth Interim distribution as a % of Ex-NAV of units	1.77	0.86	0.53	0.99	-	-	-	-	-
Date of distribution	19-Apr-23	22-Apr-22	23-Apr-21	24-Apr-20	-	-	-	-	-
Eleventh Interim distribution cash dividend	10.30	4.85	2.70	2.60	-	-	-	-	-
Eleventh Interim distribution as a % of Ex-NAV of units	2.03	0.96	0.53	0.52	-	-	-	-	-
Date of distribution	26-May-23	20-May-22	21-May-21	29-May-20	-	-	-	-	-
Twelfth Interim distribution cash dividend	8.36	7.80	3.64	3.95	-	-	-	-	-
Twelfth Interim distribution as a % of Ex-NAV of units	1.65	1.54	0.72	0.79	-	-	-	-	-
Date of distribution	23-Jun-22	24-Jun-22	25-Jun-21	26-Jun-20	-	-	-	-	-
Final distribution cash dividend	-	-	-	-	-	27	-	-	-
Final distribution as a % of Ex-NAV of units	-	-	-	-	-	5.38	-	-	-
Date of distribution	-	-	-	-	-	6-Jul-18	-	-	-

Note: Rest will remain same for annual report.

Monthly Distribution - 2014	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of Opening Ex-NAV of units
1st Interim distribution	31 July 2013	3.00	0.60%
2nd Interim distribution	30 August 2013	3.00	0.60%
3rd Interim distribution	27 September 2013	3.00	0.60%
4th Interim distribution	24 October 2013	3.25	0.65%
5th Interim distribution	29 November 2013	3.25	0.65%
6th Interim distribution	27 December 2013	3.25	0.65%
7th Interim distribution	31 January 2014	3.50	0.70%
8th Interim distribution	28 February 2014	3.25	0.65%
9th Interim distribution	28 March 2014	3.50	0.70%
10th Interim distribution	29 April 2014	3.50	0.70%
11th Interim distribution	30 May 2014	3.50	0.70%
12th Interim distribution	18 June 2014	4.00	0.80%

Monthly Distribution - 2013	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of Opening Ex-NAV of units
1st Interim distribution	27 July 2012	4.00	0.80%
2nd Interim distribution	31 August 2012	4.00	0.80%
3rd Interim distribution	28 September 2012	3.75	0.75%
4th Interim distribution	31 October 2012	3.75	0.75%
5th Interim distribution	30 November 2012	3.25	0.65%
6th Interim distribution	26 December 2012	3.25	0.65%
7th Interim distribution	31 January 2013	3.25	0.65%
8th Interim distribution	28 February 2013	2.75	0.55%
9th Interim distribution	29 March 2013	3.00	0.60%
10th Interim distribution	30 April 2013	4.00	0.80%
11th Interim distribution	31 May 2013	4.00	0.80%
12th Interim distribution	27 June 2013	5.00	0.99%

Monthly Distribution - 2012	Date of distribution	Distribution per unit (Rs.)	Distribution as a % of Opening Ex-NAV of units
1st Interim distribution	29 July 2011	4.00	0.80%
2nd Interim distribution	26 August 2011	5.00	1.00%
3rd Interim distribution	28 September 2011	5.00	1.00%
4th Interim distribution	28 October 2011	5.00	1.00%
5th Interim distribution	25 November 2011	4.00	0.80%
6th Interim distribution	28 December 2011	4.00	0.80%
7th Interim distribution	27 January 2012	4.00	0.80%
8th Interim distribution	24 February 2012	4.00	0.80%
9th Interim distribution	29 March 2012	4.00	0.80%
10th Interim distribution	27 April 2012	4.50	0.90%
11th Interim distribution	25 May 2012	5.00	1.00%
12th Interim distribution	27 June 2012	5.00	1.00%

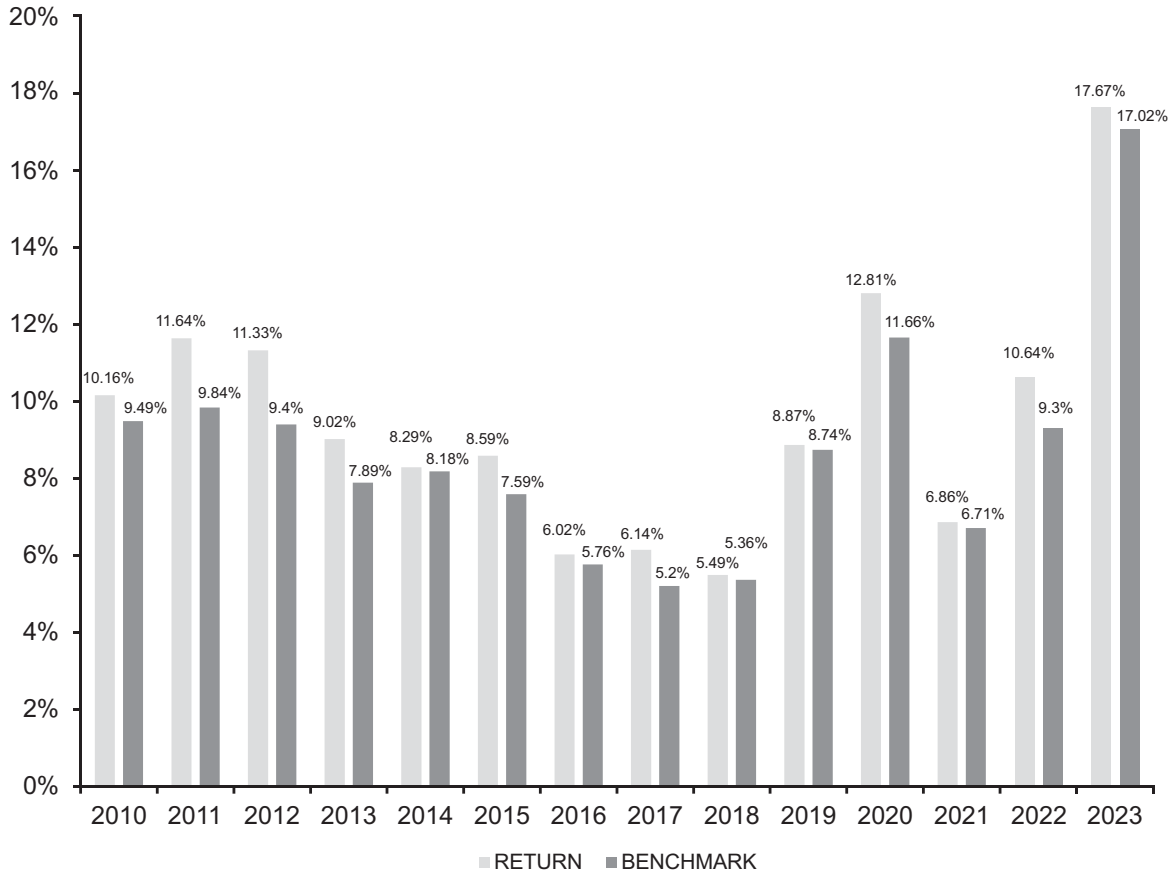
Quarterly Distribution	2011	2010*
First quarter Interim distribution (Bonus)	11.50	11.00
First quarter Interim distribution as a % of opening Ex-NAV of units	2.30%	2.20%
Date of distribution - Interim	12 October 2010	6 April 2010
Second quarter Interim distribution (Bonus)	13.75	-
Second quarter Interim distribution as a % of opening Ex-NAV of units	2.75%	-
Date of distribution - Interim	11 January 2011	-
Third quarter Interim distribution (Bonus)	14.00	-
Third quarter Interim distribution as a % of opening Ex-NAV of units	2.80%	-
Date of distribution - Interim	7 April 2011	-

Final Distribution		
Final Distribution (Bonus)	15.00	13.50
Final Distribution as a % of opening Ex-NAV of units	3.00%	2.70%
Date of distribution - Final	7 July 2011	8 July 2010

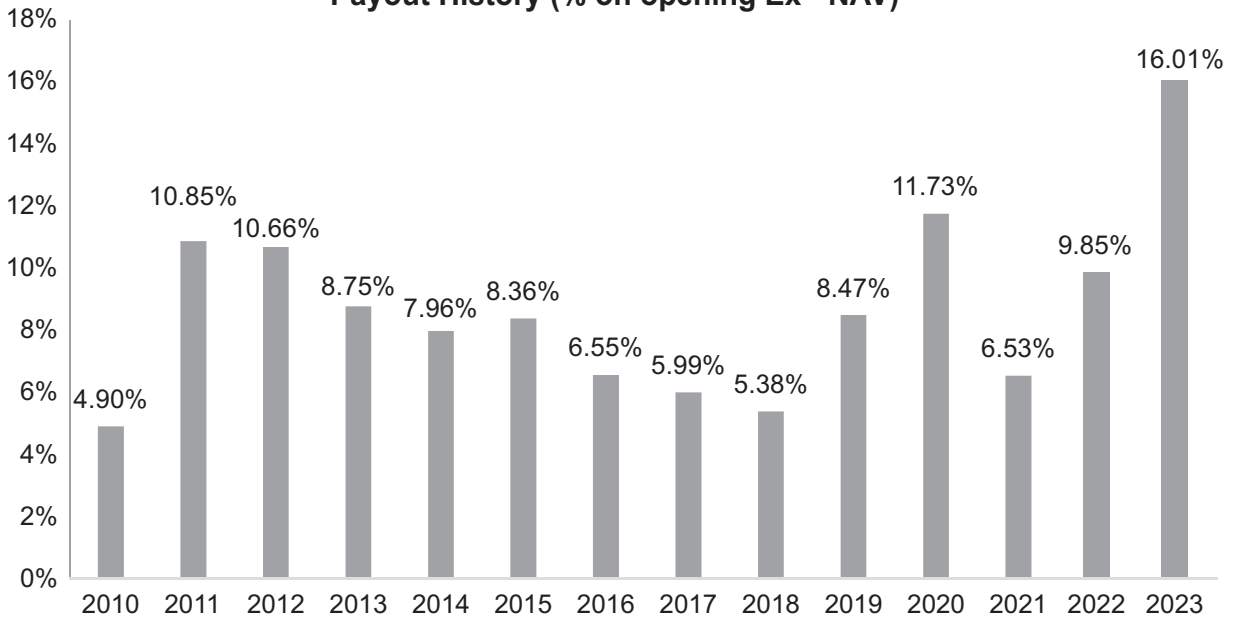
\* Date of Launch: 20 January 2010.

**Note:** The distribution % has been calculated on the opening Ex-NAV of units at the start of each financial year.

### Yearly Performance (Annualized)



### Payout History (% on opening Ex - NAV)



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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Money Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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# INDEPENDENT AUDITORS' REPORT

## To the Unit holders of Atlas Money Market Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Money Market Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2023, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Investments in debt instruments</b>	
<p>The investment of the Fund represents significant portion of the total assets of the Fund during the year and / or as at the year end. The Investments as at year end represents 92% of total assets of the Fund.</p> <p>In view of the above, we have considered this area as a key audit matter.</p> <p>For disclosure refer to note 5 to the financial statements.</p>	<p>We performed a combination of audit procedures focusing on the existence of the investment as at the year end and acquisition and disposal of investment including related income / gains that arose during the year. Our key procedure included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed verification of acquisition and disposal of investments on sample basis.</li><li>• Recalculated gain / (loss) on disposal of investments and markup income.</li><li>• We performed verification of year-end balance portfolio of investment as at 30 June 2023 by circulating confirmations to custodians and reviewing Investment position summary (IPS) statements.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We tested the valuation of investments by agreeing the prices with market yields and prices quoted by Mutual Fund Association of Pakistan (MUFAP).</li> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>• We also evaluated the adequacy of the overall disclosures in the financial statements with respect investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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

Karachi: 25 September 2023

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**



# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Assets</b>			
Bank balances	4	350,177,659	18,330,696,373
Investments	5	22,039,774,000	-
Receivable against sale of investments		1,342,985,400	-
Profit receivable on deposits and investments		160,512,576	36,346,038
Other receivables	6	10,409,038	10,199,092
<b>Total assets</b>		<b>23,903,858,673</b>	<b>18,377,241,503</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	44,394,673	26,703,267
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	1,082,278	866,807
Payable to the Securities and Exchange Commission of Pakistan	9	3,864,456	3,934,148
Payable against redemption of units		528,047	127,557
Accrued expenses and other liabilities	10	55,596,098	44,721,189
<b>Total liabilities</b>		<b>105,465,552</b>	<b>76,352,968</b>
<b>NET ASSETS</b>		<b>23,798,393,121</b>	<b>18,300,888,535</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>23,798,393,121</b>	<b>18,300,888,535</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>46,719,048</b>	<b>36,060,359</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>509.3938</b>	<b>507.5071</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

	Note	2023 Rupees	2022
<b>Income</b>			
Profit on bank balances	4.1	391,321,007	1,041,260,094
Interest on letter of placements		20,071,233	122,792,740
Income from government securities		2,630,321,376	717,309,652
Income from sukuk certificates		110,510,278	-
Income from commercial papers		47,748,985	-
Capital gain on sale of investments - net		144,467,726	28,749,793
Net unrealised loss on re-measurement of investments classified as 'financial asset at fair value through profit or loss'		(17,700,305)	-
		126,767,421	28,749,793
<b>Total income</b>		<b>3,326,740,300</b>	<b>1,910,112,279</b>
<b>Expenses</b>			
Remuneration of the Management Company	7.1	113,486,281	26,702,763
Sindh Sales Tax on remuneration of the Management Company	7.2	14,753,216	3,471,359
Selling and Marketing		1,732,903	-
Remuneration of the Trustee	8.1	10,627,346	11,423,085
Sindh Sales Tax on remuneration of the Trustee	8.2	1,381,555	1,485,001
Annual fees to the Securities and Exchange Commission of Pakistan	9.1	3,864,490	3,934,173
Accounting and operational charges	13	18,366,469	-
Auditors' remuneration	14	1,252,473	729,540
Annual rating fee		630,117	573,039
Annual listing fee		27,500	27,500
Transaction charges	11	217,835	366,291
Printing charges		154,782	59,874
Legal and professional charges		70,200	306,279
Bank charges		113,447	109,260
Reversal for Sindh Workers' Welfare Fund		-	(91,874,642)
<b>Total expenses</b>		<b>166,678,614</b>	<b>(42,686,478)</b>
<b>Net income for the year before taxation</b>		<b>3,160,061,686</b>	<b>1,952,798,757</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>3,160,061,686</b>	<b>1,952,798,757</b>
<b>Allocation of net income for the year:</b>			
- Net income for the period		3,160,061,686	1,952,798,757
- Income already paid on units redeemed		(426,732,986)	(274,823,089)
		<b>2,733,328,700</b>	<b>1,677,975,668</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		144,467,726	28,749,793
- Excluding capital gains		2,588,860,974	1,649,225,875
		<b>2,733,328,700</b>	<b>1,677,975,668</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Net income for the year</b>	<b>3,160,061,686</b>	<b>1,952,798,757</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b><u>3,160,061,686</u></b>	<b><u>1,952,798,757</u></b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2023

	30 June 2023			30 June 2022		
	Capital Value	Undistributed income	Net Assets	Capital Value	Undistributed income	Net Assets
	Rupees			Rupees		
<b>Net assets at the beginning of the year (Units outstanding: 36,060,359) (Rs. 507.5071 per unit)</b>	<b>18,171,918,583</b>	<b>128,969,955</b>	<b>18,300,888,538</b>	<b>24,121,020,637</b>	<b>107,804,715</b>	<b>24,228,825,352</b>
Issue of 126,127,941 units (2022: 73,120,932)						
- Capital value (at net asset value per unit at the beginning of the year)	64,010,825,570	-	64,010,825,570	36,990,189,427	-	36,990,189,427
- Element of income / (loss) - net	646,788,341	-	646,788,341	265,139,654	-	265,139,654
Total proceeds on issuance of units	64,657,613,911	-	64,657,613,911	37,255,329,081	-	37,255,329,081
Redemption of 115,469,252 (2022: 84,955,273) units						
- Capital value (at net asset value per unit at the beginning of the year)	(58,601,465,225)	-	(58,601,465,225)	(42,976,910,096)	-	(42,976,910,096)
- Element of income / (loss) - net	(145,801,433)	(426,732,986)	(572,534,419)	(862,118)	(274,823,089)	(275,685,207)
Total payments on redemption of units	(58,747,266,658)	(426,732,986)	(59,173,999,644)	(42,977,772,214)	(274,823,089)	(43,252,595,303)
Total comprehensive income for the year	-	3,160,061,686	3,160,061,686	-	1,952,798,757	1,952,798,757
Refund of Capital	(519,604,846)	-	(519,604,846)	(226,658,921)	-	(226,658,921)
First interim distribution of Rs.4.25 per unit declared on 22 July 2022 (30 July 2021: 2.85 per unit declared on 30 July 2021)	-	(144,242,084)	(144,242,084)	-	(117,249,323)	(117,249,323)
Second interim distribution of Rs.5.25 per unit declared on 18 August 2022 (27 August 2021: 4.85 per unit declared on 27 August 2021)	-	(178,620,134)	(178,620,134)	-	(218,841,445)	(218,841,445)
Third interim distribution of Rs.6.8 per unit declared on 23 September 2022 (24 September 2021: 2.75 per unit declared on 24 September 2021)	-	(239,533,902)	(239,533,902)	-	(127,890,778)	(127,890,778)
Fourth interim distribution of Rs.5.30 per unit declared on 21 October 2022 (22 October 2021: 2.95 per unit declared on 22 October 2021)	-	(139,115,438)	(139,115,438)	-	(128,784,806)	(128,784,806)
Fifth interim distribution of Rs.7.00 per unit declared on 25 November 2022 (19 November 2021: 2.95 per unit declared on 19 November 2021)	-	(224,918,390)	(224,918,390)	-	(98,110,626)	(98,110,626)
Sixth interim distribution of Rs.7.50 per unit declared on 23 December 2022 (24 December 2021: 4.50 per unit declared on 24 December 2021)	-	(243,818,821)	(243,818,821)	-	(138,944,296)	(138,944,296)
Seventh interim distribution of Rs.6.00 per unit declared on 20 January 2023 (Seventh interim distribution of Rs.4.00 per unit declared on 21 January 2022)	-	(195,280,598)	(195,280,598)	-	(174,476,395)	(174,476,395)
Eighth interim distribution of Rs.6.00 per unit declared on 17 February 2023 (Eighth interim distribution of Rs.3.20 per unit declared on 18 February 2022)	-	(173,407,464)	(173,407,464)	-	(80,791,837)	(80,791,837)
Ninth interim distribution of Rs.5.60 per unit declared on 17 March 2023 (Ninth interim distribution of Rs.4.75 per unit declared on 25 March 2022)	-	(172,900,058)	(172,900,058)	-	(121,208,659)	(121,208,659)
Tenth interim distribution of Rs.9.00 per unit declared on 19 April 2023 (2022: Rs.4.35 per unit declared on 21 April 2022)	-	(264,072,147)	(264,072,147)	-	(97,974,034)	(97,974,034)
Eleventh interim distribution of Rs.10.30 declared on 26 May, 2023 (2022: Rs.4.85 declared on 20 May 2022)	-	(352,640,376)	(352,640,376)	-	(127,506,115)	(127,506,115)
Twelfth interim distribution of Rs.8.36 per unit declared on 23 June 2023 (2022: Rs.7.80 per unit declared on 24 June 2022)	-	(298,017,109)	(298,017,109)	-	(225,032,114)	(225,032,114)
<b>Net assets at end of the year (Units outstanding: 46,719,048) (Rs. 509.3938 per unit)</b>	<b>23,562,660,987</b>	<b>235,732,134</b>	<b>23,798,393,121</b>	<b>18,171,918,583</b>	<b>128,969,955</b>	<b>18,300,888,535</b>
<b>Undistributed income brought forward</b>						
- Realised income		128,969,955			107,804,715	
<b>Accounting income available for distribution:</b>						
- Relating to capital gains		144,467,726			28,749,793	
- Excluding capital gains		2,588,860,974			1,649,225,875	
Cash Dividend		(2,626,566,521)			(1,656,810,428)	
<b>Undistributed income carried forward</b>						
- Realised income		91,264,408			128,969,955	
- Unrealised income		144,467,726			-	
		<b>235,732,134</b>			<b>128,969,955</b>	

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Ifthikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year after taxation	3,160,061,686	1,952,798,757
<b>Adjustments for:</b>		
Profit on bank balances	(391,321,007)	(1,041,260,094)
Income from government securities	(2,630,321,376)	(717,309,652)
Income from commercial papers	(47,748,985)	-
Income from sukuk certificates	(110,510,278)	-
Interest on letter of placements	(20,071,233)	(122,792,740)
Capital gain on sale of investments - net	(144,467,726)	(28,749,793)
Net unrealized (gain) on remeasurement of investments classified as financial assets at fair value through profit or loss <sup>4</sup>	17,700,305	-
Reversal for Sindh Workers' Welfare Fund	-	(91,874,642)
	<b>(3,326,740,300)</b>	<b>(2,001,986,921)</b>
<b>Increase in assets</b>		
Receivable against sale of investments	(1,342,985,400)	-
Other receivables	(209,946)	(6,513,370)
	<b>(1,343,195,346)</b>	<b>(6,513,370)</b>
<b>Increase / (Decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	17,691,406	(3,675,412)
Payable to the Central Depository Company of Pakistan Limited - Trustee	215,471	(576,796)
Payable to the Securities and Exchange Commission of Pakistan	(69,692)	-
Accrued expenses and other liabilities	10,874,909	15,280,379
	<b>28,712,094</b>	<b>11,360,295</b>
	<b>(1,481,161,866)</b>	<b>42,686,478</b>
Interest received	3,075,806,341	1,182,314,850
Investments made during the year	(377,857,718,334)	(257,792,455,000)
Investments sold / matured during the year	355,944,711,755	258,538,514,445
	<b>(18,837,200,238)</b>	<b>1,928,374,295</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(20,318,362,104)</b>	<b>1,884,033,056</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	64,657,613,911	37,255,329,081
Payments against redemption of units	(59,173,599,154)	(43,284,290,691)
Refund of capital	(519,604,846)	(226,658,921)
Cash Dividend	(2,626,566,521)	(1,656,810,428)
<b>Net cash generated from / (used in) financing activities</b>	<b>2,337,843,390</b>	<b>(7,912,430,959)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(17,980,518,714)</b>	<b>(6,028,397,903)</b>
Cash and cash equivalents at the beginning of the year	18,330,696,373	24,359,094,276
	<b>4</b>	
	<b>350,177,659</b>	<b>18,330,696,373</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed and Offering Document has been revised various times during 2015 to 2022 with its last amendment in 26 July 2021 and 6 June 2022, respectively. Further the Trust Deed has been registered under the Sindh Trust Act as disclosed in note 1.5. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit on 20 January 2010. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide its investors competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund aims to deliver this objective mainly by investing in government securities, cash and near cash instruments which include cash in bank accounts, treasury bills, deposits with scheduled banks, certificates of deposit (CODs), certificates of Musharaka (COMs), commercial papers, and reverse repo; with a weighted average time to maturity of not more than 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company Limited (CDC) as the Trustees of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed 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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

01, 2022 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:

Amendments	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

## 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 taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 6.1 and 7.3 respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except certain investments are required to be carried at fair value.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 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 and are set out below:

### 3.1 Financial instruments

#### a) Initial recognition and measurement

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

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

#### b) Classification

##### 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. Given the objectives of the Fund, all investments have been classified as 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



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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 assets to identify whether they meet the SPPI criteria.

'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 minimize 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 FVTPL.

### **c) Subsequent Measurement**

#### **Debt instruments at fair value through profit or loss**

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

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**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

#### **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. The Fund has not used this classification for its investment portfolio.

#### **Financial liabilities**

##### **Financial liabilities measured at amortised cost**

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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 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) **Regular way contracts**

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

### g) **Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have 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, October 24, 2012 have been followed.

### h) **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.

### i) **Determination of fair value**

The fair value of financial assets are determined as follows:

#### i) **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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

### ii) **Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

### 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 **Unit holders' Fund**

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.5 **Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

### 3.6 **Distributions to unit holders**

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.7 **Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

"accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Mark up 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.

### 3.9 Expenses

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

### 3.10 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders.

### 3.11 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.

### 3.12 Earnings per unit

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

4 BANK BALANCES	Note	2023 ----- Rupees -----	2022 -----
In local currency			
Profit and loss sharing account	4.1	142,696,130	17,877,118,873
Cheques in hand	4.2	207,481,529	453,577,500
		<u>350,177,659</u>	<u>18,330,696,373</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 4.1 The rate of return on these accounts during the year ranges between 12.90% to 19.50% (2022: 5.5% to 16.45%) per annum. The profit rates effective at the year end on these accounts ranges between 17.50% to 19.50% (2022: 12.25% and 16.45%) per annum.
- 4.2 This denotes cheques received against issue of units which were deposited and cleared in the bank account subsequent to the year end by 07 July 2023 (2022: 07 July 2022).

5 INVESTMENTS	Note	2023	2022
		Rupees -----	
<b>At fair value through profit or loss</b>			
<b>Investments in government securities</b>			
- Market Treasury Bills	5.1	17,000,034,000	-
- Pakistan Investment Bonds	5.2	3,017,740,000	-
- Sukuk Certificates	5.3	2,022,000,000	-
- Commercial paper	5.4	-	-
- Letter of Placements	5.4	-	-
		<b>22,039,774,000</b>	<b>-</b>

### 5.1 Government Securities - Market Treasury Bills

Particulars	Face value				Amortised cost as at 30 June 2023	Market value as at 30 June 2023	Market value as a percentage of	
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023			total investment	net assets
	----- (Rupees) -----						----- (Percentage) -----	
3 Months	-	333,735,080,000	251,519,710,000	17,500,000,000	17,017,326,405	17,000,034,000	77.13	71.43
6 Months	-	12,778,110,000	12,778,110,000	-	-	-	-	-
12 Months	-	24,989,195,000	24,989,195,000	-	-	-	-	-
<b>30 June 2023</b>	<b>-</b>	<b>371,502,385,000</b>	<b>289,287,015,000</b>	<b>17,500,000,000</b>	<b>17,017,326,405</b>	<b>17,000,034,000</b>	<b>77.13</b>	<b>71.43</b>
30 June 2022					-	-	-	-

These Market Treasury Bills carry purchase yields ranging from 21.20% to 22.00% per annum and will mature by September 2023.

### 5.2 Government Securities - Pakistan Investment Bonds

Particulars	Face value				Amortised cost as at 30 June 2023	Market value as at 30 June 2023	Market value as a percentage of	
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023			total investment	net assets
	----- (Rupees) -----						----- (Percentage) -----	
02 Year PIB	-	3,025,000,000	-	3,025,000,000	3,018,147,900	3,017,740,000	13.69	12.68
03 Year PIB	-	1,000,000,000	1,000,000,000	-	-	-	-	-
<b>30 June 2023</b>	<b>-</b>	<b>4,025,000,000</b>	<b>1,000,000,000</b>	<b>3,025,000,000</b>	<b>3,018,147,900</b>	<b>3,017,740,000</b>	<b>13.69</b>	<b>12.68</b>
30 June 2022					-	-	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.3 Sukuk Certificates

Security Name	Face value				Amortised cost as at 30 June 2023	Market value as at 30 June 2023	Market value as a percentage of	
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023			total investment	net assets
	(Rupees)						(Percentage)	
LEPCL - Sukuk-6	-	35,000,000	35,000,000	-	-	-	-	-
NML - PP Sukuk Certificate	-	133,333,334	133,333,334	-	-	-	-	-
KEL - Short Term Sukuk-11 (STS-11)	-	140,000,000	140,000,000	-	-	-	-	-
KEL - Short Term Sukuk-14 (STS-14)	-	500,000,000	-	500,000,000	500,000,000	500,000,000	2.27	2.10
LEPCL - Sukuk-9	-	188,000,000	-	188,000,000	188,000,000	188,000,000	0.85	0.79
NML - Short Term sukuk 2	-	125,000,000	-	125,000,000	125,000,000	125,000,000	0.57	0.53
HPCL - Short Term Sukuk 1	-	600,000,000	-	600,000,000	600,000,000	600,000,000	2.72	2.52
LEPCL - Sukuk-10	-	542,000,000	-	542,000,000	542,000,000	542,000,000	2.46	2.28
LEPCL - Sukuk-11	-	67,000,000	-	67,000,000	67,000,000	67,000,000	0.30	0.28
<b>30 June 2023</b>	-	<b>2,330,333,334</b>	<b>308,333,334</b>	<b>2,022,000,000</b>	<b>2,022,000,000</b>	<b>2,022,000,000</b>	<b>9.17</b>	<b>8.50</b>
30 June 2022								

### 5.3.1 Terms and conditions of the Sukuks are as follows:

Name of the Investee Company	Rating	Tenure	Profit Payments / Principal Redemptions	Maturity date	Rate of Return
LEPCL - Sukuk-6	AA	6 Month	Semi-annually	August, 2023	6 Month Kibor + 0.65
NML - Pp Sukuk Certificate	AA	6 Month	Semi-annually	May, 2023	3 Month Kibor + 0.25
KEL - Short Term Sukuk-11 (STS-11)	AA	6 Month	Semi-annually	April, 2023	6 Month Kibor + 0.145
KEL - Short Term Sukuk-14 (STS-14)	AA	6 Month	Semi-annually	August, 2023	6 Month Kibor +0.075
LEPCL - Sukuk-9	AA	6 Month	Semi-annually	October, 2023	6 Month Kibor + 0.50
NML - Short Term Sukuk 2	AA	6 Month	Semi-annually	November, 2023	3 Month Kibor + 0.25
HPCL - Short Term Sukuk 1	AA	6 Month	Semi-annually	November, 2023	6 Month Kibor + 0.30
LEPCL - Sukuk-10	AA	6 Month	Semi-annually	October, 2023	6 Month Kibor + 0.50
LEPCL - Sukuk-11	AA	6 Month	Semi-annually	December, 2023	6 Month Kibor + 0.50

## 5.4 Commercial papers

Security Name	Face value				Carrying cost as at 30 June 2023	Market value as at 30 June 2023
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023		
	(Rupees)					
Lucky Electric Power Company Limited	-	600,000,000	600,000,000	-	-	-
<b>30 June 2023</b>	-	<b>600,000,000</b>	<b>600,000,000</b>	-	-	-
30 June 2022						

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.5 Letter of placement

Counterparty Name	Face value				Profit Rate %	Placement Type	Issue Date	assets
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023				
	(Rupees)							
Bank Alfalah Limited	-	500,000,000	500,000,000	-	20.35	TDR	9-Mar-23	22-Mar-23
Bank Alfalah Limited	-	1,000,000,000	1,000,000,000	-	20.35	TDR	9-Mar-23	22-Mar-23
Bank Alfalah Limited	-	1,500,000,000	1,500,000,000	-	20.35	TDR	27-Mar-23	7-Apr-23
<b>30 June 2023</b>	<b>-</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>	<b>-</b>				
30 June 2022								

## 6 OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Deposit with Central Depository Company of Pakistan (CDC)		100,000	-
Tax recoverable		10,309,038	10,199,092
<b>Total</b>	6.1	<b>10,409,038</b>	<b>10,199,092</b>

- 6.1 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) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents 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 tax withheld as at June 30, 2023 amounts to Rs. 10.409 million (2022: Rs 10.199 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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 January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs 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 being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (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 on profit on debt has been shown as other receivables as at June 30, 2023 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 of the Fund, the net asset value of the Fund as at 30 June 2023 would have been lower by Rs. 0.22 per unit (30 June 2022: Rs. 0.28 per unit).

	Note	2023 Rupees	2022 Rupees
<b>7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (Related party)</b>			
Remuneration of the Management Company	7.1	14,599,934	2,789,208
Sindh Sales Tax on remuneration of the Management Company	7.2	1,897,991	362,597
Federal Excise Duty on remuneration of the Management Company	7.3	23,551,462	23,551,462
Selling and Marketing	7.4	1,732,903	-
Accounting and operational charges payable	13	2,612,383	-
		<b>44,394,673</b>	<b>26,703,267</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 2% per annum of average annual net assets, within allowed expense in the offering document. The Management Company has charged its remuneration at the average rate of 0.53% of the average annual net assets of the Fund (2022: 0.15% of the average annual net assets of the Fund). The fee is payable to the Management Company monthly in arrears.
- 7.2 Sindh Sales Tax has been charged at 13% (2022: 13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 14,753,456 (2022: Rs. 3,471,359). Furthermore, an amount of Rs. 13,217,822 (2022: Rs 3,747,521) was paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by Non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 23.551 million (30 June 2022: Rs 23.551 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs. 0.50 (30 June 2022: Rs. 0.65) per unit.

- 7.4 The SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

'Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.05% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of average daily net assets of the Fund.

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2023	2022
		----- Rupees -----	-----
Remuneration of the Trustee	8.1	957,749	767,067
Sindh Sales Tax on remuneration of the Trustee	8.2	124,529	99,740
		<b>1,082,278</b>	<b>866,807</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8.1 The trustee is entitled to monthly remuneration for services rendered to the fund at a rate of 0.055% from 01 July 2022 to 30 June 2023 per annum (2022: 0.065% from 01 July 2021 to 30 September 2021 and 0.055% from 01 October 2021 to 30 June 2022 per annum) of Net Assets.

8.2 Sindh Sales Tax has been charged at 13% (2022:13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 1,381,555 (2022: Rs 1,485,001) charged during the year. Furthermore, an amount of Rs. 1,356,766 (2022: Rs 1,551,338) was paid to the Trustee which acts as a collecting agent.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Annual fee payable	9.1	<u>3,864,456</u>	<u>3,934,148</u>
<p>9.1 In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs.</p>			

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Auditors' remuneration payable		1,204,201	453,087
Withholding tax payable		44,569,167	32,701,985
Capital gain tax payable		4,827,203	1,986,523
Zakat payable		1,031,769	1,065,797
Dividend payable		3,888,615	8,508,091
Transaction charges payable		75,143	5,706
		<u>55,596,098</u>	<u>44,721,189</u>

### 11 TRANSACTION CHARGES

This represents brokerage, federal excise duty and settlement charges.

### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2023 (30 June 2022 Nil).

### 13 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to register services, accounting operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019.

The Management Company charged accounting and operational charges fee at an average rate of 0.0925% of average annual net assets of the Fund. (2022: The Management Company did not charge accounting and operational expense during the year).

14 AUDITORS' REMUNERATION	2023 ----- Rupees -----	2022 ----- Rupees -----
Annual audit fee	700,000	383,500
Half yearly review of condensed interim financial information	200,000	191,500
Other Certifications	80,000	60,500
Out of pocket expenses	135,000	40,000
Sindh Sales Tax on services	89,200	54,040
Prior year adjustment	48,273	-
	<u>1,252,473</u>	<u>729,540</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 0.86% (2022: 0.25%) which includes 0.10% (2022: 0.05%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

## 16 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income earned by the Fund during the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

## 17 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## 18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 18.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.
- 18.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 18.4** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2023	2022
	----- Rupees -----	
<b>Atlas Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	113,486,281	26,702,763
Remuneration paid	101,675,555	28,827,086
Sindh Sales Tax on remuneration of the Management Company	14,753,216	3,471,359
Accounting and operational charges	18,366,469	-
Selling and Marketing	1,732,903	-
Issue of 2,513,989 (2022: 304,458) units	1,287,049,500	155,022,813
Redemption of 2,556,072 (2022: 540,332) units	1,306,004,386	274,870,564
Dividend declared	5,632,367	1,133,141
Outstanding Nil (2022: 42,082) units - at net asset value	-	21,357,005

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	10,627,346	11,423,085
Sindh Sales Tax on remuneration of the Trustee	1,381,555	1,485,001
Remuneration paid	10,436,664	11,933,544
<b>Atlas Foundation (Group Company)</b>		
Issue of 1,052,824 (2022: 7,437) units	535,821,561	3,765,449
Dividend declared	26,346,547	4,826,658
Redemption of 38,818 (2022: 144,508 units)	20,000,000	73,500,000
Outstanding 1,064,878 (2022: 50,872) units - at net asset value	542,442,251	25,818,048
<b>Atlas Battery Limited</b>		
Issue of 789,255 (2022: 854) units	402,423,286	432,324
Redemption of 789,255 (2022: 854) units	403,831,901	434,569
Dividend declared	1,486,124	4,836
<b>Atlas Group of Companies, M.S.G.Fund</b>		
Issue of 1,168,334 (2022: 492,923) units	597,775,330	250,421,095
Redemption of 1,065,291 (2022: 744,808) units	545,508,837	377,964,236
Dividend declared	13,132,718	2,921,372
Outstanding 122,053 (2022: 19,010) units - at net asset value	62,173,160	9,647,680
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 16,501,517 (2022: 9,375,449) units	8,443,388,187	4,772,934,316
Redemption of 15,669,904 (2022: 9,163,496) units	8,000,000,000	4,659,000,000
Dividend declared	678,429,932	651,368,380
Outstanding 12,535,712 (2022: 11,704,099) units - at net asset value	6,385,613,722	5,939,913,337
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 491,504 (2022: Nil) units	251,267,394	-
Dividend declared	5,514,455	-
Redemption of 337,596 (2022: Nil) units	172,110,251	-
Outstanding 153,908 (2022: Nil) units - at net asset value	78,399,613	-
<b>Atlas Engineering Limited Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 109,256 (2022: Nil) units	56,281,601	-
Redemption of 94,953 (2022: Nil) units	48,966,794	-
Dividend declared	2,757	-
Outstanding 14,304 (2022: Nil) units - at net asset value	7,286,248	-
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 18,407 (2022: 10,162 ) units	9,352,337	5,145,562
Redemption of Nil (2022: 9,868 ) units	-	5,000,000
Outstanding 125,210 (2022: 106,803) units - at net asset value	63,781,137	54,203,032

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 8,440 (2022: 32,868) units	4,288,050	16,726,328
Redemption of Nil (2022: Nil) units	-	-
Outstanding 57,409 (2022: 48,969) units - at net asset value	29,243,676	24,852,110
<b>Batools Benefit Trust</b>		
Issue of 209,231 (2022: 47,908) units	106,999,046	24,387,719
Redemption of 69,600 (2022: 61,361) units	35,600,000	31,200,000
Dividend declared	5,321,240	5,188,065
Outstanding 239,252 (2022: 99,620) units - at net asset value	121,873,265	50,557,807
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 17,533 (2022: 28,855) units	8,980,752	14,667,495
Redemption of 27,557 (2022: 7,254) units	12,133,000	3,700,000
Dividend declared	1,011,202	367,495
Outstanding 11,577 (2022: 21,600) units - at net asset value	5,897,120	10,962,407
<b>Shirazi Investments (Private) Limited</b>		
Issue of 5,382,907 (2022: 19,463) units	2,755,091,713	9,859,087
Redemption of 2,695,497 (2022: 1,068,585) units	1,372,808,691	542,363,330
Dividend declared	453,401	9,601,668
Outstanding 2,687,410 (2022: Nil) units - at net asset value	1,368,950,043	-
<b>Shirazi Trading Company (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 46,561 (2022: 10,157) units	23,685,635	5,154,077
Redemption of 14,086 (2022: 1,953) units	7,170,736	1,000,000
Dividend declared	343,919	154,076
Outstanding 40,679 (2022: 8,204) units - at net asset value	20,721,381	4,163,558
<b>Atlas Die Casting (Private) Limited (Group Company)</b>		
Issue of 7 (2022: 4) units	3,598	2,016
Redemption of Nil (2022: Nil) units	-	-
Outstanding 67 (2022: 60) units - at net asset value	34,194	30,450
<b>Atlas Autos Limited</b>		
Issue of 382,336 (2022: 1,820,587) units	194,256,618	925,738,391
Outstanding 3,021,308 (2022: 2,638,972) units - at net asset value	1,539,035,435	1,339,296,842
<b>Atlas Energy Limited</b>		
Issue of 344,539 (2022: 37,030) units	176,530,330	18,823,979
Dividend declared	966,122	-
Redemption of 263,472 (2022: 45,552) units	134,400,000	23,150,497
Outstanding 88,636 (2022: 7,569) units - at net asset value	45,150,453	3,841,304

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Atlas Engineering Limited</b>		
Issue of 60,695 (2022: 303,118) units	30,991,820	154,188,257
Redemption of 290,637 (2022: 266,124) units	150,000,000	135,000,000
Dividend declared	30,318,743	-
Outstanding 575,106 (2022: 804,778) units - at net asset value	292,955,506	408,430,733
<b>Atlas Metals (Private) Limited</b>		
Issue of 13,831 (2022: 530,704) units	7,031,310	270,104,370
Redemption of 516,824 (2022: 180,659) units	264,514,436	92,100,000
Outstanding Nil (2022: 502,993) units - at net asset value	-	255,272,504
<b>Honda Atlas Cars (Pak.) Ltd. - Employee Provident Fund</b>		
Issue of Nil (2022: 4,890) units	-	2,474,460
Dividend declared	-	2,474,460
Redemption of Nil (2022: 154,318) units	-	78,621,649
Outstanding Nil (2022: Nil) units	-	-
<b>Honda Atlas Cars (Pakistan) Ltd.- Employee Gratuity Fund</b>		
Issue of 36,943 (2022: 111,725) units	18,769,953	57,026,540
Dividend declared	18,769,953	7,026,540
Redemption of Nil (2022: 154,318) units	-	-
Outstanding 251,294 (2022: 214,351) units - at net asset value	128,007,467	108,784,401
<b>MCFSL Trustee Atlas Fund of Funds</b>		
Issue of 36,151 (2022: 288,758) units	18,415,125	146,300,000
Dividend declared	-	-
Redemption of 30,457 (2022: 286,786) units	15,693,572	146,130,837
Outstanding 7,667 (2022: 1,972) units - at net asset value	3,905,288	1,000,890
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 3,154,926 (2022: 1,573,748) units	1,314,064,549	803,869,120
Redemption of 891,125 (2022: 457,043) units	156,841,836	232,162,481
Dividend declared	192,283,766	68,582,973
Outstanding 4,545,371 (2022: 2,280,978) units - at net asset value	2,315,383,921	1,157,612,292

**18.5** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund (Atlas Money Market Fund return as on June 30,2023 is 17.67%) include 162.8319 units held by the Chief Executive Officer and 87.2314 units held by the Chief Investments Officer.

**18.6** Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2023			
	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
	----- (Rupees) -----			
<b>Financial assets</b>				
Bank balances	350,177,659	-	-	350,177,659
Investments	-	22,039,774,000	-	22,039,774,000
Profit receivable on deposits and investments	160,512,576	-	-	160,512,576
	<b>510,690,235</b>	<b>22,039,774,000</b>	<b>-</b>	<b>22,550,464,235</b>
<b>Financial liabilities</b>				
Payable to the Management Company	44,394,673	-	-	44,394,673
Payable to the Trustee	1,082,278	-	-	1,082,278
Payable against redemption of units	528,047	-	-	528,047
Accrued expenses and other liabilities	5,167,959	-	-	5,167,959
	<b>51,172,957</b>	<b>-</b>	<b>-</b>	<b>51,172,957</b>

	As at 30 June 2022			
	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
	----- (Rupees) -----			
<b>Financial assets</b>				
Bank balances	18,330,696,373	-	-	18,330,696,373
Investments	-	-	-	-
Profit receivable on bank balances	36,346,038	-	-	36,346,038
	<b>18,367,042,411</b>	<b>-</b>	<b>-</b>	<b>18,367,042,411</b>
<b>Financial liabilities</b>				
Payable to the Management Company	26,703,267	-	-	26,703,267
Payable to the Trustee	866,807	-	-	866,807
Payable against redemption of units	127,557	-	-	127,557
Accrued expenses and other liabilities	8,966,884	-	-	8,966,884
	<b>36,664,515</b>	<b>-</b>	<b>-</b>	<b>36,664,515</b>

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 the 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, liquidity risk and credit risk arising from the financial instruments it holds.

### 20.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Market risk comprises of three types of risks: yield / interest rate risk, currency risk, and price risk.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## (i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. As of 30 June 2023, the Fund is exposed to such risk in respect of balances with banks and investments in debt securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

## a) Sensitivity analysis for variable rate instruments

As at 30 June 2023, the Fund holds balances with banks and has investments in debt securities which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at 30 June 2023, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 221,824,701 (2022: Rs 178,771,189).

## b) Sensitivity analysis for fixed rate instruments

The sensitivity analysis for fixed rate instrument is not performed as the Fund does not hold investments in fixed interest rate instrument as at 30 June 2023. There will be no impact on net assets of the future movements in fixed interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at 30 June 2023 and 30 June 2022 can be determined as follows:

----- As at 30 June 2023 -----						
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) -----						
<b>Financial assets</b>						
Bank balances	12.90% to 19.50%	142,696,130	-	-	207,481,529	350,177,659
Investments		22,039,774,000	-	-	-	22,039,774,000
Profit receivable on deposits and investments		160,512,576	-	-	-	160,512,576
		<b>22,342,982,706</b>	-	-	<b>207,481,529</b>	<b>22,550,464,235</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	44,394,673	44,394,673
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,082,278	-
Payable against redemption of units		-	-	-	528,047	528,047
Accrued expenses and other liabilities		-	-	-	5,167,959	5,167,959
		-	-	-	<b>51,172,957</b>	<b>50,090,679</b>
<b>On-balance sheet gap (a)</b>		<b>22,342,982,706</b>	-	-	<b>156,308,572</b>	<b>22,500,373,556</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		<b>22,342,982,706</b>	-	-		
<b>Cumulative interest rate sensitivity gap</b>		<b>22,342,982,706</b>	<b>22,342,982,706</b>	<b>22,342,982,706</b>		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

----- As at 30 June 2022 -----

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) -----						
<b>Financial assets</b>						
Bank balances	5.50% to 16.45%	17,877,118,873	-	-	453,577,500	18,330,696,373
Profit receivable on bank balances		36,346,038	-	-	-	36,346,038
		<u>17,913,464,911</u>	-	-	<u>453,577,500</u>	<u>18,367,042,411</u>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	26,703,267	26,703,267
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	866,807	866,807
Payable against redemption of units		-	-	-	127,557	127,557
Accrued expenses and other liabilities		-	-	-	8,966,884	8,966,884
		-	-	-	<u>36,664,515</u>	<u>36,664,515</u>
<b>On-balance sheet gap (a)</b>		<u>17,912,598,104</u>	-	-	<u>417,779,792</u>	<u>18,330,377,896</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		<u>17,912,598,104</u>	-	-		
<b>Cumulative interest rate sensitivity gap</b>		<u>17,912,598,104</u>	<u>17,912,598,104</u>	<u>17,912,598,104</u>		

## (ii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and, hence, is not exposed to such risk.

## (iii) 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 rate 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 Fund does not have any instrument as at 30 June 2023 which expose it to price risk.

## 20.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. 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. The Fund's policy is therefore to invest a majority of its assets in short-term instruments in order to maintain liquidity.

The Fund can borrow in the short-term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- As at 30 June 2023 -----					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
<b>Financial assets</b>					
Bank balances	350,177,659	-	-	-	350,177,659
Investments	8,500,000,000	13,539,774,000	-	-	22,039,774,000
Profit receivable on bank deposits	160,512,576	-	-	-	160,512,576
	<b>9,010,690,235</b>	<b>13,539,774,000</b>	<b>-</b>	<b>-</b>	<b>22,550,464,235</b>
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company	-	44,394,673	-	-	44,394,673
Payable to the Central Depository Company of Pakistan Limited - Trustee -	-	1,082,278	-	-	1,082,278
Payable against redemption of units	528,047	-	-	-	528,047
Accrued expenses and other liabilities	-	5,167,959	-	-	5,167,959
	<b>528,047</b>	<b>50,644,910</b>	<b>-</b>	<b>-</b>	<b>51,172,957</b>
<b>Net assets / (liabilities)</b>	<b>9,010,162,188</b>	<b>13,489,129,090</b>	<b>-</b>	<b>-</b>	<b>22,499,291,278</b>

----- As at 30 June 2022 -----					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
<b>Financial assets</b>					
Bank balances	18,330,696,373	-	-	-	18,330,696,373
Profit receivable on bank deposits	36,346,038	-	-	-	36,346,038
	<b>18,367,042,411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,367,042,411</b>
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company	-	26,703,267	-	-	26,703,267
Payable to the Central Depository Company of Pakistan Limited - Trustee -	-	866,807	-	-	866,807
Payable against redemption of units	127,557	-	-	-	127,557
Accrued expenses and other liabilities	-	8,966,884	-	-	8,966,884
	<b>127,557</b>	<b>8,966,884</b>	<b>-</b>	<b>-</b>	<b>36,664,515</b>
<b>Net assets / (liabilities)</b>	<b>18,366,914,854</b>	<b>(8,966,884)</b>	<b>-</b>	<b>-</b>	<b>18,330,377,896</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 20.3 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, profit receivable on bank deposits and investment in debt securities. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. As at 30 June 2023: 84.11% (2022: 0%) of Fund's net assets are invested in government securities, whereas 8.5% of Fund's net assets are invested in other than government securities (2022: 0%). Furthermore, the Fund's maximum exposure to credit risk as of 30 June 2023 amounts to Rs. 22,182,470,130 (2022: 17,877,118,873).

### 20.3.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates. The credit risk associated with government securities is limited as these are guaranteed by the Federal Government. Banks with which the Fund has maintained balances are rated as follows:

Rating	2023 %	2022 %
AA+	95.95	6.07
AAA	4.00	93.93
AA	0.05	-
	<b>100.00</b>	<b>100.00</b>

## 20.4 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
	----- (Rupees) -----		
Opening balance as at July 01, 2022	-	127,557	127,557
Receivable against issuance of units	64,657,613,911	-	64,657,613,911
Payable against redemption of units	-	59,173,999,644	59,173,999,644
	64,657,613,911	59,173,999,644	123,831,613,555
Amount received on issuance of units	(64,657,613,911)	-	(64,657,613,911)
Amount paid on redemption of units	-	(59,173,599,154)	(59,173,599,154)
	(64,657,613,911)	(59,173,599,154)	(123,831,213,065)
<b>Closing balance as at June 30, 2023</b>	<b>-</b>	<b>528,047</b>	<b>528,047</b>

## 21 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The investments held as at the year end 30 June 2023 by the Fund have been carried at their respective fair values. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 22 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 23 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2023			30 June 2022		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	1404	4,476,618,400	18.81%	1173	2,489,111,437	13.60%
Associated Companies / Directors	16	11,721,321,800	49.25%	15	8,836,486,738	48.28%
Insurance Companies	5	104,097,800	0.44%	1	3,163,114	0.02%
Banks / DFIs	1	1,339,768,900	5.63%	1	1,165,891,447	6.37%
Retirement Funds	42	1,355,922,800	5.70%	33	982,328,027	5.37%
Others	42	4,800,663,421	20.17%	45	4,823,907,772	26.36%
	<b>1510</b>	<b>23,798,393,121</b>	<b>100.00%</b>	<b>1268</b>	<b>18,300,888,535</b>	<b>100.00%</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 24 LIST OF TOP BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	100.00	Arif Habib Limited	64.01
	<u>100.00</u>	Optimus Markets (Private) Limited	23.21
		Pearl Securities Limited	11.27
		BIPL Securities Limited	1.51
			<u>100.00</u>

## 25 MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	11 Years

## 26 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Income Fund Atlas Islamic Money Market Fund Atlas Islamic Income Fund Atlas Sovereign Fund Atlas Liquid Fund

## 27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	P	L	P	P	P	P
Mr. Tariq Amin	Director	P	P	P	P	P	P
Mr. Frahim Ali Khan	Director	P	P	P	P	P	P
Mr. Ali H. Shirazi	Director	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	Director	L	P	L	P	P	P
Ms. Zehra Naqvi	Director	P	P	P	P	P	P
Mr. M. Abdul Samad	Chief Executive Officer	P	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	P	P	P	P	P	P
Ms. Zainab Kazim	Company Secretary	P	P	P	P	P	P

P Present

L Leave of absence

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 28 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2022: AM2+ (AM Two Plus)] on 23 December 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Moreover, PACRA has maintained the stability rating of the Fund at "AA+ (f)" (Double A Plus) [2022: "AA+ (f)"] on 17 April 2023.

## 29 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 30 GENERAL

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

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 11 September 2023.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Liquid Fund

## Corporate Information

### Trustee

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

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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Allied Bank Limited  
Bank Alfalah Limited



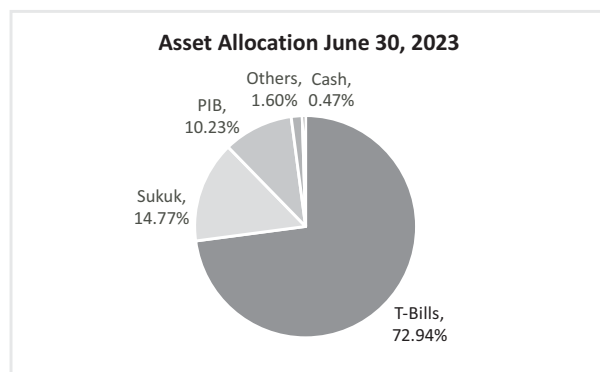
# Fund Manager's Report

Atlas Liquid Fund (ALF) is an Open-ended Money Market Fund. The investment objective of ALF is to provide its unit-holders attractive returns from a portfolio of very low risk, short duration assets while maintaining high liquidity. The Fund will invest the entire assets in authorized short-term money market investment avenues with a maximum time to maturity of six months and weighted average time to maturity of ninety days. This is intended to reduce risk while maintaining liquidity. The Fund's investment strategy is based on fundamental credit analysis of counter parties. Specifically, the investment strategy will seek to invest in those money market instruments that offer attractive market returns and are issued by sponsors with good credit rating, strong financials and ability to repay.

The Benchmark for "Atlas Liquid Fund" is 30% of "3-Month deposit rates of three scheduled banks (AA and above rated) as selected by MUFAP" for the period of return; and 70% that would be an average of "3 Month PKRV rate".

The Monetary Policy Committee of SBP has increased its policy rate by 825 bps to 22.0% with the objective of moderating demand to a sustainable pace and reducing external pressures. The Consumer Price Index (CPI) Inflation averaged at 29.18% during FY23 compared to 12.15% in FY22. The increase in FY23 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants regarding the impact of ongoing inflationary pressures. Going forward, frequency of local demand and impact of international commodity prices on domestic inflation will remain a major determinant towards any change in monetary policy stance.

The ALF provided 17.29% annual return as on June 30, 2023. The ALF total exposure in T-Bills, Sukuks, Pakistan Investment Bonds, Bank Balances, and Others are 72.94%, 14.77%, 10.23%, 0.47%, and 1.59% respectively. ALF presents a good investment opportunity for investors to earn attractive returns (with a periodic payout) while maintaining high liquidity. The Net Assets of the Fund stood at Rs. 3.89 billion, with 7.78 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Liquid Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 80.54 per unit for the period ended June 30, 2023 (16.11% on the face value of Rs. 500 per unit).

## Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated Companies	2	3,469,981,854	89.21%
Individual	21	7,128,844	0.18%
Retirement Funds	3	130,420,323	3.35%
Directors	1	52,313,353	1.34%
Others Corporates	2	223,741,615	5.75%
Insurance Companies	1	6,210,740	0.16%
<b>Grand total</b>	<b>30</b>	<b>3,889,796,729</b>	<b>100.00%</b>

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The Total Expense Ratio (TER) of the Fund is 1.00% including Government levy and SECP Fee of 0.12%.

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

Karachi: 11 September 2023

**Fawad Javaid**  
Head of Fixed Income



## PERFORMANCE SINCE INCEPTION

	2023	2022
Net assets (Rs. in '000)	3,889,797	3,441,106
Number of units in issue	7,779,593	6,882,212
Net asset value per unit (Rs.)	500.00	500.00
Net income / (loss) (Rs. in '000)	576,452	155,687
Earnings / (loss) per unit (Rs.)	74.10	22.62
Annual return of the Fund (%)	17.29	11.36
Offer price ** (Rs.)	500.00	500.00
Redemption price ** (Rs.)	499.72	499.90
Distribution Per Unit (Rs.)	80.54	32.90
Distribution as a % of opening Ex- NAV of units	16.11	6.58
Date of distribution	Various	Various
Highest offer price (Rs.)	500.00	500.00
Lowest offer price (Rs.)	499.72	499.90
Highest repurchase price per unit (Rs.)	500.00	500.00
Lowest repurchase price per unit (Rs.)	499.72	499.90

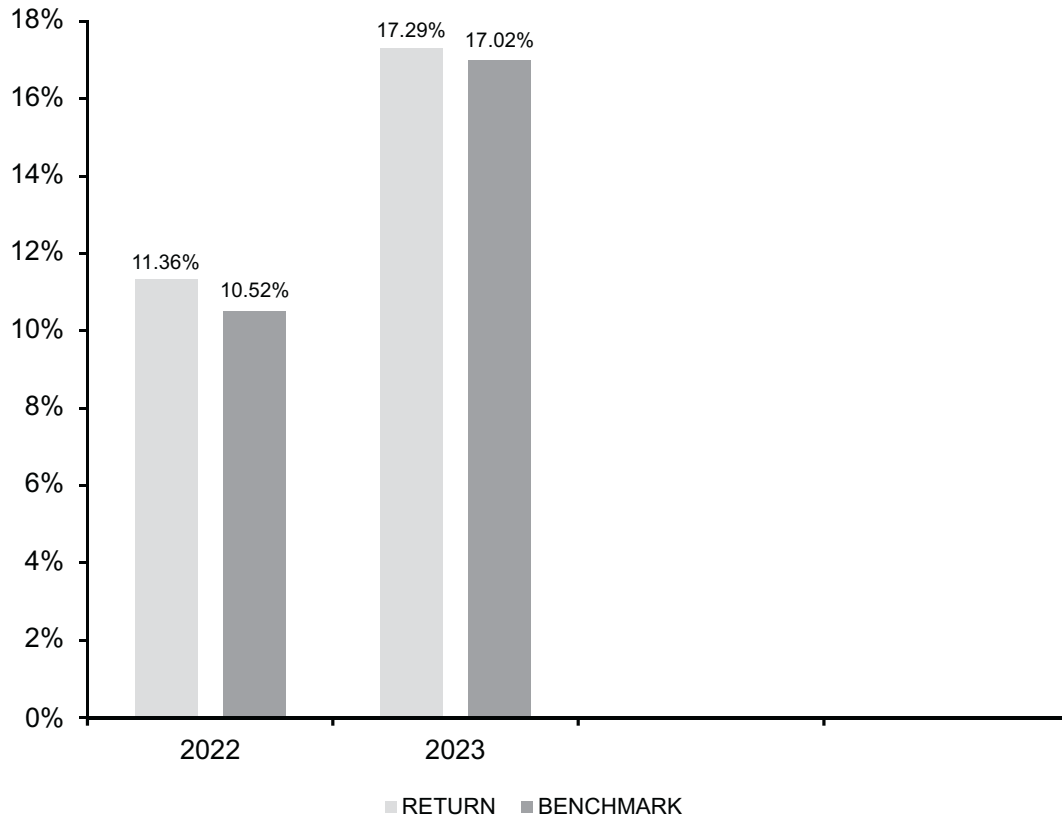
\* For the period from 23 November 2021 to 30 June 2022 (Date of Launch: 23 November 2021)

\*\* Relates to announced prices.

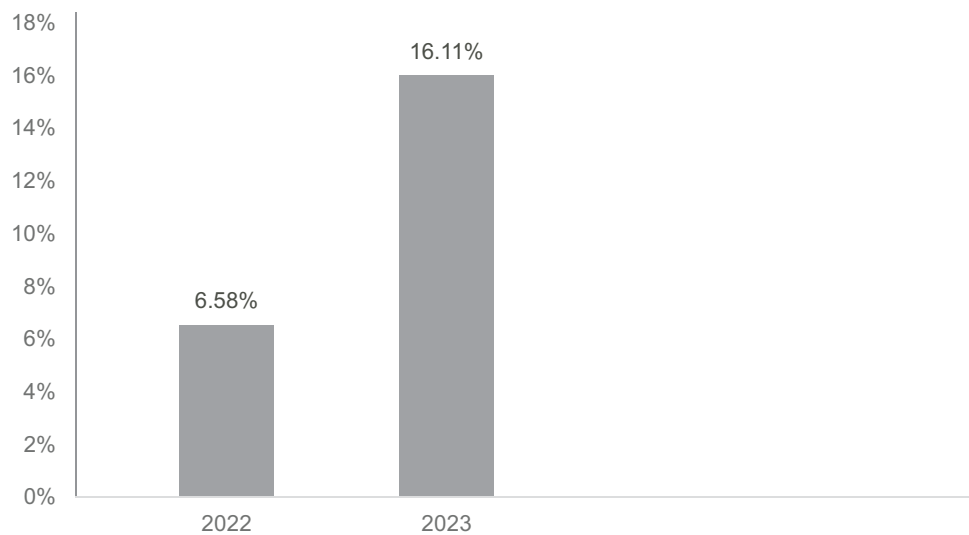
**Note:** Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.

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## Yearly Performance (Annualized)



## Payout History (% on Opening NAV)



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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Liquid Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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# INDEPENDENT AUDITORS' REPORT

## To the Unit holders of Atlas Liquid Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Liquid Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2023, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Investments in debt instruments</b>	
<p>The investment of the Fund represents significant portion of the total assets of the Fund during the year and / or as at the year end. The Investments as at year end represents 98% of total assets of the Fund.</p> <p>In view of the above, we have considered this area as a key audit matter.</p> <p>For disclosure refer to note 5 to the financial statements.</p>	<p>We performed a combination of audit procedures focusing on the existence of the investment as at the year end and acquisition and disposal of investment including related income / gains that arose during the year. Our key procedure included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed verification of acquisition and disposal of investments on sample basis.</li><li>• Recalculated gain / (loss) on disposal of investments and markup income.</li><li>• We performed verification of year-end balance portfolio of investment as at 30 June 2023 by circulating confirmations to custodians and reviewing Investment position summary (IPS) statements.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We tested the valuation of investments by agreeing the prices with market yields and prices quoted by Mutual Fund Association of Pakistan (MUFAP).</li> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>• We also evaluated the adequacy of the overall disclosures in the financial statements with respect investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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

Karachi: 25 September 2023

**EY Ford Rhodes**  
Chartered Accountants

**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	30 June 2023	30 June 2022
		Rupees -----	
<b>Assets</b>			
Bank balances	4	18,438,145	3,135,310,549
Investments	5	3,820,443,115	300,000,000
Receivable Against Sale of investment		24,870,100	-
Markup accrued	6	35,145,919	9,159,966
Preliminary and floatation cost	7	410,080	530,262
Other receivables	8	1,685,408	1,685,408
<b>Total assets</b>		<b>3,900,992,767</b>	<b>3,446,686,185</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	9	4,726,315	1,247,837
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	195,882	176,911
Payable to the Securities and Exchange Commission of Pakistan	11	720,280	267,413
Accrued expenses and other liabilities	13	5,553,562	3,888,196
<b>Total liabilities</b>		<b>11,196,038</b>	<b>5,580,357</b>
<b>NET ASSETS</b>		<b>3,889,796,729</b>	<b>3,441,105,828</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,889,796,729</b>	<b>3,441,105,828</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
		Number of units	
<b>NUMBER OF UNITS IN ISSUE - GROWTH UNITS</b>	1.5	<b>7,779,593</b>	<b>6,882,212</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>500.0000</b>	<b>500.0000</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 JUNE 30, 2023

		June 30, 2023	From 23 November 2021 To 30 June 2022
	Note	----- Rupees -----	
<b>Income</b>			
Markup income	16	604,633,576	145,081,420
Capital Gain on sale of Investments - net		10,637,751	15,234,088
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(2,752,066)	-
<b>Total income</b>		<b>612,519,260</b>	<b>160,315,508</b>
<b>Expenses</b>			
Remuneration of the Management Company	9.1	24,396,189	2,346,287
Sindh Sales Tax on remuneration of the Management Company	9.2	3,171,505	305,017
Remuneration of the Trustee	10.1	1,980,868	735,385
Sindh Sales Tax on remuneration of the Trustee	10.2	257,513	95,600
Annual fee - Securities and Exchange Commission of Pakistan	11.1	720,315	267,413
Auditor's remuneration	12	553,501	323,999
Transaction charges	15	22,341	10,193
Amortization of preliminary expenses and floatation costs	7	120,182	72,307
Annual Listing fee		27,500	107,500
Annual Rating fee		250,860	228,259
Legal and professional charges		86,434	108,919
Printing charges		37,028	9,000
Selling & Marketing Fee Expense		679,317	-
Accounting and operational charges		3,759,699	-
Bank charges		4,488	18,175
<b>Total expenses</b>		<b>36,067,739</b>	<b>4,628,054</b>
<b>Net income for the period before taxation</b>		<b>576,451,521</b>	<b>155,687,454</b>
<b>Taxation</b>	18	-	-
<b>Net income for the period</b>		<b>576,451,521</b>	<b>155,687,454</b>
<b>Allocation of net income for the period:</b>			
- Net income for the period		576,451,521	155,687,454
- Income already paid on units redeemed		-	-
		<b>576,451,521</b>	<b>155,687,454</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		10,637,751	15,234,088
- Excluding capital gains		565,813,770	140,453,366
		<b>576,451,521</b>	<b>155,687,454</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 JUNE 30, 2023

	June 30, 2023	From 23 November 2021 To 30 June 2022
	----- Rupees -----	
<b>Net income for the period</b>	<b>576,451,521</b>	<b>155,687,454</b>
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b><u>576,451,521</u></b>	<b><u>155,687,454</u></b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2023

	For the period ended June 2023			From 23 November 2021 To 30 June 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
<b>Net assets at beginning of the period</b>	3,441,105,828	-	3,441,105,828	-	-	-
<b>Issuance of units 7,005,609 (2022: 10,378,616 units)</b>						
- Capital value	3,502,804,731	-	3,502,804,731	5,189,308,192	-	5,189,308,192
- Element of income / (loss) - net	-	-	-	-	-	-
	<b>3,502,804,731</b>	<b>-</b>	<b>3,502,804,731</b>	<b>5,189,308,192</b>	<b>-</b>	<b>5,189,308,192</b>
<b>Redemption of 6,108,228 units (2022: 3,496,405 units)</b>						
- Capital value	(3,054,113,830)	-	(3,054,113,830)	(1,748,202,364)	-	(1,748,202,364)
- Element of income / (loss) - net	-	-	-	-	-	-
	<b>(3,054,113,830)</b>	<b>-</b>	<b>(3,054,113,830)</b>	<b>(1,748,202,364)</b>	<b>-</b>	<b>(1,748,202,364)</b>
Total comprehensive Income for the period	-	576,451,521	576,451,521	-	155,687,454	155,687,454
Distribution during the year / period - refer annexure A	-	(576,451,521)	(576,451,521)	-	(155,687,454)	(155,687,454)
Net income for the period less distribution	-	-	-	-	-	-
<b>Net assets at end of the period</b>	<b>3,889,796,729</b>	<b>-</b>	<b>3,889,796,729</b>	<b>3,441,105,828</b>	<b>-</b>	<b>3,441,105,828</b>
<b>Undistributed income brought forward comprises of :</b>						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
<b>Accounting income available for distribution</b>						
- Relating to capital gains	10,637,751			15,234,088		
- Excluding capital gains	565,813,770			140,453,366		
	<b>(576,451,521)</b>			<b>(155,687,454)</b>		
Distribution during the period	<b>(576,451,521)</b>			<b>(155,687,454)</b>		
<b>Undistributed income carried forward</b>	<b>-</b>			<b>-</b>		
<b>Undistributed income carried forward comprises of :</b>						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
	<b>(Rupees)</b>			<b>(Rupees)</b>		
<b>Net assets value per unit at Beginning of the period</b>	<b>500.0000</b>			<b>500.0000</b>		
<b>Net assets value per unit at end of the period</b>	<b>500.0000</b>			<b>500.0000</b>		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 JUNE 30, 2023

	June 30, 2023	From 23 November 2021 TO 30 June 2022
Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	576,451,521	155,687,454
<b>Adjustments for:</b>		
Markup income	(604,633,576)	(145,081,420)
Capital Gain on sale of Investments - net	(10,637,751)	(15,234,088)
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,752,066	-
Amortization of preliminary expenses and floatation costs	120,182	72,307
	<b>(612,399,079)</b>	<b>(160,243,201)</b>
<b>(Increase) in assets</b>		
Other receivables	-	(1,685,408)
	-	<b>(1,685,408)</b>
<b>Increase in liabilities</b>		
Payable to Atlas Asset Management Company - Management Company	3,478,477	1,247,837
Payable to Central Depository Company of Pakistan Limited - Trustee	18,969	176,911
Payable to the Securities and Exchange Commission of Pakistan	452,867	267,413
Selling & Marketing fee Payable	-	-
Accrued expenses and other liabilities	1,665,365	3,285,627
	<b>5,615,678</b>	<b>4,977,788</b>
Interest received	578,647,623	135,921,454
Investments - net	(3,537,427,531)	(284,765,912)
<b>Net cash used in operating activities</b>	<b>(2,989,111,788)</b>	<b>(150,107,825)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	3,502,804,731	5,189,308,192
Cash dividend	(576,451,521)	(155,687,454)
Payments against redemption of units	(3,054,113,826)	(1,748,202,364)
<b>Net cash (used in) / generated from financing activities</b>	<b>(127,760,616)</b>	<b>3,285,418,374</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,116,872,404)</b>	<b>3,135,310,549</b>
Cash and cash equivalents at the beginning of the period	3,135,310,549	-
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>3,135,310,549</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Liquid Fund (the Fund) is an open-ended Fund constituted under a trust deed registered dated 30 July 2021 under the Sindh Trust Act, 2020 entered into between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Offering Document has been revised through the First and Second Supplements dated 14 April 2022 and 19 April 2022 respectively with the approval of SECP. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Securities and Exchange Commission of Pakistan (SECP) has authorized the offer of Units of the Fund and registered as a notified entity on 06 September 2021. SECP has approved this Offering Document on 07 September 2021.
- 1.2 The Fund has been categorised as a 'money market scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis since 23 November 2021, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 The objective of Atlas Liquid Fund (ALF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of money market instruments.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 As per the offering document of the Fund, an investor shall, at the time of opening an account, select the types of units in which the investor wishes to invest, i.e. Growth Unit and/or Income Unit. Furthermore, at the time of dividend distribution the unit holders receive additional units or cash dividend against Growth unit and Income unit, respectively.
- During the period all the units issued by the Fund are Growth units and dividend has been reinvested on daily basis.
- 1.6 As per the offering document of the Fund, the Management Company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the period, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 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, 2022 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 published accounting and reporting 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:

Amendments	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12"	January 01, 2023
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

## 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 period in which the estimate is revised if the revision affects only that period, 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 taxes recoverable as disclosed in note 8.1.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain investments are required to be carried at fair value.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 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 significant accounting policies adopted in the preparation of these financial statements are set out below:

### 3.1 Financial instruments

#### a) Initial recognition and measurement

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

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

#### b) Classification

##### 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. Given the objectives of the Fund, all investments have been classified as 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.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## **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 asset to identify whether they meet the SPPI criteria.

'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 FVTPL.

### **c) Subsequent Measurement**

#### **Debt instruments at fair value through profit or loss**

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Given the objectives of the Fund, all investments have been classified as FVTPL.

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 amortized cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

#### **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. The Fund has not used this classification for its investment portfolio.

#### **Financial liabilities**

##### **Financial liabilities measured at amortised cost**

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

### **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

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- (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) Regular way contracts**

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

**g) Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have 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, October 24, 2012 have been followed.

**h) 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.

**i) Determination of fair value**

**a) 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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

**b) Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

**c) Equity securities**

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



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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

## 3.4 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

## 3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the previous business day, plus the allowable sales load, transaction cost and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the previous business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

## 3.6 Distributions to unit holders

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

## 3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period.

## 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Markup income on bank balances, placements and deposits is recognised on effective yield basis.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- Gains or losses on sale of investments are included in the Income Statement in the period 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.

### 3.9 Expenses

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

### 3.10 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 90% of the accounting income for the period as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the period, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

### 3.11 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 period end.

### 3.12 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.

### 3.13 Preliminary expenses and floatation costs

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from November 23, 2021 in accordance with the Trust Deed and the NBFC Regulations.

<b>4 BANK BALANCES</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		----- Rupees -----	-----
In local currency			
- Profit and loss sharing accounts	4.1	<b>18,438,145</b>	<b>3,135,310,549</b>

- 4.1 The rate of return on these accounts during the period ranges between 15.50% to 19.50% (30 June 2022: 8.25% to 16.4%) per annum. The profit rates effective at the period end on these accounts ranges between 15.50% to 19.50% (30 June 2022: 10.75% to 16.4%) per annum.

<b>5 INVESTMENTS</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		----- Rupees -----	-----
<b>At fair value through profit or loss</b>			
Government securities - Market Treasury Bills	5.1	2,845,403,115	-
Sukuk certificates	5.2	576,000,000	300,000,000
Pakistan Investment bonds	5.3	399,040,000	-
Commercial papers	5.4	-	-
Letter of placement	5.5	-	-
		<b>3,820,443,115</b>	<b>300,000,000</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 5.1 Government securities - Market Treasury Bills

Instrument	Face value				Amortised cost as at 30 June 2023	Market value	Market value as a percentage of	
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023			total investment	net assets
	(Rupees)						(Percentage)	
03 Months - T-bills	-	40,007,850,000	37,105,350,000	2,902,500,000	2,847,560,526	2,845,403,115	74	73
06 Months - T-bills	-	1,100,000,000	1,100,000,000	-	-	-	-	-
12 Months - T-bills	-	4,850,000,000	4,850,000,000	-	-	-	-	-
<b>Total as at June 30, 2023</b>	<b>-</b>	<b>45,957,850,000</b>	<b>43,055,350,000</b>	<b>2,902,500,000</b>	<b>2,847,560,526</b>	<b>2,845,403,115</b>	<b>74</b>	<b>73</b>

These market treasury bills carry purchase yields ranging from 21.55% to 22.00% per annum and will be matured by September 2023.

## 5.2 Sukuk certificates

Security Name	Face value				Amortised cost as at 30 June 2023	Market value	Market value as a percentage of	
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023			total investment	net assets
K-Electric Supply Company Limited - Short Term Sukuk - 5	150,000,000	-	150,000,000	-	-	-	-	-
Lucky Electric Power Company Limited - Sukuk 1	150,000,000	-	150,000,000	-	-	-	-	-
K-Electric Supply Company Limited - Short Term Sukuk - 11	-	100,000,000	100,000,000	-	-	-	-	-
K-Electric Supply Company Limited - Short Term Sukuk - 14	-	157,000,000	-	157,000,000	157,000,000	157,000,000	4.11	4.04
Lucky Electric Power Company Limited - Sukuk 6	-	59,000,000	-	59,000,000	59,000,000	59,000,000	1.54	1.52
Nishat Mills Limited 1	-	49,000,000	49,000,000	-	-	-	-	-
The Hub Power Company Limited STS I	-	360,000,000	-	360,000,000	360,000,000	360,000,000	9.42	9.25
<b>30 June 2023</b>	<b>300,000,000</b>	<b>725,000,000</b>	<b>449,000,000</b>	<b>576,000,000</b>	<b>576,000,000</b>	<b>576,000,000</b>	<b>17.75</b>	<b>14.81</b>
30 June 2022					3,000,000	3,000,000	100	8.72

### 5.2.1 The terms and conditions of these sukuk certificates are as follows:

Name of the Investee Company	Rating	Tenure	Profit Payments / Principal Redemptions	Maturity date	Rate of Return	Total Issue Size (In Million)
K-Electric Supply Company Limited - Short Term Sukuk - 11	AA	06 Months	Bullet Payment	Apr 2023	6 Month KIBOR +1.45%	5,000
K-Electric Supply Company Limited - Short Term Sukuk - 14	AA	06 Months	Bullet Payment	Aug 2023	6 Month KIBOR +0.75%	5,000
Lucky Electric Power Company Limited - Sukuk 6	AA	06 Months	Bullet Payment	Aug 2023	6 Month KIBOR +0.65%	5,000
Nishat Mills Limited 1	AA	06 Months	Bullet Payment	May 2023	6 Month KIBOR +0.90%	7,000
The Hub Power Company Limited STS I	AA	06 Months	Bullet Payment	Nov 2023	6 Month KIBOR +0.30%	7,000

## 5.3 Pakistan investment bonds

Particulars	Face value				Amortised cost as at 30 June 2023	Market value	Market value as a percentage of	
	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023			total investment	net assets
	(Rupees)						(Percentage)	
2 Year	-	400,000,000	-	400,000,000	399,634,655	399,040,000	0.10	0.10
3 Year	-	100,000,000	100,000,000	-	-	-	-	-
<b>30 June 2023</b>	<b>-</b>	<b>500,000,000</b>	<b>100,000,000</b>	<b>400,000,000</b>	<b>399,634,655</b>	<b>399,040,000</b>	<b>0.10</b>	<b>0.10</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 5.4 Commercial Paper

Name of Investee Company	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023	Carrying Cost as at June 30, 2023	Market Value as at June 30, 2023
----- (Rupees) -----						
Lucky Electric Power Company Limited	-	300,000,000	300,000,000	-	-	-
<b>30 June 2023</b>	<b>-</b>	<b>300,000,000</b>	<b>300,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.5 Placements

Name of Investee Company	As at 01 July 2022	Purchased during the year	Sold / matured during the year	As at 30 June 2023	Coupon Rate	Maturity Date
----- (Rupees) -----						
Bank Alfalah Limited	-	125,000,000	125,000,000	-	20.35%	22-Mar-23
Bank Alfalah Limited	-	125,000,000	125,000,000	-	20.35%	7-Apr-23
<b>30 June 2023</b>	<b>-</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

6 MARKUP ACCRUED	Note	2023	2022
		----- Rupees -----	
Profit and loss sharing account		42,575	2,240
Sukuk Certificate		26,452,556	9,157,726
Pakistan Investment bonds		8,650,788	-
		<b>35,145,919</b>	<b>9,159,966</b>
<b>7 PRELIMINARY AND FLOATATION COST</b>			
Floatation cost		530,262	602,569
Less: Amortisation for the period		(120,182)	(72,307)
		<b>410,080</b>	<b>530,262</b>
<b>8 OTHER RECEIVABLES</b>			
Tax recoverable	8.1	1,685,408	1,685,408
		<b>1,685,408</b>	<b>1,685,408</b>

**8.1** 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) are exempt from withholding tax under sections 151. However, several banks deducted withholding tax on 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 by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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 favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs 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 being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

appeal from the initial judgement of the SHC. Pending resolution of the matter, the cumulative amount of withholding tax deducted from profit on bank deposits by the banks has been shown as other receivable as at 30 June 2023 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 of the Fund, the net asset value of the Fund as at 30 June 2023 would have been lower by Rs. 0.24 per unit.

### 9 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

	Note	2023 ----- Rupees -----	2022 -----
Remuneration of the Management Company	9.1	3,161,902	571,210
Sindh Sales Tax on remuneration of the Management Company	9.2	410,849	74,058
Accounting and operational charges	9.3	474,247	-
Selling & Marketing fee Payable	9.4	679,317	-
Preliminary expenses and flotation cost		-	602,569
		<b>4,726,315</b>	<b>1,247,837</b>

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 2% per annum of average annual net assets, within allowed expense in the offering document. The Management Company has charged its remuneration at the average rate of 0.68% of the average annual net assets of the Fund (2022: 0.18% of the average annual net assets of the Fund). The fee is payable to the Management Company monthly in arrears.

9.2 Sindh Sales Tax has been charged at 13% (30 June 2022:13%) on management fee levied through Sales Tax on Services Act, 2011 during the year resulting in an amount of Rs. 3,171,505 (2022: Rs. 305,017). Furthermore, an amount of Rs. 2,834,714 (2022: Rs.230,958) has been paid to the Management Company which acts as the collecting agent.

9.3 The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019. Keeping in view, Management Company has accordingly charged expenses at the rate of 0.13% (2022: Nil) of the average annual net assets of the Fund.

9.4 The SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.10% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of average daily net assets of the Fund.

### 10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY

	Note	2023 ----- Rupees -----	2022 -----
Remuneration of the Trustee	10.1	173,347	156,559
Sindh Sales Tax on remuneration of the Trustee	10.2	22,535	20,352
		<b>195,882</b>	<b>176,911</b>

10.1 The trustee is entitled to monthly remuneration for services rendered to the fund. The trustee charged 0.055% per annum (2022: 0.055%) of net assets.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

**10.2** Sindh Sales Tax has been charged at 13% (30 June 2022:13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 257,513 (2022: Rs. 95,600) charged during the year. Furthermore, an amount of Rs. 255,330 (2022: Rs. 75,247) was paid to the Trustee which acts as a collecting agent.

### 11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Annual fees payable	11.1	<b>720,280</b>	<b>267,413</b>

**11.1** In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1) 2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs.

### 12 AUDITORS' REMUNERATION

	2023 ----- Rupees -----	2022 ----- Rupees -----
Annual fee	350,000	100,000
Half Yearly	100,000	50,000
Certification charges	30,000	120,000
Out of Pocket	67,500	30,000
Sindh sales tax on services	43,800	24,000
Prior year adjustment	(37,799)	-
	<b>553,501</b>	<b>324,000</b>

### 13 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	591,301	188,999
Withholding tax payable	4,947,203	3,699,197
Other payable	15,059	-
	<b>5,553,562</b>	<b>3,888,196</b>

### 14 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at 30 June 2023

### 15 TRANSACTION CHARGES

This represents brokerage, federal excise duty and settlement charges.

### 16 MARKUP INCOME

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Markup income on:			
Profit on deposits with banks	4.1	33,422,406	52,403,776
Interest income on investments		569,538,567	90,925,727
Term deposit receipts		1,672,603	1,751,917
		<b>604,633,576</b>	<b>145,081,420</b>

### 17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2023 is 1.00 % (2022: 0.21%) which includes 0.12% (2022: 0.03%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant money market scheme.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 18 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income earned by the Fund during the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

## 19 EARNINGS PER UNIT

Earning per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company. It also includes staff retirement benefit funds of the above connected person / related parties.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

The details of transactions carried out by the Fund with connected persons during the period and balances with them as at the period are as follows:

### 20.1 Transactions during the period

	2023	2022
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration for the period	24,396,189	2,346,287
Sindh sales tax on remuneration of the Management Company	3,171,505	305,017
Remuneration paid	21,805,497	1,775,077
Deferred Formation cost	410,080	602,569
Issue of Nil units (2022: 200,214 units)	-	100,106,835
Redemption of Nil units (2022: 200,214 units)	-	100,106,835
Dividend entitlement	-	1,378,489
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the Trustee	1,980,868	735,385
Sindh Sales Tax on remuneration of the Trustee	257,513	95,600
Remuneration paid	1,964,080	578,826
<b>Atlas Group of Companies - Management Staff Gratuity Fund</b>		
Issue of Nill Units (2022: 206,231 units)	-	103,115,495
Redemption of Nill Units (2022: 206,231 units)	-	103,115,495
Dividend Entitlement	-	135,876

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees -----	
<b>Atlas Honda Limited - Employee Provident Fund</b>		
Issue of 22,827 Units (2022:133,377 units)	11,436,247	66,688,260
Dividend Entitlement	11,436,247	3,426,425
Outstanding 156,249 (2022: 133,377 units)	78,124,507	66,688,500
<b>Atlas Honda Limited</b>		
Issue of 3,862,110 Units (2022: 8,254,231 units)	1,931,055,107	4,127,115,449
Redemption of 3,000,000 units (2022: 2,198,937 units)	1,500,000,000	1,100,001,063
Dividend Entitlement	431,054,263	140,861,494
Outstanding 6,917,404 Units (2022: 6,055,294 units)	3,458,702,002	3,027,647,000
<b>Shirazi Trading Co. (Pvt.) Limited - Emp. Prov. Fund</b>		
Issue of units 41,495 Units (2022 : Nil units)	20,747,655	-
Dividend Entitlement	47,655	-
Outstanding units 41,495 (2022: Nil Units )	20,747,655	-
<b>Shirazi Investments (Private Limited) - Employee Provident Fund</b>		
Issue of units 310 (2022 : 20,629 units)	155,097	10,314,569
Dividend Entitlement	155,097	314,569
Redemption of Units 20,939 (2022 : Nil units)	10,469,667	-
Outstanding units Nil (2022: 20,629 units - at net asset value)	-	10,314,500
<b>Atlas Autos (Private) Limited</b>		
Issue of units 239,929 Units (2022 : Nil units)	119,964,380	-
Dividend Entitlement	19,964,326	-
Outstanding units 441,861 (2022: Nil Units)	220,930,634	-
<b>Atlas Metals (Private) Limited</b>		
Issue of 92,720 units(2022:262,840 units)	46,359,900	131,419,952
Dividend Entitlement	6,359,897	1,769,476
Redemption 336,000 units(2022: Nil Units)	168,000,000	-
Outstanding 19,560 Units( 2022: 262,840 units)	9,779,851	131,420,000
<b>Honda Atlas Cars (Pakistan) Limited - Employee Gratuity Fund</b>		
Issue of 8,797 Units(2022: 51,299 units)	4,398,588	25,649,564
Dividend Entitlement	4,398,588	649,564
Outstanding 60,096 Units(2022: 51,299 units)	30,048,161	25,649,500
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 13,429 Units (2022: 91,456 units)	6,729,718	45,727,874
Dividend Entitlement	6,600,706	896,690
Outstanding 104,885 Units (2022:91,456 units)	52,442,415	45,728,000

- 20.2** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund (Atlas Liquid Fund return as on June 30,2023 is 17.29%) include 168 units held by the Chief Executive Officer and 90 units held by the Chief Investments Officer.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 21. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2023			Total
	At amortised cost	At fair value through profit or loss	At fair value through OCI	
----- (Rupees) -----				
<b>Financial assets</b>				
Bank balances	18,438,145	-	-	18,438,145
Investments	-	3,820,443,115	-	3,820,443,115
Markup accrued	35,145,919	-	-	35,145,919
Receivable Against Sale of investment	24,870,100	-	-	24,870,100
	<b>78,454,163</b>	<b>3,820,443,115</b>	<b>-</b>	<b>3,898,897,278</b>
<b>Financial liabilities</b>				
Payable to the Management Company	4,726,315	-	-	4,726,315
Payable to the Trustee	195,882	-	-	195,882
Selling and marketing fee payable	-	-	-	-
Accrued expenses and other liabilities	606,359	-	-	606,359
	<b>5,528,556</b>	<b>-</b>	<b>-</b>	<b>5,528,556</b>

	As at 30 June 2022			Total
	At amortised cost	At fair value through profit or loss	At fair value through OCI	
----- (Rupees) -----				
<b>Financial assets</b>				
Bank balances	3,135,310,549	-	-	3,135,310,549
Investments	-	300,000,000	-	300,000,000
Markup accrued	9,159,966	-	-	9,159,966
Receivable Against Sale of investment	-	-	-	-
	<b>3,144,470,515</b>	<b>300,000,000</b>	<b>-</b>	<b>3,444,470,515</b>
<b>Financial liabilities</b>				
Payable to the Management Company	1,247,837	-	-	1,247,837
Payable to the Trustee	176,911	-	-	176,911
Selling and marketing fee payable	-	-	-	-
Accrued expenses and other liabilities	188,999	-	-	188,999
	<b>1,613,747</b>	<b>-</b>	<b>-</b>	<b>1,613,747</b>

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

**22.1** 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 the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund may be exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

### 22.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## (i) Profit rate risk

Profit rate risk is the risk that the Fund's income will fluctuate due to changes in the market profit rates. As of 30 June 2023, the Fund is exposed to such risk in respect of bank balances and investments. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

## a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks and sukuks which exposes the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2023, with all other variables held constant, the net income for the period and net assets would have been higher / lower by Rs. 38,388,813.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2023 is not necessarily indicative of the impact on the Fund's net assets of the future movements in profit rates.

Yield / profit 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.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at 30 June 2023 can be determined as follows:

----- As at 30 June 2023 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	----- (Rupees) -----				
<b>Financial Assets</b>					
Bank balances	15.50% to 19.50%	18,438,145	-	-	18,438,145
Investments		3,820,443,115	-	-	3,820,443,115
Markup accrued		-	-	35,145,919	35,145,919
Receivable Against Sale of investment		-	-	24,870,100	24,870,100
		<b>3,838,881,260</b>	-	<b>60,016,019</b>	<b>3,898,897,278</b>
<b>Financial Liabilities</b>					
Payable to the Management Company		-	-	4,726,315	4,726,315
Payable to the Trustee		-	-	195,882	195,882
Selling and marketing fee payable		-	-	-	-
Accrued expenses and other liabilities		-	-	606,359	606,359
		-	-	<b>5,528,556</b>	<b>5,528,556</b>
<b>On-balance sheet gap (a)</b>		<b>3,838,881,260</b>	-	<b>54,487,463</b>	<b>3,893,368,722</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		<b>3,838,881,260</b>	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		<b>3,838,881,260</b>	<b>3,838,881,260</b>	<b>3,838,881,260</b>	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

----- As at 30 June 2022 -----

Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

Percentage ----- (Rupees) -----

### Financial Assets

Bank balances	15.50% to 19.50%	3,135,310,549	-	-	-	3,135,310,549
Investments		-	300,000,000	-	-	300,000,000
Markup accrued		9,159,966	-	-	-	9,159,966
		<b>3,144,470,515</b>	<b>300,000,000</b>	-	-	<b>3,444,470,515</b>

### Financial Liabilities

Payable to the Management Company		-	-	-	1,247,837	1,247,837
Payable to the Trustee		-	-	-	176,911	176,911
Selling and marketing fee payable		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	188,999	188,999
		-	-	-	<b>1,613,747</b>	<b>1,613,747</b>

<b>On-balance sheet gap (a)</b>		<b>3,144,470,515</b>	<b>300,000,000</b>	-	<b>(1,613,747)</b>	<b>3,442,856,768</b>
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<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
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<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
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<b>Total interest rate sensitivity gap (a + b)</b>		<b>3,144,470,515</b>	<b>300,000,000</b>	-		
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<b>Cumulative interest rate sensitivity gap</b>		<b>3,144,470,515</b>	<b>3,444,470,515</b>	<b>3,444,470,515</b>		
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### (ii) Foreign currency risk

Foreign 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. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### (iii) Equity price risk

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of 30 June 2023.

### 22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The Fund is exposed to redemptions of its redeemable units on a regular basis. 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. The Fund's policy is therefore to invest a majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- As at 30 June 2023 -----						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed	Total
----- Rupees -----						
<b>Assets</b>						
Bank balances	18,438,145	-	-	-	-	18,438,145
Investments	-	3,820,443,115	-	-	-	3,820,443,115
Markup accrued	35,145,919	-	-	-	-	35,145,919
Receivable Against Sale of investment	24,870,100	-	-	-	-	24,870,100
	<b>78,454,163</b>	<b>3,820,443,115</b>	-	-	-	<b>3,898,897,278</b>
<b>Liabilities</b>						
Payable to the Management Company	4,726,315	-	-	-	-	4,726,315
Payable to the Trustee	195,882	-	-	-	-	195,882
Selling and marketing fee payable	-	-	-	-	-	-
Accrued expenses and other liabilities	606,359	-	-	-	-	606,359
	<b>5,528,556</b>	-	-	-	-	<b>5,528,556</b>
<b>Net assets/ (liabilities)</b>	<b>72,925,607</b>	<b>3,820,443,115</b>	-	-	-	<b>3,893,368,722</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

----- As at 30 June 2022 -----						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed	Total
----- Rupees -----						
<b>Assets</b>						
Bank balances	3,135,310,549	-	-	-	-	3,135,310,549
Investments	-	-	300,000,000	-	-	300,000,000
Markup accrued	9,159,966	-	-	-	-	9,159,966
Receivable Against Sale of investment	-	-	-	-	-	-
	<b>3,144,470,515</b>	<b>-</b>	<b>300,000,000</b>	<b>-</b>	<b>-</b>	<b>3,444,470,515</b>
<b>Liabilities</b>						
Payable to the Management Company	1,247,837	-	-	-	-	1,247,837
Payable to the Trustee	176,911	-	-	-	-	176,911
Selling and marketing fee payable	-	-	-	-	-	-
Accrued expenses and other liabilities	188,999	-	-	-	-	188,999
	<b>1,613,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,613,747</b>
<b>Net assets</b>	<b>3,142,856,768</b>	<b>-</b>	<b>300,000,000</b>	<b>-</b>	<b>-</b>	<b>3,442,856,768</b>

## 22.4 Credit Risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, profit receivable on bank deposits and debt securities. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. Furthermore, the Fund's maximum exposure to credit risk as of 30 June 2023 amounts to Rs. 620,933,276 (2022: Rs. 3,444,470,519).

