

# Atlas funds

*Nurturing your investments*

Atlas Money Market Fund

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ANNUAL REPORT

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30 June 2010



Managed By

Atlas Asset Management

Rated AM3+ by PACRA

# Company Profile

Atlas Asset Management Limited (AAML), an Atlas Group Company, was incorporated on 20 August 2002 and is registered with the Securities and Exchange Commission of Pakistan as an asset management company for managing open-ended funds and closed-end funds. AAML is also a licensed pension fund manager to manage voluntary pension funds. The mutual funds are regulated under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008). The voluntary pension funds are regulated under the Voluntary Pension System Rules, 2005 (VPS Rules 2005). AAML manages assets on behalf of retirement funds, welfare organizations, insurance companies, multinationals, NBFCs, and individuals.

AAML is a subsidiary of Shirazi Investments (Pvt.) Limited (SIL). SIL holds 88% of the shareholding in AAML. As the parent company, SIL sponsors Atlas Group projects and is also engaged in the business of equity trading, underwriting, real estate, and general trading. Atlas Group is a diversified group dealing in engineering, financial services and trading. The growth of SIL, and the Atlas Group as a whole, is the result of continued focus on good corporate governance.

Atlas Funds are well designed and carefully managed mutual funds that facilitate the investment needs of corporations, retirement funds and individual investors. The Atlas Funds family includes six mutual funds, five of which are open-ended, Atlas Income Fund, Atlas Islamic Income Fund, Atlas Money Market Fund, Atlas Stock Market Fund, and Atlas Islamic Stock Fund (formerly Atlas Islamic Fund) and the sixth is a closed-end fund, Atlas Fund of Funds. Atlas Money Market Fund is the latest entrant to the product range of AAML, and was launched on 20 January 2010, with a successful IPO of Rs. 815 million.

Atlas Funds also offers Administrative Plans derived from the underlying mutual funds the Company offers. The Plans are designed to suit the investors' risk profiles. These include the Income Multiplier Plan, Balanced Plan and Growth Plan between the Atlas Income Fund and Atlas Stock Market Fund, and the Systematic Payout and Systematic Withdrawal Plan provides a Shariah Compliant option to the investors, through the Atlas Islamic Income Fund.

Atlas Pensions is a comprehensive savings product established under the VPS Rules, 2005, with numerous advantages over existing occupational retirement schemes, in particular the provident fund. Inter alia, the VPS Schemes offer individualized asset allocation, portability, tax advantages (which can be availed up-front) and an in-built insurance wrap. Atlas Pensions offers two products: Atlas Pension Fund (APF) and Atlas Pension Islamic Fund (APIF), a Shariah Compliant pension fund.

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 returns on a diverse range of products, meeting not only the customer's(s) current requirements but also exceeding their future expectations. Moreover, 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.



# Mission Statement

We are committed to offering our investors the best possible returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and 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.

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# Organisation

## Management Company

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Atlas Asset Management Limited

## Board of Directors of the Management Company

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<b>Chairman</b>	Mr. Yusuf H. Shirazi
<b>Directors</b>	Mr. Tariq Amin Mr. M. Ashraf Janjua Mr. Frahim Ali Khan Mr. Arshad P. Rana Mr. Ali H. Shirazi

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

**Company Secretary** Ms. Lilly R. Dossabhoy

## Board Committees

### Audit Committee

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<b>Chairman</b>	Mr. Tariq Amin
<b>Members</b>	Mr. M. Ashraf Janjua Mr. Frahim Ali Khan

### Human Resource Committee

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

### Investment Committee

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<b>Chairman</b>	Mr. M. Habib-ur-Rahman
<b>Members</b>	Mr. Frahim Ali Khan Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khalid Mahmood

### Management Committee

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<b>Chairman</b>	Mr. M. Habib-ur-Rahman
<b>Members</b>	Ms. Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Hassan Khan

## Group Executive Committee

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<b>President</b>	Mr. Aamir H. Shirazi
<b>Members</b>	Mr. Jawaid Iqbal Ahmed Mr. Frahim Ali Khan Mr. Iftikhar H. Shirazi Mr. Saquib H. Shirazi Mr. Bashir Makki Mr. M. Naeem Khan

## Group Systems & Technology Committee

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<b>Chairman</b>	Mr. Iftikhar H. Shirazi
<b>Member</b>	Mr. Zia Ullah Begg

## 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

## Chief Internal Auditor

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Mr. Saood Hasan

## Auditors

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Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Legal Advisers

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Bawaney & Partners

## Bankers

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Bank Alfalah Limited  
Faysal Bank Limited

## Registered Office

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

Tel: (92-21) 111-MUTUAL (6-888-25)  
(92-21) 35379501-04

Fax: (92-21) 35379280

Email: info@atlasfunds.com.pk

Website: www.atlasfunds.com.pk

The above information is as at 24 September 2010.

# Board of Directors of the Management Company



**Mr. Yusuf H. Shirazi**  
Chairman

Mr. Yusuf H. Shirazi is the Chairman of Atlas Group of Companies. He is the Founder Member of the Karachi and Lahore Stock Exchanges, International Chamber of Commerce & Industry, Management Association of Pakistan, Lahore University of Management Sciences (LUMS), GIK Institute of Science and Technology and Al-Shifa Trust. He has been President of Karachi Chamber of Commerce twice. Mr. Shirazi was on the Board of Harvard Business School Alumni Association, Boston, USA. He is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has attended the Advanced Management Program (AMP) from the Harvard Business School, USA.



**Mr. Tariq Amin**  
Director

Mr. Tariq Amin is the Chairman of Orkila Pakistan (Pvt.) Ltd., a leading multinational company dealing in chemicals. He is also the Deputy Chairman of Barrett Hodgson Pakistan (Pvt.) Ltd. and has a vast experience in the financial and industrial sectors of Pakistan. He is a law graduate from the University of Karachi, and also holds a Masters degree in English from the University of Karachi, and a Postgraduate Diploma in Development Administration from the University of Leeds.



**Mr. M. Ashraf Janjua**  
Director

Mr. M. Ashraf Janjua is a Senior Fellow with the rank of Professor (Economics), and the Advisor to the President - College of Business Management, Karachi. He holds a Masters degree in Economics from Government College Lahore – Punjab University, and a Masters degree in Development Economics from the Williams College, USA. He has also done one year's graduate work at the Stanford University, California, USA. He joined the State Bank of Pakistan (SBP) in 1966 and was the Deputy Governor (Policy) of the SBP from 1992 to 1995, and was also affiliated with the SBP as Chief Economic Advisor, from 1995 to 2004. He has been affiliated with the office of the Executive Director for Pakistan at the International Monetary Fund, Washington D.C., USA, from 1979 to 1983. Prior to his career with the SBP, he was affiliated with the Pakistan Institute of Development Economics (PIDE) as a Research Economist, and with the Pakistan Development Review (PDR), as Associate Editor. Amongst other research works, he is the author of History of State Bank of Pakistan - Volume III (1977-78), and Volume IV (1988-2003).



