

# Atlas funds

*Nurturing your investments*

Atlas Income Fund

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QUARTERLY REPORT

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30 September 2009

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(UN-AUDITED)



Management Company

**Atlas Asset Management**

Rated AM3+by PACRA



### 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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# Atlas Income Fund

## ORGANISATION

Management Company	Group Executive Committee
Atlas Asset Management Limited	President Mr. Aamir H. Shirazi
Board of Directors of the Management Company	Members Mr. Frahim Ali Khan Mr. Jawaid Iqbal Ahmed Mr. Iftikhar H. Shirazi Mr. Saquib H. Shirazi Mr. Bashir Makki Mr. M. Naem Khan
Chairman Mr. Yusuf H. Shirazi Chief Executive Officer Mr. M. Habib-ur-Rahman	
Directors Mr. Frahim Ali Khan Mr. Tariq Amin Mr. Ali H. Shirazi Mr. M. Ashraf Janjua Mr. Arshad P. Rana	Group Systems & Technology Committee
	Chairman Mr. Iftikhar H. Shirazi Member Mr. Zia Ullah Begg
Company Secretary Ms. Lilly R. Dossabhoy	Trustee
Board Committees	Central Depository Company of Pakistan Limited 99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal Karachi - 74400
Audit Committee	Chief Internal Auditor
Chairman Mr. Tariq Amin Members Mr. Frahim Ali Khan Mr. M. Ashraf Janjua	Mr. Saood Hasan
	Auditors
Human Resource Committee	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants
Chairman Mr. Frahim Ali Khan Members Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi	Legal Advisers
	Mohsin Tayebaly & Co.
Investment Committee	Bankers
Chairman Mr. M. Habib-ur-Rahman Members Mr. Frahim Ali Khan Mr. Ali H. Shirazi Mr. Muhammad Abdul Samad Mr. Khurram Aftab Ahmed Mr. Khalid Mahmood	Atlas Bank Limited Bank Alfalah Limited The Bank of Punjab KASB Bank Limited
Management Committee	Registered Office
Chairman Mr. M. Habib-ur-Rahman Members Mr. Ali H. Shirazi Ms. Lilly R. Dossabhoy Mr. Muhammad Abdul Samad Mr. Hassan Khan Ms. Beena Tauseef Shah	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

# First Quarter Report 2009-10

## CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited financial statements of Atlas Income Fund for the quarter ended 30 September 2009 of the FY 2009-10.

### The Economy

Emerging signs of recovery show that Pakistan's economy has resisted recessionary forces better than most other countries. This is largely due to our domestic market playing a more important role in total demand. Resultantly, international rating agencies have favorably revised their outlook on Pakistan's economy. Improvement in balance of payments, resumption of credit to private sector and resolve to overcome electricity shortages will result in a sustainable recovery in the economy. Additionally, the positive foreign portfolio inflows, increase in remittances and IMF disbursement have helped in strengthening of foreign exchange reserves which have increased to US\$ 14.5 billion as on 26 September 2009. On the inflation front, CPI inflation has declined further in August 2009 to 10.70 percent on year-on-year basis. Overall, Pakistan's economy, after experiencing slower growth last year is picking pace and is on the recovery path.

### Fund Operations

The Net Asset Value per unit of your Fund has increased by 2.62% to Rs. 514.22 as on 30 September 2009, this works out to 10.79% on an annualized basis. AIF portfolio comprises of floating rate TFCs/ Sukuks and bank deposits. AIF TFC/ Sukuk portfolio comprises of high quality rated floating rate securities, of which 89.50% are rated above 'AA-' and above with 88.05% exposure in Commercial Banks, Telecom and the Fertilizer sector.

AIF presents a good opportunity for investors to earn attractive returns. Positive signs on inflation front and macro stability also point towards further policy rate cuts in the future. With gradual improvement in overall money market liquidity we anticipate upside in debt securities valuations.