## 22.5 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks. The credit rating profile of above mentioned is as follows:

Ratings of amounts placed with banks	% of Financial assets exposed to risk	
	2023	2022
AA+	100.00	0.24
AAA	-	99.76
	<b>100.00</b>	<b>100.00</b>
Ratings of amounts placed in Sukuk investments	% of Financial assets exposed to risk	
	2023	2022
AA	37.50	100.00
AA+	62.50	-
	<b>100.00</b>	<b>100.00</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

22.6 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES	Receivable against issuance of units	Payable against redemption of units	Total
	----- (Rupees in '000) -----		
Opening balance as at July 01, 2022	-	-	-
Receivable against issuance of units	3,502,804,731	-	3,502,804,731
Payable against redemption of units	-	(3,054,113,826)	(3,054,113,826)
	3,502,804,731	(3,054,113,826)	448,690,905
Amount received on issuance of units	(3,502,804,731)	-	(3,502,804,731)
Amount paid on redemption of units	-	3,054,113,826	3,054,113,826
	(3,502,804,731)	3,054,113,826	(448,690,905)
<b>Closing balance as at June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 22.7 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 22.8 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30 2023, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times during the current year.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

### 24 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2023			30 June 2022		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Associated Companies	2	3,469,981,854	89.21%	3	3,261,221,644	94.77%
Individual	21	7,128,844	0.18%	12	5,917,628	0.17%
Retirement Funds	3	130,420,323	3.35%	-	-	-
Directors	1	52,313,353	1.34%	1	25,261,892	0.73%
Others Corporates	2	223,741,615	5.75%	3	46,008,241	1.34%
Insurance Companies	1	6,210,740	0.16%	3	102,696,423	2.98%
	<b>30</b>	<b>3,889,796,729</b>	<b>100.00%</b>	<b>22</b>	<b>3,441,105,828</b>	<b>100.00%</b>

### 25 LIST OF TOP BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	46.74	Pearl Securities Limited	93.10
Optimus Markets (Private) Limited	33.22	Arif Habib Limited	6.90
JS Global Capital Limited	13.88		<b>100.00</b>
Alfalsh CLSA Securities (Private) Limited	6.16		
	<b>100.00</b>		

### 26 THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	12 Years

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 27 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Islamic Income Fund Atlas Income Fund Atlas Money Market Fund Atlas Sovereign Fund Atlas Islamic Money Market Fund

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the Management Company of the Fund, and the attendance of the Board members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	P	L	P	P	P	P
Mr. Tariq Amin	Director	P	P	P	P	P	P
Mr. Frahim Ali Khan	Director	P	P	P	P	P	P
Mr. Ali H. Shirazi	Director	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	Director	L	P	L	P	P	P
Ms. Zehra Naqvi	Director	P	P	P	P	P	P
Mr. M. Abdul Samad	Chief Executive Officer	P	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	P	P	P	P	P	P
Ms. Zainab Kazim	Company Secretary	P	P	P	P	P	P

P Present  
L Leave of absence

## 29 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2021: AM2+ (AM Two Plus)] on 23 December 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Moreover, PACRA has maintained the stability rating of the Fund at "AA+ (f)" (Double A Plus) [2022: "AA+ (f)"] on 17 April 2023.

## 30. GENERAL

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

30.2 This is the first year of operations of the Fund, hence there is no comparative information to report in these financial statements.

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 11 September 2023.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# Annexure "A"

## Distribution For the Year 2022-23

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
July 4, 2022	0.8410	September 7, 2022	0.2007	November 3, 2022	0.1962
July 5, 2022	0.1790	September 8, 2022	0.1945	November 6, 2022	0.6199
July 6, 2022	0.1668	September 11, 2022	0.5750	November 7, 2022	0.2201
July 12, 2022	1.0106	September 12, 2022	0.1966	November 9, 2022	0.4111
July 13, 2022	0.2508	September 13, 2022	0.1852	November 10, 2022	0.2033
July 14, 2022	0.4638	September 14, 2022	0.1922	November 13, 2022	0.5947
July 17, 2022	0.8383	September 15, 2022	0.1960	November 14, 2022	0.1973
July 18, 2022	0.1467	September 18, 2022	0.5873	November 15, 2022	0.1925
July 19, 2022	0.1366	September 19, 2022	0.2042	November 16, 2022	0.1959
July 20, 2022	0.1928	September 20, 2022	0.2010	November 17, 2022	0.1883
July 21, 2022	0.1535	September 21, 2022	0.1923	November 20, 2022	0.5989
July 24, 2022	0.5790	September 22, 2022	0.2043	November 21, 2022	0.2144
July 25, 2022	0.1716	September 25, 2022	0.5936	November 22, 2022	0.1988
July 26, 2022	0.1663	September 26, 2022	0.2016	November 23, 2022	0.1977
July 27, 2022	0.1578	September 27, 2022	0.2102	November 24, 2022	0.1967
July 28, 2022	0.1059	September 28, 2022	0.2037	November 27, 2022	0.6010
July 31, 2022	0.5480	September 29, 2022	0.2041	November 30, 2022	0.1421
August 1, 2022	0.2126	September 30, 2022	0.1912	December 1, 2022	0.2411
August 2, 2022	0.2221	October 2, 2022	0.3856	December 4, 2022	0.6726
August 3, 2022	0.2067	October 3, 2022	0.1738	December 5, 2022	0.2291
August 4, 2022	0.1994	October 4, 2022	0.1886	December 6, 2022	0.2169
August 9, 2022	0.9477	October 5, 2022	0.1970	December 7, 2022	0.1974
August 10, 2022	0.1869	October 6, 2022	0.1883	December 8, 2022	0.2216
August 11, 2022	0.1417	October 9, 2022	0.6020	December 11, 2022	0.6335
August 14, 2022	0.5706	October 10, 2022	0.2019	December 12, 2022	0.1812
August 15, 2022	0.1860	October 11, 2022	0.2048	December 13, 2022	0.2014
August 16, 2022	0.1802	October 12, 2022	0.1953	December 14, 2022	0.2029
August 17, 2022	0.1708	October 13, 2022	0.1962	December 15, 2022	0.2303
August 18, 2022	0.1907	October 16, 2022	0.5873	December 18, 2022	0.6327
August 21, 2022	0.5641	October 17, 2022	0.1912	December 19, 2022	0.2175
August 22, 2022	0.1862	October 18, 2022	0.1904	December 20, 2022	0.2108
August 23, 2022	0.1885	October 19, 2022	0.1978	December 21, 2022	0.2256
August 24, 2022	0.2082	October 20, 2022	0.1966	December 22, 2022	0.2099
August 25, 2022	0.1980	October 23, 2022	0.5901	December 25, 2022	0.6171
August 28, 2022	0.5889	October 24, 2022	0.2266	December 26, 2022	0.2074
August 29, 2022	0.1979	October 25, 2022	0.2433	December 27, 2022	0.2178
August 30, 2022	0.1994	October 26, 2022	0.2088	December 28, 2022	0.2265
August 31, 2022	0.1958	October 27, 2022	0.2080	December 29, 2022	0.2708
September 1, 2022	0.1994	October 30, 2022	0.5669	December 30, 2022	0.8741
September 4, 2022	0.6052	October 31, 2022	0.1910	January 3, 2023	0.1751
September 5, 2022	0.2071	November 1, 2022	0.1980	January 4, 2023	0.1691
September 6, 2022	0.1964	November 2, 2022	0.2025	January 5, 2023	0.2087

# Annexure "A"

## Distribution For the Year 2022-23

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
January 8, 2023	0.5947	March 7, 2023	0.2479	May 8, 2023	0.2711
January 9, 2023	0.2068	March 8, 2023	0.2704	May 9, 2023	0.2979
January 10, 2023	0.1974	March 9, 2023	0.2752	May 10, 2023	0.2864
January 11, 2023	0.2025	March 12, 2023	0.7715	May 11, 2023	0.2980
January 12, 2023	0.1612	March 13, 2023	0.3048	May 14, 2023	0.8312
January 15, 2023	0.6057	March 14, 2023	0.2569	May 15, 2023	0.2708
January 16, 2023	0.1901	March 15, 2023	0.2610	May 16, 2023	0.2743
January 17, 2023	0.1921	March 16, 2023	0.2656	May 17, 2023	0.2521
January 18, 2023	0.1478	March 19, 2023	0.7443	May 18, 2023	0.2511
January 19, 2023	0.1549	March 20, 2023	0.3232	May 21, 2023	0.7791
January 22, 2023	0.5872	March 21, 2023	0.1937	May 22, 2023	0.2359
January 23, 2023	0.1692	March 26, 2023	1.2125	May 23, 2023	0.1862
January 24, 2023	0.2674	March 27, 2023	0.2231	May 24, 2023	0.2118
January 25, 2023	0.2163	March 28, 2023	0.2431	May 25, 2023	0.2775
January 26, 2023	0.2762	March 29, 2023	0.1648	May 28, 2023	0.8043
January 29, 2023	0.7513	March 30, 2023	0.2338	May 29, 2023	0.2593
January 30, 2023	0.1771	March 31, 2023	0.8060	May 30, 2023	0.2700
January 31, 2023	0.2157	April 3, 2023	0.2156	May 31, 2023	0.2881
February 1, 2023	0.2581	April 4, 2023	0.1736	June 1, 2023	0.3116
February 2, 2023	0.2197	April 5, 2023	0.2799	June 4, 2023	0.8987
February 5, 2023	0.6957	April 6, 2023	0.2784	June 5, 2023	0.2979
February 6, 2023	0.2182	April 9, 2023	0.8481	June 6, 2023	0.2808
February 7, 2023	0.2407	April 10, 2023	0.2631	June 7, 2023	0.2423
February 8, 2023	0.2256	April 11, 2023	0.2647	June 8, 2023	0.2427
February 9, 2023	0.2077	April 12, 2023	0.2272	June 11, 2023	0.8212
February 12, 2023	0.6884	April 13, 2023	0.1279	June 12, 2023	0.2715
February 13, 2023	0.3002	April 16, 2023	1.0140	June 13, 2023	0.2962
February 14, 2023	0.1919	April 17, 2023	0.2855	June 14, 2023	0.2305
February 15, 2023	0.0912	April 18, 2023	0.2762	June 15, 2023	0.2816
February 18, 2023	0.4939	April 19, 2023	0.2591	June 18, 2023	0.8237
February 21, 2023	0.2133	April 25, 2023	1.6431	June 19, 2023	0.2804
February 22, 2023	0.3045	April 26, 2023	0.2355	June 20, 2023	0.2702
February 26, 2023	0.5758	April 27, 2023	0.2541	June 21, 2023	0.2972
February 27, 2023	0.2535	April 30, 2023	1.0926	June 22, 2023	0.3040
February 28, 2023	0.1365	May 1, 2023	0.8387	June 25, 2023	0.8698
March 1, 2023	0.1607	May 2, 2023	0.2865	June 26, 2023	0.2808
March 2, 2023	0.1031	May 3, 2023	0.2772	June 30, 2023	0.7364
March 5, 2023	0.5404	May 4, 2023	0.2718		
March 6, 2023	0.2537	May 7, 2023	0.8727		

# Annexure "A"

## Distribution For the Period 23 November,2021 To 30 June, 2022

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
November 24, 2021	0.1469	January 21, 2022	0.3819	March 22, 2022	0.2786
November 25, 2021	0.1340	January 24, 2022	0.1252	March 23, 2022	0.1565
November 26, 2021	0.1340	January 25, 2022	0.2602	March 24, 2022	0.1281
November 29, 2021	0.4219	January 26, 2022	0.1649	March 25, 2022	0.4228
November 30, 2021	0.1338	January 27, 2022	0.1434	March 28, 2022	0.0997
December 1, 2021	0.1340	January 28, 2022	0.4094	March 29, 2022	0.1492
December 2, 2021	0.1328	January 31, 2022	0.0950	March 30, 2022	0.1530
December 3, 2021	0.3640	February 1, 2022	0.1159	March 31, 2022	0.1602
December 6, 2021	0.1191	February 2, 2022	0.1355	April 1, 2022	0.4854
December 7, 2021	0.1191	February 3, 2022	0.1553	April 4, 2022	0.1537
December 8, 2021	0.1195	February 4, 2022	0.4320	April 5, 2022	0.1099
December 9, 2021	0.1193	February 7, 2022	0.1255	April 6, 2022	0.1504
December 10, 2021	0.3591	February 8, 2022	0.1274	April 7, 2022	0.0682
December 13, 2021	0.1193	February 9, 2022	0.1221	April 8, 2022	0.1145
December 14, 2021	0.1246	February 10, 2022	0.1091	April 11, 2022	0.1549
December 15, 2021	0.1302	February 11, 2022	0.3971	April 12, 2022	0.1620
December 16, 2021	0.1402	February 14, 2022	0.1051	April 13, 2022	0.1467
December 17, 2021	0.4777	February 15, 2022	0.1168	April 14, 2022	0.1234
December 20, 2021	0.1475	February 16, 2022	0.1295	April 15, 2022	0.4969
December 21, 2021	0.1475	February 17, 2022	0.1349	April 18, 2022	0.1635
December 22, 2021	0.1533	February 18, 2022	0.4071	April 19, 2022	0.1639
December 23, 2021	0.1533	February 21, 2022	0.1270	April 20, 2022	0.1681
December 24, 2021	0.3919	February 22, 2022	0.1352	April 21, 2022	0.0000
December 27, 2021	0.1305	February 23, 2022	0.1326	April 22, 2022	0.4668
December 28, 2021	0.1309	February 24, 2022	0.0777	April 25, 2022	0.1709
December 29, 2021	0.1284	February 25, 2022	0.4116	April 26, 2022	0.1478
December 30, 2021	0.1299	February 28, 2022	0.1183	April 27, 2022	0.1322
December 31, 2021	0.1550	March 1, 2022	0.1967	April 28, 2022	0.0000
January 3, 2022	0.4411	March 2, 2022	0.1246	April 29, 2022	1.1274
January 4, 2022	0.1492	March 3, 2022	0.1012	May 6, 2022	0.5210
January 5, 2022	0.1474	March 4, 2022	0.4160	May 9, 2022	0.1715
January 6, 2022	0.1296	March 7, 2022	0.0157	May 10, 2022	0.2023
January 7, 2022	0.4213	March 8, 2022	0.1682	May 11, 2022	0.0981
January 10, 2022	0.1524	March 9, 2022	0.1325	May 12, 2022	0.0785
January 11, 2022	0.1488	March 10, 2022	0.0000	May 13, 2022	0.5813
January 12, 2022	0.1500	March 11, 2022	0.3887	May 16, 2022	0.0000
January 13, 2022	0.2374	March 14, 2022	0.0759	May 17, 2022	0.1688
January 14, 2022	0.3813	March 15, 2022	0.1440	May 18, 2022	0.1300
January 17, 2022	0.1881	March 16, 2022	0.1285	May 19, 2022	0.6842
January 18, 2022	0.1614	March 17, 2022	0.1415	May 20, 2022	0.5228
January 19, 2022	0.1307	March 18, 2022	0.4154	May 23, 2022	0.0468
January 20, 2022	0.1396	March 21, 2022	0.1363	May 24, 2022	0.3945

## Annexure "A"

### Distribution For the Period 23 November,2021 To 30 June, 2022

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
May 25, 2022	0.2199	June 7, 2022	0.1467	June 20, 2022	0.2157
May 26, 2022	0.1933	June 8, 2022	0.1934	June 21, 2022	0.2156
May 27, 2022	0.6796	June 9, 2022	0.1896	June 22, 2022	0.2152
May 30, 2022	0.1456	June 10, 2022	0.6494	June 23, 2022	0.2152
May 31, 2022	0.1466	June 13, 2022	0.2162	June 24, 2022	0.6456
June 1, 2022	0.2073	June 14, 2022	0.2162	June 27, 2022	0.2150
June 2, 2022	0.0000	June 15, 2022	0.2190	June 28, 2022	0.2148
June 3, 2022	0.5495	June 16, 2022	0.2141	June 29, 2022	0.2148
June 6, 2022	0.2016	June 17, 2022	0.6466		

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# Atlas Sovereign Fund

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## Corporate Information

### Trustee

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

### Auditors

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A. F. Ferguson & Co.  
Chartered Accountants

### Legal Advisers

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Bawaney & Partners

### Bankers

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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  
The First Micro Finance Bank Limited  
Zarai Taraqati Bank Limited



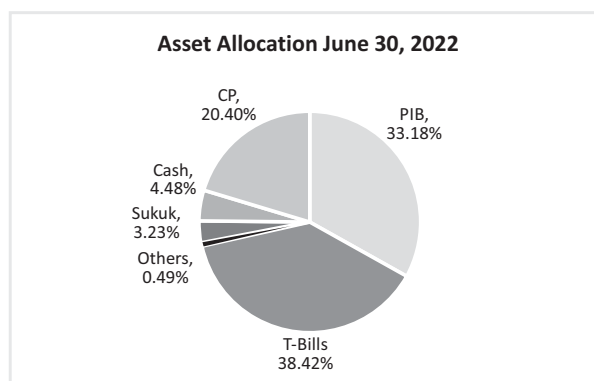
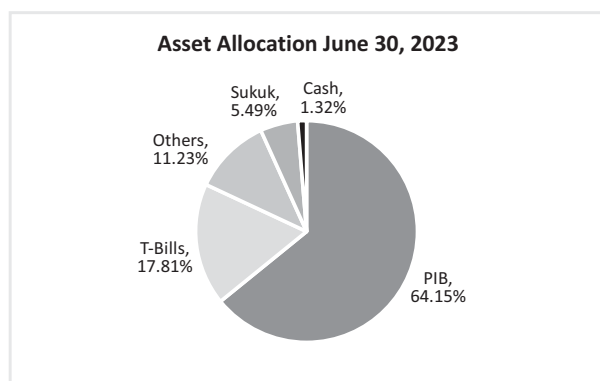
# Fund Manager's Report

Atlas Sovereign Fund (ASF) is an Open-ended Income Fund. The objective of ASF is to provide unit holders competitive returns with medium risk and high liquidity by investing in Government Securities and Debt Instruments. The Fund's strategy is based on the conviction that economic environment drives long-term performance, and that active management of credit risk can produce consistently superior results. Fundamental and market analysis are used to identify overall portfolio, bond market sectors, yield curve and credit positioning to provide high and sustainable rates of return. The fund employs strategies such as overall portfolio duration and yield curve positioning to deal with market and reinvestment risks.

Atlas Sovereign Fund performance benchmark is average Six Months PKRV rates.

The Monetary Policy Committee of SBP has increased its policy rate by 825 bps to 22.0% with the objective of moderating demand to a sustainable pace and reducing external pressures. The Consumer Price Index (CPI) Inflation averaged at 29.18% during FY23 compared to 12.15% in FY22. The increase in FY23 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants regarding the impact of ongoing inflationary pressures. Going forward, frequency of local demand and impact of international commodity prices on domestic inflation will remain a major determinant towards any change in monetary policy stance.

The Net Asset Value per unit of Atlas Sovereign Fund increased by 13.87% to Rs. 101.78 as on June 30, 2023. The benchmark average six months PKRV rate stood at 18.16% during the period under review. The ASF total exposure in Pakistan Investment Bonds, T-Bills, Sukuks, Bank Balances and Others, stood at 64.15%, 17.81%, 5.49%, 1.36%, and 11.19% respectively. ASF presents a good investment opportunity for investors to earn competitive returns with medium risk. The Net Assets of the Fund stood at Rs. 586 million, with 5.76 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Sovereign Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs. 13.52 per unit for the period ended June 30, 2023 (13.52% on the face value of Rs. 100 per unit).

## Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated companies / Directors	121	60,804,928	10.38%
Individuals	4	34,623,302	5.91%
Retirement Funds	3	481,843,756	82.25%
Others	6	8,581,697	1.46%
<b>Grand Total</b>	<b>134</b>	<b>585,853,683</b>	<b>100.00%</b>

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The Scheme has held provision for FED liability that amounted to Rs. 905,341 up till June 30, 2023 (Rs. 0.16 per unit).

The Total Expense Ratio (TER) of the Fund is 1.65% including expenses representing Government levy, SWWF and SECP Fee of 0.17%.

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

Karachi: 11 September 2023

**Fawad Javaid**  
Head of Fixed Income

## PERFORMANCE SINCE INCEPTION

	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Net Assets (Rs. in '000)	585,854	1,214,244	2,225,313	2,083,472	2,301,237	358,197	250,510	746,960	604,907
Number of units in issue	5,755,910	11,991,300	22,006,687	20,635,634	22,936,104	3,411,400	2,287,658	7,461,205	5,898,379
Net assets value per unit (Rs.)	101.78	101.26	101.12	100.95	100.33	105.00	109.50	100.11	102.55
Net income (Rs. in 000)	110,140	140,735	127,799	391,074	45,984	14,631	21,473	12,781	15,854
Earnings per unit (Rs.)	19.14	11.74	5.81	18.95	2.00	4.29	9.39	1.71	2.69
Annual return of the fund (%)	13.93	7.30	6.16	18.08	7.71	5.00	9.39	5.79	8.32
Offer Price ** (Rs.)	101.78	101.26	101.12	100.95	100.33	105.00	109.50	100.11	102.55
Redemption Price ** (Rs.)	101.78	101.26	101.12	100.95	100.33	105.00	109.50	100.11	102.55
Highest offer Price (Rs.)	114.78	108.36	107.01	118.07	100.55	104.97	109.54	105.76	104.61
Lowest offer Price (Rs.)	101.29	101.24	100.99	100.49	100.49	100.14	100.25	100.02	100.12
Highest repurchase price per unit (Rs.)	114.78	108.36	107.01	118.07	100.55	104.97	109.54	105.76	104.61
Lowest repurchase price per unit (Rs.)	101.29	101.24	100.99	100.49	100.49	100.14	100.25	100.02	100.12
Weighted average portfolio (No. of days)	867.35	493.19	662.37	336.54	218.17	2.82	0.98	10.83	1.72

For the Period From 24 November 2014 to 30 June 2015 (Date of Launch: 01 December 2014)

\*\*Relates to announced prices

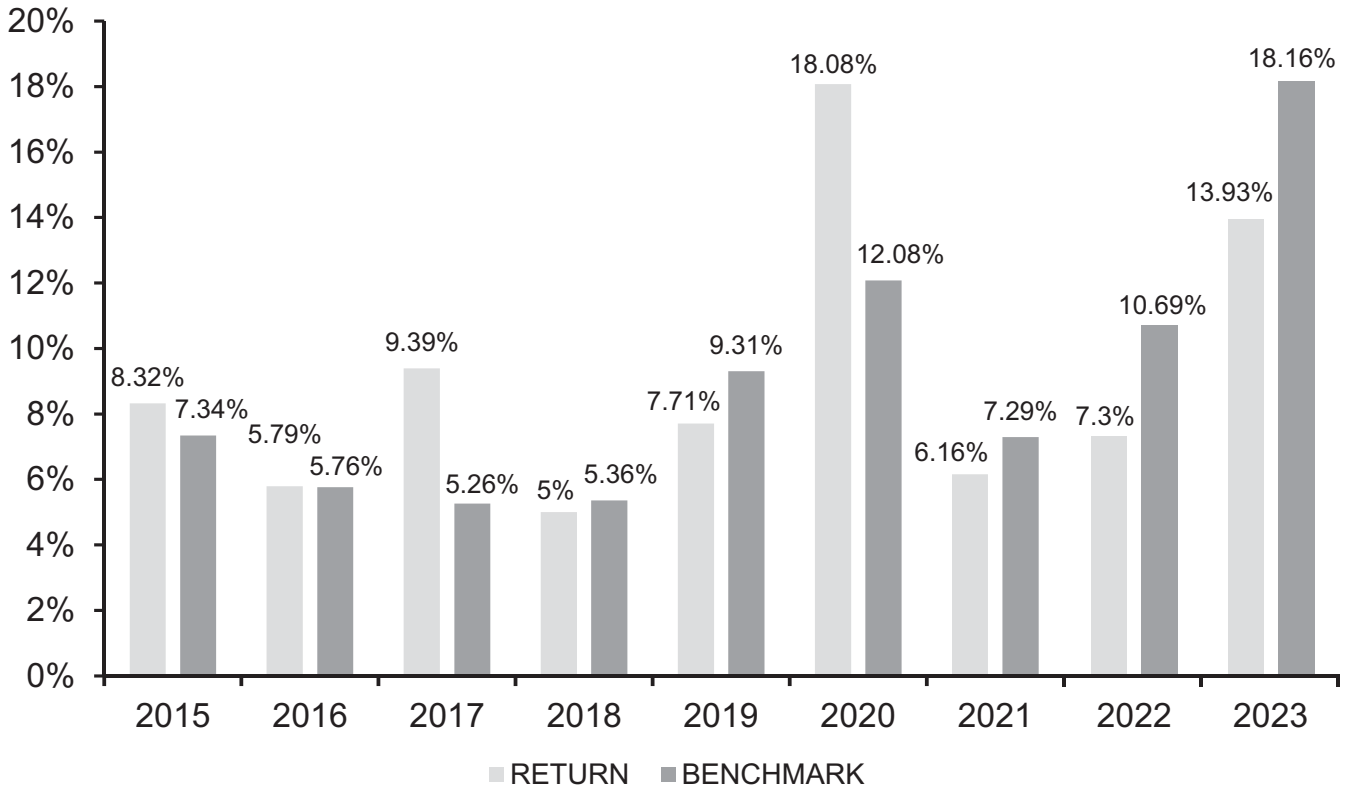
**Note:** Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.

## Distribution Details

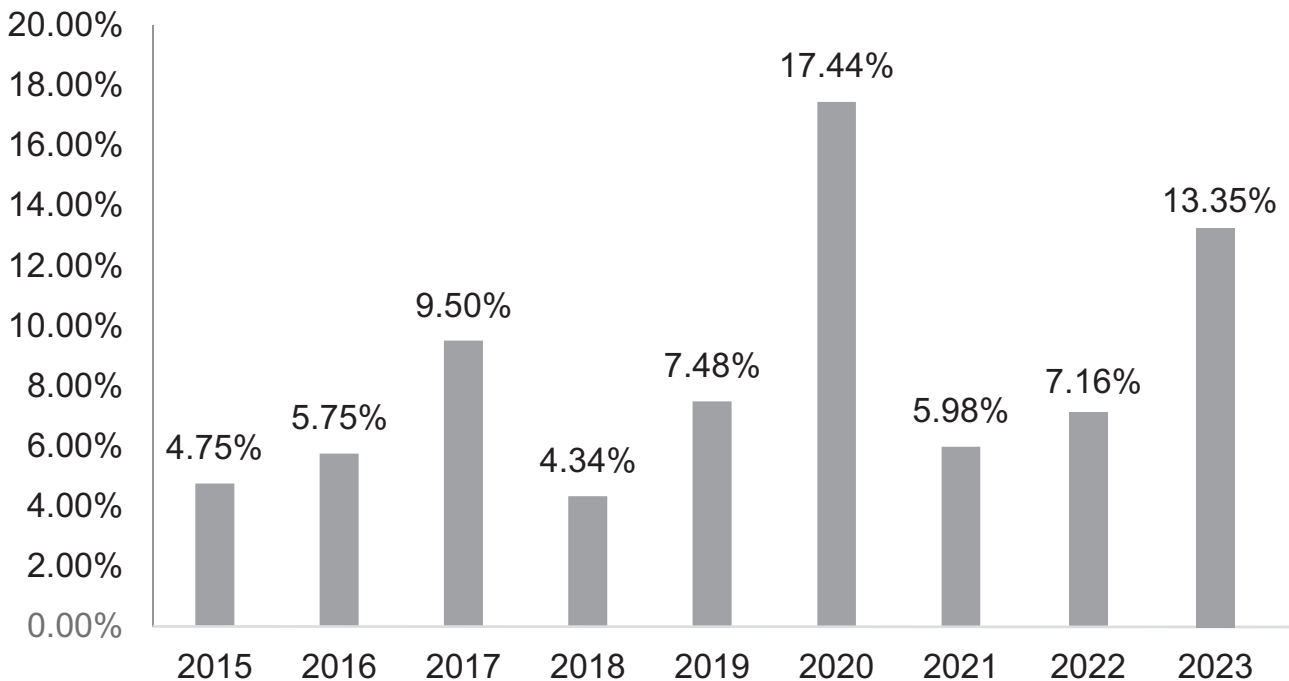
Distribution details	2023	2022	2021	2020	2019	2018	2017	2016	2015
First Inteim Distribution - Cash Dividend (Rs.)	13.52	7.24	6.04	17.50	4.00	-	-	5.75	2.25
First Inteim Distribution as a % of opening NAV	13.35	7.16	5.98	17.44	3.99	-	-	5.75	2.25
Distribution date	22-Jun-23	27-Jun-22	25-Jun-20	26-Jun-20	18-Jan-19	-	-	24-Jun-16	8-Jun-15
Second Inteim Distribution - Cash Dividend (Rs.)	-	-	-	-	3.50	-	-	-	-
Second Inteim Distribution as a % of opening NAV	-	-	-	-	3.49	-	-	-	-
Distribution date	-	-	-	-	27-Jun-19	-	-	-	-
Final Distribution - Cash Dividend (Rs.)	-	-	-	-	-	4.75	9.50	-	2.50
Final Distribution as a % of opening NAV	-	-	-	-	-	4.75	9.49	-	2.50
Distribution date	-	-	-	-	-	6-Jul-18	7-Jul-17	-	7-Jul-15



### Yearly Performance (Annualized)



### Payout History (% on Opening NAV)



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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Sovereign Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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# INDEPENDENT AUDITORS' REPORT

## To the Unit holders of Atlas Liquid Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Sovereign Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key audit matter	How our audit addressed the key audit matter
1.	<b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)	
	<p>Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2023 amounted to Rs 518.799 million and balances with banks aggregated to Rs 8.046 million.</p> <p>The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"><li>• Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li><li>• Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li></ul>

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## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

Karachi: 21 September 2023

**A. F. Ferguson & Co.**  
Chartered Accountants

**Engagement Partner: Junaid Mesia**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Assets</b>			
Bank balances	4	8,045,934	43,498,607
Investments	5	518,799,146	1,180,947,418
Mark-up receivable	6	8,601,889	2,866,030
Receivable against sale of investments		54,714,220	-
Deposits and other receivable	7	3,097,602	3,097,602
<b>Total assets</b>		<b>593,258,791</b>	<b>1,230,409,657</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	1,830,278	2,051,778
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	27,505	63,397
Payable to the Securities and Exchange Commission of Pakistan	10	182,552	404,149
Dividend payable		-	5,776,900
Accrued expenses and other liabilities	11	5,364,773	7,869,299
<b>Total liabilities</b>		<b>7,405,108</b>	<b>16,165,523</b>
<b>NET ASSETS</b>		<b>585,853,683</b>	<b>1,214,244,134</b>
<b>UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)</b>		<b>585,853,683</b>	<b>1,214,244,134</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>5,755,910</b>	<b>11,991,300</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>101.7830</b>	<b>101.2604</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 JUNE 30, 2023

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Income</b>			
Mark-up income	13	147,775,912	192,012,699
Loss on sale of investments - net		(16,956,691)	(44,706,434)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.5	(5,683,844)	(650,987)
		(22,640,535)	(45,357,421)
<b>Total income</b>		<b>125,135,377</b>	<b>146,655,278</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	9,498,023	10,459,417
Sindh Sales Tax on remuneration of the Management Company	8.2	1,234,752	1,359,726
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	502,039	1,172,444
Sindh Sales Tax on remuneration of Trustee	9.2	65,267	152,597
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	182,552	404,614
Accounting and operational charges	8.4	1,159,433	3,644,787
Selling and marketing expenses	8.5	94,524	-
Auditors' remuneration	14	448,740	365,040
Annual rating fee		486,710	442,669
Annual listing fee		27,500	27,500
Securities transaction costs		317,647	261,530
Printing charges		17,404	61,275
Legal and professional charges		953,962	97,958
Bank charges		7,236	35,882
<b>Total expenses</b>		<b>14,995,789</b>	<b>18,485,439</b>
<b>Net income from operating activities</b>		<b>110,139,588</b>	<b>128,169,839</b>
Reversal of provision for Sindh Workers' Welfare Fund		-	12,565,416
<b>Net income for the year before taxation</b>		<b>110,139,588</b>	<b>140,735,255</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>110,139,588</b>	<b>140,735,255</b>
<b>Earnings per unit</b>	17		
<b>Allocation of net income for the year:</b>			
Net income for the year after taxation		110,139,588	140,735,255
Income already paid on redemption of units		(46,057,987)	(69,266,673)
		<b>64,081,601</b>	<b>71,468,582</b>
<b>Accounting income available for distribution:</b>			
Relating to capital gains		-	-
Excluding capital gains		64,081,601	71,468,582
		<b>64,081,601</b>	<b>71,468,582</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Net income for the year after taxation</b>	<b>110,139,588</b>	<b>140,735,255</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b><u>110,139,588</u></b>	<b><u>140,735,255</u></b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees			Rupees		
<b>Net assets at the beginning of the year</b>	<b>1,199,578,052</b>	<b>14,666,082</b>	<b>1,214,244,134</b>	<b>2,212,324,575</b>	<b>12,988,458</b>	<b>2,225,313,033</b>
Issuance of 2,630,735 units (2022: 7,438,717 units)						
- Capital value (at net asset value per unit at the beginning of the year)	266,389,234	-	266,389,234	752,202,290	-	752,202,290
- Element of income	6,564,819	-	6,564,819	19,087,079	-	19,087,079
Total proceeds on issuance of units	<b>272,954,053</b>	<b>-</b>	<b>272,954,053</b>	<b>771,289,369</b>	<b>-</b>	<b>771,289,369</b>
Redemption of 8,866,125 units (2022: 17,454,104 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(897,787,336)	-	(897,787,336)	(1,764,957,208)	-	(1,764,957,208)
- Element of loss	(4,569,465)	(46,057,987)	(50,627,452)	(6,159,326)	(69,266,673)	(75,425,999)
Total payment on redemption of units	<b>(902,356,801)</b>	<b>(46,057,987)</b>	<b>(948,414,788)</b>	<b>(1,771,116,534)</b>	<b>(69,266,673)</b>	<b>(1,840,383,207)</b>
Total comprehensive income for the year	-	110,139,588	110,139,588	-	140,735,255	140,735,255
Refund of capital	(1,936,387)	-	(1,936,387)	(12,919,358)	-	(12,919,358)
Cash dividend declared for the year ended June 30, 2023 at the rate of Rs. 13.52 per unit on June 22, 2023 (2022: Rs. 7.24 per unit on June 27, 2022)	-	(61,132,917)	(61,132,917)	-	(69,790,958)	(69,790,958)
	<b>(1,936,387)</b>	<b>49,006,671</b>	<b>47,070,284</b>	<b>(12,919,358)</b>	<b>70,944,297</b>	<b>58,024,939</b>
<b>Net assets at end of the year</b>	<b>568,238,917</b>	<b>17,614,766</b>	<b>585,853,683</b>	<b>1,199,578,052</b>	<b>14,666,082</b>	<b>1,214,244,134</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised income		15,317,069			8,040,203	
- Unrealised (loss) / income		(650,987)			4,948,255	
		<b>14,666,082</b>			<b>12,988,458</b>	
<b>Accounting income available for distribution:</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		64,081,601			71,468,582	
		<b>64,081,601</b>			<b>71,468,582</b>	
<b>Distributions during the year:</b>						
Cash dividend declared for the year ended June 30, 2023 at the rate of Rs. 13.52 per unit on June 22, 2023 (2022: Rs. 7.24 per unit on June 27, 2022)		(61,132,917)			(69,790,958)	
<b>Undistributed income carried forward</b>		<b>17,614,766</b>			<b>14,666,082</b>	
<b>Undistributed income carried forward comprising of:</b>						
- Realised income		23,298,610			15,317,069	
- Unrealised loss		(5,683,844)			(650,987)	
		<b>17,614,766</b>			<b>14,666,082</b>	
			Rupees			Rupees
<b>Net assets value per unit at the beginning of the year</b>			<b>101.2604</b>			<b>101.1199</b>
<b>Net assets value per unit at the end of the year</b>			<b>101.7830</b>			<b>101.2604</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

## For Atlas Asset Management Limited (Management Company)

**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 JUNE 30, 2023

	2023	2022
Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	110,139,588	140,735,255
<b>Adjustments for:</b>		
Mark-up income	(147,775,912)	(192,012,699)
Loss on sale of investments - net	16,956,691	44,706,434
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5,683,844	650,987
Reversal of provision for Sindh Workers' Welfare Fund	-	(12,565,416)
	<b>(125,135,377)</b>	<b>(159,220,694)</b>
<b>Decrease in assets</b>		
Investments	212,984,785	438,355,690
Deposits and other receivable	-	100,000
	<b>212,984,785</b>	<b>438,455,690</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	(221,500)	(715,326)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(35,892)	(71,649)
Payable to the Securities and Exchange Commission of Pakistan	(221,597)	(27,106)
Dividend payable	(5,776,900)	1,008,714
Accrued expenses and other liabilities	(2,504,526)	(10,777,808)
	<b>(8,760,415)</b>	<b>(10,583,175)</b>
Mark-up received	142,040,053	208,870,047
<b>Net cash generated from operating activities</b>	<b>331,268,634</b>	<b>618,257,123</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	272,954,053	771,289,369
Amount paid on redemption of units	(948,414,788)	(1,840,383,207)
Refund of capital	(1,936,387)	(12,919,358)
Cash dividend	(61,132,917)	(69,790,958)
<b>Net cash used in from financing activities</b>	<b>(738,530,039)</b>	<b>(1,151,804,154)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(407,261,405)</b>	<b>(533,547,031)</b>
Cash and cash equivalents at the beginning of the year	520,960,985	1,054,508,016
<b>Cash and cash equivalents at the end of the year</b>	<b>113,699,580</b>	<b>520,960,985</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Sovereign Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on August 19, 2014 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First and Second Supplemental Trust Deeds dated May 23, 2017 and September 3, 2018 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh and Twelfth Supplements dated March 24, 2015, August 3, 2015, June 23, 2016, October 13, 2016, June 2, 2017, April 18, 2018, August 20, 2018, October 2, 2019, October 30, 2019, April 1, 2020, November 12, 2021 and April 14, 2022 respectively, with the approval of the SECP. The registered office of AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 During the year ended June 30, 2021, The Trust Act, 1882 was repealed due to promulgation of the Provincial Trust Act namely "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act were introduced. The Management Company 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. Accordingly on July 26, 2021, the Trust deed was registered under the Sindh Trusts Act, 2020.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Ground Floor, Federation House, Shahrah e Firdousi, Clifton, Karachi.
- 1.4 The Fund has been categorised as a 'Money Market Scheme' by the Board of Directors pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange. The units of the Fund are being offered for public subscription on a continuous basis from December 01, 2014 and are transferable and redeemable by surrendering them to the Fund.
- 1.5 According to the Trust Deed, the objective of the Fund is to provide unit-holders competitive returns with low risk and high liquidity. The Fund aims to deliver this objective by investing primarily in short term Government securities, bank deposits (excluding TDRs), treasury bills, money market placements, deposits, certificates of deposits (CoDs), certificate of musharikas (CoMs), commercial papers and reverse repo with weighted average time to maturity of net assets not exceeding 90 days and in case of a single asset, maximum time to maturity of six months. The investment objectives and policies are more fully defined in Fund's Offering document.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited maintained the asset manager rating of the Management Company to AM2+ on December 23, 2022 [2022: AM2+ on December 24, 2021]. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, Pakistan Credit Rating Agency (PACRA) Limited has maintained the stability rating of the Fund to "AA-(f)" (2021: "AA-(f)") on April 17, 2023.
- 1.7 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

## **2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year**

There are certain new standards, interpretations and amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

## **2.3 Standards, interpretations and amendments to published accounting and standards that are not yet effective**

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

## **2.4 Critical accounting estimates and judgements**

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires 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 that are believed to be reasonable under the circumstances, the result 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 of the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5), provision for Federal Excise Duty (note 8.3) and provision for taxation (note 16).

## **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**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **3.1 Cash and cash equivalents**

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

### **3.2 Financial assets**

#### **3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

### 3.2.2 Classification and subsequent measurement

#### Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are classified based on the business model of the entity as either:

- at amortised cost; or
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVPL).

IFRS 9 also provides an option for securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

#### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

The Fund can only invest in equity securities for the purpose of spread transactions.

### 3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

#### 3.2.3.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

## 3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

## 3.2.6 Derivatives

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

## 3.3 Financial liabilities

### 3.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

### 3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

## 3.4 Provisions

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

## 3.5 Net Asset Value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

## 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

## 3.7 Distribution to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### **3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

Element of income / (loss) represents the difference between the Net Asset Value per unit on the issuance or redemption date, as the case may be, of units and the Net Asset Value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to the Unit Holders' Fund. However, to maintain the same ex-dividend the Net Asset Value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in the Unit Holders' Fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### **3.9 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income from investments in government securities, term finance certificates, sukuk certificates and commercial papers is recognised on an accrual basis using effective interest method at the rate of return implicit in the instrument.
- Unrealised gains / (losses) arising on re-measurement 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.
- Mark-up income on bank balances, term deposits, letters of placement and commercial papers is recognised on an accrual basis.

### **3.10 Expenses**

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

### **3.11 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 to the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### **3.12 Earnings per unit**

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 17.

### **3.13 Foreign currency translation**

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

4 BANK BALANCES	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Balances with banks in:			
- Savings accounts	4.1	<u>8,045,934</u>	<u>43,498,607</u>

4.1 The rate of return on these balances during the year ranges from 8.5% to 19.5% (June 30, 2022: 5.5% to 12.25%) per annum. The mark-up rates effective at the year end on these accounts ranges from 13% to 19.5% (June 30, 2022: 5.5% to 12.25%) per annum.

5 INVESTMENTS	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Financial assets at 'fair value through profit or loss'</b>			
Government securities - Market Treasury Bills	5.1	105,653,646	477,462,378
Government securities - Pakistan Investment Bonds	5.2	380,580,500	412,280,000
Commercial paper	5.3	-	251,005,040
Sukuk certificates	5.4	32,565,000	40,200,000
		<u>518,799,146</u>	<u>1,180,947,418</u>

## 5.1 Government securities - Market Treasury Bills

Tenure	Issue date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised (diminution) / appreciation	Total market value of investments	Net assets of the Fund
----- Rupees -----										
03 Months-T-bills	June 22, 2023	381,250,000	2,734,600,000	3,007,850,000	108,000,000	105,740,009	105,653,646	(86,363)	20.37%	18.03%
06 Months-T-bills	March 27, 2023	100,000,000	153,000,000	253,000,000	-	-	-	-	-	-
12 Months-T-bills	October 6, 2022	-	653,000,000	653,000,000	-	-	-	-	-	-
<b>Total as at June 30, 2023</b>		<b>481,250,000</b>	<b>3,540,600,000</b>	<b>3,913,850,000</b>	<b>108,000,000</b>	<b>105,740,009</b>	<b>105,653,646</b>	<b>(86,363)</b>	<b>20.37%</b>	<b>18.03%</b>
<b>Total as at June 30, 2022</b>						<b>477,457,115</b>	<b>477,462,378</b>	<b>5,263</b>	<b>40.43%</b>	<b>39.32%</b>

## 5.2 Government securities - Pakistan Investment Bonds

Tenure	Issue date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised (diminution) / appreciation	Total market value of investments	Net assets of the Fund
----- Rupees -----										
3 Years PIB - Floating Rate	June 18, 2020	175,000,000	-	175,000,000	-	-	-	-	-	-
5 Years PIB - Floating Rate	November 17, 2022	162,500,000	155,000,000	-	317,500,000	311,500,480	309,158,000	(2,342,480)	59.59%	52.77%
10 Years PIB - Floating Rate	June 18, 2020	75,000,000	-	-	75,000,000	74,580,000	71,422,500	(3,157,500)	13.77%	12.19%
<b>Total as at June 30, 2023</b>		<b>412,500,000</b>	<b>155,000,000</b>	<b>175,000,000</b>	<b>392,500,000</b>	<b>386,080,480</b>	<b>380,580,500</b>	<b>(5,499,980)</b>	<b>73.36%</b>	<b>64.96%</b>
<b>Total as at June 30, 2022</b>						<b>413,136,250</b>	<b>412,280,000</b>	<b>(856,250)</b>	<b>34.91%</b>	<b>33.95%</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 5.3 Commercial paper

Name of security	Maturity date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Total market value of investments	Net assets of the Fund
		Rupees -----				-----		Percentage -----		
Mughal Iron & Steel Industries Limited - Commercial paper	July 21, 2022	62,000,000	-	62,000,000	-	-	-	-	-	
Lucky Electric Power Company Limited - (ICP-2)	July 12, 2022	190,000,000	-	190,000,000	-	-	-	-	-	
<b>Total as at June 30, 2023</b>		<b>252,000,000</b>	<b>-</b>	<b>252,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total as at June 30, 2022</b>					<b>251,005,040</b>	<b>251,005,040</b>	<b>-</b>	<b>21.25%</b>	<b>20.67%</b>	

## 5.4 Sukuk certificates

Particulars	Mark-up payments / principal redemptions	Issue date	Mark-up rate	Face value				Balance as at June 30, 2023			Market value as a percentage of	
				As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised (diminution) / appreciation	Total market value of investments	Net assets of the Fund
				Rupees -----				-----		Percentage -----		
OBS AGP Private Limited (A+, JCR-VIS) (Face value of Rs. 100,000 per certificate)	Quarterly	July 15, 2021	3 Month Kibor + base rate of 1.55%	40,000,000	-	-	40,000,000	32,662,501	32,565,000	(97,501)	6.28%	5.56%
<b>Total as at June 30, 2023</b>				<b>40,000,000</b>	<b>-</b>	<b>-</b>	<b>40,000,000</b>	<b>32,662,501</b>	<b>32,565,000</b>	<b>(97,501)</b>	<b>6.28%</b>	<b>5.56%</b>
<b>Total as at June 30, 2022</b>								<b>40,000,000</b>	<b>40,200,000</b>	<b>200,000</b>	<b>3.40%</b>	<b>3.31%</b>

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

	Note	2023 ----- Rupees -----	2022
Market value of investments	5.1, 5.2, 5.3 & 5.4	518,799,146	1,180,947,418
Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	(524,482,990)	(1,181,598,405)
		<b>(5,683,844)</b>	<b>(650,987)</b>

## 6 MARK-UP RECEIVABLE

### Mark-up receivable on:

Bank balances	408	7,983
Government securities - Pakistan Investment Bonds	6,978,627	1,661,642
Sukuk certificates	1,622,854	1,196,405
	<b>8,601,889</b>	<b>2,866,030</b>

## 7 DEPOSITS AND OTHER RECEIVABLE

### Security deposits with:

- Central Depository Company of Pakistan Limited	102,825	102,825
- National Clearing Company of Pakistan Limited	2,500,000	2,500,000
	2,602,825	2,602,825
Advance tax	7.1 494,777	494,777
	<b>3,097,602</b>	<b>3,097,602</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- 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) are exempt from withholding tax under section 150 and 151. However, withholding tax on dividend and profit on bank deposits paid to the Fund has been deducted by various withholding agents based on the interpretation issued by the Federal Board of Revenue (FBR) vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 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 withholders. The tax withheld on dividends and profit on bank deposits amounts to Rs. 0.495 million (June 30, 2022: 0.495 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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. A petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED MANAGEMENT COMPANY - RELATED PARTY	Note	2023 ----- Rupees -----	2022
Remuneration of the Management Company payable	8.1	553,251	711,669
Sindh Sales Tax payable on remuneration of the Management Company	8.2	210,775	231,352
Federal Excise Duty payable on remuneration of the Management Company	8.3	905,341	905,341
Accounting and operational charges payable	8.4	66,387	203,416
Selling and marketing expenses payable	8.5	94,524	-
		<b>1,830,278</b>	<b>2,051,778</b>

- 8.1 As per regulation 61 of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the Total Expense Ratio limit. The remuneration is payable to the Management Company monthly in arrears. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the average rate of 1.04% (June 30, 2022: 0.55%) per annum of the average daily net assets of the Fund.
- 8.2 During the year, an amount of Rs. 1.235 million (June 30, 2022: Rs. 1.360 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to the Provincial Sales Tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the SHC by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to the Provincial Sales Tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan which is pending adjudication.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 0.905 million is being retained in the financial statements of the Fund as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value per unit of the Fund as at June 30, 2023 would have been higher by Re. 0.16 (June 30, 2022: Re. 0.08).

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

During the year, the Management Company has charged expenses at the average rate 0.13% (June 30, 2022: 0.16%) per annum of the average daily net assets of the Fund .

- 8.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average daily net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the Total Expense Ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.10% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of average daily net assets of the Fund.

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

	Note	2023 ----- Rupees -----	2022 -----
Trustee fee payable	9.1	24,334	55,944
Sindh Sales Tax payable on Trustee fee	9.2	3,171	7,453
		<u>27,505</u>	<u>63,397</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.055% (2022: 0.065% from July 1, 2021 to September 30, 2021 and 0.055% from October 1, 2021 to June 30, 2022) of average daily net assets of the Fund during the year.

- 9.2 During the year, an amount of Rs. 0.065 million (June 30, 2022: Rs. 0.153 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

### 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2023 ----- Rupees -----	2022 -----
Annual fee payable	10.1	<u>182,552</u>	<u>404,149</u>

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). In accordance with the SRO No. 685(I) / 2019 dated June 28, 2019 issued by SECP, the Fund has charged SECP fee at the rate of 0.02% (June 30, 2022: 0.02%) of average daily net assets of the Fund during the year.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees -----	
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	351,000	304,020
Securities transaction costs payable	1,769	1,204
Printing charges payable	2,274	-
Capital gain tax payable	19,704	15,393
Legal and professional charges payable	350,000	-
Withholding tax payable	4,591,215	7,499,871
Other payables	48,811	48,811
	<b>5,364,773</b>	<b>7,869,299</b>

### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

	2023	2022
	----- Rupees -----	
<b>13 MARK-UP INCOME</b>		
<b>Mark-up income on:</b>		
Bank balances	3,801,528	25,320,264
Government securities - Market Treasury Bills	64,938,916	51,072,343
Government securities - Pakistan Investment Bonds	70,096,584	94,929,081
Commercial paper	2,122,255	16,437,629
Sukuk certificates	6,816,629	4,253,382
	<b>147,775,912</b>	<b>192,012,699</b>

### 14 AUDITORS' REMUNERATION

Annual audit fee	250,000	165,000
Half yearly review of condensed interim financial statements	150,000	82,500
Certification charges	30,000	60,500
Out of pocket expenses	72,000	30,000
	502,000	338,000
Sindh Sales Tax on services	40,160	27,040
Prior year adjustment	(93,420)	-
	<b>448,740</b>	<b>365,040</b>

### 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.65% (June 30, 2022: 0.91%) which includes 0.17% (June 30, 2022: 0.09%) on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Income Scheme".

### 16 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

percentage of income earned by the Fund during the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 17 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

18 CASH AND CASH EQUIVALENTS	Note	2023	2022
		----- Rupees -----	
Bank balances	4	8,045,934	43,498,607
Government securities - Market Treasury Bills	5.1	105,653,646	477,462,378
		<b>113,699,580</b>	<b>520,960,985</b>

### 19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

**19.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

**19.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

**19.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**19.5** Accounting and operational expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

**19.6** Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements are as follows:

Transactions during the year	2023	2022
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	9,498,023	10,459,417
Remuneration paid	9,656,441	10,995,869
Sindh Sales Tax on remuneration of the Management Company	1,234,752	1,359,726
Accounting and operational charges	1,159,433	3,644,787
Selling and marketing expenses	94,524	-
Issue of 246,210 (2022: Nil) units	26,945,430	-
Redemption of 162,808 (2022: Nil) units	18,000,000	-
Dividend declared	315,717	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees -----	
<b>Transactions during the year (Cont....)</b>		
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	502,039	1,172,444
Sindh Sales Tax payable on remuneration of the Trustee	65,267	152,597
Remuneration paid	533,649	1,236,009
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Dividend declared	-	6,785,234
Redemption of 937,187 (2022: Nil) units	96,085,774	-
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Redemption of Nil (2022: 585,755) units	-	61,426,662
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 63,107 (2022: 3,141,417) units	6,596,361	329,981,367
Redemption of 5,070,454 (2022: 8,886,058) units	553,887,279	946,000,000
Dividend declared	-	34,048,778
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 30,254 (2022: 1,542) units	3,356,039	164,005
Dividend declared	-	14,439,993
Redemption of 2,024,808 (2022: 966,883) units	207,847,916	100,000,000
<b>Shirazi Trading Company (Private) Limited (Employees provident fund)</b>		
Issue of 510,976 (2022: Nil) units	51,800,000	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 788,818 (2022: 299,811) units	81,180,734	30,804,769
Dividend declared	15,876,261	5,804,769
Redemption of Nil (2022: 338,218) units	-	35,000,000
<b>Atlas Metals (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b>		
Issue of Nil (2022: 86,890) units	-	9,000,000
Redemption of Nil (2022: 595,932) units	-	62,959,055
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 284,371 (2022: 142,334) units	28,795,731	14,409,296
Dividend declared	-	14,393,118
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Redemption of Nil (2022: 190,986) units	-	20,160,177
<b>Directors and their close family members and key management personel of the Management Company</b>		
Issue of 94,281 (2022: 52,577) units	9,578,669	3,980,666
Redemption of 32,613 (2022: 583,171) units	(3,449,830)	62,162,392
Dividend declared	8,150,922	1,627,295

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

19.7 Outstanding balances	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company payable	553,251	711,669
Sindh Sales Tax payable on remuneration of the Management Company	210,775	231,352
Federal Excise Duty on remuneration of the Management Company	905,341	905,341
Accounting and operational charges payable	66,387	203,416
Selling and marketing expenses payable	94,524	-
Outstanding 83,402 (2022: Nil) units	8,488,906	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee payable	24,334	55,944
Sindh Sales Tax payable on Trustee fee	3,171	7,453
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Outstanding Nil (2022: 937,187) units	-	94,899,930
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding Nil (2022: 5,007,347) units	-	507,045,859
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding Nil (2022: 1,994,554) units	-	201,969,336
<b>Shirazi Trading Company (Private) Limited (Employees provident fund)</b>		
Outstanding 510,976 (2022: Nil) units	52,008,670	-
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 1,647,986 (2022: 859,168) units	167,736,959	86,999,695
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Outstanding 2,414,705 (2022: 2,130,334) units	245,775,919	215,718,473
<b>Directors and their close family members and key management personel of the Management Company</b>		
Outstanding 789,975 (2022: 728,307) units - See note 19.7.1	80,406,025	73,748,658

19.7.1 As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund (Atlas Sovereign Fund return as on June 30,2023 is 13.93%) include 829.3077 units held by the Chief Executive Officer and 444.2720 units held by the Chief Investments Officer.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 20 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Bank balances	8,045,934	-	8,045,934
Investments	-	518,799,146	518,799,146
Mark-up receivable	8,601,889	-	8,601,889
Receivable against sale of investments	54,714,220	-	54,714,220
Security deposits	2,602,825	-	2,602,825
	<b>73,964,868</b>	<b>518,799,146</b>	<b>592,764,014</b>

<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	1,830,278	-	1,830,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	27,505	-	27,505
Accrued expenses and other liabilities	753,854	-	753,854
	<b>2,611,637</b>	<b>-</b>	<b>2,611,637</b>

	----- 2022 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Bank balances	43,498,607	-	43,498,607
Investments	-	1,180,947,418	1,180,947,418
Mark-up receivable	2,866,030	-	2,866,030
Security deposits	2,602,825	-	2,602,825
	<b>48,967,462</b>	<b>1,180,947,418</b>	<b>1,229,914,880</b>

<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	2,051,778	-	2,051,778
Payable to the Central Depository Company of Pakistan Limited - Trustee	63,397	-	63,397
Dividend payable	5,776,900	-	5,776,900
Accrued expenses and other liabilities	354,035	-	354,035
	<b>8,246,110</b>	<b>-</b>	<b>8,246,110</b>



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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

### 21.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk comprises of three types of risk; interest rate risk, price risk and currency risk.

#### (i) Yield / interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. As of June 30, 2023, the Fund is exposed to such risk in respect of its investments and bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances, Pakistan Investments Bonds and Sukuk certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2023, with all other variables held constant, the net income for the year and net assets would have been lower / higher by Rs. 4.212 million (June 30, 2022: Rs. 4.960 million).

##### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Market Treasury Bills and Commercial paper which expose the Fund to fixed interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2023, with all other variables held constant, the net income for the year and net assets would have been lower / higher by Rs. 1.057 million (June 30, 2022: Rs. 7.285 million).

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of the 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.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

----- 2023 -----						
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			
Percentage	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	13% to 19.50%	8,045,934	-	-	-	8,045,934
Investments	12.74% to 22.46%	105,653,646	-	413,145,500	-	518,799,146
Mark-up receivable		-	-	-	8,601,889	8,601,889
Receivable against sale of investments		-	-	-	54,714,220	54,714,220
Security deposits		-	-	-	2,602,825	2,602,825
		113,699,580	-	413,145,500	65,918,934	592,764,014
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	1,830,278	1,830,278
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	27,505	27,505
Accrued expenses and other liabilities		-	-	-	753,854	753,854
		-	-	-	2,611,637	2,611,637
<b>On-balance sheet gap</b>		113,699,580	-	413,145,500	63,307,297	590,152,377
<b>Total interest rate sensitivity gap</b>		113,699,580	-	413,145,500		
<b>Cumulative interest rate sensitivity gap</b>		113,699,580	113,699,580	526,845,080		

----- 2022 -----						
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			
Percentage	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	5.50% to 12.25%	43,498,607	-	-	-	43,498,607
Investments	8.12% to 14.90%	728,467,418	175,297,500	277,182,500	-	1,180,947,418
Mark-up receivable		-	-	-	2,866,030	2,866,030
Receivable against sale of investments		-	-	-	-	-
Security deposits		-	-	-	2,602,825	2,602,825
		771,966,025	175,297,500	277,182,500	5,468,855	1,229,914,880
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	2,051,778	2,051,778
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	63,397	63,397
Dividend payable		-	-	-	5,776,900	5,776,900
Accrued expenses and other liabilities		-	-	-	354,035	354,035
		-	-	-	8,246,110	8,246,110
<b>On-balance sheet gap</b>		771,966,025	175,297,500	277,182,500	(2,777,255)	1,221,668,770
<b>Total interest rate sensitivity gap</b>		771,966,025	175,297,500	277,182,500		
<b>Cumulative interest rate sensitivity gap</b>		771,966,025	947,263,525	1,224,446,025		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## (ii) 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 rate 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.

## (iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

## 21.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. 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. The Fund's policy is therefore to invest the majority of its assets in short-term instruments in order to maintain liquidity.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is 15% of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	----- 2023 -----						Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
	----- Rupees -----						
<b>Financial assets</b>							
Bank balances	8,045,934	-	-	-	-	-	8,045,934
Investments	105,653,646				413,145,500	-	518,799,146
Mark-up receivable	8,601,889	-	-	-	-	-	8,601,889
Receivable against sale of investments	54,714,220						54,714,220
Security deposits	-	-	-	-	-	2,602,825	2,602,825
	177,015,689	-	-	-	413,145,500	2,602,825	592,764,014
<b>Financial liabilities</b>							
Payable to Atlas Asset Management Limited - Management Company	1,830,278	-	-	-	-	-	1,830,278
Payable to the Central Depository Company of Pakistan Limited - Trustee	27,505	-	-	-	-	-	27,505
Accrued expenses and other liabilities	402,854	351,000	-	-	-	-	753,854
	2,260,637	351,000	-	-	-	-	2,611,637
<b>Net financial assets / (liabilities)</b>	<b>174,755,052</b>	<b>(351,000)</b>	<b>-</b>	<b>-</b>	<b>413,145,500</b>	<b>2,602,825</b>	<b>590,152,377</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	2022						Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
	Rupees						
<b>Financial assets</b>							
Bank balances	43,498,607	-	-	-	-	-	43,498,607
Investments	728,467,418	-	175,297,500	202,602,500	74,580,000	-	1,180,947,418
Mark-up receivable	2,866,030	-	-	-	-	-	2,866,030
Security deposits	-	-	-	-	-	2,602,825	2,602,825
	774,832,055	-	175,297,500	202,602,500	74,580,000	2,602,825	1,229,914,880
<b>Financial liabilities</b>							
Payable to Atlas Asset Management Limited - Management Company	2,051,778	-	-	-	-	-	2,051,778
Payable to the Central Depository Company of Pakistan Limited - Trustee	63,397	-	-	-	-	-	63,397
Dividend payable	5,776,900	-	-	-	-	-	-
Accrued expenses and other liabilities	50,015	304,020	-	-	-	-	354,035
	7,942,090	304,020	-	-	-	-	2,469,210
<b>Net financial assets / (liabilities)</b>	<b>766,889,965</b>	<b>(304,020)</b>	<b>175,297,500</b>	<b>202,602,500</b>	<b>74,580,000</b>	<b>2,602,825</b>	<b>1,227,445,670</b>

### 21.3 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, Commercial paper, Sukuk certificates and interest receivable thereon. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. As of June 30, 2023, 83.00% (June 30, 2022: 73.28%) of Fund's net assets are invested in government securities. The Fund's maximum exposure to credit risk (excluding government securities and their related outstanding mark-up) as of June 30, 2023 amounts to Rs. 44.837 million (June 30, 2022: Rs. 338.511 million).

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees		Rupees	
Bank balances	8,045,934	8,045,934	43,498,607	43,498,607
Investments	518,799,146	32,565,000	1,180,947,418	291,205,040
Mark-up receivable	8,601,889	1,623,262	2,866,030	1,204,388
Receivable against sale of investments	54,714,220	-	-	-
Deposits and other receivable	3,097,602	2,602,825	3,097,602	2,602,825
	<b>593,258,791</b>	<b>44,837,021</b>	<b>1,230,409,657</b>	<b>338,510,860</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The maximum exposure to credit risk as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and their accrued profit, however are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed from the government of Pakistan.

## 21.3.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements with banks and Sukuk certificates, and mark-up receivable thereon. The credit rating profile of bank balances and Sukuk certificates are as follows:

	% of financial assets exposed to credit risk	
	2023	2022
<b>Bank balances</b>		
AAA	0.30%	2.68%
AA+	1.04%	0.85%
A+	0.01%	0.01%
AA	0.00%	0.00%
AA-	0.00%	0.00%
	<b>1.35%</b>	<b>3.54%</b>
<b>Sukuk certificates</b>		
A+	<b>5.76%</b>	<b>3.36%</b>

## 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 assets is mainly held with, diverse credit worthy counter parties.

## 22 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 22.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	2023			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	Rupees			
<b>Financial assets 'at fair value through profit or loss'</b>				
Government securities - Market Treasury Bills	-	105,653,646	-	105,653,646
Government securities - Pakistan Investment Bonds	-	380,580,500	-	380,580,500
Sukuk certificates	-	32,565,000	-	32,565,000
	<b>-</b>	<b>518,799,146</b>	<b>-</b>	<b>518,799,146</b>
	2022			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	Rupees			
<b>Financial assets 'at fair value through profit or loss'</b>				
Government securities - Market Treasury Bills	-	477,462,378	-	477,462,378
Government securities - Pakistan Investment Bonds	-	412,280,000	-	412,280,000
Commercial paper*	-	251,005,040	-	251,005,040
Sukuk certificates	-	40,200,000	-	40,200,000
	<b>-</b>	<b>1,180,947,418</b>	<b>-</b>	<b>1,180,947,418</b>

\*The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

### 23 UNIT HOLDERS FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 24 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount	% of total	Number of unit holders	Investment amount	% of total
Individuals	121	60,804,928	10.38%	126	61,394,575	5.06%
Associated companies /						
Directors	4	34,623,302	5.91%	7	828,059,959	68.20%
Retirement Funds	3	481,843,756	82.25%	5	317,044,347	26.11%
Others	6	8,581,697	1.46%	3	7,745,253	0.64%
	<b>134</b>	<b>585,853,683</b>	<b>100.00%</b>	<b>141</b>	<b>1,214,244,134</b>	<b>100.00%</b>

## 25 LIST OF BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	100.00%	Arif Habib Limited	100.00%

## 26 MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	12 Years

## 27 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Liquid Fund Atlas Income Fund Atlas Money Market Fund Atlas Islamic Income Fund Atlas Islamic Money Market Fund

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and attendance of its members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	Yes	No	Yes	Yes	Yes	Yes
Mr. Tariq Amin	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Frahim Ali Khan	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali H. Shirazi	Director	No	Yes	Yes	Yes	Yes	Yes
Mr. M. Habib-ur-Rahman	Director	No	Yes	No	Yes	Yes	Yes
Ms. Zehra Naqvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. M. Abdul Samad	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Zainab Kazim	Company Secretary	Yes	Yes	Yes	Yes	Yes	Yes

## 29 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 30 GENERAL

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

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 11 September 2023 by the Board of Directors of the Management Company.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



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# Atlas Income Fund

## Corporate Information

### Trustee

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

### Auditors

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A. F. Ferguson & Co.  
Chartered Accountants

### Legal Advisers

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Mohsin Tayebaly & Co.

### Bankers

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Allied Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Samba Bank Limited  
Soneri Bank Limited  
HBL Microfinance Bank  
Zarai Taraqati Bank Limited



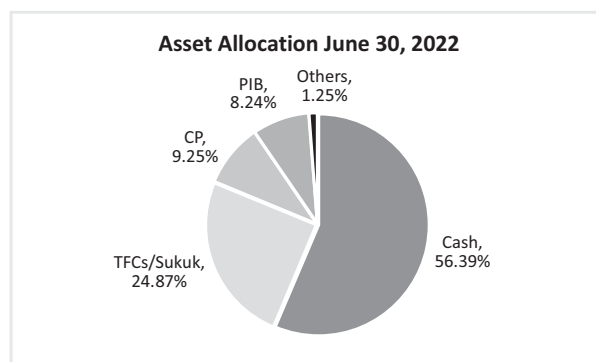
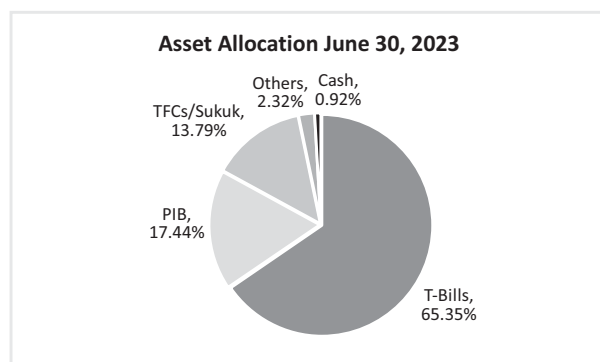
# Fund Manager's Report

Atlas Income Fund (AIF) is an Open-ended Income Fund. The objective of AIF is to achieve a good rate of current income (with medium risk) and provide investors with liquidity as well as the facility to join or leave the fund at their convenience. The Fund primarily invests in a diversified portfolio of long, medium and short-term fixed income instruments. The Fund's strategy is based on the conviction that economic environment drives long term performance, and that active management of credit risk can produce consistently superior results. Fundamental and market analysis are used to identify overall portfolio, bond market sectors, yield curve and credit positioning to provide high and sustainable rates of return. The fund employs strategies such as overall portfolio duration and yield curve positioning to deal with market and reinvestment risks.

Atlas Income Fund performance benchmark is average Six Months KIBOR (offer) rate.

The Monetary Policy Committee of SBP has increased its policy rate by 825 bps to 22.0% with the objective of moderating demand to a sustainable pace and reducing external pressures. The Consumer Price Index (CPI) Inflation averaged at 29.18% during FY23 compared to 12.15% in FY22. The increase in FY23 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants regarding the impact of ongoing inflationary pressures. Going forward, frequency of local demand and impact of international commodity prices on domestic inflation will remain a major determinant towards any change in monetary policy stance.

The Net Asset Value per unit of Atlas Income Fund increased by 15.03% to Rs. 525.35 as on June 30, 2023. The benchmark average six months KIBOR rate stood at 18.30% during the period under review. AIF total exposure in T-Bills, Pakistan Investment Bonds, Term Finance Certificates/Sukuk, Bank Balances and Others stood at 65.53%, 17.44%, 13.79%, 0.92%, and 2.32% respectively. AIF presents a good investment opportunity for investors to earn competitive returns while taking medium risk. The Net Assets of the Fund stood at Rs. 3.49 billion with 6.65 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 76.79 per unit for the period ended June 30, 2023 (15.36% on the face value of Rs. 500 per unit).

The non-performing assets and provisions, are as detailed below:

(Rupees '000)

Non-compliant Investments	Value of Investment Before Provision	Provision Held	Value of Investment After Provision	% of Net Assets	Suspended Markup (fully provided)
Agritech Limited - Sukuk	14,987,451	(14,987,451)	-	-	28,364,671
Agritech Limited - PPTFC	29,508,370	(29,508,370)	-	-	54,544,466
Agritech Limited - TFC IV	7,377,088	(7,377,088)	-	-	13,949,934
Agritech Limited - TFC II	11,015,000	(11,015,000)	-	-	-
Azgard Nine Limited - TFC	1,735,255	(1,735,255)	-	-	188,500
Azgard Nine Limited - TFC VI	6,040,000	(6,040,000)	-	-	52,123
Azgard Nine Limited - TFC VII	13,850,000	(13,850,000)	-	-	-
Telecard Limited - TFC	3,112,563	(3,112,563)	-	-	3,097,600
<b>Total</b>	<b>87,625,728</b>	<b>(87,625,728)</b>	-	-	<b>100,197,294</b>

### The Administrative Plans:

The Management Company is offering investment plans that allow investors focused combination investment strategic in Atlas Income fund (AIF) and Atlas Stock Market Fund (ASMF). The investment plans were offered from September 2008, and the returns are as under:

Administrative Plans	Proportionate Investment in		Return (period ended)			
	AIF	ASMF	2019-20	2020-21	2021-22	2022-23
Atlas Bachat Plan	85%	15%	14.51%	12.22%	5.11%	12.29%
Atlas Bachat Balanced Plan	50%	50%	10.44%	24.43%	-2.65%	5.78%
Atlas Bachat Growth Plan	15%	85%	6.37%	36.64%	-10.41%	-0.73%

### Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	445	206,449,736	5.91%
Associated Companies / Directors	6	2,935,715,436	84.06%
Insurance Companies	-	-	-
Retirement Funds	12	286,789,785	8.21%
Others	16	63,376,765	1.81%
<b>Total</b>	<b>479</b>	<b>3,492,331,722</b>	<b>100.00%</b>

The Scheme has held provision for FED liability that amounted to Rs. 23,582,971 up till June 30, 2023 (Rs. 3.55 per unit).

The Total Expense Ratio (TER) of the Fund is 1.56% including expenses representing Government levy and SECP Fee of 0.17%.

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

Karachi: 11 September 2023

**Fawad Javaid**  
Head of Fixed Income

## PERFORMANCE SINCE INCEPTION

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net assets (Rs. in '000)	3,492,332	2,665,837	4,990,461	3,715,448	2,988,495	6,736,308	12,550,927	7,808,327	5,576,232	3,896,867
Number of units in issue	6,647,647	5,092,694	9,550,014	7,151,571	5,820,926	12,545,428	24,501,811	15,273,112	10,928,688	7,734,075
Net asset value per unit (Rs.)	525.35	523.46	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.86
Net income (Rs. in '000)	525,216	358,548	284,786	499,956	292,891	460,808	213,245	444,672	168,149	184,945
Earnings per unit (Rs.)	79.01	70.40	29.82	69.91	50.32	36.73	8.70	29.11	15.39	23.91
Annual return of the Fund (%)	15.08	8.43	7.43	16.26	7.33	4.82	5.48	8.02	10.19	8.45
Offer price ** (Rs.)	525.35	523.46	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.80
Redemption price ** (Rs.)	525.35	523.46	522.56	519.53	513.41	536.95	512.24	511.25	510.24	503.86
Highest offer price (Rs.)	600.25	565.73	555.23	596.65	531.63	536.86	538.50	550.09	565.53	518.68
Lowest offer price (Rs.)	523.86	522.90	520.39	514.18	513.06	513.00	510.39	510.77	504.10	502.10
Highest repurchase price per unit (Rs.)	600.25	565.73	555.23	596.65	531.63	536.86	538.50	550.09	565.53	518.11
Lowest repurchase price per unit (Rs.)	523.86	522.90	520.39	514.18	513.06	513.00	510.39	510.77	504.10	502.10
Weighted average portfolio (No. of days)	578.30	541.63	554.78	612.86	774.82	652.86	417.19	845.19	98.20	329.65

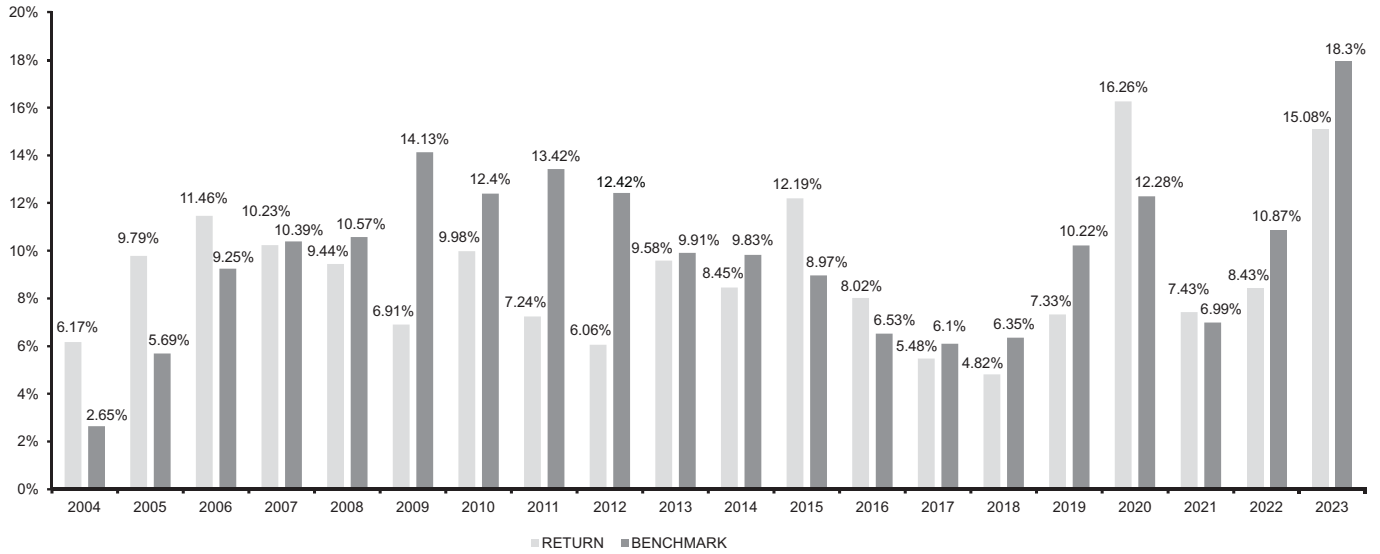
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004*
Net assets (Rs. in '000)	1,939,998	931,487	786,935	1,282,287	1,748,265	4,150,406	3,853,940	2,675,604	1,153,856	371,324
Number of units in issue	3,851,364	1,855,552	1,530,383	2,509,323	3,403,895	7,930,536	6,988,480	4,796,790	2,101,528	742,343
Net asset value per unit (Rs.)	503.72	502.00	514.21	511.01	513.61	523.34	551.47	557.79	549.06	500.21
Net income (Rs. in '000)	139,186	53,314	63,171	161,118	154,107	433,326	357,866	276,820	103,093	13,941
Earnings per unit (Rs.)	36.14	28.73	41.28	64.21	45.27	54.64	51.21	57.71	49.06	18.78
Annual return of the Fund (%)	9.58	6.06	7.24	9.98	6.91	9.44	10.23	11.46	9.79	6.17
Offer price ** (Rs.)	508.56	507.02	519.35	516.04	518.75	533.81	557.60	566.65	554.55	505.21
Redemption price ** (Rs.)	503.52	502.00	514.21	510.93	513.61	523.34	546.67	555.54	549.06	500.21
Highest offer price (Rs.)	523.74	535.51	524.74	525.88	528.18	547.01	557.60	566.79	556.84	529.24
Lowest offer price (Rs.)	507.30	483.57	500.55	507.89	474.68	513.92	513.33	511.77	510.90	520.91
Highest repurchase price per unit (Rs.)	518.55	530.21	519.54	520.67	517.82	536.28	546.67	555.54	545.92	518.86
Lowest repurchase price per unit (Rs.)	502.28	478.78	495.59	501.32	466.39	503.84	503.26	500.45	500.88	510.70
Weighted average portfolio (No. of days)	59.05	87.24	67.57	70.58	58.63	76.47	26.19	47.17	21.47	33.70

Date of Launch: 22 March 2004.

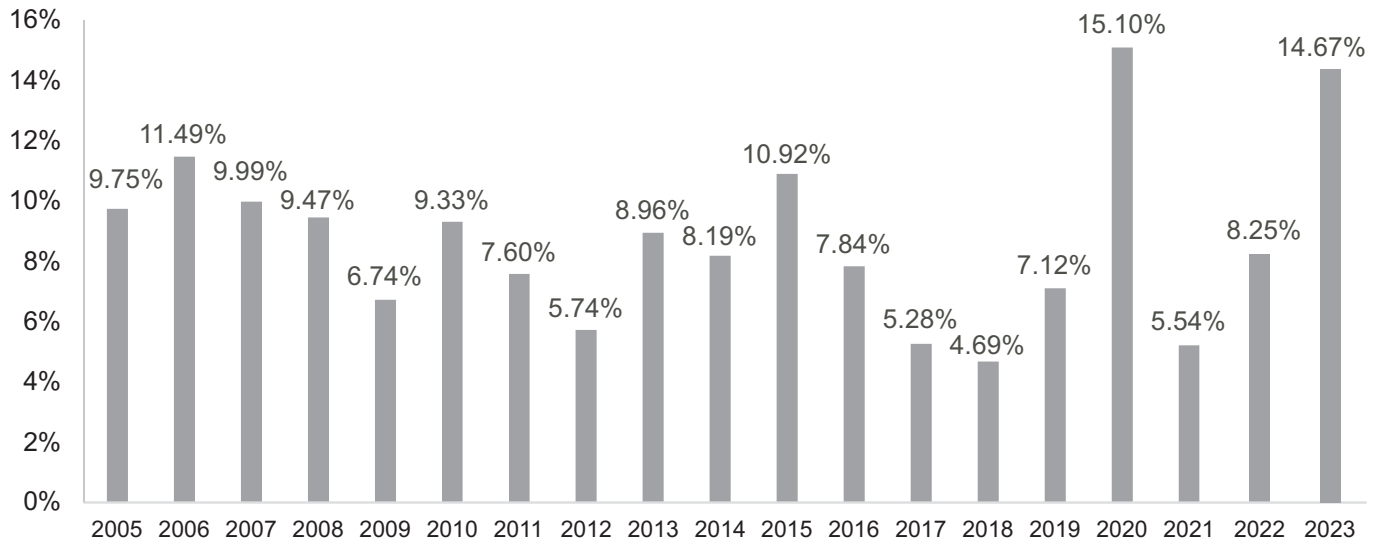
\* For the period from 15 September 2003 to 30 June 2004.

\*\* Relates to announced prices.

### Yearly Performance (Annualized)



### Payout History (% on opening Ex - NAV)



## DISTRIBUTION HISTORY

Distribution detail	2023	2022	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	76.79	43.10	28.80	77.50	18.00	-	27.00	40.00	55.00
First Interim distribution as a % of Ex-NAV of units	14.67	8.25	5.54	15.10	3.51	-	5.28	7.84	10.92
Date of distribution - Interim	23-Jun-23	24-Jun-22	25-Jun-21	26-Jun-20	18-Jan-19	-	20-Jun-17	24-Jun-16	29-Jun-15
Second Interim distribution cash dividend (Rs.)	-	-	4.45	-	18.50	-	-	-	-
Second Interim distribution as a % of Ex-NAV of units	-	-	0.86	-	3.61	-	-	-	-
Date of distribution - Interim	-	-	30-Jun-21	-	27-Jun-19	-	-	-	-
Final distribution cash dividend (Rs.)	-	-	-	-	-	24	-	-	-
Final distribution as a % of Ex-NAV of units	-	-	-	-	-	4.69	-	-	-
Date of distribution	-	-	-	-	-	6-Jul-18	-	-	-

Distribution details	2014	2013	2012	2011	2010	2009	2008
First Interim distribution (Bonus)	9.50	12.50	-	-	12.50	13.75	25.00
First Interim distribution as a % of opening Ex-NAV of units	1.89	2.49	-	-	2.49	2.75	4.99
Date of distribution - Interim	4 October 2013	5 October 2012	-	-	27 October 2009	25 October 2008	3 April 2008
Second Interim distribution (Bonus)	9.50	12.50	-	12.50	13.75	7.50	-
Second Interim distribution as a % of opening Ex-NAV of units	1.89	2.49	-	2.49	2.74	1.50	-
Date of distribution - Interim	7 January 2014	4 January 2013	-	11 January 2011	21 January 2010	24 April 2009	-
Third Interim distribution (Bonus)	9.50	10.00	-	12.00	12.50	-	-
Third Interim distribution as a % of opening Ex-NAV of units	1.89	1.99	-	2.39	2.49	-	-
Date of distribution - Interim	4 April 2014	5 April 2013	-	7 April 2011	6 April 2010	-	-
Fourth Interim distribution (Bonus)	12.75	10.00	-	-	-	-	-
Fourth Interim distribution as a % of opening Ex-NAV of units	2.53	1.99	-	-	-	-	-
Date of distribution - Interim	18 June 2014	27 June 2013	-	-	-	-	-
Interim distribution (Bonus)	-	-	28.75	-	-	-	-
Interim distribution as a % of opening Ex-NAV of units	-	-	5.74	-	-	-	-
Date of distribution - Interim	-	-	27 June 2012	-	-	-	-
Final Distribution (Bonus)	-	-	-	13.75	8.00	12.50	22.50
Final Distribution as a % of opening Ex-NAV of units	-	-	-	2.73	1.60	2.50	4.49
Date of distribution - Final	-	-	-	7 July 2011	8 July 2010	3 July 2009	4 July 2008

Distribution details	2007	2006	2005	2004*
Final Distribution (Bonus)	50.00	57.50	48.75	18.75
Final Distribution as a % of opening Ex-NAV of units	9.99	11.49	9.75	3.75
Date of distribution - Final	20 July 2007	19 July 2006	15 July 2005	29 July 2004

\* For the period from 15 September 2003 to 30 June 2004.

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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Income Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Income Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key audit matter	How our audit addressed the key audit matter
1.	<b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value (NAV). Investments of the Fund as at June 30, 2023 amounted to Rs 3,471.495 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"><li>• Tested the design and operating effectiveness of the key controls for valuation of investments;</li><li>• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced balances in this confirmation with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li></ul>



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## **Other Matter**

The financial statements of the Fund for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 15, 2022.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

Karachi: 21 September 2023

**A. F. Ferguson & Co.**  
Chartered Accountants

**Engagement Partner: Junaid Mesia**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022
<b>Assets</b>			
Bank balances	4	33,096,503	1,542,301,936
Investments	5	3,471,494,778	1,154,234,216
Receivable against sale of units		5,000,000	-
Receivable against sale of investments		34,818,140	-
Mark-up receivable	6	34,104,536	19,867,926
Deposits and other receivables	7	9,409,367	9,039,385
<b>Total assets</b>		<b>3,587,923,324</b>	<b>2,725,443,463</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	8	32,572,820	29,650,873
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	244,762	206,137
Payable to the Securities and Exchange Commission of Pakistan	10	760,848	891,294
Payable against redemption of units		100,081	-
Dividend payable		981,850	197,318
Accrued expenses and other liabilities	11	60,931,241	28,660,654
<b>Total liabilities</b>		<b>95,591,602</b>	<b>59,606,276</b>
<b>NET ASSETS</b>		<b>3,492,331,722</b>	<b>2,665,837,187</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENTS ATTACHED)</b>		<b>3,492,331,722</b>	<b>2,665,837,187</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>6,647,647</b>	<b>5,092,694</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>525.3486</b>	<b>523.4631</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

	Note	2023 Rupees	2022
<b>Income</b>			
Mark-up income	13	620,549,012	415,795,967
Gain / (loss) on sale of investments - net		3,078,154	(52,116,356)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.8	(39,044,917)	2,940,332
		<b>(35,966,763)</b>	<b>(49,176,024)</b>
<b>Total income</b>		<b>584,582,249</b>	<b>366,619,943</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	8.1	41,078,606	26,144,292
Sindh Sales Tax on remuneration of the Management Company	8.2	5,340,219	3,398,758
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	2,853,322	3,342,354
Sindh Sales Tax on remuneration of Trustee	9.2	370,931	434,506
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	760,883	891,294
Accounting and operational charges	8.4	4,649,823	8,029,131
Selling and marketing expenses	8.5	958,488	-
Transaction charges		1,081,515	4,961,336
Auditors' remuneration	14	856,890	730,944
Annual listing fee		27,500	27,500
Annual rating fee		632,412	632,637
Printing charges		35,534	59,083
Legal and professional charges		705,101	4,035,171
Bank charges		14,914	23,350
<b>Total expenses</b>		<b>59,366,138</b>	<b>52,710,356</b>
<b>Net income from operating activities</b>		<b>525,216,111</b>	<b>313,909,587</b>
Reversal of provision for Sindh Workers' Welfare Fund		-	44,638,020
<b>Net income for the year before taxation</b>		<b>525,216,111</b>	<b>358,547,607</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>525,216,111</b>	<b>358,547,607</b>
<b>Earnings per unit</b>	17		
<b>Allocation of net income for the year:</b>			
Net income for the year after taxation		525,216,111	358,547,607
Income already paid on redemption of units		(136,867,862)	(175,214,088)
		<b>388,348,249</b>	<b>183,333,519</b>
<b>Accounting income available for distribution:</b>			
Relating to capital gains		-	-
Excluding capital gains		388,348,249	183,333,519
		<b>388,348,249</b>	<b>183,333,519</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Net income for the year after taxation</b>	525,216,111	358,547,607
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>525,216,111</u>	<u>358,547,607</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees			Rupees		
<b>Net assets at the beginning of the year</b>	<b>2,446,718,303</b>	<b>219,118,884</b>	<b>2,665,837,187</b>	<b>4,773,825,599</b>	<b>214,605,259</b>	<b>4,988,430,858</b>
Issuance of 5,084,204 units (2022: 6,149,124 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,661,392,981	-	2,661,392,981	3,213,289,312	-	3,213,289,312
- Element of income	87,610,530	-	87,610,530	114,390,531	-	114,390,531
Total proceeds on issuance of units	<b>2,749,003,511</b>	<b>-</b>	<b>2,749,003,511</b>	<b>3,327,679,843</b>	<b>-</b>	<b>3,327,679,843</b>
Redemption of 3,529,250 units (2022: 10,602,560 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(1,847,432,335)	-	(1,847,432,335)	(5,540,479,055)	-	(5,540,479,055)
- Element of loss	(13,454,509)	-	(13,454,509)	(83,122,959)	-	(83,122,959)
- Income already paid on redemption of units	-	(136,867,862)	(136,867,862)	-	(175,214,088)	(175,214,088)
Total payment on redemption of units	<b>(1,860,886,844)</b>	<b>(136,867,862)</b>	<b>(1,997,754,706)</b>	<b>(5,623,602,014)</b>	<b>(175,214,088)</b>	<b>(5,798,816,102)</b>
Total comprehensive income for the year	-	525,216,111	525,216,111	-	358,547,607	358,547,607
Refund of capital	(74,119,198)	-	(74,119,198)	(31,185,125)	-	(31,185,125)
Cash dividend declared for the year ended June 30, 2023 at the rate of Rs. 76.791 per unit on June 23, 2023 (2022: Rs. 43.1 per unit on June 24, 2022)	-	(375,851,183)	(375,851,183)	-	(178,819,894)	(178,819,894)
	<b>(74,119,198)</b>	<b>149,364,928</b>	<b>75,245,730</b>	<b>(31,185,125)</b>	<b>179,727,713</b>	<b>148,542,588</b>
<b>Net assets at end of the year</b>	<b>3,260,715,772</b>	<b>231,615,950</b>	<b>3,492,331,722</b>	<b>2,446,718,303</b>	<b>219,118,884</b>	<b>2,665,837,187</b>
Undistributed income brought forward comprising of:						
- Realised income		216,178,552			212,540,709	
- Unrealised income		2,940,332			2,064,550	
		<b>219,118,884</b>			<b>214,605,259</b>	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		388,348,249			183,333,519	
		<b>388,348,249</b>			<b>183,333,519</b>	
Distributions during the year:						
Cash dividend declared for the year ended June 30, 2023 at the rate of Rs. 76.791 per unit on June 24, 2023 (2022: Rs. 43.1 per unit on June 24, 2022)		(375,851,183)			(178,819,894)	
Undistributed income carried forward		<b>231,615,950</b>			<b>219,118,884</b>	
Undistributed income carried forward comprising of:						
- Realised income		270,660,867			216,178,552	
- Unrealised (loss) / income		(39,044,917)			2,940,332	
		<b>231,615,950</b>			<b>219,118,884</b>	
			<b>Rupees</b>			<b>Rupees</b>
Net asset value per unit at the beginning of the year			<b>523.4631</b>			<b>522.5605</b>
Net asset value per unit at the end of the year			<b>525.3486</b>			<b>523.4631</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 2023

	2023	2022
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	525,216,111	358,547,607
<b>Adjustments for:</b>		
Mark-up income	13 (620,549,012)	(415,795,967)
Gain / (loss) on sale of investments - net	(3,078,154)	52,116,356
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.8 39,044,917	(2,940,332)
Reversal of provision for Sindh Workers' Welfare Fund	-	(44,638,020)
	<b>(59,366,138)</b>	<b>(52,710,356)</b>
<b>(Increase) / decrease in assets</b>		
Receivable against Margin Trading System	-	527,223,489
Investments	(1,712,929,375)	1,180,122,572
Receivable against sale of units	(5,000,000)	-
Receivable against sale of investments	(34,818,140)	-
Deposits and other receivables	(369,982)	47,681,773
	<b>(1,753,117,497)</b>	<b>1,755,027,834</b>
<b>(Increase) / decrease in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	2,921,947	(2,875,292)
Payable to the Central Depository Company of Pakistan Limited - Trustee	38,625	(147,240)
Payable to the Securities and Exchange Commission of Pakistan	(130,446)	37,982
Payable against redemption of units	100,081	-
Payable against purchase of investments	-	(18,957,296)
Dividend payable	784,532	(32,655,398)
Accrued expenses and other liabilities	32,270,587	(10,573,180)
	<b>35,985,326</b>	<b>(65,170,424)</b>
Mark-up received	606,312,402	441,205,215
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,170,185,907)</b>	<b>2,078,352,269</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	2,749,003,511	3,327,679,843
Amount paid on redemption of units	(1,997,754,706)	(5,800,190,119)
Cash dividend	(375,851,183)	(178,819,894)
Refund of capital	(74,119,198)	(31,185,125)
<b>Net cash generated from / (used in) financing activities</b>	<b>301,278,424</b>	<b>(2,682,515,295)</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(868,907,483)</b>	<b>(604,163,026)</b>
Cash and cash equivalents at the beginning of the year	1,542,301,936	2,146,464,962
<b>Cash and cash equivalents at the end of the year</b>	<b>18 673,394,453</b>	<b>1,542,301,936</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 20, 2003 between Atlas Asset Management Limited (AAML) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. MCBFSL resigned on June 11, 2005 as the Trustee and the Central Depository Company of Pakistan Limited (CDC) was appointed in its place with effect from that date. The Trust Deed has been revised through the Deed of Change of Trustee and the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated June 11, 2005, October 29, 2007, June 23, 2010, November 12, 2010, and May 23, 2017 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteen and Fifteen Supplements dated June 21, 2005, October 29, 2007, February 29, 2008, June 23, 2010, November 12, 2010, October 14, 2013, March 24, 2015, August 3, 2015, April 13, 2016, September 26, 2016, June 2, 2017, October 2, 2019, October 30, 2019, April 1, 2020 and November 12, 2021 respectively, with the approval of the SECP.
- 1.2 During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act were introduced. The Management Company submitted the Fund's 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. Accordingly on July 26, 2021, the Trust Deed was registered under the Sindh Trusts Act, 2020.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Ground Floor, Federation House, Shahrah e Firdousi, Clifton, Karachi.
- 1.4 The Fund has been categorised as an 'Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from March 22, 2004 and are transferable and redeemable by surrendering them to the Fund.
- 1.5 According to the Trust Deed, the objective of the Fund is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in Government securities, cash in bank accounts, Certificate of Investments (COIs), money market placements, deposits, Certificates of Deposits (CODs), Certificates of Musharakas (COMs), Term Deposit Receipts (TDRs), Commercial paper, reverse repos, Term Finance Certificates (TFCs) / Sukuks, transactions on Margin Trading System (MTS), spread transactions and any other instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's Offering Document.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited maintained the asset manager rating of the Management Company to AM2+ on December 23, 2022 (2022: AM2+ on December 24, 2021). Furthermore, Pakistan Credit Rating Agency (PACRA) Limited has maintained the stability rating of the Fund to "AA- (f)" on April 17, 2023 (2022: "AA- (f)" on April 15, 2022).
- 1.7 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 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 for interim financial reporting. The accounting and reporting standards applicable in Pakistan for financial reporting comprise of:



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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- International Accounting Standards (IFRS Standards) , issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

### **2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

### **2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

### **2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments 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 judgments 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 judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5), provision for Federal Excise Duty (note 8.3) and provision for taxation (note 16).

### **2.5 Accounting convention**

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

### **2.6 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

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

### 3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

### 3.2 Financial assets

#### 3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

#### 3.2.2 Classification and subsequent measurement

##### Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are classified based on the business model of the entity as either:

- at amortised cost; or
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVPL).

IFRS 9 also provides an option for securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

#### 3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.2.3.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

## 3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

## 3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

## 3.2.6 Derivatives

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

## 3.3 Financial liabilities

### 3.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

### 3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

## 3.4 Provisions

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

## 3.5 Net Asset Value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### 3.7 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between the Net Asset Value per unit on the issuance or redemption date, as the case may be, of units and the Net Assets Value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to Unit Holders' Fund. However, to maintain the same ex-dividend Net Asset Value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in Unit Holders' Fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income from investments in government securities, term finance certificates, sukuk certificates and commercial papers is recognised on an accrual basis using effective interest method at the rate of return implicit in the instrument.
- Unrealised gains / (losses) arising on re-measurement 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.
- Mark-up income on bank balances, term deposits, letters of placement and commercial papers is recognised on an accrual basis.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.10 Expenses

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

## 3.11 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 to the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 3.12 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 17.