**Mr. Frahim Ali Khan**  
Director

Mr. Frahim Ali Khan has been associated with Atlas Group since 1967 and has over 40 years of experience in General Management, Financial Management, Investment Banking, Taxation, and Legal matters. He was the Chief Executive Officer of the former Atlas Investment Bank Limited, till its merger with Atlas Bank Limited. He has attended the Senior Managers' Program from Harvard University, USA, and Financial Management Program from Stanford University, USA.

## Board of Directors of the Management Company



**Mr. Arshad P. Rana**  
Director

Mr. Arshad P. Rana is a graduate from Government College, Lahore; B.S. in Insurance & Economics from Iran and MBA from USA.

He is a senior expert in insurance industry and has been affiliated with Atlas Insurance Limited, an associate company of the Atlas Group since 1991; first as General Manager and then as Chief Operating Officer before being appointed as the Chief Executive Officer of the company in March 2004. In his professional career that spans over 35 years, he has worked in Iran, USA and Middle East. Since his appointment to this position, Mr. Rana has been managing the company affairs with a professional approach having the vision to make Atlas Insurance Limited as one of the best performing companies in the market. Under his leadership, Atlas Insurance Limited has won several awards in the financial sector.

Mr. Rana has been the Chairman, Insurance Association of Pakistan (IAP), Lahore Regional Committee in 2002-2003 and Vice Chairman, Central Committee (IAP) in the year 2004-2005 prior becoming the Chairman, Insurance Association of Pakistan in 2005-2006.



**Mr. Ali H. Shirazi**  
Director

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He is currently the President and Chief Executive Officer of Atlas Battery Limited. He has previously worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is also on the Boards of Atlas Insurance Limited, Atlas Engineering Limited, Shirazi Trading Company (Pvt.) Limited and Techlogix International Limited.



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

Mr. M. Habib-ur-Rahman is an FCA from the Institute of Chartered Accountants in England & Wales and has attended management level programme (PMD) from Harvard Business School, USA. He has been a founding member and is currently the Chairman of the Mutual Funds Association of Pakistan. He played an instrumental role in setting up the first open-end mutual fund in the private sector in Pakistan. He has been SECP's nominee on the Board of Karachi Stock Exchange in 2000, 2001, & 2003, and has also been a member of the Commission's Advisory Group on Capital Markets, and the Commission's Enquiry Committee on management of Exposure Rules by KSE / LSE.



# Management Committee



M. Habib-ur-Rahman  
Chief Executive Officer



Muhammad Abdul Samad  
Chief Investment Officer



Lilly R. Dossabhoy  
Chief Financial Officer &  
Company Secretary



Hassan Khan  
Head of Marketing & Sales

# Chairman's Review

It is my pleasure to present to you the First Annual Report of Atlas Money Market Fund (AMF) for the period from 05 January 2010 to 30 June 2010.

## THE ECONOMY

Despite uneven nature of the global economic recovery, Pakistan's economy has managed to post GDP growth of 4.1% in the outgoing year. The stabilization of global financial markets and banking system over the past year or more is a positive development. However, the differences in the speed of economic recovery amongst various economies are starting to present challenges of their own: they are showing up in capital flow, asset valuations and exchange rates. Pakistan's economy has shown strong capacity to overcome challenges emanated from both internal and external economic environment while moving towards achieving long term sustainable growth.

During July-June FY10, the current account deficit of the country narrowed down to US\$ 3.5 billion as compared to US\$ 9.3 billion for the same period of last year. This is largely due to growth in remittances which have increased from US\$ 7.8 billion in July-June FY09 to US\$ 8.9 billion in July-June FY10, better demand and performance of exports particularly of textiles, and a decline in imports. Trade balance has improved for July -June FY10 to negative US\$ 11.4 billion from negative US\$ 12.6 billion in July-June FY09, which is mainly due to decrease in oil import bill. The foreign exchange reserves currently stands at US\$ 15.6 billion (May 2010).

CPI Inflation stood at 11.70% during July-June FY10 as compared to 20.8% for the previous corresponding year. The inflationary pressures remained a concern on account of high public sector borrowing and adjustments in public utility prices. A growth of 12.46% was witnessed in the M2 (money supply) during Jul-Jun FY10 as compared to 9.56% growth during the previous corresponding period. The M2 growth occurred due to the expansion in the net domestic assets of the banking system, due to the rise in private sector credit and increased recourse to the government to finance its deficit from the banking system.

GDP growth rate for the period under review stood at 4.1% as compared to a growth of 1.2% in the preceding year. Agricultural sector contributed a slow growth of only 2% during July-April FY10 against a target of 3.8%. The issue of water shortage affected the growth in this sector. Services sector grew by a hefty 4.6% as compared to 1.6% in FY09. The manufacturing sector in the outgoing year performed well with LSM posting a growth of 4.4%.

## MUTUAL FUND INDUSTRY

The Securities & Exchange Commission of Pakistan (SECP) in consultation with Mutual Funds Association of Pakistan (MUFAP) has taken a number of measures to reinforce the industry. These measures include categorization of collective investment schemes, laying down investment policy for each category and improved disclosure requirement through monthly reporting. Beside this, MUFAP has taken the initiative of uploading mutual funds' performance statistics on its website on a regular basis and has also laid down standardized format for Fund Manager Report. The mutual funds and in particular those with equity exposure, were able to pay dividend/ bonus shares this year. Investors who invested while the stock market and as a result, the net asset value of mutual funds was at low level were able to make handsome gains. These stipulations will reinforce investors' confidence and promote a savings culture in the country. Some key areas will include improving public awareness and promote saving/ investing through mutual funds and to incentivize individual investors for long term investment. Sooner than later, listing regulations will incorporate provision for debt securities and encourage trading of debt securities through newly introduced Bond Automated Trading System (BATS). All these measures will create long term savings and bring liquidity in the market.

The money market schemes led the industry in terms of fresh inflows. The growth was partly due to categorization in accordance with its investment mandate and partly due to the low risk appetite of the investors. The growth in this category was partly due to conversion of investment in income schemes to money market schemes and fresh inflows considering the current interest rate scenario/ investors risk appetite. The money market schemes' AUM sharply increased from a meager Rs. 3.2 billion to about Rs. 32 billion in a short span of time. The equity and income schemes currently stand at about Rs. 40 billion and Rs. 60 billion respectively. While money market schemes are attractive for short term investment, income and equity schemes are attractive for medium to long term investment enabling the investors to have a balanced approach and invest according to his/ her risk appetite.