The Board of Directors of the Management Company, in their meeting held on 27 October 2009, approved an interim distribution of bonus units @ 2.50% (2008: 2.75%) on the face value of the units of Rs. 500 each. This works out to a bonus of 2.4590 (2008: 2.7278) units on every 100 units held, on the ex-bonus price of Rs.508.34 (2008: Rs.504.07) per unit. Unit holders opting for cash payment to receive the same accordingly, after deduction of applicable taxes.

### Rating

The Pakistan Credit Rating Agency Limited (PACRA), has maintained the asset manager rating of "AM3+" to the Company, for FY 2007-08. 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. The rating process for FY 2008-09 is currently in progress.

PACRA has assigned a "3 Star" normal ranking to the Fund, and a long term "3 Star" ranking, for FY 2007-08. The normal star ranking is based on performance during the trailing twelve months period, whereas long-term star ranking is based on performance during the trailing thirty six months. The Stability rating of the Fund for FY 2008-09 is currently in progress.

### Future Prospects

Even though inflationary pressures have receded to 10.70% during August 2009, the central bank has maintained its cautious stance as the policy rate was cut by mere 100 bps to 13% in August 2009 and kept unchanged in September 2009. The revival of private sector credit is critical for facilitating increase in investment and capital formation in the economy. The resolution of circular debt issue with the issuance of TFCs amounting to Rs. 85 billion will accelerate private sector credit growth in the coming months. Atlas Income Fund is well positioned to capitalize future opportunities with its present investment portfolio and will continue to provide consistent long term returns to the investors.

ع باز بچہ اطفال ہے دنیا میرے آگے

(We have the ability to succeed in every situation)

### Acknowledgement

I would like to thank the Securities and Exchange Commission of Pakistan and the Board of Directors for their help, support and guidance. I also thank the financial institutions and the unit holders for their 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.

Yusuf H. Shirazi  
Chairman

Karachi: 27 October 2009

# Atlas Income Fund

INTERIM CONDENSED STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT 30 SEPTEMBER 2009

		30 September 2009	30 June 2009
	Note	Un-audited Rupees	Audited
<b>Assets</b>			
Bank balances and term deposits	4	548,425,521	529,923,443
Placement	5	200,000,000	100,000,000
Investments	6	1,078,808,056	1,087,258,513
Interest accrued		46,672,953	49,209,678
Prepayment		7,500	15,000
Security deposits		100,000	100,000
<b>Total assets</b>		<b>1,874,014,030</b>	<b>1,766,506,634</b>
<b>Liabilities</b>			
Payable to unit holders against redemption of units		16,234	16,234
Payable to the management company		2,409,523	2,143,043
Payable to the trustee		242,827	235,923
Payable to SECP		367,762	2,380,982
Accrued and other liabilities		13,766,122	13,465,566
<b>Total liabilities</b>		<b>16,802,468</b>	<b>18,241,748</b>
<b>Net assets</b>		<b>1,857,211,562</b>	<b>1,748,264,886</b>
<b>Unit holders' fund</b>		<b>1,857,211,562</b>	<b>1,748,264,886</b>
<b>Number of units in issue</b>		<b>3,611,672</b>	<b>3,403,895</b>
<b>Net asset value per unit</b>		<b>514.22</b>	<b>513.61</b>

The annexed notes from 1 to 11 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

# First Quarter Report 2009-10

INTERIM CONDENSED INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Note	30 September 2009	30 September 2008
		Rupees	
<b>Income</b>			
Interest income	7	62,542,123	141,765,016
Net unrealised gain/(loss) on revaluation of investments		3,661,050	(4,301,690)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		(1,102,629)	951,708
		<u>65,100,544</u>	<u>138,415,034</u>
<b>Expenses</b>			
Remuneration of the management company		7,355,253	13,152,064
Remuneration of the trustee		742,405	1,304,220
SECP annual fee		367,762	1,114,665
NCCPL annual fee		-	349,810
Brokerage and capital value tax		38,021	1,172,164
Auditors' remuneration		166,356	178,950
Printing charges		65,504	65,000
Settlement charges		2,340	1,247,405
Annual rating fee		25,000	25,000
Annual listing fee		7,500	7,500
Bank charges		58,739	31,194
Provision against non performing assets/impairment of term finance facility		8,664,666	906,000
		<u>17,493,546</u>	<u>19,553,972</u>
Net income for the period		<u>47,606,998</u>	<u>118,861,062</u>