## 3.13 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

## 4 BANK BALANCES

	Note	2023 Rupees	2022 Rupees
Balances with banks in:			
- Saving accounts	4.1	33,091,503	1,542,296,936
- Current accounts		5,000	5,000
		<b>33,096,503</b>	<b>1,542,301,936</b>

4.1 The rate of return on these balances during the year ranges from 12.25% to 19.75% (2022: 5.5% and 16.45%) per annum. The mark-up rates effective at the year end on these accounts ranges from 19.50% to 19.75% (June 30, 2022: 7% to 15%) per annum.

## 5 INVESTMENTS

	Note	2023 Rupees	2022 Rupees
<b>Financial assets at 'fair value through profit or loss'</b>			
Term finance certificates - listed	5.1	-	38,606,746
Term finance certificates - unlisted	5.2	405,115,783	350,472,196
Sukuk certificates - unlisted	5.3	-	178,000,000
Sukuk certificates - listed	5.4	89,553,750	110,550,000
Government securities - Market Treasury Bills	5.5	2,351,272,745	-
Government securities - Pakistan Investment Bonds	5.6	625,552,500	224,605,000
Commercial paper	5.7	-	252,000,274
		<b>3,471,494,778</b>	<b>1,154,234,216</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.1 Term finance certificates - listed

(Certificates having a face value of Rs. 5,000 each unless stated otherwise)

Name of investee company	Mark-up payments / principal redemptions	Maturity date	Mark-up rate	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		
								Carrying value	Market value	Unrealised (diminution) / appreciation	Total market value of investments	Net assets of the Fund	
								----- Number of certificates -----			----- Rupees -----		----- Percentage -----
<b>Banks</b>													
Soneri Bank Limited (AA-, PACRA) (Face value Rs. 4,987 per certificate)	Semi-annually	July 8, 2023	6 month Kibor plus 1.35%	7,428	-	7,428	-	-	-	-	-	-	-
<b>Total as at June 30, 2023</b>								-	-	-	-	-	
<b>Total as at June 30, 2022</b>								37,043,436	38,606,746	1,563,310	3.34%	1.45%	

## 5.2 Term finance certificates - unlisted

Name of investee company	Mark-up payments / principal redemptions	Maturity date	Mark-up rate	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		
								Carrying value	Market value	Unrealised (diminution) / appreciation	Total market value of investments	Net assets of the Fund	
								----- Number of certificates -----			----- Rupees -----		----- Percentage -----
<b>Banks</b>													
Askari Bank Limited - TFC VII (AA, PACRA) (Face value of Rs. 1,000,000 per certificate)	Quarterly *	March 17, 2030	3 month Kibor plus 1.20%	150	-	-	150	152,250,000	150,164,400	(2,085,600)	4.33%	4.30%	
The Bank of Punjab Limited - TFC (AA, PACRA) (Face Value of Rs. 99,780 per certificate)	Semi-annually	December 23, 2026	6 month Kibor plus 1.00%	1,027	-	1,027	-	-	-	-	-	-	
Samba Bank Limited TFC (AA-, PACRA) (Face Value of Rs. 99,960 per certificate)	Semi-annually	March 01, 2031	6 month Kibor plus 1.35%	950	-	-	950	95,300,096	94,924,000	(376,096)	2.73%	2.72%	
Soneri Bank Limited TFC (A+, PACRA) (Face Value of Rs. 99,980 per certificate)	Semi-annually	December 01, 2032	6 month Kibor plus 1.70%	-	500	-	500	49,990,000	48,972,703	(1,017,297)	1.41%	1.40%	
Bank Al Habib Limited (AAA, PACRA) (Face value of Rs.5000 per certificate)	Semi-annually	December 23, 2032	6 month Kibor plus 1.35%	-	12,000	-	12,000	60,000,000	61,054,680	1,054,680	1.76%	1.75%	
Soneri Bank Limited Tier-II (A+, PACRA) (Face value of Rs.100,000 per certificate)	Semi-annually	December 26, 2032	6 month Kibor plus 1.70%	-	500	-	500	50,000,000	50,000,000	-	1.44%	1.43%	
<b>Total as at June 30, 2023</b>								407,540,096	405,115,783	(2,424,313)	11.67%	11.60%	
<b>Total as at June 30, 2022</b>								348,832,642	350,472,196	1,639,554	30.36%	13.15%	

\* Principal redemption shall be made in four equal quarterly instalments of Rs. 250,000 starting from June 17, 2029.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.3 Sukuk cetificates - unlisted

Name of investee company	Mark-up payments / principal redemptions	Maturity date	Mark-up rate	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		
								Carrying value	Market value	Unrealised (diminution) / appreciation	Total market value of investments	Net assets of the Fund	
								----- Number of certificates -----			----- Rupees -----		----- Percentage -----
<b>Power Generation</b>													
K-Electric Limited Short Term Sukuk - V (A1+) (Face value of Rs. 1,000,000 per certificate)	At maturity	October 13, 2022	6 month Kibor plus 1.50%	178	-	178	-	-	-	-	-	-	
<b>Total as at June 30, 2023</b>								-	-	-	-	-	
<b>Total as at June 30, 2022</b>								178,000,000	178,000,000	-	15.42%	6.68%	

## 5.4 Sukuk certificates - listed

Name of investee company	Mark-up payments / principal redemptions	Maturity date	Mark-up rate	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		
								Carrying value	Market value	Unrealised (diminution) / appreciation	Total market value of investments	Net assets of the Fund	
								----- Number of certificates -----			----- Rupees -----		----- Percentage -----
<b>Pharmaceuticals</b>													
OBS AGP Private Limited (A+, JCR- VIS) (Face value of Rs. 100,000 per certificate)	Quarterly	July 15, 2026	3 month Kibor plus 1.55%	1,100	-	-	1,100	89,822,046	89,553,750	(268,296)	2.58%	2.56%	
<b>Total as at June 30, 2023</b>								89,822,046	89,553,750	(268,296)	2.58%	2.56%	
<b>Total as at June 30, 2022</b>								110,000,000	110,550,000	550,000	9.58%	4.15%	

## 5.5 Government securities - Market Treasury Bills

Tenure	Issue date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Total market value of investment	Net assets of the Fund
----- Rupees -----										
03 Months-T-bills	June 22, 2023	-	20,771,000,000	19,721,000,000	1,050,000,000	1,032,794,497	1,032,085,195	(709,302)	29.73%	29.55%
06 Months-T-bills	March 27, 2023	-	3,030,000,000	3,030,000,000	-	-	-	-	-	-
12 Months-T-bills	October 20, 2022	-	2,910,000,000	1,510,000,000	1,400,000,000	1,348,801,281	1,319,187,550	(29,613,731)	38.00%	37.77%
<b>Total as at June 30, 2023</b>		-	26,711,000,000	24,261,000,000	2,450,000,000	2,381,595,778	2,351,272,745	(30,323,033)	67.73%	67.33%
<b>Total as at June 30, 2022</b>		-	-	-	-	-	-	-	-	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.5.1 Market Treasury Bills carry purchase yield of 15.59% to 22% (June 30, 2022: Nil).

### 5.6 Government securities - Pakistan Investment Bonds

Tenure	Issue date	Face value				Balance as at June 30, 2023			Market value as a percentage of	
		As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value	Market value	Unrealised appreciation / (diminution)	Total market value of investments	Net assets of the Fund
					Rupees			Percentage		
3 Years PIB- Fixed Rate	June 18, 2020	50,000,000	-	50,000,000	-	-	-	-	-	
3 Years PIB - Floating Rate	April 7, 2022	-	100,000,000	-	100,000,000	97,765,900	97,780,000	14,100	2.82%	
5 Years PIB - Floating Rate	November 17, 2022	100,000,000	375,000,000	-	475,000,000	459,235,875	456,350,000	(2,885,875)	13.15%	
10 Years PIB - Floating Rate	June 18, 2022	75,000,000	-	-	75,000,000	74,580,000	71,422,500	(3,157,500)	2.06%	
<b>Total as at June 30, 2023</b>		<b>225,000,000</b>	<b>475,000,000</b>	<b>50,000,000</b>	<b>650,000,000</b>	<b>631,581,775</b>	<b>625,552,500</b>	<b>(6,029,275)</b>	<b>18.02%</b>	
<b>Total as at June 30, 2022</b>						<b>225,417,500</b>	<b>224,605,000</b>	<b>(812,500)</b>	<b>19.46%</b>	

5.6.1 Pakistan Investment Bonds carry purchase yield of 8.12% to 17.10% per annum and will mature on 18 June 2030. (June 30, 2022: 15.65% to 15.9%) per annum.

### 5.7 Commercial papers

(Certificates having a face value of Rs. 1,000,000 each unless stated otherwise)

Name of investee company	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of	
					Carrying value	Market value	Unrealised appreciation / (diminution)	Total Market value of investments	Net Assets of the Fund
					Rupees			Percentage	
Mughal Commercial paper	63	-	63	-	-	-	-	-	-
Lucky Electric Power Company Limited (LEPCL 2)	190	-	190	-	-	-	-	-	-
Lucky Electric Power Company Limited (LEPCL 4)	-	100	100	-	-	-	-	-	-
<b>Total as at June 30, 2023</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at June 30, 2022</b>					<b>252,000,306</b>	<b>252,000,274</b>	<b>(32)</b>	<b>21.83%</b>	<b>9.45%</b>

### 5.8 Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss'

	2023	2022
	----- Rupees -----	
Market value of investments	3,471,494,778	1,154,234,216
Less: carrying value of investments	(3,510,539,695)	(1,151,293,884)
	<b>(39,044,917)</b>	<b>2,940,332</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.9 Details of non-performing investments

These securities have been classified as non-performing as per the requirements of the SECP's Circular 1 of 2009 read with the SECP's Circular 33 of 2012 and accordingly an aggregate provision of Rs. 87,625,727 (June 30, 2022: Rs. 88,759,125), has been made in accordance with provisioning requirements specified by the SECP.

Non-performing investments	Type of investment	Principal value	Valuation loss	Value of investment before Provision	Provision held	Value of investment after provision	As a percentage of		Suspended mark-up	Payments after declared NPA / financial structuring	Payments after June 30, 2022
							Net Assets	Gross Assets			
				----- Rupees -----		----- Percentage -----		----- Rupees -----			
<b>Listed</b>											
Azgard Nine Limited	TFC	1,735,255	-	1,735,255	1,735,255	-	-	-	188,500	2,125,163	-
Azgard Nine Limited-VI	TFC	6,040,000	-	6,040,000	6,040,000	-	-	-	52,123	604,001	302,001
Azgard Nine Limited-VII	TFC	13,850,000	-	13,850,000	13,850,000	-	-	-	-	-	-
Telecard Limited	TFC	4,668,893	1,556,330	3,112,563	3,112,563	-	-	-	3,097,600	5,402,338	311,280
Agritech Limited-I	TFC	39,500,370	9,992,000	29,508,370	29,508,370	-	-	-	54,544,466	6,382,649	467,637
Agritech Limited-II	TFC	11,015,000	-	11,015,000	11,015,000	-	-	-	-	2,949,016	-
Agritech Limited-IV	TFC	9,875,088	2,498,000	7,377,088	7,377,088	-	-	-	13,949,934	2,271,913	116,919
		<b>86,684,606</b>	<b>14,046,330</b>	<b>72,638,276</b>	<b>72,638,276</b>	-	-	-	<b>71,832,623</b>	<b>19,735,080</b>	<b>1,197,837</b>
<b>Unlisted</b>											
Agritech Limited Sukuk		20,062,451	5,075,000	14,987,451	14,987,451	-	-	-	28,364,671	1,831,910	237,536
<b>As at June 30, 2023</b>		<b>106,747,057</b>	<b>19,121,330</b>	<b>87,625,727</b>	<b>87,625,727</b>	-	-	-	<b>100,197,294</b>	<b>21,566,990</b>	<b>1,435,373</b>
<b>As at June 30, 2022</b>				<b>88,759,125</b>	<b>88,759,125</b>	-	-	-	<b>84,394,404</b>	<b>18,584,498</b>	<b>1,547,120</b>

**5.9.1** During the FY 2012-13, the Fund received Zero Coupon Term Finance Certificates of Azgard Nine Limited having face value of Rs. 5,375,000. These TFCs were received against outstanding mark-up of Azgard Nine Limited's TFCs payable as of March 31, 2012.

**5.9.2** The Fund has opted for Option C (of Creditors' Scheme of Arrangement as approved by Lahore High Court (LHC) was implemented from April 29, 2021), which is no waiver of principal or mark-up amount amongst other options available i.e. Option A (waiver of principal and mark-up amount) and Option B (no waiver of principal and but waiver of mark-up amount). The Fund holds TFCs of Rs. 13,509,594 (fully provided for) at face value out of which TFCs valuing Rs. 5,375,000 are Zero Coupon TFCs received through conversion of overdue mark-up up till March 31, 2012. Furthermore, accrued mark-up as at April 29, 2021 stands at Rs. 8,479,650. Therefore, total accrued mark-up till April 29, 2021 stands at Rs. 13,854,650 that is to be converted into zero coupon PPTFC having maturity on the 10th anniversary as per the arrangement. Following are the details of the option selected by the Fund:

**Settlement of accrued markup and zero coupon PPTFC:** This amount will be converted into New Zero Coupon PPTFC with one-time bullet payment by Azgard Nine Limited (ANL) on the 10th anniversary.

Description	---- Rupees ----
Outstanding mark-up	8,479,650
Zero Coupon PPTFC	5,375,000
Payment received	(4,650)
<b>New Zero Coupon PPTFC</b>	<b>13,850,000</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**Settlement of Principal Amount:** Principal portion will be converted into Sub PPTFC with repayment period of 10 years while remaining amount will be paid against the sale of Muzaffargah unit, both accruing mark-up at the rate of 5% per annum.

Description	---- Rupees ----
Outstanding principal	8,134,593
Payment received by the Fund post settlement of mark-up for option A & B creditors and principal amount for option A creditors from cash proceeds of right issue and sale of Ferozpur property	(154,858)
Payment against sale of Muzaffargah Unit (within 2 years)	(1,735,255)
Payment to be made by ANL on future date from internal sources	(204,480)
Issuance of Sub PPTFC	<u>6,040,000</u>

The instrument will continue to remain non-performing as per the provisioning policy for non-performing exposure of collective investment scheme dated February 12, 2013 which states that "the terms and conditions of rescheduled/restructured debt security are fully met for a period of at least one year."

6 MARK-UP RECEIVABLE	Note	2023 ----- Rupees -----	2022
Mark-up receivable on:			
Bank balances		566,463	2,322,566
Term Finance Certificates		11,061,296	7,519,022
Sukuk certificates		4,470,812	8,767,540
Pakistan Investment Bonds		18,005,965	1,258,798
		<u>34,104,536</u>	<u>19,867,926</u>
<b>7 DEPOSITS AND OTHER RECEIVABLES</b>			
Security deposits with:			
- Central Depository Company of Pakistan Limited		100,000	100,000
- National Clearing Company of Pakistan Limited		2,750,000	2,750,000
		<u>2,850,000</u>	<u>2,850,000</u>
Advance tax	7.1	6,559,367	6,189,385
		<u>9,409,367</u>	<u>9,039,385</u>

- 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) are exempt from withholding tax under section 151 and 150. However, withholding tax on mark-up on bank deposit paid to the Fund was deducted by various withholding agents based on the interpretation issued by the Federal Board of Revenue (FBR) vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 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 withholders. The tax withheld on profit on bank deposits and debt securities amounts to Rs. 6.189 million (June 30, 2022: 6.189 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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. A petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2023 ----- Rupees -----	2022 -----
Remuneration of the Management Company payable	8.1	3,606,853	1,822,250
Sindh sales tax payable on remuneration of the Management Company	8.2	3,991,568	3,759,591
Federal Excise Duty payable on remuneration of the Management Company	8.3	23,582,971	23,582,971
Accounting and operational charges payable	8.4	432,940	486,061
Selling and marketing expenses payable	8.5	958,488	-
		<b><u>32,572,820</u></b>	<b><u>29,650,873</u></b>

**8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. The remuneration is payable to the Management Company monthly in arrears. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the average rate of 0.56% (June 30, 2022: 0.63%) per annum of the average daily net assets of the Fund.

**8.2** During the year, an amount of Rs. 5.340 million (June 30, 2022: Rs. 3.399 million) was charged on account of sales tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

**8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 23.583 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 3.55 (June 30, 2022: Rs. 4.63).

**8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

During the year, the Management Company based on its own discretion has charged such expenses at the average rate of 0.13% (June 30, 2022: 0.16%) per annum of the average annual net assets of the Fund.

**8.5** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the Total Expense Ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.15% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of average daily net assets of the Fund.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY	Note	2023	2022
		Rupees	
Trustee fee payable	9.1	216,407	182,226
Sindh Sales Tax payable on Trustee fee	9.2	28,355	23,911
		<b>244,762</b>	<b>206,137</b>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.075% (June 30, 2022: 0.075%) of average daily net assets of the Fund during the year.

9.2 During the year, an amount of Rs. 0.371 million (June 30, 2022: Rs. 0.434 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2023	2022
		Rupees	
Annual fee payable	10.1	<b>760,848</b>	<b>891,294</b>

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). In accordance with the SRO No. 685(I) / 2019 dated June 28, 2019 issued by the SECP, the Fund has charged SECP fee at the rate of 0.02% (June 30, 2022: 0.02%) of average daily net assets of the Fund during the year.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	2023	2022
	Rupees	
Auditors' remuneration payable	542,160	491,017
Withholding tax payable	51,849,133	22,302,700
Capital gain tax payable	6,892,243	3,884,569
Transaction charges payable	1,163,987	1,629,970
Legal and professional charges payable	70,000	-
Zakat payable	18,056	18,055
Other payables	395,662	334,343
	<b>60,931,241</b>	<b>28,660,654</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and as at June 30, 2022.

	2023	2022
	----- Rupees -----	
<b>13 MARK-UP INCOME</b>		
Mark-up on:		
- Bank balances	16,626,467	88,624,360
- Sukuk certificates	25,820,831	19,876,133
- Term finance certificates	74,573,628	36,918,775
- Commercial papers	10,102,056	31,498,142
- Government securities - Market Treasury Bills	390,849,250	97,750,326
- Government securities - Pakistan Investment Bonds	92,730,548	126,875,023
- Margin trading system	8,410,859	14,253,208
- Non-performing investments	1,435,373	-
	<b>620,549,012</b>	<b>415,795,967</b>
<b>14 AUDITORS' REMUNERATION</b>		
Annual audit fee	400,000	390,900
Half yearly review of condensed interim financial statements	250,000	195,400
Certification charges	30,000	60,500
Out of pocket expenses	117,000	30,000
	797,000	676,800
Sindh Sales Tax on services	63,760	54,144
Prior year adjustment	(3,870)	-
	<b>856,890</b>	<b>730,944</b>
<b>15 TOTAL EXPENSE RATIO</b>		

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.56% (June 30, 2022: 1.18%) which includes 0.17% (June 30, 2022: 0.10%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a "Income Scheme".

## 16 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute atleast 90% of the income earned by the Fund for year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 17 EARNINGS PER UNIT

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

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18 CASH AND CASH EQUIVALENTS	Note	2023	2022
		Rupees	
Bank balances	4	33,096,503	1,542,301,936
Government securities - Market Treasury Bills	5.5	640,297,950	-
		<b>673,394,453</b>	<b>1,542,301,936</b>

## 19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 19.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 19.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3** Remuneration to the Management Company and to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 19.4** Accounting and operational charges are charged to the Fund by the Management Company subject to the maximum prescribed total expense ratio.
- 19.5** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2023	2022
	Rupees	
<b>Transactions during the year</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	41,078,606	26,144,292
Remuneration paid	39,294,003	28,494,655
Sindh Sales Tax on remuneration of the Management Company	5,340,219	3,398,758
Selling and marketing expenses	958,488	-
Accounting and operational charges	4,649,823	8,029,131
Issue of 462 units (2022: 119,698 units)	249,671	65,702,337
Redemption of 462 units (2022: 220,033 units)	250,349	119,676,020
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee	2,853,322	3,342,354
Sindh Sales Tax on remuneration of Trustee	370,931	434,506
Trustee fee paid	2,819,141	3,472,851
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issue of 25 units (2022: 119,698 units)	14,696	37,332,489
Redemption of 607,401 units (2022: Nil units)	343,323,863	-
Dividend declared	-	26,150,493
<b>Atlas Honda Limited (Group Company)</b>		
Issue of 4,329,739 units (2022: 2,310,996 units)	2,337,976,743	1,246,203,758
Redemption of Nil units (2022: 1,647,224 units)	-	924,000,000
Dividend declared	262,326,647	50,405,482

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Transactions during the year (Cont....)	2023 ----- Rupees -----	2022
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Issue of Nil units (2022: Nil units)	-	-
Redemption Nil units (2022: 27,200 units)	-	14,751,365
<b>Atlas Autos (Private) Limited</b>		
Issue of Nil units (2022: 181 units)	-	94,731
Redemption of Nil units (2022: 1,569,770 units)	-	849,238,081
<b>Atlas Honda Limited - Non - Management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issue of 3,357 units (2022: 1,743 units)	1,757,342	911,188
Redemption of Nil units (2022: 11,752 units)	-	6,500,000
Dividend declared	1,757,342	911,188
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 260,196 units (2022: Nil units)	143,838,367	-
Redemption of 260,196 units (2022: 103,900 units)	146,667,925	57,990,409
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issue of Nil units (2022: 241,073 units)	-	127,018,584
Redemption of 176,274 units (2022: 116,357 units)	95,532,261	63,149,942
Dividend declared	-	7,018,584
<b>Batool Benefit Trust (Trust having common Director / Trustee)</b>		
Issue of Nil units (2022: 4,994 units)	-	2,609,928
Redemption of 76,235 units (2022: Nil units)	45,318,934	-
Dividend declared	-	2,609,928
<b>Atlas Metals (Private) Limited (Group Company)</b>		
Issue of Nil units (2022: 126,254 units)	-	70,000,000
Redemption Nil units (2022: 224,696 units)	-	124,729,620
<b>Atlas Energy Limited (Group Company)</b>		
Issue of 3 units (2022: 1 units)	1,323	235
Redemption of Nil units (2022: 10,689 units)	-	5,848,962
Dividend declared	520	274
<b>Honda Atlas Cars (Pakistan) Limited - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Redemption of Nil units (2022: 162,038 units)	-	87,913,196
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issue of 44,276 units (2022: 22,994 units)	23,177,061	12,017,389
Dividend declared	23,177,061	12,017,389
<b>Shirazi Trading Co. (Pvt.) Limited - Employees Provident Fund</b>		
Issue of 19,662 units (2022: Nil units)	10,300,000	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	----- Rupees -----
<b>Transactions during the year (Cont....)</b>		
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of 1,634 units (2022: Nil units)	953,153	-
Redemption of 1,340,931 units (2022: 2,586,346 units)	764,371,171	1,400,000,000
<b>M/S. Shirazi Investments (Pvt.) Ltd. - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Issue of 7,486 units (2022: 35,950 units)	3,965,837	19,761,097
Redemption of 17,039 units (2022: 9,300 units)	9,350,000	5,073,090
Dividend declared	951,380	214,931
<b>Directors and their close family members and personnel of the Management Company</b>		
Issue of 151,041 units (2022: 17,223 units)	81,924,712	14,470,414
Redemption of 288,592 units (2022: 1,780 units)	163,820,988	1,000,023
Dividend declared	1,255,034	6,421,471
	2023	2022
	----- Rupees -----	----- Rupees -----
<b>19.6 Balances outstanding as at year end</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company payable	3,606,853	1,822,250
Sindh sales tax payable on remuneration of the management company	3,991,568	3,759,591
Federal Excise Duty payable on remuneration of the management company	23,582,971	23,582,971
Selling and marketing expenses payable	958,488	-
Accounting and operational charges payable	432,940	486,061
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee payable	216,407	182,226
Sindh Sales Tax payable on Trustee fee	28,355	23,911
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Outstanding Nil units (2022 : 607,376 units)	-	317,939,009
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 5,588,037 units (2022 : 1,258,298 units)	2,935,667,415	658,672,048
<b>Atlas Group of Companies - Management Staff Gratuity Fund (Retirement Benefit Plan of a Group Company)</b>		
Outstanding Nil units (2022: 176,274 units)	-	92,272,934
<b>Atlas Honda Limited - Non-management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 26,242 units (2022: 22,885 units)	13,786,198	11,979,453
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding Nil units (2022: 76,235 units)	-	39,906,209



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

19.6 Balances outstanding as at year end (Cont....)	2023	2022
	----- Rupees -----	
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 346,096 units (2022: 301,820 units)	181,821,049	157,991,633
<b>Atlas Energy Limited (Group Company)</b>		
Outstanding 10 units (2022: 7 units)	5,253	3,664
<b>Shirazi Investments (Private) Limited (Group company)</b>		
Outstanding Nil units (2022: 1,339,297 units)	-	701,072,559
<b>M/S. Shirazi Investments (Private) Ltd. - Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 17,097 units (2022: 26,650 units)	8,981,885	13,950,292
<b>Shirazi Trading Co. (Pvt.) Limited - Employees Provident Fund</b>		
Outstanding 19,662 units (2022: Nil units)	10,329,404	-
<b>Directors and their close family members and key management personnel and executive of the Management Company</b>		
Outstanding 21,906 units (2022: 159,457 units) - See note 19.6.1	11,508,286	83,469,981

**19.6.1** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund (Atlas Income Fund return as on June 30, 2023 is 15.08%) include 139.9406 units held by the Chief Executive Officer and 74.9682 units held by the Chief Investments Officer.

	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>20 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>Financial assets</b>			
Bank balances	33,096,503	-	33,096,503
Investments	-	3,471,494,778	3,471,494,778
Receivable against sale of units	5,000,000	-	5,000,000
Receivable against sale of investments	34,818,140	-	34,818,140
Mark-up receivable	34,104,536	-	34,104,536
Deposits and other receivables	2,850,000	-	2,850,000
	<b>109,869,179</b>	<b>3,471,494,778</b>	<b>3,581,363,957</b>
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	32,572,820	-	32,572,820
Payable to the Central Depository Company of Pakistan Limited - Trustee	244,762	-	244,762
Payable against redemption of units	100,081	-	100,081
Dividend payable	981,850	-	981,850
Accrued expenses and other liabilities	2,171,809	-	2,171,809
	<b>36,071,322</b>	<b>-</b>	<b>36,071,322</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	----- 2022 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Bank balances	1,542,301,936	-	1,542,301,936
Investments	-	1,154,234,216	1,154,234,216
Mark-up receivable	19,867,926	-	19,867,926
Deposits and other receivables	2,850,000	-	2,850,000
	<b>1,565,019,862</b>	<b>1,154,234,216</b>	<b>2,719,254,078</b>
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	29,650,873	-	29,650,873
Payable to the Central Depository Company of Pakistan Limited - Trustee	206,137	-	206,137
Dividend payable	197,318	-	197,318
Accrued expenses and other liabilities	2,455,330	-	2,455,330
	<b>32,509,658</b>	<b>-</b>	<b>32,509,658</b>

### 21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

#### 21.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk comprises of three types of risk; interest rate risk, price risk and currency risk.

##### (i) Yield / interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. As of June 30, 2023, the Fund is exposed to such risk in respect of its investments and bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based bank balances, Pakistan Investments Bonds, Term Finance Certificates and Sukuks certificates which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been lower / higher by Rs. 5.28 million (June 30, 2022: Rs.22.2 million).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund holds commercial papers, Pakistan investment bonds and treasury bills which are classified as financial assets at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for market treasury bills, commercial papers and with all other variables held constant, the net income for the year and net assets of the Fund would have been lower / higher by Rs. 29.7 million (June 30, 2022: Rs. 4.77 million).

The composition of the fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of the 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.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

----- 2023 -----						
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
Percentage	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	19.50% to 19.75%	33,091,503	-	-	5,000	33,096,503
Investments	8.12% to 24.67%	1,032,085,195	1,319,187,550	1,120,222,033	-	3,471,494,778
Receivable against sale of units		-	-	-	5,000,000	5,000,000
Receivable against sale of investments		-	-	-	34,818,140	34,818,140
Mark-up receivable		-	-	-	34,104,536	34,104,536
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		1,065,176,698	1,319,187,550	1,120,222,033	76,777,676	3,581,363,957
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	32,572,820	32,572,820
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	244,762	244,762
Payable against redemption of units		-	-	-	100,081	100,081
Dividend payable		-	-	-	981,850	981,850
Accrued expenses and other liabilities		-	-	-	2,171,809	2,171,809
		-	-	-	36,071,322	36,071,322
<b>On-balance sheet gap</b>		<b>1,065,176,698</b>	<b>1,319,187,550</b>	<b>1,120,222,033</b>	<b>40,706,354</b>	<b>3,545,292,635</b>
<b>Total interest rate sensitivity gap</b>		<b>1,065,176,698</b>	<b>1,319,187,550</b>	<b>1,120,222,033</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>1,065,176,698</b>	<b>2,384,364,248</b>	<b>3,504,586,281</b>		

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

----- 2022 -----						
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
Percentage	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	7% to 15%	1,542,296,936	-	-	5,000	1,542,301,936
Investments	12.19% to 17.75%	-	252,000,274	902,233,942	-	1,154,234,216
Mark-up receivable		-	-	-	19,867,926	19,867,926
Deposits and other receivables		-	-	-	2,850,000	2,850,000
		1,542,296,936	-	252,000,274	924,956,868	2,719,254,078
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	29,650,873	29,650,873
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	206,137	206,137
Unclaimed dividend		-	-	-	197,318	197,318
Accrued expenses and other liabilities		-	-	-	2,455,330	2,455,330
		-	-	-	32,509,658	32,509,658
<b>On-balance sheet gap</b>		<b>1,542,296,936</b>	<b>-</b>	<b>252,000,274</b>	<b>892,447,210</b>	<b>2,686,744,420</b>
<b>Total interest rate sensitivity gap</b>		<b>1,542,296,936</b>	<b>-</b>	<b>252,000,274</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>1,542,296,936</b>	<b>1,542,296,936</b>	<b>1,794,297,210</b>		

### (ii) 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 rate 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.

### (iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### 21.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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. The Fund's policy is therefore to invest the majority of its assets in short-term instruments in order to maintain liquidity.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is 15% of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	2023						
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
	Rupees						
<b>Financial assets</b>							
Bank balances	33,096,503	-	-	-	-	-	33,096,503
Investments	-	1,032,085,195	1,319,187,550	715,106,250	405,115,783	-	3,471,494,778
Receivable against sale of units	34,818,140	-	-	-	-	-	34,818,140
Receivable against sale of investments	-	-	-	-	-	5,000,000	5,000,000
Mark-up receivable	566,463	29,067,261	-	-	-	-	29,633,724
Deposits and other receivables	-	-	-	-	-	2,850,000	2,850,000
	<b>68,481,106</b>	<b>1,061,152,456</b>	<b>1,319,187,550</b>	<b>715,106,250</b>	<b>405,115,783</b>	<b>7,850,000</b>	<b>3,576,893,145</b>
<b>Financial liabilities</b>							
Payable to Atlas Asset Management Limited - Management Company	32,572,820	-	-	-	-	-	32,572,820
Payable to the Central Depository Company of Pakistan Limited - Trustee	244,762	-	-	-	-	-	244,762
Payable against redemption of units	-	-	-	-	-	100,081	100,081
Dividend payable	981,850	-	-	-	-	-	981,850
Accrued expenses and other liabilities	1,629,649	542,160	-	-	-	-	2,171,809
	<b>35,429,081</b>	<b>542,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,081</b>	<b>36,071,322</b>
<b>Net financial assets</b>	<b>33,052,025</b>	<b>1,060,610,296</b>	<b>1,319,187,550</b>	<b>715,106,250</b>	<b>405,115,783</b>	<b>7,749,919</b>	<b>3,540,821,823</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022						Total
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	
----- Rupees -----							
<b>Financial assets</b>							
Bank balances	1,542,301,936	-	-	-	-	-	1,542,301,936
Investments	-	-	252,000,274	551,761,746	350,472,196	-	1,154,234,216
Mark-up receivable	2,322,566	8,777,820	-	-	-	-	11,100,386
Deposits and other receivables	-	-	-	-	-	2,850,000	2,850,000
	<b>1,544,624,502</b>	<b>8,777,820</b>	<b>252,000,274</b>	<b>551,761,746</b>	<b>350,472,196</b>	<b>2,850,000</b>	<b>2,710,486,538</b>
<b>Financial liabilities</b>							
Payable to Atlas Asset Management Limited - Management Company	29,650,873	-	-	-	-	-	29,650,873
Payable to the Central Depository Company of Pakistan Limited - Trustee	206,137	-	-	-	-	-	206,137
Dividend payable	197,318	-	-	-	-	-	197,318
Accrued expenses and other liabilities	1,964,313	491,017	-	-	-	-	2,455,330
	<b>32,018,641</b>	<b>491,017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,509,658</b>
<b>Net financial assets</b>	<b>1,512,605,861</b>	<b>8,286,803</b>	<b>252,000,274</b>	<b>551,761,746</b>	<b>350,472,196</b>	<b>2,850,000</b>	<b>2,677,976,880</b>

### 21.3 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. The Fund is exposed to credit risk with respect to its bank balances, Term Finance Certificates, Sukuk certificates, Commercial paper and interest receivable thereon. The Fund's policy is to enter into financial contracts in accordance with the interest risk management policies and investment guidelines approved by the Investment Committee. As of June 30, 2023, 83.00% (June 30, 2022: 73.28%) of Fund's net assets are invested in government securities. The Fund's maximum exposure to credit risk (excluding government securities and their related outstanding mark-up) as of June 30, 2023 amounts to Rs. 553.274 million (June 30, 2022: Rs. 2,499.58 million).

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees -----				
Bank balances	33,096,503	33,096,503	1,542,301,936	1,542,301,936
Investments	3,471,494,778	494,669,533	1,115,627,470	891,022,470
Mark-up receivable	34,104,536	16,098,571	19,867,926	18,609,128
Receivable against sale of units	5,000,000	-	-	-
Receivable against sale of investments	34,818,140	-	-	-
Deposits and other receivables	9,409,367	9,409,367	9,039,385	9,039,385
	<b>3,587,923,324</b>	<b>553,273,974</b>	<b>2,686,836,717</b>	<b>2,460,972,919</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The maximum exposure to credit risk as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and their accrued profit, however are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed from the government of Pakistan.

## 21.3.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements with banks, Commercial paper, Term Finance Certificates, Sukuk certificates, and mark-up receivable thereon. The credit rating profile of balances with banks and term finance certificates / sukuk certificates is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
<b>Bank balances / Commercial paper</b>		
AAA	0.25%	51.68%
AA+	0.61%	5.60%
A+	0.00%	0.02%
AA-	0.08%	0.09%
	<b>0.92%</b>	<b>57.40%</b>
<b>Term Finance Certificates / Sukuk certificates</b>		
AA+	-	0.23%
AA	3.88%	0.83%
AA-	2.22%	0.32%
	<b>6.10%</b>	<b>1.37%</b>

## 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 assets is mainly held with, diverse credit worthy counter parties.

## 22 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

	----- 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Term finance certificates - unlisted	-	405,115,783	-	405,115,783
Sukuk certificates - listed	-	89,553,750	-	89,553,750
Government securities - Market Treasury Bills	-	2,351,272,745	-	2,351,272,745
Government securities - Pakistan Investment Bonds	-	625,552,500	-	625,552,500
	-	<b>3,471,494,778</b>	-	<b>3,471,494,778</b>
	----- 2022 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets 'at fair value through profit or loss '</b>				
Term finance certificates - listed	-	38,606,746	-	38,606,746
Term finance certificates - unlisted	-	350,472,196	-	350,472,196
Sukuk certificates - listed	-	110,550,000	-	110,550,000
Sukuk certificates - unlisted	-	178,000,000	-	178,000,000
Commercial papers *	-	252,000,274	-	252,000,274
Government securities - Pakistan Investment Bonds	-	224,605,000	-	224,605,000
	-	<b>1,154,234,216</b>	-	<b>1,154,234,216</b>

- \* The valuation of commercial paper has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

### 23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund's objectives when managing the unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 24 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount	% of total	Number of unit holders	Investment amount	% of total
Individuals	445	206,449,736	5.91%	447	328,908,575	12.34%
Associated companies / Directors	6	2,935,715,436	84.06%	9	1,789,073,335	67.11%
Insurance companies	-	-	-	1	41,907,771	1.57%
Retirement Funds	12	286,789,785	8.21%	19	463,819,237	17.40%
Others	16	63,376,765	1.81%	14	42,128,269	1.58%
	<b>479</b>	<b>3,492,331,722</b>	<b>100.00%</b>	<b>490</b>	<b>2,665,837,187</b>	<b>100.00%</b>

## 25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	63.86%	Topline Securities Limited	73.57%
Optimus Markets (Private) Limited	36.14%	Al Habib Capital Markets (Private) Limited	23.78%
	100.00%	Alfalah CLSA Securities (Private) Limited	2.65%
			100.00%

## 26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	12 Years

## 27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Liquid Fund Atlas Sovereign Fund Atlas Money Market Fund Atlas Islamic Income Fund Atlas Islamic Money Market Fund

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and attendance of its members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	Yes	No	Yes	Yes	Yes	Yes
Mr. Tariq Amin	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Frahim Ali Khan	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali H. Shirazi	Director	No	Yes	Yes	Yes	Yes	Yes
Mr. M. Habib-ur-Rahman	Director	No	Yes	No	Yes	Yes	Yes
Ms. Zehra Naqvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. M. Abdul Samad	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Zainab Kazim	Company Secretary	Yes	Yes	Yes	Yes	Yes	Yes

## 29 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 30 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 11 September 2023 by the Board of Directors of the Management Company.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Stock Market Fund

## Corporate Information

### Trustee

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

### Auditors

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A. F. Ferguson & Co.  
Chartered Accountants

### Legal Advisers

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Mohsin Tayebaly & Co.

### Bankers

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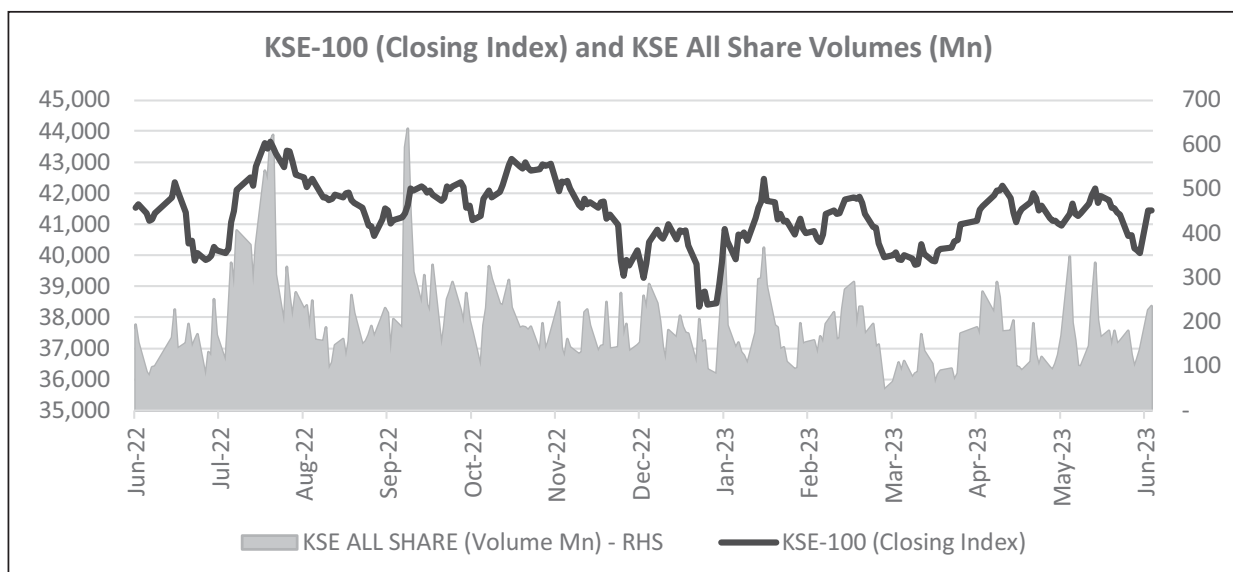
Bank Alfalah Limited  
Habib Bank Limited  
MCB Bank Limited



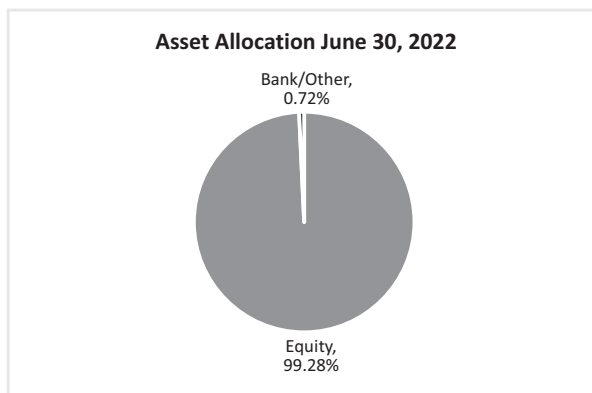
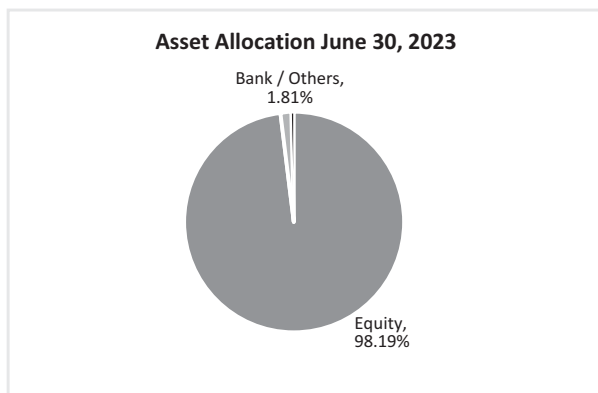
# Fund Manager's Report

Atlas Stock Market Fund (ASMF) is an open-ended equity fund. The Fund has a high-risk rating and aims to provide unit holders with appreciation in the value of amount invested, modest income, liquidity and the facility to join or leave the fund at their convenience. ASMF investment strategy emphasizes on medium to long-term investment views and involves the application of relative value analysis of various industry sectors. The KSE-100 Index serves as the performance benchmark of Atlas Stock Market Fund.

The KSE-100 index declined 0.21% from 41,540.83 points as on June 30, 2022, to 41,452.69 points as on June 27, 2023. The daily average volume during FY23 declined by 34.26% to 192 million shares compared to daily average of 292 million shares traded in FY22. Net outflow of US \$1.53 million was recorded by Foreign Portfolio Investors during FY23 compared to net outflow of US \$297.51 million in FY22. On local investors' front, Companies, Individuals, Banks and Other Organizations were net buyers of US \$99.68 million, US \$83.96 million, US \$73.68 million, and US \$24.79 million. Mutual Funds, Insurance Companies and Broker Proprietary Trading remained net sellers of US \$144.49 million, US \$124.31 million, and US \$14.76 million, respectively.



The Net Asset Value per unit of Atlas Stock Market Fund decreased by 3.52% to Rs. 572.68 as on June 30, 2023. KSE-100 index declined 0.21% from 41,540.83 points as on June 30, 2022, to 41,452.68 points as on June 30, 2023. The ASMF equity portfolio exposure stood at 98.19% that mainly comprised of Commercial Banks, Oil & Gas Exploration, Cement and Fertilizer sectors. ASMF strategy will continue to focus on dividend plays and stocks which are trading at relatively cheap multiple with prospects of earnings growth. The Net Assets of the Fund stood at Rs. 8.04 billion, with 14.04 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Stock Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved NIL profit distribution.

#### The Administrative Plans:

The Management Company is offering investment plans that allow investors focused combination investment strategic in Atlas Income fund (AIF) and Atlas Stock Market Fund (ASMF). The investment plans were offered from September 2008, and the returns are as under:

Administrative Plans	Proportionate Investment in		Return (period ended)			
	AIF	ASMF	2019-20	2020-21	2021-22	2022-23
Atlas Bachat Plan	85%	15%	14.51%	12.22%	5.11%	12.29%
Atlas Bachat Balanced Plan	50%	50%	10.44%	24.43%	-2.65%	5.78%
Atlas Bachat Growth Plan	15%	85%	6.37%	36.64%	-10.41%	-0.73%

#### Breakdown of Unit Holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	559	488,391,238	6.08%
Associated Companies / Directors	10	3,508,122,886	43.65%
Insurance Companies	5	113,229,692	1.41%
Retirement Funds	17	3,635,160,016	45.23%
Others	6	292,836,116	3.64%
<b>Total</b>	<b>597</b>	<b>8,037,739,948</b>	<b>100.00%</b>

The Scheme has held provision for FED liability that amounted to Rs. 20,301,988 up till June 30, 2023 (Rs. 1.45 per unit).

The Total Expense Ratio (TER) of the Fund is 3.89% including expenses representing Government levy and SECP Fee of 0.38%.

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

Karachi: 11 September 2023

**Faran-UI-Haq**  
Head of Equities

## Supplementary Non Financial Information as required under clause 38 A (g) of NBFC and NE, Regulations, 2008

### Summary of actual proxies voted by Atlas Stock Market Fund

ASMF	Resolution	For	Against	Abstain
Number	342	342	-	-
%	100%	100%	-	-

**Note:** The Proxy voting policy of the Atlas Stock Market Fund (ASMF) is available on the website of Atlas Asset Management Limited and detailed information regarding actual proxies voted by the Company in respect of the Fund is also available without charge, upon request, to all unit holders.

### Performance Since Inception

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net assets (Rs. in '000)	8,037,740	9,076,520	9,862,470	6,841,670	5,044,438	5,375,332	5,527,676	4,017,187	3,304,662	1,049,717
Number of units in issue	14,035,265	15,290,637	14,333,327	13,240,837	10,009,549	8,657,936	8,289,668	7,979,640	6,257,738	2,379,851
Net asset value per unit (Rs.)	572.68	593.60	688.08	516.71	503.96	620.86	666.82	503.43	528.09	441.08
Net income / (loss) (Rs. in '000)	(320,066)	(1,450,215)	2,967,720	281,056	(1,171,613)	(255,744)	1,395,859	202,191	544,472	254,583
Earnings / (loss) per unit (Rs.)	(22.80)	(94.84)	207.05	21.23	(117.05)	(29.54)	168.39	25.34	87.01	106.97
Annual return of the Fund (%)	(3.52)	(13.73)	41.87	4.62	(18.83)	(4.75)	33.74	5.05	19.73	30.09
Offer price ** (Rs.)	572.68	593.60	703.63	528.39	515.35	620.86	666.82	503.43	528.09	441.08
Redemption price ** (Rs.)	572.68	593.60	688.08	516.71	503.96	620.86	666.82	503.43	528.09	441.08
Distribution Per Unit (Rs.)	-	-	46.00	10.50	-	-	15.00	5.00	50.00	75.00
Distribution as a % of opening Ex- NAV of units	-	-	8.90	2.08	-	-	3.00	1.05	11.34	18.86
Date of distribution	-	-	25-Jun-21	30-Jun-20	-	-	7-Jul-17	11-Jul-16	7-Jul-15	24-Jun-14
Highest offer price (Rs.)	624.00	734.95	777.15	662.80	651.76	670.30	741.32	519.23	536.44	523.17
Lowest offer price (Rs.)	522.35	586.12	544.90	412.35	506.30	545.53	519.17	420.92	420.61	423.67
Highest repurchase price per unit (Rs.)	624.00	718.70	759.97	648.15	645.99	670.30	741.32	519.23	536.44	523.17
Lowest repurchase price per unit (Rs.)	522.35	586.12	532.85	403.24	495.11	545.53	519.17	420.92	420.61	418.01

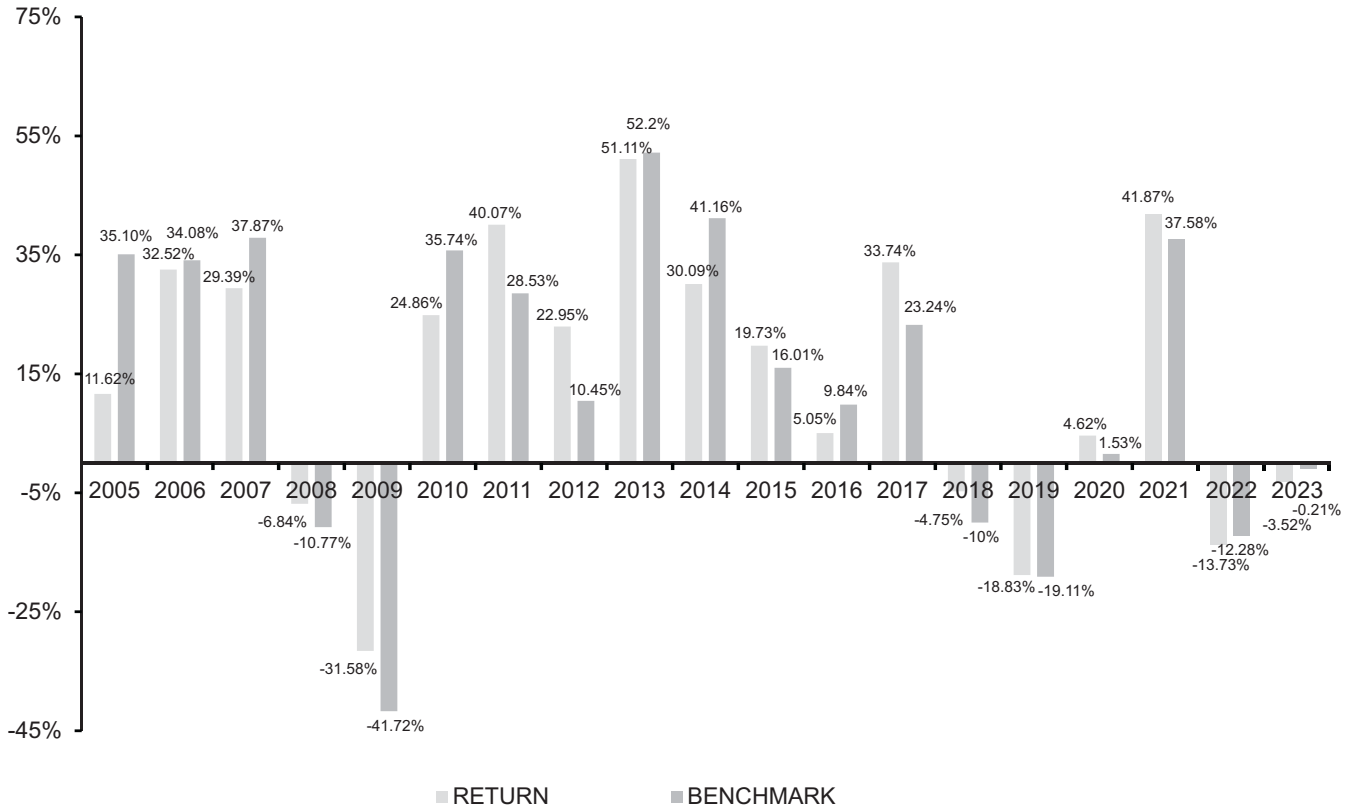
	2013	2012	2011	2010	2009	2008	2007	2006	2005*
Net assets (Rs. in '000)	1,035,727	710,617	650,259	645,129	689,228	1,320,643	1,522,066	1,534,739	918,413
Number of units in issue	1,981,235	1,729,144	1,463,694	1,458,982	1,946,267	2,379,248	2,187,372	2,315,580	1,632,318
Net asset value per unit (Rs.)	522.77	410.96	444.26	442.18	354.13	555.07	695.84	662.79	562.64
Net income / (loss) (Rs. in '000)	350,292	132,635	186,008	199,544	(325,703)	(78,623)	334,451	371,585	103,097
Earnings / (loss) per unit (Rs.)	176.80	76.71	127.08	136.77	(167.35)	(33.05)	152.90	160.47	63.16
Annual return of the Fund (%)	51.11	22.95	40.07	24.86	(31.58)	(6.84)	29.39	32.52	11.62
Offer price ** (Rs.)	533.32	419.21	453.15	451.02	361.21	566.17	709.77	675.85	574.66
Redemption price ** (Rs.)	522.86	410.99	444.26	442.18	354.13	555.07	695.85	662.60	563.39
Distribution Per Unit (Rs.)	125.00	65.00	110.00	125.00	-	37.50	100.00	125.00	62.50
Distribution as a % of opening Ex- NAV of units	36.13	19.45	34.68	35.30	-	6.29	18.59	24.99	12.50
Date of distribution	4-Jul-13	5-Jul-12	7-Jul-11	8-Jul-10	-	4-Jul-08	20-Jul-07	19-Jul-06	15-Jul-05
Highest offer price (Rs.)	561.36	437.30	469.09	525.81	509.76	698.28	710.81	793.44	676.57
Lowest offer price (Rs.)	368.11	308.05	328.38	377.77	211.57	515.74	535.97	507.03	503.86
Highest repurchase price per unit (Rs.)	550.35	428.73	459.89	515.50	499.76	684.59	696.87	777.88	663.30
Lowest repurchase price per unit (Rs.)	360.89	302.01	321.94	370.36	207.42	505.63	525.46	497.09	503.82

\* For the period from 24 August 2004 to 30 June 2005 (Date of Launch: 23 November 2004)

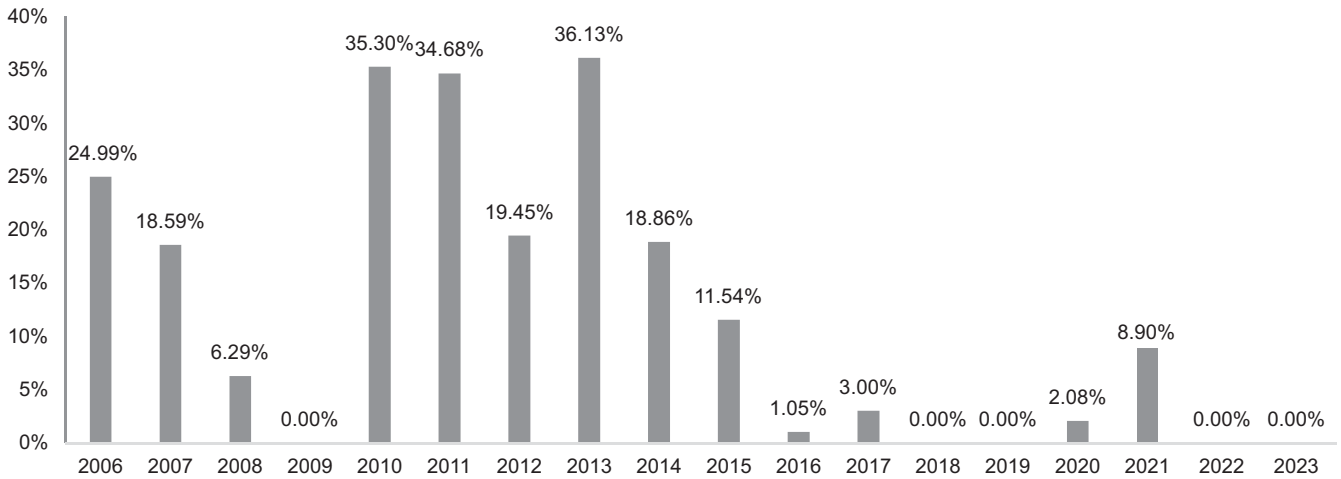
\*\* Relates to announced prices.

**Note:** Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.

### Yearly Performance



### Payout History (% on opening Ex - NAV)



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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Stock Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**



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# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Stock Market Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Stock Market Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key audit matter	How our audit addressed the key audit matter
1.	<b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)	
	<p>Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2023 amounted to Rs 7959.118</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"><li>• Tested the design and operating effectiveness of the key controls for valuation of investments;</li><li>• Obtained independent confirmations for verifying the existence of the investment portfolio at June 30, 2023 and traced balance in this confirmation with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li></ul>

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## **Other Matter**

The financial statements of the Fund for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 15, 2022.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

Karachi: 21 September 2023

**A. F. Ferguson & Co.**  
Chartered Accountants

**Engagement Partner: Junaid Mesia**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022
<b>Assets</b>			
Bank balances	4	125,447,968	51,296,361
Investments	5	7,959,118,415	9,064,315,544
Mark-up receivable		17,800	2,750
Receivable against sale of investments		7,763,299	1,219,498
Deposits and other receivables	6	13,625,620	13,530,225
<b>Total assets</b>		<b>8,105,973,102</b>	<b>9,130,364,378</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	7	61,897,920	48,359,647
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	841,574	945,453
Payable to the Securities and Exchange Commission of Pakistan	9	1,704,072	2,008,397
Payable against redemption of units		88,087	-
Unclaimed dividend		401,732	401,732
Accrued expenses and other liabilities	10	3,299,769	2,129,217
<b>Total liabilities</b>		<b>68,233,154</b>	<b>53,844,446</b>
<b>NET ASSETS</b>		<b>8,037,739,948</b>	<b>9,076,519,932</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENTS ATTACHED)</b>		<b>8,037,739,948</b>	<b>9,076,519,932</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>14,035,265</b>	<b>15,290,637</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>572.6817</b>	<b>593.5999</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

	Note	2023 ----- Rupees -----	2022
<b>Income</b>			
Mark-up income	4.1	13,716,174	9,387,203
Dividend income		929,855,046	782,879,140
Loss on sale of investments - net		(378,057,265)	(201,105,613)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	(554,504,439)	(1,789,647,949)
		(932,561,704)	(1,990,753,562)
Other income		-	251,000
<b>Total income / (loss)</b>		<b>11,009,516</b>	<b>(1,198,236,219)</b>
<b>Expenses</b>			
Remuneration of Atlas Asset Management Limited - Management Company	7.1	213,013,397	248,468,588
Sindh Sales Tax on remuneration of the Management Company	7.2	27,691,741	32,300,925
Remuneration of the Central Depository Company of Pakistan Limited -Trustee	8.1	9,520,535	11,042,109
Sindh Sales Tax on remuneration of the Trustee	8.2	1,237,670	1,435,474
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	1,704,107	2,008,422
Accounting and operational charges	7.4	53,817,008	48,070,836
Selling and marketing expenses	7.5	7,318,140	-
Transaction charges		15,404,915	12,813,331
Auditors' remuneration	12	825,004	673,732
Annual listing fee		27,500	27,500
Printing charges		80,251	54,611
Legal and professional charges		420,200	186,261
Bank charges		15,170	34,048
<b>Total expenses</b>		<b>331,075,638</b>	<b>357,115,837</b>
<b>Net loss from operating activities</b>		<b>(320,066,122)</b>	<b>(1,555,352,056)</b>
Reversal of provision for Sindh Workers' Welfare Fund		-	105,137,220
<b>Net loss for the year before taxation</b>		<b>(320,066,122)</b>	<b>(1,450,214,836)</b>
Taxation	14	-	-
<b>Net loss for the year after taxation</b>		<b>(320,066,122)</b>	<b>(1,450,214,836)</b>
<b>Loss per unit</b>	15		
<b>Allocation of net income for the year:</b>			
Net income for the year after taxation		-	-
Income already paid on redemption of units		-	-
		-	-
<b>Accounting income available for distribution:</b>			
Relating to capital gains		-	-
Excluding capital gains		-	-
		-	-

The annexed notes 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	----- Rupees -----
<b>Net loss for the year after taxation</b>	<b>(320,066,122)</b>	<b>(1,450,214,836)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b><u>(320,066,122)</u></b>	<b><u>(1,450,214,836)</u></b>

The annexed notes 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees			Rupees		
<b>Net assets at the beginning of the year</b>	<b>8,221,398,552</b>	<b>855,121,380</b>	<b>9,076,519,932</b>	<b>7,557,133,362</b>	<b>2,305,336,216</b>	<b>9,862,469,578</b>
Issuance of 593,435 units (2022: 4,245,038 units)						
- Capital value (at net asset value per unit at the beginning of the year)	352,262,828	-	352,262,828	2,920,923,625	-	2,920,923,625
- Element of loss	(22,390,786)	-	(22,390,786)	(96,856,976)	-	(96,856,976)
<b>Total proceeds on issuance of units</b>	<b>329,872,042</b>	<b>-</b>	<b>329,872,042</b>	<b>2,824,066,649</b>	<b>-</b>	<b>2,824,066,649</b>
Redemption of 1,848,807 units (2022: 3,287,728 units)						
- Capital value (at net asset value per unit the beginning of the year)	(1,097,451,522)	-	(1,097,451,522)	(2,262,218,238)	-	(2,262,218,238)
- Element of income	48,865,618	-	48,865,618	102,416,779	-	102,416,779
<b>Total payments on redemption of units</b>	<b>(1,048,585,904)</b>	<b>-</b>	<b>(1,048,585,904)</b>	<b>(2,159,801,459)</b>	<b>-</b>	<b>(2,159,801,459)</b>
Total comprehensive loss for the year	-	(320,066,122)	(320,066,122)	(1,450,214,836)	(1,450,214,836)	(1,450,214,836)
<b>Net assets at the end of the year</b>	<b>7,502,684,690</b>	<b>535,055,258</b>	<b>8,037,739,948</b>	<b>8,221,398,552</b>	<b>855,121,380</b>	<b>9,076,519,932</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised income	2,644,769,329			838,739,548		
- Unrealised (loss) / income	(1,789,647,949)			1,466,596,668		
	855,121,380			2,305,336,216		
<b>Accounting income available for distribution:</b>						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
Total comprehensive loss for the year		(320,066,122)			(1,450,214,836)	
<b>Undistributed income carried forward</b>		<b>535,055,258</b>			<b>855,121,380</b>	
<b>Undistributed income carried forward comprising of:</b>						
- Realised income	1,089,559,697			2,644,769,329		
- Unrealised loss	(554,504,439)			(1,789,647,949)		
	535,055,258			855,121,380		
			<b>Rupees</b>			<b>Rupees</b>
<b>Net asset value per unit at the beginning of the year</b>			<b>593.5999</b>			<b>688.0795</b>
<b>Net asset value per unit at the end of the year</b>			<b>572.6817</b>			<b>593.5999</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES	----- Rupees -----	----- Rupees -----
Net loss for the year before taxation	(320,066,122)	(1,450,214,835)
<b>Adjustments:</b>		
Mark-up income	(13,716,174)	(9,387,203)
Dividend income	(929,855,046)	(782,879,140)
Loss on sale of investments - net	378,057,265	201,105,613
Net unrealised diminution on remeasurment of investment classified as 'financial asset at fair value through profit or loss'	554,504,439	1,789,647,950
Reversal of provision for Sindh Workers' Welfare Fund	-	(105,137,220)
	<b>(11,009,516)</b>	<b>1,093,350,000</b>
<b>(Increase) / decrease in assets</b>		
Deposits and other receivables	(95,395)	97,568,310
Receivable against sale of investments	(6,543,801)	(238)
	<b>(6,639,196)</b>	<b>97,568,072</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	13,538,273	(325,541)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(103,879)	(100,877)
Payable to the Securities and Exchange Commission of Pakistan	(304,325)	203,924
Accrued expenses and other liabilities	1,170,552	(243,086,790)
	<b>14,300,621</b>	<b>(243,309,284)</b>
Mark-up received	13,701,124	10,298,842
Dividend received	929,855,046	782,879,140
Amount received / (paid) on purchase and sale of investments - net	172,635,425	(1,214,542,665)
<b>Net cash generated from / (used in) operating activities</b>	<b>792,777,382</b>	<b>(923,970,730)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	329,872,042	2,824,066,647
Amount paid on redemption of units	(1,048,497,817)	(2,159,916,308)
<b>Net cash (used in) / generated from financing activities</b>	<b>(718,625,775)</b>	<b>664,150,339</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>74,151,607</b>	<b>(259,820,391)</b>
Cash and cash equivalents at the beginning of the year	51,296,361	311,116,752
<b>Cash and cash equivalents at the end of the year</b>	<b>125,447,968</b>	<b>51,296,361</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
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Chairman

**Tariq Amin**  
Director



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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Stock Market Fund (the Fund) is an open ended Mutual Fund constituted under a trust deed entered into on May 29, 2004 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplemental Trust Deeds dated June 21, 2005, July 24, 2006, October 29, 2007, March 6, 2008, December 4, 2009 and May 23, 2017 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Offering Document has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteen, Fourteen, Fifteen and Sixteen Supplements dated June 21, 2005, July 24, 2006, October 29, 2007, March 6, 2008, December 4, 2009, October 14, 2013, March 24, 2015, August 3, 2015, September 29, 2016, June 2, 2017, September 5, 2019, November 25, 2019, April 1, 2020, November 25, 2021 and April 14, 2022 respectively, with the approval of the SECP.
- 1.2 During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act were introduced. The Management Company 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. Accordingly on July 26, 2021, the Trust deed was registered under the Sindh Trusts Act, 2020.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Ground Floor, Federation House, Shahrah e Firdousi, Clifton, Karachi.
- 1.4 The Fund has been categorised as an 'Equity Scheme'. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5 The objective of the Fund is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The investment objectives and policies are more fully defined in Fund's Offering Document.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited maintained the asset manager rating of the Management Company to AM2+ on December 23, 2022 [2022: AM2+ on December 24, 2021]. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.7 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2 BASIS FOR 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

## **2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

## **2.3 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective**

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

## **2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments 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 judgments 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 judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5), provision for Federal Excise Duty (note 7.3) and provision for taxation (note 14).

## **2.5 Accounting convention**

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

## **2.6 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **3.1 Cash and cash equivalents**

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

### **3.2 Financial assets**

#### **3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

### 3.2.2 Classification and subsequent measurement

#### Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

IFRS 9 also provides an option for securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

#### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

### 3.2.3 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### 3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

### 3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 3.3 Financial liabilities

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

### 3.4 Provisions

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

### 3.5 Net Asset Value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### 3.7 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income / (loss) represents the difference between the Net Asset Value per unit on the issuance or redemption date, as the case may be, of units and the Net Asset Value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to the Unit Holders' Fund. However, to maintain the same ex-dividend the Net Asset Value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in the Unit Holders' Fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- Unrealised gains / (losses) arising on re-measurement 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.
- Dividend income is recognised when the right to receive the dividend is established.
- Mark-up income on bank balances is recognised on an accrual basis.

### 3.10 Expenses

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

### 3.11 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 to the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 3.12 Loss per unit

Loss per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of loss per unit is not practicable as disclosed in note 15.

### 3.13 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2023 ----- Rupees -----	2022 -----
Balances with banks in:			
- Saving accounts	4.1	125,442,968	51,291,361
- Current accounts		5,000	5,000
		<u>125,447,968</u>	<u>51,296,361</u>

- 4.1 The rate of return on these balances during the year ranges from 12.25% to 19.75% (2022: 5.5% and 12.25%) per annum. The mark-up rates effective at the year end on these accounts ranges from 19.50% to 19.75% (June 30, 2022: 10.75% to 12.75%) per annum.

5 INVESTMENTS	Note	2023 ----- Rupees -----	2022 -----
<b>Financial assets at 'fair value through profit or loss'</b>			
Listed equity securities	5.1	<u>7,959,118,415</u>	<u>9,064,315,544</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.1 Listed equity securities

Ordinary shares have a face value of Rs 10 each unless stated otherwise.

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Total market value of investments	Net assets of the Fund	
						Rupees			Percentage		
<b>COMMERCIAL BANKS</b>											
Bank Alfalah Limited	9,328,972	2,973,275	-	2,600,000	9,702,247	315,895,239	295,336,399	(20,558,840)	3.71%	3.67%	0.62%
Bank Al Habib Limited	5,720,927	2,297,442	-	1,159,903	6,858,466	380,171,960	296,422,901	(83,749,059)	3.72%	3.69%	0.62%
Faysal Bank Limited	2,139,000	3,215,500	-	5,354,500	-	-	-	-	-	-	-
Habib Bank Limited (Note 5.1.2)	6,907,760	1,000,000	-	5,046,206	2,861,554	250,268,778	209,551,599	(40,717,179)	2.63%	2.61%	0.20%
Bank Islami Pakistan Limited	-	3,750,000	-	3,750,000	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited	618,500	7,273,500	-	800,000	7,092,000	249,903,405	214,320,240	(35,583,165)	2.69%	2.67%	0.68%
MCB Bank Limited	3,409	1,205,000	-	23,462	1,184,947	140,824,314	135,640,883	(5,183,431)	1.70%	1.69%	0.10%
Meezan Bank Limited	3,406,889	302,542	354,938	1,903,877	2,160,492	221,783,757	186,601,694	(35,182,063)	2.34%	2.32%	0.12%
United Bank Limited (Note 5.1.2)	5,890,154	231,497	-	2,747,361	3,374,290	381,071,054	396,614,047	15,542,993	4.98%	4.93%	0.28%
						<b>1,939,918,507</b>	<b>1,734,487,763</b>	<b>(205,430,744)</b>	<b>21.77%</b>	<b>21.58%</b>	
<b>INSURANCE</b>											
IGI Holdings Limited	278,900	49,300	-	-	328,200	35,199,220	27,575,364	(7,623,856)	0.35%	0.34%	0.23%
Jubilee Life Insurance Company Limited	224,900	-	31,980	11,700	245,180	32,235,840	27,820,574	(4,415,266)	0.35%	0.35%	0.24%
Adamjee Insurance Company Limited	3,000	-	-	3,000	-	-	-	-	-	-	-
						<b>67,435,060</b>	<b>55,395,938</b>	<b>(12,039,122)</b>	<b>0.70%</b>	<b>0.69%</b>	
<b>TEXTILE COMPOSITE</b>											
Gul Ahmed Textile Mills Limited	2,610,874	-	-	2,610,874	-	-	-	-	-	-	-
Interloop Limited	1,726,955	786,590	731,330	443,452	2,801,423	106,093,229	98,778,175	(7,315,054)	1.24%	1.23%	0.20%
Kohinoor Textile Mills Limited	1,698,500	400,000	-	35,000	2,063,500	102,742,421	105,052,785	2,310,364	1.32%	1.31%	0.69%
Nishat (Chunian) Limited	1,950,000	-	-	1,950,000	-	-	-	-	-	-	-
Nishat Mills Limited	2,656,000	-	-	1,196,151	1,459,849	107,897,440	82,875,628	(25,021,812)	1.04%	1.03%	0.42%
						<b>316,733,090</b>	<b>286,706,588</b>	<b>(30,026,502)</b>	<b>3.60%</b>	<b>3.57%</b>	
<b>CEMENT</b>											
Cherat Cement Company Limited	534,434	1,322,090	-	265,000	1,591,524	168,507,375	191,428,507	22,921,132	2.41%	2.38%	0.82%
Fauji Cement Company Limited	10,749,000	1,700,000	1,471,125	2,680,000	11,240,125	141,279,002	132,183,870	(9,095,132)	1.66%	1.64%	0.46%
Attock Cement Pakistan Limited	400	-	-	400	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	354	-	-	354	-	-	-	-	-	-	-
Kohat Cement Company Limited	696,700	851,617	-	30,600	1,517,717	215,738,050	263,278,368	47,540,318	3.31%	3.28%	0.76%
Lucky Cement Limited	808,500	415,000	-	399,599	823,901	385,874,652	430,150,473	44,275,821	5.40%	5.35%	0.26%
Maple Leaf Cement Factory Limited	5,558,828	10,225,000	-	5,639,195	10,144,633	253,165,246	287,397,453	34,232,207	3.61%	3.58%	0.95%
Pioneer Cement Limited	337	1,458,084	-	1,458,421	-	-	-	-	-	-	-
						<b>1,164,564,325</b>	<b>1,304,438,671</b>	<b>139,874,346</b>	<b>16.39%</b>	<b>16.23%</b>	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
The Hub Power Company Limited	6,180,348	1,668,421	-	1,900,000	5,948,769	409,874,202	413,915,347	4,041,145	5.20%	5.15%	0.46%
Kot Addu Power Company Limited	1,335,000	-	-	-	1,335,000	36,752,550	27,768,000	(8,984,550)	0.35%	0.35%	0.15%
K-Electric Limited (Note 5.1.1)	9,500,000	-	-	100,000	9,400,000	28,576,000	16,168,000	(12,408,000)	0.20%	0.20%	0.10%
Lalpir Power Limited	7,464,000	-	-	4,049,000	3,415,000	43,541,250	51,054,250	7,513,000	0.64%	0.64%	0.90%
Nishat Chunian Power limited	-	-	1,523,379	1,523,379	-	-	-	-	-	-	-
Pakgen Power Limited	3,248,000	-	-	3,248,000	-	-	-	-	-	-	-
						<b>518,744,002</b>	<b>508,905,597</b>	<b>(9,838,405)</b>	<b>6.39%</b>	<b>6.34%</b>	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited	1,515,677	445,000	-	1,251,165	709,512	122,789,788	78,762,927	(44,026,861)	0.99%	0.98%	0.15%
Sui Northern Gas Pipelines Limited	3,274,098	1,343,481	-	4,617,579	-	-	-	-	-	-	-
						<b>122,789,788</b>	<b>78,762,927</b>	<b>(44,026,861)</b>	<b>0.99%</b>	<b>0.98%</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Total market value of investments	Net assets of the Fund	
-----Number of shares held-----						-----Rupees-----			-----Percentage-----		
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited	325,775	30,272	-	26,500	329,547	571,058,343	499,145,068	(71,913,275)	6.27%	6.21%	0.25%
Oil and Gas Development Company Limited (Note 5.1.2)	5,849,845	3,035,500	-	1,635,000	7,250,345	575,485,832	565,526,910	(9,958,922)	7.11%	7.04%	0.17%
Pakistan Oilfields Limited	464,520	115,511	-	85,500	494,531	200,552,040	198,687,720	(1,864,320)	2.50%	2.47%	0.17%
Pakistan Petroleum Limited (Note 5.1.2)	3,150,464	2,062,624	-	480,000	4,733,088	323,793,316	279,914,824	(43,878,492)	3.52%	3.48%	0.17%
						<b>1,670,889,531</b>	<b>1,543,274,522</b>	<b>(127,615,009)</b>	<b>19.40%</b>	<b>19.20%</b>	
<b>ENGINEERING</b>											
Amreli Steels Limited	836,500	750,000	-	1,570,148	16,352	407,522	251,003	(156,519)	0.00	-	0.01%
Aisha Steel Mills Limited	3,904,500	-	-	3,904,500	-	-	-	-	-	-	-
International Steels Limited	384	-	-	384	-	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	397,500	-	-	106,500	291,000	12,125,970	6,256,500	(5,869,470)	0.08%	0.08%	0.37%
International Industries Limited	282,700	355,289	-	10,000	627,989	57,048,968	45,993,914	(11,055,054)	0.58%	0.57%	0.48%
Ittefaq Iron Industries Limited	675,500	-	-	675,500	-	-	-	-	-	-	0.00%
Mughal Iron & Steel Industries Ltd	354,894	1,164,977	-	71,280	1,448,591	75,274,011	70,169,748	(5,104,263)	0.88%	0.87%	0.43%
						<b>144,856,471</b>	<b>122,671,165</b>	<b>(22,185,306)</b>	<b>1.54%</b>	<b>1.52%</b>	
<b>AUTOMOBILE ASSEMBLER</b>											
Al-Ghazi Tractors Limited	15,000	-	-	15,000	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	75,000	158,807	-	233,807	-	-	-	-	-	-	-
Millat Tractors Limited	74	-	-	74	-	-	-	-	-	-	-
Indus Motor Company Limited	246	-	-	246	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Panther Tyres Limited	1,209,935	-	-	1,209,935	-	-	-	-	-	-	-
Thal Limited (Note 5.1.1)	424,000	-	-	424,000	-	114,318,880	68,688,000	(45,630,880)	0.86%	0.85%	1.05%
						<b>114,318,880</b>	<b>68,688,000</b>	<b>(45,630,880)</b>	<b>0.86%</b>	<b>0.85%</b>	
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>											
Avanceon Limited	1,331,427	475,000	267,964	1,806,427	267,964	18,115,042	11,801,135	(6,313,907)	0.15%	0.15%	0.07%
Air Link Communication Limited	14	-	-	14	-	-	-	-	-	-	-
Octopus Digital Limited	336	-	-	336	-	-	-	-	-	-	-
Pakistan Telecommunication Company Ltd.	10,500	-	-	10,500	-	-	-	-	-	-	-
Hum Network Limited	9,617,000	-	1,883,400	200,000	11,300,400	67,049,040	65,994,336	(1,054,704)	0.83%	0.82%	9.97%
Systems Limited	354,400	525,855	-	177,500	702,755	257,457,868	283,442,174	25,984,306	3.56%	3.53%	0.24%
TRG Pakistan Limited	392	1,535,000	-	350,392	1,185,000	126,549,343	109,174,050	(17,375,293)	1.37%	1.36%	0.22%
						<b>469,171,293</b>	<b>470,411,695</b>	<b>1,240,402</b>	<b>5.91%</b>	<b>5.86%</b>	
<b>FERTILIZER</b>											
Engro Fertilizers Limited	755,004	1,144,200	-	762,704	1,136,500	97,227,402	93,795,345	(3,432,057)	1.18%	1.17%	0.09%
Engro Corporation Limited (Note 5.1.2)	2,064,336	165,000	-	992,910	1,236,426	317,471,563	321,334,753	3,863,190	4.04%	4.00%	0.21%
Fauji Fertilizer Bin Qasim Limited	3,849,500	1,320,000	-	643,500	4,526,000	82,709,440	53,316,280	(29,393,160)	0.67%	0.66%	0.35%
Fauji Fertilizer Company Limited	4,404,084	1,575,000	-	1,250,672	4,728,412	508,485,692	465,464,877	(43,020,815)	5.85%	5.79%	0.37%
						<b>1,005,894,097</b>	<b>933,911,255</b>	<b>(71,982,842)</b>	<b>11.74%</b>	<b>11.62%</b>	
<b>PHARMACEUTICALS</b>											
Abbott Laboratories (Pakistan) Limited	194,500	-	-	194,500	-	-	-	-	-	-	-
Citi Pharma Limited	-	2,300,000	-	-	2,300,000	64,172,661	49,082,000	(15,090,661)	0.62%	0.61%	1.01%
Glaxosmithkline Pakistan Limited	44,700	-	-	44,700	-	-	-	-	-	-	-
Haleon Pakistan Limited	-	64,500	-	-	64,500	9,749,205	9,039,030	(710,175)	0.11%	0.11%	0.06%
The Searle Company Limited	18,471	-	-	18,471	-	-	-	-	-	-	0.00%
Highnoon Laboratories Limited	279,776	6,000	27,394	183,700	129,470	54,259,071	43,523,930	(10,735,141)	0.55%	0.54%	0.24%
						<b>128,180,937</b>	<b>101,644,960</b>	<b>(26,535,977)</b>	<b>1.28%</b>	<b>1.26%</b>	
<b>CHEMICALS</b>											
Engro Polymer & Chemicals Limited	2,759,500	3,097,781	-	3,398,853	2,458,428	132,726,112	103,868,583	(28,857,529)	1.31%	1.29%	0.27%
Lucky Core Industries Limited	-	172,422	-	-	172,422	114,774,011	104,167,027	(10,606,984)	1.31%	1.30%	0.19%
						<b>247,500,123</b>	<b>208,035,610</b>	<b>(39,464,513)</b>	<b>2.62%</b>	<b>2.59%</b>	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Total market value of investments	Net assets of the Fund	
						Rupees			Percentage		
<b>LEATHER &amp; TANNERIES</b>											
Bata Pakistan Limited	80	-	-	80	-	-	-	-	-	-	-
Service Global Footwear Limited	1,004,837	-	-	181,000	823,837	33,101,771	22,968,576	(10,133,195)	0.29%	0.29%	0.40%
Service Industries Limited	328,736	11,900	-	-	340,636	120,118,154	89,410,137	(30,708,017)	1.12%	1.11%	0.72%
						<b>153,219,925</b>	<b>112,378,713</b>	<b>(40,841,212)</b>	<b>1.41%</b>	<b>1.40%</b>	
<b>FOODS &amp; PERSONAL CARE PRODUCTS</b>											
At-Tahur Limited	1,132,800	-	111,280	414,515	829,565	14,381,626	13,654,640	(726,986)	0.17%	0.17%	0.38%
Shezan International Limited	83,600	-	-	83,600	-	-	-	-	-	-	-
						<b>14,381,626</b>	<b>13,654,640</b>	<b>(726,986)</b>	<b>0.17%</b>	<b>0.17%</b>	
<b>GLASS &amp; CERAMICS</b>											
Shabbir Tiles & Ceramics Limited (Note 5.1.1)	2,095,000	-	-	2,095,000	-	-	-	-	-	-	-
Tariq Glass Industries Limited	1,409,239	290,000	343,559	35,000	2,007,798	163,118,990	136,731,044	(26,387,946)	1.72%	1.70%	1.17%
						<b>163,118,990</b>	<b>136,731,044</b>	<b>(26,387,946)</b>	<b>1.72%</b>	<b>1.70%</b>	
<b>PAPER &amp; BOARD</b>											
Packages Limited	-	161,600	-	-	161,600	62,568,870	62,852,704	283,834	0.79%	0.78%	0.18%
						<b>62,568,870</b>	<b>62,852,704</b>	<b>283,834</b>	<b>0.79%</b>	<b>0.78%</b>	
<b>MISCELLANEOUS</b>											
Shifa International Hospitals Limited	-	676,200	-	-	676,200	81,906,630	82,827,738	921,108	1.04%	1.03%	1.07%
						<b>81,906,630</b>	<b>82,827,738</b>	<b>921,108</b>	<b>1.04%</b>	<b>1.03%</b>	
<b>REFINERY</b>											
Attock Refinery Limited	909,000	700,000	-	919,500	689,500	109,557,311	118,338,885	8,781,574	1.49%	1.47%	1.09%
National Refinery Limited	-	100,000	-	-	100,000	17,873,398	15,000,000	(2,873,398)	0.19%	0.19%	0.13%
						<b>127,430,709</b>	<b>133,338,885</b>	<b>5,908,176</b>	<b>1.68%</b>	<b>1.66%</b>	
<b>Total as at June 30, 2023</b>						<b>8,513,622,854</b>	<b>7,959,118,415</b>	<b>(554,504,439)</b>	<b>100.00%</b>	<b>100.00%</b>	
<b>Total as at June 30, 2022</b>						<b>10,853,963,493</b>	<b>9,064,315,544</b>	<b>(1,789,647,949)</b>	<b>100.00%</b>	<b>99.86%</b>	

5.1.1 All shares have a face value of Rs. 10 each except for the shares of K-Electric Limited which have a face value of Rs. 3.5 each and shares of Thal Limited and Shabbir Tiles & Ceramics Limited which have a face value Rs. 5 each.

5.1.2 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of the investee company	2023		2022	
	Number of shares	Rupees	Number of shares	Rupees
Pakistan Petroleum Limited	297,000	17,564,580	297,000	20,050,470
Engro Corporation Limited	125,000	32,486,250	125,000	32,136,250
Habib Bank Limited	60,000	4,393,800	60,000	5,480,400
United Bank Limited	170,000	19,981,800	170,000	19,232,100
Oil & Gas Development Company Limited	100,000	7,800,000	100,000	7,867,000
	<b>752,000</b>	<b>82,226,430</b>	<b>752,000</b>	<b>84,766,220</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.2 Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Market value of investments	5	7,959,118,415	9,064,315,544
Less: Carrying value of investments before mark to market	5	8,513,622,854	10,853,963,493
		<b><u>(554,504,439)</u></b>	<b><u>(1,789,647,949)</u></b>

### 6 DEPOSITS AND OTHER RECEIVABLES

Security deposits with:

- National Clearing Company of Pakistan Limited		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited		100,000	100,000
		<u>2,600,000</u>	<u>2,600,000</u>
Advance tax	6.1	11,025,620	10,930,225
		<b><u>13,625,620</u></b>	<b><u>13,530,225</u></b>

6.1 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) are exempt from withholding tax under section 150 and 151. However, withholding tax on dividend and profit on bank deposits paid to the Fund has been deducted by various withholding agents based on the interpretation issued by the Federal Board of Revenue (FBR) vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 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 withholders. The tax withheld on dividends and profit on bank deposits amounts to Rs. 11.026 million (June 30, 2022: Rs. 10.930 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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. A petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Remuneration of the Management Company payable	7.1	16,565,755	18,863,973
Sindh Sales Tax payable on remuneration of the Management Company	7.2	5,122,359	5,421,127
Federal Excise Duty payable on remuneration of the Management Company	7.3	20,301,987	20,301,987
Accounting and operational charges payable	7.4	12,589,678	3,772,560
Selling and marketing expenses payable	7.5	7,318,141	-
		<b><u>61,897,920</u></b>	<b><u>48,359,647</u></b>

7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the Total Expense Ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2.5% (June 30, 2022: ranging from 2.4 to 2.5%) per annum of the average daily net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7.2 During the year, an amount of Rs. 27.692 million (June 30, 2022: Rs. 32.301 million) was charged on account of Sales Tax on remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to Provincial Sales Tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the SHC by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to the Provincial Sales Tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 20.302 million is being retained in the financial statements of the Fund as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value per unit of the Fund as at June 30, 2023 would have been higher by Rs. 1.45 (June 30, 2022: Rs. 1.33).

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has charged expenses at the average rate of 0.63% (June 30, 2022: 0.5%) per annum of the average daily net assets of the Fund during the year ended June 30, 2023.

7.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the daily average net assets of the Fund or actual expenses whichever is lower.

During year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the Total Expense Ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.5% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of average daily net assets of the Fund.

8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	2023	2022
		----- Rupees -----	-----
Trustee fee payable	8.1	744,747	836,675
Sindh Sales Tax payable on Trustee fee	8.2	96,827	108,778
		<b>841,574</b>	<b>945,453</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows:

Average Net Asset Value	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Asset Value, whichever is higher
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of Net Asset Value

- 8.2 During the year, an amount of Rs. 1,237,670 (June 30, 2022: Rs. 1,435,474) was charged on account of Sales Tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

### 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Annual fee payable	9.1	<b>1,704,072</b>	<b>2,008,397</b>

- 9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by the SECP vide their SRO no. 685(1)/2019 dated June 28, 2019. The Fund has recognised SECP Fee at the rate of 0.02% (June 30, 2022: 0.02%) of the average daily net assets of the Fund.

### 10 ACCRUED EXPENSES AND OTHER LIABILITIES

	2023 ----- Rupees -----	2022 ----- Rupees -----
Auditors' remuneration payable	542,160	480,763
NCCPL charges payable	25,000	-
Withholding and capital gain tax payable	431,902	663,779
Transaction charges payable	1,447,539	408,228
Legal and professional charges payable	350,000	-
Zakat payable	829	45,945
Dividend payable	398,983	398,983
Sale load payable	36,536	64,699
Other payables	66,820	66,820
	<b>3,299,769</b>	<b>2,129,217</b>

### 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

### 12 AUDITORS' REMUNERATION

	2023 ----- Rupees -----	2022 ----- Rupees -----
Annual audit fee	400,000	348,825
Half yearly review of condensed interim financial statements	250,000	174,500
Fee for other certifications	30,000	60,500
Out of pocket expenses	117,000	40,000
	797,000	623,825
Sindh Sales Tax on Services	63,760	49,907
Prior year adjustment	(35,756)	-
	<b>825,004</b>	<b>673,732</b>

### 13 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 based on current year results is 3.89% (June 30, 2022: 3.56%) which includes 0.38% (June 30, 2022: 0.38%) representing government levies on the Fund such as sales tax, annual fee to the SECP etc. This ratio is within maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 14 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 15 LOSS PER UNIT

Loss per unit (LPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating LPU is not practicable.

## 16 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 16.1** Connected persons / related parties include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, entities under common management or directorships, directors and their close family members and key management personnel of the Management Company.
- 16.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 16.3** Remuneration to the Management Company and to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.4** Accounting and operational charges are charged by the Management Company subject to the maximum prescribed Total Expense Ratio (TER).
- 16.5** The details of transactions carried out by the Fund with connected persons and related parties and balances with them at year end are as follows:

<b>Transactions during the year</b>	<b>2023</b>	<b>2022</b>
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	213,013,397	248,468,588
Sindh Sales Tax on remuneration of the Management company	27,691,741	32,300,925
Remuneration paid	215,311,615	249,854,944
Accounting and operational charges	53,817,008	48,070,836
Selling and marketing expenses	7,318,140	-
Issue of 124,248 units (2022: 80,548 units)	65,513,534	51,531,696
Redemption of 151,700 units (2022: 56,127 units)	81,788,931	35,000,000
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	9,520,535	11,042,109
Sindh Sales Tax on remuneration of the Trustee	1,237,670	1,435,474
Remuneration paid	9,612,463	11,131,390
Transaction charges	298,803	530,316
Sindh Sales Tax on transaction charges	38,844	68,941

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Transactions during the year (Cont....)</b>		
<b>Atlas Insurance Limited (Group Company)</b>		
Issue of 317,221 units (2022: 317,221 units)	176,262,547	207,412,432
Redemption of 317,221 units (2022: 287,031 units)	176,262,547	187,412,432
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Redemption of 53,878 units (2022: Nil units)	30,000,000	-
<b>Atlas Metals (Private) Limited (Group Company)</b>		
Issue of Nil units (2022: 3,778 units)	-	2,500,000
Redemption of Nil units (2022: 32,394 units)	-	22,150,000
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of 4,324 units (2022: 17,528 units)	2,500,000	11,500,000
Redemption of Nil units (2022: 5,402 units)	-	3,500,000
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of a Group Company)</b>		
Issue of Nil (2022: 37,229) units	-	25,000,000
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Redemption of 273,561 units (2022: Nil units)	160,000,000	-
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefits plan of a group company)</b>		
Issue of Nil (2022: 5,253) units	-	3,500,000
Redemption of Nil units (2022: 3,462 units)	-	2,400,936
<b>Atlas Honda Limited (Group Company)</b>		
Redemption of 29,783 units (2022: Nil units)	17,217,643	-
<b>Directors and their close family members and key management personel of the Management Company</b>		
Issue of 10,853 units (2022: 37,014 units)	6,282,776	22,139,188
Redemption of 597,979 units (2022: 69,105 units)	333,950,685	42,922,057
<b>16.6 Outstanding balances</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company payable	16,565,755	18,863,973
Sindh Sales Tax payable on remuneration of the Management Company	5,122,359	5,421,127
Federal Excise Duty payable on remuneration of the Management Company	20,301,987	20,301,987
Accounting and operational charges payable	12,589,678	3,772,560
Selling and marketing expenses payable	7,318,141	-
Outstanding 88,503 units (2022: 115,955 units)	50,684,048	68,831,023
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee payable	744,747	836,675
Sindh Sales Tax payable on Trustee fee	96,827	108,778

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16.6 Outstanding balances (Cont....)	2023 ----- Rupees -----	2022
<b>Atlas Honda Limited (Group Company)</b> Outstanding Nil units (2022: 29,783 units)	-	17,679,404
<b>Atlas Foundation (Trust having common Director / Trustee)</b> Outstanding 894,455 units (2022: 894,455 units)	512,238,102	530,948,494
<b>Atlas Group of Companies Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b> Outstanding 149,035 units (2022: 144,711 units)	85,349,591	85,900,229
<b>Atlas Honda Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b> Outstanding 90,998 units (2022: 90,998 units)	52,112,872	54,016,386
<b>Atlas Honda Limited - Non Management Staff Gratuity Fund (Retirement benefit plan of a Group Company)</b> Outstanding 20,726 units (2022: 20,726 units)	11,869,331	12,302,952
<b>Atlas Insurance Limited (Group Company)</b> Outstanding 317,221 units (2022: 317,221 units)	181,666,661	188,302,353
<b>Atlas Metals (Private) Limited (Group Company)</b> Outstanding 33,281 units (2022: 33,281 units)	19,059,656	19,755,843
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b> Outstanding 171,742 units (2022: 225,620 units)	98,353,501	133,928,243
<b>Honda Atlas Cars (Pakistan) Limited - Employees Gratuity Fund (Retirement benefit plan of a Group Company)</b> Outstanding 169,889 units (2022: 169,889 units)	97,292,568	100,846,349
<b>Shirazi Investments (Private) Limited - Employees Provident Fund (Retirement benefit plan of a Group Company)</b> Outstanding 5,253 units (2022: 5,253 units)	3,008,241	3,118,122
<b>Shirazi Investments (Private) Limited (Group Company)</b> Outstanding 3,555,657 units (2022: 3,829,218 units)	2,036,259,695	2,273,023,653
<b>Sindh Province Pension Fund (Unit Holder with more than 10% holding)</b> Outstanding 1,547,293 units (2022: 1,547,293 units)	886,106,191	918,472,769
<b>CDC-Trustee Punjab Pension Fund Trust (Unit Holder with more than 10% holding)</b> Outstanding 1,562,207 units (2022: 1,562,207 units)	894,647,636	927,326,205
<b>Directors and their close family members and key management personel of the Management Company</b> Outstanding 1,244,199 units (2022: 1,831,325 units) - See note 16.6.1	712,530,038	1,087,074,305

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**16.6.1** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund (Atlas Stock Market Fund return as on June 30,2023 is -3.52%) include 152.2949 units held by the Chief Executive Officer and 81.5866 units held by the Chief Investments Officer.

### 17 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Bank balances	125,447,968	-	125,447,968
Investments	-	7,959,118,415	7,959,118,415
Security deposits	2,600,000	-	2,600,000
Mark-up receivable	17,800	-	17,800
Receivable against sale of investments	7,763,299	-	7,763,299
	<b>135,829,067</b>	<b>7,959,118,415</b>	<b>8,094,947,482</b>
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	61,897,920	-	61,897,920
Payable to the Central Depository Company of Pakistan Limited - Trustee	841,574	-	841,574
Accrued expenses and other liabilities	2,867,038	-	2,867,038
Payable against redemption of units	88,087	-	88,087
Unclaimed dividend	401,732	-	401,732
	<b>66,096,351</b>	<b>-</b>	<b>66,096,351</b>
	----- 2022 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Bank balances	51,296,361	-	51,296,361
Investments	-	9,064,315,544	9,064,315,544
Security deposits	2,600,000	-	2,600,000
Profit receivable on bank balances	2,750	-	2,750
Receivable against sale of investments	1,219,498	-	1,219,498
	<b>55,118,609</b>	<b>9,064,315,544</b>	<b>9,119,434,153</b>
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	48,359,647	-	48,359,647
Payable to the Central Depository Company of Pakistan Limited - Trustee	945,453	-	945,453
Accrued expenses and other liabilities	1,419,493	-	1,419,493
Unclaimed dividend	401,732	-	401,732
	<b>51,126,325</b>	<b>-</b>	<b>51,126,325</b>

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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, the constitutive documents of the Fund 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 the 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, liquidity risk and credit risk arising from the financial instruments it holds.