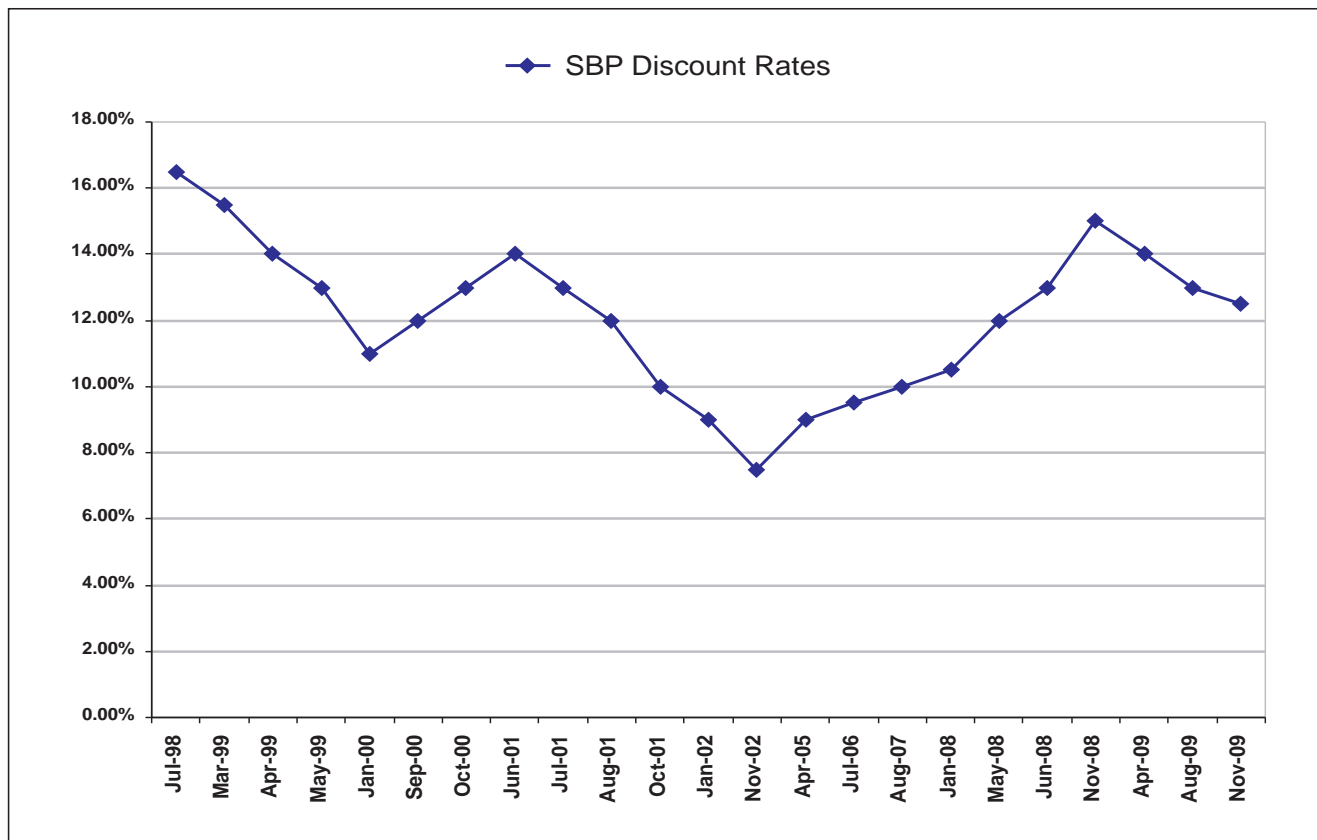
The mutual fund industry over the world outweighs bank deposits. Pakistan as a new entrant shall follow suit, as the funds, on the whole, ensure better safety and returns which is the present day requirement of Pak economy.



## THE MONEY MARKET

CPI continues to decline since early 2009 and reached a low of 8.9% year on year basis in October 2009. This occurred partly due to a favorable base effect, and partly due to decline in global commodities prices. Since October, inflation in the economy has picked up sharply and sustained near the 13% mark, and continues to show persistence on account of a number of adverse factors, such as increase in electricity tariffs, domestic petroleum / gas prices, and large increase in the support price of wheat.

Due to improved industrial and business activity, banks cautiously restarted lending to the private sector following an easing in classification of bad loans. Credit to private sector grew by Rs.112.9 billion during July-June 2010 compared to Rs. 17.1 billion during the same period last year. The declining trend in private sector credit, visible for twelve consecutive months, reversed from October 2009 onwards representing recovery in aggregate demand in the economy, as well as increase in private sector participation in commodity finance (particularly for cotton, rice and sugarcane). Despite the recovery in some macroeconomic indicators, private sector credit is not growing fast because of high interest rates.



The State Bank of Pakistan (SBP) has gradually eased the policy discount rate to the current rate 12.5%. The first reduction of the outgoing financial year was of 100 bps in August 2009 and the second reduction was of 50 bps in November 2009, bringing the policy discount rate down from 14% at the start of outgoing financial year to 12.5% at the end. Going forward, the SBP is likely to remain conservative and further reduction in policy discount depends upon easing of inflationary pressures in the economy.

## FUND OPERATIONS

The Atlas Money Market Fund (AMF) held its Initial Public Offer from 20-21 January 2010, and received very good response from investors. The AMF's Pre- IPO/ IPO size stood at Rs. 815 million and afterwards within a short span of less than six months time period the fund size increased to Rs. 1.41 billion as on 30 June 2010.

The Net Asset Value per unit of the Fund has increased by 10.45% (on reinvestment basis) to Rs. 513.60 per unit as on 30 June 2010, which includes 1st interim payout of Rs. 11.00 per unit. The benchmark 50% of average 3-Month deposit rates of three scheduled banks (AA and above rated) and 50% average 3 Month PKRV rate for the period of return stood at 9.60%.

The AMF's total exposure in Treasury Bills stood at 71.80% with remaining in short term placements with banks and cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk.

The Board of Directors has approved a final distribution of Rs. 13.50 per unit (2.70% on the face value of Rs.500 per unit). This is in addition to the 1st Interim distribution of Rs.11.00 per unit already paid. The total pay-out for the period from 05 January 2010 to 30 June 2010 (including final distribution of Rs. 13.50 per unit) works out to Rs. 24.50 per unit, i.e. 4.90%.

## RATINGS UPDATE

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of "AM3+" to the Company, for FY 2008-09. The rating reflects the Company's experienced and qualified management team, sound quality of support systems and processes, and a strong emphasis on risk management framework.

PACRA has assigned a stability rating of "AA (f)" (Double A : fund rating) to the Fund, for FY 2009-10. The Fund's rating denotes a very strong capacity to manage relative stability in returns and low exposure to risks.

## FUTURE OUTLOOK

Pakistan's economy is on recovery path after achieving macroeconomic stability over the past two years. The focus onward appears on how to make the upswing long and stable, and relatively free of imbalances. The sustainability of the economic recovery and its momentum will largely depend upon following prudent macroeconomic policies and timely implementation. The efforts to resolve some of the critical challenges the economy has faced in FY 2009- 10, such as the energy and water shortage, and measures taken to improve overall business environment, could lay the basis for higher growth in coming years. The budget for FY 2010-11 has focused mainly on generating revenues through taxes and phasing out of subsidies in order to meet the deficit target. Reduced budgetary borrowing and lower fiscal expenditures are some of the key goals of FY 2010-11 budget.

The Fund is committed to prudent investment procedures and will continue to provide consistent long term returns to the investors:

شاہین کا جہاں اور

(We look forward to beyond horizon)

## ACKNOWLEDGEMENT

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

Karachi: 20 August 2010

**Yusuf H. Shirazi**  
Chairman

# Directors' Report

The Board of Directors of Atlas Asset Management Limited, the Management Company of Atlas Money Market Fund (the Fund), take pleasure in presenting the First Annual Report of the Fund alongwith the audited financial statements and Auditors' Report thereon for the period from 5 January 2010 to 30 June 2010.