The annexed notes from 1 to 11 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

# Atlas Income Fund

INTERIM CONDENSED DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	30 September 2009	30 September 2008
	----- Rupees -----	
Undistributed income brought forward	46,458,167	185,278,684
Final distribution for the year ended 30 June 2009 at the rate of Rs. 12.50 per unit declared on 3 July 2009 (2008: Rs.22.50 per unit declared on 4 July 2008)		
- Bonus units	(29,902,475)	(159,879,201)
- Cash payout against final distribution	(12,646,216)	(18,557,866)
	(42,548,691)	(178,437,067)
Net income for the period	47,606,998	118,861,062
Undistributed income carried forward	51,516,474	125,702,679

The annexed notes from 1 to 11 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



# First Quarter Report 2009-10

INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	30 September 2009	30 September 2008
Note	-----	Rupees -----
<b>Cash flows from operating activities</b>		
Net income for the period	47,606,998	118,861,062
Adjustments for:		
Net unrealised gain / (loss) on revaluation of investments	(3,661,050)	4,301,690
Provision against non performing assets	8,664,666	906,000
Element of income and capital gains included in prices of units issued less those in units redeemed - net	1,102,629	(951,708)
	6,106,245	4,255,982
Decrease / (Increase) in assets		
Receivable against sale of securities	-	2,686,000
Receivable against continuous funding system	-	810,034,605
Interest accrued	230,424	(30,166,128)
Prepayments and other receivables	7,500	504,310
Security deposits	-	(3,652,101)
	237,924	779,406,686
Increase / (Decrease) in liabilities		
Payable to unit holders against redemption of units	-	656,803
Payable against purchase of securities	-	(2,185,074)
Payable to the management company	266,480	4,399,687
Payable to the trustee	6,904	(73,339)
Payable to SECP	(2,013,220)	(3,645,476)
Accrued and other liabilities	300,556	(1,030,082)
	(1,439,280)	(1,877,481)
	52,511,887	900,646,249
Investments made during the period	(202,120,000)	(103,345,664)
Investments sold / redeemed / matured during the period	107,873,142	12,022,832
Net cash (used in) / inflow from operating activities	(41,734,971)	809,323,417
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	368,841,047	1,336,294,006
Payment on redemption of units	(295,957,782)	(1,326,318,522)
Cash payout against distribution	(12,646,216)	(18,557,866)
Net cash inflow from / (used in) financing activities	60,237,049	(8,582,382)
Net increase in cash and cash equivalents	18,502,078	800,741,035
Cash and cash equivalents at the beginning of the period	529,923,443	1,185,420,074
Cash and cash equivalents at the end of the period 4	548,425,521	1,986,161,109

The annexed notes from 1 to 11 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

# Atlas Income Fund

INTERIM CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
(UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	30 September 2009		30 September 2008	
	Units	Rupees	Units	Rupees
Net assets as at the beginning of the period [Rs.513.61 (2008: Rs.523.34) per unit]	3,403,895	1,748,264,886	7,930,536	4,150,406,023
Issue of units	726,982	368,841,047	2,638,340	1,336,294,006
Redemption of units	(578,878)	(295,957,782)	(2,619,756)	(1,326,318,522)
	148,104	72,883,265	18,584	9,975,484
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	1,102,629	-	(951,708)
Final distribution for the year ended 30 June 2009/2008 declared on 3 July 2009 (2008: 4 July 2008)				
Issue of bonus units	59,672	-	319,222	-
Cash payout against distribution	-	(12,646,216)	-	(18,557,866)
Net income for the period	-	47,606,998	-	118,861,062
Net assets as at the end of the period [Rs.514.22 (2008: Rs.515.19) per unit]	<u>3,611,672</u>	<u>1,857,211,562</u>	<u>8,268,342</u>	<u>4,259,732,995</u>