### 18.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / interest rate risk, currency risk, and price risk.

#### (i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the total comprehensive loss for the year would have been lower / higher and net assets of the Fund would have been higher / lower by Rs. 1.254 million (June 30, 2022: Rs. 0.513 million).

##### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of the 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.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

----- 2023 -----					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Percentage	----- Rupees -----				
<b>Financial assets</b>					
Bank balances	19.50% - 19.75%	125,447,968	-	-	125,447,968
Investments		-	-	7,959,118,415	7,959,118,415
Mark-up receivable		-	-	17,800	17,800
Security deposits		-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	7,763,299	7,763,299
		125,447,968	-	7,969,499,514	8,094,947,482
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	61,897,920	61,897,920
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	841,574	841,574
Payable against redemption of units		-	-	88,087	88,087
Unclaimed dividend		-	-	401,732	401,732
Accrued expenses and other liabilities		-	-	2,867,038	2,867,038
		-	-	66,096,351	66,096,351
<b>On-balance sheet gap</b>		125,447,968	-	7,903,403,163	8,028,851,131
<b>Total interest rate sensitivity gap</b>		125,447,968	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		125,447,968	125,447,968	125,447,968	

----- 2022 -----					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
Percentage	----- Rupees -----				
<b>Financial assets</b>					
Bank balances	10.75% to 12.75%	51,296,361	-	-	51,296,361
Investments		-	-	9,064,315,544	9,064,315,544
Mark-up receivable		-	-	2,750	2,750
Security deposits		-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	1,219,498	1,219,498
		51,296,361	-	9,068,137,792	9,119,434,153
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	48,359,647	48,359,647
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	945,453	945,453
Unclaimed dividend		-	-	401,732	401,732
Accrued expenses and other liabilities		-	-	1,419,493	1,419,493
		51,126,325	-	51,126,325	51,126,325
<b>On-balance sheet gap</b>		170,036	-	9,017,011,467	9,068,307,828
<b>Total interest rate sensitivity gap</b>		170,036	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		170,036	170,036	170,036	

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### (ii) 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 does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### (iii) 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 rate 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 Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets and issued capital of the investee company and sector exposure limit to 30% of the net assets.

In case of 5% increase / decrease in KSE 100 index on June 30, 2023, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 397.956 million (June 30, 2022: Rs. 453.216 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the 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 June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE100 Index.

### 18.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. 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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is 15% of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

----- 2023 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	125,447,968	-	-	-	-	125,447,968
Investments	-	-	-	-	7,959,118,415	7,959,118,415
Mark-up receivable	17,800	-	-	-	-	17,800
Receivable against sale of investments	7,763,299	-	-	-	-	7,763,299
Security deposits	-	-	-	-	2,600,000	2,600,000
	133,229,067	-	-	-	7,961,718,415	8,094,947,482
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	61,897,920	-	-	-	-	61,897,920
Payable to the Central Depository Company of Pakistan Limited - Trustee	841,574	-	-	-	-	841,574
Payable against redemption of units	88,087	-	-	-	-	88,087
Unclaimed dividend	401,732	-	-	-	-	401,732
Accrued expenses and other liabilities	2,324,878	542,160	-	-	-	2,867,038
	65,554,191	542,160	-	-	-	66,096,351
<b>Net financial assets / (liabilities)</b>	67,674,876	(542,160)	-	-	7,961,718,415	8,028,851,131

----- 2022 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	51,296,361	-	-	-	-	51,296,361
Investments	-	-	-	-	9,064,315,544	9,064,315,544
Mark-up receivable	2,750	-	-	-	-	2,750
Receivable against sale of investments	1,219,498	-	-	-	-	1,219,498
Security deposits	-	-	-	-	2,600,000	2,600,000
	52,518,609	-	-	-	9,066,915,544	9,119,434,153
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	48,359,647	-	-	-	-	48,359,647
Payable to the Central Depository Company of Pakistan Limited - Trustee	945,453	-	-	-	-	945,453
Payable against redemption of units	-	-	-	-	-	-
Unclaimed dividend	401,732	-	-	-	-	401,732
Accrued expenses and other liabilities	938,730	480,763	-	-	-	1,419,493
	50,645,562	480,763	-	-	-	51,126,325
<b>Net financial assets / (liabilities)</b>	1,873,047	(480,763)	-	-	9,066,915,544	9,068,307,828

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 18.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

The table below analyses the Fund's maximum exposure to credit risk:

	----- 2023 -----		----- 2022 -----	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- Rupees -----		----- Rupees -----	
Bank balances	125,447,968	125,447,968	51,296,361	51,296,361
Investments	7,959,118,415	-	9,064,315,544	-
Deposits and other receivables	2,600,000	2,600,000	2,600,000	2,600,000
Mark-up receivable	17,800	17,800	2,750	2,750
Receivable against sale of investments	7,763,299	7,763,299	1,219,498	1,219,498
	<b>8,094,947,482</b>	<b>135,829,067</b>	<b>9,119,434,153</b>	<b>55,118,609</b>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

### 18.3.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up receivable thereon. The credit rating profile of bank balances is as follows:

Rating category	% of financial assets exposed to credit risk	
	2023	2022
AAA	1.43%	0.47%
AA+	0.11%	0.09%
	<b>1.54%</b>	<b>0.56%</b>

### 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 assets is mainly held with, diverse credit worthy counter parties.

## 19 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing the Unit Holders' Funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

### 20 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### 20.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	----- 2023 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Listed equity securities	7,959,118,415	-	-	7,959,118,415
	<b>7,959,118,415</b>	<b>-</b>	<b>-</b>	<b>7,959,118,415</b>
	----- 2022 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Listed equity securities	9,064,315,544	-	-	9,064,315,544
	<b>9,064,315,544</b>	<b>-</b>	<b>-</b>	<b>9,064,315,544</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount	% of total	Number of unit holders	Investment amount	% of total
Individuals	559	488,391,238	6.08%	594	906,071,385	9.98%
Associated companies /						
Directors	10	3,508,122,886	43.65%	11	3,862,882,562	42.56%
Insurance companies	5	113,229,692	1.41%	5	196,703,396	2.17%
Retirement Funds	17	3,635,160,016	45.23%	20	3,784,401,595	41.69%
Others	6	292,836,116	3.64%	6	326,460,994	3.60%
	<b>597</b>	<b>8,037,739,948</b>	<b>100.00%</b>	<b>636</b>	<b>9,076,519,932</b>	<b>100.00%</b>

## 22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Private) Limited	7.28%	Optimus Capital Management (Private) Limited	6.97%
Alfalah CLSA Securities (Private) Limited	7.02%	Alfalah CLSA Securities (Private) Limited	6.40%
Topline Securities Limited	6.96%	Next Capital Limited	6.27%
AKD Securities Limited	6.44%	Topline Securities Limited	6.10%
Shajar Capital Pakistan (Private) Limited	6.16%	Shajar Capital Pakistan (Private) Limited	5.38%
Multiline Securities (Private) Limited	5.59%	Al Habib Limited	4.89%
Intermarket Securities Limited	5.42%	Intermarket Securities Limited	4.30%
Al Habib Limited	4.77%	Alfa Adhi Securities (Private) Limited	4.18%
Insight Securities (Private) Limited	4.53%	AKD Securities Limited	4.16%
BMA Capital Management Limited	4.47%	BMA Capital Management Limited	4.15%
	58.64%		52.80%

## 23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	12 Years

## 24 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	Atlas Islamic Stock Fund Atlas Islamic Fund of Funds Atlas Islamic Dedicated Stock Fund

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	Yes	No	Yes	Yes	Yes	Yes
Mr. Tariq Amin	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Frahim Ali Khan	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali H. Shirazi	Director	No	Yes	Yes	Yes	Yes	Yes
Mr. M. Habib-ur-Rahman	Director	No	Yes	No	Yes	Yes	Yes
Ms. Zehra Naqvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. M. Abdul Samad	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Zainab Kazim	Company Secretary	Yes	Yes	Yes	Yes	Yes	Yes

## 26 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 27 GENERAL

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

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 11 September 2023 by the Board of Directors of the Management Company.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

### مستحکم درجہ بندی برائے اے ایم ایف

پیکرانے مورخہ ۱۷ اپریل ۲۰۲۳ء کو استحکام فنڈ کیلئے (ڈبل اے پلس فنڈ ریٹنگ ”اے اے + (ایف)“ درجہ بندی تشکیل دی ہے۔ فنڈز کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

### مستحکم درجہ بندی برائے اے ایل ایف

پیکرانے مورخہ ۱۷ اپریل ۲۰۲۳ء کو استحکام فنڈ کیلئے (ڈبل اے فنڈ ریٹنگ ”اے اے پلس (ایف)“ درجہ بندی تشکیل دی ہے۔ فنڈز کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

### مستحکم درجہ بندی برائے اے ایس ایف

پیکرانے بتاریخ ۱۷ اپریل ۲۰۲۳ء کو درجہ بندی برائے استحکام فنڈ تشکیل دی ہے (اے اے - (ایف)۔ ڈبل اے مائسن فنڈ ریٹنگ) فنڈز کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

### مستحکم درجہ بندی برائے اے آئی ایف

پیکرانے مورخہ ۱۷ اپریل ۲۰۲۳ء کو استحکام فنڈ کیلئے (اے اے - (ایف)۔ ڈبل اے مائسن فنڈ ریٹنگ) درجہ بندی تشکیل دی ہے۔ فنڈز کی یہ درجہ بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

### آڈیٹرز

بورڈ آف ڈائریکٹران کی آڈٹ کمیٹی نے اپنی میٹنگ منعقدہ ۶ ستمبر ۲۰۲۳ء میں میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، کراچی کو اٹلس سوورین فنڈ کے لیے دوبارہ تقرری تجویز کیا اور اٹلس انکم فنڈ اور اٹلس اسٹاک مارکیٹ فنڈ کا بطور اہل آڈیٹرز برائے اختتام سال ۳۰ جون ۲۰۲۳ء کے لیے تقرری تجویز کیا۔ اور میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس، کراچی کو بالترتیب اٹلس منی مارکیٹ فنڈ اور اٹلس لیکوڈ فنڈ کیلئے دوبارہ بطور اہل آڈیٹرز مالیاتی سال ۳۰ جون ۲۰۲۳ء کے لیے دوبارہ تقرری تجویز کیا۔

### توثیق

مئنجمنٹ کمیٹی کے بورڈ آف ڈائریکٹران، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی قابل قدر حمایت، مدد اور رہنمائی کا شکریہ ادا کرتے ہیں۔ مئنجمنٹ کمیٹی کے ملازمین اور اسٹیٹسٹس کا ان کی لگن اور محنت کیلئے، اور مئنجمنٹ کمیٹی پر یونٹ ہولڈرز کے اعتماد کا بھی بورڈ شکریہ ادا کرتا ہے۔

### از طرف اور منجانب بورڈ

فراہیم علی خان

ڈائریکٹر

کراچی: ۱۱ ستمبر، ۲۰۲۳ء

محمد عبدالصمد

چیف ایگزیکٹو آفیسر



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 مینٹنرز میں ڈائریکٹران نے شرکت کی جس کی تفصیل درج ذیل ہے:

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

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

● ہیومن ریسورس اینڈ ری مینوریشن کمیٹی (ایچ آرابیڈ آری)۔ ایک مینٹنگ منعقد ہوئیں دوران سال اور شرکت کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	مینٹنگ 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	۱
۴	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۲

● انویسٹمنٹ کمیٹی۔ پچپن مینٹنگ منعقد ہوئیں دوران سال اور شریک کی گئی درج ذیل:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	مینٹنگ میں شرکت
۱	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۱۳
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۴۸
۳	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر رکن آئی سی	۵۱
۴	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	ہیڈ آف پورٹ فولیو مینجمنٹ۔ رکن آئی سی	۵۳
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف گلسڈ انکم۔ رکن آئی سی	۴۸
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف ایجوٹس۔ سیکریٹری آئی سی	۵۰

تازہ ترین درجہ بندی:

اثاثہ جات ٹیچر کی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پیکرا) نے مینجمنٹ کمیٹی کی ایسٹ میجر درجہ بندی اے ایم ۲+ (اے ایم ٹوپلس) ترتیب دی ہے۔

(۲۰۲۲ء: اے ایم ۲+ (اے ایم ٹوپلس)) تاریخ ۲۳ دسمبر ۲۰۲۲ء کو یہ درجہ بندی کمیٹی کی تجربہ کار ٹیم، منظم سرمایہ کاری نظام اور ہم آہنگ معیاری نظام اور طریقہ کار کی عکاسی کرتی ہے۔

- ☆ تمام فنڈز کے حساب کتاب 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 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 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 مستقبل بنیادوں پر جاری رہنے پر کوئی شبہ نہیں ہے۔
  - ☆ مالی اعداد و شمار میں قانونی ادائیگی، ٹیکس، محصولات کا صحیح انکشاف کیا گیا ہے۔
  - ☆ اہم مالیاتی اعداد و شمار / کارکردگی کے چارٹ، (اے ایم ایف)، (اے ایل ایف)، (اے ایس ایف)، (اے آئی ایف)، اور (اے ایس ایم ایف) کی سالانہ رپورٹس کے صفحات ۲۲، ۶۲، ۱۰۱، ۱۳۷ اور ۱۷۹ پر علی الترتیب شائع کئے گئے ہیں۔
  - ☆ کفالتی فنڈ کی سرمایہ کاری کی قدر کے گوشوارے کا اطلاق میو پیل فنڈ پر نہیں ہوتا کیوں کہ ملازمین کے ریٹائرمنٹ فوائد سے متعلق اخراجات منتظم کمپنی برداشت کرتی ہے۔
  - ☆ پونش کی ملکیت کا انداز (اے ایم ایف)، (اے ایل ایف)، (اے ایس ایف)، (اے آئی ایف)، اور (اے ایس ایم ایف) کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۳، ۲۴، ۲۵، ۲۶، ۲۷ میں دیا گیا ہے۔
  - ☆ بیجمنٹ 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 فہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ ہرہ نقوی، آزاد ڈائریکٹر اور مسٹر محمد عبدالصمد، چیف ایگزیکٹو آفیسر۔

#### ☆ ڈائریکٹرز کی موجودہ کل تعداد درج ذیل ہیں۔

مرد: ۶  
عورت: ۱

#### ☆ بورڈ کی موجودہ تشکیل مندرجہ ذیل ہیں۔

آزاد ڈائریکٹر: \*۲  
غیر ایگزیکٹو ڈائریکٹرز: ۴  
ایگزیکٹو ڈائریکٹرز: ۱  
خواتین ڈائریکٹر: ۱ (\* آزاد ڈائریکٹر)

۲۰۲۲-۲۳ء مالیاتی سال کے دوران سات بورڈ میٹنگ منعقد کی گئیں اور اس میں شرکت کی گئی۔ میٹنگز کی تاریخیں اور شریک ہونے والے ڈائریکٹران کی تفصیلات، جیسا کہ این بی ایف سی کے قواعد و ضوابط ۲۰۰۸ء کے تحت درکار ہے۔ اے ایم ایف، اے ایل ایف، اے ایس ایف، اے آئی ایف اور اے ایس ایم ایف کی مالیاتی تفصیلات کے نوٹس ۲۷، ۲۸، ۲۸ اور ۲۵ میں بالترتیب منسلک ہیں۔



## ڈائریکٹرز رپورٹ:

اٹلس ایسٹ مینجمنٹ لمیٹڈ (اے اے ایم ایل) کے بورڈ آف ڈائریکٹرز، منتظم برائے اٹلس منی مارکیٹ فنڈ (اے ایم ایف)، اٹلس لیکویڈ فنڈ (اے ایل ایف)، اٹلس سوورین فنڈ (اے ایس ایف)، اٹلس انکم فنڈ (اے آئی ایف) اور اٹلس اشاک مارکیٹ فنڈ (اے ایس ایم ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی نتائج اور آڈیٹرز کی رپورٹس، برائے اختتام سال ۲۰۲۳ء باسرت پیش کرتے ہیں۔

آمدنی یونٹ، مجموعی اثاثہ جات اور خلاصہ فروخت / ریڈمپشنز  
آمدنی یونٹ، مجموعی اثاثہ جات، اور اے ایم ایف، اے ایل ایف، اے ایس ایم ایف، اور اے ایس ایم ایف کا خلاصہ فروخت / ریڈمپشنز برائے اختتام سال ۲۰۲۳ء اور ۲۰۲۲ء درج ذیل ہے۔

تفصیلات		اے ایم ایف		اے ایل ایف		اے ایس ایم ایف		اے آئی ایف		اے ایس ایم ایف	
		۲۰۲۳ء	۲۰۲۲ء	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۳ء	۲۰۲۲ء
آمدنی (نقصان) فی یونٹ - روپے		۶۷.۶۳	۵۳.۱۵	۷۳.۱۰	۲۲.۶۲	۱۹.۱۳	۱۱.۷۳	۷۹.۱۰	۷۰.۳۰	۲۲.۸۰	(۹۳.۸۳)
ریٹرن (وائی ٹی ڈی) - فیصد		۱۷.۶۷	۱۰.۶۳	۱۷.۲۹	۱۱.۳۶	۱۳.۹۳	۷.۳۰	۱۵.۰۸	۸.۳۳	(۳.۵۲)	(۱۳.۷۳)
مجموعی اثاثہ جات - ملین روپے		۲۳,۷۹۸.۳۹	۱۸,۳۰۰.۸۹	۳,۸۸۹.۸۰	۳,۳۳۱.۱۱	۵۸۵.۸۵	۱,۲۱۳.۲۳	۳,۳۹۲.۳۳	۲,۶۶۵.۸۳	۸,۰۳۷.۷۳	۹,۰۷۶.۵۲
فروخت - ملین روپے		۶۳,۶۵۷.۶۱	۳۷,۲۵۵.۳۳	۳,۵۰۲.۸۰	۵,۱۸۹.۳۱	۲۷۲.۹۵	۷۷۱.۲۹	۲,۷۳۹.۰۰	۳,۳۲۷.۶۸	۳۲۹.۸۷	۲,۸۲۳.۰۷
فروخت - پینس میں		۱۳,۶۱۷.۹۳	۷,۳۱۰.۹۳	۷۰۰.۶۰	۱,۰۳۷.۶۱	۲,۶۱۳.۷۳	۷,۳۳۸.۷۳	۵,۰۸۲.۶۰	۶,۱۳۹.۱۳	۵۹۳.۳۵	۳,۲۳۵.۰۳
ریڈمپشنز - ملین روپے		۵۹,۷۷۰.۰۰	۳۳,۲۵۲.۶۰	۳,۰۵۳.۱۱	۱,۷۴۸.۲۰	۹۲۸.۳۱	۱,۸۴۰.۳۸	۱,۹۹۷.۷۵	۵,۹۸۸.۸۲	۱,۰۳۸.۵۹	۲,۱۵۹.۸۰
ریڈمپشنز - پینس میں		۱۱۵,۳۶۹.۲۵	۸۳,۹۵۵.۲۷	۶,۱۰۸.۲۸	۳,۳۹۶.۳۵	۸,۸۶۶.۱۵	۱۷,۳۵۳.۱۰	۳,۵۲۹.۲۵	۱۰,۶۰۲.۶۰	۱,۸۳۸.۸۷	۳,۲۸۷.۷۸
پینس بنایا جاتا ہے اختتام سال پر		۳۶,۱۹۰.۲۸	۳۶,۶۰۳.۵۹	۷,۷۷۹.۵۹	۶,۸۸۲.۲۲	۵,۷۵۵.۹۰	۱۱,۹۹۱.۳۰	۶,۶۱۷.۶۷	۵,۰۹۲.۶۹	۱۳,۰۳۵.۶۵	۱۵,۲۹۰.۶۷

### تقسیم آمدنی - اے ایم ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایم ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۳-۲۲ء کیلئے ۸۱.۳۶۳۳ روپے فی یونٹ (۲۰۲۲: ۳۹.۸۰ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱۶.۲۷ فیصد (۲۰۲۲ء: عبوری منافع ۹.۹۶ فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

### تقسیم آمدنی - اے ایل ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایل ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۳-۲۲ء کیلئے ۸۰.۵۳ روپے فی یونٹ (۲۰۲۲: ۳۲.۹۰ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱۶.۱۱ فیصد (۲۰۲۲ء: عبوری منافع ۶.۵۸ فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

### تقسیم آمدنی - اے ایس ایم ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایس ایم ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۰۲۳-۲۲ء کیلئے ۱۳.۵۲ روپے فی یونٹ (۲۰۲۲: ۷.۲۳ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۱۰۰ روپے فی یونٹ کی اصل قیمت پر ۱۳.۵۲ فیصد (۲۰۲۲ء: عبوری منافع ۷.۲۳ فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔



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**Atlas Islamic Money Market Fund**

**Atlas Islamic Income Fund**

**Atlas Islamic Stock Fund**

**Atlas Islamic Dedicated Stock Fund**

**Atlas Islamic Fund Of Funds**

**ANNUAL REPORT**

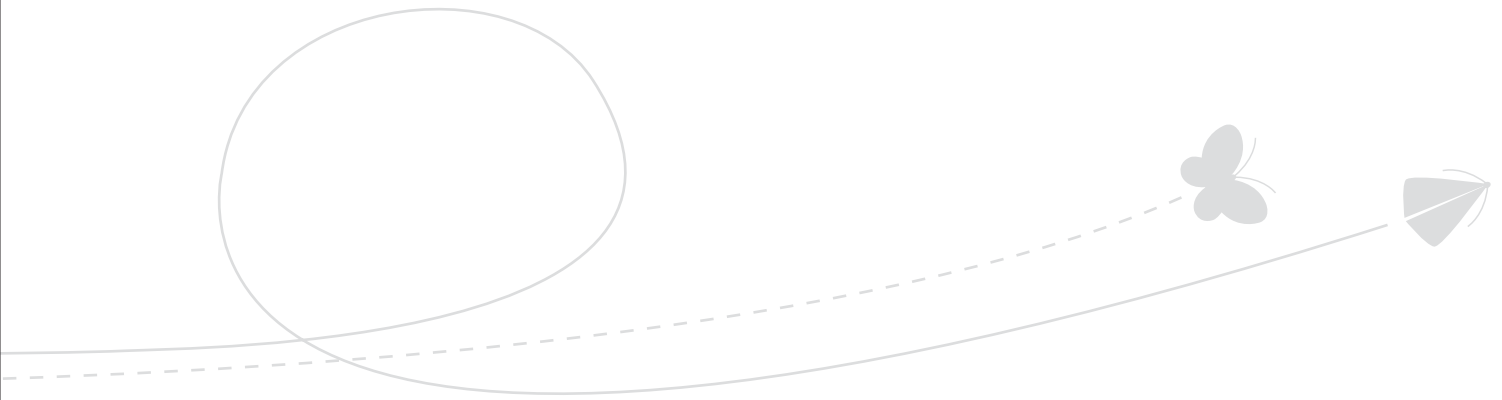
**30 June 2023**



Managed By

**Atlas Asset Management**

Rated AM2+ by PACRA  
(as of December 23, 2022)



# 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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## Diversity

Understanding the social, cultural and financial diversity in our country and coming up with innovative plans to cater distinctive needs



# 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.

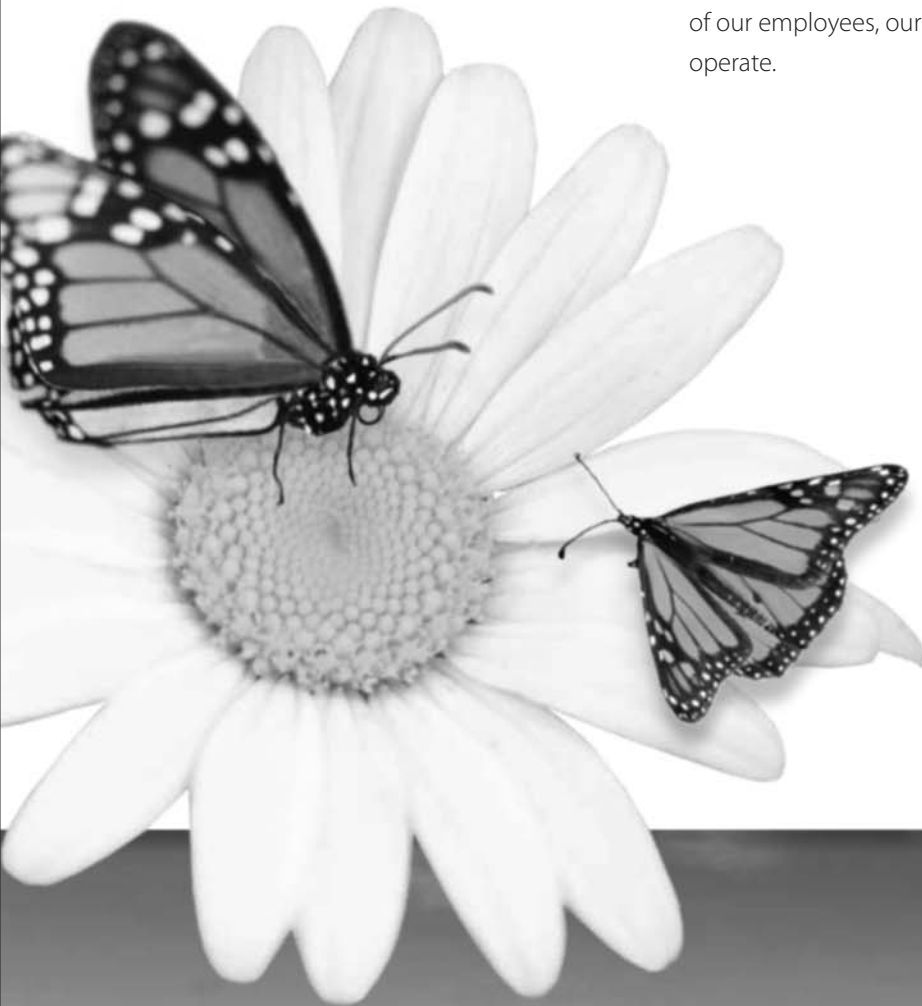
Mutual Funds | Pension Funds | Investment Advisory Services | Private Equity | REIT

# 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

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# Organisation

## Management Company

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Atlas Asset Management Limited

## Board of Directors of the Management Company

---

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

**Company Secretary** Ms Zainab Kazim

## Board Committees

### Audit Committee

---

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

### Human Resource & Remuneration Committee

---

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

## Investment Committee

---

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

## Management Committee

---

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

## Risk Management Committee

---

<b>Chairman</b>	Mr. Muhammad Abdul Samad
<b>Members</b>	Mr. Khalid Mahmood
<b>Secretary</b>	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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Clifton, Karachi - 75600

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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), U.S.A., and completed his O.P.M. from Harvard Business School, U.S.A. He has over 30 years of corporate management experience, more particularly in the financial and trading sectors. To his credit, he has work experience at the Bank of Tokyo-Mitsubishi, Yamaichi Securities, and Toyota Tsusho Corporation.

He is currently Chairman of Atlas Asset Management Limited, Shirazi Investments (Private) 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, the Federation of Pakistan Chambers of Commerce & Industry (FPCCI), and the Karachi Chamber of Commerce & Industry (KCCI). He is also serving on the Board of the Forman Christian College, Ghulam Ishaq Khan Institute of Engineering Science and Technology and British Overseas School Association. He was also a member of the Aga Khan Resource Development Committee and FPCCI Executive Committee. He has also served the Management Association of Pakistan as their Vice President.

He also enjoys membership in several other prestigious associations, including 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 the International Club, Notre Dame De Namur University (formerly College of Notre Dame), U.S.A.

### Mr. Fahim Ali Khan

Director

---

Mr. Fahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, U.S.A., Financial Management Program at Stanford University, U.S.A., and the Board of Director's Program at Insead University, France.

He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently, his directorships include Atlas Asset Management Limited, Atlas Power Limited, Atlas Solar Limited, Atlas Energy Limited, Atlas Insurance Limited, Shirazi Investments (Private) Limited, Atlas Engineering (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Shirazi Trading Company (Private) Limited, and Atlas Foundation.

Earlier, he has also served on the Boards of Atlas Honda Limited, Atlas Battery Limited, and Atlas Bank Limited (former), and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management Limited and Atlas Investment Bank Limited (former).

### Mr. M. Habib-ur-Rahman

Director

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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

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Mr. Tariq Amin is the Chairman of Orkila Pakistan (Private) Limited, a leading company dealing in chemicals. He is also on the Boards of 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 Sindh Minister/ Chairman 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.



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## Board of Directors of the Management Company

### Mr. Ali H. Shirazi

Director

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Mr. Ali H. Shirazi graduated with a B.A. from Yale University, U.S.A., in 2000 and thereafter completed his Masters in Law from Bristol University, U.K., in 2005. During the period, he worked for the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is Atlas Group Director Financial Services and President / Chief Executive of Atlas Battery Limited. He serves on the board of Atlas Asset Management Limited, Atlas Insurance Limited, Shirazi Investments (Private) Limited, National Management Foundation (sponsoring body of LUMS), National Foods Limited, Cherat Packaging Limited, Pakistan Cables Limited and Pakistan Society for Training and Development. Previously, he has also served on the Board of the 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 (O.P.M.) from Harvard Business School.

### Ms Zehra Naqvi

Independent Director

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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

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Mr. Muhammad Abdul Samad has over two decades 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. He also served as a Director on the Board of Mutual Funds Association of Pakistan (MUFAP) and currently, he is serving as Chairman of its Taxation Committee. He is also an Independent Director on the Board of Institute of Financial Markets of Pakistan (IFMP). Mr. Samad is also serving as a member on Board of Studies Faculty of Business Administration of Jinnah University for Women, Industrial Advisory Board of UIT University and Islamic Finance Academic Advisory Board of Hamdard University.

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

Growth | Returns | Tax Savings

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# Chairman's Review

It is my pleasure to present you the Annual Reports of Atlas Islamic Money Market Fund (AIMF), Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Dedicated Stock Fund (AIDSF) and Atlas Islamic Fund of Funds (AIFOF) for the financial year ended June 30, 2023.

## THE ECONOMY

The country is going through a correction phase to address long-standing structural challenges. To address the challenges and sustain macroeconomic stability, the authorities have recently reached a 9-month Staff Level Agreement (SBA) with IMF. However, the nation looks forward to a long-term sustainable plan to ensure financing needs are met in the years ahead.

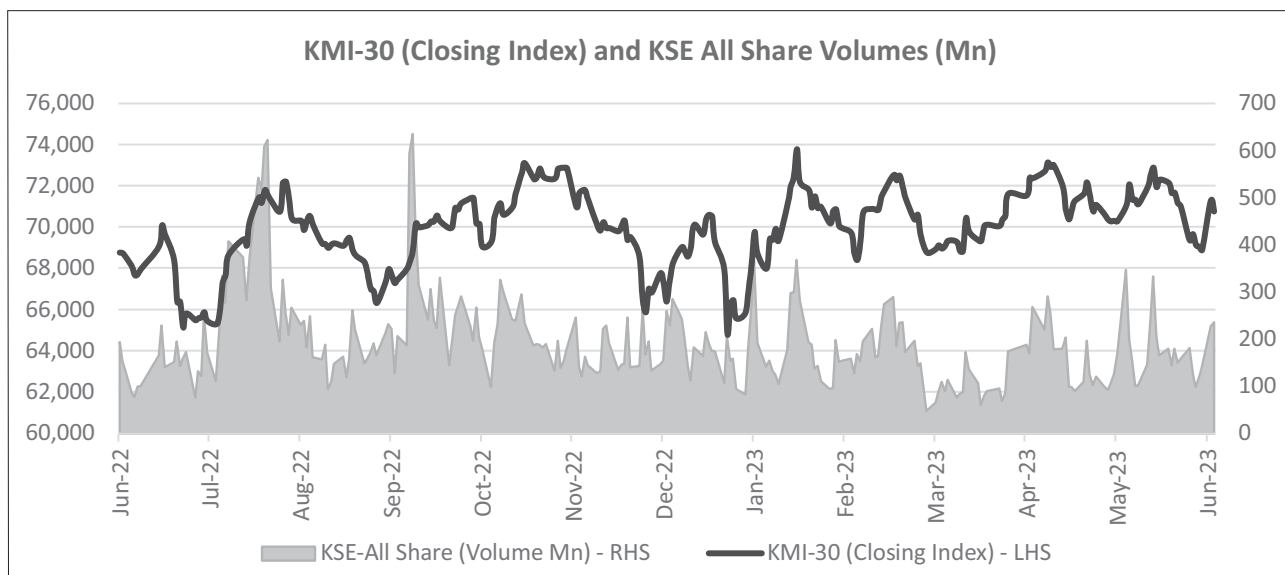
On the external front, policy tightening, and adoption of stabilization strategies has yielded positive results. The current account deficit (CAD) has narrowed by 85.4% to USD 2.6 billion in FY23. The improvement in CAD was mainly driven through the reduction in the import bill from USD 80.1 billion to USD 55.3 billion. However, due to slowdown in global demand and an exchange rate peg, exports and workers' remittances declined by 14.1% and 13.6%, respectively. Despite positive development in CAD, foreign exchange reserves held by the Central Bank dipped below USD 5.0 billion for the first time in ten years. However, improvements are expected in the coming months with the receipt of bailout funds from IMF and substantial deposits from multilateral countries. The significant low level of forex reserves put extra ordinary pressure on the local currency. Accordingly, to maintain macroeconomic stability and regulate aggregate demand, the Central Bank increased the benchmark interest rate to 22%, representing 825 bps increase since July 2022. On the fiscal front, due to the slowdown in economic activity, revenue collection remained short of target. Total Rs. 7,000 billion was collected against the projection of Rs. 7,600 billion. Going forward, in order to narrow the fiscal deficit, the Government has recently passed Finance Act, 2023 which has imposed further taxes on targeted segments and withdrawal of certain tax credits. Many other macroeconomic factors including energy tariff adjustments resulted in slow growth and increased inflation. The GDP was 0.3% in FY23 compared to 6.1% in FY22.

The agriculture sector recorded a growth of 1.6% in FY23 as compared to 4.3% of last year. This is due to a heavy monsoon spell and floods which caused massive damage to the standing crops. To support the sector, the agriculture financial institutions disbursed Rs. 1,222 billion as compared to Rs. 958 billion last year. Further, with better input situation and water supply, Rabi crops performed better. This helped to improve farm incomes. As a result, demand for consumer durables remained stable in rural areas.

The Large-Scale Manufacturing (LSM) index contracted by 9.9% in FY23. The sector's contraction is mainly due to import restrictions, rupee devaluation, higher financing costs, expensive energy, and local economic and political instability. Resultantly, most demand indicators including sales of cement, POL, automobiles, and textiles reflected a downward trend. However, the recent development under SBA with IMF ensuring unrestricted import movement and uplifting of foreign reserves will support the industrial sector.

## THE STOCK MARKET

The KMI-30 index increased 2.88% from 68,766.37 points as on June 30, 2022, to 70,748.13 points as on June 27, 2023. The daily average volume during FY23 declined by 34.26% to 192 million shares compared to daily average of 292 million shares traded in FY22. Net outflow of US \$1.53 million was recorded by Foreign Portfolio Investors during FY23 compared to net outflow of US \$297.51 million in FY22. On local investors' front, Companies, Individuals, Banks and Other Organizations were net buyers of US \$99.68 million, US \$83.96 million, US \$73.68 million, and US \$24.79 million. Mutual Funds, Insurance Companies and Broker Proprietary Trading remained net sellers of US \$144.49 million, US \$124.31 million, and US \$14.76 million, respectively.



During FY23, a new listing on the stock exchange was Globe Residency REIT. The amount raised through IPO by the company was Rs. 140 million. Whereas, during FY22, new listings on the stock exchange were Citi Pharma Limited, Pakistan Aluminum Beverage Cans Limited, Airlink Communication Limited, Octopus Digital Limited, and Adamjee Life Assurance Company Limited. The amounts raised through IPO by these companies were Rs. 2,326 million, Rs. 4,600 million, Rs. 6,435 million, Rs. 1,110 million and Rs. 700 million, respectively.

The outlay of budget FY24 stood at Rs. 14.5 trillion (up 30% compared to FY23 budget). The government's FY24 budget aims to increase tax collection in line with growing expenditures in order to maintain fiscal slippage, reiterate IMF program and move towards sustainable growth. The government targets a reduction in fiscal deficit from 7.0% of GDP in FY23 to 6.5% of GDP in FY24 on the back of increasing FBR tax collection by 27.80% along with 83.10% increase in non-tax revenues. Achieving revenue targets is entrusted with expanding the tax base, streamlining collection process, formalizing the economy and imposing super tax on high earning companies.

## MUTUAL FUND INDUSTRY

The assets under management (AUMs) for the mutual funds industry increased by 29.11% to Rs. 1,621.21 billion as of June 30, 2023, from Rs. 1,255.70 billion as of June 30, 2022. In FY23, Money Market funds (both Conventional and Shariah Compliant) dominated in terms of AUMs representing 54.96% of total mutual fund industry AUMs (Rs. 891.01 billion) followed by Income funds (both Conventional and Shariah Compliant) representing 28.36% of total mutual fund industry AUMs (Rs. 459.78 billion) and Equity Funds representing 8.03% of total mutual fund industry AUMs (Rs. 130.18 billion). The AUM of VPS increased by 21.30% from Rs. 40.92 billion as on June 30, 2022, to Rs. 49.63 billion as on June 30, 2023. The share of Shariah Compliant VPS stood at Rs. 32.34 billion or 65.16% of total VPS.

## MUTUAL FUND TAXATION

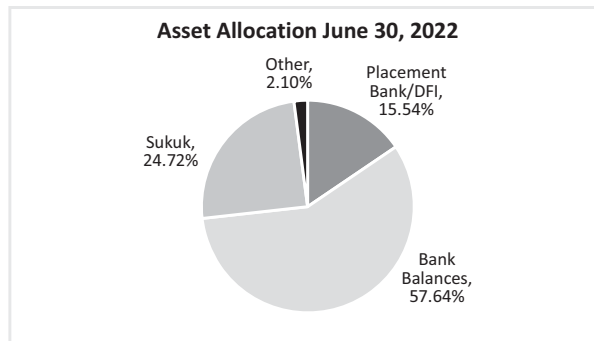
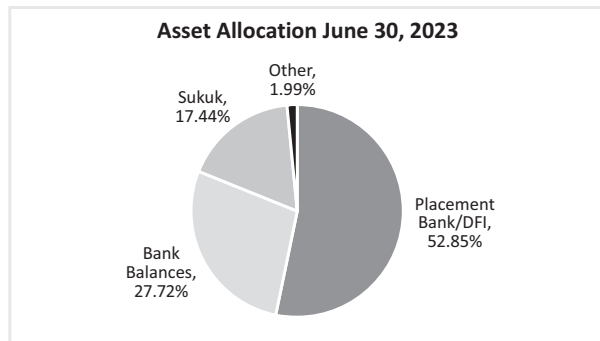
### FEDERAL EXCISE DUTY (FED)

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.

### FUND OPERATIONS - AIMF

The Net Asset Value per unit of The Atlas Islamic Money Market Fund (AIMF) increased by 23.78% to Rs. 502.15 as on June 30, 2023. The benchmark 3-months average deposit rates of three (AA) rated Islamic Banks or Islamic windows of conventional

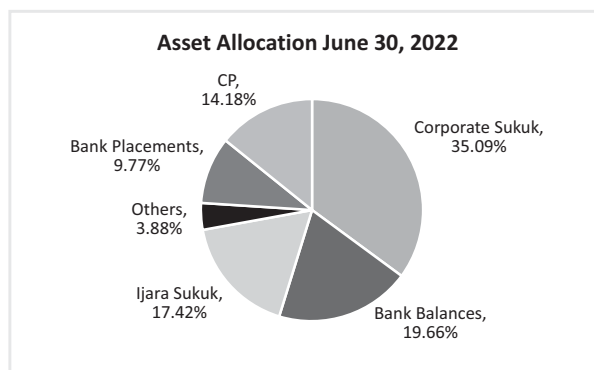
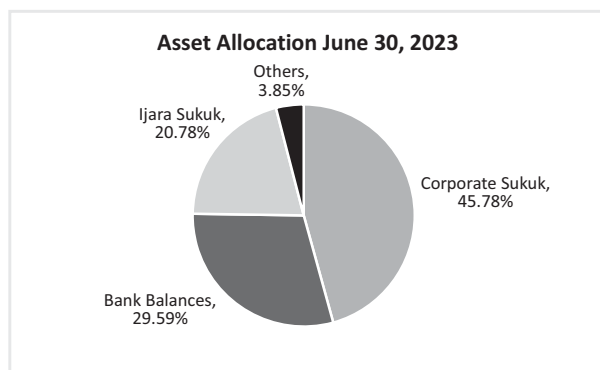
bank as selected by MUFAP stood at 6.23%. The AIMF Placements with Banks & DFI's stood at 52.85%, high yielding Shariah Compliant Bank Balances stood at 27.72%, Sukuk stood at 17.44%, and Others stood at 1.99%. The Net Assets of your Fund stood at Rs. 3.37 billion, with 6.72 million units outstanding as on June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated distribution of Rs. 75.76 per unit during fiscal year ended June 30, 2023 (15.15% on the face value of Rs. 500 per unit).

#### FUND OPERATIONS - AIIF

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 15.66% to Rs. 510.24 as on June 30, 2023. The benchmark 6-months average deposit rates of three (A) rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP stood at 6.06%. The AIIF's total exposure in high yielding Corporate Sukuk, Shariah Compliant Bank Balances, Ijarah Sukuk, and Others stood at 45.78%, 29.59%, 20.78%, and 3.85% respectively. The Net Assets of the Fund stood at Rs. 1.56 billion, with 3.05 million units outstanding as of June 30, 2023.

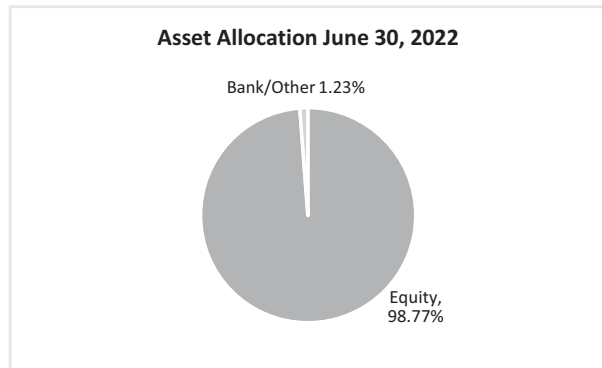
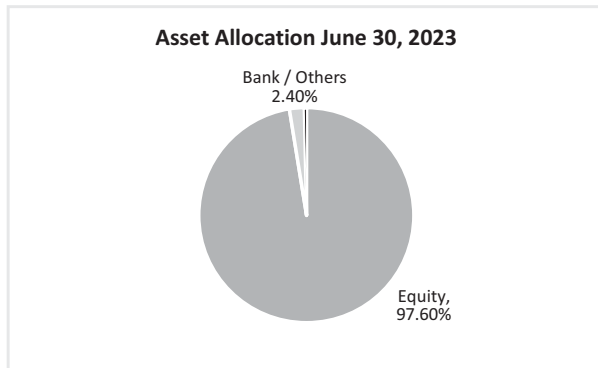


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 76.22 per unit for the period ended June 30, 2023 (15.24% on the face value of Rs. 500 per unit).

The Scheme has held provision for FED liability that amounted to Rs. 1,733,902 up till June 30, 2023 (Rs. 0.57 per unit).

#### FUND OPERATIONS - AISF

The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) decreased by 3.36% to Rs. 477.77 as on June 30, 2023. The benchmark KMI-30 index increased by 2.88% during the same period. The KMI-30 index increased from 68,766.37 points as on June 30, 2022 to 70,748.13 points as on June 30, 2023. AISF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospect of earnings growth. AISF equity portfolio exposure stood at 97.60% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer, and Shariah Compliant Commercial Banks. The Net Assets of the Fund stood at Rs. 3.24 billion, with 6.78 million units outstanding as of June 30, 2023.

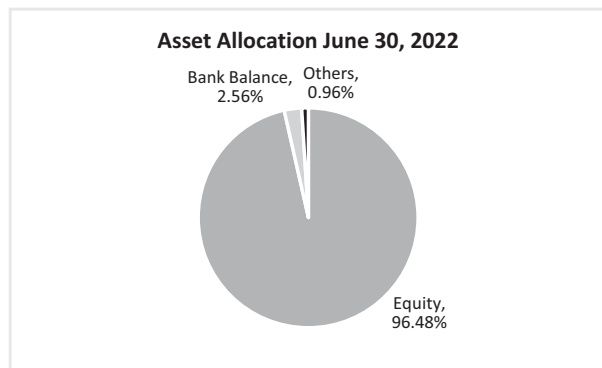
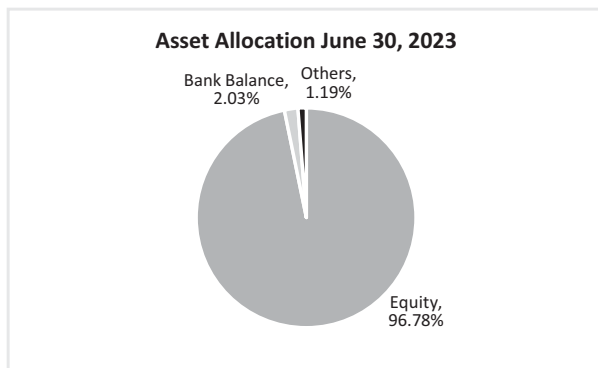


The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved NIL profit distribution.

The Scheme has held provision for FED liability that amounted to Rs. 10,453,385 up till June 30, 2023 (Rs. 1.54 per unit).

#### FUND OPERATIONS - AIDSF

The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) decreased by 3.68% to Rs. 495.28 as on June 30, 2023. The benchmark KMI-30 index increased by 2.88% during the same period. The KMI-30 index increased from 68,766.37 points as on June 30, 2022 to 70,748.13 points as on June 30, 2023. AIDSF strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospects of earnings growth. AIDSF equity exposure stood at 96.78% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer, and Shariah Compliant Commercial Banks. The Net Assets of the Fund stood at Rs. 504 million, with 1.02 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Dedicated Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved NIL profit distribution.

#### FUND OPERATIONS - AIFO

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 1.39% to Rs. 551.13 as on June 30, 2023. AAAIP was 68.79%, 13.01% and 10.33% invested in AIDSF, AIFO and AIMF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 5.45% to Rs. 565.12 as on June 30, 2023. AMAIP was 48.68%, 24.88% and 17.62% invested in AIDSF, AIFO and AIMF respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 10.60% to Rs. 566.75 as on June 30, 2023. ACAIP was 47.79%, 25.84% and 17.74% invested in AIMF, AIDSF and AIFO respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan II (AICPP-II) increased by 8.51% to Rs. 499.23 as on June 30, 2023. The AICPP-II was 62.28% and 32.78% invested in AIMF and AIDSF, respectively. The Net Assets of AIFO stood at Rs. 1.18 billion as of June 30, 2023.

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The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Fund of Funds, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregate distribution of Rs 10.10 per unit for AAAIP, Rs. 32.55 for AMAIP, Rs. 60.60 for ACAIP, and Rs. 43.20 for AICPP II for the period ended June 30, 2023.

## 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.

### • FUND STABILITY RATING - AIMF

PACRA has assigned a stability rating of "AA (f)" (Double A fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and low exposure to risks.

### • FUND STABILITY RATING - AIIF

PACRA has assigned a stability rating of "AA- (f)" (Double A Minus fund rating) to the Fund. The Fund's rating denotes a very strong capacity to manage relative stability in returns and low exposure to risks.

## FUTURE OUTLOOK

In FY24, growth is expected to moderately recover around 3% taking support from better agricultural production and normalization of economic activity post IMF program. Inflation is expected to average at 21% in FY24 before falling to single digits by the end of FY25 subject to favorable base effect and softening of global commodity prices. On fiscal front, sharp monetary contraction have resulted in substantial fiscal/debt vulnerabilities that are likely to improve once interest rates start to taper off. The FY24 CAD is expected to remain contained around 2.00% of GDP. On the external side, the IMF (SBA) will support building foreign exchange buffers and meeting external financing needs. Going forward, government's focus towards averting fiscal slippage, measures to conserve energy, and policies to reinforce import substitution shall be instrumental in achieving economic and financial stability.

مشک آنست که خود بیو دنه که عطار بگوید  
(Performance speaks itself)

## 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: 11 September 2023

**Iftikhar H. Shirazi**  
Chairman

# Directors' Report

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund (AIIF), Atlas Islamic Stock Fund (AISF), Atlas Islamic Money Market Fund (AIMF), Atlas Islamic Fund of Funds (AIFO) and Atlas Islamic Dedicated Stock Fund (AIDSF) take pleasure in presenting the Annual Reports along with the audited financial statements and Auditors' Reports thereon of AIIF, AISF, AIMF, AIFO and AIDSF for the year ended 30 June 2023.

## EARNINGS PER UNIT, RETURN, NET ASSETS AND SALES/REDEMPTIONS SUMMARY

Earnings per unit, return, net assets, and summary of sales / redemption of units of the AIIF, AISF, AIMF, AIFO and AIDSF, and for the year ended 30 June 2023 and 30 June 2022 are as follows:

Particulars	AIIF		AISF		AIMF		AIDSF	
	2023	2022	2023	2022	2023	2022	2023	2022
Earnings/ (loss) per unit - Rupees	88.72	55.02	(21.32)	(78.07)	50.25	39.60	(14.41)	(66.89)
Return %	15.76%	9.44%	-3.36%	-13.74%	16.75%	9.50%	-3.68%	-13.73%
Net assets - Rupees million	1,557.18	1,770.91	3,241.35	3,859.66	3,373.87	1,446.68	503.83	477.80
Sales - Rupees million	1,383.45	3,747.77	844.77	2,898.66	10,955.71	2,421.46	141.45	252.63
Sales - in units	2,605,525	7,165,413	1,799,224	5,146,679	21,646,645	3,601,792	279,746	445,271
Redemptions - Rupees million	1,655.86	4,176.98	1,318.42	1,136.27	9,019.89	1,611.40	99.16	39.13
Redemptions - in units	3,046,217	7,936,755	2,821,600	2,062,745	17,821,111	2,300,292	191,722	65,215
Units outstanding at year end	3,051,850	3,492,542	6,784,263	7,806,639	6,718,886	2,893,353	1,017,257	929,233

Particulars	AIFO June 2023				
	Atlas Aggressive Allocation Islamic Plan (AAAIP)	Atlas Moderate Allocation Islamic Plan (AMAIP)	Atlas Conservative Allocation Islamic Plan (ACAIP)	Atlas Islamic Dividend Plan (AIDP)	Atlas Islamic Capital Preservation Plan-II (AICPP-II)
Earnings/ (loss) per unit - Rupees	7.78	25.07	51.17	NA	41.09
Return %	1.38%	5.5%	10.7%	NA	8.6%
Net assets - Rupees million	215.56	233.71	247.81	NA	482.33
Sales - Rupees million	88.67	96.36	96.23	NA	18.73
Sales - in units	160,233	166,226	164,740	NA	37,462
Redemptions - Rupees million	0.04	0.81	1.90	NA	8.62
Redemptions - in units	8,411	1,363	3,172	NA	16,567
Units outstanding at year end	391,131	413,564	437,241	NA	966,159

Particulars	AIFOF June 2022				
	Atlas Aggressive Allocation Islamic Plan (AAAIP)	Atlas Moderate Allocation Islamic Plan (AMAIP)	Atlas Conservative Allocation Islamic Plan (ACAIP)	Atlas Islamic Dividend Plan (AIDP)	Atlas Islamic Capital Preservation Plan (AICPP-I)
Earnings/ (loss) per unit - Rupees	(37.97)	(15.32)	14.90	41.06	1.39
Return %	-6.89%	-2.84%	2.92%	9.01%	0.28%
Net assets - Rupees million	132.47	140.96	156.37	29.67	472.52
Sales - Rupees million	13.07	11.01	21.17	2.70	472.69
Sales - in units	23,178	19,411	36,597	5,403	945,605
Redemptions - Rupees million	0.01	0.01	2.74	0.02	0.17
Redemptions - in units	10	15	4,719	407	341
Units outstanding at year end	239,308	248,702	275,673	59,332	945,264

#### INCOME DISTRIBUTION - AIIF

The Investment Committee of the Management Company of AIIF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 76.22 (2022: Rs. 46.50) per unit for the FY 2022-23. The total payout for the year works out to 15.24% (2022: 9.30%) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.

#### INCOME DISTRIBUTION - AISF

The Investment Committee of the Management Company of AISF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Nil (2022: Nil) per unit for the FY 2022-23. The total payout for the year works out to Nil (2022: Nil) on the face value of Rs.500 per unit. Nil distribution was due to losses on account of the decrease in KSE 100-Index that stood at 41,540.83 points at June 30, 2022 and at 41,453.00 points as on June 30, 2023 reflecting a decrease of 0.21% during the year under review. There was nil final distribution for the outgoing year.

#### INCOME DISTRIBUTION - AIDSF

The Investment Committee of the Management Company of AIDSF, under the authority delegated to them by the Board of Directors, approved an interim distribution of Nil (2022: Nil) per unit for the FY 2022-23. The total payout for the year works out to Nil (2022: Nil%) on the face value of Rs.500 per unit. Nil distribution was due to losses on account of the decrease in KSE 100-Index that stood at 41,540.83 points at June 30, 2022 and at 41,453.00 points as on June 30, 2023 reflecting a decrease of 0.21% during the year under review. There was nil final distribution for the outgoing year.

#### INCOME DISTRIBUTION - AIMF

The Investment Committee of the Management Company of AIMF, under the authority delegated to them by the Board of Directors, approved aggregated interim distribution of Rs. 75.76 (2022: 45.35) per unit for the FY 2022-23. The total payout for the year works out to 15.75% (2022: 9.07%) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.

#### INCOME DISTRIBUTION - AAAIP

The Investment Committee of the Management Company of AAAIP, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 10.10 (2022: Nil) per unit for the FY 2022-23. The total payout for the year works out to 2.02% (2022: Nil) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.



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### **INCOME DISTRIBUTION - AMAIP**

The Investment Committee of the Management Company of AMAIP, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 32.55 (2022: Nil) per unit for the FY 2022-23. The total payout for the year works out to 6.51% (2022: 0%) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.

### **INCOME DISTRIBUTION - ACAIP**

The Investment Committee of the Management Company of ACAIP, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 60.60 (2022: 16.45) per unit for the FY 2022-23. The total payout for the year works out to 12.12% (2022: 3.29%) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.

### **INCOME DISTRIBUTION - AIDP**

AIDP was discontinued w.e.f. August 15, 2022. The Investment Committee of the Management Company of AIDP, under the authority delegated to them by the Board of Directors, approved aggregated interim distribution of 43.17 (2021: 27.03) per unit for the FY 2021-22. The total payout for the year works out to 8.63% (2021: 5.41%) on the face value of Rs.500 per unit.

### **INCOME DISTRIBUTION - AICPP-II\***

The Investment Committee of the Management Company of AICPP-II, under the authority delegated to them by the Board of Directors, approved an interim distribution of Rs. 43.20 (2022: 1.51) per unit for the FY 2022-23. The total payout for the year works out to 8.64% (2022: 0.30%) on the face value of Rs.500 per unit. There was nil final distribution for the outgoing year.

### **CHAIRMAN'S REVIEW**

The review included in the Annual Report of AIIF, AISF, AIMF, AIFOF and AIDSf, deals inter alia with the performance of these Funds for the year and future prospects. The directors endorse the contents of the review.

### **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.

### **STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors states for AIIF, AISF, AIMF, AIFOF and AIDSf that:

- The financial statements, prepared by the Management Company of these funds present fairly their state of affairs, the results of operations, comprehensive income for the year, cash flows, and movement in Unit Holders' Funds.
- Proper books of account of these Funds have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Funds' ability to continue as a going concern.

- Statutory payments, taxes, levies properly disclosed in the Financial Statements.
- Summaries of key financial data/ performance tables of AIIF, AISF, AIMF, AIFO and AIDS are annexed on pages 64, 105, 23, 182 and 143 respectively, of the Annual Report.
- The statement as to the value of investments of provident fund is not applicable in the case of these funds as these relate to retirement benefits to the employees of the Management Company, and are not chargeable to these Funds.
- The pattern of unit holdings is appended as notes 25, 21, 24, 22 and 22 respectively to the financial statements of AIIF, AISF, AIMF, AIFO and AIDS.

#### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY 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)

Seven Board Meetings were held and attended during FY 2022-23. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 29, 25, 28, 25 and 26 respectively to the financial statements of AIIF, AISF, AIMF, AIFO and AIDS.

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

- **Human Resource & Remuneration Committee (HR& RC)** - two meetings were 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. Fahim 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 five 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	13
2	Mr. M. Abdul Samad	Chief Executive Officer	48
3	Mr. Khalid Mahmood (executive management)	Chief Investment Officer - Member IC	51
4	Mr. M. Umar Khan (executive management)	Head of Portfolio Management - Member IC	53
5	Mr. Fawad Javaid (executive management)	Head of Fixed Income - Member IC	48
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 funds under management, as per their Constitutive documents, are required to purify their Shariah Non-Compliant (Haram) income from the Fund. Such income, in accordance with the certification by the Shariah Advisor of these funds, is also donated to charitable institutions approved by the Shariah Advisor, on quarterly basis.

## **RATINGS UPDATE**

### **ASSET MANAGER RATING**

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2022: AM2+ (AM Two Plus)] on 23rd December 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

### **FUND STABILITY RATING - AIIF**

PACRA has maintained the stability rating of the AIIF at "AA - (f)" (Double A Minus f : fund rating) on 17 April 2023. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

### **FUND STABILITY RATING - AIMF**

PACRA has maintained the stability rating of the AIMF at "AA (f)" (Double A f : fund rating) on 17 April 2023. The Fund's rating denotes a very strong capacity to manage relative stability in returns and very low exposure to risks.

## **AUDITORS**

The Audit Committee of the Board of Directors, in their meeting held on September 06, 2023, recommended the re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, being eligible, as auditors of Atlas Islamic Stock Fund, M/s. EY Ford Rhodes, Chartered Accountants, Karachi, being eligible as auditors of Atlas Islamic Money Market Fund and the appointment of M/s. Yousuf Adil, Chartered Accountants, Karachi, being eligible, as auditors of Atlas Islamic Income Fund, Atlas Islamic Fund of Funds and Atlas Islamic Dedicated Stock Fund, for the financial year ending 30 June 2024.

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## **ACKNOWLEDGEMENT**

The Board of Directors of the Management Company thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee, for their dedication and hard work, and the Unit Holders, for their confidence in the Management Company.

For and on behalf of the Board

**Muhammad Abdul Samad**  
Chief Executive Officer

**Frahim Ali Khan**  
Director

Karachi: 11 September 2023

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# Atlas Islamic Money Market Fund

## Corporate Information

### Trustee

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

### Shariah Advisor

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Dr. Mufti Hassan Usmani

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

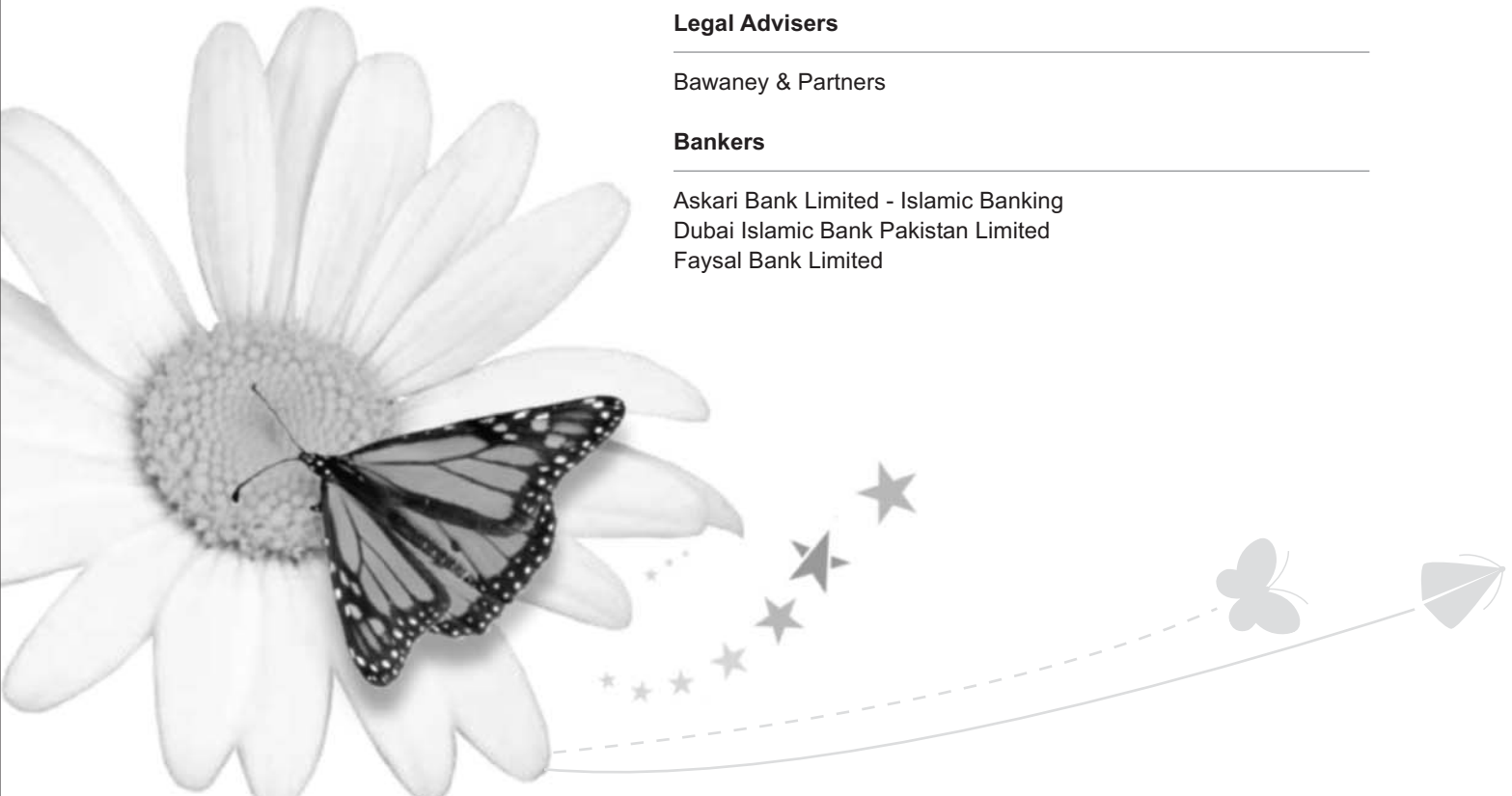
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Bawaney & Partners

### Bankers

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Askari Bank Limited - Islamic Banking  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited



# Fund Manager's Report

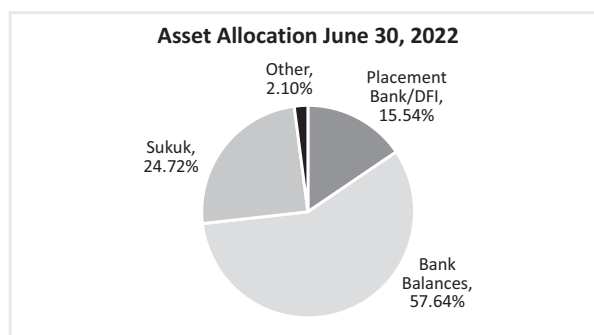
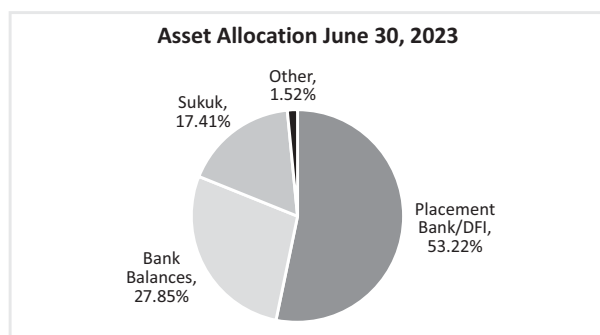
The objective of Atlas Islamic Money Market Fund (AIMF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consisting of Shariah Compliant money market instruments. The Fund invests in Shariah Compliant money market instruments with a maximum time to maturity of six months for any asset whereas, weighted average time to maturity of the fund cannot exceed 90 days. This is intended to reduce risk while maintaining liquidity. The Fund's investment strategy is based on fundamental credit analysis of counterparties. The Fund primarily invests in short term government securities/bank deposits and other short term money market instruments. The Fund will make periodic payout to the unit holders, which shall be reinvested.

Atlas Islamic Money Market Fund benchmark is three (3) months average deposit rates of Three (3) AA rated Islamic Banks or Islamic windows of conventional bank as Selected by MUFAP

The Monetary Policy Committee of SBP has increased its policy rate by 825 bps to 22.0% with the objective of moderating demand to a sustainable pace and reducing external pressures. The Consumer Price Index (CPI) Inflation averaged at 29.18% during FY23 compared to 12.15% in FY22. The increase in FY23 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants regarding the impact of ongoing inflationary pressures. Going forward, frequency of local demand and impact of international commodity prices on domestic inflation will remain a major determinant towards any change in monetary policy stance.

## FUND OPERATIONS - AIMF

The Net Asset Value per unit of The Atlas Islamic Money Market Fund (AIMF) increased by 23.78% to Rs. 502.15 as on June 30, 2023. The benchmark 3-months average deposit rates of three (AA) rated Islamic Banks or Islamic windows of conventional bank as selected by MUFAP stood at 6.23%. The AIMF Placements with Banks & DFI's stood at 52.85%, high yielding Shariah Compliant Bank Balances stood at 27.72%, Sukuk stood at 17.44%, and Others stood at 1.99%. The Net Assets of your Fund stood at Rs. 3.37 billion, with 6.72 million units outstanding as on June 30, 2023.



## Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated Companies	1	367,687,414	10.90%
Individual	648	905,868,298	26.85%
Others	19	1,664,977,673	49.35%
Retirement Funds	9	435,340,483	12.90%
<b>Grand Total</b>	<b>677</b>	<b>3,373,873,867</b>	<b>100.00%</b>

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Money Market Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated distribution of Rs. 75.76 per unit during fiscal year ended June 30, 2023 (15.15% on the face value of Rs. 500 per unit).

The Total Expense Ratio (TER) of the Fund is 1.00% including Government levy and SECP Fee of 0.40%.

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

Karachi: 11 September 2023

**Fawad Javaid**  
Head of Fixed Income

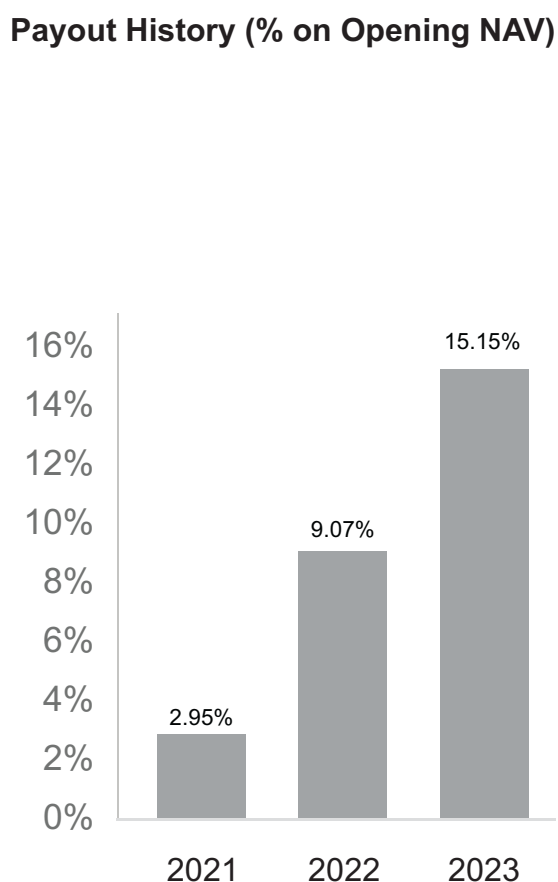
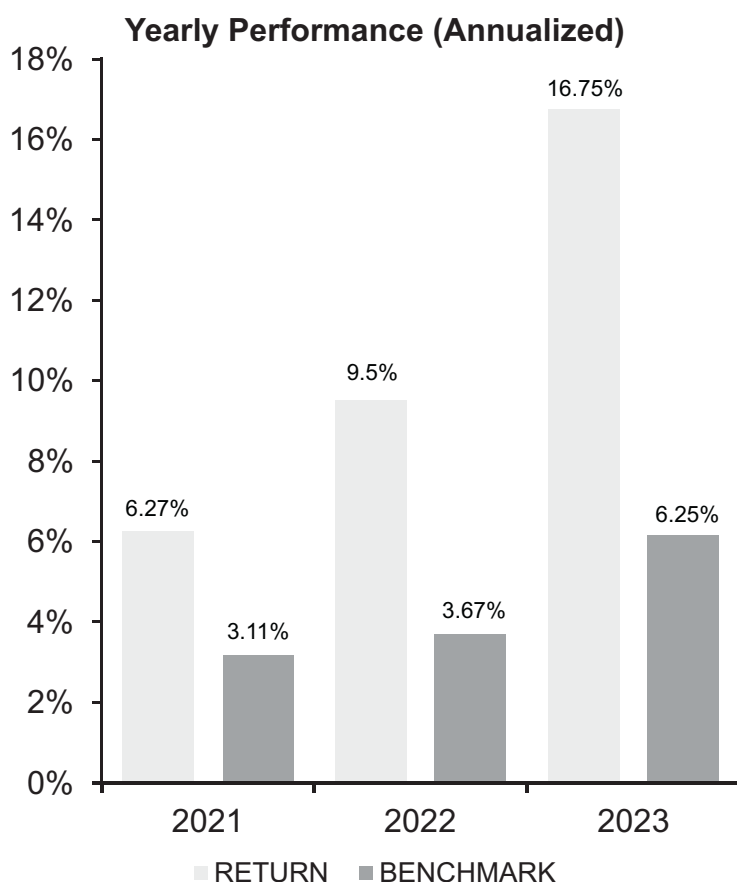
## Performance Since Inception

	2023	2022	2021*
Net assets (Rs. in '000)	3,373,874	1,446,676	636,613
Number of units in issue	6,718,886	2,893,353	1,273,226
Net asset value per unit (Rs.)	502.15	500.00	500.00
Net income / (loss) (Rs. in '000)	337,657	114,589	16,585
Earnings / (loss) per unit (Rs.)	50.25	39.60	13.03
Annual return of the Fund (%)	9.50	9.50	6.27
Offer price ** (Rs.)	502.15	500.00	500.00
Redemption price ** (Rs.)	502.15	500.00	500.00
Distribution Per Unit (Rs.)	24.41	45.35	14.73
Distribution as a % of opening Ex- NAV of units	4.88	9.07	2.95
Date of distribution ***	Various	Various Dates	Various Dates
Highest offer price (Rs.)	510.26	500.00	500.00
Lowest offer price (Rs.)	500.00	500.00	500.00
Highest repurchase price per unit (Rs.)	510.26	500.00	500.00
Lowest repurchase price per unit (Rs.)	500.00	500.00	500.00

\* For the period from 07 January 2021 to 30 June 2021 (Date of Launch: 07 January 2021).

\*\* Relates to announced prices.

**Note:** Past Performance of the Fund is not indicative of future performance, and the price and investment return may go down, as well as up.



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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Money Market Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**



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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Islamic Money Market Fund (AIMF), I am issuing this report in accordance with clause 11.4 (c) of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of Atlas Asset Management Limited (AAML), the management company of the Fund, to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. As a Shariah 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.

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 AIMF for the period ended June 30, 2023 are in compliance with the Shariah principles.

There are investments made by AIMF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the 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 2023

**Dr. Mufti Hassan Usmani**  
Shariah Advisor

# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Money Market Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Money Market Fund** (the Fund), which comprise of the statement of assets and liabilities as at 30 June 2023, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the period ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Investment in Islamic securities</b>	
<p>The investment held by the Fund comprised of Islamic securities which represents significant portion of the total assets of the Fund during the year and / or as at the year end. The Investments as at year end represents 70% of total assets of the Fund.</p> <p>In view of the above, we have considered this area as a key audit matter</p> <p>For disclosure refer to note 4.2, 4.3 and 5 to the financial statements.</p>	<p>We performed a combination of audit procedures focusing on the existence of the investment as at the year end and acquisition and disposal of investment including related income / gains that arose during the year. Our key procedure included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of fund's process over acquisition, disposals and valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li> <li>• We performed verification of acquisition and disposal of investments on sample basis.</li> <li>• Recalculated gain / (loss) on disposal of investments and markup income.</li> <li>• We performed verification of year-end balance portfolio of investment as at 30 June 2023 by circulating confirmations to custodians and reviewing Investment position summary (IPS) statements.</li> <li>• We tested the valuation of investments by agreeing the prices with market yields and prices quoted by Mutual Fund Association of Pakistan (MUFAP).</li> </ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>• We also evaluated the adequacy of the overall disclosures in the financial statements with respect investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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

Karachi: 25 September 2023

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 Rupees	2022
<b>Assets</b>			
Bank balances, Musharika Certificates and Term deposit receipts	4	1,982,217,192	1,059,509,272
Investments	5	1,349,300,281	358,000,000
Profit receivable on deposits and investments	6	66,899,176	29,426,800
Prepayments, deposits and other receivables	7	515,170	540,530
Preliminary and floatation cost	8	363,784	507,955
<b>Total assets</b>		<b>3,399,295,602</b>	<b>1,447,984,557</b>
<b>Liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	9	1,892,983	162,470
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	193,370	75,608
Payable to the Securities and Exchange Commission of Pakistan	11	408,462	240,316
Accrued expenses and other liabilities	12	5,774,390	829,926
Payable Against Redemption of Units		17,152,531	-
<b>Total liabilities</b>		<b>25,421,736</b>	<b>1,308,320</b>
<b>NET ASSETS</b>		<b>3,373,873,867</b>	<b>1,446,676,237</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,373,873,867</b>	<b>1,446,676,237</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	----- Number of Units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	1.5	<b>6,718,886</b>	<b>2,893,353</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>502.1478</b>	<b>500.0000</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

	Note	2023 ----- Rupees -----	2022
<b>Income</b>			
Profit on investments and bank balances	14	351,621,038	117,595,137
<b>Total income</b>		<b>351,621,038</b>	<b>117,595,137</b>
<b>Expenses</b>			
Remuneration of the Management Company	9.1	7,676,525	957,277
Sindh sales tax on remuneration of the Management Company	9.2	997,948	124,446
Accounting & operational charges	15	2,137,932	300,000
Remuneration of the Trustee	10.1	1,123,269	682,118
Sindh sales tax on remuneration of the trustee	10.2	146,025	88,675
Annual fee - Securities and Exchange Commission of Pakistan	11.1	408,462	240,316
Auditor's remuneration	16	239,978	300,240
Transaction charges		353,308	19,439
Amortization of preliminary expenses and floatation costs	8	144,172	151,802
Annual listing fee		27,500	27,500
Fund rating fee		207,355	188,710
Shariah advisory fee		80,000	80,110
Printing charges		69,166	49,263
Bank charges		95,031	23,109
Legal and professional charges		86,400	111,868
(Reversal) for Sindh Workers' Welfare Fund		-	(338,463)
Selling and Marketing Charges		171,334	-
<b>Total expenses</b>		<b>13,964,405</b>	<b>3,006,410</b>
<b>Net income for the year</b>		<b>337,656,634</b>	<b>114,588,727</b>
Taxation	18	-	-
<b>Net income for the year</b>		<b>337,656,634</b>	<b>114,588,727</b>
<b>Allocation of net income for the year:</b>			
Net income for the year		337,656,634	114,588,727
Income already paid on units redeemed		(87,960,649)	-
		<b>249,695,985</b>	<b>114,588,727</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	-
- Excluding capital gains		249,695,985	114,588,727
		<b>249,695,985</b>	<b>114,588,727</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Net income for the year</b>	<b>337,656,634</b>	<b>114,588,727</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b><u>337,656,634</u></b>	<b><u>114,588,727</u></b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**Qurrat-ul-Ain Jafari**  
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Chairman

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Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
<b>Net assets at beginning of the period</b>	1,446,676,237	-	1,446,676,237	636,612,937	-	636,612,937
<b>Issuance of 21,646,645 units (2022: 3,601,792 units)</b>						
- Capital value	10,819,601,206	-	10,819,601,206	2,421,460,715	-	2,421,460,715
- Element of income / (loss) - net	128,565,366	-	128,565,366	-	-	-
	<b>10,948,166,572</b>	<b>-</b>	<b>10,948,166,572</b>	<b>2,421,460,715</b>	<b>-</b>	<b>2,421,460,715</b>
<b>Redemption of 17,821,111 units (2022: 2,300,292 units)</b>						
- Capital value	(8,906,834,706)	-	(8,906,834,706)	(1,611,397,415)	-	(1,611,397,415)
- Element of income / (loss) - net	(17,560,116)	(87,960,649)	(105,520,765)	-	-	-
	<b>(8,924,394,822)</b>	<b>(87,960,649)</b>	<b>(9,012,355,471)</b>	<b>(1,611,397,415)</b>	<b>-</b>	<b>(1,611,397,415)</b>
Total comprehensive income for the period	-	337,656,634	337,656,634	-	114,588,727	114,588,727
Refund of capital	(101,713,290)	-	(101,713,290)	-	-	-
Distribution during the year - refer annexure A	-	(244,556,816)	(244,556,816)	-	(114,588,727)	(114,588,727)
<b>Net assets at the end of the period</b>	<b>3,368,734,698</b>	<b>5,139,169</b>	<b>3,373,873,867</b>	<b>1,446,676,237</b>	<b>-</b>	<b>1,446,676,237</b>
<b>Undistributed income brought forward comprises of :</b>						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	249,695,985	-	249,695,985	114,588,727	-	114,588,727
Distribution during the period	(244,556,816)	-	(244,556,816)	(114,588,727)	-	(114,588,727)
<b>Undistributed income carried forward</b>	<b>5,139,169</b>	<b>-</b>	<b>5,139,169</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Undistributed income carried forward comprises of :</b>						
- Realised income	5,139,169	-	5,139,169	-	-	-
- Unrealised income	-	-	-	-	-	-
	<b>5,139,169</b>	<b>-</b>	<b>5,139,169</b>	<b>-</b>	<b>-</b>	<b>-</b>
	(Rupees)		(Rupees)			
<b>Net assets value per unit at Beginning of the period</b>	<b>500.0000</b>		<b>500.0000</b>	<b>500.0000</b>		<b>500.0000</b>
<b>Net assets value per unit at end of the period</b>	<b>502.1478</b>		<b>502.1478</b>	<b>500.0000</b>		<b>500.0000</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 2023

	2023	2022
Note	----- Rupees -----	-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year/ period after taxation	<b>337,656,634</b>	<b>114,588,727</b>
<b>Adjustments for:</b>		
Markup income	14 (351,621,038)	(117,701,919)
Loss on sale of investments in Bai Muajjal	8 -	106,782
Amortization of preliminary expenses and floatation costs	144,171	151,802
(Reversal) for Sindh Workers' Welfare Fund	-	(338,463)
	<b>(351,476,867)</b>	<b>(117,781,798)</b>
<b>Decrease / (Increase) in assets</b>		
Prepayments, deposits and other receivables	25,360	(46,088)
	<b>25,360</b>	<b>(46,088)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Company - Management Company	1,730,513	(734,549)
Payable to Central Depository Company of Pakistan Limited - Trustee	117,762	21,686
Payable to the Securities and Exchange Commission of Pakistan	168,146	186,783
Accrued expenses and other liabilities	4,944,464	583,653
Payable against redemption of units	17,152,531	-
	<b>24,113,416</b>	<b>57,573</b>
Profit received	314,148,663	91,639,419
Investments made during the year	(2,938,889,980)	-
Investments matured during the year	1,947,589,699	(7,300,436)
<b>Net cash (used in) / generated from operating activities</b>	<b>(666,833,076)</b>	<b>81,157,396</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	10,948,166,572	2,421,460,715
Cash Dividend	(244,556,816)	(114,588,727)
Refund of capital	(101,713,290)	-
Payments against redemption of units	(9,012,355,471)	(1,611,397,415)
<b>Net cash generated from financing activities</b>	<b>1,589,540,996</b>	<b>695,474,573</b>
<b>Net increase in cash and cash equivalents</b>	<b>922,707,920</b>	<b>776,631,969</b>
Cash and cash equivalents at the beginning of the year / period	1,059,509,272	282,877,303
<b>Cash and cash equivalents at the end of the year / period</b>	<b>1,982,217,192</b>	<b>1,059,509,272</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

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Chairman

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Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Money Market Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on 17 September 2020 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee, further the Trust deed has been registered under the Sindh Trust Act as disclosed in note 1.6. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant money market scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis since 07 January 2021, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the Trust Deed, the objective of Atlas Islamic Money Market Fund (AIMF) is to provide competitive return to its investors (with a periodic payout) by investing in low risk, highly liquid and short duration portfolio consist of Shariah Compliant money market instruments.
- 1.4 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 As per the offering document of the Fund, an investor shall, at the time of opening an account, select the types of units in which the investor wishes to invest, i.e. Growth Unit and/or Income Unit. Furthermore, at the time of dividend distribution the unit holders receive additional units or cash dividend against Growth unit and Income unit, respectively.
- 1.6 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.7 As per the offering document of the Fund, the Management Company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the year, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed 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, 2022 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:

Amendments	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires 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 that are believed to be reasonable under the circumstances, the result 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 taxes recoverable as disclosed in note 7.1.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except investments are required to be carried at fair value.

## 2.6 Functional and presentation currency

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

### 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

##### 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 held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## **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 criteria.

'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 FVTPL.

## **c) Subsequent Measurement**

### **Debt instruments at fair value through profit or loss**

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Given the objectives of the Fund, all investments have been classified as FVTPL.

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**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

### **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. The Fund has not used this classification for its investment portfolio.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## Financial liabilities

### Financial liabilities measured at amortised cost

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### 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) Regular way contracts

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

#### g) Impairment of financial assets

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have 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, October 24, 2012 have been followed.

#### h) 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## i) Determination of fair value

### a) 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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

### b) Debt securities (Government securities)

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

### c) Equity securities

The equity securities are valued on the basis of closing quoted market prices available at the 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

## 3.4 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

## 3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

## 3.6 Distributions to unit holders

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### **3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### **3.8 Revenue recognition**

- Dividend Income is recognised when the right to receive the dividend is established.
- Markup 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.

### **3.9 Expenses**

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

### **3.10 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 90% of the accounting income for the period as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the year, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

### **3.11 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.

### **3.12 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 AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.13 Preliminary expenses and floatation costs

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from January 07, 2021 in accordance with the Trust Deed and the NBFC Regulations.

## 4 BANK BALANCES, MUSHARIKA CERTIFICATES AND TERM DEPOSIT RECEIPTS

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
In local currency			
- Profit and loss sharing accounts	4.1	942,217,192	834,509,272
- Islamic Term Deposit Receipt	4.2	520,000,000	225,000,000
- Certificate of Musharika	4.3	520,000,000	-
		<b>1,982,217,192</b>	<b>1,059,509,272</b>

4.1 The rate of return on these accounts during the year ranges between 5.50% to 19.75% (30 June 2022: 6.5% to 15.25%) per annum. The profit rates effective at the year end on these accounts ranges between 13.50% to 19.75% (30 June 2022: 10.65% to 13.5%) per annum.

### 4.2 Islamic Term Deposit Receipt

Name of the Investee Company	As at 01 July 2022	Purchases during the year	Matured during the year	As at 30 June 2023	Profit Rate %	Issue Date	Maturity Date
----- Face value (Rupees) -----							
Askari Bank Limited	225,000,000	-	225,000,000	-	14.40	27-May-22	25-Aug-22
Askari Bank Limited	-	130,000,000	130,000,000	-	14.90	25-Aug-22	24-Nov-22
Askari Bank Limited	-	165,000,000	165,000,000	-	14.85	24-Nov-22	01-Dec-22
Askari Bank Limited	-	200,000,000	200,000,000	-	15.65	01-Dec-22	01-Feb-23
Askari Bank Limited	-	310,000,000	310,000,000	-	16.05	01-Feb-23	21-Mar-23
Askari Bank Limited	-	475,000,000	475,000,000	-	19.25	11-Apr-23	11-May-23
Askari Bank Limited	-	490,000,000	490,000,000	-	19.50	11-May-23	15-Jun-23
Askari Bank Limited	-	520,000,000	-	520,000,000	19.75	15-Jun-23	02-Aug-23
<b>Total as at 30 June 2023</b>	<b>225,000,000</b>	<b>2,290,000,000</b>	<b>1,995,000,000</b>	<b>520,000,000</b>			
Total as at 30 June 2022	-	-	-	225,000,000			

### 4.3 Certificate of Musharika

Name of the Investee Company	As at 01 July 2022	Purchases during the year	Matured during the year	As at 30 June 2023	Profit Rate %	Issue Date	Maturity Date
----- Face value (Rupees) -----							
Meezan Bank Limited	-	250,000,000	250,000,000	-	16.50	03-Feb-23	03-Mar-23
Meezan Bank Limited	-	440,000,000	440,000,000	-	19.50	03-Mar-23	21-Mar-23
Meezan Bank Limited	-	350,000,000	350,000,000	-	19.25	30-Mar-23	07-Apr-23
United Bank Limited	-	520,000,000	-	520,000,000	20.25	22-Jun-23	03-Aug-23
Faysal Bank Limited	-	480,000,000	480,000,000	-	19.00	18-Apr-23	28-Apr-23
Faysal Bank Limited	-	490,000,000	490,000,000	-	19.00	28-Apr-23	05-May-23
Meezan Bank Limited	-	490,000,000	490,000,000	-	20.05	12-May-23	13-Jun-23
Meezan Bank Limited	-	520,000,000	520,000,000	-	19.75	14-Jun-23	22-Jun-23
Meezan Bank Limited	-	485,000,000	485,000,000	-	20.00	14-Apr-23	12-May-23
<b>Total as at 30 June 2023</b>	<b>-</b>	<b>4,025,000,000</b>	<b>3,505,000,000</b>	<b>520,000,000</b>			
Total as at 30 June 2022	-	-	-	-			

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5 INVESTMENTS	Note	2023	2022
		----- Rupees -----	
<b>At fair value through profit or loss</b>			
- Investment in Bai Muajjal	5.1	756,300,281	-
- Investment in Sukuk certificates	5.2	593,000,000	358,000,000
		<b>1,349,300,281</b>	<b>358,000,000</b>

## 5.1 Investment in Bai Muajjal

Name of the Investee Company	As at 01 July 2022	Purchases during the year	Sold/ matured during the year	As at 30 June 2023	Carrying Value as at 30 June 2023	Market Value as at 30 June 2023	Market Value as a % of net assets of Fund	Market Value as a % of total value of investments of Fund
				----- Face value (Rupees) -----		----- %age -----		
Pak Oman Investment Company Limited	-	107,721,096	107,721,096	-	-	-	-	-
Pak Oman Investment Company Limited	-	107,771,233	107,771,233	-	-	-	-	-
Pak Oman Investment Company Limited	-	107,821,370	107,821,370	-	-	-	-	-
Pak Oman Investment Company Limited	-	108,818,466	108,818,466	-	-	-	-	-
Pak Oman Investment Company Limited	-	108,818,466	108,818,466	-	-	-	-	-
Pak Oman Investment Company Limited	-	188,715,589	-	188,715,589	188,715,589	188,715,589	5.59	13.99
Pak Oman Investment Company Limited	-	188,936,808	-	188,936,808	188,936,808	188,936,808	5.60	14.00
Pak Brunei Investment Company Limited	-	107,821,370	107,821,370	-	-	-	-	-
Pak Brunei Investment Company Limited	-	105,259,205	105,259,205	-	-	-	-	-
Pak Brunei Investment Company Limited	-	105,259,205	105,259,205	-	-	-	-	-
Pak Kuwait Investment Company (Pvt.) Ltd	-	107,424,329	107,424,329	-	-	-	-	-
Pak Kuwait Investment Company (Pvt.) Ltd	-	107,474,493	107,474,493	-	-	-	-	-
Pak Kuwait Investment Company (Pvt.) Ltd	-	107,675,151	107,675,151	-	-	-	-	-
Pak Kuwait Investment Company (Pvt.) Ltd	-	107,725,315	107,725,315	-	-	-	-	-
Pak Kuwait Investment Company (Pvt.) Ltd	-	189,268,637	-	189,268,637	189,268,637	189,268,637	5.61	14.03
Pak Kuwait Investment Company (Pvt.) Ltd	-	189,379,247	-	189,379,247	189,379,247	189,379,247	5.61	14.04
<b>Total as at 30 June 2023</b>	<b>-</b>	<b>2,045,889,980</b>	<b>1,289,589,699</b>	<b>756,300,281</b>	<b>756,300,281</b>	<b>756,300,281</b>	<b>22.42</b>	<b>56.05</b>
Total as at 30 June 2022								

5.1.1 These Bai Muajjal transactions has been made at a rate of 16.60% to 20.25% per annum (2022: 16.60% per annum).

## 5.2 Investment in Sukuk certificates

Name of the Investee Company	As at 01 July 2022	Purchases during the year	Sold/ matured during the year	As at 30 June 2023	Carrying Value as at 30 June 2023	Market Value as at 30 June 2023	Market Value as a % of net assets of Fund	Market Value as a % of total value of investments of Fund
				----- Face value (Rupees) -----		----- %age -----		
K-Electric Limited - Short term Sukuk - II	85,000,000	-	85,000,000	-	-	-	-	-
K-Electric Limited - Short term Sukuk - III	13,000,000	-	13,000,000	-	-	-	-	-
K-Electric Limited - Short term Sukuk - V	100,000,000	-	100,000,000	-	-	-	-	-
Lucky Electric Power Company Limited - Short Term Sukuk - I	160,000,000	-	160,000,000	-	-	-	-	-
K-Electric Limited - Short term Sukuk - VIII	-	10,000,000	10,000,000	-	-	-	-	-
Lucky Electric Power Company Limited - Short Term Sukuk - VI	-	100,000,000	100,000,000	-	-	-	-	-
Nishat Mills Limited	-	130,000,000	130,000,000	-	-	-	-	-
K-Electric Limited - Short term Sukuk - XI	-	60,000,000	60,000,000	-	-	-	-	-
K-Electric Limited - Short term Sukuk - XIII	-	175,000,000	-	175,000,000	175,020,475	175,000,000	5.19	12.97
Lucky Electric Power Company Limited - Short Term Sukuk - VI	-	165,000,000	-	165,000,000	165,000,000	165,000,000	4.89	12.23
Nishat Mills Limited - II	-	50,000,000	-	50,000,000	50,000,000	50,000,000	1.48	3.71
Hub Power Company Limited - STS - I	-	40,000,000	-	40,000,000	40,000,000	40,000,000	1.19	2.96
Lucky Electric Power Company Limited - Short Term Sukuk - IX	-	100,000,000	-	100,000,000	100,000,000	100,000,000	2.96	7.41
Lucky Electric Power Company Limited - Short Term Sukuk - X	-	63,000,000	-	63,000,000	63,000,000	63,000,000	1.87	4.67
<b>Total as at 30 June 2023</b>	<b>358,000,000</b>	<b>893,000,000</b>	<b>658,000,000</b>	<b>593,000,000</b>	<b>593,020,475</b>	<b>593,000,000</b>	<b>17.58</b>	<b>43.95</b>
Total as at 30 June 2022					358,000,000	358,000,000	24.75	100.00

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.2.1 Terms and conditions of the Sukuks are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
K-Electric Limited - Short term Sukuk - II	AA	6 Month	Semi-annually	August, 2022	6 Month Kibor + 0.85
K-Electric Limited - Short term Sukuk - III	AA	6 Month	Semi-annually	September, 2022	6 Month Kibor + 0.85
K-Electric Limited - Short term Sukuk - V	AA	6 Month	Semi-annually	October, 2022	6 Month Kibor + 0.95
Lucky Electric Power Company Limited - Short Term Sukuk - I	AA	6 Month	Semi-annually	October, 2022	6 Month Kibor + 1.20
K-Electric Limited - Short term Sukuk - VIII	AA	6 Month	Semi-annually	February, 2022	6 Month Kibor + 1.35
Lucky Electric Power Company Limited - Short Term Sukuk - VI	AA	6 Month	Semi-annually	June, 2023	6 Month Kibor + 1.35
Nishat Mills Limited	AA	6 Month	Semi-annually	May, 2023	3 Month Kibor + 0.90
K-Electric Limited - Short term Sukuk - XI	AA	6 Month	Semi-annually	April, 2023	6 Month Kibor + 1.45
K-Electric Limited - Short term Sukuk - XIII	AA	6 Month	Semi-annually	August, 2023	6 Month Kibor + 1.00
Lucky Electric Power Company Limited - Short Term Sukuk - VI	AA	6 Month	Semi-annually	August, 2023	6 Month Kibor + 0.65
Nishat Mills Limited - II	AA	3 Month	Semi-annually	November, 2023	3 Month Kibor + 0.25
Hub Power Company Limited - STS - I	AA	6 Month	Semi-annually	November, 2023	6 Month Kibor + 0.30
Lucky Electric Power Company Limited - Short Term Sukuk - IX	AA	6 Month	Semi-annually	October, 2023	6 Month Kibor + 0.50
Lucky Electric Power Company Limited - Short Term Sukuk - X	AA	6 Month	Semi-annually	December, 2023	6 Month Kibor + 0.50
<b>Total as at 30 June 2023</b>					

	Note	2023 ----- Rupees -----	2022
<b>6 PROFIT RECEIVABLE ON DEPOSITS AND INVESTMENTS</b>			
Profit accrued on:			
- Bai Muajjal	5.1.1	5,731,224	-
- Islamic Term Deposit Receipt	4.2	4,501,917	3,106,856
- Sukuk certificates	5.2.1	35,851,194	12,094,095
- Profit and loss sharing accounts	4.1	18,218,403	14,225,849
- Musharaka certificates	4.3	2,596,438	-
		<b>66,899,176</b>	<b>29,426,800</b>
<b>7 PREPAYMENTS, DEPOISTS AND OTHER RECEIVABLES</b>			
Security deposit with CDC		102,534	102,534
Prepaid rating fee		64,866	93,705
Tax recoverable	7.1	347,769	344,291
		<b>515,170</b>	<b>540,530</b>

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) are exempt from withholding tax under sections 150 and 151. However, several banks deducted withholding tax on 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 by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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 favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs 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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (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 cumulative amount of withholding tax deducted from profit on bank deposits by the banks has been shown as other receivable as at 30 June 2023 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 of the Fund, the net asset value of the Fund as at 30 June 2023 would have been lower by Rs. 0.05 (2022: Rs. 0.12) per unit.