The Fund was launched on 20 January 2010 for public subscription, with a seed capital of Rs.100 million, and was listed on the Lahore Stock Exchange (Guarantee) Limited from 10 March 2010.

## EARNINGS PER UNIT

Earnings per unit for the period from 5 January 2010 to 30 June 2010 work out to Rs. 22.77 per unit.

## FUND SIZE AND INCOME DISTRIBUTION

As at 30 June 2010, the Net Assets of the Fund stood at Rs.1.41 billion. The Board of Directors of the Management Company of the Fund has approved a final bonus of 2.70% on the face value of Rs.500 per unit, which works out to Rs.13.50 per unit. This is in addition to the interim bonus of 2.20% on the face value of Rs.500 per unit, working out to Rs.11 per unit, approved by the Board of Directors of the Management Company for the period ended 31 March 2010. The total payout for the period from 5 January 2010 to 30 June 2010 aggregates to 4.90%.

## SALE AND REDEMPTION OF UNITS

During the period, 4,706,001 units of the value of Rs.2.38 billion were issued, while 1,996,970 units of the value of Rs.1.02 billion were redeemed. As at 30 June 2010, the total number of units outstanding was 2,746,118 valued at Rs.1.41 billion.

The pattern of unit holdings of the Fund, as required under the Non-Banking Finance Companies & Notified Entities Regulations, 2008 (NBFC Regulations, 2008), is presented in note 19 to the financial statements.

## CHAIRMAN'S REVIEW

The review included in the Annual Report deals inter alia with the performance of the Fund for the period and future prospects. The directors endorse the contents of the review.

## COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

- a) The financial statements, prepared by the Management Company of the Fund, present fairly its state of affairs, the results of its operations, comprehensive income for the period, cash flows, and movement in Unit Holders' Fund.
- b) Proper books of account of the Fund have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There is no doubt about the Fund's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) A summary of key financial data/performance table is summarized is annexed.
- i) The statement as to the value of investments of provident fund is not applicable in the case of the Fund as these relate to retirement benefits to the employees of the Management Company, and are not chargeable to the Fund.

## RATINGS UPDATE

The Pakistan Credit Rating Agency Limited (PACRA), has maintained the asset manager rating of "AM3+" to the Management Company, for FY 2008-09.

PACRA has assigned a stability rating of "AA (f)" (Double A : fund rating) to the Fund, for FY 2009-10, The Fund's rating denotes a very strong capacity to manage relative stability in returns and low exposure to risks.

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The Board comprises of one executive and six non-executive directors. During the year, the casual vacancy arising in the Board of Mr. Michael Ferrer was filled in by Mr. Arshad P. Rana who was co-opted for by the Board as Director in his place, with the approval of the SECP. The Board records their appreciation for the services rendered by Mr. Michael Ferrer during his tenure as Director of the Company. Also, the current Board of Directors completed their term of three years and was re-appointed for a fresh term of three years in the Annual General Meeting of the Management Company of the Fund held in October 2009, with the approval of the SECP.

During the year, seven Board Meetings were held. The particulars of the dates of meetings, and the directors attending, as required under the NBFC Regulations, 2008, are appended as note 24 to the financial statements.

The Directors, CEO, CFO/Company Secretary and their spouses and minor children have made no transactions in the Fund's units during the year except as disclosed in note 16 to the financial statements - "Transactions with Related Parties / Connected Persons."

## AUDITORS

The Audit Committee of the Board of Directors, in their meeting held on 17 August 2010, recommended the re-appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, Karachi, as auditors of Atlas Money Market Fund for the financial year ending 30 June 2011. The Board approved the appointment.

## 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

Karachi: 20 August 2010

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

# Fund Manager's Report

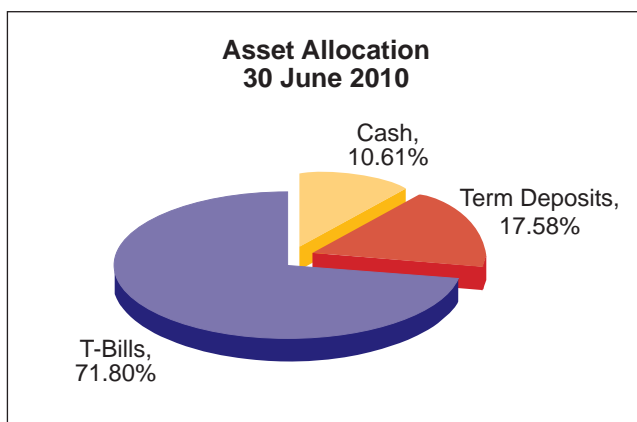
Atlas Money Market Fund (AMF) is an open-ended money market fund. The investment objective of the Fund is to provide its unit-holders competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. The Fund invests the assets in authorized short term money market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

The Benchmark for AMF is 50% of an average of three months' deposit rates of three scheduled banks with AA and above credit rating during the period of return and 50% of an average of three months' PKRV rate during the period of return, as is available through Reuters and Financial Markets Association of Pakistan (FMA).

CPI continues to decline since early 2009 and reached a low of 8.9% year on year basis in October 2009. This occurred partly due to a favorable base effect, and partly due to decline in global commodities prices. Since October, inflation in the economy has picked up sharply and sustained near the 13% mark, and has continued to show persistence on account of a number of factors, such as increase in electricity tariffs, domestic petroleum /gas prices, and large increase in the support price of wheat.

The State Bank of Pakistan (SBP) has gradually eased the policy discount rate to the current 12.5%. The first reduction of the outgoing financial year was of 100 bps in August 2009 and the second reduction was of 50 bps in November 2009, bringing the policy discount rate down from 14% at the start of outgoing financial year to 12.5% at the end. Going forward, the SBP is likely to remain conservative and further reduction in policy discount depends upon easing of inflationary pressures in the economy.

The Fund held its Initial Public Offer from 20-21 January 2010, and received very good response from investors. The AMF Pre- IPO/ IPO size stood at Rs. 815 million and afterwards within a short span of less than six months time period the fund size increased to Rs. 1.41 billion as on 30 June 2010.



The Net Asset Value per unit of the Fund has increased by 10.45% (on reinvestment basis) to Rs. 513.60 per unit as on 30 June 2010, which includes first interim payout of Rs. 11.00 per unit. The benchmark return stood at 9.60%.

The AMF's total exposure in Treasury Bills stood at 72% with remaining in short term placements with banks and cash. AMF presents a good investment opportunity for investors to earn attractive returns while maintaining high liquidity with low risk.

Breakdown of Unit holding by size:

Type of investor	No. of Investors	Amount of Investment (Rs.)	% of Total
Individuals	85	70,547,575	5.00%
Associated Companies/ Directors	7	270,976,194	19.22%
Insurance Companies	6	104,642,211	7.42%
Banks/ DFIs	5	397,330,453	28.17%
NBFCs	2	132,322,785	9.38%
Retirement Funds	12	101,873,021	7.22%
Others	12	332,724,715	23.59%
<b>Total</b>	<b>129</b>	<b>1,410,416,954</b>	<b>100.00%</b>

The Board of Directors has approved a final distribution of Rs. 13.50 per unit (2.70% on the face value of Rs.500 per unit). The total pay-out for the period from 05 January 2010 to 30 June 2010 is Rs. 24.50 per unit, i.e. 4.90%.