The annexed notes from 1 to 11 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

# First Quarter Report 2009-10

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Atlas Income Fund (the Fund) is an open ended mutual fund constituted by a Trust Deed entered into on 20 February 2003 between Atlas Asset Management Limited (AAML) as the establisher and the management company and MCB Financial Services Limited (MCBFSL) [formerly Muslim Commercial Financial Services (Private) Limited (MCFSL)] as the trustee. MCBFSL resigned on 11 June 2005 as trustee and Central Depository Company of Pakistan Limited (CDC) was appointed as the trustee with effect from that date, through the Deed of Change of Trustee and First Supplemental Trust Deed dated 11 June 2005. The Trust Deed was further revised through the Second Supplemental Trust Deed dated 29 October 2007. The Offering Document has been revised through the Second and Third Supplemental Offering Documents dated 29 October 2007 and 29 February 2008 respectively, with the approval of the Securities and Exchange Commission of Pakistan (SECP). The investment activities and administration of the Fund are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi.
- 1.2 Units of the Fund have been offered for public subscription on a continuous basis from 22 March 2004, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on Lahore Stock Exchange.
- 1.3 According to the trust deed, the objective of the Fund is to provide investors one window facility to invest in diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in debt securities, Government securities, money market instruments, CFS transactions, reverse repurchase transactions and future transactions. The investment objectives and policies are more fully defined in the Fund's offering document.

## 2. BASIS OF PREPARATION

- 2.1 These interim condensed financial statements have been prepared in accordance with International Accounting Standard - 34 " Interim Financial Reporting" as applicable in Pakistan.
- 2.2 These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2009.

## 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2009, with the exception of the following:

### 3.1 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.

Effective from 7 August 2009, the Board of Directors of the Management Company approved the Bad Debts Provisioning Policy (the Policy) for Collective Investment Schemes managed by the Management Company for all categories of debt securities. The Policy has been made pursuant to the requirements of SECP's Circular 13 of 2009 dated 4 May 2009, for making additional provision over and above the provision required under SECP Circular no. 1 of 2009 dated 6 January 2009, which is restricted to term finance certificates and sukuks. The Policy now covers all debt instruments, including term finance certificates, sukuks, certificates of investments (COIs) certificates of deposits (CODs) and placements and also covers additional provision, if the Management Company is of the opinion that additional provision over and above the minimum provision is required.

# Atlas Income Fund

	30 September 2009	30 June 2009
	Un-audited	Audited
Note	-----	-----
	Rupees	

## 4. BANK BALANCES AND TERM DEPOSITS

PLS saving accounts	4.1	498,425,521	214,923,443
Term deposit accounts	4.2	50,000,000	315,000,000
		<u>548,425,521</u>	<u>529,923,443</u>

4.1 These carry rate of return ranging from 5% to 11.50% (30 June 2009 : 5% to 12.50%) per annum and includes Rs.215,707,609 (30 June 2009: Rs.2,006,100) balance with Atlas Bank Limited (a related party).

4.2 The rate of return on these deposits is 11% (30 June 2009 : 12.75% to 13.80%) per annum and includes deposit of Rs.50 million (30 June 2009 : Rs.175 million) held with Atlas Bank Limited (a related party), maturing by 26 October 2009 (30 June 2008 : 15 July 2009).

## 5. PLACEMENT - unsecured

This represents amount placed with a commercial bank, carrying mark up rate 12.30% (30 June 2009: 13.75%) per annum maturing on 1 October 2009 (30 June 2009 : 2 July 2009).