8 PRELIMINARY AND FLOATATION COST	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Opening balance		507,955	782,290
Less: Amortisation for the period		(144,171)	(151,290)
Floataion cost adjustment		-	(122,533)
		<b>363,784</b>	<b>507,955</b>
<b>9 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED MANAGEMENT COMPANY - RELATED PARTY</b>			
Remuneration of the Management Company	9.1	1,143,931	121,654
Sindh Sales Tax on remuneration of the Management Company	9.2	148,734	15,816
Accounting and operational charges reimbursable by the Fund	15	428,984	25,000
Selling and Marketing Charges Payable		171,334	-
		<b>1,892,983</b>	<b>162,470</b>

**9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 2% per annum of average annual net assets, within allowed expense in the offering document. The Management Company has charged its remuneration at the average rate of 0.37% of the average annual net assets of the Fund (2022: 0.075% of the average annual net assets of the Fund). The fee is payable to the Management Company monthly in arrears.

**9.2** Sindh Sales Tax has been charged at 13% (30 June 2022:13%) on management fee levied through Sales Tax on Services Act, 2011 during the year resulting in an amount of Rs. 997,948 (2022: Rs. 124,446). Furthermore, an amount of Rs. 865,030 (2022: Rs. 111,879) has been paid to the Management Company which acts as the collecting agent.

**9.3** The SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.10% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of average daily net assets of the Fund.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

<b>10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN TRUSTEE - RELATED PARTY</b>	<b>Note</b>	<b>2023</b> ----- Rupees -----	<b>2022</b> ----- Rupees -----
Sindh sales tax on Remuneration of the Trustee	10.1	157,293	66,910
Remuneration of the Trustee	10.2	20,449	8,698
Settlement charges payable		13,830	-
Sindh sales tax on settlement charges		1,798	-
		<b>193,370</b>	<b>75,608</b>

**10.1** The trustee is entitled to monthly remuneration for services rendered to the fund. The trustee charged 0.055% per annum (2021: 0.65% from 01 July 2021 to 30 September 2021 and 0.055% from 01 October 2021 to 31 March 2022) of net assets.

**10.2** Sindh Sales Tax has been charged at 13% (30 June 2022:13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs. 146,025 (2022: Rs. 88,675) charged during the year. Furthermore, an amount of Rs. 134,274 (2022: Rs. 84,200) was paid to the Trustee which acts as a collecting agent.

<b>11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	<b>2023</b> ----- Rupees -----	<b>2022</b> ----- Rupees -----
Annual fees payable	11.1	<b>408,462</b>	<b>240,316</b>

**11.1** In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1) 2019 dated 28 June 2019 revised the rate of annual fee to 0.02% of net assets on all categories of CISs.

<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>2023</b> ----- Rupees -----	<b>2022</b> ----- Rupees -----
Auditors' remuneration payable	280,800	233,412
Shariah advisory fee payable	20,000	20,000
Withholding tax payable	2,874,450	573,384
Other payable	3,018	3,130
Capital Gain Tax Payable	2,558,360	-
Zakat Payable	11,375	-
ST WH - CDCPL	20,165	-
Unclaimed Dividend payable	6,221	-
	<b>5,774,390</b>	<b>829,926</b>

## 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2023 (30 June 2022: Nil).

<b>14 PROFIT ON INVESTMENTS AND BANK BALANCES</b>	<b>Note</b>	<b>2023</b> ----- Rupees -----	<b>2022</b> ----- Rupees -----
Profit on:			
- Banks accounts	4.1	164,033,991	75,517,345
- Islamic commercial paper	14.1	-	7,927,717
- Bai muajjal	5.1.1	40,882,245	5,578,693
- Sukuk certificates	5.2.1	69,425,791	12,094,095
- Islamic term deposit receipts	4.2	43,220,821	16,584,069
- Musharaka certificates		34,058,191	-
		<b>351,621,038</b>	<b>117,701,919</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 15 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company charged accounting and operational charges fee at an average rate of 0.055% of net assets of the Fund. (2022: 0.03%).

	2023	2022
	----- Rupees -----	
<b>16 AUDITORS' REMUNERATION</b>		
Annual fee	150,000	150,000
Half Yearly	50,000	37,500
Certification charges	30,000	60,500
Out of Pocket	30,000	30,000
Sindh sales tax on services	20,800	22,240
Prior year adjustment	(40,821)	-
	<b><u>239,979</u></b>	<b><u>300,240</u></b>

## 17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2023 is 0.68 % (2022: 0.27%) which includes 0.08% (2022: 0.04%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant money market scheme.

## 18 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

## 19 EARNINGS PER UNIT

Earning per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## 20 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 20.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 20.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**20.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

**20.4** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at the period / year end are as follows:

<b>20.5 Transactions during the year/ period</b>	<b>2023</b>	<b>2022</b>
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration for the period	7,676,525	957,277
Sindh sales tax on remuneration of the Management Company	997,948	124,446
Remuneration paid	6,654,248	957,277
Floation cost	144,171	151,802
Accounting & operational charges	2,137,932	300,000
Issue of 2,531,822 (2022: 657,921) units	1,272,159,877	328,960,706
Redemption of 2,170,543 (2022: 438,177) units	1,096,141,957	219,088,279
Dividend Entitlement	26,665,834	6,265,831
Outstanding 732,230 (2022:370,950) Units	367,687,461	185,475,000
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the Trustee	1,123,269	682,118
Sindh Sales Tax on remuneration of the Trustee	146,025	88,675
Remuneration paid	1,032,886	682,118
<b>Atlas Foundation</b>		
Issue of 1,212 (2022:8,227) units	605,801	4,113,652
Dividend Entitlement	605,801	4,839,591
Redemption 111,974 Units(2022: Nill)	55,986,871	-
Outstanding Nil (2022: 110,762 Units)	-	55,381,000
<b>Atlas Honda Limited (Employee Provident Fund)</b>		
Issue of 15,985 (2022: 132,847) units	7,992,610	66,423,498
Redemption of 32,000 (2022: 107,021) units	16,000,000	53,510,470
Dividend Entitlement	7,992,610	5,878,647
Outstanding 112,800 (128,815 Units)	56,642,254	64,407,500
<b>Atlas Group of Companies, M.S.G.Fund</b>		
Issue of 996,839 (2022:791,286) units	503,168,767	395,643,177
Redemption of 980,588 (2022:426,441)	493,231,092	213,220,543
Dividend Entitlement	11,162,788	16,327,403
Outstanding 422,230 (2022: 405,978)	212,021,778	202,989,000
<b>Atlas Honda Limited</b>		
Issue of 1,981 (2022:4,936) units	990,696	2,468,194
Dividend Entitlement	990,696	2,903,757
Redemption 68.439 (2022: Nill)	34,219,343	-
Outstanding Nil (2022: 66,457 Units)	-	33,228,500

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Shirazi Investments (Private) Limited</b>		
Issue of Nil (2022: 32,909) units	16,454,622	16,454,622
Dividend Entitlement	2,356,721	19,358,379
Redemption 447,762 (2022: Nil) units	223,881,006	-
Outstanding Nil (2022: 443,049) units	-	221,524,500
<b>Shirazi Investments (Private) Limited - Employee Provident Fund</b>		
Issue of 19,497 (2022: 28,915) units	9,817,887	14,457,567
Redemption of 24,913 (2022: 9,400) units	12,493,551	4,700,000
Dividend Entitlement	767,566	538,314
Outstanding 14,100 (2022: 19,515) units	7,080,141	9,757,500
<b>Honda Atlas Cars (Pakistan) Limited - Employee Provident Fund</b>		
Issue of 24,850 (2022: 322,074) units	12,424,911	161,036,771
Redemption of Nil (2022: 161,556) units	-	80,777,934
Dividend Entitlement	12,424,911	5,194,262
Outstanding 185,367 (2022: 160,518) units	93,081,881	80,259,000
<b>Atlas Engineering Ltd. Emp.Provident Fund</b>		
Issue of 82,232 (2022: Nil) units	41,713,648	-
Redemption 67.982 (2022: Nil) units	34,552,289	-
Outstanding 14,251 (2022: Nil) units	7,155,920	-
<b>Atlas Insurance Ltd., Staff Provident Fund Trust</b>		
Issue of Nil (2022: 1,025) units	-	512,294
Redemption of Nil (2022: 13,359) units	-	6,679,293
Dividend Entitlement	-	602,699
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan</b>		
Issue of 49,918 (2022: Nil) units	25,312,028	-
Redemption of 4,989 (2022: Nil) units	2,500,000	-
Dividend Entitlement	1,668,978	-
Outstanding 44,929 (2022: Nil) units	22,560,854	-
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan</b>		
Issue of 84,710 (2022: Nil) units	42,391,709	-
Dividend Entitlement	4,191,709	-
Outstanding 84,710 (2022: Nil) units	42,537,062	-
<b>CDC - Trustee Trustee Atlas Conservative Allocation Islamic Plan</b>		
Issue of 249,386 (2022: Nil) units	124,692,824	-
Dividend Entitlement	12,692,824	-
Outstanding 249,386 (2022: Nil) units	125,228,455	-



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan II</b>		
Issue of 93,486 (2022: 982,495) units	46,743,149	491,247,548
Redemption of 41,911 (2022: 400,000) units	21,000,000	200,000,000
Dividend Entitlement	46,743,149	26,150,386
Outstanding 634,070 (2022: 582,495) units	318,396,952	291,247,500
<b>Key Management personnel of the Management Company</b>		
Issue of 17,699 (2022: 58,474) units	8,895,861	29,236,806
Redemption of 9,998 (2022: 57,466) units	(5,037,580)	28,732,661
Dividend Entitlement	18,502	125,603
Outstanding 8,710 (2022: 1,008) units	4,373,510	504,000

- 20.6** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund include (Atlas Islamic Money Market Fund return as on June 30,2023 is 16.75%) 165.5639 units held by the Chief Executive Officer and 88.6950 units held by the Chief Investments Officer.

## 21 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2023			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	----- (Rupees) -----			
<b>Financial assets</b>				
Bank balances, Musharika Certificates and Term deposit receipts	1,982,217,192	-	-	1,982,217,192
Investments	-	1,349,300,281	-	1,349,300,281
Profit receivable on deposits and investments	66,899,176	-	-	66,899,176
Prepayments, depoists and other receivables	102,534	-	-	102,534
	<b>2,049,218,902</b>	<b>1,349,300,281</b>	<b>-</b>	<b>3,398,519,183</b>

	As at 30 June 2023		
	At fair value through profit or loss	At amortised Cost	Total
	----- (Rupees) -----		
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	1,892,983	1,892,983
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	193,370	193,370
Accrued expenses and other liabilities	-	310,039	310,039
	<b>-</b>	<b>2,396,393</b>	<b>2,396,393</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	As at 30 June 2022			Total
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
<b>Financial assets</b>	----- (Rupees) -----			
Bank balances and Term deposit receipts	1,059,509,272	-	-	1,059,509,272
Investments	-	358,000,000	-	358,000,000
Profit receivable on deposits and investments	29,426,800	-	-	29,426,800
Prepayments and other receivables	102,534	-	-	102,534
	<b>1,089,038,606</b>	<b>358,000,000</b>	<b>-</b>	<b>1,447,038,607</b>

	As at 30 June 2022			Total
	At fair value through profit or loss	At amortised Cost		
<b>Financial liabilities</b>	----- (Rupees) -----			
Payable to Atlas Asset Management Limited - Management Company	-	162,470		162,470
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	75,608		75,608
Accrued expenses and other liabilities	-	256,542		256,542
	<b>-</b>	<b>494,620</b>		<b>494,620</b>

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

**22.1** 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 the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund may be exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

### 22.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

#### (i) Profit rate risk

Profit rate risk is the risk that the Fund's income will fluctuate due to changes in the market profit rates. As of 30 June 2023, the Fund is exposed to such risk in respect of bank balances and investments. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which exposes the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2023, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 9,422,172 (2022: Rs.8,345,092).

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds Certificates of Musharika and term deposit receipt investments which exposes the Fund to fair value interest rate risk. In case of 100 basis points increase/ decrease in market interest rates as at June 30, 2023, with all other variables held constant, the net income for the year and net assets would have been higher/ lower by Rs. 10,400,000 (2022: Rs 5,830,000).

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2023 is not necessarily indicative of the impact on the Fund's net assets of the future movements in profit rates.

Yield / profit 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.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at 30 June 2023 can be determined as follows:

----- As at 30 June 2023 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	(Rupees)				
<b>Financial Assets</b>					
Bank balances, Musharika Certificates and Term deposit receipts	5.50% to 19.75%	1,982,217,192	-	-	1,982,217,192
Investments	16.60% to 20.25%	1,096,300,281	253,000,000	-	1,349,300,281
Profit receivable on deposits and investments		-	-	66,899,176	66,899,176
Prepayments, deposits and other receivables		-	-	102,534	102,534
		<b>3,078,517,473</b>	<b>253,000,000</b>	<b>67,001,710</b>	<b>3,398,519,183</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	1,892,983	1,892,983
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	193,370	193,370
Accrued expenses and other liabilities		-	-	310,039	310,039
		-	-	<b>2,396,393</b>	<b>2,396,393</b>
<b>On-balance sheet gap (a)</b>		<b>3,078,517,473</b>	<b>253,000,000</b>	<b>64,605,317</b>	<b>3,396,122,790</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		<b>3,078,517,473</b>	<b>253,000,000</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>3,078,517,473</b>	<b>3,331,517,473</b>	<b>3,331,517,473</b>	

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

As at 30 June 2022

Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	(Rupees)				
<b>Financial Assets</b>					
Bank balances, Musharika Certificates and Investments	4.5% to 6.5%	1,059,509,272	-	-	1,059,509,272
Profit receivable on deposits and investments	7%	98,000,000	260,000,000	-	358,000,000
Prepayments, deposits and other receivables		-	-	29,426,800	29,426,800
		-	-	102,534	102,534
		<b>1,157,509,272</b>	<b>260,000,000</b>	<b>29,529,334</b>	<b>1,447,038,606</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	162,470	162,470
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	75,608	75,608
Accrued expenses and other liabilities		-	-	256,542	256,542
		-	-	<b>494,619</b>	<b>494,619</b>
<b>On-balance sheet gap (a)</b>		<b>1,157,509,272</b>	<b>260,000,000</b>	<b>29,034,715</b>	<b>1,446,543,987</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		<b>1,157,509,272</b>	<b>260,000,000</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>1,157,509,272</b>	<b>1,417,509,272</b>	<b>1,417,509,272</b>	

## (ii) Foreign currency risk

Foreign 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. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

## (iii) Equity price risk

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of 30 June 2023.

## 22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. 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. The Fund's policy is therefore to invest a majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- As at 30 June 2023 -----						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Assets</b>						
Bank balances, Musharika Certificates and Term deposit receipts	1,982,217,192	-	-	-	-	1,982,217,192
Investments	-	1,096,300,281	253,000,000	-	-	1,349,300,281
Profit receivable on deposits and investments	66,899,176	-	-	-	-	66,899,176
Prepayments, deposits and other receivables	-	-	-	-	102,534	102,534
	<b>2,049,116,368</b>	<b>1,096,300,281</b>	<b>253,000,000</b>	<b>-</b>	<b>102,534</b>	<b>3,398,519,183</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	1,892,983	-	-	-	-	1,892,983
Payable to the Central Depository Company of Pakistan Limited - Trustee	193,370	-	-	-	-	193,370
Accrued expenses and other liabilities	310,039	-	-	-	-	310,039
	<b>2,396,393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,396,393</b>
<b>Net assets/ (liabilities)</b>	<b>2,046,719,975</b>	<b>1,096,300,281</b>	<b>253,000,000</b>	<b>-</b>	<b>102,534</b>	<b>3,396,122,790</b>
----- As at 30 June 2022 -----						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Assets</b>						
Bank balances	1,059,509,272	-	-	-	-	1,059,509,272
Investments	-	98,000,000	260,000,000	-	-	358,000,000
Profit receivable on deposits and investments	29,426,800	-	-	-	-	29,426,800
Prepayments and other receivables	-	-	-	-	102,534	102,534
	<b>1,088,936,072</b>	<b>98,000,000</b>	<b>260,000,000</b>	<b>-</b>	<b>102,534</b>	<b>1,447,038,606</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	162,470	-	-	-	-	162,470
Payable to the Central Depository Company of Pakistan Limited - Trustee	75,608	-	-	-	-	75,608
Accrued expenses and other liabilities	256,542	-	-	-	-	256,542
	<b>494,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>494,620</b>
<b>Net assets</b>	<b>1,088,441,452</b>	<b>98,000,000</b>	<b>260,000,000</b>	<b>-</b>	<b>102,534</b>	<b>1,446,543,986</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 22.4 Credit quality of Financial assets

The Fund's significant credit risk arises mainly on account of its placements in Banks, Bai Muajjal and Sukuk Investments. The credit rating profile of above mentioned is as follows:

### Ratings of amounts placed with Banks

	% of Financial assets	
	2023	2022
AA+	26.31	15.87
AA	47.41	44.01
AAA	26.28	40.12
	<b>100</b>	<b>100</b>

### Ratings of amounts placed in Bai Muajjal investments

	% of Financial assets	
	2023	2022
AA+	49.93	-
AA	50.07	-
	<b>100</b>	<b>-</b>

### Ratings of amounts placed in Sukuk investments

	% of Financial assets	
	2023	2022
AA+	49.93	-
AA	50.07	100
	<b>100</b>	<b>100</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2023 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

## 22.5 Reconciliation of liabilities arising out of financing activities

	Receivable against issuance of units	Payable against redemption of units	Payable against redemption of units	Total
----- (Rupees in '000) -----				
Opening balance as at July 01, 2022	-	-	-	-
Receivable against issuance of units	10,948,166,572	-	-	10,948,166,572
Payable against redemption of units	-	9,012,355,471	(9,019,894,993)	9,012,355,471
	<b>10,948,166,572</b>	<b>9,012,355,471</b>	<b>(9,019,894,993)</b>	<b>19,960,522,043</b>
Amount received on issuance of units	(10,948,166,572)	-	-	(10,948,166,572)
Amount paid on redemption of units	-	(9,012,355,471)	(9,019,894,993)	(9,012,355,471)
	<b>(10,948,166,572)</b>	<b>(9,012,355,471)</b>	<b>(9,019,894,993)</b>	<b>(19,960,522,043)</b>
<b>Closing balance as at June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 22.6 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

Fair value of government securities is determined by reference to the rates announced by Financial Market Association of Pakistan and fair value of corporate sukuks is determined on the basis of rates announced by MUFAP. The fair value of financial assets and liabilities of the Fund, other than government securities, approximates their carrying amount due to short term maturities of these instruments.

### 22.7 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30 2023, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

### 23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times during the current year.

In accordance with the risk management policies as stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

### 24 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2023			30 June 2022		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Associated Companies	1	367,687,414	10.90%	4	495,609,178	34.26%
Individual	648	905,868,298	26.85%	129	145,296,656	10.04%
Others	19	1,664,977,673	49.35%	6	314,980,206	21.77%
Retirement Funds	9	435,340,483	12.90%	8	490,790,197	33.93%
	<b>677</b>	<b>3,373,873,867</b>	<b>100.00%</b>	<b>147</b>	<b>1,446,676,237</b>	<b>100.00%</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 25 LIST OF TOP BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Arif Habib Limited	100.00	Arif Habib Limited	100.00
	<u>100.00</u>		<u>100.00</u>

## 26 THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	12 Years

## 27 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Islamic Income Fund Atlas Income Fund Atlas Money Market Fund Atlas Sovereign Fund Atlas Liquid Fund

## 28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the Management Company of the Fund, and the attendance of the Board members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	P	L	P	P	P	P
Mr. Tariq Amin	Director	P	P	P	P	P	P
Mr. Frahim Ali Khan	Director	P	P	P	P	P	P
Mr. Ali H. Shirazi	Director	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	Director	L	P	L	P	P	P
Ms. Zehra Naqvi	Director	P	P	P	P	P	P
Mr. M. Abdul Samad	Chief Executive Officer	P	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	P	P	P	P	P	P
Ms. Zainab Kazim	Company Secretary	P	P	P	P	P	P

P Present

L Leave of absence



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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 29 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2022: AM2+ (AM Two Plus)] on 23 December 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Furthermore, Pakistan Credit Rating Agency (PACRA) Limited has maintained the stability rating of the Fund to "AA(f) on April 17, 2023 (2022: "AA (f)" on April 15, 2022).

## 30 GENERAL

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

## 31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 11 September 2023.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# Annexure "A"

## Distribution For the Year 2022-23

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
July 4, 2022	0.7397	August 24, 2022	0.1822	October 7, 2022	0.1846
July 5, 2022	0.2025	August 25, 2022	0.1834	October 10, 2022	0.5667
July 6, 2022	0.1838	August 26, 2022	0.1791	October 11, 2022	0.1835
July 7, 2022	0.1923	August 29, 2022	0.5389	October 12, 2022	0.1840
July 13, 2022	1.1324	August 30, 2022	0.1779	October 13, 2022	0.1846
July 14, 2022	0.1855	August 31, 2022	0.1764	October 14, 2022	0.1898
July 15, 2022	0.1853	September 1, 2022	0.1796	October 17, 2022	0.3914
July 18, 2022	0.5618	September 2, 2022	0.1812	October 18, 2022	0.1887
July 19, 2022	0.1936	September 5, 2022	0.5594	October 19, 2022	0.1885
July 20, 2022	0.1770	September 6, 2022	0.1846	October 20, 2022	0.1895
July 21, 2022	0.1777	September 7, 2022	0.1936	October 21, 2022	0.1899
July 22, 2022	0.1772	September 8, 2022	0.1834	October 24, 2022	0.5660
July 25, 2022	0.5320	September 9, 2022	0.1848	October 25, 2022	0.1891
July 26, 2022	0.1771	September 12, 2022	0.5487	October 26, 2022	0.1914
July 27, 2022	0.1771	September 13, 2022	0.1840	October 27, 2022	0.2035
July 28, 2022	0.1774	September 14, 2022	0.1845	October 28, 2022	0.2011
July 29, 2022	0.1763	September 15, 2022	0.1843	October 31, 2022	0.5916
August 1, 2022	0.5255	September 16, 2022	0.1840	November 1, 2022	0.1951
August 2, 2022	0.1764	September 19, 2022	0.5723	November 2, 2022	0.2031
August 3, 2022	0.1761	September 20, 2022	0.1838	November 3, 2022	0.1981
August 4, 2022	0.1747	September 21, 2022	0.1837	November 4, 2022	0.1996
August 5, 2022	0.1761	September 22, 2022	0.1840	November 7, 2022	0.6002
August 10, 2022	0.8818	September 23, 2022	0.1838	November 8, 2022	0.1956
August 11, 2022	0.1727	September 26, 2022	0.5530	November 10, 2022	0.3915
August 12, 2022	0.1705	September 27, 2022	0.1840	December 29, 2022	9.9703
August 15, 2022	0.5291	September 28, 2022	0.1883	February 16, 2023	10.2561
August 16, 2022	0.1783	September 29, 2022	0.1843	March 27, 2023	8.7827
August 17, 2022	0.1778	September 30, 2022	0.1825	April 18, 2023	5.4189
August 18, 2022	0.1783	October 3, 2022	0.5487	May 26, 2023	9.5688
August 19, 2022	0.1756	October 4, 2022	0.1876	June 23, 2023	7.3569
August 22, 2022	0.5250	October 5, 2022	0.1834		
August 23, 2022	0.1819	October 6, 2022	0.1850		

# Annexure "A"

## Distribution For the Year 2021-22

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
July 5, 2021	0.4385	September 8, 2021	0.0907	November 8, 2021	0.2854
July 6, 2021	0.0880	September 9, 2021	0.0906	November 9, 2021	0.0951
July 7, 2021	0.0883	September 10, 2021	0.0906	November 10, 2021	0.0951
July 8, 2021	0.0882	September 13, 2021	0.2718	November 11, 2021	0.0951
July 9, 2021	0.0892	September 14, 2021	0.0904	November 12, 2021	0.0951
July 12, 2021	0.2691	September 15, 2021	0.0905	November 15, 2021	0.2854
July 13, 2021	0.0898	September 16, 2021	0.0906	November 16, 2021	0.0951
July 14, 2021	0.0896	September 17, 2021	0.0906	November 17, 2021	0.0950
July 15, 2021	0.0895	September 20, 2021	0.2728	November 18, 2021	0.0951
July 16, 2021	0.0890	September 21, 2021	0.0885	November 19, 2021	0.0950
July 19, 2021	0.2673	September 22, 2021	0.0902	November 22, 2021	0.2853
July 23, 2021	0.3564	September 23, 2021	0.0899	November 24, 2021	0.0951
July 26, 2021	0.2672	September 24, 2021	0.0898	November 25, 2021	0.0953
July 27, 2021	0.0893	September 27, 2021	0.2702	November 26, 2021	0.1241
July 28, 2021	0.0893	September 28, 2021	0.0904	November 29, 2021	0.3218
July 29, 2021	0.0893	September 29, 2021	0.0903	November 30, 2021	0.1095
July 30, 2021	0.0893	September 30, 2021	0.0900	December 1, 2021	0.1099
August 2, 2021	0.2678	October 1, 2021	0.0904	December 2, 2021	0.1102
August 3, 2021	0.0893	October 4, 2021	0.2712	December 3, 2021	0.1112
August 4, 2021	0.0893	October 5, 2021	0.0938	December 6, 2021	0.3333
August 5, 2021	0.0893	October 6, 2021	0.0938	December 7, 2021	0.1110
August 6, 2021	0.0893	October 7, 2021	0.0937	December 8, 2021	0.1131
August 9, 2021	0.2681	October 8, 2021	0.0945	December 9, 2021	0.1145
August 10, 2021	0.0893	October 11, 2021	0.2835	December 10, 2021	0.1244
August 11, 2021	0.0893	October 12, 2021	0.0945	December 13, 2021	0.3658
August 12, 2021	0.0893	October 13, 2021	0.0945	December 14, 2021	0.1171
August 13, 2021	0.3579	October 14, 2021	0.0955	December 15, 2021	0.1180
August 16, 2021	0.2733	October 15, 2021	0.0941	December 16, 2021	0.1306
August 17, 2021	0.0911	October 18, 2021	0.2815	December 17, 2021	0.1339
August 20, 2021	0.2735	October 20, 2021	0.1882	December 20, 2021	0.4141
August 23, 2021	0.2733	October 21, 2021	0.0945	December 21, 2021	0.1368
August 24, 2021	0.0912	October 22, 2021	0.0945	December 22, 2021	0.1367
August 25, 2021	0.0909	October 25, 2021	0.2836	December 23, 2021	0.1328
August 26, 2021	0.0912	October 26, 2021	0.0945	December 24, 2021	0.1323
August 27, 2021	0.0912	October 27, 2021	0.0945	December 27, 2021	0.4024
August 30, 2021	0.2737	October 28, 2021	0.0945	December 28, 2021	0.1357
August 31, 2021	0.0911	October 29, 2021	0.0945	December 29, 2021	0.1339
September 1, 2021	0.0911	November 1, 2021	0.2836	December 30, 2021	0.1336
September 2, 2021	0.0909	November 2, 2021	0.0945	December 31, 2021	0.1414
September 3, 2021	0.0908	November 3, 2021	0.0945	January 3, 2022	0.3957
September 6, 2021	0.2721	November 4, 2021	0.0952	January 4, 2022	0.1318
September 7, 2021	0.0907	November 5, 2021	0.0951	January 5, 2022	0.1318

# Annexure "A"

## Distribution For the Year 2021-22

Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees
January 6, 2022	0.1317	March 4, 2022	0.1323	May 6, 2022	1.0727
January 7, 2022	0.1424	March 7, 2022	0.3965	May 9, 2022	0.4625
January 10, 2022	0.4056	March 8, 2022	0.1321	May 10, 2022	0.1575
January 11, 2022	0.1315	March 9, 2022	0.1321	May 11, 2022	0.1580
January 12, 2022	0.1314	March 10, 2022	0.1319	May 12, 2022	0.1653
January 13, 2022	0.1312	March 11, 2022	0.1320	May 13, 2022	0.1624
January 14, 2022	0.1312	March 14, 2022	0.3957	May 16, 2022	0.4922
January 17, 2022	0.3938	March 15, 2022	0.1319	May 17, 2022	0.1683
January 18, 2022	0.1311	March 16, 2022	0.1374	May 18, 2022	0.1625
January 19, 2022	0.1311	March 17, 2022	0.1375	May 19, 2022	0.1592
January 20, 2022	0.1315	March 18, 2022	0.1380	May 20, 2022	0.1606
January 21, 2022	0.1318	March 21, 2022	0.4138	May 23, 2022	0.4812
January 24, 2022	0.3936	March 22, 2022	0.1473	May 24, 2022	0.1589
January 25, 2022	0.1310	March 23, 2022	0.2778	May 25, 2022	0.1613
January 26, 2022	0.1306	March 24, 2022	0.1351	May 26, 2022	0.1620
January 27, 2022	0.1341	March 25, 2022	0.1351	May 27, 2022	0.1802
January 28, 2022	0.1332	March 28, 2022	0.4338	May 30, 2022	0.5405
January 31, 2022	0.3985	March 29, 2022	0.1394	May 31, 2022	0.1798
February 1, 2022	0.1263	March 30, 2022	0.1393	June 1, 2022	0.1793
February 2, 2022	0.1261	March 31, 2022	0.1450	June 2, 2022	0.1812
February 3, 2022	0.1265	April 1, 2022	0.1352	June 3, 2022	0.1847
February 4, 2022	0.1282	April 4, 2022	0.3994	June 6, 2022	0.5519
February 7, 2022	0.3828	April 5, 2022	0.1367	June 7, 2022	0.1830
February 8, 2022	0.1309	April 6, 2022	0.1348	June 8, 2022	0.1842
February 9, 2022	0.1268	April 7, 2022	0.1368	June 9, 2022	0.1838
February 10, 2022	0.1267	April 8, 2022	0.1585	June 10, 2022	0.1899
February 11, 2022	0.1272	April 11, 2022	0.4108	June 13, 2022	0.5715
February 14, 2022	0.3848	April 12, 2022	0.1357	June 14, 2022	0.1879
February 15, 2022	0.1290	April 13, 2022	0.1372	June 15, 2022	0.1874
February 16, 2022	0.1287	April 14, 2022	0.1802	June 16, 2022	0.1875
February 17, 2022	0.1288	April 15, 2022	0.1572	June 17, 2022	0.1882
February 18, 2022	0.1290	April 18, 2022	0.4733	June 20, 2022	0.5715
February 21, 2022	0.3861	April 19, 2022	0.1593	June 21, 2022	0.1910
February 22, 2022	0.1288	April 20, 2022	0.1594	June 22, 2022	0.1938
February 23, 2022	0.1288	April 21, 2022	0.1592	June 23, 2022	0.1919
February 24, 2022	0.1287	April 22, 2022	0.1594	June 24, 2022	0.2063
February 25, 2022	0.1286	April 25, 2022	0.4971	June 27, 2022	0.5756
February 28, 2022	0.3857	April 26, 2022	0.1563	June 28, 2022	0.2033
March 1, 2022	0.1288	April 27, 2022	0.1565	June 29, 2022	0.1932
March 2, 2022	0.1286	April 28, 2022	0.1565		
March 3, 2022	0.1328	April 29, 2022	0.1568		

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# Atlas Islamic Income Fund

## Corporate Information

### Trustee

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

### Shariah Advisor

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Dr. Mufti Hassan Usmani

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

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Mohsin Tayebaly & Co.

### Bankers

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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 Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking  
Meezan Bank Limited  
Soneri Bank Limited - Islamic Banking



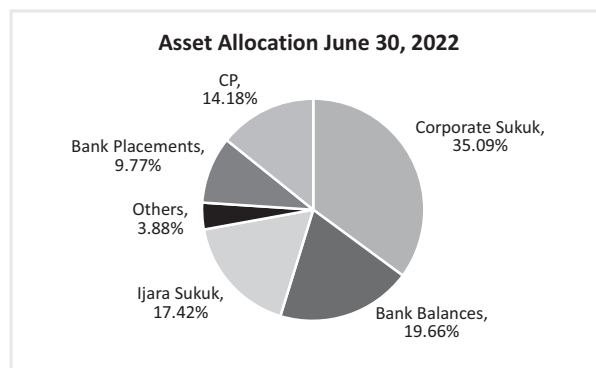
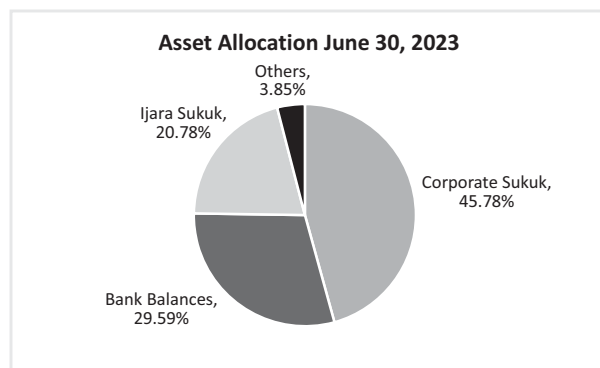
# Fund Manager's Report

Atlas Islamic Income Fund (AIIF) is an Open-ended Shariah Compliant Income Fund. The Fund has a medium risk rating and primary objective to provide investors with competitive and stable rate of current income in a Shariah Compliant manner. Secondary objective is to take advantage of opportunities to realize capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium and short-term high-quality Islamic income instruments. The Fund's strategy is based on the conviction that economic environment drives long term performance and that active management of credit risk can produce consistently superior results. Fundamental and market analysis are used to identify overall portfolio, bond market sectors, yield curve and credit positioning to provide high and sustainable rates of return. The fund employs strategies such as overall portfolio duration and yield curve positioning to deal with market and reinvestment risks.

Atlas Islamic Income Fund benchmark is Six (6) months average deposit rates of three (3) "A" rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.

The Monetary Policy Committee of SBP has increased its policy rate by 825 bps to 22.0% with the objective of moderating demand to a sustainable pace and reducing external pressures. The Consumer Price Index (CPI) Inflation averaged at 29.18% during FY23 compared to 12.15% in FY22. The increase in FY23 inflation was broad-based with energy, food and core inflation all rising significantly. The yields on secondary market instruments and cut off rates in government auctions remained elevated reflecting the apprehension of market participants regarding the impact of ongoing inflationary pressures. Going forward, frequency of local demand and impact of international commodity prices on domestic inflation will remain a major determinant towards any change in monetary policy stance.

The Net Asset Value per unit of Atlas Islamic Income Fund (AIIF) increased by 15.66% to Rs. 510.24 as on June 30, 2023. The benchmark 6-months average deposit rates of three (A) rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP stood at 6.06%. The AIIF's total exposure in high yielding Corporate Sukuk, Shariah Compliant Bank Balances, Ijarah Sukuk, and Others stood at 45.78%, 29.59%, 20.78%, and 3.85% respectively. The Net Assets of the Fund stood at Rs. 1.56 billion, with 3.05 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Income Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregated interim distribution of Rs 76.22 per unit for the period ended June 30, 2023 (15.24% on the face value of Rs. 500 per unit).

## The Administrative Plans:

The Management Company is offering investment plans that allow investors focused combination investment strategic in Atlas Islamic Income fund (AIIF) and Atlas Islamic Stock Fund (AISF). The investment plans were offered from September 2008, and the returns are as under:

Administrative Plans	Proportionate Investment in		Return (period ended)			
	AIF	ASMF	2019-20	2020-21	2021-22	2022-23
Atlas Bachat Islamic Plan	85%	15%	10.98%	10.89%	5.96%	12.89%
Atlas Bachat Balanced Islamic Plan	50%	50%	9.55%	21.50%	-2.15%	6.20%
Atlas Bachat Growth Islamic Plan	15%	85%	8.12%	32.10%	-10.26%	0.49%

**Breakdown of Unit holding by size:**

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individuals	1,813	548,229,088	35.22%
Insurance Companies	6	36,452,946	2.34%
Others	13	315,563,466	20.27%
Associated Companies/ Directors	1	47,171	0.00%
Retirement Funds	17	656,882,758	42.18%
<b>Total</b>	<b>1,850</b>	<b>1,557,175,428</b>	<b>100%</b>

The Scheme has held provision for FED liability that amounted to Rs. 1,733,902 up till June 30, 2023 (Rs. 0.57 per unit).

The Total Expense Ratio (TER) of the Fund is 0.95% including reversal representing Government levy and SECP Fee of 0.10%.

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

Karachi: 11 September 2023

**Fawad Javaid**  
Head of Fixed Income

## Performance Since Inception

	2023	2022	2021	2020	2019	2018	2017	2016
Net Assets (Rs. In '000)	1,557,175	1,770,907	2,157,034	2,134,601	1,392,226	872,222	1,614,259	558,553
Number of units in issue	3,051,850	3,492,542	4,263,884	4,227,883	2,762,766	1,653,270	3,210,424	1,113,938
Net assets value per unit (Rs.)	510.24	507.05	505.88	504.89	503.92	527.57	502.82	501.42
Net income (Rs. in '000)	270,754	192,167	131,489	200,394	79,290	56,557	37,946	24,901
Earnings per unit (Rs.)	88.72	55.02	30.84	47.53	28.70	34.21	11.82	22.35
Annual return of the fund (%)	15.76	9.44	6.35	11.59	8.48	4.92	5.97	4.97
Offer Price ** (Rs.)	510.24	507.05	505.88	504.89	503.92	527.57	502.82	501.42
Redemption Price ** (Rs.)	510.24	507.05	505.88	504.89	503.92	527.57	502.82	501.42
Highest offer price per unit (Rs.)	583.28	552.38	536.58	561.46	526.29	527.41	529.96	526.20
Lowest offer price per unit (Rs.)	507.69	506.22	505.71	504.14	503.46	503.00	502.10	501.09
Highest repurchase price per unit (Rs.)	583.28	552.38	536.58	561.46	526.29	527.41	529.96	526.20
Lowest repurchase price per unit (Rs.)	507.69	506.22	505.71	504.14	503.46	503.00	502.10	501.09
Weighted average portfolio (No. of days)	604.22	721.74	389.80	443.04	143.77	273.60	144.89	505.79

	2015	2014	2013	2012	2011	2010	2009*
Net Assets (Rs. In '000)	424,447	520,674	526,078	462,315	379,805	346,658	255,864
Number of units in issue	846,460	1,030,979	1,047,317	920,985	738,995	679,312	494,203
Net assets value per unit (Rs.)	501.44	505.03	502.31	501.98	513.95	510.31	517.73
Net income (Rs. in '000)	15,341	39,438	46,785	42,878	31,269	26,824	15,215
Earnings per unit (Rs.)	18.12	38.25	44.67	46.56	42.31	39.49	30.79
Annual return of the fund (%)	7.21	8.22	8.65	10.11	9.90	9.22	11.50
Offer Price ** (Rs.)	501.44	505.03	507.14	506.92	519.09	515.41	522.91
Redemption Price ** (Rs.)	501.44	505.03	502.12	501.90	513.95	510.31	517.73
Highest offer price per unit (Rs.)	540.54	516.35	523.39	522.42	519.09	521.78	543.87
Lowest offer price per unit (Rs.)	501.34	503.08	507.04	506.61	506.42	505.97	506.92
Highest repurchase price per unit (Rs.)	540.54	515.50	518.21	517.25	513.95	518.14	538.49
Lowest repurchase price per unit (Rs.)	501.34	502.92	502.02	501.59	501.41	500.96	506.92
Weighted average portfolio (No. of days)	89.31	151.13	305.85	504.34	311.01	10.96	13.44

\*Period from 16 August 2008 to 30 June 2009 (Date of Launch: 14 October 2008)

\*\* Relates to announced prices.

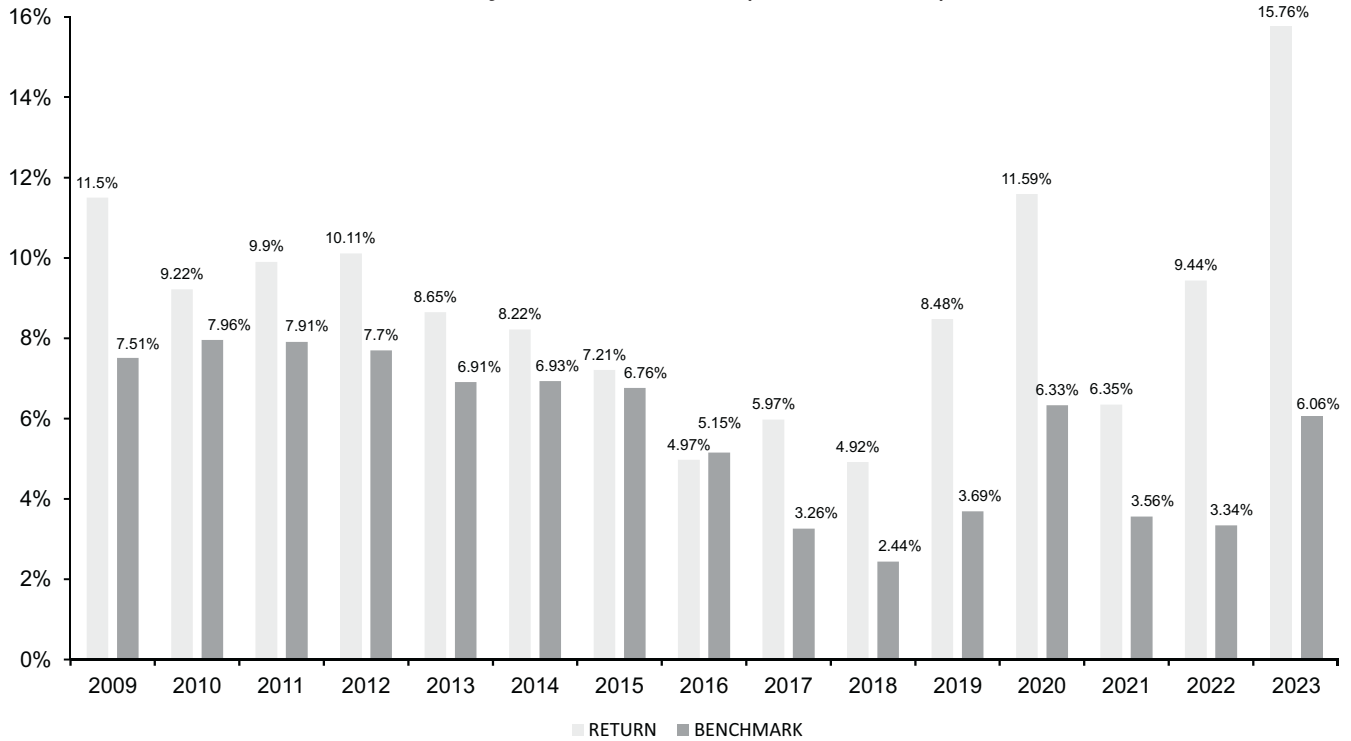
**Note:** Past performance of the funds is not indicative of future performance, and the unit price and investment return may go down, as well as up.

## Distribution History

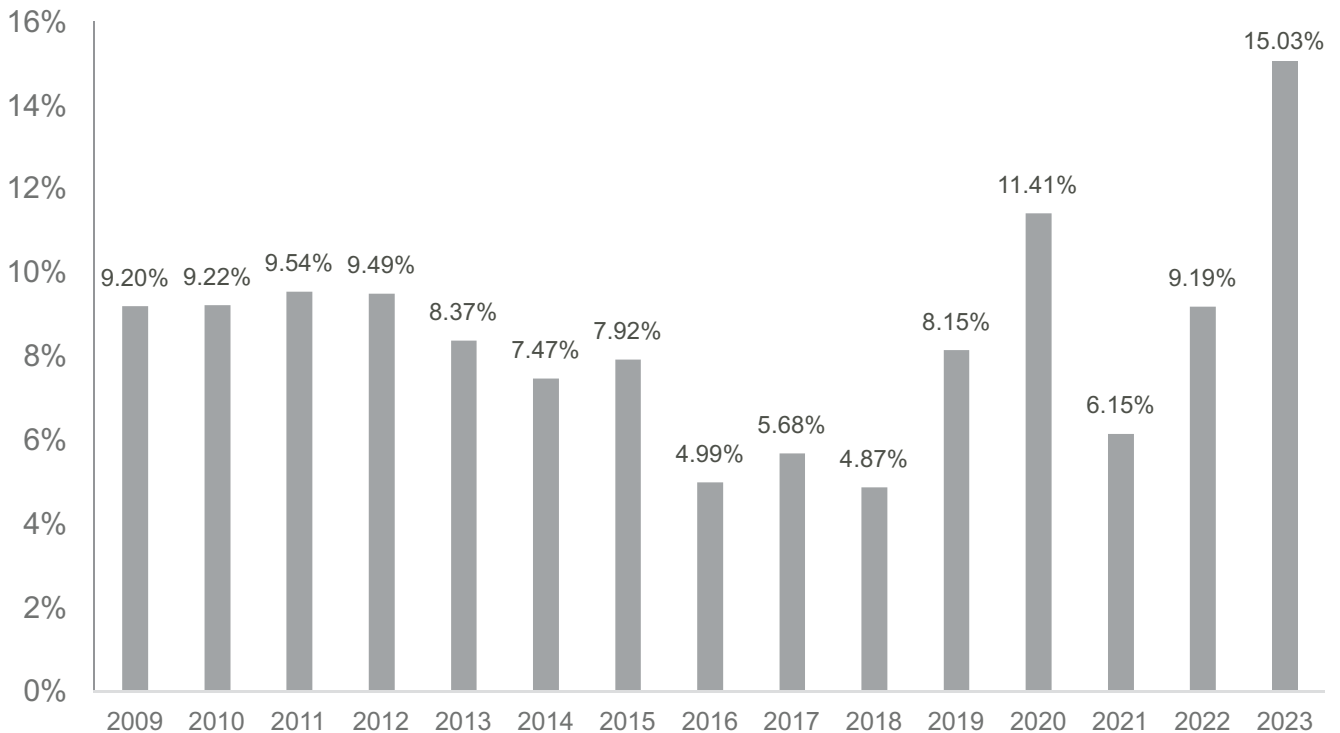
Distribution Detail:	2023	2022	2021	2020	2019	2018	2017	2016	2015
First Interim distribution cash dividend (Rs.)	76.22	46.50	31.05	57.50	18.00	-	28.50	25	40
First Interim distribution as a % of Ex-NAV of units	15.03	9.19	6.15	11.41	3.58	-	5.68	4.99	7.92
Date of distribution - Interim	22-Jun-23	27-Jun-22	28-Jun-21	26-Jun-20	18-Jan-19	-	20-Jun-17	24-Jun-16	29-Jun-15
Second Interim distribution cash dividend (Rs.)	-	-	-	-	23.00	-	-	-	-
Second Interim distribution as a % of Ex-NAV of units	-	-	-	-	4.57	-	-	-	-
Date of distribution - Interim	-	-	-	-	27-Jun-19	-	-	-	-
Final Distribution - Cash Divided (Rs.)	-	-	-	-	-	24.50	-	-	-
Final Distribution as a % of Opening Ex-NAV of units	-	-	-	-	-	4.87	-	-	-
Distribution date	-	-	-	-	-	6-Jul-18	-	-	-



## Yearly Performance (Annualized)



## Payout History (% on Opening NAV)



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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Income Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Islamic Income Fund (AIIF), I am issuing this report in accordance with clause 10.2.6 (e) of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of Atlas Asset Management Limited (AAML), the management company of the Fund, to establish and maintain a system of internal controls to ensure compliance with the Shariah guidelines. As a Shariah 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.

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 AIIF for the period ended June 30, 2023 are in compliance with the Shariah principles.

There are investments made by AIIF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the 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 2023

**Dr. Mufti Hassan Usmani**  
Shariah Advisor

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# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Income Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Income Fund** (the Fund), which comprise of the statement of assets and liabilities as at 30 June 2023, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Investment in Islamic securities</b>	
<p>The investment held by the Fund comprised of Islamic securities which represents significant portion of the total assets of the Fund during the year and / or as at the year end. The Investments as at year end represents 67% of total assets of the Fund.</p> <p>In view of the above, we have considered this area as a key audit matter</p> <p>For disclosure refer to note 5 to the financial statements.</p>	<p>We performed a combination of audit procedures focusing on the existence of the investment as at the year end and acquisition and disposal of investment including related income / gains that arose during the year. Our key procedure included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed verification of acquisition and disposal of investments on sample basis.</li><li>• Recalculated gain / (loss) on disposal of investments and markup income.</li><li>• We performed verification of year-end balance portfolio of investment as at 30 June 2023 by circulating confirmations to custodians and reviewing Investment position summary (IPS) statements.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>• We tested the valuation of investments by agreeing the prices with market yields and prices quoted by Mutual Fund Association of Pakistan (MUFAP).</li> <li>• We also evaluated the adequacy of the overall disclosures in the financial statements with respect investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

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provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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

Karachi: 25 September 2023

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>ASSETS</b>			
Bank balances and term deposit receipts	4	472,247,075	544,930,005
Investments	5	1,053,517,159	1,194,383,644
Profit accrued	6	54,450,530	49,930,200
Security deposit and other receivables	7	2,525,921	670,468
<b>Total assets</b>		<b>1,582,740,685</b>	<b>1,789,914,317</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	8	3,364,550	2,829,528
Payable to Central Depository Company of Pakistan Limited - Trustee	9	116,611	136,134
Payable to the Securities and Exchange Commission of Pakistan	10	372,980	431,412
Payable against redemption of units	11	514,987	1,000,000
Dividend payable		578,525	487,666
Accrued expenses and other liabilities	12	20,617,603	14,122,078
<b>Total liabilities</b>		<b>25,565,256</b>	<b>19,006,818</b>
<b>NET ASSETS</b>		<b>1,557,175,428</b>	<b>1,770,907,499</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>1,557,175,428</b>	<b>1,770,907,499</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14	----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>3,051,850</b>	<b>3,492,542</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>510.2398</b>	<b>507.0540</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>INCOME</b>			
Profit on Investments and bank balances	15	298,819,842	202,819,327
Loss on sale of investments - net	5.4	(1,540,563)	(1,956,544)
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(8,822,911)	(4,224,806)
		(10,363,474)	(6,181,350)
<b>Total income</b>		<b>288,456,368</b>	<b>196,637,977</b>
<b>EXPENSES</b>			
Remuneration of the Management Company	8.1	9,844,405	7,549,799
Sindh Sales Tax on remuneration of the Management Company	8.2	1,279,784	981,482
Remuneration of the Trustee	9.1	1,398,694	1,617,815
Selling and Marketing Expense		301,549	-
Sindh Sales Tax on remuneration of the Trustee	9.2	181,837	210,327
Annual fees Securities and Exchange Commission of Pakistan	10.1	372,981	431,407
Accounting and operational charges	16	2,346,408	2,588,511
Auditors' remuneration	17	433,453	405,540
Transaction charges	13	342,080	282,650
Annual listing fee		27,500	27,500
Annual rating fee		439,030	439,256
Printing charges		73,709	44,408
Shariah advisory fee		180,000	180,000
Bank charges		30,972	40,113
Legal and professional charges		450,000	490,171
Reversal for Sindh Workers' Welfare Fund		-	(10,817,933)
<b>Total expenses</b>		<b>17,702,403</b>	<b>4,471,046</b>
<b>Net income for the year before taxation</b>		<b>270,753,965</b>	<b>192,166,931</b>
Taxation	19	-	-
<b>Net income for the year</b>		<b>270,753,965</b>	<b>192,166,931</b>
<b>Allocation of net income for the year:</b>			
- Net income for the year		270,753,965	192,166,931
- Income already paid on units redeemed		(77,194,556)	(83,602,479)
		<b>193,559,409</b>	<b>108,564,452</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	-
- Excluding capital gains		193,559,409	108,564,452
		<b>193,559,409</b>	<b>108,564,452</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	-----Rupees-----	
<b>Net income for the year</b>	<b>270,753,965</b>	<b>192,166,931</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b><u>270,753,965</u></b>	<b><u>192,166,931</u></b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2023

	For the period ended June 30, 2023			For the period ended June 30, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
<b>Net assets at beginning of the period</b>	<b>1,749,751,646</b>	<b>21,155,853</b>	<b>1,770,907,499</b>	<b>2,139,275,085</b>	<b>17,758,431</b>	<b>2,157,033,516</b>
<b>Issuance of units 2,605,525 (2022: 7,165,413 units)</b>						
- Capital value	1,321,141,809	-	1,321,141,809	3,624,872,089	-	3,624,872,089
- Element of income	62,311,440	-	62,311,440	122,905,221	-	122,905,221
	<b>1,383,453,249</b>	<b>-</b>	<b>1,383,453,249</b>	<b>3,747,777,310</b>	<b>-</b>	<b>3,747,777,310</b>
<b>Redemption of 3,046,217 units (2022: 7,936,755 units)</b>						
- Capital value	(1,544,596,403)	-	(1,544,596,403)	(4,015,082,128)	-	(4,015,082,128)
- Element of income	(34,071,491)	(77,194,556)	(111,266,047)	(78,292,774)	(83,602,479)	(161,895,252)
	<b>(1,578,667,894)</b>	<b>(77,194,556)</b>	<b>(1,655,862,450)</b>	<b>(4,093,374,902)</b>	<b>(83,602,479)</b>	<b>(4,176,977,381)</b>
Total comprehensive income for the period	-	270,753,965	270,753,965	-	192,166,931	192,166,931
Refund of Capital	(27,785,620)	-	(27,785,620)	(43,925,847)	-	(43,925,847)
Cash distribution for year ended 30 June 2023 at Rs. 76.22 (2022: Rs 46.50) per unit declared on 22 June 2023	-	(184,291,215)	(184,291,215)	-	(105,167,030)	(105,167,030)
<b>Net assets at the end of the period</b>	<b>1,526,751,382</b>	<b>30,424,046</b>	<b>1,557,175,428</b>	<b>1,749,751,646</b>	<b>21,155,853</b>	<b>1,770,907,499</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised income		21,155,853			16,233,656	
- Unrealised (loss) / income		-			1,524,775	
		<b>21,155,853</b>			<b>17,758,431</b>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		193,559,409			108,564,452	
		<b>193,559,409</b>			<b>108,564,452</b>	
Distribution during the period		(184,291,215)			(105,167,030)	
<b>Undistributed income carried forward</b>		<b>30,424,046</b>			<b>21,155,853</b>	
<b>Undistributed income carried forward comprising of :</b>						
- Realised income		30,424,046			21,155,853	
- Unrealised income		-			-	
		<b>30,424,046</b>			<b>21,155,853</b>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
<b>Net assets value per unit at Beginning of the period</b>		<b>507.0540</b>			<b>505.8846</b>	
<b>Net assets value per unit at end of the period</b>		<b>510.2398</b>			<b>507.0540</b>	

The annexed notes from 1 to 32 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 2023

	2023	2022
Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	270,753,965	192,166,931
<b>Adjustment for:</b>		
Profit on Investments and bank balances	(298,819,842)	(202,819,327)
Loss on sale of investments - net	1,540,563	1,956,544
Net unrealised loss on remeasurement of investments classified as 'financial assets at fair value through profit or loss'	8,822,911	4,224,806
Reversal for Sindh Workers' Welfare Fund	-	(10,817,933)
	<b>(288,456,368)</b>	<b>(207,455,910)</b>
<b>(Increase) in assets</b>		
Security deposit and other receivables	(1,855,453)	(89,668)
<b>Increase/(decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	535,022	(377,462)
Payable to Central Depository Company of Pakistan Limited - Trustee	(19,523)	(28,099)
Payable to the Securities and Exchange Commission of Pakistan	(58,432)	3,616
Dividend payable	90,860	39,233
Accrued expenses and other liabilities	6,495,525	5,642,664
	<b>7,043,452</b>	<b>5,279,952</b>
Profit received on investments and bank balances	294,299,512	180,283,721
Investments - net	130,503,011	(133,785,530)
<b>Net cash generated from operating activities</b>	<b>412,288,119</b>	<b>36,399,496</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	1,383,453,249	3,747,777,310
Payments against redemption of units	(1,656,347,463)	(4,251,701,016)
Refund of Capital	(27,785,620)	(43,925,847)
Cash dividend	(184,291,215)	(105,167,030)
<b>Net cash used in financing activities</b>	<b>(484,971,049)</b>	<b>(653,016,583)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(72,682,930)</b>	<b>(616,617,087)</b>
Cash and cash equivalents at the beginning of the year	544,930,005	1,161,547,092
<b>Cash and cash equivalents at the end of the year</b>	<b>472,247,075</b>	<b>544,930,005</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Income Fund (the Fund) is an open ended Fund constituted under a trust deed entered into on 7 May 2008 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed and the Offering Document has been revised various times during 2010 to 2022 with its last amendment in 26 July 2021 and 21 December 2021, respectively. Further the Trust Deed has been registered under the Sindh Trust Act as disclosed in note 1.5. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi.
- 1.2 The Fund has been categorised as a 'shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis since 14 October 2008, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.3 According to the Trust Deed, the objective of the Fund is to provide investors with a good and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realise capital appreciation. The Fund shall seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long medium, and short term, high quality Islamic income instruments.
- 1.4 Titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 2 BASIS OF PREPERATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed 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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

01, 2022 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:

Amendments	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires 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 that are believed to be reasonable under the circumstances, the result 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.

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 taxes recoverable and Federal Excise Duty payable on remuneration of management company as disclosed in notes 7.1 and 8.3 respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except investments are required to be 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years and are set out below:

### 3.1 Financial instruments

#### a) Initial recognition and measurement

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

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

#### b) Classification

##### 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. Given the objectives of the Fund, all investments have been classified as 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 criteria.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

'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 FVTPL.

### c) **Subsequent Measurement**

#### **Debt instruments at fair value through profit or loss**

Debt instruments at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

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**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

#### **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. The Fund has not used this classification for its investment portfolio.

#### **Financial liabilities**

##### **Financial liabilities measured at amortised cost**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 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.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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) Regular way contracts**

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

**g) Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have 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, October 24, 2012 have been followed.

**h) 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.

**i) Determination of fair value**

**a) 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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

**b) Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

**c) Equity securities**

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



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 3.2 Cash and cash equivalents

These comprise balances with banks, cheques in hand and short-term highly liquid investments with original maturities of three months or less.

### 3.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the management company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the distribution company and the management company as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company / distributors receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

### 3.4 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets. "

### 3.5 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### 3.6 Revenue recognition

- Dividend income is recognized when the right to receive the dividend is established
- Profit on bank balances and deposits is recognised on an accrual basis.
- Gain or loss on sale of Shariah compliant debt securities and derivatives is accounted for in the year in which it arises.
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' and derivatives are included in the Income Statement in the period in which they arise.

### 3.7 Expenses

All expenses chargeable to the Fund including remuneration of management company, trustee, and annual fee of the SECP are recognised in the income statement on an accrual basis.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.8 Provisions

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

## 3.9 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

## 3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Distribution Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

## 3.11 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 year end.

## 3.12 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

4 BANK BALANCES AND TERM DEPOSIT RECEIPTS	Note	2023	2022
		----- Rupees -----	
- Profit and loss sharing accounts	4.1	468,367,575	346,930,505
- Current account		5,000	5,000
- Cheques in hand	4.2	3,874,500	22,994,500
- Term deposit receipts		-	175,000,000
		<b>472,247,075</b>	<b>544,930,005</b>

4.1 The rate of return on these accounts during the year ranges between 14.50% to 19.75% (30 June 2022: 6.6% to 15%), per annum. The profit rates effective at the year end on these accounts ranges between 14.75% and 19.75% (30 June 2021: 13.75% and 15%) per annum.

4.2 This denotes cheques received against issuance of units which were deposited and cleared in the bank account subsequent to the year end by 7 July 2023 (2022: 05 July 2022).

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5 INVESTMENTS	Note	2023	2022
		Rupees -----	
<b>At fair value through profit or loss</b>			
Debt securities - sukuk certificates	5.1	724,548,759	628,432,515
Islamic commercial paper	5.2	-	253,979,429
Government of Pakistan - Ijarah Sukuk	5.3	328,968,400	311,971,700
		<b>1,053,517,159</b>	<b>1,194,383,644</b>

## 5.1 Debt securities - sukuk certificates

Particulars	As at 01 July 2022	Acquired during the period	Matured / Disposed during the period	As at 30 June 2023	Carrying Value as at 30 June 2023	Market Value as at 30 June 2023	Unrealised gain / (loss) as at 30 June 2023	Market Value as % of Net Assets as at 30 June 2023	Market Value as % of Total Investments as at 30 June 2023
----- Rupees ----- % age -----									
<b>Unlisted</b>									
<b>Banks</b>									
Meezan Bank Limited - Tier II (Face Value Rs. 1,000,000)	50,000,000	-	-	50,000,000	52,000,000	50,253,450	(1,746,550)	3.23%	4.77%
Albaraka Bank (Pakistan) Limited - Tier II (Face Value Rs. 1,000,000)	75,000,000	-	-	75,000,000	75,000,000	74,250,000	(750,000)	4.77%	7.05%
<b>Pharmaceutical</b>									
OBS AGP (Private) Limited - SUKUK (Face value Rs. 100,000)	115,000,000	-	-	115,000,000	93,911,704	93,624,375	(287,329)	6.01%	8.89%
<b>Textile</b>									
Nishat Mills Limited (Face Value Rs. 1,000,000)	-	150,000,000	150,000,000	-	-	-	-	-	-
Nishat Mills Limited STS 2 (Face Value Rs. 1,000,000)	-	100,000,000	-	100,000,000	100,000,000	100,000,000	-	6.42%	9.49%
<b>Power Generation &amp; Distribution</b>									
The Hub Power Company Limited (Face Value Rs. 100,000)	41,250,000	-	27,500,000	13,750,000	14,466,375	13,790,934	(675,441)	0.89%	1.31%
Hub Power Holding Limited (Face Value Rs. 100,000)	100,000,000	-	-	100,000,000	100,000,000	102,630,000	2,630,000	6.59%	9.74%
K-Electric Limited - IV (Face Value Rs. 1,000,000)	80,000,000	-	80,000,000	-	-	-	-	-	-
K-Electric Limited - V (Face Value Rs. 1,000,000)	100,000,000	-	100,000,000	-	-	-	-	-	-
K-Electric Limited - VI (Face Value Rs. 1,000,000)	40,000,000	-	40,000,000	-	-	-	-	-	-
Lucky Electric Power Company Limited (Face Value Rs. 1,000,000)	40,000,000	-	40,000,000	-	-	-	-	-	-
K-Electric Limited - VIII (Face Value Rs. 1,000,000)	-	45,000,000	45,000,000	-	-	-	-	-	-

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Particulars	As at 01 July 2022	Acquired during the period	Matured / Disposed during the period	As at 30 June 2023	Carrying Value as at 30 June 2023	Market Value as at 30 June 2023	Unrealised gain / (loss) as at 30 June 2023	Market Value as % of Net Assets as at 30 June 2023	Market Value as % of Total Investments as at 30 June 2023
	----- Rupees -----							----- % age -----	
Lucky Electric Power Company Limited - IV (Face Value Rs. 1,000,000)	-	181,000,000	181,000,000	-	-	-	-	-	-
Lucky Electric Power Company Limited - V (Face Value Rs. 1,000,000)	-	115,000,000	115,000,000	-	-	-	-	-	-
K-Electric Limited - XIII (Face Value Rs. 1,000,000)	-	50,000,000	-	50,000,000	50,000,000	50,000,000	-	3.21%	4.75%
K-Electric Limited - XVI (Face Value Rs. 1,000,000)	-	100,000,000	-	100,000,000	100,000,000	100,000,000	-	6.42%	9.49%
The Hub Power Company Limited STS I (Face Value Rs. 1,000,000)	-	50,000,000	-	50,000,000	50,000,000	50,000,000	-	3.21%	4.75%
Lucky Electric Power Company Limited - STS X (Face Value Rs. 1,000,000)	-	90,000,000	-	90,000,000	90,000,000	90,000,000	-	5.78%	8.54%
<b>Total - June 30, 2023</b>					<b>725,378,079</b>	<b>724,548,759</b>	<b>(829,321)</b>	<b>46.53%</b>	<b>68.77%</b>
<b>Total - June 30, 2022</b>					<b>626,406,104</b>	<b>628,432,515</b>	<b>2,026,411</b>	<b>40.36%</b>	<b>59.65%</b>

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
Meezan Bank Limited Tier - II	AA	10 years	Semi -annually	Jan 2030	6 month KIBOR + 0.50%
OBS AGP Private Limited - Sukuk	A+	05 years	Quarterly	Jul 2026	3 month KIBOR + 1.55%
Albaraka Bank (Pakistan) Limited - Tier II	A+	10 years	Semi -annually	Dec 2031	6 month KIBOR + 1.50%
The Hub Power Company Limited - II	AA+	04 years	Quarterly	Aug 2023	3 month KIBOR + 1.90%
Hub Power Holding Limited	AA	05 years	Semi -annually	Nov 2025	6 month KIBOR + 0.25%
K-Electric Limited - IV	AA	06 Month	Buillet Payment	Oct 2022	6 month KIBOR + 0.85%
K-Electric Limited Short Term Sukuk V	AA	06 Month	Buillet Payment	Oct 2022	6 month KIBOR + 0.95%
K-Electric Limited - VI	AA	06 Month	Buillet Payment	Oct 2022	6 month KIBOR + 0.90%
Lucky Electric Power Company Limited	AA	06 Month	Buillet Payment	Oct 2022	6 month KIBOR + 1.05%
Lucky Electric Power Company Limited - IV	AA	06 Month	Buillet Payment	Apr 2023	6 month KIBOR + 1.50%
Lucky Electric Power Company Limited - V	AA	06 Month	Buillet Payment	Jun 2023	6 month KIBOR + 1.35%
Nishat Mills Limited	AA	06 Month	Buillet Payment	Early Matured	3 month KIBOR + 0.09%
Nishat Mills Limited II	AA	06 Month	Buillet Payment	Early Matured	3 month KIBOR + 0.25%
K-Electric Limited - XIII	AA	06 Month	Buillet Payment	Aug 2023	6 month KIBOR + 1.00%
K-Electric Limited - XVI	AA	06 Month	Buillet Payment	Aug 2023	6 month KIBOR + 0.75%
Hub Power Company Limited STS 2	AA	06 Month	Buillet Payment	Aug 2023	6 month KIBOR + 0.30%
Lucky Electric Power Company Limited - STS X	AA	06 Month	Buillet Payment	Aug 2023	6 month KIBOR + 0.50%

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.2 Islamic commercial paper

Particulars	Note	As at 01 July 2022	Acquired during the period	Disposed during the period	As at 30 June 2023	Carrying value as at 30 June 2023	Market value as at 30 June 2023	Unrealised gain/(loss) as at 30 June 2023	Market Value as % of Net Assets of Fund	Market Value as a % of total value of investments of fund
		----- Face value -----				----- Rupees -----			----- %age -----	
Mughal-CP		75,000,000	-	75,000,000	-	-	-	-	0.00%	0.00%
Lucky Electric Power Limited - ICP-II		180,000,000	-	180,000,000	-	-	-	-	0.00%	0.00%
<b>Total - June 30, 2023</b>									<b>0.00%</b>	<b>0.00%</b>
<b>Total - June 30, 2022</b>						<b>253,979,429</b>	<b>253,979,429</b>		<b>14.34%</b>	<b>21.26%</b>

5.2.1 The securities are valued on the basis of amortization on its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non trade debt securities with residual maturity of up six months.

## 5.3 Government of Pakistan - Ijarah Sukuk

Script	As at 01 July 2022	Acquired during the period	Disposed during the period	As at 30 June 2023	Carrying value as at 30 June 2023	Market value as at 30 June 2023	Unrealised gain/(loss) as at 30 June 2023	Market Value as % of Net Assets of Fund	Market Value as a % of total value of investments of fund
	----- Rupees -----				----- Rupees -----			----- %age -----	
Government of Pakistan Ijarah Sukuks - 30-April-2020	44,500,000	-	-	44,500,000	43,147,200	42,906,900	(240,300)	2.76%	4.07%
Government of Pakistan Ijarah Sukuks - 29-May-2020	75,000,000	-	-	75,000,000	75,022,500	74,520,000	(502,500)	4.79%	7.07%
Government of Pakistan Ijarah Sukuks - 29-Jul-2020	90,000,000	-	-	90,000,000	84,132,000	77,130,000	(7,002,000)	4.95%	7.32%
Government of Pakistan Ijarah Sukuks - 06-Oct-2021	110,000,000	-	-	110,000,000	109,670,000	109,384,000	(286,000)	7.02%	10.38%
Government of Pakistan Ijarah Sukuks - 06-Oct-2021	-	25,000,000	-	25,000,000	25,000,000	25,027,500	27,500	1.61%	2.38%
<b>Total - June 30, 2023</b>					<b>336,971,700</b>	<b>328,968,400</b>	<b>(8,003,300)</b>	<b>21.1%</b>	<b>31.2%</b>
<b>Total - June 30, 2022</b>					<b>318,222,900</b>	<b>311,971,700</b>	<b>(6,251,200)</b>	<b>17.62%</b>	<b>26.12%</b>

5.3.1 Investment in GOP Ijarah Sukuks carried mark up ranging between 8.37% to 21.25% per annum and were due to mature between 17 April 2024 to 06 Oct 2026 , the cost of investments amount Rs. 344,204,800 (2022: Rs. 318,222,900).

## 5.4 (LOSS) / GAIN ON SALE OF INVESTMENTS - NET

	2023	2022
	----- Rupees -----	----- Rupees -----
Net loss on disposals of Sukuk certificates	(1,540,563)	(2,055,344)
Net gain on disposals of GOP Ijarah	-	98,800
	<b>(1,540,563)</b>	<b>(1,956,544)</b>

## 6 PROFIT ACCRUED

Profit accrued on:

- Profit and loss sharing accounts	8,355,311	6,352,778
- Gop Ijarah	12,953,270	8,199,683
- Sukuk certificates and commercial papers	33,141,948	32,961,300
- Term deposit receipts	-	2,416,438
	<b>54,450,530</b>	<b>49,930,200</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7 SECURITY DEPOSIT AND OTHER RECEIVABLES	Note	2023 ----- Rupees -----	2022 -----
Deposit with Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Other receivable		1,855,453	-
Tax recoverable	7.1	570,468	570,468
		<b>2,525,921</b>	<b>670,468</b>

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) are exempt from withholding tax under sections 150 and 151. However, 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 by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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 favor of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs 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 being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the funds together with other CISs (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 cumulative amount of withholding tax deducted from profit on bank deposits by the Funds has been shown as other receivable as at 30 June 2022 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 of the Fund, the net asset value of the Fund as at 30 June 2023 would have been lower by Rs. 0.19 per unit (30 June 2022: Rs. 0.16 per unit).

8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2023 ----- Rupees -----	2022 -----
Remuneration of the Management Company	8.1	756,739	562,196
Sindh sales tax payable on remuneration of the Management Company	8.2	365,973	340,672
Federal Excise Duty on remuneration of the Management Company	8.3	1,733,902	1,733,902
Selling and Marketing Expense	8.4	301,549	-
Accounting and operational charges	16	206,387	192,758
		<b>3,364,550</b>	<b>2,829,528</b>

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company set the maximum limit of 2.5% of average annual net assets, within allowed expense. The Management Company has charged its remuneration at an average rate of 0.53% (2022:0.35%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.

8.2 Sindh Sales Tax has been charged at 13% (2022:13%) on management fee levied through Sales Tax on Services Act, 2011 during the year resulting in an amount of Rs. 1,279,748 (2022: Rs. 981,482). Furthermore, an amount of Rs. 1,254,482 (2022: Rs.1,009,172) has been paid to the Management Company which acts as the collecting agent.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company was of the view that further levy of FED was not justified.

On 04 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by Non-banking financial institutions 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 Management Company with effect from 01 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 1.734 million (2021: Rs 1.734 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at 30 June 2023 would have been higher by Rs. 0.57 per unit (2022: Re. 0.50 per unit).

- 8.4** The SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.10% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of average daily net assets of the Fund.

### 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY

	Note	2023 ----- Rupees -----	2022 -----
Remuneration of the Trustee	9.1	103,190	120,469
Sindh sales tax on remuneration of the Trustee	9.2	13,420	15,664
		<b>116,611</b>	<b>136,134</b>

- 9.1** The trustee is entitled to monthly remuneration for services rendered to the fund. The trustee charged 0.075% per annum (2022: 0.075%) of net assets.
- 9.2** Sindh Sales Tax has been charged at 13% (2021:13%) on remuneration of the Trustee, resulting in an amount of Rs. 181,837 (2022: Rs. 210,327) charged during the year. Furthermore, an amount of Rs. 184,081 (2022: Rs 213,558) was paid to the Trustee which acts as a collecting agent.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2023 ----- Rupees -----	2022 -----
Annual fee payable	10.1	<u>372,980</u>	<u>431,412</u>

**10.1** In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). Effective from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% (2022: 0.02%) of net assets on all categories of CISs.

## 11 PAYABLE AGAINST REDEMPTION OF UNITS

This represents payable against units redeemed to the unit holder based on their request for cash payout managed by the Management Company.

	2023 ----- Rupees -----	2022 -----
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	529,201	339,116
Payable to shariah advisor	45,000	45,000
Withholding tax and capital gain tax payable	19,062,186	13,134,507
Zakat payable	86,662	58,902
Legal and professional charges payable	350,000	-
Other payable	544,554	544,554
	<u>20,617,603</u>	<u>14,122,079</u>

## 13 TRANSACTION CHARGES

This represents brokerage, federal excise duty and settlement charges.

## 14 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 30 June 2023 and (30 June 2022: Nil).

	Note	2023 ----- Rupees -----	2022 -----
<b>15 PROFIT ON BANK AND INVESTMENTS</b>			
Markup income on:			
- Profit and loss sharing accounts	4.1	109,398,187	75,430,231
- Term deposit receipts	4.3	10,669,630	15,648,116
- Sukuk certificates	5.1.2	131,287,042	49,188,007
- Commercial paper	5.2.1	2,361,922	32,081,421
- Government of Pakistan (GoP) ijarah sukuks	5.3.1	45,103,061	26,359,907
- Certificate of Musharka		-	4,111,644
		<u>298,819,842</u>	<u>202,819,327</u>

## 16 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company has charged expenses at an average rate of 0.125% (2022: 0.12%) of the average annual net assets of the Fund.



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17 AUDITORS' REMUNERATION	2023 ----- Rupees -----	2022 ----- Rupees -----
Audit fee	250,000	190,000
Half yearly review of financial statements	150,000	95,000
Out of pocket expenses	60,000	30,000
Income Certification	30,000	60,500
Sindh Sales Tax on services	39,200	30,040
Prior year adjustment	(95,743)	-
	<b><u>433,457</u></b>	<b><u>405,540</u></b>

## 18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2023 is 0.95% (2022: 0.71%) which includes 0.10% (2022: 0.08%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant income scheme.

## 19 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

## 20 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## 21 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 21.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund directors and their close family members and key management personnel of the Management Company.
- 21.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.
- 21.3** Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

21.4 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2023	2022
	----- Rupees -----	
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	9,844,405	7,549,799
Remuneration paid	9,649,862	6,987,603
Sindh Sales Tax on remuneration of the Management Company	1,279,784	981,482
Accounting and operational charges	2,346,408	2,588,511
Selling and Marketing Expense	301,549	-
Issue of 4,514 (2022: 448,022) units	2,356,290	231,177,923
Redemption of 4,514 (2022:448,022) units	2,358,910	240,874,733
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,398,694	1,617,815
Sindh sales tax on remuneration of the Trustee	181,837	210,327
Remuneration paid to the Trustee	1,415,973	1,642,684
Settlement charges	335,300	262,568
<b>Atlas Group of Companies, M.S.G.Fund</b>		
Issue of 68,122 (2022:175,985) units	34,541,328	91,200,514
Redemption of Nil (2022: 8.851) units	-	4,629,516
Dividend declared	12,009,068	7,117,511
Outstanding 235,256 (2022: 167,134) units - at net asset value	120,036,893	85,278,419
<b>Atlas Engineering Ltd. Emp.Provident Fund</b>		
Issue of 14,011 (2022:Nil) units	7,566,368	-
Dividend declared	404,380	-
Outstanding 14,011 (2022: Nil) units - at net asset value	7,148,970	-
<b>Atlas Honda Limited (Group Company)</b>		
Issue of Nil (2022: 3) units	-	1,527
Dividend declared	-	1,797
Redemption of 42 (2022: Nil) units	21,818	-
Outstanding Nil (2022: 42) units - at net asset value	-	21,125
<b>Honda Atlas Cars (Pakistan) Limited Employee Provident Fund</b>		
Issue of 201,842 (2022: 183,298) units	102,344,740	95,719,053
Dividend declared	2,344,740	7,805,858
Redemption of 183,298 (2022: Nil) units	102,811,456	-
Outstanding 201,842 (2022: 183,298) units - at net asset value	102,987,768	92,941,984
<b>Honda Atlas Power Product (Private) Limited</b>		
Issue of Nil (2022: 6) units	-	3,006
Dividend declared	5,311	3,536
Outstanding 92 (2022: 82) units - at net asset value	46,942	41,578

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issue of Nil (2022: 8) units	-	4,060
Redemption of Nil (2022: 8) units	-	4,148
<b>CDC - Trustee Atlas Islamic Capital Preservation Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 40,782 (2022: 40,782) units	-	20,777,273
Redemption of 991,845(2022: 991,845) units	-	510,176,351
<b>CDC - Trustee Atlas Aggressive Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 17,490 (2022: 7,161) units	8,949,556	3,663,083
Redemption of 12,201 (2022: 16,980) units	6,700,000	9,000,000
Dividend declared	3,856,889	2,313,083
Outstanding 59,605 (2022: 54,316) units - at net asset value	30,412,889	27,541,145
<b>CDC - Trustee Atlas Moderate Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 28,047(2022: 9,363) units	14,318,860	4,736,507
Redemption of 13,725 (2022: Nil) units	7,500,000	11,100,000
Dividend declared	8,207,660	4,736,507
Outstanding 125,545 (2022: 111,223) units - at net asset value	64,057,980	56,396,067
<b>CDC - Trustee Atlas Conservative Allocation Islamic Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 19,124 (2022: 31,912) units	9,736,118	16,793,406
Redemption of 114,898 (2022: 26,696) units	8,500,000	14,100,000
Dividend declared	7,291,638	8,793,406
Outstanding 110,714 (2022: 206,488) units - at net asset value	56,490,540	104,700,465
<b>CDC - Trustee Atlas Islamic Dividend Plan (Atlas Islamic Fund of Fund)</b>		
Issue of 740 (2022: 4,353) units	381,542	2,201,872
Redemption of 52,445 (2022: Nil) units	27,031,148	-
Dividend declared	-	2,201,872
Outstanding Nil (2022: 51,705) units - at net asset value	-	25,897,783
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Issue of 48,734 (2022: 40,402) units	25,885,756	21,573,009
Redemption of 48,457 (2022: 44,817) units	25,827,617	23,943,377
Dividend declared	20,849	-
Outstanding 619 (2022: 338) units - at net asset value	315,838	171,384

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**21.5** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund (Atlas Islamic Income Fund return as on June 30,2023 is 15.76%) include 165 units held by the Chief Executive Officer and 89 units held by the Chief Investments Officer.

**21.6** Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

### 22 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2022			Total
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- (Rupees) -----				
<b>Financial assets</b>				
Bank balances and Term Deposits Receipts	472,247,075	-	-	472,247,075
Investments	-	1,053,517,159	-	1,053,517,159
Profit accrued	54,450,530	-	-	54,450,530
Security deposit and other receivables	1,955,453	-	-	1,955,453
	<b>528,653,058</b>	<b>1,053,517,159</b>	<b>-</b>	<b>1,582,170,217</b>

	As at 30 June 2023			Total
	At fair value through profit or loss	At amortised Cost		
----- (Rupees) -----				
<b>Financial liabilities</b>				
Payable to Atlas Asset Management Limited - Management Company	-	3,364,550		3,364,550
Payable to Central Depository Company of Pakistan Limited - Trustee	-	116,611		116,611
Payable against redemption of units	-	514,987		514,987
Dividend payable	-	578,525		578,525
Accrued expenses and other liabilities	-	1,468,755		1,468,755
	<b>-</b>	<b>6,043,429</b>		<b>6,043,429</b>

	As at 30 June 2022			Total
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- (Rupees) -----				
<b>Financial assets</b>				
Bank balances and Term Deposits Receipts	544,930,005	-	-	544,930,005
Investments	-	1,194,383,644	-	1,194,383,644
Profit accrued	49,930,200	-	-	49,930,200
Security deposit and other receivables	100,000	-	-	100,000
	<b>594,960,205</b>	<b>1,194,383,644</b>	<b>-</b>	<b>1,789,343,849</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	As at 30 June 2022		
	At fair value through profit or loss	Other financial liabilities	Total
	(Rupees)		
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	2,829,528	2,829,528
Payable to Central Depository Company of Pakistan Limited - Trustee	-	136,134	136,134
Payable against redemption of units	-	1,000,000	1,000,000
Unclaimed Dividend	-	487,666	487,666
Accrued expenses and other liabilities	-	928,670	928,670
	<u>-</u>	<u>5,381,998</u>	<u>5,381,998</u>

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund may be exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

### 23.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

#### (i) Profit rate risk

Profit rate risk is the risk that the Fund's income will fluctuate due to changes in the market profit rates. As of 30 June 2023, the Fund is exposed to such risk in respect of bank balances and corporate sukuk securities. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks and investment in corporate sukuks which exposes the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at June 30, 2023, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 15,218,847 (2022: Rs. 12,882,593).

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to profit rate risk.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2023 is not necessarily indicative of the impact on the Fund's net assets of the future movements in profit rates.

Yield / profit 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.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at 30 June 2023 can be determined as follows:

----- As at 30 June 2023 -----						
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
Percentage	----- (Rupees) -----					
<b>Financial Assets</b>						
Bank balances and Term Deposits Receipts	14.75% - 19.75%	468,367,575	-	-	3,879,500	472,247,075
Investments	8.05% - 23.94%	163,790,934	240,000,000	649,726,225	-	1,053,517,159
Profit accrued		-	-	-	54,450,530	54,450,530
Security deposit and other receivables		-	-	-	1,955,453	1,955,453
		<b>632,158,509</b>	<b>240,000,000</b>	<b>649,726,225</b>	<b>60,285,483</b>	<b>1,582,170,217</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	3,364,550	3,364,550
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	116,611	116,611
Payable against redemption of units		-	-	-	514,987	514,987
Unclaimed dividend		-	-	-	578,525	578,525
Accrued expenses and other liabilities		-	-	-	1,468,755	1,468,755
		-	-	-	<b>6,043,429</b>	<b>6,043,429</b>
<b>On-balance sheet gap (a)</b>		<b>632,158,509</b>	<b>240,000,000</b>	<b>649,726,225</b>	<b>54,242,054</b>	<b>1,576,126,788</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		<b>632,158,509</b>	<b>240,000,000</b>	<b>649,726,225</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>632,158,509</b>	<b>872,158,509</b>	<b>1,521,884,734</b>		

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

----- As at 30 June 2022 -----

Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
Percentage	(Rupees)					
<b>Financial Assets</b>						
Bank balances and Term Deposits Receipts	7% to 15%	521,930,505	-	-	22,999,500	544,930,005
Investments	6.4% - 16.56%	80,000,000	433,979,429	680,404,215	-	1,194,383,644
Profit accrued		-	-	-	49,930,200	49,930,200
Security deposit and other receivables		-	-	-	100,000	100,000
		<b>601,930,505</b>	<b>433,979,429</b>	<b>680,404,215</b>	<b>73,029,700</b>	<b>1,789,343,850</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	2,829,528	2,829,528
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	136,134	136,134
Payable against redemption of units		-	-	-	1,000,000	1,000,000
Unclaimed dividend		-	-	-	487,666	487,666
Accrued expenses and other liabilities		-	-	-	928,670	928,670
		-	-	-	<b>5,381,998</b>	<b>5,381,998</b>
<b>On-balance sheet gap (a)</b>		<b>601,930,505</b>	<b>433,979,429</b>	<b>680,404,215</b>	<b>67,647,702</b>	<b>1,783,961,852</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a + b)</b>		<b>601,930,505</b>	<b>433,979,429</b>	<b>680,404,215</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>601,930,505</b>	<b>1,035,909,934</b>	<b>1,716,314,149</b>		

## (ii) Foreign currency risk

Foreign 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. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

## (iii) Equity price risk

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of 30 June 2022.

## 23.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Fund is exposed to redemptions of its redeemable units on a regular basis. 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. The Fund's policy is therefore to invest a majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
<b>2023</b>	----- Rupees -----					
<b>Assets</b>						
Bank balances and Term Deposits Receipts	472,247,075	-	-	-	-	472,247,075
Investments	-	163,790,934	240,000,000	649,726,225	-	1,053,517,159
Profit accrued	11,512,979	12,275,534	30,662,016	-	-	54,450,529
Security deposit and other receivables	-	-	-	1,955,453	-	1,955,453
	<b>483,760,054</b>	<b>176,066,468</b>	<b>270,662,016</b>	<b>651,681,678</b>	<b>-</b>	<b>1,582,170,216</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	3,364,550	-	-	-	-	3,364,550
Payable to Central Depository Company of Pakistan Limited - Trustee	116,611	-	-	-	-	116,611
Payable against redemption of units	514,987	-	-	-	-	514,987
Dividend payable	578,525	-	-	-	-	578,525
Accrued expenses and other liabilities	574,201	894,554	-	-	-	1,468,755
	<b>5,148,874</b>	<b>894,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,043,429</b>
<b>Net assets</b>	<b>478,611,180</b>	<b>175,171,914</b>	<b>270,662,016</b>	<b>651,681,678</b>	<b>-</b>	<b>1,576,126,787</b>



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>2022</b>						
<b>Assets</b>						
Bank balances and Term Deposits Receipts	544,930,005	-	-	-	-	544,930,005
Investments	-	80,000,000	433,979,429	680,404,215	-	1,194,383,644
Profit accrued	6,352,778	35,377,739	-	-	-	41,730,517
Security deposit and other receivables	-	-	-	100,000	-	100,000
	<b>551,282,783</b>	<b>115,377,739</b>	<b>433,979,429</b>	<b>680,504,215</b>	<b>-</b>	<b>1,781,144,166</b>
<b>Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	2,829,528	-	-	-	-	2,829,528
Payable to Central Depository Company of Pakistan Limited - Trustee	136,134	-	-	-	-	136,134
Payable against redemption of units	1,000,000	-	-	-	-	1,000,000
Dividend payable	487,666	-	-	-	-	487,666
Accrued expenses and other liabilities	384,116	544,554	-	-	-	928,670
	<b>4,837,443</b>	<b>544,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,381,997</b>
<b>Net assets / (liabilities)</b>	<b>546,445,340</b>	<b>114,833,185</b>	<b>433,979,429</b>	<b>680,504,215</b>	<b>-</b>	<b>1,775,762,169</b>

### 23.3 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- Rupees -----				
Bank balances and Term Deposits Receipts	472,247,075	472,247,075	544,930,005	544,930,005
Investments	1,053,517,159	1,053,517,159	1,194,383,644	1,194,383,644
Profit accrued	54,450,530	54,450,530	41,730,517	41,730,517
Security deposit and other receivables	2,525,921	2,525,921	100,000	100,000
	<b>1,582,740,685</b>	<b>1,582,740,685</b>	<b>1,781,144,166</b>	<b>1,781,144,166</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

23.4 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES	Receivable against issuance of units	Payable against redemption of units	Total
	----- (Rupees in '000) -----		
Opening balance as at July 01, 2022	-	1,000,000	1,000,000
Receivable against issuance of units	1,383,453,249	-	1,383,453,249
Payable against redemption of units	-	(1,655,862,450)	(1,655,862,450)
	1,383,453,249	(1,655,862,450)	(272,409,201)
Amount received on issuance of units	(1,383,453,249)	-	(1,383,453,249)
Amount paid on redemption of units	-	1,655,377,437	1,655,377,437
	(1,383,453,249)	1,655,377,437	271,924,188
<b>Closing balance as at June 30, 2023</b>	<b>-</b>	<b>514,987</b>	<b>514,987</b>

### 23.5 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investment in GOP ijarah sukuk and corporate sukuk. The credit rating profile of above mentioned is as follows:

#### Ratings of amounts placed with banks, investment in GOP ijarah sukuk and corporate sukuk certificates

	% of financial assets	
	2023	2022
	----- % -----	
GOP Ijarah Sukuk (Government Guaranteed)	47.61	48.82
Sukuk Certificates	21.61	24.23
AAA	0.73	0.99
AA	0.10	18.94
AA-	0.00	0.00
A+	29.95	7.01
A	<b>100.00</b>	<b>100.00</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2023 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

### 23.6 Fair value of financial instruments

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

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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Fair value of government securities is determined by reference to the rates announced by Financial Market Association of Pakistan and fair value of corporate sukuks is determined on the basis of rates announced by MUFAP. The fair value of financial assets and liabilities of the Fund, other than government securities, approximates their carrying amount due to short term maturities of these instruments.

### 23.7 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2023, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique. Particulars regarding their cost and market value are given in note 5. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 24 UNIT HOLDERS FUND RISK MANAGEMENT

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times during the current year.

In accordance with the risk management policies as stated in note 23, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 25 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2023			30 June 2022		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Individuals	1,813	548,229,088	35.22%	1671	755,415,268	42.67%
Insurance Companies	6	36,452,946	2.34%	7	55,676,754	3.14%
Others	13	315,563,466	20.27%	14	441,168,806	24.91%
Associated Companies/ Directors	1	47,171	0.00%	3	63,483	0.00%
Retirement Funds	17	656,882,758	42.18%	21	518,583,188	29.28%
	<b>1,850</b>	<b>1,557,175,428</b>	<b>100%</b>	<b>1,716</b>	<b>1,770,907,499</b>	<b>100%</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 26 LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
NIL	-	Alfalah CLSA Securities (Private) Limited	74.3%
	-	Pak Oman Investments	25.7%
			<b>100%</b>

## 27 THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	12 Years

## 28 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fawad Javaid	Head of Fixed Income	CMA	Atlas Islamic Income Fund Atlas Income Fund Atlas Money Market Fund Atlas Sovereign Fund Atlas Liquid Fund

## 29 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the Management Company of the Fund, and the attendance of the Board members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	P	L	P	P	P	P
Mr. Tariq Amin	Director	P	P	P	P	P	P
Mr. Frahim Ali Khan	Director	P	P	P	P	P	P
Mr. Ali H. Shirazi	Director	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	Director	L	P	L	P	P	P
Ms. Zehra Naqvi	Director	P	P	P	P	P	P
Mr. M. Abdul Samad	Chief Executive Officer	P	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	P	P	P	P	P	P
Ms. Zainab Kazim	Company Secretary	P	P	P	P	P	P

P Present

L Leave of absence

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 30 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2022: AM2+ (AM Two Plus)] on 23 December 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

Moreover, PACRA has maintained the stability rating of the Fund at "AA- (f)" [2020: "AA- (f)"] on 17 April 2023.

## 31 GENERAL

The figures have been rounded off to the nearest Rupee.

## 32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 11 September 2023.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Islamic Stock Fund

## Corporate Information

### Trustee

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

### Shariah Advisor

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Dr. Mufti Hassan Usmani

### Auditors

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A.F. Ferguson & Co.  
Chartered Accountants

### Legal Advisers

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Mohsin Tayebaly & Co.