The NAV before final distribution stood at Rs. 513.60 per unit and after adjustment for final dividend stood at Rs. 500.10 per unit.

During the year under review the Investment Committee held forty six meetings to review the investments of the Fund.

Karachi: 20 August 2010

**Muhammad Abdul Samad**  
Chief Investment Officer



## Performance Table

For The Period from 05 January 2010 to 30 June 2010

	2010*
Net assets (Rs. in " 000 ")	1,410,417
Number of units in issue	2,746,118
Net asset value per unit (Rs.)	513.60
Net income (Rs. in " 000 ")	62,542
Earning per unit (Rs.)	22.77
Annual return of the Fund (%)	10.15
Offer price**	513.60
Redemption price**	513.60
Interim distribution (Bonus)	11.00
Interim distribution as a % of par value of units	2.20
Date of distribution - Interim	6 April 2010
Final Distribution (Bonus)	13.50
Final Distribution as a % of par value of units	2.70
Date of distribution - Final	8 July 2010
Highest offer price per unit (Rs.)	513.60
Lowest offer price per unit (Rs.)	502.07
Highest repurchase price per unit (Rs.)	513.60
Lowest repurchase price per unit (Rs.)	502.07
Weighted average portfolio (No. of days)	50.81

Date of Launch: 20 January 2010.

\* For the period from 05 January 2010 to to June 2010.

\*\* Relates to announced prices

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



Atlas Money Market Fund

# Financial Statements

# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of Listing Regulations of the Lahore Stock Exchange for the purpose of establishing a framework of good Governance, whereby a listed Company is managed in compliance with the best practice of corporate governance.

Atlas Asset Management Limited (AAML), the Management Company, is not listed and hence, the Code is not applicable to it. However, Atlas Money Market Fund, being listed at the Lahore Stock Exchange, comes under the ambit of the Code. The Fund, being a unit trust scheme, does not have its own Board. The Board of Directors of the Management Company manages the affairs of the Fund and has appointed the Chief Executive Officer (CEO), and Chief Financial Officer (CFO)/Company Secretary and other necessary personnel to manage the affairs of the Fund.

The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors. At present the Board consists of seven directors, including two independent non-executive directors. The Management Company is not listed on any stock exchange and therefore does not have minority interest.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The three years' term of office of the previous Board was completed and a new Board comprising of seven directors was elected unopposed for the next term of three years during the year. Further, a casual vacancy occurred in the Board during the year which was filled in with the approval of the Securities and Exchange Commission of Pakistan, as required by the NBFC Regulations, 2008.
5. The Management Company has adopted a "Statement of Ethics and Business Practices", which has been distributed to, and acknowledged by all the directors and employees of the Management Company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Fund. A complete record of the particulars along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of the remuneration and terms and conditions of employment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter during the period. Written notes of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. The Management Company has established adequate procedures and systems for related party transactions vis-à-vis the pricing method for related party transactions. All the related party transactions are placed before the Audit Committee and the Board of Directors for their review and approval.
10. No new appointments of Chief Financial Officer, Company Secretary, and Chief Internal Auditor were made during the year. The Board has approved the terms of remuneration of the Chief Financial Officer & Company Secretary, and the Chief Internal Auditor.
11. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by CEO and CFO before the approval of the Board.
13. The Directors, CEO and Executives do not hold units other than those disclosed in note 16 to the financial statements "Transactions with Related Parties/Connected Persons."
14. The Management Company has complied with the corporate and financial reporting requirements of the Code.

## **STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

### **FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010**

15. The Board arranged an orientation course for its directors during the year to apprise them of their duties and responsibilities.
16. The Board has formed an Audit Committee comprising of three members, all of whom are non-executive directors, including the Chairman of the Committee. Meetings of the Committee were held every quarter, prior to approval of the interim and annual results of the Fund, as required by the Code. The Board has approved the terms of reference of the Audit Committee.
17. The Board has set up an effective internal audit function headed by a full time Chief Internal Auditor who is considered suitably qualified and experienced, and is conversant with the policies and procedures of the Fund.
18. The Statutory Auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouse and minor children do not hold units of the Fund, and that the Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.
19. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

Karachi: 20 August 2010

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

# TRUSTEE REPORT TO THE UNIT HOLDERS

## Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non- Banking Finance Companies and Notified Entities Regulations, 2008

Atlas Money Market Fund (the Fund), an open-end scheme was established under a trust deed dated December 04, 2009, executed between Atlas Asset Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the period from January 05, 2010 to June 30, 2010 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; and
- (iii) 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: 30 August 2010

**Muhammad Hanif Jakhura**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

# REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the Management Company of Atlas Money Market Fund (the Fund) to comply with the Listing Regulations of the Lahore Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Code in respect of the Fund and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

Further, Sub-Regulation (xiii a) of Listing Regulation 35 of the Lahore Stock Exchange requires the Management Company to place before the Board of Directors for their consideration and approval related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Fund for the period ended 30 June 2010.

Karachi: 20 August 2010

**Ernst & Young Ford Rhodes Sidat Hyder**  
Chartered Accountants

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of Atlas Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2010, and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the period from 05 January 2010 to 30 June 2010, and a summary of significant accounting policies and other explanatory notes.

## Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, 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 approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' responsibility

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

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

## Opinion

In our opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2010 and of its financial performance, cash flows and transactions for the period then ended in accordance with approved accounting standards as applicable in Pakistan.

## Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, the NBFC Rules and the NBFC Regulations.

Karachi: 20 August 2010

**Ernst & Young Ford Rhodes Sidat Hyder**  
Chartered Accountants

**Arslan Khalid**  
Audit Engagement Partner

# STATEMENT OF ASSETS AND LIABILITIES

## AS AT 30 JUNE 2010

	Note	2010 Rupees
<b>Assets</b>		
Bank balances and term deposits	7	399,710,538
Investments	8	1,012,752,833
Interest accrued		1,558,147
Deferred formation cost	9	800,000
<b>Total assets</b>		<b>1,414,821,518</b>
<b>Liabilities</b>		
Payable to the management company	10	2,197,720
Payable to the trustee	11	201,963
Payable to the SECP	12	386,869
Accrued and other liabilities	13	1,618,012
<b>Total liabilities</b>		<b>4,404,564</b>
<b>Net assets</b>		<b>1,410,416,954</b>
<b>Unit holders' fund</b>		<b>1,410,416,954</b>
<b>Number of units in issue</b>		<b>2,746,118</b>
<b>Net asset value per unit</b>		<b>513.60</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director



# INCOME STATEMENT

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

	Note	2010 Rupees
<b>Income</b>		
Interest income	14	59,658,106
Net unrealised loss on revaluation of investments at fair value through income statement (held for trading)		(499,578)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		11,780,147
		<b>70,938,675</b>
<b>Expenses</b>		
Remuneration of the management company	10.1	4,793,118
Remuneration of the trustee	11	935,318
SECP Annual fee	12	386,869
Annual rating fee		200,000
Initial and annual listing fee		115,000
Brokerage		20,525
Auditors' remuneration	15	301,000
Printing charges		100,000
Amortisation of deferred formation cost		200,000
Bank charges		68,439
Provision for Workers' Welfare Fund	13.1	1,276,368
		<b>8,396,637</b>
<b>Net income for the period</b>		<b>62,542,038</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

2010  
Rupees

Net income for the period	62,542,038
Other comprehensive income	-
<b>Total comprehensive income for the period</b>	<b><u>62,542,038</u></b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# DISTRIBUTION STATEMENT

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

2010  
Rupees

Interim distribution at the rate of Rs.11 per unit  
declared on 06 April 2010

- Bonus units
- Cash payout against final distribution

(18,620,437)
(6,563,604)
(25,184,041)

Net income for the period

62,542,038

**Undistributed income carried forward**

**[includes unrealised loss on investments of Rs. 499,578]**

**37,357,997**

The annexed notes from 1 to 27 form an integral part of these financial statements.