	30 September 2009	30 June 2009
	Un-audited	Audited
Note	-----	-----
	Rupees	

## 6. INVESTMENTS

At fair value through income statement

Term finance certificates - listed	6.2	775,788,492	786,133,055
Term finance certificates - unlisted	6.3	223,996,016	216,468,653
Less: Provision against non performing assets	3.1	(8,664,666)	-
		215,331,350	216,468,653
Sukuk certificates - unlisted	6.4	18,260,865	18,200,919
		<u>1,009,380,707</u>	<u>1,020,802,627</u>

Held to maturity

Term finance certificates - listed	6.5	5,970,637	5,305,475
Musharika finance facility	6.6	63,456,712	61,150,411
		69,427,349	66,455,886
		<u>1,078,808,056</u>	<u>1,087,258,513</u>

6.1 Total cost of investments amounts to Rs.1,183,238,758 (30 June 2009 : Rs.1,186,685,599).

# First Quarter Report 2009-10

	Number of certificates			Rupees	Percentage of		
	At the beginning of the period	Acquired during the period	Disposed/ Matured during the period	At the end of the period	Carrying Value	Total investments	Net assets
<b>6.2 Term finance certificates - listed</b>							
Modarabas							
Al-Zamin Leasing Modaraba-II	2,000	-	-	2,000	3,228,603	0.30	0.17
Leasing Companies							
Orix Leasing Pakistan Limited	4,000	-	-	4,000	18,585,640	1.72	1.00
Trust Investment Bank Limited - II	629	-	629	-	-	-	-
	4,629	-	629	4,000	18,585,640	1.72	1.00
Investment Banks/Cos./Securities							
Escort Investment Bank Limited	5,000	-	-	5,000	20,536,853	1.90	1.11
IGI Investment Bank Limited	1,000	-	-	1,000	2,422,676	0.22	0.13
Jahangir Siddiqui & Company Limited - II	2,000	-	-	2,000	4,762,558	0.44	0.26
Jahangir Siddiqui & Company Limited - III	2,000	-	-	2,000	7,712,364	0.71	0.42
	10,000	-	-	10,000	35,434,451	3.28	1.91
Commercial Banks							
Allied Bank Limited	18,196	-	-	18,196	87,842,420	8.14	4.73
Askari Commercial Bank Limited - I	2,400	-	-	2,400	11,607,070	1.08	0.62
Askari Commercial Bank Limited - II	6,775	-	-	6,775	32,309,684	2.99	1.74
Bank Al Habib Limited - II	11,192	-	-	11,192	54,855,839	5.08	2.95
NIB Bank Limited	1,399	-	-	1,399	6,539,896	0.61	0.35
Soneri Bank Limited	5,074	-	-	5,074	24,254,935	2.25	1.31
Standard Chartered Bank (Pakistan) Limited - III	12,000	-	-	12,000	59,728,343	5.54	3.22
United Bank Limited - II	2,000	-	-	2,000	8,591,885	0.80	0.46
United Bank Limited - III	5,500	-	-	5,500	26,997,946	2.50	1.45
United Bank Limited - IV	8,000	-	-	8,000	36,238,244	3.36	1.95
	72,536	-	-	72,536	348,966,242	32.35	18.79
Textile Composite							
Azgard Nine Limited	5,000	-	-	5,000	17,601,030	1.63	0.95
Technology and Communication							
Pakistan Mobile Communication Limited	40,000	-	-	40,000	184,500,000	17.10	9.93
Telecard Limited	4,000	-	-	4,000	9,061,212	0.84	0.49
	44,000	-	-	44,000	193,561,212	17.94	10.42
Fertilizer							
Engro Chemical Pakistan Limited-II	23,681	-	-	23,681	114,097,838	10.58	6.14
Pak Arab Fertilizers Limited	9,173	-	-	9,173	44,313,476	4.11	2.39
	32,854	-	-	32,854	158,411,314	14.68	8.53
					<u>775,788,492</u>	<u>71.91</u>	<u>41.77</u>
<b>6.3 Term finance certificates - Unlisted</b>							
Cement							
Gharibwal Cement Limited	5,000	-	-	5,000	22,218,611	2.06	1.20
Oil & Gas Exploration Companies							
Pak Hy Oils Limited	5,000	-	-	5,000	18,750,000	1.74	1.01
Technology and Communication							
Pakistan Mobile Communications (Private) Limited-II	20,000	-	-	20,000	94,112,500	8.72	5.07
Fertilizer							
Engro Chemical Pakistan Limited	10,000	-	-	10,000	43,000,000	3.99	2.32
Pak American Fertilizers Limited	2,000	-	-	2,000	9,786,265	0.91	0.53
Pak American Fertilizers Limited-II	8,000	-	-	8,000	35,578,640	3.30	1.92
	20,000	-	-	20,000	88,364,905	8.19	4.76
Miscellaneous							
Bunny's Limited	-	424	-	424	550,000	0.05	0.03
					<u>223,996,016</u>	<u>20.76</u>	<u>12.06</u>
<b>6.4 Sukuk certificates - Unlisted</b>							
Fertilizer							
Pak American Fertilizers Limited	4,060	-	-	4,060	18,260,865	1.69	0.98
<b>6.5 Term finance certificates - listed</b>							
Leasing Companies							
Orix Leasing Pakistan Limited	1,285	-	-	1,285	5,970,637	0.55	0.32