### Bankers

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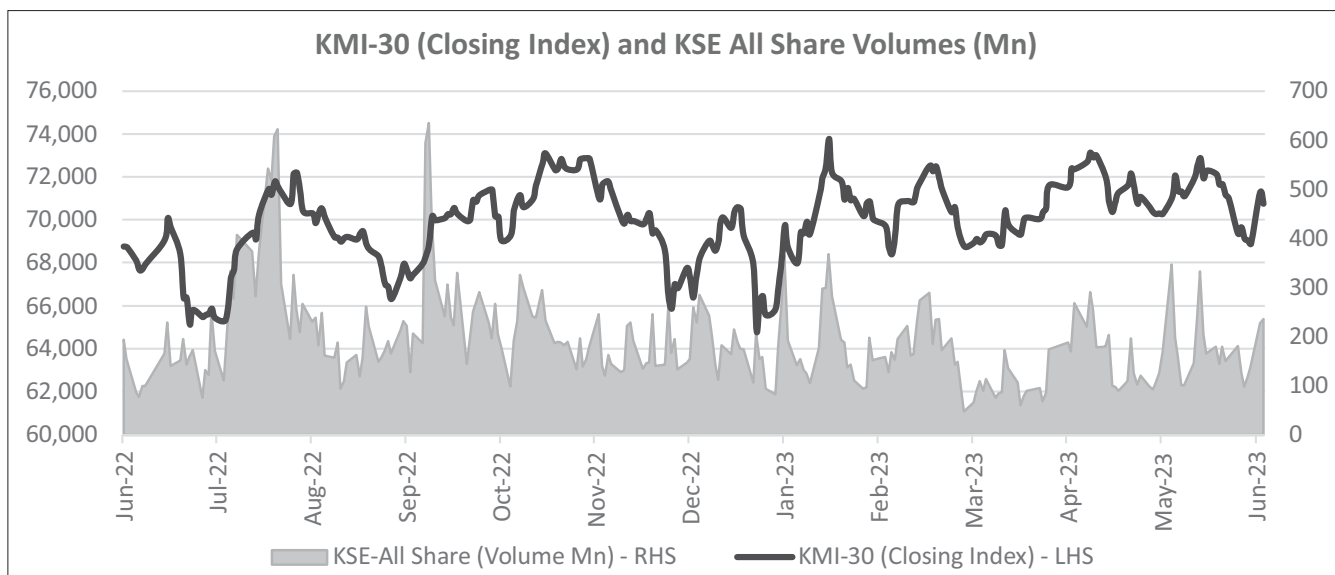
Al-Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited - Islamic Banking  
MCB Bank Limited - Islamic Banking



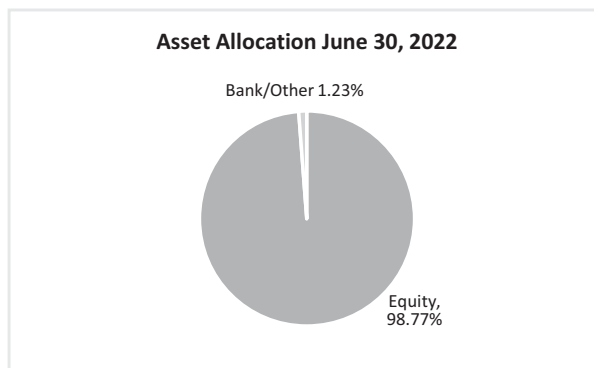
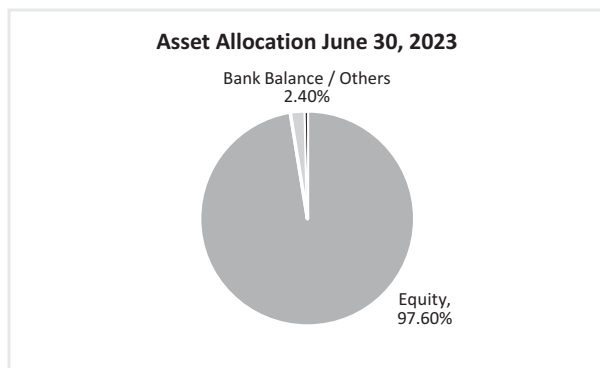
# Fund Manager's Report

Atlas Islamic Stock Fund (AISF) is an open-ended equity fund. The fund has a high-risk rating with the objective to provide long term capital growth from an actively managed portfolio invested in Shariah compliant listed companies in Pakistan. The Fund's strategy revolves around Shariah Compliance while making investments in stocks with attractive fundamentals and a potential to outperform the market to generate high returns. The Fund observes the investment limitations as set out by the Shariah code, according to the guidance of the Shariah Advisors and emphasizes on medium to long term investment views, by making investment decisions based upon fundamental analysis. The Fund makes use of portfolio management skills for sector and stock selection in order to efficiently manage the fund's portfolio. The KMI-30 Index serves as the performance benchmark of Atlas Islamic Stock Fund.

The KMI-30 index increased 2.88% from 68,766.37 points as on June 30, 2022, to 70,748.13 points as on June 27, 2023. The daily average volume during FY23 declined by 34.26% to 192 million shares compared to daily average of 292 million shares traded in FY22. Net outflow of US \$1.53 million was recorded by Foreign Portfolio Investors during FY23 compared to net outflow of US \$297.51 million in FY22. On local investors' front, Companies, Individuals, Banks and Other Organizations were net buyers of US \$99.68 million, US \$83.96 million, US \$73.68 million, and US \$24.79 million. Mutual Funds, Insurance Companies and Broker Proprietary Trading remained net sellers of US \$144.49 million, US \$124.31 million, and US \$14.76 million, respectively.



The Net Asset Value per unit of Atlas Islamic Stock Fund (AISF) decreased by 3.36% to Rs. 477.77 as on June 30, 2023. The benchmark KMI-30 index increased by 2.88% during the same period. The KMI-30 index increased from 68,766.37 points as on June 30, 2022 to 70,748.13 points as on June 30, 2023. AISF's strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospect of earnings growth. AISF equity portfolio exposure stood at 97.60% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer, and Shariah Compliant Commercial Banks. The Net Assets of the Fund stood at Rs. 3.24 billion, with 6.78 million units outstanding as of June 30, 2023.



The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved NIL profit distribution.

#### The Administrative Plans:

The management company is offering investment plans that allow investors focused combination investment strategic in Atlas Islamic Income fund (AIIF) and Atlas Islamic Stock Fund (AISF). The investment plans were offered from September 2008, and the returns are as under:

Administrative Plans	Proportionate Investment in		Return (period ended)			
	AIF	ASMF	2019-20	2020-21	2021-22	2022-23
Atlas Bachat Islamic Plan	85%	15%	10.98%	10.89%	5.96%	12.89%
Atlas Bachat Balanced Islamic Plan	50%	50%	9.55%	21.50%	-2.15%	6.20%
Atlas Bachat Growth Islamic Plan	15%	85%	8.12%	32.10%	-10.26%	0.49%

#### Breakdown of Unit holding by size:

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Individual	717	351,024,968	10.83%
Associated companies / Director	6	1,564,008,230	48.25%
Insurance companies	2	93,998,847	2.90%
Retirement funds	6	903,082,160	27.86%
Others	6	329,235,570	10.16%
<b>Total</b>	<b>737</b>	<b>3,241,349,775</b>	<b>100.00%</b>

The Scheme has held provision for FED liability that amounted to Rs. 10,453,385 up till June 30, 2023 (Rs. 1.54 per unit).

The Total Expense Ratio (TER) of the Fund is 4.29% including expenses representing Government levy and SECP Fee of 0.37%.

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

Karachi: 11 September 2023

**Faran-UI-Haq**  
Head of Equities



## Supplementary Non Financial Information as required under clause 38 A (g) of NBFC and NE Regulations, 2008

### Summary of actual proxies voted by Atlas Islamic Stock Fund

AISF	Resolution	For	Against	Abstain
Number	234	234	-	-
%	100%	100%	-	-

**Note:** The Proxy voting policy of the Atlas Islamic Stock Fund (AISF) is available on the website of Atlas Asset Management Limited and detailed information regarding actual proxies voted by the Company in respect of the Fund is also available without charge, upon request, to all unit holders.

### Performance Since Inception

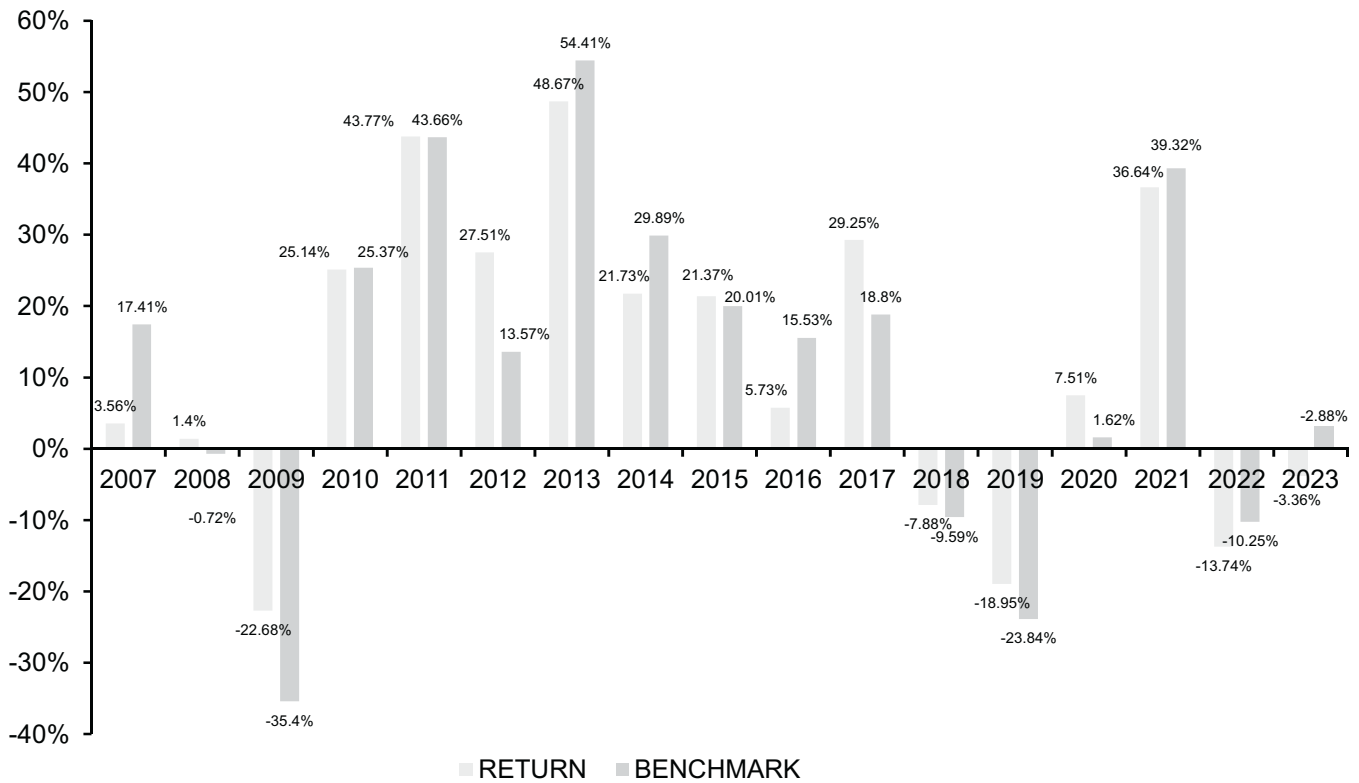
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007*
Net Assets (Rs. in '000)	3,241,350	3,859,663	2,706,741	1,823,315	1,204,994	2,262,189	2,478,898	1,411,789	1,415,763	809,364	974,606	510,953	318,777	252,773	417,775	597,788	512,580
Number of units in issue	6,784,263	7,806,639	4,722,705	4,001,514	2,803,109	4,265,137	4,058,678	2,987,494	2,854,233	1,980,470	2,015,536	1,317,773	779,243	521,664	1,078,902	1,172,525	989,930
Net assets value per unit (Rs.)	477.77	494.41	573.13	455.66	429.88	530.39	610.77	472.57	496.02	408.67	483.55	387.74	409.09	484.55	387.22	509.83	517.79
Net (loss) / income (Rs. in '000)	(144,665)	(609,465)	711,018	190,108	(284,783)	(184,177)	562,154	80,049	250,274	137,439	320	110,717	97,396	114,084	(122,217)	9,319	17,489
Earnings per unit (Rs.)	(21.32)	(78.07)	150.55	47.51	(101.60)	(43.18)	138.51	26.79	87.69	69.40	158.69	84.02	124.99	218.69	(113.28)	7.95	17.67
Annual return of the fund (%)	(3.36)	(13.74)	36.64	7.51	(18.95)	(7.88)	29.25	5.73	21.37	21.73	48.67	27.51	43.77	25.14	(22.68)	1.40	3.56
Offer Price ** (Rs.)	477.77	494.41	586.08	465.96	439.60	530.39	610.77	472.57	496.02	408.67	488.45	391.64	413.18	489.40	391.09	514.93	522.97
Redemption Price ** (Rs.)	477.77	494.41	573.13	455.66	429.88	530.39	610.77	472.57	496.02	408.67	476.36	381.94	402.95	477.28	381.41	502.18	510.03
Distribution (Rs.)	-	-	50.00	6.50	-	-	35.00	-	50.00	45.00	110.00	62.50	105.00	200.00	-	9.00	15.00
Distribution as a % of Opening Ex-NAV of units	-	-	10.97	1.51	-	-	7.41	-	12.23	12.05	33.82	20.55	36.90	51.65	-	1.79	3.00
Date of Distribution	-	-	28-Jun-21	30-Jun-20	-	-	7-Jul-17	-	7-Jul-15	24-Jun-14	4-Jul-13	5-Jul-12	7-Jul-11	8-Jul-10	-	4-Jul-08	20-Jul-07
Highest offer price per unit (Rs.)	521.48	606.66	657.67	577.53	436.01	595.15	677.62	488.05	507.30	453.25	513.39	405.82	423.05	562.83	488.69	603.50	525.33
Lowest offer price per unit (Rs.)	442.98	485.97	481.07	351.78	433.99	484.26	493.88	390.34	388.08	381.62	340.83	288.51	293.27	409.30	238.43	464.43	508.46
Highest redemption price per unit (after applicable back-end load) (Rs.)	521.48	521.48	643.14	564.77	557.92	595.15	677.62	488.05	507.30	453.25	500.69	392.85	412.58	548.90	476.59	588.56	512.33
Lowest redemption price per unit (after applicable back-end load) (Rs.)	442.98	442.98	470.44	344.01	418.29	484.26	493.88	390.34	388.08	381.62	332.40	281.37	286.01	399.17	232.53	452.93	495.88

\*Period from 17 October 2006 to 30 June 2007 (Date of Launch: January 15, 2007)

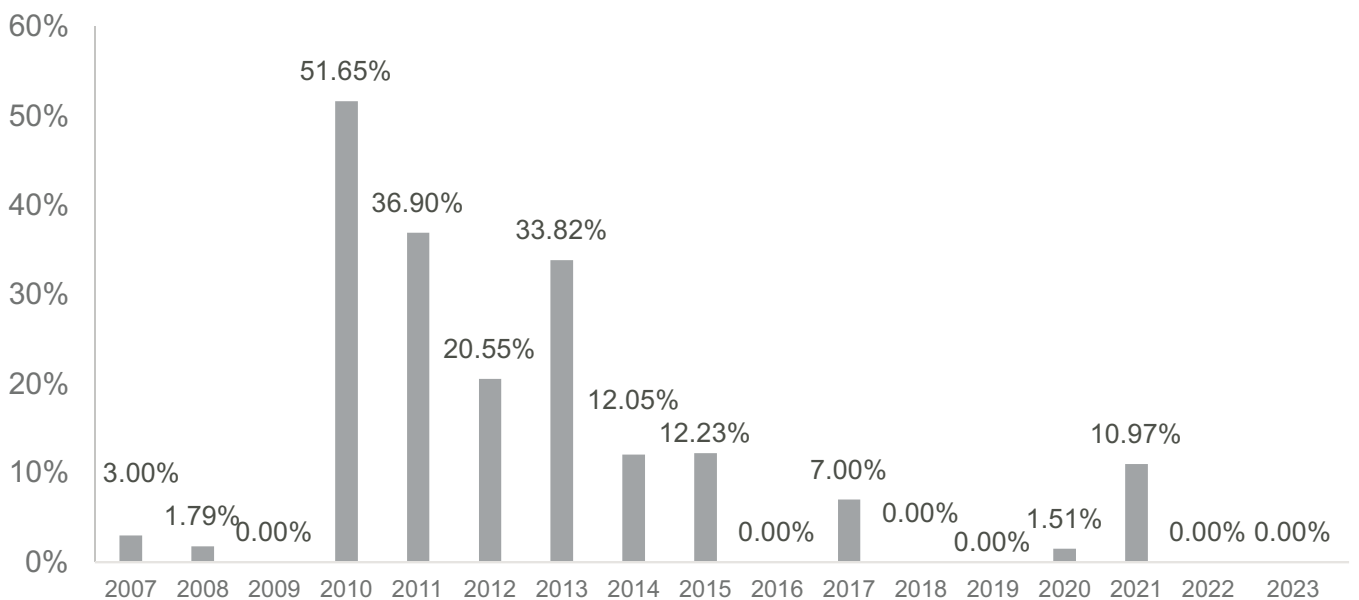
\*\* Relates to announced prices.

**Note:** Past performance of the funds is not indicative of future performance, and the unit price and investment return may go down, as well as up.

## Yearly Performance



## Payout History (% on opening Ex - NAV)



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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Stock Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Islamic Stock Fund (AISF), I am issuing this report in accordance with clause 2.3.4 (V) of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

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

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

As part of my mandate as the Shariah 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, 2023 are in compliance with the Shariah principles.

There are investments made by AISF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Management Company, in consultation with me, the Shariah Adviser 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 2023

**Dr. Mufti Hassan Usmani**  
Shariah Advisor

# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Stock Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key audit matter	How our audit addressed the key audit matter
1.	<b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)	
	<p>Investments and balances with banks constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2023 amounted to Rs 3198.500 million and balances with banks aggregated to Rs 72.721 million.</p> <p>The existence and proper valuation of investments and existence of balances with banks for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"><li>• Obtained independent confirmations for verifying the existence of the investment portfolio and balances with banks as at June 30, 2023 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li><li>• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li><li>• Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li></ul>

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## **Other Matter**

The financial statements of the Fund for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 15, 2022.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

Karachi: 21 September 2023

**A. F. Ferguson & Co.**  
Chartered Accountants

**Engagement Partner: Junaid Mesia**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>ASSETS</b>			
Bank balances	4	72,773,150	34,009,966
Investments	5	3,198,500,026	3,844,668,700
Profit receivable		671,152	328,060
Receivable against sale of Investment		-	1,758,939
Advance, deposits and other receivables	6	5,202,419	5,202,419
<b>Total assets</b>		<b>3,277,146,747</b>	<b>3,885,968,084</b>
<b>LIABILITIES</b>			
Payable to Atlas Asset Management Limited - Management Company	7	27,750,751	22,583,003
Payable to the Central Depository Company of Pakistan Limited - Trustee	8	397,665	452,585
Payable to the Securities and Exchange Commission of Pakistan	9	729,557	744,456
Payable against redemption of units		1,000,000	-
Payable against purchase of investments		1,155,813	-
Accrued expenses and other liabilities	10	4,763,186	2,525,199
<b>Total liabilities</b>		<b>35,796,972</b>	<b>26,305,243</b>
<b>NET ASSETS</b>		<b>3,241,349,775</b>	<b>3,859,662,841</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>3,241,349,775</b>	<b>3,859,662,841</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>6,784,263</b>	<b>7,806,639</b>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>477.7748</b>	<b>494.4078</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 2023

	2023	2022
	----- Rupees -----	
<b>Income</b>		
Profit on balances with banks	4.1 8,272,134	7,002,087
Dividend income	347,861,470	242,035,532
Realised loss on sale of investments - net	(169,489,564)	(112,655,928)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2 (174,668,539)	(635,145,926)
	<b>(344,158,103)</b>	<b>(747,801,854)</b>
<b>Total income / (loss)</b>	<b>11,975,501</b>	<b>(498,764,235)</b>
<b>Expenses</b>		
Remuneration of Atlas Asset Management Limited - Management Company	7.1 91,198,968	92,330,889
Sindh Sales Tax on remuneration of the Management Company	7.2 11,855,866	12,003,010
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	8.1 4,647,959	4,722,407
Sindh Sales Tax on remuneration of the Trustee	8.2 604,235	613,910
Annual fee of the Securities and Exchange Commission of Pakistan	9.1 729,592	744,481
Accounting and operational charges	7.4 22,825,446	18,022,483
Selling and marketing expenses	7.5 3,008,062	-
Transaction charges	7,638,467	7,070,668
Auditors' remuneration	12 759,891	468,283
Annual listing fee	27,500	27,499
Legal and professional charges	805,147	475,770
Shariah advisory fee	200,000	200,000
Bank charges	41,215	5,191
Printing charges	140,550	32,730
Charity expense	12,157,402	7,864,775
<b>Total expenses</b>	<b>156,640,300</b>	<b>144,582,096</b>
<b>Net loss from operating activities</b>	<b>(144,664,799)</b>	<b>(643,346,331)</b>
Reversal of provision for Sindh Workers' Welfare Fund	-	33,881,485
<b>Net loss for the year before taxation</b>	<b>(144,664,799)</b>	<b>(609,464,846)</b>
Taxation	13 -	-
<b>Net loss for the year after taxation</b>	<b>(144,664,799)</b>	<b>(609,464,846)</b>
<b>Loss per unit</b>	14	
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
	-	-
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	-
- Excluding capital gains	-	-
	-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Net loss for the year after taxation</b>	<b>(144,664,799)</b>	<b>(609,464,846)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b><u>(144,664,799)</u></b>	<b><u>(609,464,846)</u></b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED 30 JUNE 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- Rupees -----			----- Rupees -----		
<b>Net assets at the beginning of the year</b>	<b>3,718,882,232</b>	<b>140,780,609</b>	<b>3,859,662,841</b>	<b>1,956,495,995</b>	<b>750,245,455</b>	<b>2,706,741,450</b>
Issuance of 1,799,224 units (2022: 5,146,679 units)						
- Capital value (at net asset value per unit 'at the beginning of the year)	889,550,551	-	889,550,551	2,949,735,178	-	2,949,735,178
- Element of loss	(44,776,390)	-	(44,776,390)	(51,075,765)	-	(51,075,765)
Total proceeds on issuance of units	<b>844,774,161</b>	<b>-</b>	<b>844,774,161</b>	<b>2,898,659,413</b>	<b>-</b>	<b>2,898,659,413</b>
Redemption of 2,821,600 units (2022: 2,062,745 units)						
- Capital value (at net asset value per unit 'the beginning of the year)	(1,395,021,309)	-	(1,395,021,309)	(1,182,228,674)	-	(1,182,228,674)
- Element of income	76,598,881	-	76,598,881	45,955,498	-	45,955,498
Total payments on redemptions of units	<b>(1,318,422,428)</b>	<b>-</b>	<b>(1,318,422,428)</b>	<b>(1,136,273,176)</b>	<b>-</b>	<b>(1,136,273,176)</b>
Total comprehensive loss for the year	-	(144,664,799)	(144,664,799)	-	(609,464,846)	(609,464,846)
<b>Net assets at the end of the year</b>	<b>3,245,233,965</b>	<b>(3,884,190)</b>	<b>3,241,349,775</b>	<b>3,718,882,232</b>	<b>140,780,609</b>	<b>3,859,662,841</b>
Undistributed income brought forward comprising of:						
- Realised income	775,926,535			443,117,090		
- Unrealised (loss) / income	(635,145,926)			307,128,365		
	<b>140,780,609</b>			<b>750,245,455</b>		
Accounting income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
Total comprehensive loss for the year	(144,664,799)			(609,464,846)		
Undistributed income carried forward	<b>(3,884,190)</b>			<b>140,780,609</b>		
Undistributed income carried forward comprising of:						
- Realised income	170,784,349			775,926,535		
- Unrealised loss	(174,668,539)			(635,145,926)		
	<b>(3,884,190)</b>			<b>140,780,609</b>		
			<b>Rupees</b>			<b>Rupees</b>
Net asset value per unit at the beginning of the year			<b>494.4078</b>			<b>573.1337</b>
Net asset value per unit at the end of the year			<b>477.7748</b>			<b>494.4078</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 2023

	2023	2022
Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year before taxation	(144,664,799)	(609,464,846)
<b>Adjustments for:</b>		
Profit on bank balances	(8,272,134)	(7,002,087)
Dividend Income	(347,861,470)	(242,035,532)
Realised loss on sale of investments - net	169,489,564	112,655,928
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	174,668,539	635,145,926
Reversal of provision of Sindh Workers' Welfare Fund	-	(33,881,485)
	<b>(156,640,300)</b>	<b>(144,582,096)</b>
<b>Decrease / (increase) in assets</b>		
Investments	302,010,571	(1,911,894,794)
Profit receivable	7,929,042	7,021,075
Dividend receivable	347,861,470	237,972,581
Receivable against sale of Investment	1,758,939	36,301,727
Advance, deposits and other receivables	-	-
	<b>659,560,022</b>	<b>(1,630,599,411)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	5,167,748	3,812,931
Payable to the Central Depository Company of Pakistan Limited - Trustee	(54,920)	106,100
Payable to the Securities and Exchange Commission of Pakistan	(14,899)	267,642
Payable against redemption of units	1,000,000	(1,384,692)
Payable against purchase of investment	1,155,813	-
Accrued expenses and other liabilities	2,237,987	(35,254,625)
	<b>9,491,729</b>	<b>(32,452,644)</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>512,411,451</b>	<b>(1,807,634,151)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	844,774,161	2,898,659,413
Amount paid on redemption of units	(1,318,422,428)	(1,136,273,176)
<b>Net cash (used in) / generated from financing activities</b>	<b>(473,648,267)</b>	<b>1,762,386,237</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>38,763,184</b>	<b>(45,247,914)</b>
Cash and cash equivalents at beginning of the year	34,009,966	79,257,880
<b>Cash and cash equivalents at the end of the year</b>	<b>4 72,773,150</b>	<b>34,009,966</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Stock Fund (the Fund) is an open-ended collective investment scheme constituted under a Trust Deed entered into on September 12, 2006 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First, Second, Third, Fourth and Fifth Supplemental Trust Deeds dated October 29, 2007, March 6, 2008, December 4, 2009, June 23, 2010 and May 23, 2017, respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). In addition, the Offering Document of the Fund was also revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteen, Fourteen and Fifteen Supplements dated October 29, 2007, March 6, 2008, December 4, 2009, June 23, 2010, September 20, 2013, March 24, 2015, September 29, 2016, June 2, 2017, May 25, 2018, September 5, 2019, November 25, 2019, April 1, 2020, June 1, 2020, November 25, 2021 and April 14, 2022 respectively, with the approval of the SECP.
- 1.2 During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act were introduced. The Management Company 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. Accordingly on July 26, 2021, the Trust deed was registered under the Sindh Trusts Act, 2020.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Ground Floor, Federation House, Shahrah e Firdousi, Clifton, Karachi.
- 1.4 The Fund has been categorised as a 'Shariah Compliant Equity Scheme' by the Board of Directors of the Management Company pursuant to the provision contained in Circular 07 of 2009 dated March 6, 2009 issued by the SECP. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 500 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis from January 15, 2007 and are transferable and redeemable by surrendering them to the Fund.
- 1.5 According to the Trust Deed, the objective of the Fund is to provide one window facility to investors to invest in diversified and professionally managed investment portfolio of Shariah Compliant securities such as equities, cash and/or near cash Shariah Compliant instruments including cash in bank accounts (excluding term deposit receipts) and Shariah Compliant government securities not exceeding 90 days' maturity. The investment objectives and policies are fully defined in the Fund's Offering Document.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited maintained the asset manager rating of the Management Company to AM2+ on December 23, 2022 (June 30, 2022: AM2+ on December 24, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.7 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2 BASIS OF PREPERATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirement of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

### **2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year**

There are certain new standards, interpretations and amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

### **2.4 Critical accounting estimates and judgements**

The preparation of these financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments 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 judgments 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 period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5), provision for Federal Excise Duty (note 7.3) and provision for taxation (note 13).

### **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values.

### **2.6 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

## 3.2 Financial assets

### 3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

### 3.2.2 Classification and subsequent measurement

#### Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

IFRS 9 also provides an option for securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

#### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

### 3.2.3 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

## 3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

## 3.3 Financial liabilities

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

## 3.4 Provisions

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

## 3.5 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

## 3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

## 3.7 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Investment Committee of the Board of Directors of Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income / (loss) represents the difference between the Net Assets Value per unit on the issuance or redemption date, as the case may be, of units and the Net Asset Value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to Unit Holders' Fund. However, to maintain the same ex-dividend the Net Asset Value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in Unit Holders' Fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

## 3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank deposits is recognised on an accrual basis.

## 3.11 Expenses

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

## 3.12 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 to the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 3.13 Loss per unit

Loss per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of loss per unit is not practicable as disclosed in note 14.

## 3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2023 ----- Rupees -----	2022 -----
Balances with banks in:			
- Savings accounts	4.1	67,742,149	27,717,077
- Current accounts		4,979,003	5,018,856
- Cheque in hand	4.2	51,998	1,274,033
		<b>72,773,150</b>	<b>34,009,966</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4.1 The rate of return on these balances during the year ranges from 12.25% to 19.75% (June 30, 2022: 6.75% and 15%) per annum. The mark-up rates effective at the year end on these accounts ranges from 19.25% to 19.75% (June 30, 2022: 10.75% to 12.75%) per annum.

4.2 This denotes cheques received against issue of units which were deposited and cleared in the bank account subsequent to the year end by July 7, 2023 (30 June 2021: July 6, 2022).

## 5 INVESTMENTS

2023  
Note ----- Rupees -----  
2022

### Financial assets at 'fair value through profit or loss'

Listed equity securities

5.1 3,198,500,026 3,844,668,700

### 5.1 Listed equity securities

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investments	
----- Number of shares held -----						----- Rupees -----			----- Percentage -----		
<b>COMMERCIAL BANKS</b>											
BankIslami Pakistan Limited	-	7,201,000	-	7,201,000	-	-	-	-	-	-	-
Faysal Bank Limited	-	1,897,729	-	1,897,729	-	-	-	-	-	-	-
Meezan Bank Limited	3,421,648	885,600	351,164	1,669,300	2,989,112	303,690,982	258,169,603	(45,521,379)	7.96%	8.07%	1.67%
						<b>303,690,982</b>	<b>258,169,603</b>	<b>(45,521,379)</b>	<b>7.96%</b>	<b>8.07%</b>	
<b>TEXTILE COMPOSITE</b>											
Interloop Limited	1,447,507	-	466,115	619,980	1,293,642	50,584,722	45,613,817	(4,970,905)	1.41%	1.43%	1.38%
Kohinoor Textile Mills Limited (note 5.1.1)	884,500	243,000	-	25,000	1,102,500	54,427,315	56,128,275	1,700,960	1.73%	1.75%	3.68%
Nishat Mills Limited	1,692,780	-	-	1,147,726	545,054	40,284,941	30,942,716	(9,342,225)	0.95%	0.97%	1.55%
						<b>145,296,978</b>	<b>132,684,808</b>	<b>(12,612,170)</b>	<b>4.09%</b>	<b>4.15%</b>	
<b>CEMENT</b>											
Cherat Cement Company Limited	428,800	464,646	-	292,606	600,840	61,717,834	72,269,035	10,551,201	2.23%	2.26%	3.09%
D.G. Khan Cement Company Limited	2,420	-	-	2,420	-	-	-	-	-	-	-
Fauji Cement Company Limited	6,142,500	600,000	823,312	1,853,500	5,712,312	71,767,565	67,176,789	(4,590,776)	2.07%	2.10%	2.33%
Kohat Cement Company Limited	276,450	562,974	-	10,308	829,116	118,867,608	143,826,753	24,959,145	4.44%	4.50%	4.13%
Lucky Cement Limited (note 5.1.2)	554,700	237,000	-	355,173	436,527	203,583,133	227,906,381	24,323,248	7.03%	7.13%	1.35%
Maple Leaf Cement Factory Limited	2,070,000	6,610,378	-	4,066,305	4,614,073	112,174,423	130,716,688	18,542,265	4.03%	4.09%	4.30%
Pioneer Cement Limited	-	950,000	-	950,000	-	-	-	-	-	-	-
						<b>568,110,563</b>	<b>641,895,646</b>	<b>73,785,083</b>	<b>19.80%</b>	<b>20.08%</b>	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
K-Electric Limited (note 5.1.1)	5,265,000	-	-	-	5,265,000	16,005,600	9,055,800	(6,949,800)	0.28%	0.28%	0.54%
The Hub Power Company Limited	4,429,128	350,000	-	2,120,000	2,659,128	181,106,134	185,022,126	3,915,992	5.71%	5.78%	2.05%
						<b>197,111,734</b>	<b>194,077,926</b>	<b>(3,033,808)</b>	<b>5.99%</b>	<b>6.06%</b>	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited (note 5.1.2)	807,013	272,500	-	778,500	301,013	52,105,944	33,415,453	(18,690,491)	1.03%	1.04%	0.64%
Sui Northern Gas Pipelines Limited	1,357,776	1,160,000	-	2,517,776	-	-	-	-	-	-	-
						<b>52,105,944</b>	<b>33,415,453</b>	<b>(18,690,491)</b>	<b>1.03%</b>	<b>1.04%</b>	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited	207,160	18,500	-	38,000	187,660	325,066,183	284,237,342	(40,828,841)	8.77%	8.89%	1.41%
Oil and Gas Development Company Limited	3,846,177	1,141,000	-	985,000	4,002,177	315,659,798	312,169,806	(3,489,992)	9.63%	9.76%	0.93%
Pakistan Oilfields Limited	304,294	95,126	-	153,588	245,832	100,027,704	98,767,923	(1,259,781)	3.05%	3.09%	0.87%
Pakistan Petroleum Limited (note 5.1.2)	2,518,470	1,270,000	-	575,000	3,213,470	217,447,497	190,044,616	(27,402,881)	5.86%	5.94%	1.18%
						<b>958,201,182</b>	<b>885,219,687</b>	<b>(72,981,495)</b>	<b>27.31%</b>	<b>27.68%</b>	

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investments	
----- Number of shares held -----						----- Rupees -----			----- Percentage -----		
<b>ENGINEERING</b>											
Aisha Steel Mills Limited	1,405,949	-	-	1,405,949	-	-	-	-	-	-	-
International Industries Limited	81,300	207,077	-	12,000	276,377	24,975,847	20,241,851	(4,733,996)	0.62%	0.63%	2.10%
Itefaq Iron Industries Limited	649,500	-	-	649,500	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	233,595	742,692	-	157,500	818,787	43,530,692	39,662,042	(3,868,650)	1.22%	1.24%	2.44%
						<b>68,506,539</b>	<b>59,903,893</b>	<b>(8,602,646)</b>	<b>1.84%</b>	<b>1.87%</b>	
<b>AUTOMOBILE ASSEMBLER</b>											
Milat Tractors Limited	43	-	-	43	-	-	-	-	-	-	-
Al-Ghazi Tractors Limited	36,200	-	-	36,200	-	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	99,600	66,000	-	165,600	-	-	-	-	-	-	-
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>											
Panther Tyres Limited	910,807	-	-	910,807	-	-	-	-	-	-	-
Thal Limited (note 5.1.1)	175,000	-	-	10,000	165,000	44,487,300	26,730,000	(17,757,300)	0.82%	0.84%	4.07%
						<b>44,487,300</b>	<b>26,730,000</b>	<b>(17,757,300)</b>	<b>0.82%</b>	<b>0.84%</b>	
<b>REFINERY</b>											
Attock Refinery Limited	361,000	417,372	-	423,820	354,552	56,942,948	60,851,760	3,908,812	1.88%	1.90%	3.33%
National Refinery Limited	500	50,000	-	500	50,000	8,953,597	7,500,000	(1,453,597)	0.23%	0.23%	0.63%
						<b>65,896,545</b>	<b>68,351,760</b>	<b>2,455,215</b>	<b>2.11%</b>	<b>2.13%</b>	
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>											
AirLink Communications Limited	16,604	-	-	16,604	-	-	-	-	-	-	-
Avanceon Limited	534,879	245,000	101,981	771,287	110,573	7,474,894	4,869,635	(2,605,259)	0.15%	0.15%	0.34%
Octopus Digital Limited	532	-	-	532	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	30,000	-	-	30,000	-	-	-	-	-	-	-
Systems Limited	232,500	422,114	-	163,000	491,614	194,994,258	198,282,675	3,288,417	6.12%	6.20%	1.69%
						<b>202,469,152</b>	<b>203,152,310</b>	<b>683,158</b>	<b>6.27%</b>	<b>6.35%</b>	
<b>FERTILIZER</b>											
Engro Fertilizers Limited	1,151,392	1,154,900	-	406,000	1,900,292	160,904,103	156,831,099	(4,073,004)	4.84%	4.90%	1.42%
Engro Corporation Limited (note 5.1.2)	1,514,897	115,000	-	771,522	858,375	220,242,589	223,083,147	2,840,558	6.88%	6.97%	1.49%
Fauji Fertilizers Bin Qasim Limited	3,619,000	-	-	857,000	2,762,000	55,902,880	32,536,360	(23,366,520)	1.00%	1.02%	2.14%
						<b>437,049,572</b>	<b>412,450,606</b>	<b>(24,598,966)</b>	<b>12.72%</b>	<b>12.89%</b>	
<b>PHARMACEUTICALS</b>											
Abbott Laboratories (Pakistan) Limited	96,500	-	-	96,500	-	-	-	-	-	-	-
Cif Pharma Limited	-	1,078,012	-	-	1,078,012	29,281,984	23,004,776	(6,277,208)	0.71%	0.72%	4.72%
Highnoon Laboratories Limited	138,474	-	7,430	111,300	34,604	14,495,015	11,632,827	(2,862,188)	0.36%	0.36%	0.83%
The Searle Company Limited	2,433	-	-	2,433	-	-	-	-	-	-	-
						<b>43,776,999</b>	<b>34,637,603</b>	<b>(9,139,396)</b>	<b>1.07%</b>	<b>1.08%</b>	
<b>PAPER &amp; BOARD</b>											
Packages Limited	-	79,700	-	-	79,700	30,622,665	30,998,518	375,853	0.96%	0.97%	0.89%
						<b>30,622,665</b>	<b>30,998,518</b>	<b>375,853</b>	<b>0.96%</b>	<b>0.97%</b>	
<b>CHEMICALS</b>											
Engro Polymer & Chemicals Limited	1,345,500	1,597,000	-	1,805,000	1,137,500	61,058,859	48,059,375	(12,999,484)	1.48%	1.50%	1.25%
Lucky Core Industries Limited	-	67,800	-	614	67,186	45,515,369	40,589,750	(4,925,619)	1.25%	1.27%	0.73%
						<b>106,574,228</b>	<b>88,649,125</b>	<b>(17,925,103)</b>	<b>2.73%</b>	<b>2.77%</b>	
<b>LEATHER &amp; TANNERIES</b>											
Service Global Footwear Limited	765,014	-	-	260,000	505,014	20,291,463	14,079,790	(6,211,673)	0.43%	0.44%	2.46%
						<b>20,291,463</b>	<b>14,079,790</b>	<b>(6,211,673)</b>	<b>0.43%</b>	<b>0.44%</b>	

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Balance as at June 30, 2023			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total market value of investments	
						----- Rupees -----			----- Percentage -----		
<b>FOODS &amp; PERSONAL CARE PRODUCTS</b>											
At-Tahir Limited	963,160	200,000	116,316	472,500	806,976	14,699,016	13,282,825	(1,416,191)	0.41%	0.42%	3.69%
						14,699,016	13,282,825	(1,416,191)	0.41%	0.42%	
<b>GLASS &amp; CERAMICS</b>											
Shabbir Tiles and Ceramics Limited (note 5.1.1)	718,000	-	-	718,000	-	-	-	-	-	-	-
Tariq Glass Industries Limited	592,500	185,000	169,375	-	946,875	78,281,959	64,482,188	(13,799,771)	1.99%	2.02%	5.50%
						78,281,959	64,482,188	(13,799,771)	1.99%	2.02%	
<b>MISCELLANEOUS</b>											
Shifa International Hospitals Limited	-	296,500	-	-	296,500	35,995,744	36,318,285	322,541	1.12%	1.14%	4.69%
						35,995,744	36,318,285	322,541	1.12%	1.14%	
<b>Total as at July 30, 2023</b>						<b>3,373,168,565</b>	<b>3,198,500,026</b>	<b>(174,668,539)</b>	<b>98.65%</b>	<b>100.00%</b>	
<b>Total as at June 30, 2022</b>						<b>4,479,814,626</b>	<b>3,844,668,700</b>	<b>(635,145,926)</b>	<b>99.61%</b>	<b>100.00%</b>	

5.1.1 All shares have a face value of Rs. 10 each except for the shares of Kohinoor Textile Limited, Thal Limited and Shabbir Tiles and Ceramics Limited which have a face value of Rs. 5 and K-Electric which have face value of Rs. 3.5.

5.1.2 The above investments include shares of the following companies which have been pledged with the National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the SECP. The details of shares which have been pledged are as follows:

Name of investee company	2023		2022	
	Number of shares	Market value in Rupees	Number of shares	Market value in Rupees
Pakistan Petroleum Limited	135,000	7,983,900	135,000	9,113,850
Pakistan State Oil Company Limited	110,000	12,211,100	110,000	18,902,400
Lucky Cement Limited	75,000	39,156,750	75,000	34,428,000
Engro Corporation Limited	55,000	14,293,950	55,000	14,139,950
	<b>375,000</b>	<b>73,645,700</b>	<b>375,000</b>	<b>76,584,200</b>

5.2 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	2023	2022
		----- Rupees -----	
Market value of investments		3,198,500,026	3,844,668,700
Less: Carrying value of investments		(3,373,168,565)	(4,479,814,626)
		<b>(174,668,539)</b>	<b>(635,145,926)</b>

## 6 ADVANCE, DEPOSITS AND OTHER RECEIVABLES

Security deposits with:

- National Clearing Company of Pakistan Limited
- Central Depository Company of Pakistan Limited

Receivable from collection account  
Advance tax

	2,500,000	2,500,000
	100,000	100,000
	<b>2,600,000</b>	<b>2,600,000</b>
	5,000	5,000
6.1	2,597,419	2,597,419
	<b>5,202,419</b>	<b>5,202,419</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 6.1 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) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 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 by the withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs. 2.597 million (June 30, 2022: 2.597 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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. A petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Honourable Supreme Court of Pakistan granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

### 7 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

	Note	2023 Rupees	2022
Remuneration of the Management Company payable	7.1	6,742,992	7,958,142
Sindh Sales Tax payable on remuneration of the Management Company	7.2	2,421,884	2,579,857
Federal Excise Duty payable on remuneration of the Management Company	7.3	10,453,385	10,453,385
Accounting and operational charges payable	7.4	5,124,428	1,591,619
Selling and marketing expenses payable	7.5	3,008,062	-
		<b>27,750,751</b>	<b>22,583,003</b>

- 7.1 As per regulation 61 of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the Total Expense Ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2.5% (June 30, 2022: 2.5%) per annum of the average daily net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

- 7.2 During the year, an amount of Rs. 11.856 million (June 30, 2022: Rs. 12.003 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to Provincial Sales Tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the SHC by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan which is pending adjudication.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 10.45 million (June 30, 2022: Rs. 10.45 million) is being retained in these financial statements of the Fund as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value per unit of the Fund as at June 30, 2023 would have been higher by Rs. 1.54 (June 30, 2022: Rs. 1.34).

- 7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has charged expenses at the average rate of 0.63% (June 30, 2022: 0.5%) per annum of the average daily net assets of the Fund during the year ended June 30, 2023.

- 7.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average daily net assets of the Fund or actual expenses whichever is lower.

During year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of the annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the annual plan, overall return and the Total Expense Ratio limit of the Fund as defined under the NBFC Regulations at the rate of 0.5% from April 27, 2023 to June 30, 2023 (June 30, 2022: Nil) of the average daily net assets of the Fund.

### 8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Trustee fee payable	8.1	351,907	400,514
Sindh Sales Tax payable on Trustee fee	8.2	45,758	52,071
		<b>397,665</b>	<b>452,585</b>

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows:

Average Net Asset Value	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Assets Value whichever is higher
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% per annum of Net Assets Value exceeding Rs. 1,000 million

- 8.2 During the year, an amount of Rs. 0.604 million (June 30, 2022: Rs. 0.614 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate 13% (June 30, 2022: 13%).

### 9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Annual fee payable	9.1	<b>729,557</b>	<b>744,456</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP. As per the guideline issued by the SECP vide their SRO no. 685(1)/2019 dated June 28, 2019, the Fund has recognised SECP fee at the rate of 0.02% (June 30, 2022: 0.02%) of the average daily net assets of the Fund.

10 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2023 ----- Rupees -----	2022 -----
Auditors' remuneration payable		542,160	384,994
Rating fee payable		140,000	140,000
Transaction charges payable		180,601	127,557
Legal and professional charges		350,000	-
Withholding tax and capital gain tax payable		12,255	86,381
Charity payable	10.1	2,758,064	1,194,295
Payable to Shariah Advisor		50,000	49,896
Zakat payable		28,481	13,700
Dividend payable		185,722	185,722
Others		515,903	342,654
		<b>4,763,186</b>	<b>2,525,199</b>

- 10.1 According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the year ended June 30, 2023, non-Shariah compliant income amounting to Rs. 12.157 million (June 30, 2022: Rs. 7.864 million) was charged as an expense in the books of the Fund. This will be distributed as charity after the approval of the Shariah Advisor.

### 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

12 AUDITORS' REMUNERATION	2023 ----- Rupees -----	2022 -----
Annual audit fee	400,000	222,100
Half yearly review of condensed interim financial statements	250,000	111,000
Fee for other certifications	30,000	60,500
Out of pocket expenses	117,000	40,000
	797,000	433,600
Sindh Sales Tax on services	63,760	34,684
Prior year adjustment	(100,869)	-
	<b>759,891</b>	<b>468,284</b>

### 13 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 14 LOSS PER UNIT

Loss per unit (LPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating LPU is not practicable.

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 based on current year results is 4.29% (June 30, 2022: 3.67%) which includes 0.37% (June 30, 2022: 1.27%) representing government levies on the Fund such as Sindh Sales Tax, annual fee to the SECP etc. This ratio is within maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Shariah Compliant Equity Scheme'.

## 16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 16.1** Connected persons / related parties include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, entities under common management or directorships, directors and their close family members and key management personnel of the Management Company.
- 16.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 16.3** Remuneration to the Management Company and to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 16.4** Accounting and operational charges and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 16.5** The details of transactions carried out by the Fund with connected persons and related parties and balances with them at year end are as follows:

Transactions during the year	2023	2022
	----- Rupees -----	-----
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of Atlas Asset Management Limited - Management Company	91,198,968	92,330,889
Sindh Sales Tax on remuneration of the Management Company	11,855,866	12,003,010
Accounting and operational charges	22,825,446	18,022,483
Selling and marketing expenses	3,008,062	-
Issue of 234,960 (2022: 44,012) units	105,867,086	24,998,765
Redemption of 212,299 (2022: Nil) units	96,244,990	-
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	4,647,959	4,722,407
Sindh Sales Tax on remuneration of the Trustee	604,235	613,910
Settlement charges	156,618	209,474
Sindh Sales Tax on Settlement charges	20,360	23,371
<b>Atlas Insurance Limited (Group Company)</b>		
Issuance of 672,438 (2022: 715,419) units	313,286,108	393,129,656
Redemption of 672,438 (2022: 672,437) units	313,286,108	368,129,656
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Issuance of Nil (2022: 51,214) units	-	30,000,000
Redemption of 156,148 (2022: Nil) units	76,807,596	-



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	
<b>Transactions during the year (Cont....)</b>		
<b>Atlas Honda Limited (Group Company)</b>		
Issuance of 35,284 (2022: 104,531) units	17,217,643	58,821,286
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Issuance of Nil (2022: 25,983) units	-	13,949,942
Redemption of Nil (2022: 3,487) units	-	2,000,000
<b>Batools Benefit Trust (Trust having common Director / Trustee)</b>		
Issuance of Nil (2022: Nil) units	-	-
Redemption of 118,832 (2022: Nil) units	58,452,010	-
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Issuance of Nil (2022: 1,522,221) units	-	869,444,774
<b>Shirazi Investments (Private) Limited Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Issuance of Nil (2022: 4,883) units	-	2,700,000
Redemption of 4,883 (2022: 5,545) units	2,431,852	3,202,710
<b>Directors, their close family members and key management personnel of the Management Company</b>		
Issue of 4,177 (2022: 147,119) units	1,947,145	80,620,874
Redemption of 48,360 (2022: 38,808) units	9,685,923	21,468,407
	<b>2023</b>	<b>2022</b>
	----- Rupees -----	
<b>16.6 Outstanding balances</b>		
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company payable	6,742,992	7,958,142
Sindh Sales Tax payable on remuneration of the Management Company	2,421,884	2,579,857
Federal Excise Duty payable on remuneration of the Management Company	10,453,385	10,453,385
Accounting and operational charges payable	5,124,428	1,591,619
Selling and marketing expenses payable	3,008,062	-
Outstanding 125,296 (2022: 102,635) units	59,863,271	50,743,545
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee payable	351,907	400,514
Sindh Sales Tax payable on Trustee fee	45,758	52,071
<b>Atlas Insurance Limited (Group company)</b>		
Outstanding 672,438 (2022: 672,438) units	321,273,931	332,458,098
<b>Atlas Foundation (Trust having common Director / Trustee)</b>		
Outstanding Nil (2022: 156,148) units	-	77,200,789
<b>Atlas Honda Limited (Group Company)</b>		
Outstanding 330,967 (2022: 295,683) units	158,127,693	146,187,982
<b>Atlas Honda Limited Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 108,026 (2022: 108,026) units	51,612,101	53,408,897

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16.6 Outstanding balances (Cont....)	2023	2022
	----- Rupees -----	
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of Group Company)</b>		
Outstanding 178,798 (2022: 178,798) units	85,425,179	88,398,631
<b>Batoos Benefit Trust (Trust having common Director / Trustee)</b>		
Outstanding Nil (2022: 118,832) units	-	58,751,468
<b>Shirazi Investments (Private) Limited (Group Company)</b>		
Outstanding 1,964,413 (2022: 1,964,413) units	938,547,028	971,221,110
<b>Shirazi Investments (Private) Limited Employees Provident Fund (Retirement benefit plan of Group Company)</b>		
Outstanding Nil (2022: 4,883) units	-	2,414,193
<b>Directors, their close family members and key management personnel of the Management Company</b>		
Outstanding 220,364 (2022: 264,547) units - See note 16.6.1	105,284,366	130,794,100

**16.6.1** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund (Atlas Islamic Stock Fund return as on June 30,2023 is -3.36%) include 181.1031 units held by the Chief Executive Officer and 97.0195 units held by the Chief Investments Officer.

### 17 FINANCIAL INSTRUMENTS BY CATEGORY

	----- 2023 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Bank balances	72,773,150	-	72,773,150
Investments	-	3,198,500,026	3,198,500,026
Profit receivable	671,152	-	671,152
Receivable against issuance of units	-	-	-
Deposits and other receivables	2,605,000	-	2,605,000
	<b>76,049,302</b>	<b>3,198,500,026</b>	<b>3,274,549,328</b>
<b>Financial liabilities</b>			
Payable to the Atlas Asset Management Limited - Management Company	27,750,751	-	27,750,751
Payable to the Central Depository Company of Pakistan Limited - Trustee	397,665	-	397,665
Payable against redemption of units	1,000,000	-	1,000,000
Payable against purchase of investments	1,155,813	-	1,155,813
Accrued expenses and other liabilities	4,722,450	-	4,722,450
	<b>35,026,679</b>	<b>-</b>	<b>35,026,679</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	----- 2022 -----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
<b>Financial assets</b>			
Bank balances	34,009,966	-	34,009,966
Investments	-	3,844,668,700	3,844,668,700
Profit receivable	328,060	-	328,060
Receivable against issuance of units	1,758,939	-	1,758,939
Deposits and other receivables	2,605,000	-	2,605,000
	<b>38,701,965</b>	<b>3,844,668,700</b>	<b>3,883,370,665</b>
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	22,583,003	-	22,583,003
Payable to the Central Depository Company of Pakistan - Trustee	452,585	-	452,585
Accrued expenses and other liabilities	2,425,118	-	2,425,118
	<b>25,460,706</b>	<b>-</b>	<b>25,460,706</b>

### 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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, the constitutive documents of the Fund 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 the 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, liquidity risk and credit risk arising from the financial instruments it holds.

#### 18.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: Profit rate risk, currency risk, and price risk.

##### (i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the total comprehensive loss for the year would have been lower / higher and net assets of the Fund would have been higher / lower by Rs. 677,421 (June 30, 2022: 277,171).

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of the future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

----- 2023 -----						
Effective profit rate	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
%	----- Rupees -----					
<b>Financial Assets</b>						
Bank balances	19.25% - 19.75%	67,742,149	-	-	4,979,003	72,721,152
Investments		-	-	-	3,198,500,026	3,198,500,026
Profit receivable		-	-	-	671,152	671,152
Receivable against issuance of units		-	-	-	-	-
Deposits and other receivables		-	-	-	2,605,000	2,605,000
		67,742,149	-	-	3,206,755,181	3,274,497,330
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	27,750,751	27,750,751
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	397,665	397,665
Payable against redemption of units		-	-	-	1,000,000	1,000,000
Payable against purchase of investment		-	-	-	1,155,813	1,155,813
Accrued expenses and other liabilities		-	-	-	4,722,450	4,722,450
		-	-	-	35,026,679	35,026,679
<b>On-balance sheet gap</b>		<b>67,742,149</b>	<b>-</b>	<b>-</b>	<b>3,171,728,502</b>	<b>3,239,470,651</b>
<b>Total profit rate sensitivity gap</b>		<b>67,742,149</b>	<b>-</b>	<b>-</b>		
<b>Cumulative profit rate sensitivity gap</b>		<b>67,742,149</b>	<b>67,742,149</b>	<b>67,742,149</b>		

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

----- 2022 -----						
Effective profit rate	Exposed to profit rate risk			Not exposed to profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
%	----- Rupees -----					
<b>Financial Assets</b>						
Bank balances	13.75% - 15.00%	27,717,077	-	-	6,292,889	34,009,966
Investments		-	-	-	3,844,668,700	3,844,668,700
Profit receivable		-	-	-	328,060	328,060
Receivable against sale of investments		-	-	-	1,758,939	1,758,939
Deposits and other receivables		-	-	-	2,605,000	2,605,000
		27,717,077	-	-	3,855,653,588	3,883,370,665
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	22,583,003	22,583,003
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	452,585	452,585
Accrued expenses and other liabilities		-	-	-	2,425,118	2,425,118
		-	-	-	25,460,706	25,460,706
<b>On-balance sheet gap</b>		<b>27,717,077</b>	<b>-</b>	<b>-</b>	<b>3,830,192,882</b>	<b>3,857,909,959</b>
<b>Total profit rate sensitivity gap</b>		<b>27,717,077</b>	<b>-</b>	<b>-</b>		
<b>Cumulative profit rate sensitivity gap</b>		<b>27,717,077</b>	<b>27,717,077</b>	<b>27,717,077</b>		

### (ii) 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 does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### (iii) 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 profit rate 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 Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In case of 5% increase / decrease in KMI 30 index on June 30, 2023, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 159.925 million (June 30, 2022: Rs.192.233 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the 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 June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

### 18.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. 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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is 15% of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

----- 2023 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	67,742,149	-	-	-	4,979,003	72,721,152
Investments	-	-	-	-	3,198,500,026	3,198,500,026
Profit receivable	671,152	-	-	-	-	671,152
Receivable against issuance of units	-	-	-	-	-	-
Deposits and other receivables	-	-	-	-	2,605,000	2,605,000
	<b>68,413,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,206,084,029</b>	<b>3,274,497,330</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	27,750,751	-	-	-	-	27,750,751
Payable to the Central Depository Company of Pakistan Limited - Trustee	397,665	-	-	-	-	397,665
Payable against redemption of units	1,000,000	-	-	-	-	1,000,000
Payable against purchase of investment	1,155,813	-	-	-	-	1,155,813
Accrued expenses and other liabilities	4,180,290	542,160	-	-	-	4,722,450
	<b>34,484,519</b>	<b>542,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,026,679</b>
<b>Net financial assets / (liabilities)</b>	<b>33,928,782</b>	<b>(542,160)</b>	<b>-</b>	<b>-</b>	<b>3,206,084,029</b>	<b>3,239,470,651</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

----- 2022 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	27,717,077	-	-	-	6,292,889	34,009,966
Investments	-	-	-	-	3,844,668,700	3,844,668,700
Profit receivable	328,060	-	-	-	-	328,060
Receivable against sale of investments	1,758,939	-	-	-	-	1,758,939
Deposits and other receivables	-	-	-	-	2,605,000	2,605,000
	<b>29,804,076</b>	-	-	-	<b>3,853,566,589</b>	<b>3,883,370,665</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	22,583,003	-	-	-	-	22,583,003
Payable to the Central Depository Company of Pakistan Limited - Trustee	452,585	-	-	-	-	452,585
Accrued expenses and other liabilities	2,040,124	384,994	-	-	-	2,425,118
	<b>25,075,712</b>	<b>384,994</b>	-	-	-	<b>25,460,706</b>
<b>Net financial assets / (liabilities)</b>	<b>4,728,364</b>	<b>(384,994)</b>	-	-	<b>3,853,566,589</b>	<b>3,857,909,959</b>

### 18.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	----- 2023 -----		----- 2022 -----	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- Rupees -----		----- Rupees -----	
Bank balances	72,773,150	72,773,150	34,009,966	34,014,966
Investments	3,198,500,026	-	3,844,668,700	-
Profit receivable	671,152	671,152	328,060	328,060
Receivable against sale of investments	-	-	1,758,939	1,758,939
Receivable against issuance of units	-	-	-	-
Deposits and other receivables	2,605,000	2,605,000	2,605,000	2,605,000
	<b>3,274,549,328</b>	<b>76,049,302</b>	<b>3,883,370,665</b>	<b>38,706,965</b>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 18.3.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up receivable thereon. The credit rating profile of bank balances is as follows:

Rating category	% of financial assets exposed to credit risk	
	2023	2022
AAA	0.19%	0.13%
AA+	0.03%	0.02%
AA	0.00%	0.00%
A+	2.03%	0.73%
	<b>2.24%</b>	<b>0.88%</b>

### 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 assets is mainly held with, diverse credit worthy counter parties.

## 19 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 19.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

As at June 30, 2023, the Fund held the following financial instruments measured at fair values:

	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Listed equity securities	3,198,500,026	-	-	3,198,500,026
	<b>3,198,500,026</b>	<b>-</b>	<b>-</b>	<b>3,198,500,026</b>
	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Listed equity securities	3,844,668,700	-	-	3,844,668,700
	<b>3,844,668,700</b>	<b>-</b>	<b>-</b>	<b>3,844,668,700</b>

### 20 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing the unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

### 21 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount	% of total	Number of unit holders	Investment amount	% of total
Individuals	717	351,024,968	10.83%	789	423,495,254	10.97%
Associated companies /						
Directors	6	1,564,008,230	48.25%	8	1,730,548,757	44.84%
Insurance companies	2	93,998,847	2.90%	3	403,480,480	10.45%
Retirement Funds	6	903,082,160	27.86%	11	956,948,395	24.79%
Others	6	329,235,570	10.16%	7	345,189,955	8.95%
	<b>737</b>	<b>3,241,349,775</b>	<b>100.00%</b>	<b>818</b>	<b>3,859,662,841</b>	<b>100.00%</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 22 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Private) Limited	9.22%	Optimus Capital Management (Private) Limited	7.73%
Alfalah CLSA Securities (Private) Limited	7.38%	Topline Securities Limited	7.06%
Habib Metropolitan Financial Services Limited	5.33%	Next Capital Limited	5.77%
Multiline Securities (Private) Limited	5.24%	Ismail Iqbal Securities (Private) Limited	5.30%
Alpha Capital (Private) Limited	5.19%	Alfalah CLSA Securities (Private) Limited	5.22%
Topline Securities Limited	5.13%	Standard Capital Securities (Private) Limited	4.81%
Shajar Capital Pakistan (Private) Limited	4.77%	Arif Habib Limited	4.68%
Intermarket Securities Limited	4.66%	Summit Capital (Private) Limited	4.59%
Insight Securities (Private) Limited	4.21%	Habib Metropolitan Financial Services limited	4.43%
Taurus Securities Limited	4.06%	Insight Securities (Private) Limited	4.33%
	<u>55.19%</u>		<u>53.92%</u>

## 23 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 Years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	12 Years

## 24 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Faran-ul-Haq	Head of Equities	MBA & CFA	Atlas Stock Market Fund Atlas Islamic Dedicated Stock Fund Atlas Islamic Fund of Funds

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The dates of the meetings of the Board of Directors of the Management Company of the Fund and the attendance of its members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	Yes	No	Yes	Yes	Yes	Yes
Mr. Tariq Amin	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Frahim Ali Khan	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ali H. Shirazi	Director	No	Yes	Yes	Yes	Yes	Yes
Mr. M. Habib-ur-Rahman	Director	No	Yes	No	Yes	Yes	Yes
Ms. Zehra Naqvi	Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. M. Abdul Samad	Chief Executive Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Zainab Kazim	Company Secretary	Yes	Yes	Yes	Yes	Yes	Yes

## 26 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

## 27 GENERAL

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

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 11 September 2023.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Islamic Dedicated Stock Fund

## Corporate Information

### Trustee

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

### Shariah Advisor

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Dr. Mufti Muhammad Wasih Fasih Butt

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

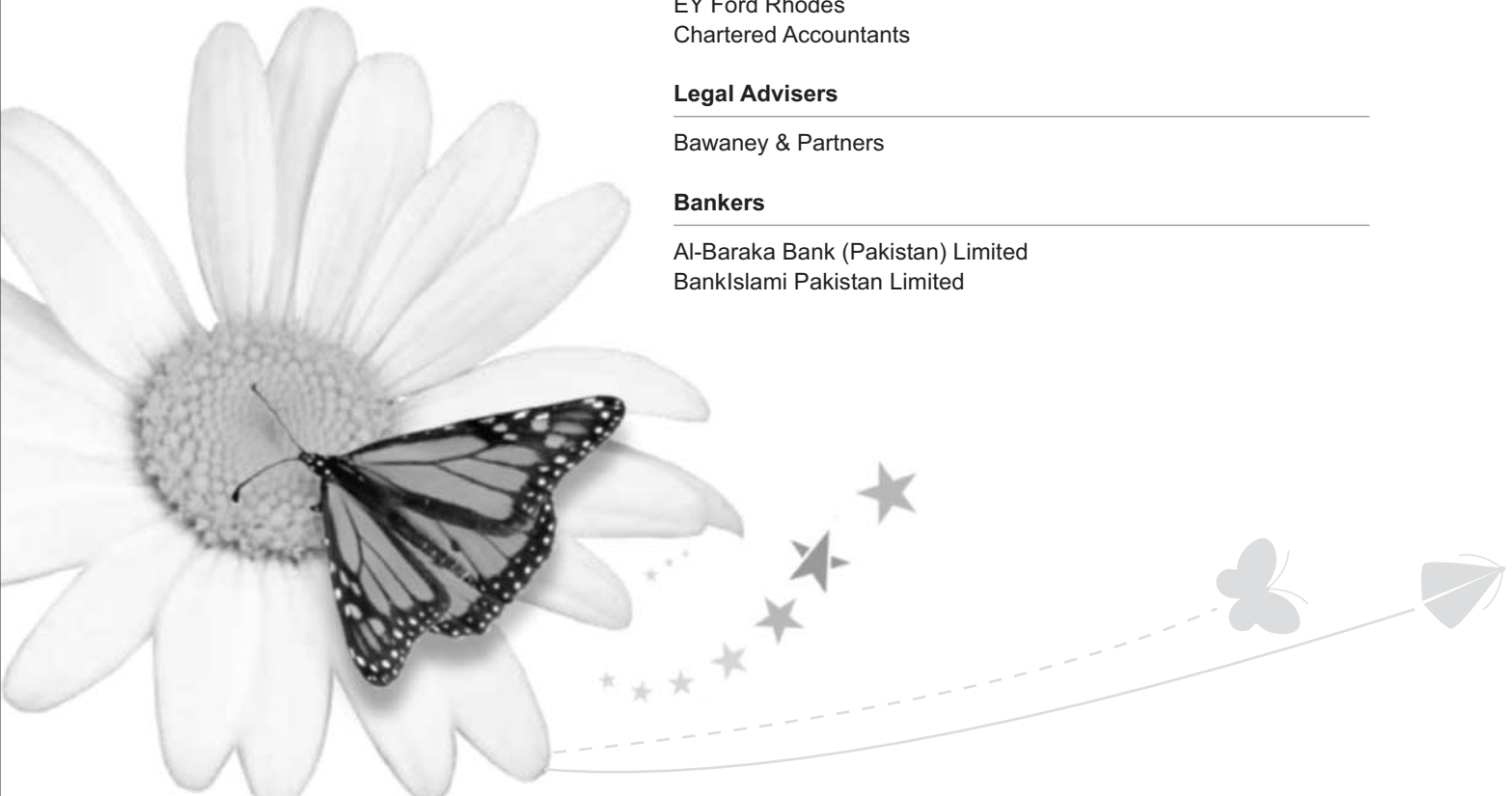
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Bawaney & Partners

### Bankers

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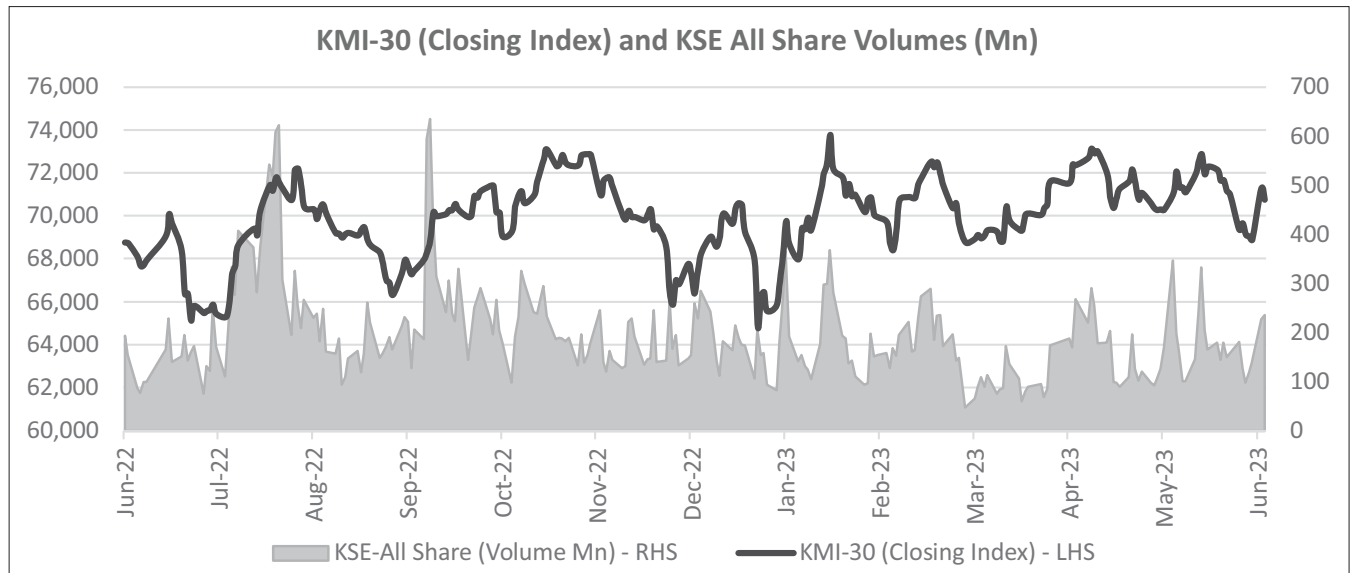
Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited



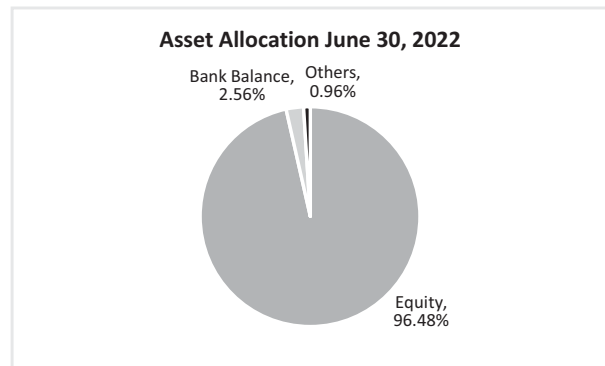
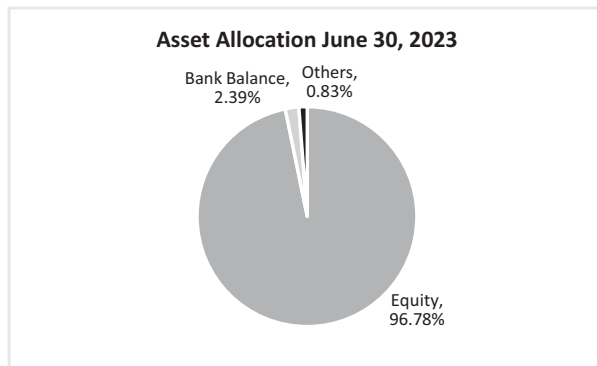
# Fund Manager's Report

Atlas Islamic Dedicated Stock Fund (AIDSF) is an open-ended equity fund. The fund has a high-risk rating with the objective to provide long term capital growth from an actively managed portfolio invested in Shariah compliant listed companies in Pakistan. The Fund's strategy revolves around Shariah Compliance while making investments in stocks with attractive fundamentals and a potential to outperform the market to generate high returns. The Fund observes the investment limitations as set out by the Shariah code, according to the guidance of the Shariah Advisors and emphasizes on medium to long term investment views, by making investment decisions based upon fundamental analysis. The Fund makes use of portfolio management skills for sector and stock selection in order to efficiently manage the fund's portfolio. The KMI-30 Index serves as the performance benchmark of Atlas Islamic Dedicated Stock Fund.

The KMI-30 index increased 2.88% from 68,766.37 points as on June 30, 2022, to 70,748.13 points as on June 27, 2023. The daily average volume during FY23 declined by 34.26% to 192 million shares compared to daily average of 292 million shares traded in FY22. Net outflow of US \$1.53 million was recorded by Foreign Portfolio Investors during FY23 compared to net outflow of US \$297.51 million in FY22. On local investors' front, Companies, Individuals, Banks and Other Organizations were net buyers of US \$99.68 million, US \$83.96 million, US \$73.68 million, and US \$24.79 million. Mutual Funds, Insurance Companies and Broker Proprietary Trading remained net sellers of US \$144.49 million, US \$124.31 million, and US \$14.76 million, respectively.



The Net Asset Value per unit of Atlas Islamic Dedicated Stock Fund (AIDSF) decreased by 3.68% to Rs. 495.28 as on June 30, 2023. The benchmark KMI-30 index increased by 2.88% during the same period. The KMI-30 index increased from 68,766.37 points as on June 30, 2022 to 70,748.13 points as on June 30, 2023. AIDSF strategy will continue to focus on dividend plays and stocks that are trading at relatively cheap multiple with prospects of earnings growth. AIDSF equity exposure stood at 96.78% that mainly comprised of Oil & Gas Exploration, Cement, Fertilizer, and Shariah Compliant Commercial Banks. The Net Assets of the Fund stood at Rs. 504 million, with 1.02 million units outstanding as of June 30, 2023.



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The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Dedicated Stock Fund, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved NIL profit distribution.

**Breakdown of Unit Holding By Size:**

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Fund of Funds	4	500,887,908	99.42%
Retirement Funds	2	2,939,988	0.58%
<b>Total</b>	<b>6</b>	<b>503,827,896</b>	<b>100.00%</b>

The Total Expense Ratio (TER) of the Fund is 4.36% including expenses representing Government levy and SECP Fee of 0.44%.

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

Karachi: 11 September 2023

**Faran-UI-Haq**  
Head of Equities

## Supplementary Non Financial Information as required under clause 38 A (g) of NBFC and NE Regulations, 2008

### Summary of actual proxies voted by Atlas Islamic Dedicated Stock Fund

	Resolution	For	Against	Abstain
<b>Number</b>	216	216	-	-
<b>(%)</b>	100%	100%	-	-

**Note:** The Proxy voting policy of the Atlas Islamic Dedicated Stock Fund (AISF) is available on the website of Atlas Asset Management Limited and detailed information regarding actual proxies voted by the Company in respect of the Fund is also available without charge, upon request, to all unit holders.

### Performance Since Inception

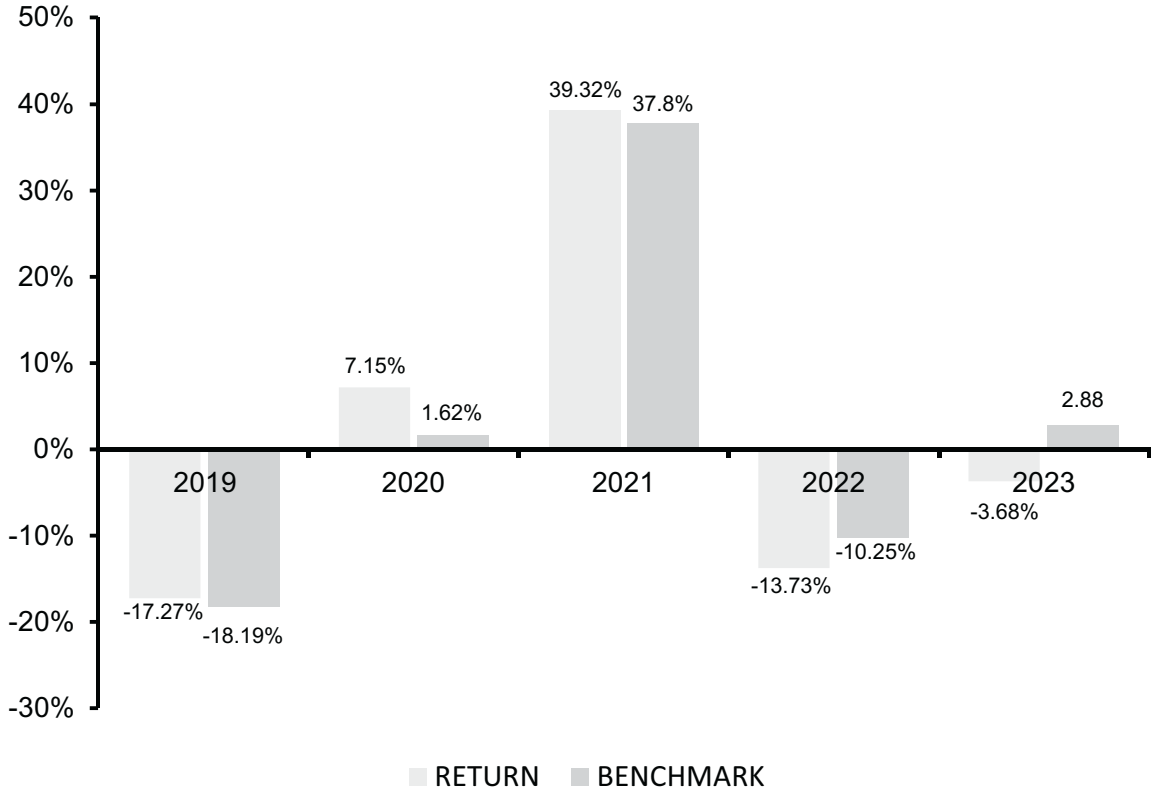
	2023	2022	2021	2020	2019*
Net Assets (Rs. in '000)	503,828	477,797	327,321	362,489	256,527
Number of units in issue	1,017,257	929,233	549,177	820,677	620,181
Net assets value per unit (Rs.)	495.28	514.18	596.02	441.69	413.63
Net (loss) / income (Rs. in '000)	(14,656)	(62,157)	123,189	26,931	(52,158)
Earnings per unit (Rs.)	(14.41)	(66.89)	224.32	32.82	(84.10)
Annual return of the fund (%)	(3.68)	(13.73)	39.32	7.15	(17.27)
Offer Price ** (Rs.)	495.28	514.18	609.49	451.68	422.98
Redemption Price ** (Rs.)	495.28	514.18	596.02	441.69	413.63
Distribution (Rs.)	-	-	12.75	1.50	-
Distribution as a % of Opening Ex- NAV of units	-	-	2.89	0.36	-
Date of Distribution	-	-	28-Jun-21	30-Jun-20	-
Highest offer price per unit (Rs.)	540.62	642.30	643.52	549.41	533.64
Lowest offer price per unit (Rs.)	458.70	505.84	465.70	340.50	411.79
Highest redemption price per unit (after applicable back-end load) (Rs.)	540.62	628.11	629.30	537.27	521.85
Lowest redemption price per unit (after applicable back-end load) (Rs.)	458.70	505.84	455.41	332.97	402.69

\*Period from 10 January 2019 to 30 June 2019 (Date of Launch: January 10, 2019)

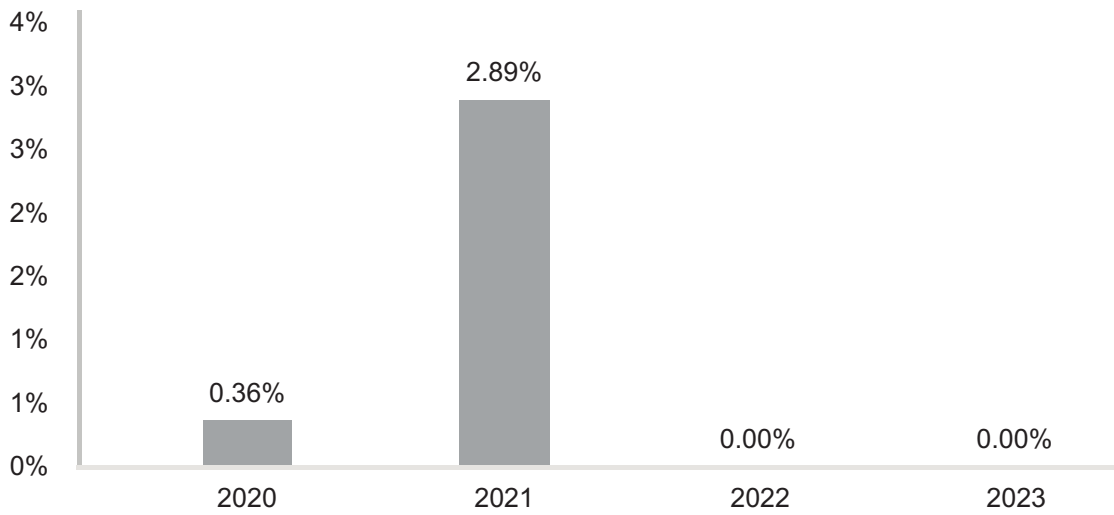
\*\* Relates to announced prices.

**Note:** Past performance of the funds is not indicative of future performance, and the unit price and investment return may go down, as well as up.

### Yearly Performance



### Payout History (% on opening Ex - NAV)





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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Dedicated Stock Fund (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Islamic Dedicated Stock Fund (AIDSF), I am issuing this report in accordance with clause 11.3 (b) 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, 2023 are in compliance with the Shariah principles.

There are investments made by AIDSF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the Fund Manager, in consultation with me, the Shariah Adviser 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 2023

**Dr. Mufti Muhammad Wasie Fasih Butt**  
Shariah Advisor

# INDEPENDENT AUDITOR'S REPORT

## To the Unit holders of Atlas Islamic Dedicated Stock Fund Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Dedicated Stock Fund** (the Fund), which comprise of the statement of assets and liabilities as at 30 June 2023, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Equity investments</b>	
<p>The investment of the Fund represents significant portion of the total assets of the Fund during the year and / or as at the year end. The Investments as at year end represents 97% of total assets of the Fund.</p> <p>In view of the above, we have considered this area as a key audit matter.</p> <p>For disclosure refer to note 5 to the financial statements.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of the investment as at the year end and acquisition and disposal of investment including related income / gains that arose during the year. Our key procedure included the following:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of fund's process over acquisition, disposals and valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li><li>• We performed verification of acquisition and disposal of investments on sample basis.</li><li>• Recalculated gain / (loss) on disposal of investments.</li><li>• We performed verification of year-end balance portfolio of investment as at 30 June 2023 by circulating confirmations to custodian and reviewing CDC statement.</li><li>• We tested the valuation of investments by agreeing the prices with prices quoted at the Pakistan Stock Exchange Limited as at 30 June 2023.</li></ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> <li>• We also evaluated the adequacy of the overall disclosures in the financial statements with respect investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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

Karachi: 25 September 2023

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
Bank balances	4	12,244,678	12,256,278
Investments	5	495,459,572	465,186,709
Receivable against sale of investment		630,449	-
Profit receivable on bank balances		183,007	113,146
Preliminary and floatation costs	6	-	222,213
Advances, deposits and other receivables	7	3,412,741	3,412,741
<b>Total assets</b>		<b>511,930,446</b>	<b>481,191,087</b>
<b>LIABILITIES</b>			
Payable against redemption of units		5,000,000	-
Payable to Atlas Asset Management Limited - Management Company	8	1,679,873	1,401,147
Payable to Central Depository Company of Pakistan Limited - Trustee	9	93,974	87,776
Payable to the Securities and Exchange Commission of Pakistan	10	97,653	87,932
Payable against purchase of investments		-	1,146,291
Accrued expenses and other liabilities	11	1,231,050	671,376
<b>Total liabilities</b>		<b>8,102,550</b>	<b>3,394,522</b>
<b>NET ASSETS</b>		<b>503,827,896</b>	<b>477,796,565</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>503,827,896</b>	<b>477,796,565</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	-----Number of Units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,017,257</b>	<b>929,233</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>495.2807</b>	<b>514.1836</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

	Note	2023 ----- Rupees -----	2022 -----
<b>INCOME</b>			
Profit on bank balances	4.1	2,091,377	749,449
Dividend income		46,492,691	28,420,496
Capital (loss) / gain on sale of investments - net		(16,915,797)	(4,660,158)
Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(24,807,952)	(71,640,696)
		<b>(41,723,749)</b>	<b>(76,300,854)</b>
<b>Total Income / (loss)</b>		<b>6,860,318</b>	<b>(47,130,909)</b>
<b>EXPENSES</b>			
Remuneration of the Management Company	8.1	13,747,689	11,527,283
Sindh sales tax on remuneration of the Management Company	8.2	1,787,201	1,498,544
Remuneration of the Trustee	9.1	976,621	879,576
Sindh sales tax on remuneration of the Trustee	9.2	126,961	114,345
Annual fee - Securities and Exchange Commission of Pakistan	10	97,662	87,958
Accounting and operational charges	13	2,624,726	2,135,089
Shariah advisory fee		80,000	79,999
Auditors' remuneration	15	613,441	304,560
Transaction charges		1,093,100	1,059,515
Printing charges		26,566	44,242
Amortisation of preliminary and floatation cost	6	222,213	222,216
Legal and professional charges		86,400	102,349
Annual listing fee		27,500	27,502
Reversal for Sindh Workers Welfare Fund	11.2	-	(3,063,673)
Bank charges		6,584	6,894
		<b>21,516,664</b>	<b>15,026,399</b>
<b>Net loss for the year</b>		<b>(14,656,346)</b>	<b>(62,157,308)</b>
Taxation	16	-	-
<b>Net loss for the year</b>		<b>(14,656,346)</b>	<b>(62,157,308)</b>
<b>Allocation of net income for the year</b>			
- Net income for the year		-	-
- Income already paid on units redeemed		-	-
		-	-
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
		-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>Net loss for the year</b>	(14,656,346)	(62,157,308)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<u>(14,656,346)</u>	<u>(62,157,308)</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

## FOR THE YEAR ENDED 30 JUNE 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
<b>Net assets at beginning of the period</b>	489,375,186	(11,578,621)	477,796,565	275,872,943	51,447,729	327,320,672
<b>Issuance of units 279,746 (2022 : 445,271 units)</b>						
- Capital value	143,840,551	-	143,840,551	252,629,516	-	252,629,516
- Element of income / (loss) - net	(2,390,551)	-	(2,390,551)	-	-	-
Amount received on issuance of units	141,450,000	-	141,450,000	252,629,516	-	252,629,516
<b>Redemption of 191,722 units (2022: 65,215 units)</b>						
- Capital value	(98,580,072)	-	(98,580,072)	(39,127,273)	-	(39,127,273)
- Element of income / (loss) - net	55,479	(637,188)	(581,710)	-	-	-
Amount paid / payable on redemption of units	(98,524,593)	(637,188)	(99,161,782)	(39,127,273)	-	(39,127,273)
Total comprehensive loss for the period	-	(14,656,346)	(14,656,346)	-	(62,157,308)	(62,157,308)
Shariah non-compliant income set-aside for charity	-	(1,600,541)	(1,600,541)	-	(869,042)	(869,042)
	-	(16,256,887)	(16,256,887)	-	(63,026,350)	(63,026,350)
<b>Net assets at the end of the period</b>	<b>532,300,593</b>	<b>(28,472,697)</b>	<b>503,827,896</b>	<b>489,375,186</b>	<b>(11,578,621)</b>	<b>477,796,565</b>
<b>Undistributed income brought forward comprising of :</b>						
- Realised income		41,030,363			18,532,020	
- Unrealised (loss) / income		(52,608,984)			32,915,709	
		(11,578,621)			51,447,729	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
<b>Undistributed (loss) / income carried forward</b>		<b>(28,472,697)</b>			<b>(11,578,621)</b>	
<b>Undistributed (loss) / income carried forward comprising of :</b>						
- Realised loss		38,000,133			41,030,363	
- Unrealised loss		(66,472,829)			(52,608,984)	
		(28,472,697)			(11,578,621)	
		(Rupees)			(Rupees)	
<b>Net assets value per unit at beginning of the period</b>	<b>514.1836</b>			<b>596.0206</b>		
<b>Net assets value per unit at end of the period</b>	<b>495.2807</b>			<b>514.1836</b>		

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 2023

	2023	2022
Note	----- Rupees -----	----- Rupees -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year after taxation	(14,656,346)	(62,157,308)
<b>Adjustments for:</b>		
Profit on bank balances	(2,091,377)	(749,449)
Dividend income	(46,492,691)	(28,420,496)
Capital loss on sale of investments - net	16,915,797	4,660,158
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	24,807,952	71,640,696
Reversal for Sindh Workers Welfare Fund	-	(3,063,673)
Amortisation of floatation cost	222,213	222,216
	<b>(6,638,105)</b>	<b>44,289,451</b>
<b>Decrease / (increase) in assets</b>		
Receivable against sale of investments	<b>(630,449)</b>	<b>8,924,519</b>
<b>Increase / (Decrease) in liabilities</b>		
Payable to Atlas Asset Management Limited - Management Company	278,726	549,081
Payable to Central Depository Company of Pakistan Limited - Trustee	6,198	23,842
Payable to the Securities and Exchange Commission of Pakistan	9,721	12,728
Payable against purchase of investments	(1,146,291)	1,146,291
Accrued expenses and other liabilities	559,674	(357,336)
	<b>(291,972)</b>	<b>1,374,606</b>
Profit received on bank balances	2,021,516	658,063
Dividend received	46,492,691	28,541,496
Investments made during the year	(258,066,169)	(396,930,845)
Investments sold during the year	186,069,557	165,918,658
<b>Net cash used in operating activities</b>	<b>(45,699,277)</b>	<b>(209,381,361)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	141,450,000	252,629,516
Payments against redemption of units	(94,161,782)	(43,922,273)
Shariah non-compliant income set-aside for charity	(1,600,541)	(869,042)
<b>Net cash generated from financing activities</b>	<b>45,687,677</b>	<b>207,838,201</b>
<b>Net decrease in cash and cash equivalents during the year</b>	<b>(11,600)</b>	<b>(1,543,160)</b>
Cash and cash equivalents at the beginning of the year	<b>12,256,278</b>	<b>13,799,438</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4 12,244,678</b>	<b>12,256,278</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Islamic Dedicated Stock Fund (the Fund) is an open-ended shariah compliant scheme constituted under a trust deed entered into on 03 September 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Offering Document has been revised various times during 2005 to 2022 with its last amendment in 14 April 2022. Further the Trust Deed has been registered under the Sindh Trust Act as disclosed in note 1.5. The investment activities and administration of the Fund are managed by AAML whose registered office is situated at Ground Floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 09 October 2018.
- 1.2 The Fund is an open-ended Shariah compliant fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on 10 January 2019. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 According to the Trust Deed, the principal activity of the Fund is to provide capital appreciation to investors schemes by investing in Shariah Compliant equity securities.
- 1.4 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 2 BASIS OF PREPERATION

### 2.1 Statement Of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed 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, 2022 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 AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 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:

Amendments	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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

## 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 relates to classification, valuation and impairment of financial assets and provision under uncertain circumstances such as taxes recoverable as disclosed in note 7.1.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments are required to be 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out as 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. Given the objectives of the Fund, all investments have been classified as 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## **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 assets to identify whether they pass the SPPI criteria.

'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 FVTPL.

### **c) Subsequent Measurement**

#### **Debt investments at FVTPL**

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

#### **Debt instruments at Amortised Cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

#### **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. The Fund has not used this classification for its investment portfolio.

#### **Equity investments at FVTPL**

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

#### **Equity instruments at FVOCI**

Upon initial recognition, the Fund can elect to irrevocably classify an equity investment as 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## Financial liabilities

### Financial liabilities measured at amortised cost

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### 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) Regular way contracts

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

#### g) Impairment of financial assets

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have 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, October 24, 2012 have been followed.

#### h) 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.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## i) **Determination of fair value**

The fair value of financial assets are determined as follows:

### a) **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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

### b) **Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

### c) **Equity securities**

The equity securities are valued on the basis of closing quoted market prices available at the 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 **Unit holder's Fund**

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

## 3.5 **Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 3.6 Distribution to unit holders

Distribution to unit holders is recognised upon declaring and approval by the Distribution Committee of the Board of Directors of the Management Company under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank balances, placements and deposits is recognised on an accrual basis.
- Gains/losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised gain / (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.

### 3.9 Expenses

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

### 3.10 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.

### 3.11 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.

### 3.12 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 AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.13 Preliminary Expense and floatation cost

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years commencing from January 07, 2021 in accordance with the Trust Deed and the NBFC Regulations.

4 BANK BALANCES	Note	2023	2022
		----- Rupees -----	
In local currency			
- Profit and loss sharing accounts	4.1	<u>12,244,678</u>	<u>12,256,278</u>

4.1 The rate of return on these accounts during the year ranges between 13% to 19.75% (30 June 2022: 6.75% to 14.00%) per annum. The profit rate effective at the year end on these accounts ranges between 8.75% to 19.75% (30 June 2022: 11.00% to 14.00%) per annum.