For Atlas Asset Management Limited  
(Management Company)

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# CASH FLOW STATEMENT

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

	Note	2010 Rupees
<b>Cash flows from operating activities</b>		
Net income for the period		62,542,038
<b>Adjustments for:</b>		
Net unrealised loss on revaluation of investments		499,578
Amortization of deferred formation cost		200,000
Element of income and capital gain included in prices of units sold less those in units redeemed - net		(11,780,147)
		<b>(11,080,569)</b>
<b>Increase in assets</b>		
Interest accrued		(1,558,147)
Deferred formation cost		(1,000,000)
		<b>(2,558,147)</b>
<b>Increase in liabilities</b>		
Payable to the management company		2,197,720
Payable to the trustee		201,963
Payable to the SECP		386,869
Accrued and other liabilities		1,618,012
		<b>4,404,564</b>
		<b>53,307,886</b>
Purchase of investments		(1,991,222,411)
Investments matured during the period		977,970,000
<b>Net cash used in operating activities</b>		<b>(959,944,525)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units		2,382,633,048
Payment on redemption of units		(1,016,414,381)
Cash payout against interim distribution		(6,563,604)
<b>Net cash inflow from financing activities</b>		<b>1,359,655,063</b>
<b>Net increase in cash and cash equivalents</b>		<b>399,710,538</b>
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	7	<b>399,710,538</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

	2010	
	Units	Rupees
<b>Net assets at the beginning of the period</b>	-	-
Issue of units	4,706,001	2,382,633,048
Redemption of units	(1,996,970)	(1,016,414,381)
	<b>2,709,031</b>	<b>1,366,218,667</b>
Element of income and capital gain included in prices of units sold less those in units redeemed - net	-	(11,780,147)
Interim distribution at the rate of Rs.11 per unit declared on 06 April 2010		
- Issue of bonus units	37,087	-
- Cash payout against distribution	-	(6,563,604)
Net income for the period	-	62,542,038
<b>Net assets at the end of the period</b> <b>[Rs. 513.60 per unit]</b>	<b>2,746,118</b>	<b>1,410,416,954</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Money Market Fund (the Fund) is an open ended Fund constituted by a trust deed dated 4 December 2009 between Atlas Asset Management Limited (AAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The investment activities and administration of the Fund are managed by AAML situated at Ground Floor, Federation House, Shahrae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund have been offered for public subscription on a continuous basis from 20 January 2010, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Lahore Stock Exchange.
- 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, lending to/deposit with scheduled banks, certificates of deposit (CODs), certificate of musharakas (COM), 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 more fully defined in the Fund's offering document.

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulation 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

### 3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention except for investments and derivatives which are accounted for as stated in notes 4.1 and 4.2 below.
- 3.2 These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through income statement or available-for-sale investment, as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through income statement, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment.

#### **Investments at fair value through income statement**

These include held-for-trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and gains or losses on revaluation are recognised in the income statement.

#### **Available-for-sale**

Investments which are not classified in any of the preceding categories are classified as available-for-sale investments. After initial measurement, such investments are measured at fair value with unrealised gain or loss recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recognised in the statement of comprehensive income is taken to the income statement.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### 4.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in the income currently.

### 4.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the distribution company / management company 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.

Units redeemed are recorded at the redemption price applicable to units for which the distribution company / 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.

### 4.4 Revenue recognition

Interest income on government securities is recognised using effective interest method at the rate of return implicit in the instrument.

Interest income on bank balances, placements and deposits is recognised on an accrual basis.

Gain or loss on sale of government securities is accounted for in the period in which it arises.

### 4.5 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.

### 4.6 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.

### 4.7 Element of income and capital gains in prices of units sold less those in units redeemed

To prevent the dilution of per unit income and distribution of income already paid out on redemption as dividend, an equalisation account called "element of income and capital gains in prices of units sold less those in units redeemed" is created.

The "element of income and capital gains in prices of units sold less those in units redeemed" account is credited with the amount representing net income and capital gains accounted for in net asset value and included in the sale proceeds of units. Upon redemption of units, the "element of income and capital gains in prices of units sold less those in units redeemed" account is debited with the amount representing net income and capital gains accounted for in net asset value and included in the redemption price.

The net "element of income and capital gains in prices of units sold less those in units redeemed" during an accounting period is transferred to the income statement.

### 4.8 Deferred formation cost

Formation cost refers to all the preliminary and floatation expenses of the Fund incurred upto the initial issue of units, to the extent allowable under the NBFC Regulations. These costs are being amortised over a period of five years commencing from January 2010, in accordance with the requirements of the NBFC Regulations. These expenses were paid off by the management company and are reimbursable to it by the Fund.

### 4.9 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### 4.10 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

### 4.11 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 4.12 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

### 4.13 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.

### 4.14 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short term deposits.

## 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements 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 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.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment mainly pertains to classification and valuation of investments as explained in the relevant accounting policies / notes in the financial statements.

## 6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IAS - 24 Related Party Disclosures (Revised)	01 January 2011
IAS - 32 Financial Instruments: Presentation - Classification of Rights Issue (Amendment)	01 February 2010
IFRIC - 1 IAS - 19 - The limit on a defined benefit asset, Minimum Funding Requirements and their Interaction (Amendments)	01 January 2011
IFRIC - 1 Extinguishing Financial Liabilities with Equity Instruments	01 July 2010

The Fund expects that the adoption of the above revisions, interpretations and amendments of the standards will not affect the Fund's financial statements in the period of initial application.

In addition to the above, amendments / improvements to various accounting standards have also been issued by IASB as a result of its annual improvement project in April 2009. Such improvements are generally effective for accounting periods beginning on or after 1 January 2010. The Fund expects that such improvements to the standards will not have any material impact on the Fund's financial statements in the period of initial application.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

	Note	2010 Rupees
<b>7. BANK BALANCES AND TERM DEPOSITS</b>		
PLS saving accounts	7.1	149,710,538
Term deposit accounts	7.2	250,000,000
		<b><u>399,710,538</u></b>

7.1 The rate of return on these accounts ranges between 10.50% and 11.25% per annum.

7.2 The rate of return on these deposits ranges between 12.10% and 12.30% per annum. These deposits will mature by 26 July 2010.