# Atlas Income Fund

	30 September 2009 Un-audited	30 June 2009 Audited
Note	----- Rupees -----	-----

## 6.6 Musharika Finance Facility - secured

Musharika Financing - Secured	6.7.1	61,000,000	61,000,000
Income accrued		2,456,712	150,411
		<u>63,456,712</u>	<u>61,150,411</u>

6.7.1 This represents financing under Musharika Agreement with a Modaraba, carrying markup rate of 15%(30 June 2009: 15%) per annum. These are secured by way of pledge of Term Finance Certificates & Sukuks, having a market value of Rs.89.20 million (30 June 2009: Rs.89.54 million).

	For the quarter ended	
	30 September 2009 Un-audited	30 September 2008 Un-audited
	----- Rupees -----	-----

## 7. INTEREST INCOME

PLS saving and term deposit accounts	17,529,402	49,410,783
Continuous funding system	-	21,685,358
Placements	6,231,704	6,475,856
Term finances	36,474,716	52,843,141
Musharka and certificates of investment	2,306,301	6,759,918
Commercial papers	-	4,589,960
	<u>62,542,123</u>	<u>141,765,016</u>

## 8. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

### 8.1 Transactions for the period

Atlas Asset Management Limited (Management Company)		
Remuneration charged	7,355,253	13,152,064
Remuneration paid	7,088,773	8,752,377
Sales load and certificate charges	-	346
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee	742,405	1,304,220
Settlement charges	2,340	182,341
Bonus of nil (2008: 6,450) units	-	3,230,295
Atlas Bank Limited (Group Company)		
Sale of 394,415 (2008: nil) units	200,000,000	-
Bonus of 2,480 (2008: nil) units	1,242,947	-
Term deposit receipts placed	350,000,000	300,000,000
Term deposit receipts matured	475,000,000	100,000,000
Interest income on bank balances and term deposits	8,019,632	11,275,023
Bank charges	-	2,350
Atlas Capital Markets (Private) Limited (Group Company)		
Brokerage	975	91,099
Atlas Foundation (Group Company)		
Sale of nil (2008: 14,809) units	-	7,560,000
Redemption of 987 (2008: 29,985) units	500,000	15,160,000
Bonus of 4,824 (2008: 7,889) units	2,417,174	3,951,307
Atlas Honda Limited (Group Company)		
Redemption of 20,003 (2008: 495,037) units	10,023,706	250,000,000
Bonus of 20,003 (2008: 87,038) units	10,023,706	43,591,653
Atlas Insurance Limited (Group Company)		
Sale of 15,665 (2008: nil) units	8,000,000	-
Redemption of 14 (2008: 24) units	6,810	12,259
Bonus of 14 (2008: 24) units	6,810	12,259