5 INVESTMENTS	Note	2023	2022
		----- Rupees -----	
<b>At fair value through profit or loss</b>			
Investment - Listed equity securities	5.1	<u>495,459,572</u>	<u>465,186,709</u>

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

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

Name of Investee Company	Note	As at 01 July 2022	Purchases during the year	Bonus / right shares issued during the year	Sales during the year	As at 30 June 2023	Carrying cost as at 30 June 2023	Market value as at 30 June 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of investee company held	-----		
												Number of shares	Rupees	% Age
<b>Banks</b>														
Meezan Bank Limited	5.3	420,851	220,000	42,935	197,000	486,786	48,732,587	42,043,707	8.49	8.34	0.03			
Bankislami Pakistan Limited		-	686,000	-	686,000	-	-	-	-	-	-			
Faysal Bank Limited		-	150,000	-	150,000	-	-	-	-	-	-			
		<b>420,851</b>	<b>1,056,000</b>	<b>42,935</b>	<b>1,033,000</b>	<b>486,786</b>	<b>48,732,587</b>	<b>42,043,707</b>	<b>8.49</b>	<b>8.34</b>	<b>0.03</b>			
<b>Textile Composite</b>														
Interloop Limited		156,850	20,000	63,056	45,000	194,906	7,528,773	6,872,386	1.39	1.36	0.01			
Kohinoor Textile Mills Limited		135,500	25,000	-	4,500	156,000	7,704,750	7,941,960	1.60	1.58	0.05			
Nishat Mills Limited		198,600	-	-	84,500	114,100	8,433,131	6,477,457	1.31	1.29	0.03			
		<b>490,950</b>	<b>45,000</b>	<b>63,056</b>	<b>134,000</b>	<b>465,006</b>	<b>23,666,654</b>	<b>21,291,803</b>	<b>4.30</b>	<b>4.23</b>	<b>0.10</b>			
<b>Cement</b>														
Cherat Cement Company Limited		54,950	72,500	-	22,796	104,654	10,525,954	12,587,783	2.54	2.50	0.05			
Fauji Cement Company Limited		883,500	75,000	119,812	25,000	1,053,312	13,270,510	12,386,949	2.50	2.46	0.04			
Kohat Cement Company Limited		51,500	98,000	-	14,000	135,500	19,840,031	23,505,185	4.74	4.67	0.07			
Maple Leaf Cement Factory Limited		240,500	710,000	-	225,500	725,000	17,724,469	20,539,250	4.15	4.08	0.07			
Pioneer cement Limited		-	149,000	-	149,000	-	-	-	-	-	-			
Lucky Cement Limited		55,850	27,500	-	17,500	65,850	31,435,549	34,379,627	6.94	6.82	0.02			
		<b>1,286,300</b>	<b>1,132,000</b>	<b>119,812</b>	<b>453,796</b>	<b>2,084,316</b>	<b>92,796,514</b>	<b>103,398,794</b>	<b>20.87</b>	<b>20.52</b>	<b>0.25</b>			

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Name of Investee Company	Note	As at 01 July 2022	Purchases during the year	Bonus / right shares issued during the year	Sales during the year	As at 30 June 2023	Carrying cost as at 30 June 2023	Market value as at 30 June 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of investee company held
----- Number of shares -----						----- Rupees -----		----- % Age -----			
<b>Refinery</b>											
Attock Refinery Limited		42,800	47,000	-	43,000	46,800	7,484,557	8,032,284	1.62	1.59	0.04
		<b>42,800</b>	<b>47,000</b>	<b>-</b>	<b>43,000</b>	<b>46,800</b>	<b>7,484,557</b>	<b>8,032,284</b>	<b>1.62</b>	<b>1.59</b>	<b>0.04</b>
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (face value Rs. 3.5)		715,500	-	-	15,000	700,500	2,129,520	1,204,860	0.24	0.24	0.00
The Hub Power Company Limited		494,500	107,000	-	205,500	396,000	26,816,225	27,553,680	5.56	5.47	0.03
		<b>1,210,000</b>	<b>107,000</b>	<b>-</b>	<b>220,500</b>	<b>1,096,500</b>	<b>28,945,745</b>	<b>28,758,540</b>	<b>5.80</b>	<b>5.71</b>	<b>0.03</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Pakistan State Oil Company Limited		101,000	34,000	-	84,500	50,500	8,754,550	5,606,005	1.13	1.11	0.01
Sui Northern Gas Pipelines Limited		160,500	150,000	-	310,500	-	3	-	-	-	-
		<b>261,500</b>	<b>184,000</b>	<b>-</b>	<b>395,000</b>	<b>50,500</b>	<b>8,754,553</b>	<b>5,606,005</b>	<b>1.13</b>	<b>1.11</b>	<b>0.01</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited		24,308	5,300	-	1,500	28,108	48,143,923	42,573,501	8.59	8.45	0.02
Oil & Gas Development Company Limited	5.3	468,400	180,000	-	25,000	623,400	49,276,200	48,625,200	9.81	9.65	0.01
Pakistan Oilfields Limited		38,000	10,948	-	9,250	39,698	16,159,590	15,949,465	3.22	3.17	0.01
Pakistan Petroleum Limited	5.3	336,040	200,000	-	19,000	517,040	35,271,260	30,577,746	6.17	6.07	0.02
		<b>866,748</b>	<b>396,248</b>	<b>-</b>	<b>54,750</b>	<b>1,208,246</b>	<b>148,850,973</b>	<b>137,725,912</b>	<b>27.80</b>	<b>27.34</b>	<b>0.07</b>
<b>Engineering</b>											
Aisha Steel Mills Limited		287,500	-	-	287,500	-	-	-	-	-	-
International Industries Limited		12,500	39,500	-	5,000	47,000	4,206,436	3,442,280	0.69	0.68	0.04
International Steels Limited		-	-	-	-	-	-	-	-	-	-
Ittefaq Iron Industries Limited		45,000	-	-	45,000	-	-	-	-	-	-
Mughal Iron And Steel Industries Ltd		20,875	110,000	-	10,500	120,375	6,032,285	5,830,965	1.18	1.16	0.04
		<b>365,875</b>	<b>149,500</b>	<b>-</b>	<b>348,000</b>	<b>167,375</b>	<b>10,238,722</b>	<b>9,273,245</b>	<b>1.87</b>	<b>1.84</b>	<b>0.07</b>
<b>Automobile Assembler</b>											
Al-Ghazi Tractors Limited		5,000	-	-	5,000	-	-	-	-	-	-
Pak Suzuki Motor Company Limited		27,000	-	-	27,000	-	-	-	-	-	-
		<b>32,000</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Automobile Parts &amp; Accessories</b>											
Thal Limited (face value Rs. 5)		23,400	-	-	400	23,000	6,201,260	3,726,000	0.75	0.74	0.03
Panther Tyres Limited		87,896	-	-	87,896	-	-	-	-	-	-
		<b>111,296</b>	<b>-</b>	<b>-</b>	<b>88,296</b>	<b>23,000</b>	<b>6,201,260</b>	<b>3,726,000</b>	<b>0.75</b>	<b>0.74</b>	<b>0.03</b>
<b>Technology &amp; Communications</b>											
Air Link Communication Limited		1,607	-	-	1,607	-	-	-	-	-	-
Octopus Digital Limited		253	-	-	253	-	-	-	-	-	-
Avanceon Limited		55,000	44,000	14,625	99,000	14,625	990,814	644,085	0.13	0.13	0.00
Systems Limited		29,000	55,000	-	9,000	75,000	29,436,595	30,249,750	6.11	6.00	0.03
		<b>85,860</b>	<b>99,000</b>	<b>14,625</b>	<b>109,860</b>	<b>89,625</b>	<b>30,427,409</b>	<b>30,893,835</b>	<b>6.24</b>	<b>6.13</b>	<b>0.03</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Name of Investee Company	Note	As at 01 July 2022	Purchases during the year	Bonus / right shares issued during the year	Sales during the year	As at 30 June 2023	Carrying cost as at 30 June 2023	Market value as at 30 June 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid up capital of investee company held
		----- Number of shares -----					----- Rupees -----		----- % Age -----		
<b>Fertilizer</b>											
Engro Corporation Limited	5.3	173,200	13,000	-	50,500	135,700	34,946,747	35,267,073	7.12	7.00	0.02
Fauji Fertilizer Bin Qasim Limited		400,000	50,000	-	59,500	390,500	7,566,720	4,600,090	0.93	0.91	0.03
Engro Fertilizers Limited		144,001	170,000	-	8,500	305,501	25,800,165	25,212,998	5.09	5.00	0.02
		<b>717,201</b>	<b>233,000</b>	<b>-</b>	<b>118,500</b>	<b>831,701</b>	<b>68,313,632</b>	<b>65,080,161</b>	<b>13.14</b>	<b>12.92</b>	<b>0.08</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited		11,500	-	-	11,500	-	-	-	-	-	-
Hightnoon Laboratories Limited		17,252	-	2,774	7,000	13,026	5,456,308	4,378,950	0.88	0.87	0.02
Citi Pharma Limited		-	150,000	-	-	150,000	4,138,184	3,201,000	0.65	0.64	0.07
The Searle Company Limited		1,500	-	-	1,500	-	-	-	-	-	-
		<b>30,252</b>	<b>150,000</b>	<b>2,774</b>	<b>20,000</b>	<b>163,026</b>	<b>9,594,492</b>	<b>7,579,950</b>	<b>1.53</b>	<b>1.50</b>	<b>0.09</b>
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited		165,000	257,500	-	198,000	224,500	11,717,026	9,485,125	1.91	1.88	0.02
Lucky Core Industries Limited		-	10,600	-	-	10,600	6,984,815	6,403,884	1.29	1.27	0.01
		<b>165,000</b>	<b>268,100</b>	<b>-</b>	<b>198,000</b>	<b>235,100</b>	<b>18,701,840</b>	<b>15,889,009</b>	<b>3.21</b>	<b>3.15</b>	<b>0.04</b>
<b>Paper &amp; Board</b>											
Packages Limited		-	6,500	-	-	6,500	2,340,000	2,528,110	0.51	0.50	0.01
		<b>-</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>6,500</b>	<b>2,340,000</b>	<b>2,528,110</b>	<b>0.51</b>	<b>0.50</b>	<b>0.01</b>
<b>Leather &amp; Tanneries</b>											
Service Global Footwear Limited		90,000	-	-	90,000	-	-	-	-	-	-
		<b>90,000</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Foods &amp; Personal Care Products</b>											
At-Tahur Limited		117,872	60,500	17,837	196,209	-	-	-	-	-	-
		<b>117,872</b>	<b>60,500</b>	<b>17,837</b>	<b>196,209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous</b>											
Shifa International Hospitals Ltd.		-	34,500	-	-	34,500	4,004,002	4,225,905	0.85	0.84	0.05
		<b>-</b>	<b>34,500</b>	<b>-</b>	<b>-</b>	<b>34,500</b>	<b>4,004,002</b>	<b>4,225,905</b>	<b>0.85</b>	<b>0.84</b>	<b>0.05</b>
<b>GLASS &amp; CERAMICS</b>											
Shabbir Tiles & Ceramics Limited		120,000	-	-	120,000	-	-	-	-	-	-
Tariq Glass Industries Limited		66,000	57,500	22,125	7,500	138,125	11,214,584	9,406,313	1.90	1.87	0.08
		<b>186,000</b>	<b>57,500</b>	<b>22,125</b>	<b>127,500</b>	<b>138,125</b>	<b>11,214,584</b>	<b>9,406,313</b>	<b>1.90</b>	<b>1.87</b>	<b>0.08</b>
<b>Total as at 30 June 2023</b>							<b>520,267,524</b>	<b>495,459,572</b>	<b>100.00</b>	<b>98.62</b>	
<b>Total as at 30 June 2022</b>							<b>536,827,406</b>	<b>465,186,709</b>	<b>100.00</b>	<b>97.36</b>	

The cost of listed equity securities as at 30 June 2023 is Rs. 560,927,822 (30 June 2022: 517,795,690).

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 5.3 Investments include following shares which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP:

	Number of shares		Market value	
	2023	2022	2023	2022
			----- Rupees -----	
Engro Corporation Limited	24,500	24,500	6,367,305	6,298,705
Meezan Bank Limited	37,500	37,500	3,238,875	4,236,750
Oil & Gas Development Company Limited	100,000	100,000	7,800,000	7,867,000
Pakistan Petroleum Limited	30,000	30,000	1,774,200	2,025,300
	<b>192,000</b>	<b>192,000</b>	<b>19,180,380</b>	<b>20,427,755</b>

6 Preliminary and floatation costs	2023	2022
	----- Rupees -----	
Preliminary and floatation costs	222,213	444,430
Amortisation of floatation cost	(222,213)	(222,217)
	<b>-</b>	<b>222,213</b>

- 6.1 Preliminary and floatation cost represents expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

7 ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	2023	2022
		----- Rupees -----	
Deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Tax recoverable	7.1	812,741	812,741
		<b>3,412,741</b>	<b>3,412,741</b>

- 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) are exempt from withholding tax under sections 150 and 151. However, 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 by the withholder. Such deductions aggregate to Rs. 0.81 million (2022: 0.81 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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 being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (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

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

amount of withholding tax deducted from dividend and profit received on bank deposits by the Funds has been shown as other receivable as at 30 June 2023 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 of the Fund, the net asset value of the Fund as at 30 June 2023 would have been lower by Rs. 0.80 per unit (30 June 2022: Rs. 0.87 per unit).

<b>8 PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>	<b>Note</b>	<b>2023</b> ----- <b>Rupees</b> -----	<b>2022</b> ----- <b>Rupees</b> -----
Remuneration of the Management Company	8.1	1,247,429	1,068,099
Sindh sales tax on remuneration of the Management Company	8.2	162,167	138,850
Accounting and operational charges payable	13	270,277	194,198
		<b>1,679,873</b>	<b>1,401,147</b>

**8.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The management company has set the maximum limit of 3.5% of average annual net assets, within allowed expense. During the year ended June 30, 2023, the Management Company has charged its remuneration at the average rate of 2.82% on the average annual net assets.

**8.2** Sindh Sales Tax has been charged at 13% (30 June 2022:13%) on management fee levied through Sales Tax on Services Act, 2011 during the year resulting in an amount of Rs. 1,787,201 (2022: Rs. 1,498,544) and an amount of Rs. 1,763,884 (2022: Rs. 1,447,956) has been paid to the Management Company which acts as the collecting agent.

<b>9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY</b>	<b>Note</b>	<b>2023</b> ----- <b>Rupees</b> -----	<b>2022</b> ----- <b>Rupees</b> -----
Remuneration of the Trustee	9.1	83,162	77,678
Sindh sales tax on remuneration of the Trustee	9.2	10,811	10,098
		<b>93,974</b>	<b>87,776</b>

**9.1** The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.2% p.a of average net assets.

**9.2** Sindh Sales Tax has been charged at 13% (30 June 2022:13%) on trustee fee levied through Sales Tax on Services Act, 2011 during the year resulting in an amount of Rs. 126,961 (2022: Rs. 114,345) and an amount of Rs. 126,247 (2022: Rs. 111,602) has been paid to the trustee which acts as the collecting agent.

<b>10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>	<b>Note</b>	<b>2023</b> ----- <b>Rupees</b> -----	<b>2022</b> ----- <b>Rupees</b> -----
Annual fee payable	10.1	97,653	87,932

**10.1** In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the Securities and Exchange Commission of Pakistan an amount equal to 0.02% of the average annual net assets of the Fund as annual fee.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2023	2022
		----- Rupees -----	-----
Auditors' remuneration payable		653,398	272,540
Transaction charges payable	11.1	125,525	216,497
Withholding tax payable		-	21,849
Payable to Shariah Advisor		20,000	20,000
Charity payable	11.3	432,127	140,490
		<b>1,231,050</b>	<b>671,376</b>

11.1 This represents brokerage, federal excise duty and settlement charges.

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.

During the year ended June 30, 2022, 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.

11.3 The Shariah Advisor of the Fund, has certified an amount of of Rs. Rs.1,600,541 against dividend income, as Shariah non-compliant income during the year, which has accordingly been marked to charity. The payments made during the year amounts to Rs. 1,308,904 (2022: 939,776)

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2023 and 30 June 2022.

## 13 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019.

The Management Company has charged expenses at the rate 0.5% of the average annual net assets of the Fund upto 04 April 2023 and charged expenses at the rate of 0.65% of the average annual net assets afterwards (0.4% of the average annual net assets of the Fund upto 14 September 2021 and charged expenses at the rate of 0.5% of the average annual net assets upto 30 June 2022) for allocation of such expenses to the Fund.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 June 2023 is 4.36% which includes 0.44% (30 June 2022 is 4.10% which includes 0.41%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as Shariah compliant equity scheme.

## 15 AUDITORS' REMUNERATION

	2023	2022
	----- Rupees -----	
Audit fee	300,000	151,300
Half Yearly fee	200,000	75,700
Certification charges	30,000	30,000
Out of pocket expenses	75,000	25,000
Sindh sales tax on services	48,400	22,561
Prior year adjustment	(39,959)	-
	<b>613,441</b>	<b>304,561</b>

## 16 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Due to loss, distribution is not required during the year ended 30 June 2023, accordingly, no provision for taxation has been made in these financial statements during the year.

## 17 EARNINGS / (LOSS) PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## 18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

**18.1** Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

**18.2** Transactions with connected persons essentially comprise sale and redemption of units and fee on account of managing the affairs of the Fund. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with policies / regulatory requirements of collective investment schemes.

**18.3** Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

**18.4** The details of transactions carried out by the Fund with connected persons during the period and the balances with them at the period end are as follows:



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	----- Rupees -----	----- Rupees -----
<b>Atlas Asset Management Limited (Management Company)</b>		
Remuneration of the Management Company	13,747,689	11,527,283
Remuneration paid to the Management Company	13,568,359	11,138,122
Sindh sales tax on remuneration of the Management Company	1,787,201	1,498,544
Accounting and operational charges	2,624,726	2,135,089
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	976,621	879,576
Remuneration paid to the Trustee	971,137	858,476
Sindh sales tax on remuneration of the Trustee	126,961	114,345
Settlement charges	25,428	32,604
Sindh sales tax on settlement charges	3,306	4,238
<b>Shirazi Investments (Private) Limited Employee Provident Fund</b>		
Redemption of 1,028 (2022: 1,717) units	513,000	1,000,000
Outstanding 5,936 (2022: 6,964) units - at net asset value	2,939,986	3,580,794
<b>Atlas Aggressive Allocation Islamic Plan</b>		
Issue of 120,789 (2022: 31,925) units	60,750,000	17,000,000
Redemption of Nil (2022: 7,288) units	-	4,350,000
Outstanding of 303,288 (2022: 182,499) units - at net asset value	150,212,668	93,837,985
<b>Atlas Group of Companies, Management Staff Gratuity Fund (Retirement benefit plan of group company)</b>		
Issue of 4,970 (2022: 22,948) units	2,500,000	12,829,516
Redemption of 176,585 (2022: 851) units	91,648,782	500,000
Outstanding of Nil (2022: 171,615) units - at net asset value	-	88,241,687
<b>Atlas Moderate Allocation Islamic Plan</b>		
Issue of 93,176 (2022: 27,631) units	47,700,000	14,700,000
Redemption of Nil (2022: 5,023) units	-	3,000,000
Outstanding 237,255 (2022: 144,079) units - at net asset value	117,507,942	74,083,073
<b>Atlas Conservative Allocation Islamic Plan</b>		
Issue of 60,810 (2022: 14,566) units	30,500,000	8,100,000
Redemption of Nil (2022: 6,697) units	-	4,000,000
Outstanding 136,685 (2022: 75,875) units - at net asset value	67,697,428	39,013,483
<b>Atlas Islamic Capital Preservation Plan</b>		
Redemption of Nil (2022: 53,846) units	-	26,277,273
<b>Atlas Islamic Capital Preservation Plan II</b>		
Issue of Nil (2022: 348,202) units	-	200,000,000
Redemption of 14,108 (2022: Nil) units	7,000,000	-
Outstanding of 334,093 (2022: 348,202) units - at net asset value	168,469,123	179,039,534

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18.5 Other balances due from / to related parties / connected persons are included in the respective notes to the financial statements.

## 19 FINANCIAL INSTRUMENTS BY CATEGORY

----- As at 30 June 2023 -----				
	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----				
<b>Financial Assets</b>				
Bank balances	12,244,678	-	-	12,244,678
Investments	-	495,459,572	-	495,459,572
Receivable against sale of investment	630,449	-	-	630,449
Profit receivable on bank balances	183,007	-	-	183,007
Dividend receivable	-	-	-	-
Advances, deposits and other receivables	2,600,000	-	-	2,600,000
	<b>15,658,134</b>	<b>495,459,572</b>	<b>-</b>	<b>511,117,706</b>

----- As at 30 June 2023 -----			
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			
<b>Financial Liabilities</b>			
Payable to Atlas Asset Management Limited- Management Company	-	1,679,873	1,679,873
Payable to Central Depository Company of Pakistan Limited - Trustee	-	93,974	93,974
Payable against redemptions of units	-	5,000,000	5,000,000
Payable against purchase of investments	-	-	-
Accrued expenses and other liabilities	-	1,231,050	1,231,050
	<b>-</b>	<b>8,004,897</b>	<b>8,004,897</b>

----- As at 30 June 2022 -----				
	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- (Rupees) -----				
<b>Financial Assets</b>				
Bank balances	12,256,278	-	-	12,256,278
Investments	-	465,186,709	-	465,186,709
Profit receivable on bank balances	113,146	-	-	113,146
Advances, deposits and other receivables	2,600,000	-	-	2,600,000
	<b>14,969,424</b>	<b>465,186,709</b>	<b>-</b>	<b>480,156,133</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	----- As at 30 June 2022 -----		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
<b>Financial Liabilities</b>			
Payable to Atlas Asset Management Limited- Management Company	-	1,401,147	1,401,147
Payable to Central Depository Company of Pakistan Limited - Trustee	-	87,776	87,776
Payable against purchase of investments	-	1,146,291	1,146,291
Accrued expenses and other liabilities	-	649,527	649,527
	<b>-</b>	<b>3,284,741</b>	<b>3,284,741</b>

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

### 20.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

#### (i) Profit rate risk

Profit rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market profit rates. As of 30 June 2023, the Fund is exposed to such risk on its balances held with banks. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which exposes the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in market interest rates as at 30 June 2023, with all other variables held constant, the net income for the year and net assets would have been higher / lower by Rs. 122,447 (2022: 123,508).

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change overtime. Accordingly, the sensitivity analysis prepared as of 30 June 2023 is not necessarily indicative of the impact on the Fund's net assets of the future movement in profit rates.

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

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The fund's profit rate sensitivity related to financial assets and financial liabilities as at 30 June 2023 can be determined as follows:

----- As at 30 June 2023 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	----- (Rupees) -----				
<b>Financial Assets</b>					
Bank balances	13% - 19.75%	12,244,678	-	-	12,244,678
Investments		-	-	495,459,572	495,459,572
Receivable against sale of investment		-	-	630,449	630,449
Profit receivable on bank balances		-	-	183,007	183,007
Advances, deposits and other receivables		-	-	2,600,000	2,600,000
		<b>12,244,678</b>	<b>-</b>	<b>498,873,028</b>	<b>511,117,706</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	1,679,873	1,679,873
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	93,974	93,974
Payable against redemption of units		-	-	5,000,000	5,000,000
Accrued expenses and other liabilities		-	-	1,231,050	1,231,050
		<b>-</b>	<b>-</b>	<b>8,004,897</b>	<b>8,004,897</b>
<b>On-balance sheet gap (a)</b>		<b>12,244,678</b>	<b>-</b>	<b>490,868,131</b>	<b>503,112,809</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a + b)</b>		<b>12,244,678</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>12,244,678</b>	<b>12,244,678</b>	<b>12,244,678</b>	<b>-</b>

----- As at 30 June 2022 -----					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
Percentage	----- (Rupees) -----				
<b>Financial Assets</b>					
Bank balances	6.75 - 14.00	12,256,278	-	-	12,256,278
Investments		-	-	465,186,709	465,186,709
Profit receivable on bank balances		-	-	113,146	113,146
Advances, deposits and other receivables		-	-	2,600,000	2,600,000
		<b>12,256,278</b>	<b>-</b>	<b>467,899,855</b>	<b>480,156,133</b>
<b>Financial Liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	1,401,147	1,401,147
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	87,776	87,776
Payable against purchase of investment		-	-	1,146,291	1,146,291
Accrued expenses and other liabilities		-	-	649,527	649,527
		<b>-</b>	<b>-</b>	<b>3,284,741</b>	<b>3,284,741</b>
<b>On-balance sheet gap (a)</b>		<b>12,256,278</b>	<b>-</b>	<b>464,615,114</b>	<b>476,871,392</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a + b)</b>		<b>12,256,278</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>12,256,278</b>	<b>12,256,278</b>	<b>12,256,278</b>	<b>-</b>

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### (iii) Equity 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 rate 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 Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets of the Fund and 10% of the Issued Capital of the Investee Company and sector exposure limit to 40% of the net assets.

In case of 5% increase / decrease in KMI 30 index on 30 June 2023, with all other variables held constant, net income of the Fund for the year would increase / decrease by Rs. 24,772,979 (2022: Rs.23,259,335) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change overtime. Accordingly, the sensitivity analysis prepared as of 30 June 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

### 20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily redemptions, if any. 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. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange Limited.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining year at the end of the reporting year to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

----- As at 30 June 2023 -----						
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
----- Rupees -----						
<b>Financial Assets</b>						
Bank balances	12,244,678	-	-	-	-	12,244,678
Investments	-	-	-	-	495,459,572	495,459,572
Receivable against sale of investment	630,449	-	-	-	-	630,449
Profit receivable on bank balances	183,007	-	-	-	-	183,007
Dividend receivable	-	-	-	-	-	-
Advances, deposits and other receivables	-	-	-	-	2,600,000	2,600,000
	<b>13,058,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498,059,572</b>	<b>511,117,706</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited- Management Company	1,679,873	-	-	-	-	1,679,873
Payable to Central Depository Company of Pakistan Limited - Trustee	93,974	-	-	-	-	93,974
Payable against redemption of units	5,000,000	-	-	-	-	5,000,000
Payable against purchase of investments	-	-	-	-	-	-
Accrued expenses and other liabilities	557,652	673,398	-	-	-	1,231,050
	<b>7,331,499</b>	<b>673,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,004,897</b>
<b>Net assets / (liabilities)</b>	<b>5,726,635</b>	<b>(673,398)</b>	<b>-</b>	<b>-</b>	<b>498,059,572</b>	<b>503,112,809</b>

----- As at 30 June 2022 -----						
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	Total
----- Rupees -----						
<b>Financial Assets</b>						
Bank balances	12,256,278	-	-	-	-	12,256,278
Investments	-	-	-	-	465,186,709	465,186,709
Profit receivable on bank balances	113,146	-	-	-	-	113,146
Advances, deposits and other receivables	-	-	-	-	2,600,000	2,600,000
	<b>12,369,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467,786,709</b>	<b>480,156,133</b>
<b>Financial Liabilities</b>						
Payable to Atlas Asset Management Limited- Management Company	1,401,147	-	-	-	-	1,401,147
Payable to Central Depository Company of Pakistan Limited - Trustee	87,776	-	-	-	-	87,776
Payable against purchase of investments	1,146,291	-	-	-	-	1,146,291
Accrued expenses and other liabilities	356,987	292,540	-	-	-	649,527
	<b>2,992,201</b>	<b>292,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,284,741</b>
<b>Net assets / (liabilities)</b>	<b>9,377,224</b>	<b>(292,540)</b>	<b>-</b>	<b>-</b>	<b>467,786,709</b>	<b>476,871,393</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 20.4 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, receivable against sale of investment, profit receivable on bank balances and advances, deposits and other receivables.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----		----- Rupees -----	
Bank balances	12,244,678	12,244,678	12,256,278	12,256,278
Receivable against sale of investment	630,449	630,449	-	-
Profit receivable on bank balances	183,007	183,007	113,146	113,146
Advances, deposits and other receivables	2,600,000	2,600,000	2,600,000	2,600,000
	<b>15,658,134</b>	<b>15,658,134</b>	<b>14,969,424</b>	<b>14,969,424</b>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in equity securities of Rs 495.46 million is not exposed to credit risk (2022: 465.19 million).

### 20.4.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks. The credit rating profile of balances with banks is as follows:

Ratings of amounts placed with banks	% of financial assets exposed to credit risk	
	2023	2022
A+	100%	100%
	100%	100%

The maximum exposure to credit risk before any credit enhancement as at 30 June 2023 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

### 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 assets is mainly held with credit worthy counterparties.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 20.5 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Receivable against issuance of units	Payable against redemption of units	Total
	----- (Rupees in '000) -----		
Opening balance as at July 01, 2022	-	-	-
Receivable against issuance of units	141,450,000	-	141,450,000
Payable against redemption of units	-	99,161,782	99,161,782
	141,450,000	99,161,782	240,611,782
Amount received on issuance of units	(141,450,000)	-	(141,450,000)
Amount paid on redemption of units	-	(94,161,782)	(94,161,782)
	(141,450,000)	(94,161,782)	(235,611,782)
<b>Closing balance as at June 30, 2023</b>	<b>-</b>	<b>5,000,000</b>	<b>5,000,000</b>

## 20.6 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

## 20.7 Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Fund recognises equity securities at fair value which is determined using the rate at which they are quoted on Pakistan Stock Exchange Limited (Level 1).

For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.



## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current period.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

### 22 UNIT HOLDING PATTERN OF THE FUND

Category	30 June 2023			30 June 2022		
	Number of unit holders	Investment amount (Rupees)	Percentage of total	Number of unit holders	Investment amount (Rupees)	Percentage of total
Fund of Funds	4	500,887,908	99.42%	5	385,974,081	80.78%
Retirement Funds	2	2,939,988	0.58%	2	91,822,480	19.22%
	<b>6</b>	<b>503,827,898</b>	<b>100.00%</b>	<b>7</b>	<b>477,796,561</b>	<b>100.00%</b>

### 23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Optimus Capital Management (Pvt) Ltd	7.95	Optimus Capital Management (Private) Limited	8.65
Topline Securities Limited	6.83	Next Capital Limited	8.56
ABA Ali Habib Securities (Pvt) Limited	6.74	Shajar Capital Pakistan (Private) Limited	6.8
Shajar Capital Pakistan (Pvt.) Ltd.	6.3	Insight Securities (Private) Limited	6.56
Intermarket Securities Limited	6.24	Al Habib Capital Markets (Private) Limited	6.46
Al Habib Capital Markets (Private) Limited	6.09	Alfa Adhi Securities (Private) Limited	6.32
Insight Securities (Private) Limited	5.79	Topline Securities Limited	6.23
Standard Capital Securities (Pvt) Limited	5.53	Ismail Iqbal Securities (Private) Limited	6.13
Multiline Securities (Pvt) Limited	5	Taurus Securities Limited	5.97
Alfalsh CLSA Securities (Private) Limited	4.82	IGI Finex Securities Limited	5.17
	<b>61.29</b>		<b>66.85</b>

### 24 THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	12 Years

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 25 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	Atlas Stock Market Fund Atlas Islamic Stock Fund Atlas Islamic Fund of Funds

## 26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the Management Company of the Fund, and the attendance of the Board members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	P	L	P	P	P	P
Mr. Tariq Amin	Director	P	P	P	P	P	P
Mr. Frahim Ali Khan	Director	P	P	P	P	P	P
Mr. Ali H. Shirazi	Director	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	Director	L	P	L	P	P	P
Ms. Zehra Naqvi	Director	P	P	P	P	P	P
Mr. M. Abdul Samad	Chief Executive Officer	P	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	P	P	P	P	P	P
Ms. Zainab Kazim	Company Secretary	P	P	P	P	P	P

P Present

L Leave of absence

## 27 GENERAL

27.1 Figures have been rounded off to the nearest Rupee.

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 Management Company on 11 September 2023.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# Atlas Islamic Fund of Funds

## Corporate Information

### Trustee

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

### Shariah Advisor

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Dr. Mufti Muhammad Wasih Fasih Butt

### Auditors

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EY Ford Rhodes  
Chartered Accountants

### Legal Advisers

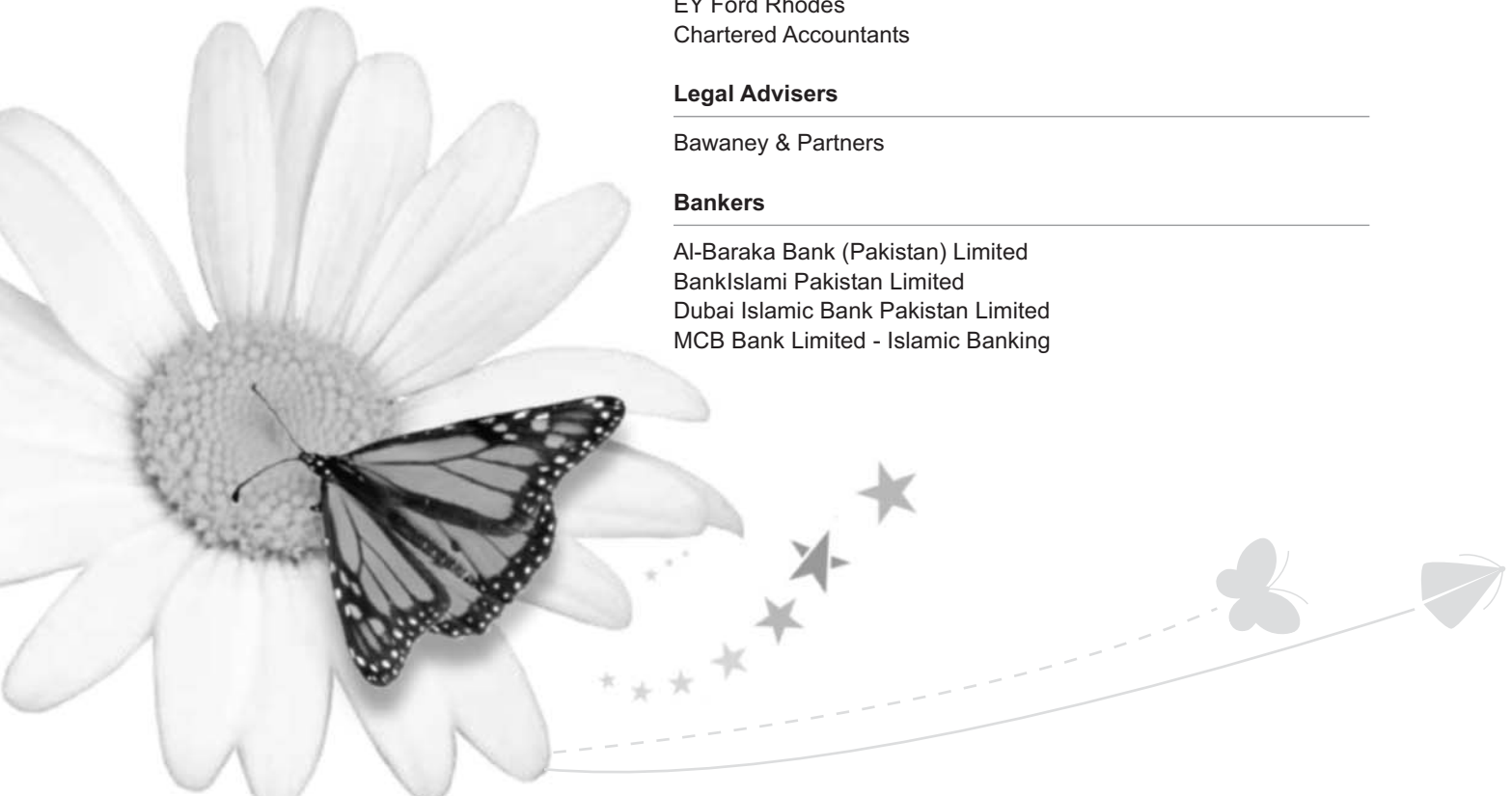
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Bawaney & Partners

### Bankers

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Al-Baraka Bank (Pakistan) Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
MCB Bank Limited - Islamic Banking



# Fund Manager's Report

The objective of Atlas Islamic Fund of Funds (AIFOF) is to provide unit holders the opportunity to earn potentially high returns through investment as per respective Allocation Plans by investing in Shariah Compliant Fixed Income Schemes (Atlas Islamic Income Fund) and Shariah Compliant Equity based Collective Investment Schemes (Atlas Islamic Dedicated Stock Fund). Currently AIFOF comprises of five plans i.e. Atlas Aggressive Allocation Islamic Plan (AAAIP), Atlas Moderate Allocation Islamic Plan (AMAIP), Atlas Conservative Allocation Islamic Plan (ACAIP), Atlas Islamic Capital Preservation Plan (AICPP) and Atlas Islamic Dividend Plan (AIDP). The AAAIP and AMAIP have a high-risk rating, while the ACAIP, AICPP and AIDP have a medium risk rating, respectively.

The benchmark of each allocation Plan will be the weighted average return of KMI-30 Index, and Six months average deposit rates of three (3) A rated Islamic Banks or Islamic windows of conventional banks as selected by MUFAP based on the actual proportion of investment in Equity, Income schemes and bank deposit made by the respective allocation Plan.

## THE STOCK MARKET

The KMI-30 index increased 2.88% from 68,766.37 points as on June 30, 2022, to 70,748.13 points as on June 27, 2023. The daily average volume during FY23 declined by 34.26% to 192 million shares compared to daily average of 292 million shares traded in FY22. Net outflow of US \$1.53 million was recorded by Foreign Portfolio Investors during FY23 compared to net outflow of US \$297.51 million in FY22. On local investors' front, Companies, Individuals, Banks and Other Organizations were net buyers of US \$99.68 million, US \$83.96 million, US \$73.68 million, and US \$24.79 million. Mutual Funds, Insurance Companies and Broker Proprietary Trading remained net sellers of US \$144.49 million, US \$124.31 million, and US \$14.76 million, respectively.

The Net Asset Value of Atlas Aggressive Allocation Islamic Plan (AAAIP) increased by 1.39% to Rs. 551.13 as on June 30, 2023. AAAIP was 68.79%, 13.01% and 10.33% invested in AIDSF, AIF and AIMF, respectively. The Net Asset Value of Atlas Moderate Allocation Islamic Plan (AMAIP) increased by 5.45% to Rs. 565.12 as on June 30, 2023. AMAIP was 48.68%, 24.88% and 17.62% invested in AIDSF, AIF and AIMF respectively. The Net Asset Value of Atlas Conservative Allocation Islamic Plan (ACAIP) increased by 10.60% to Rs. 566.75 as on June 30, 2023. ACAIP was 47.79%, 25.84% and 17.74% invested in AIMF, AIDSF and AIF respectively. The Net Asset Value of Atlas Islamic Capital Preservation Plan II (AICPP-II) increased by 8.51% to Rs. 499.23 as on June 30, 2023. The AICPP-II was 62.28% and 32.78% invested in AIMF and AIDSF, respectively. The Net Assets of AIFOF stood at Rs. 1.18 billion as of June 30, 2023.

**Breakdown of Unit holding by type for Atlas Aggressive Allocation Islamic Plan (AAAIP) is as follows:**

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated companies / Directors	2	117,735,111	54.62%
Individual	16	3,979,731	1.85%
Retirement Funds	2	93,848,842	43.54%
<b>Total</b>	<b>20</b>	<b>215,563,683</b>	<b>100.00%</b>

**Breakdown of Unit holding by type for Atlas Moderate Allocation Islamic Plan (AMAIP) is as follows:**

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated companies / Directors	2	119,952,667	51.33%
Individual	18	12,205,253	5.22%
Retirement Funds	2	101,553,723	43.45%
<b>Total</b>	<b>22</b>	<b>233,711,643</b>	<b>100.00%</b>

**Breakdown of Unit holding by type for Atlas Conservative Allocation Islamic Plan (ACAIP) is as follows:**

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated companies / Directors	2	140,982,743	56.89%
Individual	19	1,810,380	0.73%
Retirement Funds	2	105,012,180	42.38%
<b>Total</b>	<b>23</b>	<b>247,805,302</b>	<b>100.00%</b>

**Breakdown of Unit holding by type for Atlas Islamic Capital Preservation Plan - II (AICPP-II) is as follows:**

Type of Investor	No. of Investors	Amount of Investment (Rs.)	Percentage (%)
Associated companies / Directors	9	12,431,257	2.58%
Individual	2	466,547,642	96.73%
Retirement Funds	1	3,352,268	0.70%
<b>Total</b>	<b>24</b>	<b>482,331,167</b>	<b>100.00%</b>

The Investment Committee of Atlas Asset Management Limited, the Management Company of Atlas Islamic Fund of Funds, under the authority delegated by the Board of Directors of Atlas Asset Management Limited has approved aggregate distribution of Rs 10.10 per unit for AAAIP, Rs. 32.55 for AMAIP, Rs. 60.60 for ACAIP, and Rs. 43.20 for AICPP II for the period ended June 30, 2023.

The Expense Ratio of AAAIP is 0.67%, AMAIP is 0.62%, ACAIP is 0.59%, and AICPP-II is 0.43% including expenses representing Government levy of AAAIP is 0.04%, AMAIP is 0.04%, ACAIP is 0.04%, and AICPP II is 0.03%.

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

Karachi: 11 September 2023

**Faran-UI-Haq**  
Head of Equities

## Performance Since Inception

	30 June 2023			
	AAAIP	AMAIP	ACAIP	AICPP II***
Net Assets (Rs. in '000)	215,564	233,712	247,805	482,331
Number of units in issue	391,131	413,564	437,241	966,159
Net assets value per unit	551.13	565.12	566.75	499.23
Net (loss) / income (Rs. in '000)	3,043	10,392	22,473	40,038
Earnings per unit	7.78	25.13	51.40	41.44
Annual return of the fund (%)	1.38	5.50	10.70	-
Offer Price ***	551.13	565.12	566.75	499.23
Redemption Price ***	551.13	565.12	566.75	486.75
First Interim Distribution	-	21.90	54.30	36.20
Distribution as a % of Opening Ex- NAV of units	-	3.86	9.57	7.24
Date of Distribution	-	26-Jun-23	26-Jun-23	26-Jun-23
Second Interim Distribution	10.10	10.65	6.30	7.00
Distribution as a % of Opening Ex- NAV of units	1.82	1.88	1.11	1.40
Date of Distribution	27-Jun-23	27-Jun-23	27-Jun-23	27-Jun-23
Highest offer price per unit	576.39	602.71	627.28	-
Lowest offer price per unit	525.01	555.20	563.78	-
Highest redemption price per unit (after applicable back-end load) (Rs.)	576.39	602.71	627.28	530.66
Lowest redemption price per unit (after applicable back-end load) (Rs.)	525.01	555.20	563.78	481.38

	30 June 2022				
	AAAIP	AMAIP	ACAIP	AICPP II***	AIDP
Net Assets (Rs. in '000)	132,465	140,961	156,369	472,519	29,666
Number of units in issue	239,308	248,702	275,673	945,264	59,332
Net assets value per unit	553.53	566.79	567.23	499.88	500.00
Net (loss) / income (Rs. in '000)	(9,086)	(3,810)	4,107	1,311	2,436
Earnings per unit	(37.97)	(15.32)	14.90	1.39	41.06
Annual return of the fund (%)	(6.89)	(2.84)	2.92	0.28	9.01
Offer Price ***	553.53	566.79	567.23	499.88	500.00
Redemption Price ***	553.53	566.79	567.23	487.38	500.00
First Interim Distribution	-	-	16.45	1.51	43.17
Distribution as a % of Opening Ex- NAV of units	-	-	2.90	0.30	8.63
Date of Distribution	-	-	29-Jun-22	29-Jun-22	-
Second Interim Distribution	-	-	-	-	-
Distribution as a % of Opening Ex- NAV of units	-	-	-	-	-
Date of Distribution	-	-	-	-	-
Highest offer price per unit	636.49	620.61	598.36	500.00	500.00
Lowest offer price per unit	545.93	559.68	566.20	500.00	499.29
Highest redemption price per unit (after applicable back-end load) (Rs.)	622.42	606.90	598.36	509.40	500.00
Lowest redemption price per unit (after applicable back-end load) (Rs.)	545.93	559.68	566.20	483.53	499.29

	30 June 2021				
	AAAIP	AMAIP	ACAIP	AICPP	AIDP
Net Assets (Rs. in '000)	128,491	133,772	138,255	495,770	27,168
Number of units in issue	216,140	229,306	243,795	933,099	54,336
Net assets value per unit	594.48	583.38	567.10	531.32	500.00
Net (loss) / income (Rs. in '000)	28,014	24,350	17,936	55,728	1,471
Earnings per unit	129.61	106.19	73.57	59.72	27.07
Annual return of the fund (%)	28.08	21.54	14.15	8.60	5.58
Offer Price ***	607.92	596.56	579.92	-	500.00
Redemption Price ***	594.48	583.38	567.10	516.31	500.00
First Interim Distribution	17.60	18.60	23.90	28.20	27.03
Distribution as a % of Opening Ex- NAV of units	3.68	3.75	4.62	5.66	5.41
Date of Distribution	29-Jun-21	29-Jun-21	29-Jun-21	29-Jun-21	-
Second Interim Distribution	-	-	-	-	-
Distribution as a % of Opening Ex- NAV of units	-	-	-	-	-
Date of Distribution	-	-	-	-	-
Highest offer price per unit	640.39	625.57	609.02	-	500.00
Lowest offer price per unit	500.24	515.62	535.34	-	499.84
Highest redemption price per unit (after applicable back-end load) (Rs.)	626.24	611.74	595.56	543.84	500.00
Lowest redemption price per unit (after applicable back-end load) (Rs.)	489.19	504.23	523.51	489.07	499.84

	30 June 2020				
	AAAIP	AMAIP	ACAIP	AICPP	AIDP**
Net Assets (Rs. in '000)	100,177	112,808	126,610	456,056	26,135
Number of units in issue	209,596	227,735	244,525	914,884	52,270
Net assets value per unit	477.95	495.35	517.78	498.49	500.00
Net (loss) / income (Rs. in '000)	9,323	11,447	14,408	43,685	1,903
Earnings per unit	44.48	50.26	58.92	47.75	36.41
Annual return of the fund (%)	10.04	10.95	12.02	10.15	7.28
Offer Price ***	488.75	506.54	529.48	-	500.00
Redemption Price ***	477.95	495.35	517.78	484.41	500.00
First Interim Distribution	10.50	21.00	37.00	39.00	9.54
Distribution as a % of Opening Ex- NAV of units	2.37	4.51	7.47	7.99	1.91
Date of Distribution	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20	
Second Interim Distribution	-	-	-	-	-
Distribution as a % of Opening Ex- NAV of units	-	-	-	-	-
Date of Distribution	-	-	-	-	-
Highest offer price per unit	562.55	568.17	576.49	-	500.00
Lowest offer price per unit	404.92	441.81	493.22	-	499.47
Highest redemption price per unit (after applicable back-end load) (Rs.)	550.12	555.61	563.75	541.92	500.00
Lowest redemption price per unit (after applicable back-end load) (Rs.)	395.97	432.05	482.32	457.87	499.47

	30 June 2019			
	AAAIP	AMAIP	ACAIP	AICPP
Net Assets (Rs. in '000)	92,924	103,279	120,868	430,862
Number of units in issue	209,341	221,897	244,021	882,926
Net assets value per unit	443.89	465.44	495.32	487.99
Net (loss) / income (Rs. in '000)	(11,616)	(7,620)	(1,223)	(14,540)
Earnings per unit	(55.49)	(34.34)	(5.01)	(16.47)
Annual return of the fund (%)	(11.22)	(6.91)	(0.94)	(2.40)
Offer Price ***	453.92	475.96	506.51	-
Redemption Price ***	443.89	465.44	495.32	474.20
First Interim Distribution	-	-	-	-
Distribution as a % of Opening Ex- NAV of units	-	-	-	-
Date of Distribution	-	-	-	-
Second Interim Distribution	-	-	-	-
Distribution as a % of Opening Ex- NAV of units	-	-	-	-
Date of Distribution	-	-	-	-
Highest offer price per unit	527.31	523.37	518.75	517.05
Lowest offer price per unit	444.39	467.22	498.89	-
Highest redemption price per unit (after applicable back-end load) (Rs.)	515.66	511.80	507.29	500.00
Lowest redemption price per unit (after applicable back-end load) (Rs.)	434.57	456.89	487.86	466.47

\*Period from 07 January 2019 to 30 June 2019 (Date of Launch: January 07, 2019)

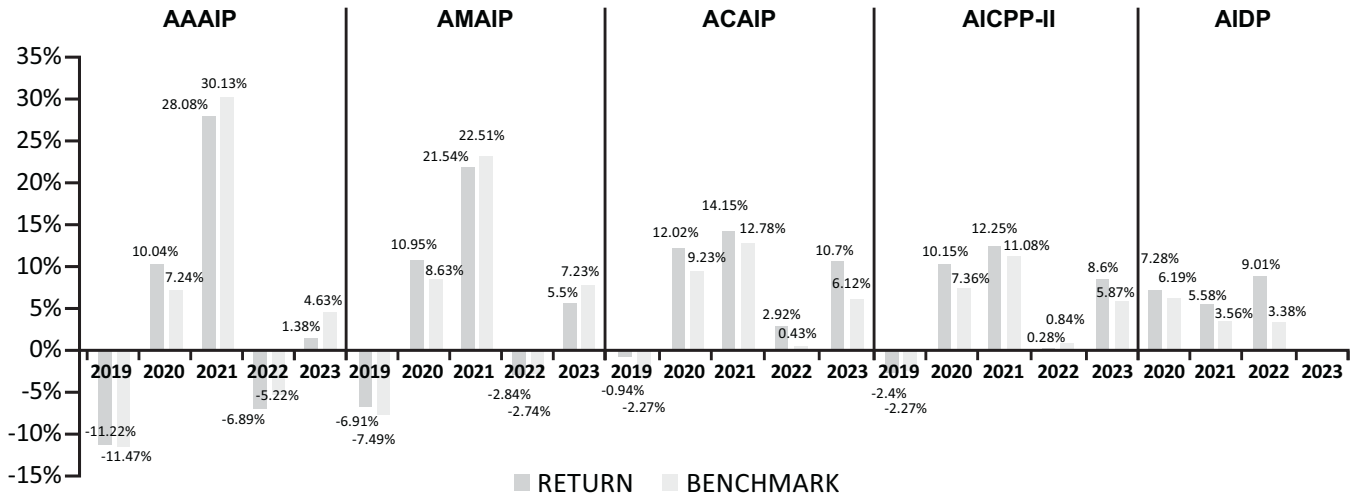
\*\*Period from 16 March 2020 to 30 June 2020 (Date of Launch: January 16, 2020)

\*\*\*Period from 31 August 2021 to 30 June 2022 (Date of Launch: August 31, 2022)

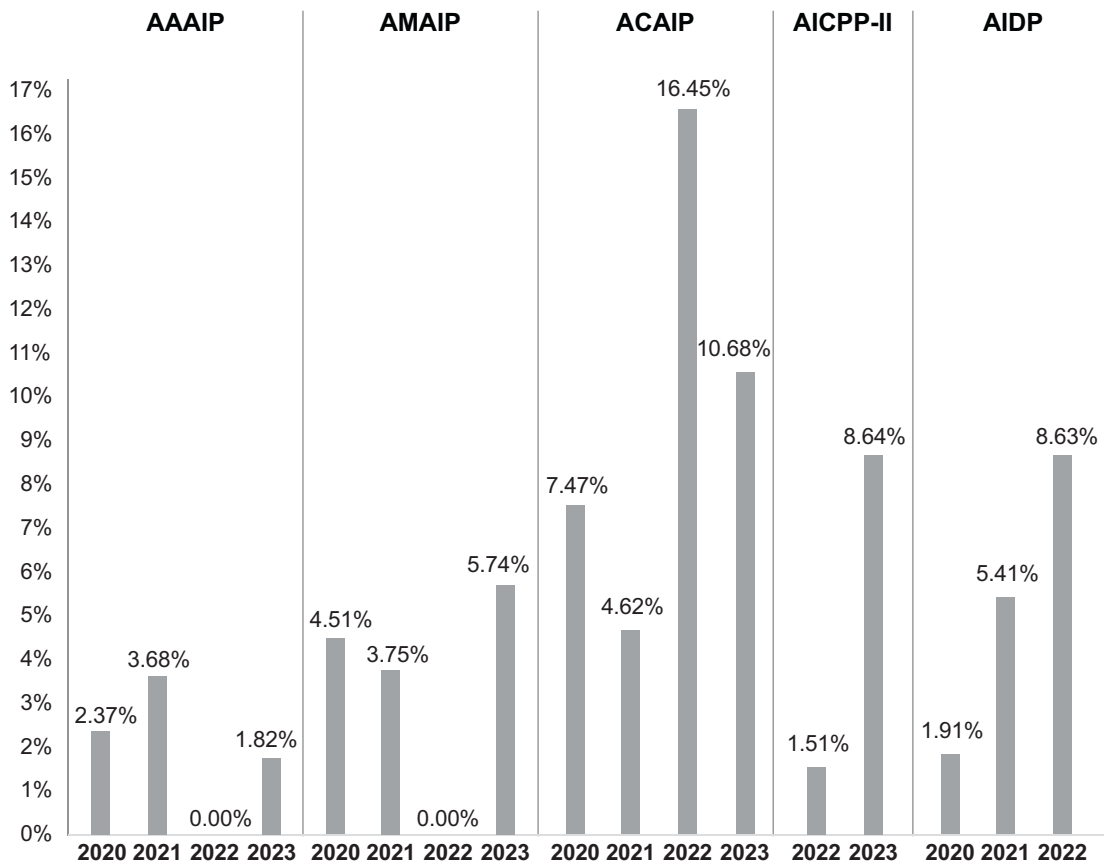
\*\*\*\* Relates to announced prices.

**Note:** Past performance of the funds is not indicative of future performance, and the unit price and investment return may go down, as well as up.

## Yearly Performance



## Payout History (% on opening Ex - NAV)





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# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Atlas Islamic Fund of Funds (the Fund) are of the opinion that Atlas Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Karachi: 27 September 2023

**Badiuddin Akber**  
Chief Executive Officer  
**Central Depository Company of Pakistan Limited**

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## REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Adviser of the Atlas Fund of Funds (AFOF), I am issuing this report in accordance with clause 11.3 (b) 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 and procedure to be followed in ensuring Shariah compliance in equity investments.

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, 2023 are in compliance with the Shariah principles.

There are investments made by AFOF where investee companies have earned a part of their income from non-compliant sources (e.g. interest income). In such cases, the 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 2023

**Dr. Mufti Muhammad Wasie Fasih Butt**  
Shariah Advisor

# INDEPENDENT AUDITORS' REPORT

## To the Unit holders of Atlas Islamic Fund of Funds Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Atlas Islamic Fund of Funds** (the Fund), which comprise of the statement of assets and liabilities as at 30 June 2023, and the income statement, statement of comprehensive income, cash flows statement and statement of movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
<b>Investment in units of mutual funds</b>	
<p>The investment of the Fund represents significant portion of the total assets of the Fund during the year and / or as at the year end. The Investments as at year end represents 92% of total assets of the Fund.</p> <p>In view of the above, we have considered this area as a key audit matter.</p> <p>For disclosure refer to note 5 to the financial statements.</p>	<p>We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of fund's process over acquisition, disposals and periodic valuation of investment portfolio and evaluated / tested controls in those areas for the purpose of our audit.</li> <li>• We performed substantive audit procedures on year-end balance of portfolio including review of account statements of the Fund Managers and re-performance of investment valuations on the basis of net asset values declared by the respective mutual funds.</li> <li>• We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investment in units of mutual funds and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investments in units of mutual funds portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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

Karachi: 25 September 2023

**EY Ford Rhodes**  
Chartered Accountants  
**Engagement Partner: Arslan Khalid**

# STATEMENT OF ASSETS AND LIABILITIES

## FOR THE YEAR ENDED 30 JUNE 2023

2023

		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II (Note 1.3)	Total
Rupees							
<b>ASSETS</b>							
Bank balances	4	16,757,660	21,061,498	22,401,332	61,868	24,902,807	85,185,165
Investments	5	201,183,177	220,096,521	239,400,266	-	479,860,434	1,140,540,398
Profit receivable on deposit with banks		234,530	242,608	208,591	-	56,876	742,606
Other receivables	6	139,558	11,063	10,318	-	20,192	181,131
Preliminary and floatation cost	7	-	-	-	-	-	-
<b>Total assets</b>		<b>218,314,925</b>	<b>241,411,690</b>	<b>262,020,507</b>	<b>61,868</b>	<b>504,840,310</b>	<b>1,226,649,300</b>
<b>LIABILITIES</b>							
Payable to Atlas Asset Management Company - Management Company	8	281,568	308,509	327,443	-	616,180	1,533,700
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	14,104	15,517	16,756	-	32,392	78,770
Payable to the Securities and exchange commission of Pakistan	10	34,335	41,087	44,414	743	97,218	217,797
Payable to Unit-holders		-	-	-	-	-	-
Accrued expenses and other liabilities	11	2,421,235	7,334,934	13,826,596	61,125	21,763,353	45,407,243
<b>Total liabilities</b>		<b>2,751,242</b>	<b>7,700,047</b>	<b>14,215,206</b>	<b>61,868</b>	<b>22,509,143</b>	<b>47,237,507</b>
<b>NET ASSETS</b>		<b>215,563,683</b>	<b>233,711,643</b>	<b>247,805,302</b>	<b>-</b>	<b>482,331,167</b>	<b>1,179,411,795</b>
<b>UNIT HOLDER'S FUND (AS PER STATEMENT ATTACHED)</b>		<b>215,563,683</b>	<b>233,711,643</b>	<b>247,805,302</b>	<b>-</b>	<b>482,331,167</b>	<b>1,179,411,795</b>
<b>NUMBER OF UNITS IN ISSUE</b>		<b>391,131</b>	<b>413,564</b>	<b>437,241</b>	<b>-</b>	<b>966,159</b>	
<b>NET ASSET VALUE PER UNIT</b>		<b>551.1294</b>	<b>565.1157</b>	<b>566.7479</b>	<b>-</b>	<b>499.2254</b>	
<b>FACE VALUE PER UNIT</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>-</b>	<b>500.00</b>	
<b>Contingencies and commitments</b>	12						

The annexed notes 1 to 27 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF ASSETS AND LIABILITIES

## FOR THE YEAR ENDED 30 JUNE 2023

		2022							
		Aggressive	Moderate	Conservative	Islamic	Islamic Capital	Islamic Capital		
		Allocation	Allocation	Allocation	Dividend Plan	Preservation	Preservation		
		Islamic Plan	Islamic Plan	Islamic Plan	(Note 1.3)	Plan - II	Plan - I	Total	
						(Note 1.3)	(Note 1.3)		
Note		Rupees							
<b>ASSETS</b>									
	Bank balances	4	10,988,345	10,397,967	13,131,267	3,467,034	3,222,496	25,689	41,232,798
	Investments	5	121,379,174	130,479,243	143,713,949	26,217,036	470,286,912	-	892,076,314
	Profit receivable on deposit with banks		134,644	126,348	161,179	38,126	38,662	400	499,359
	Other receivables	6	12,834	9,063	28,350	19,166	20,192	43,057	132,662
	Preliminary and floatation cost	7	56,055	56,055	56,055	-	-	-	168,165
	<b>Total assets</b>		<b>132,571,052</b>	<b>141,068,677</b>	<b>157,090,800</b>	<b>29,741,362</b>	<b>473,568,261</b>	<b>69,146</b>	<b>934,109,298</b>
<b>LIABILITIES</b>									
	Payable to Atlas Asset Management Company - Management Company	8	28,591	28,702	33,236	6,936	68,765	-	166,231
	Payable to the Central Depository Company of Pakistan Limited - Trustee	9	8,402	8,936	9,910	1,895	30,711	-	59,853
	Payable to the Securities and exchange commission of Pakistan	10	26,147	27,182	28,731	5,632	79,579	15,301	182,572
	Payable to Unit-holders		-	-	-	-	-	39,078	39,078
	Accrued expenses and other liabilities	11	42,910	43,076	649,524	60,924	869,781	14,767	1,680,982
	<b>Total liabilities</b>		<b>106,050</b>	<b>107,896</b>	<b>721,400</b>	<b>75,387</b>	<b>1,048,836</b>	<b>69,146</b>	<b>2,128,716</b>
	<b>NET ASSETS</b>		<b>132,465,002</b>	<b>140,960,781</b>	<b>156,369,400</b>	<b>29,665,975</b>	<b>472,519,425</b>	<b>-</b>	<b>931,980,583</b>
	<b>UNIT HOLDER'S FUND</b> (AS PER STATEMENT ATTACHED)		<b>132,465,002</b>	<b>140,960,781</b>	<b>156,369,400</b>	<b>29,665,975</b>	<b>472,519,425</b>	<b>-</b>	<b>931,980,583</b>
	<b>NUMBER OF UNITS IN ISSUE</b>		<b>239,308</b>	<b>248,702</b>	<b>275,673</b>	<b>59,332</b>	<b>945,264</b>	<b>-</b>	
	<b>NET ASSET VALUE PER UNIT</b>		<b>553.5324</b>	<b>566.7870</b>	<b>567.2287</b>	<b>500.0000</b>	<b>499.8810</b>	<b>-</b>	
	<b>FACE VALUE PER UNIT</b>		<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>	<b>-</b>	
	Contingencies and commitments	12							

The annexed notes 1 to 27 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

		For the year ended 30 June 2023				For the period from 1 July 2022 to 15 August 2022	
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Dividend Plan (Note 1.3)	Total
Note		Rupees					
<b>INCOME</b>							
	Profit on deposits with banks	2,231,015	2,445,704	2,008,434	309,078	41,119	7,035,350
	Dividend income	5,961,581	12,511,570	20,031,869	46,750,937	-	85,255,957
	Other source of Income	-	-	-	215,542	-	215,542
	Capital gain on sale of investments at fair value through profit or loss - net	473,014	542,793	2,762,253	(199,653)	432,570	4,010,976
	Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets 'at fair value through profit or loss'	(4,481,184)	(3,837,086)	(1,007,804)	(4,977,761)	-	(14,303,835)
		<b>(4,008,170)</b>	<b>(3,294,293)</b>	<b>1,754,449</b>	<b>(5,177,415)</b>	<b>432,570</b>	<b>(10,292,859)</b>
		<b>4,184,426</b>	<b>11,662,981</b>	<b>23,794,752</b>	<b>42,098,143</b>	<b>473,689</b>	<b>82,213,990</b>
<b>EXPENDITURE</b>							
	Remuneration of the Management Company	136,471	150,527	123,479	16,022	3,933	430,433
	Sindh sales tax on remuneration of the Management Company	17,742	19,569	16,053	1,836	512	55,711
	Accounting & Operational charges	528,942	610,164	659,280	1,370,981	6,315	3,175,682
	Remuneration of the Trustee	120,173	143,805	155,450	340,263	2,599	762,290
	Sindh sales tax on remuneration of the Trustee	15,623	18,694	20,209	44,234	338	99,098
	Annual fee Securities and Exchange Commission of Pakistan	34,335	41,087	44,414	97,218	743	217,798
	Auditor's remuneration	165,643	164,232	161,466	103,576	-	594,917
	Amortization of preliminary expenses and floatation costs	56,055	56,055	56,055	-	-	168,164
	Annual Listing fee	6,875	6,875	6,875	6,875	-	27,500
	Printing charges	7,207	8,053	8,581	19,167	-	43,009
	Legal and Professional Charges	25,001	25,001	25,001	25,000	9,174	109,176
	Shariah advisory fee	25,000	25,000	25,000	25,000	-	100,000
	Bank charges	2,474	2,034	19,558	9,542	-	33,608
	Reversal of Sindh Workers' Welfare Fund	-	-	-	-	-	-
		<b>1,141,541</b>	<b>1,271,097</b>	<b>1,321,415</b>	<b>2,059,716</b>	<b>23,614</b>	<b>5,817,385</b>
	<b>Net income for the year before taxation</b>	<b>3,042,885</b>	<b>10,391,884</b>	<b>22,473,337</b>	<b>40,038,427</b>	<b>450,076</b>	<b>76,396,605</b>
	<b>Taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Net income for the year</b>	<b>3,042,885</b>	<b>10,391,884</b>	<b>22,473,337</b>	<b>40,038,427</b>	<b>450,076</b>	<b>76,396,605</b>
	<b>Allocation of net income for the year:</b>						
	Net income for the year	3,042,885	10,391,884	22,473,337	40,038,427	450,076	
	Income already paid on units redeemed	-	(25,510)	(100,591)	(340,212)	-	
		<b>3,042,885</b>	<b>10,366,374</b>	<b>22,372,745</b>	<b>39,698,214</b>	<b>450,076</b>	
	<b>Accounting income available for distribution:</b>						
	-Relating to capital gains	473,014	542,793	2,762,253	-	432,570	
	-Excluding capital gains	2,569,871	9,823,582	19,610,492	39,698,214	17,506	
		<b>3,042,885</b>	<b>10,366,374</b>	<b>22,372,745</b>	<b>39,698,214</b>	<b>450,076</b>	

The annexed notes 1 to 27 form an integral part of these financial statements.

### For Atlas Asset Management Limited (Management Company)

**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 2023

	Note	For the year ended 30 June 2022				For the	For the	Total
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	period from	period from	
						01 September 2021 to 30 June 2022	01 July 2021 to 31 August 2021	
					Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan (Note 1.3)		
Rupees								
<b>INCOME</b>								
Profit on deposits with banks	4.1	918,980	666,558	666,441	254,571	297,184	(114,245)	2,689,488
Dividend income		2,313,084	4,736,507	8,793,407	2,201,872	22,228,235	-	40,273,105
Other Source of Income		-	-	-	-	-	-	-
Capital gain on sale of investments at fair value through profit or loss - net		406,651	505,797	603,102	-	1,058,280	8,537,771	11,111,602
Net unrealised gain on re-measurement of investments classified as 'financial assets' at fair value through profit or loss'	5.1.1	(12,874,167)	(9,892,109)	(6,036,355)	60,472	(20,961,044)	-	(49,703,203)
		<b>(12,467,516)</b>	<b>(9,386,311)</b>	<b>(5,433,253)</b>	<b>60,472</b>	<b>(19,902,764)</b>	<b>8,537,771</b>	<b>(38,591,601)</b>
		<b>(9,235,454)</b>	<b>(3,983,246)</b>	<b>4,026,595</b>	<b>2,516,915</b>	<b>2,622,655</b>	<b>8,423,526</b>	<b>4,370,992</b>
<b>EXPENDITURE</b>								
Remuneration of the Management Company	8.1	98,314	64,386	62,097	32,003	30,031	14,537	301,368
Sindh sales tax on remuneration of the Management Company	8.2	12,781	8,370	8,073	4,160	3,904	1,890	39,178
Accounting & Operational charges		222,248	231,041	244,215	47,876	676,418	71,661	1,493,459
Remuneration of the Trustee	9.1	91,514	95,135	100,560	19,713	278,525	59,445	644,891
Sindh sales tax on remuneration of the Trustee	9.2	11,897	12,367	13,073	2,563	36,208	7,728	83,835
Annual fee Securities and Exchange Commission of Pakistan	10.1	26,147	27,181	28,731	5,633	79,579	16,984	184,255
Auditor's remuneration	13	43,103	44,224	47,376	9,289	130,828	(14,500)	260,319
Amortization of preliminary expenses and floatation costs	7	56,054	56,054	56,054	-	-	112,108	280,270
Annual Listing fee		3,892	3,993	4,277	3,525	11,813	-	27,500
Printing charges		9,504	9,504	10,504	9,819	3,747	-	43,076
Legal and Professional Charges		18,220	18,525	18,796	12,011	10,740	23,186	101,479
Shariah advisory fee		17,154	17,521	17,556	3,050	44,720	-	100,000
Bank charges		1,359	2,392	1,642	116	4,863	156	10,528
Reversal of Sindh Workers' Welfare Fund	11.1	(761,966)	(763,895)	(693,415)	(68,845)	-	(2,028,833)	(4,316,954)
		<b>(149,779)</b>	<b>(173,202)</b>	<b>(80,459)</b>	<b>80,911</b>	<b>1,311,376</b>	<b>(1,735,638)</b>	<b>(746,795)</b>
<b>Net income / (loss) for the year before taxation</b>		<b>(9,085,674)</b>	<b>(3,810,044)</b>	<b>4,107,054</b>	<b>2,436,005</b>	<b>1,311,278</b>	<b>10,159,163</b>	<b>5,117,786</b>
<b>Taxation</b>	15	-	-	-	-	-	-	-
<b>Net income for the year</b>		<b>(9,085,674)</b>	<b>(3,810,044)</b>	<b>4,107,054</b>	<b>2,436,005</b>	<b>1,311,278</b>	<b>10,159,163</b>	<b>5,117,786</b>
<b>Allocation of net income for the year:</b>								
Net income for the year		-	-	4,107,054	2,436,005	1,311,278	10,159,164	
Income already paid on units redeemed		-	-	(5,227)	-	(863)	(10,159,164)	
		<b>-</b>	<b>-</b>	<b>4,101,827</b>	<b>2,436,005</b>	<b>1,310,415</b>	<b>-</b>	
<b>Accounting income available for distribution:</b>								
-Relating to capital gains		-	-	603,102	60,472	1,058,280	-	
-Excluding capital gains		-	-	3,498,725	2,375,533	252,135	-	
		<b>-</b>	<b>-</b>	<b>4,101,827</b>	<b>2,436,005</b>	<b>1,310,415</b>	<b>-</b>	

The annexed notes 1 to 27 form an integral part of these financial statements.

### For Atlas Asset Management Limited (Management Company)

**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 2023

	For the year ended 30 June 2023				For the period from 1 July 2022 to 15 August 2022	
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Dividend Plan (Note 1.3)	Total
	----- Rupees -----					
Net income for the year	3,042,885	10,391,884	22,473,337	40,038,427	450,076	76,396,605
Other Comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>3,042,885</b>	<b>10,391,884</b>	<b>22,473,337</b>	<b>40,038,427</b>	<b>450,076</b>	<b>76,396,605</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

**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 2023

	For the year ended 30 June 2022				For the period from 01 September 2021 to 30 June 2022	For the period from 01 July 2021 to 31 August 2021	Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan (Note 1.3)	
	----- Rupees -----						
Net (loss) / income for the year	(9,085,674)	(3,810,044)	4,107,054	2,436,005	1,311,278	10,159,163	5,117,786
Other Comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(9,085,674)</b>	<b>(3,810,044)</b>	<b>4,107,054</b>	<b>2,436,005</b>	<b>1,311,278</b>	<b>10,159,163</b>	<b>5,117,786</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 FUNDS FOR THE YEAR ENDED 30 JUNE 2023

	Aggressive Allocation Islamic Plan For the year ended 30 June 2023			Aggressive Allocation Islamic Plan For the year ended 30 June 2022		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
<b>Net assets at the beginning of the period</b>	121,838,332	10,626,670	132,465,002	108,778,546	19,712,415	128,490,961
<b>Issue of units:</b>						
Aggressive 160,233 (2022: 23,178) units						
- Capital value (at net asset value per unit at the beginning of the period)	88,694,551	-	88,694,551	11,077,925	-	11,077,925
- Element of income / (loss) - net	(29,204)	-	(29,204)	1,987,784	-	1,987,784
Total proceeds on issuance of units	88,665,347	-	88,665,347	13,065,709	-	13,065,709
<b>Redemption of units:</b>						
Aggressive 8,411 (2022: 10) units						
- Capital value (at net asset value per unit at the beginning of the period)	(4,655,980)	-	(4,655,980)	(4,780)	-	(4,780)
- Element of income / (loss) - net	(35,162)	-	(35,162)	(1,143)	(72)	(1,215)
Total payments on redemption of units	(4,691,142)	-	(4,691,142)	(5,923)	(72)	(5,995)
Refund of capital	(140,857)	-	(140,857)	-	-	-
Interim distribution during the year at Rs. 10.10 per unit declared on 27 June 2023	-	(3,777,552)	(3,777,552)	-	-	-
Total comprehensive (loss) / income for the period	-	3,042,885	3,042,885	-	(9,085,674)	(9,085,674)
<b>Net assets at the end of the period</b>	<b>205,671,679</b>	<b>9,892,002</b>	<b>215,563,683</b>	<b>121,838,332</b>	<b>10,626,670</b>	<b>132,465,002</b>
<b>Undistributed income brought forward</b>		(Rupees)			(Rupees)	
- Realised income		10,626,670			2,713,935	
- Unrealised gain / (loss)		-			16,998,480	
		<b>10,626,670</b>			<b>19,712,415</b>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		473,014			-	
- Excluding capital gains		2,569,871			-	
		<b>3,042,885</b>			-	
Distribution During the Period		(3,777,552)			-	
<b>Undistributed income carried forward</b>		<b>9,892,002</b>			<b>10,626,670</b>	
<b>Undistributed income carried forward</b>						
- Realised income		9,892,002			10,626,670	
- Unrealised (loss) / income		-			-	
		<b>9,892,002</b>			<b>10,626,670</b>	
<b>Net asset value per unit at the beginning of the period</b>		<b>553.5324</b>			<b>477.9500</b>	
<b>Net asset value per unit at the end of the period</b>		<b>551.1294</b>			<b>553.5324</b>	

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 FUNDS FOR THE YEAR ENDED 30 JUNE 2023

	Moderate Allocation Islamic Plan			Moderate Allocation Islamic Plan		
	For the year ended 30 June 2023			For the year ended 30 June 2022		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
<b>Net assets at the beginning of the period</b>	<b>125,711,452</b>	<b>15,249,329</b>	<b>140,960,781</b>	<b>114,712,286</b>	<b>19,059,616</b>	<b>133,771,902</b>
<b>Issue of units:</b>						
Moderate 166,226 (2022:19,411) units						
- Capital value (at net asset value per unit at the beginning of the period)	94,214,769	-	94,214,769	11,323,936	-	11,323,936
- Element of income / (loss) - net	2,146,288	-	2,146,288	(315,822)	-	(315,822)
Total proceeds on issuance of units	<b>96,361,057</b>	<b>-</b>	<b>96,361,057</b>	<b>11,008,114</b>	<b>-</b>	<b>11,008,114</b>
<b>Redemption of units:</b>						
Moderate 1,363 (2022: 15) units						
- Capital value (at net asset value per unit at the beginning of the period)	(772,715)	-	(772,715)	(8,751)	-	(8,751)
- Element of income / (loss) - net	(10,575)	(25,510)	(36,085)	(197)	(243)	(440)
Total payments on redemption of units	<b>(783,290)</b>	<b>(25,510)</b>	<b>(808,800)</b>	<b>(8,948)</b>	<b>(243)</b>	<b>(9,191)</b>
Refund of capital	(2,126,876)	-	(2,126,876)	-	-	-
Interim distribution during the period						
Rs. 21.90 per unit declared on 26 June 2023	-	(6,697,816)	(6,697,816)	-	-	-
Refund of capital	(8,482)	-	(8,482)	-	-	-
Interim distribution during the period						
Rs. 10.65 per unit declared on 27 June 2023	-	(4,360,105)	(4,360,105)	-	-	-
Total comprehensive (loss) / income for the period	-	10,391,884	10,391,884	-	(3,810,044)	(3,810,044)
<b>Net assets at the end of the period</b>	<b>219,153,860</b>	<b>14,557,782</b>	<b>233,711,643</b>	<b>125,711,452</b>	<b>15,249,329</b>	<b>140,960,781</b>
<b>Undistributed income / (accumulated loss) brought forward</b>		<b>(Rupees)</b>			<b>(Rupees)</b>	
- Realised (loss) / income		15,249,329			5,890,620	
- Unrealised gain / (loss)		-			13,168,996	
		<b>15,249,329</b>			<b>19,059,616</b>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		542,793			-	
- Excluding capital gains		9,823,582			-	
		<b>10,366,374</b>			-	
Distribution During the Period		(11,057,921)			-	
<b>Undistributed income carried forward</b>		<b>14,557,782</b>			<b>15,249,329</b>	
<b>Undistributed income carried forward</b>						
- Realised (loss) / income		14,557,782			15,249,329	
- Unrealised (loss) / income		-			-	
		<b>14,557,782</b>			<b>15,249,329</b>	
<b>Net asset value per unit at the beginning of the period</b>		<b>566.7870</b>			<b>583.3773</b>	
<b>Net asset value per unit at the end of the period</b>		<b>565.1157</b>			<b>566.7870</b>	

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 FUNDS FOR THE YEAR ENDED 30 JUNE 2023

	Conservative Allocation Islamic Plan			Conservative Allocation Islamic Plan		
	For the year ended 30 June 2023			For the year ended 30 June 2022		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
<b>Net assets at the beginning of the period</b>	<b>140,106,863</b>	<b>16,262,537</b>	<b>156,369,400</b>	<b>122,027,244</b>	<b>16,228,196</b>	<b>138,255,440</b>
<b>Issue of units:</b>						
Conservative 164,740 (2022: 36,597) units						
- Capital value (at net asset value per unit at the beginning of the period)	93,445,360	-	93,445,360	20,754,023	-	20,754,023
- Element of income / (loss) - net	2,783,912	-	2,783,912	416,292	-	416,292
Total proceeds on issuance of units	<b>96,229,272</b>	<b>-</b>	<b>96,229,272</b>	<b>21,170,316</b>	<b>-</b>	<b>21,170,316</b>
<b>Redemption of units:</b>						
Conservative 3,172 (2022:4,719) units						
- Capital value (at net asset value per unit at the beginning of the period)	(1,799,251)	-	(1,799,251)	(2,676,127)	-	(2,676,127)
- Element of income / (loss) - net	(3,437)	(100,591)	(104,028)	(58,075)	(5,227)	(63,302)
Total payments on redemption of units	<b>(1,802,687)</b>	<b>(100,591)</b>	<b>(1,903,279)</b>	<b>(2,734,202)</b>	<b>(5,227)</b>	<b>(2,739,429)</b>
Refund of capital	(2,795,511)	-	(2,795,511)	(356,494)	-	(356,494)
Interim distribution during the period	-	(19,827,299)	(19,827,299)	-	(4,067,486)	(4,067,486)
Rs. 54.30 per unit declared on 26 June 2023 (2022: Rs. 16.45 per unit declared on 29 June 2022)						
Refund of capital	(1,045)	-	(1,045)	-	-	-
Interim distribution during the period	-	(2,739,574)	(2,739,574)	-	-	-
Rs. 6.30 per unit declared on 27 June 2023 (2022: Nil)						
Total comprehensive (loss) / income for the period	-	22,473,337	22,473,337	-	4,107,054	4,107,054
<b>Net assets at the end of the period</b>	<b>231,736,892</b>	<b>16,068,410</b>	<b>247,805,302</b>	<b>140,106,863</b>	<b>16,262,537</b>	<b>156,369,400</b>
<b>Undistributed income / (accumulated loss) brought forward</b>		<b>(Rupees)</b>			<b>(Rupees)</b>	
- Realised (loss) / income		16,262,536			9,332,874	
- Unrealised gain / (loss)		-			6,895,322	
		<b>16,262,536</b>			<b>16,228,196</b>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		2,762,253			4,101,827	
- Excluding capital gains		19,610,492			-	
		<b>22,372,745</b>			<b>4,101,827</b>	
Distribution During the Period		(22,566,872)			(4,067,486)	
<b>Undistributed income carried forward</b>		<b>16,068,410</b>			<b>16,262,536</b>	
<b>Undistributed income carried forward</b>						
- Realised (loss) / income		16,068,410			16,262,536	
- Unrealised (loss) / income		-			-	
		<b>16,068,410</b>			<b>16,262,536</b>	
<b>Net asset value per unit at the beginning of the period</b>		<b>567.2287</b>			<b>567.0963</b>	
<b>Net asset value per unit at the end of the period</b>		<b>566.7479</b>			<b>567.2287</b>	

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 FUNDS FOR THE YEAR ENDED 30 JUNE 2023

	Islamic Dividend Plan			Islamic Dividend Plan		
	For the year ended 30 June 2023			For the year ended 30 June 2022		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
<b>Net assets at the beginning of the period</b>	29,665,975	-	29,665,975	27,167,982	-	27,167,982
<b>Issue of units:</b>						
Issue 765 (2022: 5403) units						
- Capital value (at net asset value per unit at the beginning of the period)	382,409	-	382,409	2,701,416	-	2,701,416
- Element of income / (loss) - net	153	-	153	-	-	-
Total proceeds on issuance of units	382,562	-	382,562	2,701,416	-	2,701,416
<b>Redemption of units:</b>						
Redemption 60,097 (2022: 407) units						
- Capital value (at net asset value per unit at the beginning of the period)	(30,041,348)	-	(30,041,348)	(203,423)	-	(203,423)
- Element of income / (loss) - net	(7,189)	-	(7,189)	-	-	-
Total payments on redemption of units	(30,048,537)	-	(30,048,537)	(203,423)	-	(203,423)
Interim distribution during the period	-	(450,076)	(450,076)	-	(2,436,005)	(2,436,005)
Total comprehensive (loss) / income for the period	-	450,076	450,076	-	2,436,005	2,436,005
<b>Net assets at the end of the period</b>	-	-	-	29,665,975	-	29,665,975
<b>Undistributed income / (accumulated loss) brought forward</b>						
		(Rupees)			(Rupees)	
- Realised (loss) / income		-			-	
- Unrealised gain / (loss)		-			-	
		-			-	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		432,570			2,436,005	
- Excluding capital gains		17,506			-	
		450,076			2,436,005	
Distribution During the Period		(450,076)			(2,436,005)	
<b>Undistributed income carried forward</b>		-			-	
<b>Undistributed income carried forward</b>						
- Realised income		-			-	
- Unrealised (loss) / income		-			-	
		-			-	
<b>Net asset value per unit at the beginning of the period</b>		500.0000			500.0000	
<b>Net asset value per unit at the end of the period</b>		-			500.0000	

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 FUNDS FOR THE YEAR ENDED 30 JUNE 2023

	Islamic Capital Preservation Plan - I For the year ended 30 June 2023			Islamic Capital Preservation Plan - I For the year ended 30 June 2022		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
<b>Net assets at the beginning of the period</b>	-	-	-	471,160,304	24,610,073	495,770,377
<b>Issue of units:</b>						
Issue (2022: Nil) units						
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	-	-	-
- Element of income / (loss) - net	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-
<b>Redemption of units:</b>						
Redemption (2022: Nil) units	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	-	-	-	(471,160,304)	-	(471,160,304)
- Element of income / (loss) - net	-	-	-	-	(34,769,236)	(34,769,236)
Total payments on redemption of units	-	-	-	(471,160,304)	(34,769,236)	(505,929,540)
Interim distribution during the period	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	-	-	-	10,159,163	10,159,163
<b>Net assets at the end of the period</b>	-	-	-	-	-	-
<b>Undistributed income / (accumulated loss) brought forward</b>		(Rupees)			(Rupees)	
- Realised (loss) / income		-			24,610,073	
- Unrealised gain / (loss)		-			-	
		-			24,610,073	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Distribution During the Period		-			-	
<b>Undistributed income carried forward</b>		-			-	
<b>Undistributed income carried forward</b>						
- Realised income		-			-	
- Unrealised (loss) / income		-			-	
		-			-	
<b>Net asset value per unit at the beginning of the period</b>		-			531.3157	
<b>Net asset value per unit at the end of the period</b>		-			-	

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

**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 FUNDS FOR THE YEAR ENDED 30 JUNE 2023

	Islamic Capital Preservation Plan - II			Islamic Capital Preservation Plan - II		
	For the year ended 30 June 2023			For the year ended 30 June 2022		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
<b>Net assets at the beginning of the period</b>	472,520,288	(863)	472,519,425	-	-	-
<b>Issue of units:</b>						
Preservative-II 37,462 (2022:945,605) units						
- Capital value (at net asset value per unit at the beginning of the period)	18,726,679	-	18,726,679	502,414,782	-	502,414,782
- Element of income / (loss) - net	5,592	-	5,592	(29,724,092)	-	(29,724,092)
Total proceeds on issuance of units	18,732,271	-	18,732,271	472,690,690	-	472,690,690
<b>Redemption of units:</b>						
Preservative II 16,567 (2022:341) units						
- Capital value (at net asset value per unit at the beginning of the period)	(8,281,476)	-	(8,281,476)	(181,179)	-	(181,179)
- Element of income / (loss) - net	-	(340,212)	(340,212)	10,777	(863)	9,914
Total payments on redemption of units	(8,281,476)	(340,212)	(8,621,688)	(170,402)	(863)	(171,265)
Interim distribution during the period	-	(33,618,825)	(33,618,825)	-	(1,311,278)	(1,311,278)
Rs. 36.20 per unit declared on 26 June 2023 (2022: Rs. 1.51 per unit declared on 29 June 2022)						
Interim distribution during the period	-	(6,718,443)	(6,718,443)	-	-	-
Rs. 7.00 per unit declared on 27 June 2023 (2022: Nil)						
Total comprehensive (loss) / income for the period	-	40,038,427	40,038,427	-	1,311,278	1,311,278
<b>Net assets at the end of the period</b>	<b>482,971,083</b>	<b>(639,917)</b>	<b>482,331,167</b>	<b>472,520,288</b>	<b>(863)</b>	<b>472,519,425</b>
<b>Undistributed income / (accumulated loss) brought forward</b>		(Rupees)			(Rupees)	
- Realised (loss) / income		(863)			-	
- Unrealised gain / (loss)		-			-	
		(863)			-	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		39,698,214			1,310,415	
		39,698,214			1,310,415	
Distribution During the Period		(40,337,268)			(1,311,278)	
<b>Undistributed income carried forward</b>		<b>(639,917)</b>			<b>(863)</b>	
<b>Undistributed income carried forward</b>						
- Realised (loss) / income		(639,917)			(863)	
- Unrealised (loss) / income		-			-	
		(639,917)			(863)	
<b>Net asset value per unit at the beginning of the period</b>	<b>499.8810</b>			<b>531.3157</b>		
<b>Net asset value per unit at the end of the period</b>	<b>499.2254</b>			<b>499.8810</b>		

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2023

For the year ended 30 June 2023

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II (Note 1.3)	Total
Note ----- Rupees -----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the year / period after taxation	3,042,885	10,391,884	22,473,337	450,076	40,038,427	76,396,608
<b>Adjustments for:</b>						
Profit on deposits with banks	(2,231,015)	(2,445,704)	(2,008,434)	(41,119)	(309,078)	(7,035,350)
(Gain) / loss on sale of investments at fair value through Profit or Loss - net	(473,014)	(542,793)	(2,762,253)	(432,570)	199,653	(4,010,976)
Net unrealised diminution on re-measurement of investments 'classified as 'financial assets 'at fair value through profit or loss	4,481,184	3,837,086	1,007,804	-	4,977,761	14,303,835
Reversal of Sindh Workers' Welfare Fund	-	-	-	-	-	-
	<b>4,820,040</b>	<b>11,240,473</b>	<b>18,710,454</b>	<b>(23,613)</b>	<b>44,906,763</b>	<b>79,654,117</b>
<b>Decrease / (increase) in assets</b>						
Other receivables	(126,724)	(2,000)	18,032	19,166	-	(91,527)
Preliminary and floatation cost	56,055	56,055	56,055	-	-	168,165
	<b>(70,669)</b>	<b>54,055</b>	<b>74,087</b>	<b>19,166</b>	<b>-</b>	<b>76,638</b>
<b>(Decrease) / increase in liabilities</b>						
Payable to Atlas Asset Management Company - Management Company	252,977	279,807	294,207	(6,936)	547,414	1,367,469
Payable to Central Depository Company of Pakistan Limited - Trustee	5,703	6,582	6,846	(1,895)	1,682	18,917
Payable to the Securities and Exchange Commission of Pakistan	8,188	13,905	15,683	(4,889)	17,639	50,527
Payable to Unit-holders	-	-	-	-	-	-
Accrued expenses and other liabilities	2,378,325	7,291,858	13,177,072	201	20,893,572	43,741,028
	<b>2,645,193</b>	<b>7,592,152</b>	<b>13,493,808</b>	<b>(13,520)</b>	<b>21,460,307</b>	<b>45,177,940</b>
Interest received	2,131,130	2,329,444	1,961,020	79,245	290,863	6,791,702
Investments - net	(83,812,173)	(92,911,570)	(93,931,868)	26,649,606	(14,750,937)	(258,756,943)
	<b>(81,681,043)</b>	<b>(90,582,126)</b>	<b>(91,970,847)</b>	<b>26,728,851</b>	<b>(14,460,074)</b>	<b>(251,965,240)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(74,286,480)</b>	<b>(71,695,446)</b>	<b>(59,692,499)</b>	<b>26,710,883</b>	<b>51,906,996</b>	<b>(127,056,546)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance of units	88,665,348	96,361,057	96,229,271	382,561	18,732,272	300,370,508
Payments against redemption of units	(4,691,142)	(808,800)	(1,903,279)	(30,048,535)	(8,621,688)	(46,073,444)
Refund of Capital	(140,857)	(2,135,358)	(2,796,556)	-	-	(5,072,771)
Cash dividend Paid	(3,777,552)	(11,057,921)	(22,566,873)	(450,075)	(40,337,268)	(78,189,689)
	80,055,796	82,358,977	68,962,564	(30,116,050)	(30,226,685)	171,034,603
<b>Net cash generated from / (used in) from financing activities</b>	<b>80,055,796</b>	<b>82,358,977</b>	<b>68,962,564</b>	<b>(30,116,050)</b>	<b>(30,226,685)</b>	<b>171,034,603</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,769,316</b>	<b>10,663,531</b>	<b>9,270,065</b>	<b>(3,405,166)</b>	<b>21,680,311</b>	<b>43,978,057</b>
Cash and cash equivalents at the beginning of the year	10,988,345	10,397,967	13,131,267	3,467,034	3,222,496	41,207,109
<b>Cash and cash equivalents at the end of the year</b>	<b>16,757,660</b>	<b>21,061,498</b>	<b>22,401,332</b>	<b>61,868</b>	<b>24,902,807</b>	<b>85,185,165</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2023

For the year ended June 30, 2022

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan - I	Total
Rupees							
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net income for the year after taxation	(9,085,674)	(3,810,044)	4,107,054	2,436,005	1,311,278	10,159,163	5,117,782
<b>Adjustments for:</b>							
Profit on deposits with banks	(918,980)	(666,558)	(666,441)	(254,571)	(297,184)	114,245	(2,689,488)
(Gain) / loss on sale of investments at fair value through Profit or Loss - net	(406,651)	(505,797)	(603,102)	-	(1,058,280)	(8,537,771)	(11,111,602)
Net unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss	12,874,167	9,892,109	6,036,355	(60,472)	20,961,044	-	49,703,203
Reversal of Sindh Workers' Welfare Fund	(761,966)	(763,895)	(693,415)	(68,845)	-	-	(2,288,121)
	<b>1,700,896</b>	<b>4,145,815</b>	<b>8,180,451</b>	<b>2,052,117</b>	<b>20,916,858</b>	<b>1,735,637</b>	<b>38,731,774</b>
<b>(Increase) / decrease in assets</b>							
Other receivables	(1,684)	-	(18,032)	47,709	(20,192)	(20)	7,781
Preliminary and floatation cost	56,054	56,054	56,054	-	-	112,109	280,271
	<b>54,370</b>	<b>56,054</b>	<b>38,022</b>	<b>47,709</b>	<b>(20,192)</b>	<b>112,089</b>	<b>288,052</b>
<b>Increase / (decrease) in liabilities</b>							
Payable to Atlas Asset Management Company - Management Company	(10,614)	6,943	(9,285)	72	68,765	(81,082)	(25,202)
Payable to Central Depository Company of Pakistan Limited - Trustee	(153)	210	528	132	30,711	(33,046)	(1,619)
Payable to the Securities and Exchange Commission of Pakistan	2,296	1,278	1,043	218	79,579	(82,733)	1,681
Payable to Unit-holders	-	-	-	-	-	39,078	39,078
Accrued expenses and other liabilities	(3,665,514)	(3,952,629)	(5,194,267)	10,744	869,781	(15,440,502)	(27,372,386)
	<b>(3,673,985)</b>	<b>(3,944,198)</b>	<b>(5,201,982)</b>	<b>11,165</b>	<b>1,048,836</b>	<b>(15,598,285)</b>	<b>(27,358,449)</b>
Interest received	792,377	557,745	521,728	235,103	258,522	78,063	2,443,540
Investments - net	(7,313,084)	(5,336,508)	(4,968,407)	(2,201,872)	(490,189,673)	515,676,367	5,666,821
	<b>(6,520,707)</b>	<b>(4,778,762)</b>	<b>(4,446,679)</b>	<b>(1,966,769)</b>	<b>(489,931,151)</b>	<b>515,754,430</b>	<b>8,110,361</b>
<b>Net cash generated from operating activities</b>	<b>(8,439,426)</b>	<b>(4,521,092)</b>	<b>(1,430,188)</b>	<b>144,223</b>	<b>(467,985,649)</b>	<b>502,003,871</b>	<b>19,771,739</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Receipts against issuance of units	15,175,709	11,008,114	21,170,316	2,701,416	472,690,690	-	522,746,246
Payments against redemption of units	(5,994)	(9,191)	(2,739,429)	(203,422)	(171,266)	(505,929,540)	(509,058,843)
Refund of Capital	-	-	(356,494)	-	-	-	(356,494)
Cash dividend Paid	-	-	(4,067,486)	(2,436,005)	(1,311,278)	-	(7,814,769)
	<b>15,169,716</b>	<b>10,998,924</b>	<b>14,006,906</b>	<b>61,989</b>	<b>471,208,146</b>	<b>-</b>	<b>5,516,141</b>
<b>Net cash generated from / (used in) from financing activities</b>	<b>15,169,716</b>	<b>10,998,924</b>	<b>14,006,906</b>	<b>61,988</b>	<b>471,208,145</b>	<b>(505,929,540)</b>	<b>5,516,140</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,730,290</b>	<b>6,477,832</b>	<b>12,576,719</b>	<b>206,213</b>	<b>3,222,496</b>	<b>(3,925,668)</b>	<b>25,287,880</b>
Cash and cash equivalents at the beginning of the year	4,258,055	3,920,135	554,548	3,260,821	-	3,951,358	15,944,918
<b>Cash and cash equivalents at the end of the year</b>	<b>10,988,345</b>	<b>10,397,967</b>	<b>13,131,267</b>	<b>3,467,034</b>	<b>3,222,496</b>	<b>25,689</b>	<b>41,232,798</b>

The annexed notes 1 to 27 form an integral part of these financial statements.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Atlas Islamic Fund of Funds (the Fund) is an open-ended Fund constituted under a trust deed entered into on 20 August 2018 between Atlas Asset Management Limited (AAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the trustee. The Offering Document has been revised various times during 2010 to 2022 with its last amendment in 14 April 2022. Further the Trust Deed has been registered under the Sindh Trust Act as disclosed in note 1.6. The investment activities and administration of the Fund are managed by AAML is situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.

1.2 The Fund is an open-ended Shariah compliant fund of funds and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered to public (IPO) on January 07, 2019. Subsequent to the Initial Public Offering, the offer of units of the Allocation Plans at the Initial Offer Price discontinued. The units of the Allocation Plans could then be purchased at their Offer Price and redeemed at the Redemption Price, which shall be calculated on the basis of Net Asset Value (NAV) of each Allocation Plan. The duration of the fund is perpetual, however, the allocation plans may have a set time frame. Each Allocation Plan will announce separate NAVs which will rank pari passu inter se according to the number of units of the respective Allocation Plans. Units are offered for public subscription on a continuous basis. However, term-based plans, may be offered for a limited subscription period.

The objective of the Fund is to generate return on investments as per the respective Allocation Plan by investing in Shariah compliant mutual funds in line with the risk tolerance of the investor. The Management Company has appointed Dr. Mufti Muhammad Wasie Fasih Butt as its Shariah Advisor to ensure that the activities of the Funds are in compliance with the principles of Shariah.

1.3 During the prior year 2022 Atlas Islamic Capital Preservation Plan, having maturity of 30 Months from the close of subscription period the (i.e. subscription period from 7 January 2019 to 28 February 2019), matured on August 31, 2021. Atlas Islamic Capital Preservation Plan - II was launched on September 01, 2021 through one day IPO. During the year 2023 Atlas Islamic Dividend Plan was matured on 15th August 22.

1.4 The investment objectives and policies of each allocation plan are as follows;

### **Atlas Aggressive Allocation Islamic Plan (AAAIP)**

The "Aggressive Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide capital appreciation. It shall invest at least 65% of its net assets in Shariah Compliant Equity Funds and upto 25% of its net assets in Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively higher risk tolerance and/or wish to save for long term.

### **Atlas Moderate Allocation Islamic Plan (AMAIP)**

The "Moderate Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide a mix of capital appreciation and stable returns. It shall invest at least 45% of its net assets in Shariah Compliant Equity Funds and upto 45% of its net assets in Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively moderate risk tolerance and/or wish to medium for long term.