### 8. INVESTMENTS - at fair value through income statement

#### Government securities

Market Treasury Bills - Held for trading	8.1	<b><u>1,012,752,833</u></b>
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#### 8.1 Market Treasury Bills - held-for-trading

Treasury bills	Face value (Rupees)			Rupees		Percentage of	
	Acquired during the period	Matured during the period	At the end of the period	Amortised cost	Market value	Total investments	Net assets
3 Months - T-bills	1,007,500,000	387,500,000	620,000,000	612,087,796	611,923,958	60.42	43.39
6 Months - T-bills	700,000,000	285,000,000	415,000,000	401,164,615	400,828,875	39.58	28.42
12 Months - T-bills	305,470,000	305,470,000	-	-	-	-	-
	<b><u>2,012,970,000</u></b>	<b><u>977,970,000</u></b>	<b><u>1,035,000,000</u></b>	<b><u>1,013,252,411</u></b>	<b><u>1,012,752,833</u></b>	<b><u>100.00</u></b>	<b><u>71.81</u></b>

8.2 The cost of investments as on 30 June 2010 is Rs.995,133,780.

8.3 These Market treasury bills carry purchase yields ranging from 11.87% to 12.26% per annum and will mature between 15 July 2010 and 2 December 2010.

	Note	2010 Rupees
<b>9. DEFERRED FORMATION COST</b>		
Deferred formation cost		1,000,000
Amortisation of deferred formation cost for the period		(200,000)
		<b><u>800,000</u></b>

### 10. PAYABLE TO THE MANAGEMENT COMPANY - Related party

Management fee	10.1	1,197,720
Formation cost payable		1,000,000
		<b><u>2,197,720</u></b>

10.1 In accordance with the provisions of the NBFC Regulations, the management company is entitled to receive a remuneration during the first five years of the Fund, at the rate not exceeding 3% of the average annual net assets of the Fund and thereafter at the rate of 2% of such assets. The management company has charged its remuneration at the rate of 0.94% per annum of the average net assets for the period.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### 11. PAYABLE TO THE TRUSTEE - Related party

The trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs.1,000 million	Rs.0.7 million or 0.20% per annum of Net Asset Value, whichever is higher.
- exceeding Rs.1,000 million	Rs.2.0 million plus 0.10% per annum of Net Asset Value exceeding Rs. 1,000 million.

### 12. PAYABLE TO THE SECP

Represents annual fee payable to the SECP in accordance with the NBFC Regulations, whereby the Fund is required to pay SECP an amount of 0.075% of the average annual net assets of the Fund.

	Note	2010 Rupees
Auditors' remuneration payable		250,000
Payable to brokers		4,644
Printing charges payable		87,000
Provision for Workers' Welfare Fund	13.1	1,276,368
		<u>1,618,012</u>

### 13. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration payable		250,000
Payable to brokers		4,644
Printing charges payable		87,000
Provision for Workers' Welfare Fund	13.1	1,276,368
		<u>1,618,012</u>

**13.1** The Finance Act, 2008 introduced an amendment to the Workers Welfare Fund (WWF) Ordinance, 1971, whereby the definition of "industrial establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. Management company of the Fund, based on a legal advice obtained through Mutual Funds Association of Pakistan (MUFAP) was of a firm view that Collective Investment Schemes (CIS) were not establishments and therefore, the WWF Ordinance should not be applicable to such schemes. The MUFAP had also filed a constitutional petition in the High Court of Sindh (the Court) on behalf of the members, challenging the applicability of WWF to the CIS. The said petition was dismissed by the Court vide its order dated 25 May 2010 on the main ground that the MUFAP (petitioner) could not be held entitled to maintain a petition in respect of its members as it was not the aggrieved party, and the main ground could be examined when the aggrieved parties directly approached the Court for redressal.

Consequently, on 30 June 2010, a constitutional petition was filed in the High Court of Sindh by certain representative CIS and approved pension funds under the Voluntary Pension System Rules, 2005, through their trustees, M/s Central Depository Company of Pakistan Limited, and with the management company of the Fund as management company, which is pending adjudication.

In the meantime, clarification has been obtained by the MUFAP from the Ministry of Labour & Manpower, Workers' Welfare Fund, Govt. of Pakistan, which, through their letter nos. WWF (A - II).11(5)/2010 dated 8 July 2010 and 15 July 2010, has clarified that the WWF Ordinance, 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and that mutual funds are a product being managed / sold by asset management companies which are liable to contribute towards the said WWF levy. The said clarifications and legal advices sought from legal advisors are presently under the consideration of the MUFAP. In the meantime, the management company of the Fund, as a matter of abundant caution, has made a provision for WWF in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

For the  
period from  
5 January 2010 to  
30 June 2010  
Rupees

### 14. INTEREST INCOME

PLS saving and term deposit accounts	13,356,610
Placements	7,775,582
Government Securities - Market Treasury bills	38,525,914
	<b>59,658,106</b>

### 15. AUDITORS' REMUNERATION

Audit fee	180,000
Certification charges	81,000
Review of compliance with Code of Corporate Governance	40,000
	<b>301,000</b>

### 16. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

Remuneration of the management company	4,793,118
Remuneration paid	3,595,398
Sale of 245,932 units	126,000,000
Redemption of 127,128 units	65,272,634
Outstanding 118,804 units as at the period end	61,017,821

#### **Central Depository Company of Pakistan Limited (Trustee)**

Remuneration of the Trustee	935,318
Remuneration paid	733,355

#### **Atlas Fund of Funds (Fund under common management)**

Sale of 19,900 units	10,000,000
Redemption of 19,900 units	10,186,070

#### **Atlas Battery Limited (Group Company)**

Sale of 256,349 units	130,000,000
Redemption of 258,505 units	132,421,339
Bonus of 2,156 units	1,082,304

#### **Atlas Honda Limited (Group Company)**

Sale of 298,139 units	150,891,000
Redemption of 102,191 units	51,991,000
Bonus of 2,191 units	1,100,000
Outstanding 198,139 units as at the period end	101,764,334

#### **Atlas Insurance Limited (Group Company)**

Sale of 119,348 units	60,000,000
Redemption of 2,615 units	1,312,832
Bonus of 2,615 units	1,312,832
Outstanding 119,348 units as at the period end	61,297,315

#### **Shirazi Trading Company (Private) Limited (Group Company)**

Sale of 29,861 units	15,000,000
Redemption of 30,515 units	15,470,535
Bonus of 654 units	328,469

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

For the  
period from  
5 January 2010 to  
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Rupees

<b>Shirazi Investments (Private) Limited - Employees</b>	
<b>Provident Fund (Retirement benefit plan of a Group Company)</b>	
Sale of 17,152 units	8,731,176
Bonus of 317 units	159,269
Outstanding 17,469 units as at the period end	8,972,193
<b>Atlas Foundation (Group Company)</b>	
Sale of 13,629 units	7,000,000
Outstanding 13,629 units as at the period end	7,000,000
<b>Batool Benefit Trust (Trusts having common Director / Trustee)</b>	
Sale of 830 units	420,000
Bonus of 18 units	9,128
Outstanding 848 units as at the period end	435,511
<b>Iftikhar Shirazi Family Trust (Trusts having common Director / Trustee)</b>	
Sale of 60,458 units	31,000,000
Outstanding 60,458 units as at the period end	31,051,390
<b>Key Management Personnel of Management Company</b>	
<b>Directors</b>	
Sale of 22,120 units	11,159,682
Redemption of 6,100 units	3,128,698
Bonus of 351 units	176,212
Outstanding 16,370 units as at the period end	8,407,750
<b>Executives</b>	
Sale of 887 units	450,000
Bonus of 7 units	3,284
Outstanding 893 units as at the period end	458,778

**16.1** 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.

**16.2** The outstanding balance of related parties / connected persons are included in the respective notes to the financial statements.