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	For the quarter ended	
	30 September 2009	30 September 2008
	Un-audited	Un-audited
	Rupees	
<b>8.1 Transactions for the period (Continued...)</b>		
Shirazi Investments (Private) Limited (Group Company)		
Sale of nil (2008: 292,096) units	-	150,000,000
Redemption of nil (2008: 399,283) units	-	200,388,335
Bonus of nil (2008: 17,166) units	-	8,597,631
Key Management Personnel of Management Company		
Chief Executive		
Sale of 6,861 (2008: nil) units	3,500,000	-
Directors		
Sale of 980 (2008: 1,372) units	500,000	700,000
Redemption of nil (2008: 2,962) units	-	1,500,000
Bonus of 133 (2008: 1,102) units	66,493	552,161
Executives		
Sale of nil (2008: 3,678) units	-	1,859,996
Redemption of nil (2008: 922) units	-	470,062
Bonus of nil (2008: 69) units	-	34,643
	30 September 2009	30 June 2009
	Un-audited	Audited
	Rupees	
<b>8.2 Outstanding balances as at period / year end</b>		
Atlas Asset Management Limited (Management Company)		
Remuneration payable to the management company	2,409,523	2,143,043
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	242,827	235,923
Atlas Bank Limited (Group Company)		
Balance in PLS saving account	215,707,609	2,006,100
Term deposit balance	50,000,000	175,000,000
Accrued interest on bank balance and term deposits	90,411	1,772,287
Units in issue - 496,331 (30 June 2009: nil)	255,223,427	-
Atlas Foundation (Group Company)		
Units in issue - 197,210 (30 June 2009: 193,374)	101,409,419	99,318,776
Atlas Honda Limited (Group Company)		
Units in issue - 801,897 (30 June 2009: 801,897)	412,351,225	411,862,068
Atlas Insurance Limited (Group Company)		
Units in issue - 16,210 (30 June 2009: 545)	8,335,621	279,833
Atlas Capital Markets (Pvt.) Limited (Group Company)		
Brokerage payable	975	-
Payable against dividend on CFS	379,780	379,780

# Atlas Income Fund

	30 September 2009 Un-audited	30 June 2009 Audited
-----	Rupees	-----

8.2 Outstanding balances as at period/year end (Continued...)

## Key Management Personnel of Management Company

### Chief Executive

Units in issue - 6,861 (30 June 2009: Nil)

3,527,854

-

### Directors

Units in issue - 6,432 (30 June 2009: 5,319)

3,307,504

2,732,127

8.3 The transactions with related parties/connected persons are in the normal course of business at contracted rates and at terms determined in accordance with market rates.

## 9. SUBSEQUENT EVENT - INTERIM DISTRIBUTION TO UNITHOLDERS PER UNIT

The Board of Directors of the management company, in their meeting held on 27 October 2009 (2008: 25 October 2008), approved an interim distribution of Rs.12.50 (2008: Rs.13.75) per unit on the face value of Rs.500 each, i.e. 2.50% (2008: 2.75%). The interim distribution has been made in accordance with the provision of the clause 29.7 of the Trust Deed.

## 10. GENERAL

Figures have been rounded off to the nearest Rupee.

## 11. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on 27 October 2009.

For Atlas Asset Management Limited  
(Management Company)

M. Habib-ur-Rahman  
Chief Executive Officer

Yusuf H. Shirazi  
Chairman

Tariq Amin  
Director



## **Atlas Asset Management Limited**

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