### **Atlas Conservative Allocation Islamic Plan (ACAIP)**

The "Conservative Allocation Islamic Plan" is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide stable returns. It shall invest at least 20% of its net assets in Shariah Compliant Equity Funds and upto 70% of its net assets in Islamic Income schemes, respectively, while the remaining portion is allocated to Shariah compliant bank deposits (excluding TDRs) in Islamic banks / Islamic windows of commercial banks and GOP Ijara Sukuk not exceeding 90 days remaining maturity. This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## **Atlas Islamic Capital Preservation Plan (AICPP)**

The Atlas Islamic Capital Preservation Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Income based Collective Investment Schemes and Shariah Compliant saving Accounts & Term Deposits, while aiming to provide capital preservation upon maturity of the allocation plan.

## **Atlas Islamic Capital Preservation Plan - II (AICPP-II)**

The Atlas Islamic Capital Preservation Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to earn a potentially high return through dynamic asset allocation between Shariah Compliant Equities, Shariah Compliant Income based Collective Investment Schemes and Shariah Compliant saving Accounts & Term Deposits, while aiming to provide capital preservation upon maturity of the allocation plan.

## **Atlas Islamic Dividend Plan (AIDP)**

The Atlas Islamic Dividend Plan is a Shariah Compliant Allocation Plan under the Atlas Islamic Fund of Funds and primarily aims to provide competitive return along with dividend through dynamic asset allocation between Shariah Compliant Income and Shariah Compliant Money Market based Collective Investment Schemes and Shariah Compliant/Islamic Banks/Islamic banks window saving Accounts, while aiming to provide Dividend to the investors on the daily basis of profit earned/appreciation in NAV if any. Dividend received by Unit holder shall be reinvested., This Allocation Plan is suitable for Investors having a relatively low risk tolerance and/or wish to save for short to medium term.

- 1.5 The titles to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on July 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.7 The Pakistan Credit Rating Agency Limited (PACRA) maintained the asset manager rating of the Management Company to AM2+ (AM Two Plus) [2021: AM2+ (AM Two Plus)] on 24 December 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

'These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 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, 2022 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 published accounting and reporting 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:

Standards, interpretations and amendments	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	January 01, 2023
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 01, 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

## 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 taxes recoverable as disclosed in note 6.1 of the annual financial statement respectively.

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except investments which are required to be carried at fair value.

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 2.6 Functional and presentation currency

These financial statements have been presented in Pakistani Rupees which is the functional and presentation currency of the Fund.

## 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 and are set out below:

### 3.1 Financial instruments

#### a) Initial recognition and measurement

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

#### b) Classification and measurement

The Fund only invests in shariah compliant mutual funds and classify the same as FVTPL and measures such mutual funds in the statement of financial position at fair value . Changes in fair value are recorded in profit and loss. Given the objectives of the Fund, all investments have been classified as FVTPL.

Dividends are recognised in profit or loss as other operating income when the right of the payment has been established.

#### Equity instruments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

#### Financial liabilities

#### Financial liabilities measured at amortised cost

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### c) 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.

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### d) **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.

### e) **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.

### f) **Determination of fair value**

#### 1) **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 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### 2) **Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

#### 3) **Equity securities**

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

### 3.2 **Cash and cash equivalents**

These comprise balances with banks, cheques in hand and 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 **Unit holders' Fund**

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

### 3.5 **Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.



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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / management company / distributors receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the management company may consider to be an appropriate provision of duties and charges.

### 3.6 Distribution to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Distribution Committee of the Board of Directors of the Management Company under the powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

### 3.8 Revenue recognition

- Dividend income is recognised when the right to receive the dividend is established.
- 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.

### 3.9 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.

### 3.10 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3.11 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.

## 3.12 Earnings per unit

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

## 4 BANK BALANCES

		2023						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II (Note 1.3)	Total	
Note		----- Rupees -----						
Profit and loss sharing accounts	4.1	16,757,660	21,061,498	22,401,332	61,868	24,902,807	85,185,165	
		<u>16,757,660</u>	<u>21,061,498</u>	<u>22,401,332</u>	<u>61,868</u>	<u>24,902,807</u>	<u>85,185,165</u>	
		2022						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan	Total
Note		----- Rupees -----						
Profit and loss sharing accounts	4.1	10,988,345	10,397,967	13,131,267	3,467,034	3,222,496	25,689	41,232,798
		<u>10,988,345</u>	<u>10,397,967</u>	<u>13,131,267</u>	<u>3,467,034</u>	<u>3,222,496</u>	<u>25,689</u>	<u>41,232,798</u>

4.1 The rate of return on these account during the year ranges between 12.00% to 19.75% (30 June 2022: 6.75% to 15%), per annum. The profit rates effective at the year end on these accounts ranges between 19% to 19.75% (30 June 2022: 14.5% to 15%) per annum.

## 5 INVESTMENTS

		2023					
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II (Note 1.3)	Total
Note		----- Rupees -----					
At fair value through profit or loss							
Units of Mutual Funds - listed	5.1	201,183,177	220,096,521	239,400,266	-	479,860,434	1,140,540,398
		<u>201,183,177</u>	<u>220,096,521</u>	<u>239,400,266</u>	<u>-</u>	<u>479,860,434</u>	<u>1,140,540,398</u>
		2022					
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan (Note 1.3)	Islamic Capital Preservation Plan - II	Total
Note		----- Rupees -----					
Units of Mutual Funds - listed	5.1	121,379,174	130,479,243	143,713,949	26,217,036	470,286,912	892,076,314
		<u>121,379,174</u>	<u>130,479,243</u>	<u>143,713,949</u>	<u>26,217,036</u>	<u>470,286,912</u>	<u>892,076,314</u>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5.1 At fair value through profit or loss - Units of mutual Funds - Listed

### 5.1.1 Units of Mutual Funds

Name of the investee company	As at 01 July 2022	Purchases during the year	Sold during the year	As at 30 June 2023	Carrying Value as at 30 June 2023	Market Value as at 30 June 2023	Appreciation/ (diminution) as at 30 June 2023	Market Value as a % of net assets of Plan	Market Value as a % of total value of investments of Plan
	Number of units			Rupees			Percentage		
<b>Aggressive Allocation Plan</b>									
Atlas Islamic Income Fund	54,316	17,490	16,127	55,679	28,293,768	28,409,663	115,895	13.18	14.12
Atlas Islamic Money Market Fund	-	49,918	4,989	44,929	22,782,616	22,560,854	(221,762)	10.47	11.21
Atlas Islamic Dedicated Stock Fund	182,499	120,789	-	303,288	154,587,976	150,212,659	(4,375,317)	69.68	74.66
	<b>236,815</b>	<b>188,197</b>	<b>21,116</b>	<b>403,896</b>	<b>205,664,360</b>	<b>201,183,176</b>	<b>(4,481,184)</b>	<b>93.33</b>	<b>100.00</b>
<b>Moderate Allocation Plan</b>									
Atlas Islamic Income Fund	111,223	28,047	21,577	117,693	59,757,847	60,051,530	293,683	25.69	27.28
Atlas Islamic Money Market Fund	-	84,710	-	84,710	42,392,700	42,537,062	144,362	18	19.33
Atlas Islamic Dedicated Stock Fund	144,079	93,176	-	237,255	121,783,060	117,507,929	(4,275,131)	50.28	53.39
	<b>255,302</b>	<b>205,933</b>	<b>21,577</b>	<b>439,658</b>	<b>223,933,607</b>	<b>220,096,521</b>	<b>(3,837,086)</b>	<b>94.17</b>	<b>100.00</b>
<b>Conservative Allocation Plan</b>									
Atlas Islamic Income Fund	206,488	19,124	134,529	91,083	46,198,859	46,474,396	275,536	18.75	19.41
Atlas Islamic Money Market Fund	-	249,386	-	249,386	124,695,740	125,228,455	532,715	50.54	52.31
Atlas Islamic Dedicated Stock Fund	75,875	60,810	-	136,685	69,513,471	67,697,416	(1,816,055)	27.32	28.28
	<b>282,363</b>	<b>329,320</b>	<b>134,529</b>	<b>477,154</b>	<b>240,408,070</b>	<b>239,400,267</b>	<b>(1,007,804)</b>	<b>96.61</b>	<b>100.00</b>
<b>Islamic Dividend Plan</b>									
Atlas Islamic Income Fund	51,705	-	51,705	-	-	-	-	-	-
	<b>51,705</b>	<b>-</b>	<b>51,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Islamic Capital Preservation Plan - II</b>									
Atlas Islamic Dedicated Stock Fund	348,202	-	14,108	334,093	171,785,204	165,469,875	(6,315,329)	34.31	34.48
Atlas Islamic Money Market Fund	582,496	93,485	49,890	626,092	313,052,991	314,390,559	1,337,568	65.18	65.52
	<b>930,697</b>	<b>93,486</b>	<b>63,998</b>	<b>960,185</b>	<b>484,838,195</b>	<b>479,860,434</b>	<b>(4,977,761)</b>	<b>99.49</b>	<b>100.00</b>
<b>Total as at 30 June 2023</b>	<b>1,756,887</b>	<b>816,936</b>	<b>292,925</b>	<b>2,280,893</b>	<b>1,154,844,232</b>	<b>1,140,540,398</b>	<b>(14,303,835)</b>		
Total as at 30 June 2022	1,777,616	2,407,998	2,428,729	1,756,884	941,779,517	892,076,314	(49,703,203)		

2023

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Total
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## 6 OTHER RECEIVABLES

Note

Receivable against sale of units		129,000	2,000	-	-	131,000
Tax Recoverable	6.1	10,558	9,063	10,318	20,192	50,131
		<b>139,558</b>	<b>11,063</b>	<b>10,318</b>	<b>20,192</b>	<b>181,131</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2022						
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan - I	Total
----- Rupees -----						
Receivable against sale of units	-	-	-	-	-	-
Tax Recoverable	12,834	9,063	28,350	19,166	43,057	132,662
	<u>12,834</u>	<u>9,063</u>	<u>28,350</u>	<u>19,166</u>	<u>43,057</u>	<u>132,662</u>

- 6.1** 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) are exempt from withholding tax under sections 150 and 151. However, several banks deducted withholding tax on 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 by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual 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 being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (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 the profit received on bank deposits by the Funds has been shown as other receivable as at 30 June 2022 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 of the Fund, the net asset value of the Fund as at 30 June 2023 would have been lower by, AAAIP Rs. 0.03 per unit, AMAIP Rs. 0.02 per unit, ACAIP Rs. 0.02 per unit, AIDP Rs. Nil per unit AICPPII Rs. 0.02 per unit (30 June 2022: AAAIP Rs. 0.05 per unit, AMAIP Rs. 0.04 per unit, ACAIP Rs. 0.10 per unit, AIDP Rs. 0.24 per unit).

2023						
Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Total		
----- Rupees -----						
<b>7 PRELIMINARY AND FLOATATION COST</b>	Note					
Opening balance	7.1	56,055	56,055	56,055	-	168,165
Less: Amortization for the year		56,055	56,055	56,055	-	168,165
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022						Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan - II	
	----- Rupees -----						
Opening balance	112,109	112,109	112,109	-	-	112,109	448,436
Less: Amortization for the year	56,054	56,054	56,054	-	-	112,109	280,271
	<b>56,055</b>	<b>56,055</b>	<b>56,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,165</b>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortized over a period of five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the NBFC Regulations.

## 8 PAYABLE TO THE ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - RELATED PARTY

	Note	2023				Total
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	
		----- Rupees -----				
Remuneration of the Management Company	8.1	12,518	12,597	8,560	1,937	35,611
Sindh Sales Tax on remuneration of the Management Company	8.2	1,628	1,638	1,112	5	4,383
Front and backend load payable to the Management Company		23	-	-	-	23
Accounting and operational charges reimbursable by the Fund		267,400	294,274	317,771	614,238	1,493,683
		<b>281,568</b>	<b>308,509</b>	<b>327,443</b>	<b>616,180</b>	<b>1,533,700</b>

	2022						Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan - II	
	----- Rupees -----						
Remuneration of the Management Company	9,304	8,405	10,566	2,533	2,445	-	33,254
Sindh Sales Tax on remuneration of the Management Company	1,210	1,092	1,373	329	318	-	4,322
Front and backend load payable to the Management Company	23	-	-	-	-	-	23
Accounting and operational charges reimbursable by the Fund	18,055	19,205	21,298	4,074	66,003	-	128,634
	<b>28,591</b>	<b>28,702</b>	<b>33,237</b>	<b>6,936</b>	<b>68,765</b>	<b>-</b>	<b>166,231</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 8.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company set the maximum limit of 2.5% of average annual net assets, within allowed expense. The Management Company has charged its remuneration at a rate of 1% (2022:0.35%) per annum of the average annual net assets. The fee is payable to the Management Company monthly in arrears.
- 8.2** Sindh Sales Tax has been charged at 13% (2022:13%) on remuneration of the management company levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs.55,198 (2022: Rs. 39,178) charged during the year. Furthermore, an amount of Rs. 54,809 (2022: Rs. 36,476) has been paid to the Management Company which acts as a collecting agent.

### 9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY

		2023				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Total
Note		----- Rupees -----				
Remuneration Trustee fee	9.1	12,481	13,732	14,828	28,666	69,706
Sindh sales tax on Remuneration trustee fee	9.2	1,623	1,785	1,928	3,726	9,061
		<b>14,104</b>	<b>15,517</b>	<b>16,756</b>	<b>32,392</b>	<b>78,767</b>

		2022						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan - I	Total
		----- Rupees -----						
Remuneration Trustee fee		7,435	7,908	8,769	1,678	27,178	-	52,968
Sindh sales tax on Remuneration trustee fee		967	1,028	1,140	218	3,533	-	6,885
		<b>8,402</b>	<b>8,936</b>	<b>9,910</b>	<b>1,895</b>	<b>30,711</b>	<b>-</b>	<b>59,853</b>

- 9.1** The trustee is entitled to monthly remuneration for services rendered to the fund. The trustee charged 0.075% per annum (2022: 0.075%) of net assets.
- 9.2** Sindh Sales Tax has been charged at 13% (2022:13%) on remuneration of the Trustee levied through Sales Tax on Services Act, 2011 resulting in an amount of Rs.98,760 (2022: Rs 83,835 ) charged during the year. Furthermore an amount of Rs. 96,365 (2022: Rs 76,294) was paid to the Trustee which acts as a collecting agent.

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		2023					
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Total
Note		----- Rupees -----					
Annual SECP fees payable	10.1	34,335	41,087	44,414	743	97,218	217,797
		<b>34,335</b>	<b>41,087</b>	<b>44,414</b>	<b>743</b>	<b>97,218</b>	<b>217,797</b>

		2022						
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan - I	Total
		----- Rupees -----						
Annual SECP fees payable		26,147	27,182	28,731	5,632	79,579	15,301	182,572
		<b>26,147</b>	<b>27,182</b>	<b>28,731</b>	<b>5,632</b>	<b>79,579</b>	<b>15,301</b>	<b>182,572</b>

**10.1** In accordance with NBFC regulations, a collective investment scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP). With effect from 01 July 2019, the SECP vide SRO No.685(1)2019 dated 28 June 2019 revised the rate of annual fee to 0.02% (2022: 0.02%) per annum of the average annual net assets on all categories of CISs.

## 11 ACCRUED EXPENSES AND OTHER LIABILITIES

		2023					
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Total
Note		----- Rupees -----					
Auditors' remuneration payable		147,825	147,825	147,825	-	147,825	591,300
Withholding tax payable		566,654	1,662,003	3,388,795	61,125	6,010,105	11,688,682
Provision for Sindh Workers' Welfare Fund	11.1	-	-	-	-	-	-
Shariah Advisor fee payable		6,250	6,250	6,250	-	6,250	25,000
Other payable		-	-	-	-	4,282	4,282
Withholding and Capital gain tax payable		-	-	320	-	-	320
Dividend Payable		1,700,506	5,518,856	10,283,406	-	15,594,891	33,097,660
		<b>2,421,235</b>	<b>7,334,934</b>	<b>13,826,596</b>	<b>61,125</b>	<b>21,763,353</b>	<b>45,407,243</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022						Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan - I	
	----- Rupees -----						
Auditors' remuneration payable	37,930	39,341	42,108	8,324	99,997	-	227,699
Withholding tax payable	2,099	769	603,825	42,073	209,184	14,767	872,716
Printing charges payable	-	-	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	-
Shariah Advisor fee payable	2,882	2,819	3,272	527	15,501	-	25,000
Annual rating fee payable	-	-	-	-	-	-	-
Annual listing fee payable	-	-	-	-	-	-	-
Other payable	-	-	-	10,000	-	-	10,000
Withholding and Capital gain tax payable	-	148	320	-	-	-	468
Dividend Payable	-	-	-	-	545,099	-	545,099
	<b>42,910</b>	<b>43,076</b>	<b>649,524</b>	<b>60,924</b>	<b>869,781</b>	<b>14,767</b>	<b>1,680,983</b>

**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 / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual 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.

During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual 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, amounting to Rs. 4.32 million, 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.

## 12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at June 30, 2023 and (2022: Nil).



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 13 AUDITORS' REMUNERATION

	2023				Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	
	----- Rupees -----				
Audit fee	112,500	112,500	112,500	112,500	450,000
Income certification charges	7,500	7,500	7,500	7,500	30,000
Out of pocket expenses	16,875	16,875	16,875	16,875	67,500
Sindh sales tax on services	10,950	10,950	10,950	10,950	43,800
Prior year adjustment	17,818	16,407	13,641	(44,249)	3,617
	<b>165,643</b>	<b>164,232</b>	<b>161,466</b>	<b>103,576</b>	<b>594,917</b>

	2022						Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan - I	
	----- Rupees -----						
Audit fee	32,126	32,962	35,311	6,923	97,511	-	204,833
Income certification charges	3,538	3,630	3,889	762	10,739	-	22,559
Out of pocket expenses	4,246	4,356	4,667	915	12,887	-	27,070
Sindh sales tax on services	3,193	3,276	3,509	688	9,691	-	20,357
Prior year adjustment	-	-	-	-	-	(14,500)	(14,500)
	<b>43,103</b>	<b>44,224</b>	<b>47,376</b>	<b>9,289</b>	<b>130,828</b>	<b>(14,500)</b>	<b>260,319</b>

## 14 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan. This ratio net of government levies is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as fund of fund scheme. the total expense ratio of the Fund is as follows:

	2023			
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II
Total expense ratio	0.67	0.62	0.59	0.43
Government Levies and SECP Fee	0.04	0.04	0.04	0.03

	2022					
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan - I
Total expense ratio	0.47	0.43	0.43	0.53	0.27	-
Government Levies and SECP Fee	0.04	0.04	0.03	0.04	0.03	-

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 15 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of the fund's accounting income available for distribution by the year end, as cash dividend, to the unitholders. Since the management has paid the required minimum percentage of income earned by the Fund during the year ended 30 June 2022 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

## 16 ACCOUNTING AND OPERATIONAL CHARGES

The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) / 2019 dated 20 June 2019. The Management Company has charged expenses at the rate of 0.17% (2022: 0.17%) of the average annual net assets of the Fund for the year for allocation of such expenses to the Fund.

## 17 EARNING PER UNIT

Earning per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## 18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Atlas Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company. It also includes staff retirement benefit funds of the above connected person / related parties.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed. The details of transactions carried out by the Fund with connected persons during the period and balances with them at the period / year end are as follows:

	For the year ended 30 June 2023				Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	
18.1 Details of transaction with related parties during the year are as follows:	----- Rupees -----				
Atlas Asset Management Limited (Management Company)					
Remuneration for the period	136,471	150,527	123,479	16,022	426,500
Sindh sales tax on remuneration of the Management Company	17,742	19,569	16,053	1,836	55,199
Remuneration paid	133,258	146,335	125,486	14,085	419,164
floatation cost	56,055	56,055	56,055	-	168,164
Accounting & operational charges	528,942	610,164	659,280	-	1,798,386
Dividend declared	131,428	340,892	2,337,440	-	2,809,760

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		For the year ended 30 June 2023				
		Aggressive	Moderate	Conservative	Islamic Capital	
		Allocation	Allocation	Allocation	Preservation	
		Islamic Plan	Islamic Plan	Islamic Plan	Plan - II	Total
		(Note 1.3)				
		----- Rupees -----				
<b>18.1</b>	<b>Details of transaction with related parties during the year are as follows: (Cont...)</b>					
	<b>Central Depository Company of Pakistan Limited</b>					
	Remuneration of the Trustee	120,173	143,805	155,450	340,263	759,691
	Sindh Sales Tax on remuneration of the Trustee	15,623	18,694	20,209	44,234	98,759
	Remuneration paid	115,127	137,981	149,391	338,776	741,275
	<b>Atlas Honda Limited</b>					
	Dividend declared	-	-	-	17,602,654	17,602,654
	<b>Atlas Islamic Dedicated Stock Fund</b>					
	Purchase in Rupees	60,750,000	47,700,000	30,500,000	-	138,950,000
	Purchase of units	120,789	93,176	60,810	-	274,776
	Redemption in Rupees	-	-	-	7,000,000	7,000,000
	Redemption of units	-	-	-	14,108	14,108
	<b>Atlas Islamic Money Market Fund</b>					
	Purchase in Rupees	25,312,612	42,389,981	124,695,740	46,750,530	239,148,864
	Purchase of units	49,918	84,710	249,386	93,485	477,499
	Redemption in Rupees	2,500,000	-	-	25,000,000	27,500,000
	Redemption of units	4,989	-	-	49,890	54,879
	Dividend declared	1,668,978	4,191,709	12,692,824	46,743,149	65,296,660
	<b>Atlas Islamic Income Fund</b>					
	Purchase in Rupees	8,949,561	14,318,871	9,736,128	-	33,004,560
	Purchase of units	17,490	28,047	19,124	-	64,661
	Redemption in Rupees	8,700,000	11,500,000	71,000,000	-	91,200,000
	Redemption of units	16,127	21,577	134,529	-	172,233
	Dividend Entitlement	3,856,889	8,207,660	7,291,638	-	19,356,186
	<b>Atlas Group of Companies, M.S.G.Fund</b>					
	Purchase in Rupees	80,670,739	88,528,078	94,533,404	-	263,732,221
	Purchase of units	146,192	156,192	161,768	-	464,152
	Dividend Entitlement	1,269,223	2,860,881	6,151,695	-	10,281,799
	<b>Shirazi Investments (Private) Limited - Employee Provident Fund</b>					
	Purchase in Rupees	3,995,908	4,111,354	1,777,108	-	9,884,370
	Purchase of units	7,123	7,159	3,114	-	17,396
	Redemption in Rupees	662,000	799,000	1,586,000	-	3,047,000
	Redemption of units	1,174	1,346	2,628	-	5,148
	Dividend declared	-	117,726	269,773	-	387,499
	<b>Directors and their close family members and key management personnel of the Management Company</b>					
	Purchase in Rupees	131,017	433,011	141,477	-	705,505
	Purchase of units	239	756	230	-	1,225
	Dividend declared	2,017	299,492	1,312	310,693	613,513

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 18.2** As required under S.R.O. 592(I)/2023 dated May 17, 2023, the Management Company have developed a policy (without any exemption) to align the interests of its key employees i.e. (Chief Executive Officer and Chief Investment Officer) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 20% of bonuses paid (net of tax) to these employees are retained and invested in the CIS managed by the Management Company. Included in the units above, bonuses paid to key employees in the form of units of the Fund includes:

	For the year ended 30 June 2023				Total
	Aggressive	Moderate	Conservative	Islamic Capital	
	Allocation	Allocation	Allocation	Preservation	
	Islamic Plan	Islamic Plan	Islamic Plan	Plan - II (Note 1.3)	
Chief Executive Officer	153	143	135	-	431
Chief Investments Officer.	82	77	72	-	231
Returns as on June 30, 2023	1.38%	5.50%	10.70%	8.60%	

	For the year ended 30 June 2022						Total
	Aggressive	Moderate	Conservative	Islamic	Islamic Capital	Islamic Capital	
	Allocation	Allocation	Allocation	Dividend	Preservation	Preservation	
	Islamic Plan	Islamic Plan	Islamic Plan	Plan	Plan - II	Plan	
----- Rupees -----							
<b>Atlas Asset Management Limited (Management Company)</b>							
Remuneration for the period	98,314	64,386	62,097	32,003	30,031	14,537	301,368
Sindh sales tax on remuneration of the Management Company	12,781	8,370	8,073	4,160	3,904	1,890	39,178
Remuneration paid	92,079	58,640	53,134	32,192	27,586	16,945	280,576
floatation cost	56,054	56,054	56,054	-	-	112,108	280,270
Accounting & operational charges	222,248	231,041	244,215	47,876	676,418	71,661	1,493,459
Issuance in amounts	3,000,000	1,000,000	1,618,268	1,627,253	-	-	7,245,520
Issue of units	4,980	1,698	2,844	3,246	-	-	12,768
Dividend declared	-	-	693,431	1,914,415	-	-	2,607,846
<b>Central Depository Company of Pakistan Limited</b>							
Remuneration of the Trustee	91,514	95,135	100,560	19,713	278,525	59,445	644,891
Sindh Sales Tax on remuneration of the Trustee	11,897	12,367	13,073	2,563	36,208	7,728	83,835
Remuneration paid	91,649	94,949	100,094	19,595	251,347	88,689	646,323
<b>Atlas Honda Limited</b>							
Dividend declared	-	-	-	-	714,875	-	714,875
Issuance in amounts	-	-	-	-	237,321,229	-	237,321,229
Issue of units	-	-	-	-	474,642	-	474,642
<b>Shirazi Investments (Private) Limited</b>							
Dividend declared	-	-	3,284,062.00	-	641,293	-	3,925,355
Purchase in Rupees	-	-	2,791,453.01	-	212,348,729.37	-	215,140,182
Purchase of units	-	-	4,921.24	-	424,697.46	-	429,619
<b>Atlas Islamic Dedicated Stock Fund</b>							
Purchase in Rupees	17,000,000	14,700,000	-	-	-	-	31,700,000
Purchase of units	31,925	27,631	14,566	-	-	-	74,122
Redemption in Rupees	4,350,000	3,000,000	8,100,000	-	-	26,277,273	41,727,273
Redemption of units	7,288	5,023	4,000,000	-	-	43,639	4,055,950
Dividend declared	-	-	6,696	-	-	-	6,696

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

For the year ended 30 June 2022

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan	Total
----- Rupees -----							
<b>Atlas Islamic Money Market Fund</b>							
Purchase of units	-	-	-	-	982,495	-	982,495
Redemption in Rupees	-	-	-	-	-	-	-
Redemption of units	-	-	-	-	400,000	-	400,000
Dividend declared	-	-	-	-	22,227,828	-	22,227,828
<b>Atlas Islamic Income Fund</b>							
Purchase in Rupees	3,622,673	4,736,507	16,143,722	2,201,872	491,247,548	20,777,274	538,729,595
Purchase of units	7,161	9,363	31,912	4,353	982,495	40,782	1,076,065
Redemption in Rupees	9,000,000	11,100,000	14,100,000	-	200,000,000	510,088,471	744,288,471
Redemption of units	7,288	20,954	26,695	-	400,000	991,846	1,446,783
Dividend Entitlement	2,313,083	4,736,507	8,793,406	2,201,872	-	-	18,044,868
<b>Atlas Group of Companies, M.S.G.Fund</b>							
Purchase in Rupees	10,032,492	10,000,000	10,283,241	-	-	-	30,315,732
Purchase of units	18,143	17,700	17,718	-	-	-	53,560
Dividend Entitlement	-	-	47,913	-	-	-	47,913
<b>Shirazi Investments (Private) Limited - Employee Provident Fund</b>							
Purchase in Rupees	-	-	5,584,972	-	-	-	5,584,972
Purchase of units	-	-	9,574	-	-	-	9,574
Redemption in Rupees	-	-	2,472,888	-	-	-	2,472,888
Redemption of units	-	-	4,259	-	-	-	4,259
Dividend declared	-	-	14,357	-	-	-	14,357
<b>Directors and their close family members and key management personnel of the Management Company</b>							
Purchase in Rupees	-	-	-	-	4,188,799	-	4,188,799
Purchase of units	-	-	-	-	8,378	-	8,378
Dividend declared	-	-	-	-	12,618	-	12,618

2023

	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Total
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----- Rupees -----

### 18.3 Details of balances with related parties as at the year end are as follows:

#### Atlas Asset Management Limited (Management Company)

Remuneration payable to the management company	12,518	12,597	8,560	1,937	35,611
Sindh Sales tax payable on remuneration of the Management Company	1,628	1,638	1,112	5	4,383
Sales Load Payable	23	-	-	-	23
Accounting and operational charges payable	267,400	294,274	317,771	614,238	1,493,683
Outstanding amount - at net asset value	8,568,118	7,228,640	27,837,718	-	43,634,476
Outstanding units	15,546	12,791	49,118	-	77,456

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023				
		Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Total
18.3 Details of balances with related parties as at the year end are as follows: (Cont....)		Rupees				
<b>Central Depository Company of Pakistan Limited (Trustee)</b>						
Trustee fee payable		12,481	13,732	14,828	28,666	69,706
Sindh Sales tax payable on remuneration of trustee 1,623		-	1,785	1,928	3,726	9,061
<b>Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>						
Outstanding amount - at net asset value		3,278,712	3,284,644	3,288,122	212,019,759	221,871,236
Outstanding units		5,949	5,812	5,802	424,697	442,261
<b>Shirazi Investments (Private) Limited - Group Company</b>						
Outstanding amount - at net asset value		109,166,994	112,724,027	113,145,000	-	335,036,020
Outstanding units		198,079	199,471	199,639	-	597,188
<b>Atlas Honda Limited - Group Company</b>						
Outstanding amount - at net asset value		-	-	-	254,527,883	254,527,883
Outstanding units		-	-	-	509,846	509,846
<b>Atlas Islamic Dedicated Stock Fund</b>						
Outstanding amount - at net asset value		150,212,659	117,507,942	67,697,416	165,469,875	500,887,892
Outstanding units		303,288	237,255	136,685	334,093	1,011,321
<b>Atlas Islamic Money Market Fund</b>						
Outstanding amount - at net asset value		22,560,854	42,537,062	125,228,455	314,390,559	504,716,930
Outstanding units		44,929	84,710	249,386	626,092	1,005,117
<b>Atlas Islamic Income Fund</b>						
Outstanding amount - at net asset value		28,409,663	60,051,530	46,474,396	-	134,935,589
Outstanding units		55,679	117,693	91,083	-	264,455
<b>Atlas Group of Companies, M.S.G.Fund</b>						
Purchase in Rupees		90,570,130	98,268,852	101,724,145	-	290,563,127
Purchase of units		164,336	173,892	179,487	-	517,715
<b>Directors and their close family members and key management personnel of the Management Company</b>						
Outstanding amount - at net asset value		131,489	6,432,953	130,201	4,492,504	11,187,148
Outstanding units		239	11,383	230	8,999	20,851

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022						Total
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II (Note 1.3)	Islamic Capital Preservation Plan	
Details of balances with related parties as at the year end are as follows:							
<b>Atlas Asset Management Limited (Management Company)</b>							
Remuneration payable to the management company	9,304	8,405	10,566	2,533	2,445	-	33,253
Sindh Sales tax payable on remuneration of the Management Company	1,210	1,092	1,373	329	318	-	4,322
Sales Load Payable	23	-	-	-	-	-	23
Accounting and operational charges payable	18,055	19,205	21,298	4,074	66,003	-	128,633
Outstanding amount - at net asset value	8,474,056	6,909,163	25,524,011	22,944,312	-	-	63,851,543
Outstanding units	15,309	12,190	44,998	45,889	-	-	118,385
<b>Central Depository Company of Pakistan Limited (Trustee)</b>							
Trustee fee payable	7,435	7,908	8,769	1,678	27,178	-	52,968
Sindh Sales tax payable on remuneration of trustee	967	1,028	1,140	218	3,533	-	6,885
<b>M/S. Shirazi Investments (Pvt.) Ltd. - Emp. Prov. Fund</b>							
Outstanding amount - at net asset value	109,642,977	113,057,402	116,032,454	212,298,190	212,298,190	-	763,329,214
Outstanding units	198,079	199,471	204,560	424,697	424,697	-	1,451,504
<b>Shirazi Investments (Private) Limited - Group Company</b>							
Outstanding amount - at net asset value	-	-	3,014,964	-	-	-	3,014,964
Outstanding units	-	-	5,315	-	-	-	5,315
<b>Atlas Honda Limited - Group Company</b>							
Outstanding amount - at net asset value	-	-	-	237,321,223	236,657,247	-	473,978,470
Outstanding units	-	-	-	474,642	473,427	-	948,069
<b>Atlas Islamic Dedicated Stock Fund</b>							
Outstanding amount - at net asset value	93,837,976	66,615,327	39,013,471	-	179,039,534	-	378,506,308
Outstanding units	182,499	144,079	75,875	-	348,202	-	750,655
<b>Atlas Islamic Money Market Fund</b>							
Outstanding amount - at net asset value	-	-	-	-	291,247,378	-	291,247,378
Outstanding units	-	-	-	-	582,495	-	582,495
<b>Atlas Islamic Income Fund</b>							
Outstanding amount - at net asset value	27,541,198	56,396,183	104,700,478	26,217,036	-	-	214,854,895
Outstanding units	54,316	111,224	206,488	51,705	-	-	423,733
<b>Atlas Group of Companies, M.S.G.Fund</b>							
Purchase in Rupees	10,042,855	9,797,282	10,049,938	-	-	-	29,890,075
Purchase of units	18,143	17,700	17,718	-	-	-	53,560
<b>Directors and their close family members and key management personnel of the Management Company</b>							
Outstanding amount - at net asset value	-	6,023,537	-	4,187,802	4,177,080	-	14,388,419
Outstanding units	-	10,628	-	8,378	8,356	-	27,361

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18.4 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

## 19 FINANCIAL INSTRUMENTS BY CATEGORY

	2023			Total
	Aggressive Allocation Islamic Plan			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- Rupees -----				
<b>Financial assets</b>				
Bank balances	16,757,660	-	-	16,757,660
Investments - net	-	201,183,177	-	201,183,177
Profit receivable on deposit with banks	234,530	-	-	234,530
Receivable against sale of units	129,000	-	-	129,000
	<b>17,121,190</b>	<b>201,183,177</b>	<b>-</b>	<b>218,304,366</b>

	At fair value through profit or loss	At amortised Cost	Total
----- Rupees -----			
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	281,568	281,568
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	14,104	14,104
Accrued expenses and other liabilities	-	1,854,581	1,854,581
	<b>-</b>	<b>2,150,253</b>	<b>2,150,253</b>

	2023			Total
	Moderate Allocation Islamic Plan			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- Rupees -----				
<b>Financial assets</b>				
Bank balances	21,061,498	-	-	21,061,498
Investments - net	-	220,096,521	-	220,096,521
Profit receivable on deposit with banks	242,608	-	-	242,608
Receivable against sale of units	2,000	-	-	2,000
	<b>21,306,106</b>	<b>220,096,521</b>	<b>-</b>	<b>241,402,627</b>

	At fair value through profit or loss	At amortised Cost	Total
----- Rupees -----			
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	308,509	308,509
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	15,517	15,517
Accrued expenses and other liabilities	-	5,672,931	5,672,931
	<b>-</b>	<b>5,996,958</b>	<b>5,996,958</b>



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2023			
Conservative Allocation Islamic Plan			
At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- Rupees -----			
Bank balances	22,401,332	-	22,401,332
Receivable against issue of units	-	239,400,266	239,400,266
Profit receivable on deposit with banks	208,591	-	208,591
	<b>22,609,923</b>	<b>239,400,266</b>	<b>262,010,189</b>

----- Rupees -----			
	At fair value through profit or loss	At amortised Cost	Total
Payable to Atlas Asset Management Limited - Management Company	-	327,443	327,443
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	16,756	16,756
Accrued expenses and other liabilities	-	10,437,801	10,437,801
	<b>-</b>	<b>10,782,000</b>	<b>10,782,000</b>

2023			
Islamic Capital Preservation II			
At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- Rupees -----			
Bank balances	24,902,807	-	24,902,807
Receivable against issue of units	-	479,860,434	479,860,434
Profit receivable on deposit with banks	56,876	-	56,876
	<b>24,959,683</b>	<b>479,860,434</b>	<b>504,820,118</b>

----- Rupees -----			
	At fair value through profit or loss	At amortised Cost	Total
Payable to Atlas Asset Management Limited - Management Company	-	616,180	616,180
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	32,392	32,392
Accrued expenses and other liabilities	-	15,753,248	15,753,248
	<b>-</b>	<b>16,401,820</b>	<b>16,401,820</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022			Total
	Aggressive Allocation Islamic Plan			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- Rupees -----				
<b>Financial assets</b>				
Bank balances	10,988,345	-	-	10,988,345
Investments - net	-	121,379,174	-	121,379,174
Profit receivable on deposit with banks	134,644	-	-	134,644
	<b>11,122,989</b>	<b>121,379,174</b>	<b>-</b>	<b>132,502,163</b>

	At fair value through profit or loss	At amortised Cost	Total
----- Rupees -----			
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	28,591	28,591
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	8,402	8,402
Accrued expenses and other liabilities	-	40,811	40,811
	<b>-</b>	<b>77,804</b>	<b>77,804</b>

	2022			Total
	Moderate Allocation Islamic Plan			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- Rupees -----				
<b>Financial assets</b>				
Bank balances	10,397,967	-	-	10,397,967
Investments - net	-	130,479,243	-	130,479,243
Profit receivable on deposit with banks	126,348	-	-	126,348
	<b>10,524,315</b>	<b>130,479,243</b>	<b>-</b>	<b>141,003,559</b>

	At fair value through profit or loss	At amortised Cost	Total
----- Rupees -----			
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	28,702	28,702
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	8,936	8,936
Accrued expenses and other liabilities	-	42,159	42,159
	<b>-</b>	<b>79,797</b>	<b>79,797</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2022			
Conservative Allocation Islamic Plan			
At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- Rupees -----			
<b>Financial assets</b>			
Bank balances	13,131,267	-	13,131,267
Investments - net	-	143,713,949	143,713,949
Profit receivable on deposit with banks	161,179	-	161,179
	<b>13,292,446</b>	<b>143,713,949</b>	<b>157,006,395</b>

2022			
Islamic Capital Preservation Plan			
At fair value through profit or loss	At amortised Cost	Total	
----- Rupees -----			
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	33,236	33,236
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	9,910	9,910
Accrued expenses and other liabilities	-	45,380	45,380
	-	<b>88,525</b>	<b>88,525</b>

2022			
Islamic Capital Preservation Plan			
At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
----- Rupees -----			
<b>Financial assets</b>			
Bank balances	25,689	-	25,689
Investments - net	-	-	-
Profit receivable on deposit with banks	400	-	400
	<b>26,089</b>	<b>-</b>	<b>26,089</b>

2022			
Islamic Capital Preservation Plan			
At fair value through profit or loss	At amortised Cost	Total	
----- Rupees -----			
<b>Financial liabilities</b>			
Payable to Atlas Asset Management Limited - Management Company	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-
Accrued expenses and other liabilities	-	39,078	39,078
	-	<b>39,078</b>	<b>39,078</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022			Total
	Islamic Capital Preservation II			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- Rupees -----				
<b>Financial assets</b>				
Bank balances	3,222,496	-	-	3,222,496
Investments - net	-	470,286,912	-	470,286,912
Profit receivable on deposit with banks	38,662	-	-	38,662
	<b>3,261,158</b>	<b>470,286,912</b>	<b>-</b>	<b>473,548,070</b>

	At fair value through profit or loss	At amortised Cost	Total	
	----- Rupees -----			
<b>Financial liabilities</b>				
Payable to Atlas Asset Management Limited - Management Company	-	68,765	68,765	
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	30,711	30,711	
Accrued expenses and other liabilities	-	660,597	660,597	
	<b>-</b>	<b>760,073</b>	<b>760,073</b>	

	2022			Total
	Daily Islamic Dividend Plan			
	At amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	
----- Rupees -----				
<b>Financial assets</b>				
Bank balances	3,467,034	-	-	3,467,034
Investments - net	-	26,217,036	-	26,217,036
Profit receivable on deposit with banks	38,126	-	-	38,126
	<b>3,505,160</b>	<b>26,217,036</b>	<b>-</b>	<b>29,722,196</b>

	At fair value through profit or loss	At amortised Cost	Total	
	----- Rupees -----			
<b>Financial liabilities</b>				
Payable to Atlas Asset Management Limited - Management Company	-	6,936	6,936	
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	1,895	1,895	
Accrued expenses and other liabilities	-	18,851	18,851	
	<b>-</b>	<b>27,682</b>	<b>27,682</b>	

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

### 20.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

#### (i) Profit rate risk

Profit rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market profit rates. As of 30 June 2022, the Fund is exposed to such risk on its balances held with banks. The investment committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 167,577 (2022: Rs. 109,883), Rs. 210,615 (2022: Rs. 103,980), Rs. 224,013 (2022: Rs. 131,313), Rs. Nil (2022: Rs. 3), Rs. 489 (2022: Rs. 34,670) and Rs. 249,028 (2022: 322) for AAAIP, AMAIP, ACAIP, AICPP-I, AIDP & AICPP-II respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change overtime. Accordingly, the sensitivity analysis prepared as of 30 June 2022 is not necessarily indicative of the impact on the Fund's net assets of the future movement in profit rates.

Yield / profit 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.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2022 can be determined as follows:

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2023

	Aggressive Allocation Islamic Plan					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	12.00% to 19.75%	16,757,660	-	-	16,757,660	
Investments		201,183,177	-	-	201,183,177	
Profit receivable on deposit with banks		-	-	234,530	234,530	
Receivable against sale of units		-	-	129,000	129,000	
		<b>217,940,837</b>	<b>-</b>	<b>363,530</b>	<b>218,304,367</b>	
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	281,568	281,568	
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	14,104	14,104	
Accrued expenses and other liabilities		-	-	1,854,581	1,854,581	
		<b>-</b>	<b>-</b>	<b>2,150,253</b>	<b>2,150,253</b>	
<b>On-balance sheet gap (a)</b>		<b>217,940,837</b>	<b>-</b>	<b>(1,786,723)</b>	<b>216,154,115</b>	
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total interest rate sensitivity gap (a+b)</b>		<b>217,940,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>217,940,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	

2023

	Moderate Allocation Islamic Plan					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	12.00% to 19.75%	21,061,498	-	-	21,061,498	
Investments		220,096,521	-	-	220,096,521	
Profit receivable on deposit with banks		-	-	242,608	242,608	
Receivable against sale of units		-	-	2,000	2,000	
		<b>241,158,019</b>	<b>-</b>	<b>244,608</b>	<b>241,402,627</b>	
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	308,509	308,509	
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	15,517	15,517	
Accrued expenses and other liabilities		-	-	5,672,931	5,672,931	
		<b>-</b>	<b>-</b>	<b>5,996,958</b>	<b>5,996,958</b>	
<b>On-balance sheet gap (a)</b>		<b>241,158,019</b>	<b>-</b>	<b>(5,752,349)</b>	<b>235,405,668</b>	
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total interest rate sensitivity gap (a+b)</b>		<b>241,158,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>241,158,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2023

	Conservative Allocation Islamic Plan					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	12.00% to 19.75%	22,401,332	-	-	-	22,401,332
Investments		239,400,266	-	-	-	239,400,266
Profit receivable on deposit with banks		-	-	-	208,591	208,591
		<b>261,801,598</b>	-	-	<b>208,591</b>	<b>262,010,189</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	327,443	327,443
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	16,756	16,756
Accrued expenses and other liabilities		-	-	-	10,437,801	10,437,801
		-	-	-	<b>10,782,000</b>	<b>10,782,000</b>
<b>On-balance sheet gap (a)</b>		<b>261,801,598</b>	-	-	<b>(10,573,409)</b>	<b>251,228,189</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<b>261,801,598</b>	-	-		
<b>Cumulative interest rate sensitivity gap</b>		<b>261,801,598</b>	-	-		

2023

	Islamic Capital Preservation Plan - II					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	12.00% to 19.75%	24,902,807	-	-	-	24,902,807
Investments		479,860,434	-	-	-	479,860,434
Profit receivable on deposit with banks		-	-	-	56,876	56,876
		<b>504,763,241</b>	-	-	<b>56,876</b>	<b>504,820,118</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	616,180	616,180
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	32,392	32,392
Accrued expenses and other liabilities		-	-	-	15,753,248	15,753,248
		-	-	-	<b>16,401,820</b>	<b>16,401,820</b>
<b>On-balance sheet gap (a)</b>		<b>504,763,241</b>	-	-	<b>(16,344,944)</b>	<b>488,418,297</b>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<b>504,763,241</b>	-	-		
<b>Cumulative interest rate sensitivity gap</b>		<b>504,763,241</b>	-	-		

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2022

	Aggressive Allocation Islamic Plan					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	6.75% to 15%	10,988,345	-	-	-	10,988,345
Investments	6.42% to 16.56%	1,844,714	10,007,097	15,689,387	93,837,976	121,379,174
Profit receivable on deposit with banks		-	-	-	134,644	134,644
		<u>12,833,059</u>	<u>10,007,097</u>	<u>15,689,387</u>	<u>93,972,620</u>	<u>132,502,164</u>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	28,591	28,591
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	8,402	8,402
Accrued expenses and other liabilities		-	-	-	40,811	40,811
		<u>-</u>	<u>-</u>	<u>-</u>	<u>77,804</u>	<u>77,804</u>
<b>On-balance sheet gap (a)</b>		<u>12,833,059</u>	<u>10,007,097</u>	<u>15,689,387</u>	<u>93,894,817</u>	<u>132,424,361</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<u>12,833,059</u>	<u>10,007,097</u>	<u>15,689,387</u>		
<b>Cumulative interest rate sensitivity gap</b>		<u>12,833,059</u>	<u>10,007,097</u>	<u>15,689,387</u>		

2022

	Moderate Allocation Islamic Plan					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	6.75% to 15%	10,397,967	-	-	-	10,397,967
Investments	6.42% to 16.56%	3,777,425	20,491,559	32,127,199	74,083,060	130,479,244
Profit receivable on deposit with banks		-	-	-	126,348	126,348
		<u>14,175,392</u>	<u>20,491,559</u>	<u>32,127,199</u>	<u>74,209,408</u>	<u>141,003,559</u>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	28,702	28,702
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	8,936	8,936
Accrued expenses and other liabilities		-	-	-	42,159	42,159
		<u>-</u>	<u>-</u>	<u>-</u>	<u>79,797</u>	<u>79,797</u>
<b>On-balance sheet gap (a)</b>		<u>14,175,392</u>	<u>20,491,559</u>	<u>32,127,199</u>	<u>74,129,611</u>	<u>140,923,761</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<u>14,175,392</u>	<u>20,491,559</u>	<u>32,127,199</u>		
<b>Cumulative interest rate sensitivity gap</b>		<u>14,175,392</u>	<u>20,491,559</u>	<u>32,127,199</u>		



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2022

	Conservative Allocation Islamic Plan					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	6.75% to 15%	13,131,267	-	-	13,131,267	
Investments	6.42% to 16.56%	7,012,854	38,042,930	59,644,694	143,713,949	
Profit receivable on deposit with banks		-	-	161,179	161,179	
		<u>20,144,121</u>	<u>38,042,930</u>	<u>59,644,694</u>	<u>157,006,395</u>	
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	33,236	33,236	
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	9,910	9,910	
Accrued expenses and other liabilities		-	-	45,380	45,380	
		<u>-</u>	<u>-</u>	<u>88,526</u>	<u>88,526</u>	
<b>On-balance sheet gap (a)</b>		<u>20,144,121</u>	<u>38,042,930</u>	<u>59,644,694</u>	<u>156,917,869</u>	
<b>Off-balance sheet financial instruments</b>		-	-	-	-	
<b>Off-balance sheet gap (b)</b>		-	-	-	-	
<b>Total interest rate sensitivity gap (a+b)</b>		<u>20,144,121</u>	<u>38,042,930</u>	<u>59,644,694</u>		
<b>Cumulative interest rate sensitivity gap</b>		<u>20,144,121</u>	<u>38,042,930</u>	<u>59,644,694</u>		

2022

	Islamic Capital Preservation Plan - I					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	6.75% to 15%	25,689	-	-	25,689	
Investments		-	-	-	-	
Profit receivable on deposit with banks		-	-	400	400	
		<u>25,689</u>	<u>-</u>	<u>400</u>	<u>26,089</u>	
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company		-	-	-	-	
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	-	
Accrued expenses and other liabilities		-	-	-	-	
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>On-balance sheet gap (a)</b>		<u>25,689</u>	<u>-</u>	<u>400</u>	<u>26,089</u>	
<b>Off-balance sheet financial instruments</b>		-	-	-	-	
<b>Off-balance sheet gap (b)</b>		-	-	-	-	
<b>Total interest rate sensitivity gap (a+b)</b>		<u>25,689</u>	<u>-</u>	<u>400</u>		
<b>Cumulative interest rate sensitivity gap</b>		<u>25,689</u>	<u>-</u>	<u>400</u>		

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2022

## Daily Dividend Plan

Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
<b>Financial assets</b>					
Bank balances	6.75% to 15%	3,467,034	-	-	3,467,034
Investments	6.42% to 16.56%	1,756,021	9,525,963	14,935,052	26,217,036
Profit receivable on deposit with banks		-	-	38,126	38,126
		<u>5,223,055</u>	<u>9,525,963</u>	<u>14,935,052</u>	<u>29,722,196</u>
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	6,936	6,936
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	1,895	1,895
Accrued expenses and other liabilities		-	-	18,851	18,851
		<u>-</u>	<u>-</u>	<u>27,682</u>	<u>27,682</u>
<b>On-balance sheet gap (a)</b>		<u>5,223,055</u>	<u>9,525,963</u>	<u>14,935,052</u>	<u>29,694,514</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<u>5,223,055</u>	<u>9,525,963</u>	<u>14,935,052</u>	
<b>Cumulative interest rate sensitivity gap</b>		<u>5,223,055</u>	<u>9,525,963</u>	<u>14,935,052</u>	

2022

## Islamic Capital Preservation Plan - II

Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees -----					
<b>Financial assets</b>					
Bank balances	6.75% to 15%	3,222,496	-	-	3,222,496
Investments	11.64% to 14.23%	79,726,936	211,520,442	179,039,534	470,286,912
Profit receivable on deposit with banks		-	-	38,662	-
		<u>82,949,432</u>	<u>211,520,442</u>	<u>179,078,196</u>	<u>473,548,070</u>
<b>Financial liabilities</b>					
Payable to Atlas Asset Management Limited - Management Company		-	-	68,765	68,765
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	30,711	30,711
Accrued expenses and other liabilities		-	-	660,597	660,597
		<u>-</u>	<u>-</u>	<u>760,073</u>	<u>760,073</u>
<b>On-balance sheet gap (a)</b>		<u>82,949,432</u>	<u>211,520,442</u>	<u>178,318,123</u>	<u>472,787,996</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<u>82,949,432</u>	<u>211,520,442</u>	<u>-</u>	
<b>Cumulative interest rate sensitivity gap</b>		<u>82,949,432</u>	<u>211,520,442</u>	<u>-</u>	

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## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### (iii) Price risk

Other 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.

A reasonably possible change of 5% increase or decrease in fair values of investee funds at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs. 10,059,159 (2022: 6,068,959), Rs. 11,004,826 (2022: 6,523,962), Rs. 11,970,013 (2022: 7,185,697), Nil (2022: Nil), Rs. Nil (2022: 1,310,852) and Rs. 23,993,022 (2022: 23,514,346) for AAAIP, AMAIP, ACAIP, AICPP, AIDP and AICPPII respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

## 20.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily redemptions, if any. 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. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed off. The Fund's listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange Limited.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023					Total
	Aggressive Allocation Islamic Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	16,757,660	-	-	-	-	16,757,660
Investments	-	-	-	-	201,183,177	201,183,177
Profit receivable on deposit with banks	234,530	-	-	-	-	-
Receivable against sale of units	129,000	-	-	-	-	-
	<b>17,121,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,183,177</b>	<b>217,940,838</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	281,568	-	-	-	-	281,568
Payable to the Central Depository Company of Pakistan Limited - Trustee	14,104	-	-	-	-	14,104
Accrued expenses and other liabilities	-	1,854,581	-	-	-	1,854,581
	<b>295,672</b>	<b>1,854,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,150,253</b>
<b>Net assets / (liabilities)</b>	<b>16,825,519</b>	<b>(1,854,581)</b>	<b>-</b>	<b>-</b>	<b>201,183,177</b>	<b>215,790,585</b>

	2023					Total
	Moderate Allocation Islamic Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	21,061,498	-	-	-	-	21,061,498
Investments	-	-	-	-	220,096,521	220,096,521
Profit receivable on deposit with banks	242,608	-	-	-	-	242,608
Receivable against sale of units	2,000	-	-	-	-	2,000
	<b>21,061,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,096,521</b>	<b>241,402,627</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	308,509	-	-	-	-	308,509
Payable to the Central Depository Company of Pakistan Limited - Trustee	15,517	-	-	-	-	15,517
Accrued expenses and other liabilities	-	5,672,931	-	-	-	5,672,931
	<b>324,026</b>	<b>5,672,931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,996,957</b>
<b>Net assets / (liabilities)</b>	<b>20,737,472</b>	<b>(5,672,931)</b>	<b>-</b>	<b>-</b>	<b>220,096,521</b>	<b>235,405,670</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023					Total
	Conservative Allocation Islamic Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	22,401,332	-	-	-	-	22,401,332
Investments	-	-	-	-	239,400,266	239,400,266
Profit receivable on deposit with banks	208,591	-	-	-	-	208,591
	<b>22,609,923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239,400,266</b>	<b>262,010,189</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	327,443	-	-	-	-	327,443
Payable to the Central Depository Company of Pakistan Limited - Trustee	16,756	-	-	-	-	16,756
Accrued expenses and other liabilities	-	10,437,801	-	-	-	10,437,801
	<b>344,199</b>	<b>10,437,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,782,000</b>
<b>Net assets / (liabilities)</b>	<b>22,265,724</b>	<b>(10,437,801)</b>	<b>-</b>	<b>-</b>	<b>239,400,266</b>	<b>251,228,189</b>

	2023					Total
	Islamic Capital Preservation Plan - II					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
	----- Rupees -----					
<b>Financial assets</b>						
Bank balances	24,902,807	-	-	-	-	24,902,807
Investments	-	-	-	-	479,860,434	479,860,434
Profit receivable on deposit with banks	56,876	-	-	-	-	56,876
	<b>24,959,683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>479,860,434</b>	<b>504,820,118</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	616,180	-	-	-	-	616,180
Payable to the Central Depository Company of Pakistan Limited - Trustee	32,392	-	-	-	-	32,392
Accrued expenses and other liabilities	-	15,753,248	-	-	-	15,753,248
	<b>648,572</b>	<b>15,753,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,401,820</b>
<b>Net assets / (liabilities)</b>	<b>24,311,111</b>	<b>(15,753,248)</b>	<b>-</b>	<b>-</b>	<b>479,860,434</b>	<b>488,418,297</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022					Total
	Aggressive Allocation Islamic Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	10,988,345	-	-	-	-	10,988,345
Investments	-	-	-	-	93,837,976	93,837,976
Receivable against issue of units	-	-	-	-	-	-
Profit receivable on deposit with banks	134,644	-	-	-	-	134,644
	<b>11,122,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,837,976</b>	<b>104,960,966</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	28,591	-	-	-	-	28,591
Payable to the Central Depository Company of Pakistan Limited - Trustee	8,402	-	-	-	-	8,402
Accrued expenses and other liabilities	-	40,811	-	-	-	40,811
	<b>36,993</b>	<b>40,811</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,804</b>
<b>Net assets / (liabilities)</b>	<b>11,085,997</b>	<b>(40,811)</b>	<b>-</b>	<b>-</b>	<b>93,837,976</b>	<b>104,883,163</b>

	2022					Total
	Moderate Allocation Islamic Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	10,397,967	-	-	-	-	10,397,967
Investments	3,777,425	-	-	-	74,083,060	77,860,485
Receivable against issue of units	-	-	-	-	-	-
Profit receivable on deposit with banks	-	-	-	-	126,348	126,348
	<b>14,175,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,209,408</b>	<b>88,384,800</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	28,702	-	-	-	-	28,702
Payable to the Central Depository Company of Pakistan Limited - Trustee	8,936	-	-	-	-	8,936
Accrued expenses and other liabilities	-	42,159	-	-	-	42,159
	<b>37,638</b>	<b>42,159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,797</b>
<b>Net assets / (liabilities)</b>	<b>14,137,754</b>	<b>(42,159)</b>	<b>-</b>	<b>-</b>	<b>74,209,408</b>	<b>88,305,004</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022					Total
	Conservative Allocation Islamic Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	13,131,267	-	-	-	-	13,131,267
Investments	-	-	-	-	143,713,949	143,713,949
Profit receivable on deposit with banks	-	-	-	-	-	-
	161,179	-	-	-	-	161,179
	<b>13,292,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,713,949</b>	<b>157,006,395</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	33,236	-	-	-	-	33,236
Payable to the Central Depository Company of Pakistan Limited - Trustee	9,910	-	-	-	-	9,910
	-	45,380	-	-	-	45,380
	<b>43,146</b>	<b>45,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,525</b>
<b>Net assets / (liabilities)</b>	<b>13,249,300</b>	<b>(45,380)</b>	<b>-</b>	<b>-</b>	<b>143,713,949</b>	<b>156,917,870</b>

	2022					Total
	Islamic Capital Preservation Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	25,689	-	-	-	-	25,689
Investments	-	-	-	-	-	-
Profit receivable on deposit with banks	-	-	-	-	-	-
	400	-	-	-	-	400
	<b>26,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,089</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-
	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets / (liabilities)</b>	<b>26,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,089</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022					Total
	Daily Dividend Plan					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	3,467,034	-	-	-	-	3,467,034
Investments	-	-	-	-	26,217,036	26,217,036
Profit receivable on deposit with banks	38,126	-	-	-	-	38,126
	<b>3,505,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,217,036</b>	<b>29,722,196</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	6,936	-	-	-	-	6,936
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,895	-	-	-	-	1,895
Accrued expenses and other liabilities	-	18,851	-	-	-	18,851
	<b>8,831</b>	<b>18,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,682</b>
<b>Net assets / (liabilities)</b>	<b>3,496,329</b>	<b>(18,851)</b>	<b>-</b>	<b>-</b>	<b>26,217,036</b>	<b>29,694,514</b>

	2022					Total
	Islamic Capital Preservation Plan - II					
	Within 1 month	1 to 3 months	3 to 12 months	More than 1 year	Financial instruments without fixed maturity	
----- Rupees -----						
<b>Financial assets</b>						
Bank balances	3,222,496	-	-	-	-	3,222,496
Investments	-	-	-	-	470,286,912	470,286,912
Profit receivable on deposit with banks	38,662	-	-	-	-	38,662
	<b>3,261,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>470,286,912</b>	<b>473,548,070</b>
<b>Financial liabilities</b>						
Payable to Atlas Asset Management Limited - Management Company	68,765	-	-	-	-	68,765
Payable to the Central Depository Company of Pakistan Limited - Trustee	30,711	-	-	-	-	30,711
Accrued expenses and other liabilities	-	660,597	-	-	-	660,597
	<b>99,476</b>	<b>660,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>760,073</b>
<b>Net assets / (liabilities)</b>	<b>3,161,681</b>	<b>(660,597)</b>	<b>-</b>	<b>-</b>	<b>470,286,912</b>	<b>472,787,996</b>



# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 20.3 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments and profit receivable on bank balances.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

30 June 2023

	Balance as per statement of assets and liabilities						Balance as per statement of assets and liabilities
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan	
Bank balances	16,757,660	21,061,498	22,401,332	61,868	24,902,807	25,689	85,185,165
Investments	201,183,177	220,096,521	239,400,266	-	479,860,434	-	1,140,540,398
Profit receivable on bank balances	234,530	242,608	208,591	-	56,876	400	742,606
	<b>218,175,367</b>	<b>241,400,627</b>	<b>262,010,189</b>	<b>61,868</b>	<b>504,820,118</b>	<b>26,089</b>	<b>1,226,468,169</b>

30 June 2022

	Balance as per statement of assets and liabilities						Balance as per statement of assets and liabilities
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan	
Bank balances	10,988,345	10,397,967	13,131,267	3,467,034	3,222,496	25,689	41,207,109
Investments	121,379,174	130,479,243	143,713,949	26,217,036	470,286,912	-	892,076,314
Profit receivable on bank balances	134,644	126,348	161,179	38,126	38,662	400	498,959
	<b>132,502,164</b>	<b>141,003,559</b>	<b>157,006,395</b>	<b>29,722,196</b>	<b>473,548,069</b>	<b>26,089</b>	<b>933,782,383</b>

### 20.3.1 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks. The credit rating profile of balances with banks is as follows:

#### Ratings of amount placed with Banks

	30-Jun-23						Total
	% of financial assets exposed to credit risk						
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan	
AAA	0.37	0.45	0.03	-	-	59.36	0.20
AA+	-	-	-	-	-	-	-
A+	99.63	99.55	99.97	95.89	-	-	71.53
AA	-	-	-	4.11	100.00	40.64	28.27
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

30-Jun-22

% of financial assets exposed to credit risk							
	Aggressive Allocation Islamic Plan	Moderate Allocation Islamic Plan	Conservative Allocation Islamic Plan	Islamic Dividend Plan	Islamic Capital Preservation Plan - II	Islamic Capital Preservation Plan	Total
AAA	0.56	0.92	0.04	-	-	59.36	0.43
A+	99.44	99.08	99.96	95.89	-	-	91.38
AA	-	-	-	4.11	100.00	40.64	8.19
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2023 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

All the balances with Banks have investment grade rating and hence are classified as Stage 1 under IFRS 9.

## 20.3.2 Reconciliation of liabilities arising out of financing activities

	Aggressive Allocation Islamic Plan		
	Receivable against issuance of units	Payable against redemption of units	Total
	----- Rupees -----		
Opening balance as at July 01, 2022	-	-	-
Receivable against issuance of units	88,665,347	-	88,665,347
Payable against redemption of units	-	4,691,142	4,691,142
	88,665,347	4,691,142	93,356,489
Amount received on issuance of units	(88,536,347)	-	(88,536,347)
Amount paid on redemption of units	-	(4,691,142)	(4,691,142)
	(88,536,347)	(4,691,142)	(93,227,489)
<b>Closing balance as at June 30, 2023</b>	<b>129,000</b>	<b>-</b>	<b>129,000</b>

	Moderate Allocation Islamic Plan		
	Receivable against issuance of units	Payable against redemption of units	Total
	----- Rupees -----		
Opening balance as at July 01, 2022	-	-	-
Receivable against issuance of units	96,361,057	-	96,361,057
Payable against redemption of units	-	808,800	808,800
	96,361,057	808,800	97,169,857
Amount received on issuance of units	(96,359,057)	-	(96,359,057)
Amount paid on redemption of units	-	(808,800)	(808,800)
	(96,359,057)	(808,800)	(97,167,857)
<b>Closing balance as at June 30, 2023</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Conservative Allocation Islamic Plan		
	Receivable against issuance of units	Payable against redemption of units	Total
	----- Rupees -----		
Opening balance as at July 01, 2022	-	-	-
Receivable against issuance of units	96,229,272	-	-
Payable against redemption of units	-	1,903,279	-
	96,229,272	1,903,279	-
Amount received on issuance of units	(96,229,272)	-	-
Amount paid on redemption of units	-	(1,903,279)	-
	(96,229,272)	(1,903,279)	-
<b>Closing balance as at June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Islamic Capital Preservation Plan - II		
	Receivable against issuance of units	Payable against redemption of units	Total
	----- Rupees -----		
Opening balance as at July 01, 2022	-	-	-
Receivable against issuance of units	18,732,271	-	18,732,271
Payable against redemption of units	-	8,621,688	8,621,688
	18,732,271	8,621,688	27,353,959
Amount received on issuance of units	(18,732,271)	-	(18,732,271)
Amount paid on redemption of units	-	(8,621,688)	(8,621,688)
	(18,732,271)	(8,621,688)	(27,353,959)
<b>Closing balance as at June 30, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 20.4 Fair value of financial instruments

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

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

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

### Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30 2023, the Fund has investments 'at fair value through profit or loss' measured using level 2 valuation technique. For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

For the remaining financial assets and financial liabilities, the Fund has not disclosed the fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

### 21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

### 22 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2023		
	Aggressive Allocation Islamic Plan			Moderate Allocation Islamic Plan		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Associated Companies / Directors	2	117,735,111	54.62	2	119,952,667	51.33
Individual	16	3,979,731	1.85	18	12,205,253	5.22
Retirement Funds	2	93,848,842	43.54	2	101,553,723	43.45
	<b>20</b>	<b>215,563,683</b>	<b>100.00</b>	<b>22</b>	<b>233,711,643</b>	<b>100.00</b>

## NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Category	2023			2023		
	Conservative Allocation Islamic Plan			Islamic Dividend Plan		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Associated Companies / Directors	2	140,982,743	56.89	-	-	-
Individual	19	1,810,380	0.73	-	-	-
Retirement Funds	2	105,012,180	42.38	-	-	-
	<b>23</b>	<b>247,805,302</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

Category	2023		
	Islamic Capital Preservation Plan - II		
	Number of unit holders	Rupees	% of total
Associated Companies / Directors	9	12,431,257	2.58
Individual	2	466,547,642	96.73
Retirement Funds	1	3,352,268	0.70
	<b>24</b>	<b>482,331,167</b>	<b>100</b>

Category	2022			2022		
	Aggressive Allocation Islamic Plan			Moderate Allocation Islamic Plan		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Associated Companies / Directors	2	118,117,035	89.17	2	119,966,565	85.11
Individual	11	4,305,113	3.25	13	10,962,334.54	7.78
Retirement Funds	1	10,042,855	7.58	1	10,031,882	7.11
Others	-	-	-	-	-	-
	<b>14</b>	<b>132,465,003</b>	<b>100.00</b>	<b>16</b>	<b>140,960,783</b>	<b>100.00</b>

Category	2022			2022		
	Conservative Allocation Islamic Plan			Islamic Dividend Plan		
	Number of unit holders	Rupees	% of total	Number of unit holders	Rupees	% of total
Associated Companies / Directors	-	-	-	1	22,944,312	77.34
Individual	16	1,748,024.98	1.12	6	6,721,661	22.66
Retirement Funds	2	13,064,903	8.36	-	-	-
Others	2	141,556,473.09	90.52	-	-	-
	<b>20</b>	<b>156,369,400</b>	<b>100.00</b>	<b>7</b>	<b>29,665,973</b>	<b>100.00</b>

Category	2022		
	Islamic Capital Preservation Plan - II		
	Number of unit holders	Rupees	% of total
Associated Companies / Directors	2	239,061,013	25.30
Individual	8	9,791,870	1.04
Retirement Funds	2	6,173,709	0.65
Others	2	217,492,834	23.01
	<b>28</b>	<b>945,038,852</b>	<b>100.00</b>

# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 23 THE MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Ali H. Shirazi	Director	Masters in Law	19.5 years
Mr. M. Abdul Samad	Chief Executive Officer	MBA, M.Com	23 Years
Mr. Khalid Mehmood	Chief Investment Officer	MBA - Finance	19 Years
Mr. Muhammad Umar Khan	Head of Portfolio Management	MSc - Finance	15 Years
Mr. Fawad Javaid	Head of Fixed Income	CMA	15 Years
Mr. Faran-ul-Haq	Head of Equities	M.B.A, CFA	12 Years

## 24 NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Faran-ul-Haq	Head of Equities	MBA, CFA	Atlas Stock Market Fund Atlas Islamic Stock Fund Atlas Islamic Dedicated Stock Fund

## 25 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The details of dates of Board meetings of the Management Company of the Fund, and the attendance of the Board members are given below:

Name	Designation	Meeting held on					
		July 01, 2022	Sep 08, 2022	Oct 28, 2022	Feb 24, 2023	Apr 27, 2023	June 24, 2023
Mr. Iftikhar H. Shirazi	Chairman	P	L	P	P	P	P
Mr. Tariq Amin	Director	P	P	P	P	P	P
Mr. Frahim Ali Khan	Director	P	P	P	P	P	P
Mr. Ali H. Shirazi	Director	L	P	P	P	P	P
Mr. M. Habib-ur-Rahman	Director	L	P	L	P	P	P
Ms. Zehra Naqvi	Director	P	P	P	P	P	P
Mr. M. Abdul Samad	Chief Executive Officer	P	P	P	P	P	P
Ms. Qurrat-ul-ain Jafari	Chief Financial Officer	P	P	P	P	P	P
Ms. Zainab Kazim	Company Secretary	P	P	P	P	P	P

P Present

L Leave of absence

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# NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 26 GENERAL

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

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

## 27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 11 September 2023.

**For Atlas Asset Management Limited  
(Management Company)**

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

**Muhammad Abdul Samad**  
Chief Executive Officer

**Iftikhar H. Shirazi**  
Chairman

**Tariq Amin**  
Director

## شرعیہ ایڈوائزر کی رپورٹ کا جائزہ:

اٹلس اسلامک فنڈ آف فنڈز (اے آئی ایف او ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۱.۳ (b) 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 ایسٹ 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 پیش کردہ معلومات کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل کی معروضی طور پر تصدیق کی جا سکے۔

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

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے اے آئی ایف او ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ایف او ایف کی جانب سے بعض ایسی بھی سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر شرعی ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ نیچر، 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 غیر شرعی حصہ صدقہ کر دیا گیا۔

کراچی ۳۰ جون، ۲۰۲۳  
ڈاکٹر مفتی محمد وصی فصیح بٹ  
شرعیہ ایڈوائزر



## شرعیہ ایڈوائزر کی رپورٹ کا جائزہ:

اٹلس اسلاک ڈیکلٹڈ اسٹاک فنڈ (اے آئی ڈی ایس ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۱.۳ (b) کے مطابق جاری کر رہا ہوں۔ رپورٹ کا دائرہ کار فنڈ کی سرگرمیوں کی شرعی تعمیل پر رائے کا اظہار کرتا ہے۔

یہ فنڈ کی مینجمنٹ کمپنی اٹلس ایسٹ 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 پیش کردہ معلومات کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل کی معروضی طور پر تصدیق کی جا سکے۔

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

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے اے آئی ڈی ایس ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ڈی ایس ایف کی جانب سے بعض ایسی بھی سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر شرعی 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 غیر شرعی حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے غیر شرعی حصہ صدقہ کر دیا گیا۔

کراچی ۳۰ جون، ۲۰۲۳

ڈاکٹر مفتی محمد وصی فصیح بٹ

شرعیہ ایڈوائزر

## شرعیہ ایڈوائزری رپورٹ کا جائزہ:

انٹلس اسلاک اسٹاک فنڈ (اے آئی ایس ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۳.۳ (۷) 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 انٹلس 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 پیش کردہ معلومات کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل کی معروضی طور پر تصدیق کی جا سکے۔

معاملات میں سرمایہ کاری کی تخصیص 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۔

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے اے آئی ایس ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ایس ایف کی جانب سے بعض ایسی بھی سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر شرعی ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ منیجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے غیر شرعی حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے غیر شرعی حصہ صدقہ کر دیا گیا۔

کراچی: ۳۰ جون، ۲۰۲۳

ڈاکٹر مفتی حسان عثمانی

شرعیہ ایڈوائزری

## شرعیہ ایڈوائزر کی رپورٹ کا جائزہ:

اٹلس اسلامک آف فنانڈ (اے آئی آئی ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۶.۲.۱۰ (e) 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 پیش کردہ معلومات کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل کی معروضی طور پر تصدیق کی جا سکے۔

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

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے اے آئی آئی ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی آئی ایف کی جانب سے بعض ایسی بھی سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر شرعی ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ منیجر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے غیر شرعی حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے غیر شرعی حصہ صدقہ کر دیا گیا۔

کراچی: ۳۰ جون، ۲۰۲۳  
ڈاکٹر مفتی حسان عثمانی  
شرعیہ ایڈوائزر

## شرعیہ ایڈوائزر کی رپورٹ کا جائزہ:

اٹلس اسلامک منی مارکیٹ فنڈ (اے آئی ایم ایف) کے شرعی مشیر کی حیثیت سے، میں یہ رپورٹ فنڈ کے ٹرسٹ ڈیڈ کی شق ۱۱.۴ (c) 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 پیش کردہ معلومات کے جائزے کی بنیاد پر رائے کا اظہار کروں، اس حد تک کہ اس طرح کی تعمیل کی معروضی طور پر تصدیق کی جا سکے۔

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۔

مذکورہ بالا دائرہ کار کی روشنی میں، میں نے اس کے ذریعے تصدیق کرتا ہوں کہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے اے آئی ایم ایف کی جانب سے اسکیم کی تمام دفعات اور سرمایہ کاری شرعی اصولوں کے مطابق ہے۔

اے آئی ایم ایف کی جانب سے بعض ایسی سرمایہ کاری کی گئی ہے جہاں سرمایہ کار کمپنیوں نے اپنی آمدنی کا ایک حصہ غیر شرعی ذرائع سے حاصل کیا ہے (جیسے سود کی آمدنی)۔ ایسے معاملات میں، فنڈ مینجمر، فنڈ کے شرعی مشیر نے میری مشاورت سے، فنڈ کی آمدنی کے غیر شرعی حصے کا تعین کیا ہے اور پوری آمدنی کو پاک کرنے کے لیے غیر شرعی حصہ صدقہ کر دیا گیا۔

کراچی: ۳۰ جون ۲۰۲۳

ڈاکٹر مفتی حسان عثمانی

شرعیہ ایڈوائزر

تازہ ترین درج بندی

اماشجات فیجری کی درج بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پیکرا) نے میٹجمنٹ کمپنی کی ایسٹ فیجری درج بندی اے ایم ۲+ (اے ایم ٹو پلس) ترتیب دی ہے۔  
۲۰۲۲ء: اے ایم ۲+ (اے ایم ٹو پلس) تاریخ ۲۳ دسمبر ۲۰۲۲ء کو یہ درج بندی کمپنی کی تجربہ کار ٹیم، منظم سرمایہ کاری نظام اور ہم آہنگ معیاری نظام اور طریقہ کار کی عکاسی کرتی ہے۔

مستحکم درج بندی۔ اے آئی آئی ایف

پیکرانے اے آئی آئی ایف کی درج بندی برائے استحکام فنڈ ترتیب دی ہے ”(اے اے - ایف)“ ”(ڈبل اے مائنس ایف: فنڈ ریٹنگ) بتاریخ ۱۷ اپریل ۲۰۲۳ء کو۔  
فنڈز کی یہ درج بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

مستحکم درج بندی۔ اے آئی ایم ایف

پیکرانے اے آئی ایم ایف کی درج بندی برائے استحکام فنڈ ترتیب دی ہے ”(اے اے ایف)“ ”(ڈبل اے ایف: فنڈ ریٹنگ) بتاریخ ۱۷ اپریل ۲۰۲۳ء کو۔ فنڈز کی یہ  
درج بندی ریٹرن میں متناسب استحکام کی نگرانی اور کم خطرات کا سامنا کرنے کی بہت مضبوط صلاحیت کو ظاہر کرتی ہے۔

آڈیٹرز

بورڈ آف ڈائریکٹران کی آڈٹ کمیٹی نے اپنی میٹنگ منعقدہ ۶ ستمبر ۲۰۲۳ء میں، میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، کوائٹس اسلامک اسٹاک فنڈ کیلئے دوبارہ بطور  
اہل تقرری کیلئے تجویز کیا اور میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس، کراچی کو بالترتیب اٹلس اسلامک منی مارکیٹ فنڈ کے لیے بطور اہل آڈیٹرز تقرری کیا اور میسرز یوسف  
عادل چارٹرڈ اکاؤنٹنٹس، کراچی کو اٹلس اسلامک اٹک فنڈ، اٹلس اسلامک فنڈ آف فنڈز اور اٹلس اسلامک ڈیڈیکیٹڈ اسٹاک فنڈ بطور اہل آڈیٹرز مالیاتی سال ۳۰ جون ۲۰۲۳ء کے  
لیے تقرری کی۔

توثیق

میٹجمنٹ کمپنی کے بورڈ آف ڈائریکٹران، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی قابل قدر حمایت، مدد اور رہنمائی کا شکریہ ادا کرتے ہیں۔ میٹجمنٹ کمپنی کے ملازمین اور اسٹاکسٹس کا  
ان کی لگن اور محنت کیلئے، اور میٹجمنٹ کمپنی پر پونٹ ہولڈرز کے اعتماد کا بھی بورڈ شکریہ ادا کرتا ہے۔

از طرف اور منجانب بورڈ

فراہیم علی خان  
ڈائریکٹر

محمد عبدالصمد  
چیف ایگزیکٹو آفیسر

کراچی، ۱۱ ستمبر، ۲۰۲۳ء

۲۰۲۳-۲۲ء مالیاتی سال کے دوران سات بورڈ میٹنگ منعقد کی گئیں اور اس میں شرکت کی گئی۔ میٹنگز کی تاریخیں اور شریک ہونے والے ڈائریکٹران کی تفصیلات، جیسا کہ این بی ایف سی کے قواعد و ضوابط ۲۰۰۸ء کے تحت درکار ہے۔ اے آئی ایم ایف، اے آئی ایس ایف، اے آئی آئی ایف، اے آئی ایف او ایف اور اے آئی ڈی ایس ایف کی مالیاتی تفصیلات کے نوٹس ۲۹، ۲۵، ۲۸، ۲۵ اور ۲۶ میں بالترتیب منسلک ہیں۔

بورڈ کی کمیٹیوں میں شامل ہیں آڈٹ کمیٹی، ہیومن ریسورس اینڈ ری میٹوریشن 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 ڈائریکٹران 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 فراہم علی خان	نان ایگزیکٹو ڈائریکٹر	۴
۳	جناب ایم حبیب الرحمن	نان ایگزیکٹو ڈائریکٹر	۳

• ہیومن ریسورس اینڈ ری میٹوریشن کمیٹی (ایچ آری اینڈ آری)۔ ایک میٹنگ منعقد ہوئی 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 فراہم علی خان	نان ایگزیکٹو ڈائریکٹر	۲
۳	جناب علی ایچ شیرازی	نان ایگزیکٹو ڈائریکٹر	۲
	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۲

• انویسٹمنٹ کمیٹی۔ پچھن 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	۱۳
۲	جناب ایم عبدالصمد	چیف ایگزیکٹو آفیسر	۲۸
۳	جناب خالد محمود (ایگزیکٹو مینجمنٹ)	چیف انویسٹمنٹ آفیسر رکن آئی سی	۵۱
۴	جناب ایم عمر خان (ایگزیکٹو مینجمنٹ)	ہیڈ آف پورٹ فولیو مینجمنٹ۔ رکن آئی سی	۵۳
۵	جناب فواد جاوید (ایگزیکٹو مینجمنٹ)	ہیڈ آف فکسڈ انکم۔ رکن آئی سی	۲۸
۶	جناب فاران الحق (ایگزیکٹو مینجمنٹ)	ہیڈ آف اکیویٹیز۔ سیکریٹری آئی سی	۵۰

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

بورڈ سے منظور شدہ کمپنی کے عطیات دینے کے اصول و ضوابط کے تحت ہر سال کمپنی ہنرنگ منظم کمپنی کے منافع، بعد از ادائیگی محصول، کا ایک فیصد عطیہ کرتی ہے۔ اس کے علاوہ شرعی اصولوں پر عمل پیرا ”ٹلس اسلامک اسٹاک فنڈ“ اور ”ٹلس اسلامک انکم فنڈ“ کی تائیدی 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۔

## بورڈ کے ڈائریکٹران کی جانب سے وثیق نامہ

بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ اے آئی ایف، اے آئی ایس ایف، اے آئی ایم ایف، اے آئی ایف او ایف اور اے آئی ڈی ایس ایف کے:

- ☆ منتظم کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے تمام فنڈز کی کارکردگی، سالانہ آمدنی، کیش فلو اور یونٹ ہولڈرز کے سرمائے میں نقل و حرکت کی ایک منصفانہ تصویر پیش کرتے ہیں۔
- ☆ 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 ذراست 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 انہیں انحراف ہو اسے 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۔
- ☆ مالی اعداد و شمار میں قانونی ادائیگی، ٹیکس، محصولات کا صحیح انکشاف کیا گیا ہے۔
- ☆ اہم مالیاتی اعداد و شمار / کارکردگی کے چارٹ، (اے آئی آئی ایف)، (اے آئی ایس ایف)، (اے آئی ایم ایف)، (اے آئی ایف او ایف) اور (اے آئی ڈی ایس ایف) کی سالانہ رپورٹس کے صفحات ۶۴، ۱۰۵، ۲۳، ۱۸۲ اور ۱۴۳ پر علی الترتیب شائع کئے گئے ہیں۔
- ☆ کفالتی فنڈز کی سرمایہ کاری کی قدر کے گوشوارے کا اطلاق میوچل فنڈ پر نہیں ہوتا کیوں کہ ملازمین کے ریٹائرمنٹ فوائد سے متعلق اخراجات منتظم کمپنی برداشت کرتی ہے۔
- ☆ یونٹس کی ملکیت کا اندازہ آئی آئی ایف، اے آئی ایس ایف، اے آئی ایم ایف، اے آئی ایف او ایف اور اے آئی ڈی ایس ایف کے مالیاتی گوشواروں کے علی الترتیب نوٹس نمبر ۲۵، ۲۱، ۲۴، ۲۲ اور ۲۲ میں دیا گیا ہے۔

## مینجمنٹ 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 فہیم علی خان، ڈائریکٹر، مسٹر ایم حبیب الرحمن، ڈائریکٹر، جناب طارق امین، آزاد ڈائریکٹر، مسٹر علی ایچ شیرازی، ڈائریکٹر، محترمہ ہرہ نقوی، آزاد ڈائریکٹر اور مسٹر محمد عبدالصمد، چیف ایگزیکٹو آفیسر۔

## ☆ ڈائریکٹرز کی موجودہ کل تعداد درج ذیل ہیں۔

مرد: ۶  
عورت: ۱

## ☆ بورڈ کی موجودہ تشکیل مندرجہ ذیل ہیں۔

آزاد ڈائریکٹر: ۲\*

غیر ایگزیکٹو ڈائریکٹرز: ۴

ایگزیکٹو ڈائریکٹرز: ۱

خواتین ڈائریکٹر: ۱ (\* آزاد ڈائریکٹر)

### تقسیم آمدن۔ اے اے اے آئی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے اے آئی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۲-۲۰۲۳ء کیلئے ۱۰.۱۰ روپے فی یونٹ (۲۰۲۲: صفر روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۲.۰۴ فیصد (۲۰۲۲ء: صفر فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

### تقسیم آمدن۔ اے ایم اے آئی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے ایم اے آئی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۲-۲۰۲۳ء کیلئے ۳۲.۵۵ روپے فی یونٹ (۲۰۲۲: صفر روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۶.۵۱ فیصد (۲۰۲۲ء: صفر فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

### تقسیم آمدن۔ اے سی اے آئی پی

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے سی اے آئی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۲-۲۰۲۳ء کیلئے ۶۰.۶۰ روپے فی یونٹ (۲۰۲۲: ۱۶.۴۵ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱۲.۱۲ فیصد (۲۰۲۲ء: ۳.۲۹ فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

### تقسیم آمدن۔ اے آئی ڈی پی

اے آئی ڈی پی کو ۱۵ اگست ۲۰۲۲ء سے ترک کر دیا گیا۔ اے آئی ڈی پی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں جولائی ۲۰۲۲ء سے ۱۵ اگست ۲۰۲۲ء تک ۹.۱۱ (۲۰۲۲: ۷.۳۵) روپے فی یونٹ تقسیم کا اعلان کیا۔ اس مدت / سال کی کل ادائیگی ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱.۸۲ فیصد (۲۰۲۲ء: ۸.۴۶ فیصد) پر ہو جاتی ہے۔

### تقسیم آمدن۔ اے آئی سی پی پی-II\*

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی سی پی پی-II کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۳ء کیلئے ۴۳.۲۰ روپے فی یونٹ (۲۰۲۱: ۱۰.۵۱ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۸.۶۴ فیصد (۲۰۲۱ء: ۰.۳۰ فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

### چیئرمین کا جائزہ:

اے آئی آئی ایف، اے آئی ایف، اے آئی ایم ایف، اے آئی ایف او ایف اور اے آئی ڈی ایف کی سالانہ رپورٹ میں شامل جائزہ جملہ 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۔

### کارپوریٹ نظم و ضبط:

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



اے آئی ایف او ایف جون ۲۰۲۲ء					
تفصیلات	اٹلس ایگریسیو ایکشن اسلامک پلان	اٹلس موڈریٹ ایکشن اسلامک پلان	اٹلس کنزرویٹو ایکشن اسلامک پلان	اٹلس اسلامک کیپیٹل پریزرویشن پلان I-	
آمدنی/ (خسارہ) فی یونٹ۔ روپے	(۳۷.۹۷)	(۱۵.۳۲)	۱۴.۹۰	۱.۳۹	۴۱.۰۶
ریٹرن۔ فیصد	(۶.۸۹)	(۲.۸۴)	۲.۹۲	۰.۲۸	۹.۰۱
مجموعی اثاثہ جات۔ ملین روپے	۱۳۲.۴۷	۱۴۰.۹۶	۱۵۶.۳۷	۴۷۲.۵۲	۲۹.۶۷
فروخت۔ ملین روپے	۱۳.۰۷	۱۱.۰۱	۲۱.۱۷	۴۷۲.۶۹	۲.۷۰
فروخت۔ بالحاظ یونٹس	۲۳,۱۷۸	۱۹,۴۱۱	۳۶,۵۹۷	۹۴۵,۶۰۵	۵,۴۰۳
ریڈیمیشن۔ ملین روپے	۰.۰۱	۰.۰۱	۲.۷۴	۰.۱۷	۰.۰۲
ریڈیمیشن۔ بالحاظ یونٹس	۱۰	۱۵	۴,۷۱۹	۳۴۱	۴۰۷
یونٹس بقایا جات بوقت اختتام سال	۲۳۹,۳۰۸	۲۴۸,۷۰۲	۲۷۵,۶۷۳	۹۴۵,۲۶۴	۵۹,۳۳۲

#### تقسیم آمدن۔ اے آئی ایم ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی ایم ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۲-۲۰۲۳ء کیلئے ۷۵.۷۶ روپے فی یونٹ (۲۰۲۲: ۲۵.۳۵ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱۵.۷۵ فیصد (۲۰: ۹.۰۷ فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

#### تقسیم آمدن۔ اے آئی آئی ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی آئی ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۲-۲۰۲۳ء کیلئے ۷۶.۲۲ روپے فی یونٹ (۲۰۲۲: ۲۶.۵۰ روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر ۱۵.۲۴ فیصد (۲۰۲۲: ۹.۳۰ فیصد) سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

#### تقسیم آمدن۔ اے آئی ایس ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی ایس ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۲۲-۲۰۲۳ء کیلئے صفر روپے فی یونٹ (۲۰۲۲: صفر روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد (۲۰۲۲: صفر فیصد) صفر تقسیم کی وجہ کے ایس سی ۱۰۰ انڈیکس کمی تھی جو کہ ۳۰ جون ۲۰۲۲ تک ۸۳.۸۳ روپے پوائنٹ پر تھا ۳۰ جون ۲۰۲۳ کو کم ہو کر ۳۰.۰۰ روپے پر آ گیا یر جائزہ کے ۰.۲۱ فیصد کی کمی ظاہر کرتا ہے۔ سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

#### تقسیم آمدن۔ اے آئی ڈی ایس ایف

منتظم کمپنی کی سرمایہ کاری کمیٹی برائے اے آئی ڈی ایس ایف کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس کو برائے اختتام مالیاتی سال ۳۰ جون ۲۰۲۳ء کیلئے صفر روپے فی یونٹ (۲۰۲۲: صفر روپے فی یونٹ) پورے سال کیلئے تقسیم کا اعلان کیا۔ ۵۰۰ روپے فی یونٹ کی اصل قیمت پر صفر فیصد (۲۰۲۲: صفر فیصد) صفر تقسیم کی وجہ کے ایس سی ۱۰۰ انڈیکس کمی تھی جو کہ ۳۰ جون ۲۰۲۲ تک ۸۳.۸۳ روپے پوائنٹ پر تھا ۳۰ جون ۲۰۲۳ کو کم ہو کر ۳۰.۰۰ روپے پر آ گیا یر جائزہ کے ۰.۲۱ فیصد کی کمی ظاہر کرتا ہے۔ سبکدوش ہونے والے سال کے لئے کوئی حتمی تقسیم نہیں ہوئی۔

## ڈائریکٹرز رپورٹ:

اٹلس ایسٹ منجمنٹ لمیٹڈ، (اے اے ایم ایل) منتظم برائے اٹلس اسلامک انکم فنڈ (اے آئی آئی ایف)، اٹلس اسلامک اسٹاک فنڈ (اے آئی ایس ایف)، اٹلس اسلامک منی مارکیٹ فنڈ (اے آئی ایم ایف)، اٹلس اسلامک فنڈ آف فنڈز (اے آئی ایف او ایف) اور اٹلس اسلامک ڈیڈ ویلکیٹیڈ اسٹاک فنڈ (اے آئی ڈی ایس ایف)، کے ڈائریکٹر صاحبان مذکورہ فنڈز کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی نتائج اور آڈیٹرز کی رپورٹس، برائے اختتام سال ۳۰ جون ۲۰۲۳ء باسرت پیش کرتے ہیں۔

آمدنی فی یونٹ، ریٹرن، مجموعی اثاثہ جات اور خلاصہ فروخت / تلافی

آمدنی فی یونٹ، ریٹرن، مجموعی اثاثہ جات، اور اے آئی آئی ایف، اے آئی ایس ایف، اے آئی ایم ایف، اے آئی ایف او ایف اور اے آئی ڈی ایس ایف کا خلاصہ فروخت / تلافی برائے اختتام سال ۳۰ جون ۲۰۲۳ء اور ۳۰ جون ۲۰۲۲ء درج ذیل ہیں۔

تفصیلات		اے آئی آئی ایف		اے آئی ایس ایف		اے آئی ایم ایف	
		۲۰۲۲ء	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۳ء	۲۰۲۲ء	۲۰۲۳ء
آمدنی / (خسارہ) فی یونٹ - روپے		۵۵.۰۲	(۲۱.۳۲)	(۷۸.۰۷)	۵۰.۲۵	۳۹.۶۰	(۱۳.۴۱)
ریٹرن (وائی ٹی ڈی) - فیصد		۱۵.۷۶	(۳.۳۶)	(۱۳.۷۴)	۱۶.۷۵	۹.۵۰	(۳.۶۸)
مجموعی اثاثہ جات - ملین روپے		۱,۵۵۷.۱۸	۳,۲۲۱.۳۵	۳,۸۵۹.۶۶	۳,۳۷۳.۸۷	۱,۳۳۶.۶۸	۵۰۳.۸۳
فروخت - ملین روپے		۱,۳۸۳.۴۵	۸۴۲.۷۷	۲,۸۹۸.۶۶	۱۰,۹۳۸.۱۷	۲,۳۲۱.۳۶	۱۳۱.۴۵
فروخت - بالحاظ یونٹس		۲,۶۰۵.۵۲۵	۱,۷۹۹,۲۲۲	۵,۱۲۶,۶۷۹	۲۱,۶۳۶,۶۴۵	۳,۶۰۱,۷۹۲	۲۷۹,۷۴۶
ریڈیمیشن - ملین روپے		۱,۶۵۵.۸۶	۱,۳۱۸.۴۲	۱,۱۳۶.۶۷	۹,۰۱۲.۳۶	۱,۶۱۱.۴۰	۹۹.۱۶
ریڈیمیشن - بالحاظ یونٹس		۳,۰۳۶,۲۱۷	۲,۸۲۱,۶۰۰	۲,۰۶۲,۷۴۵	۱۷,۸۲۱,۱۱۱	۲,۳۰۰,۲۹۲	۱۹۱,۷۴۲
یونٹس بھایا جات بوقت اختتام سال		۳,۰۵۱,۸۵۰	۳,۲۹۲,۵۴۲	۶,۷۸۲,۶۳۳	۶,۷۸۲,۶۳۳	۲,۸۹۳,۳۵۳	۱,۰۱۷,۲۵۷

اے آئی ایف او ایف جون ۲۰۲۳ء					تفصیلات
اٹلس ایسٹ اسلامک کیپیٹل پریزیڈنٹ پلان-II	اٹلس اسلامک ڈیویڈنڈ پلان	اٹلس کنزرویٹو ایلیویشن اسلامک پلان	اٹلس موڈریٹ ایلیویشن اسلامک پلان	اٹلس ایگریسیو ایلیویشن اسلامک پلان	
۴۱.۴۳	-	۵۱.۴۰	۲۵.۱۳	۷.۷۸	آمدنی / (خسارہ) فی یونٹ - روپے
۸.۶	-	۱۰.۷	۵.۵	۱.۳۸	ریٹرن - فیصد
۴۸۲.۳۳	-	۲۴۷.۸۱	۲۳۳.۷۱	۲۱۵.۵۶	مجموعی اثاثہ جات - ملین روپے
۱۸.۷۳	-	۹۶.۲۳	۹۶.۳۶	۸۸.۶۷	فروخت - ملین روپے
۳۷,۳۶۲	-	۱۶۳,۷۴۰	۱۶۶,۲۲۶	۱۶۰,۲۳۳	فروخت - بالحاظ یونٹس
۸.۶۲	-	۱.۹۰	۰.۸۱	۰.۰۴	ریڈیمیشن - ملین روپے
۱۶,۵۶۷	-	۳,۱۷۲	۱,۳۶۳	۸,۴۱۱	ریڈیمیشن - بالحاظ یونٹس
۹۶۶,۱۵۹	-	۴۳۷,۲۴۱	۴۱۳,۵۶۴	۳۹۱,۱۳۱	یونٹس بھایا جات بوقت اختتام سال



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