## 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

**17.1** 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 may be exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

### 17.2 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 interest rates, foreign exchange rates and security prices.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### (i) Interest rate risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. As of 30 June 2010, the Fund is exposed to such risk in respect of bank balances, term deposits and treasury bills. The bank balances are subject to interest rates as declared by the respective bank on periodic basis. The following table demonstrates management's best estimate of the sensitivity of unit holders' fund and its net income for the period to a reasonably possible change in interest rates, with all other variables held constant. In practice, actual results may differ from the sensitivity analysis and the difference could be material.

	<u>Effect on Unit holders' Fund</u>	<u>Effect on net income</u>
<b>Change in basis points</b>		
+ 100	(269,617)	(269,617)
- 100	269,617	269,617

### (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

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 is not exposed to equity price risk as at date of the statement of assets and liabilities.

### 17.3 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

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 date:

<b>30 June 2010</b>	<u>Within 1 month</u>	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Total</u>
	----- Rupees -----				
<b>Assets</b>					
Bank balances and term deposits	399,710,538	-	-	-	399,710,538
Investments	317,399,950	417,928,028	277,424,855	-	1,012,752,833
Interest accrued	1,558,147	-	-	-	1,558,147
	<b>718,668,635</b>	<b>417,928,028</b>	<b>277,424,855</b>	<b>-</b>	<b>1,414,021,518</b>
<b>Liabilities</b>					
Payable to the management company	1,197,720	-	200,000	800,000	2,197,720
Payable to the trustee	201,963	-	-	-	201,963
Payable to the SECP	-	386,869	-	-	386,869
Accrued and other liabilities	4,644	337,000	1,276,368	-	1,618,012
	<b>1,404,327</b>	<b>723,869</b>	<b>1,476,368</b>	<b>800,000</b>	<b>4,404,564</b>
<b>Net assets/(liabilities)</b>	<b>717,264,308</b>	<b>417,204,159</b>	<b>275,948,487</b>	<b>(800,000)</b>	<b>1,409,616,954</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### 17.4 Credit risk

Credit risk arises from the inability of the issuers of the instruments or the counter party to fulfil their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc. 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. The Fund's maximum exposure to credit risk as of 30 June 2010 amounts to Rs.401,268,685.

#### 17.4.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates. All the financial assets of the Fund that are exposed to credit risk are rated 'AA'.

### 17.5 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.

Fair value of government securities is determined by reference to the quotation obtained from the PKRV rate sheet on the Reuters page.

### 17.6 Fair value hierarchy

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

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

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

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

As at 30 June 2010, the Fund has investments at fair value through income statements measured using level 2 valuation technique.

### 17.7 Capital management

The Fund's objective when managing unit holders' funds is to safe guard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders 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.

## 18. SUBSEQUENT EVENT - DISTRIBUTION TO UNITHOLDERS PER UNIT

The Board of Directors of the management company, in their meeting held on 8 July 2010, approved a distribution of Rs.13.50 on the face value of Rs.500 each (2.70%) amounting to Rs. 37,072,593.

## 19. UNIT HOLDING PATTERN OF THE FUND

Category	2010		
	Number of unit holders	Amount Rupees	% of total
Individuals	85	70,547,575	5.00%
Associated Companies/ Directors	7	270,976,194	19.22%
Insurance Companies	6	104,642,211	7.42%
Banks/ DFIs	5	397,330,453	28.17%
NBFCs	2	132,322,785	9.38%
Retirement Funds	12	101,873,021	7.22%
Others	12	332,724,715	23.59%
	<b>129</b>	<b>1,410,416,954</b>	<b>100.00%</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### 20. LIST OF TOP TEN BROKERS BY PERCENTAGE OF THE COMMISSION PAID

Name of broker	2010 Percentage of commission paid
Vector Capital (Private) Limited	29.22
Global Securities Pakistan Limited	16.30
Elixer Securities Pakistan (Private) Limited.	12.74
KASB Securities Limited	12.38
IGI Finex Securities Limited	10.13
First Capital Securities Corporation Limited	7.85
Alfalah Securities (Private) Limited	4.83
Invest Capital Investment Bank Limited	4.50
JS Global Capital Limited	2.05

### 21. RATING OF THE FUND AND THE MANAGEMENT COMPANY

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager rating of "AM3+" assigned to the management company for FY 2008-09.

PACRA has assigned a stability rating of "AA (f)" (Double A - fund rating) to the Fund, for FY 2009-10, The Fund's rating denotes a very strong capacity to manage relative stability in returns and low exposure to risks.

### 22. THE MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Mr. M. Habib-ur-Rahman	Chief Executive Officer	FCA	42 Years
Mr. Frahim Ali Khan	Director	B. Com./LLB	43 Years
Mr. Ali H. Shirazi	Director	Masters in Law	6.5 years
Mr. M. Abdul Samad	Chief Investment Officer	MBA (Finance)-UK	10 Years
Mr. Khalid Mehmood	Fund Manager - Equity Markets	MBA - Finance	6 Years

### 23. NAME AND QUALIFICATION OF FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. M. Abdul Samad	Chief Investment Officer	MBA (Finance)-UK	Atlas Income Fund Atlas Islamic Income Fund

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010

### 24. 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:

25. NAME OF DIRECTORS	Meeting held on						
	03 July 2009	26 Aug 2009	27 Oct 2009	21 Jan 2010	22 Feb 2010	06 April 2010	26 April 2010
Mr. Yusuf H. Shirazi	P	P	P	P	P	P	P
Mr. M. Habib-ur-Rahman	P	P	P	P	P	P	P *
Mr. Tariq Amin	P	P	P	P	P	P	P
Mr. Frahim Ali Khan	P	P	P	P	P	P	P
Mr. Ali H. Shirazi	P	P	P	P	P	P	P
Mr. M. Ashraf Janjua	P	P	P	P	P	P	L
Mr. Arshad P. Rana (w.e.f. 19 August 2009)	-	P	L	P	L	P	P
Mr. Michael Vergara Ferrer (Uptil 10 July 2009)	L	N/A	N/A	N/A	N/A	N/A	N/A

\* Attended through teleconference call.

P Present

L Leave of absence

N/A Not Applicable

### 26. GENERAL

**26.1** Figures have been rounded off to the nearest Rupee.

**26.2** Being the first financial statements of the Fund, there are no corresponding figures to report.



# **NOTES TO THE FINANCIAL STATEMENTS**

## **FOR THE PERIOD FROM 05 JANUARY 2010 TO 30 JUNE 2010**

### **27. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Directors of the management company on 20 August 2010.

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

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

**Yusuf H. Shirazi**  
Chairman

**Tariq Amin**  
Director

**Head Office**

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