



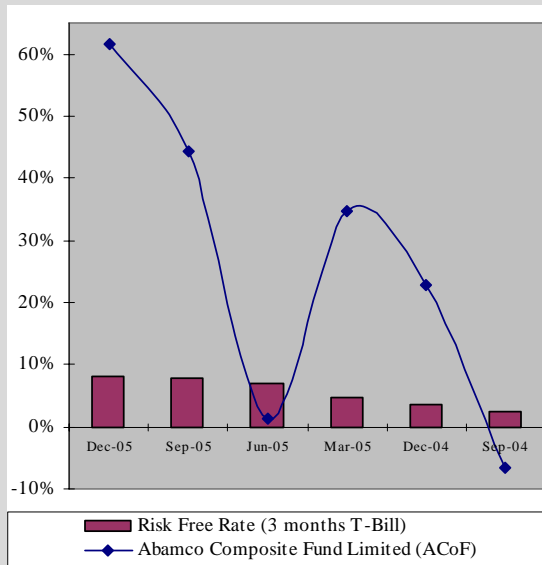
ABAMCO COMPOSITE FUND (ACoF)

MUTUAL FUND RATING (MARCH 2006)

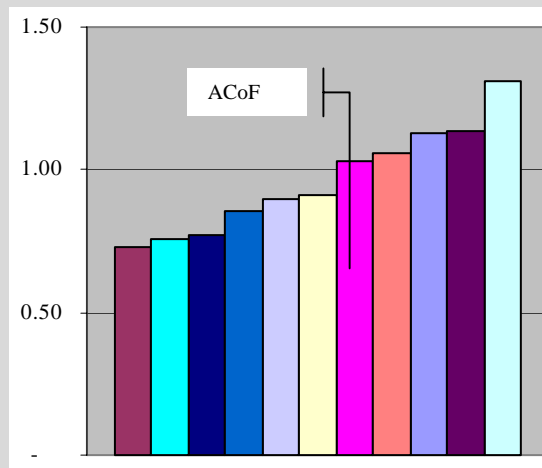


FUND:	ABAMCO Composite Fund
FUND CATEGORY:	Equity Fund
LAUNCH DATE:	May 2004
ASSET MANAGER:	ABAMCO Limited
ASSET MANAGER RATING:	AM2 (by PACRA)

SIMPLE ANNUALISED RETURN:



SHARPE RATIO VS PEERS (31-Dec-05):



* In case of an equity fund that has less than PKR 1bln of net assets, it is not included in peers unless it has completed six quarters of operations under the existing asset manager.

RATING

ACoF has been assigned a 4-Star rating, which reflects good performance relative to its peers. The rating is a composite measure of two factors namely a) returns, and b) risk associated with the returns measured by Sharpe Ratio. For computing return and risk, the performance of the fund during 6 trailing quarterly periods ended on Dec 31, 2005 has been considered.

PROFILE

ACoF, a closed-end fund, was established in April 2004 under a trust deed between ABAMCO Limited as investment advisor and Central Depository Company of Pakistan Limited (CDC) as trustee. The Fund is listed on all stock exchanges in Pakistan.

ASSET MANAGER

Incorporated in 1995, ABAMCO is the largest private sector asset management company in Pakistan. It is a subsidiary of Jahangir Siddiqui & Company Limited (JSCL), the flagship and main holding company of the JS group. The subsidiary companies of JSCL, in addition to ABAMCO, include Jahangir Siddiqui Investment Bank Limited and Jahangir Siddiqui Capital Markets Limited. The group is in the process of acquiring a commercial bank, American Express Bank (Pakistan Branches). JSCL enjoys a long-term entity rating of 'AA+' from PACRA. Other institutional shareholders of ABAMCO include AMVESCAP Plc. – a leading global asset management company – and International Finance Corporation.

The Chief Executive of ABAMCO, Mr. Najam Ali, is a Chartered Accountant with extensive exposure to the financial sector. The Chief Investment Officer (CIO) is an MBA with considerable experience in Pakistan's financial and capital markets. The fund manager of ACoF is Bachelors in Commerce with more than 15 years of experience in the financial sector.

ABAMCO has an asset manager rating of 'AM2', which reflects the company's very strong capacity to manage the risks inherent in asset management. The company offers a wide range of mutual funds with varying risk/return profiles and, therefore, catering to a diverse set of individuals and institutional investors. Currently, the company is managing ten funds with assets under management crossing PKR 25bln mark. ABAMCO manages five open-end funds namely, Unit Trust of Pakistan, UTP-IF, UTP-Islamic Fund, UTP-Aggressive Asset Allocation Fund, UTP-Fund of Funds, and five closed-end funds namely, BSJS Balanced Fund, ABAMCO Stock Market Fund, ABAMCO Capital Fund, ABAMCO Composite Fund, and ABAMCO Growth Fund. ABAMCO has initiated the merger process of the last three funds.

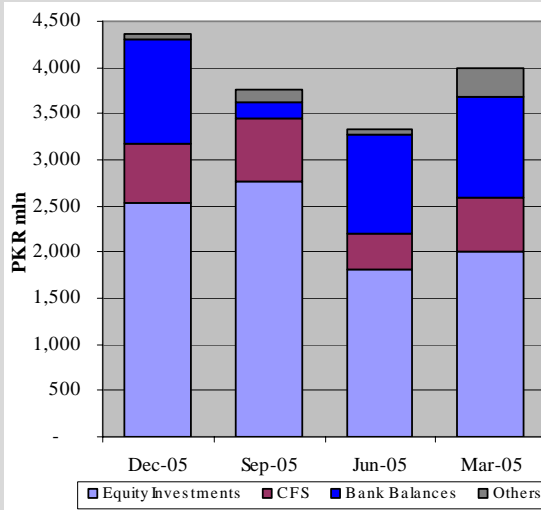
PERFORMANCE

The Fund's earnings have pre-dominantly been a function of capital gains and dividend income on equity securities. Although the Fund relies more on its equity investments, there is also a continuing income from Continuous Funding System (CFS) financing, which replaced the previous system of Carry Over Transactions (COT) financing in August 2005. ACoF maintains high level of bank deposits particularly savings deposits which while benefiting the Fund in the shape of interest income by means of increasing interest rates, also provides flexibility in equity transactions. Despite its short operational history as compared to most of its peers, the fund has shown good performance, which is an outcome of its timely entry and exit from the stock market especially in the last quarter of FY05 resisting negative returns that most peers were unable to avoid.

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ASSET ALLOCATION:



TOP TEN HOLDINGS (31-Dec-05):

Entity	Holding as a %age of total portfolio
Pakistan Oilfields Limited	16.8%
Oil & Gas Development Co. Limited	16.5%
Nishat Mills Limited	8.8%
Pakistan State Oil Co. Limited	8.0%
EFU Life Assurance Limited	5.9%
Pakistan Int. Container Terminal Limited	4.9%
Fauji Fertilizer Bin Qasim Limited	4.6%
Pakistan Petroleum Limited	4.2%
National Bank of Pakistan	4.0%
Faysal Bank Limited	3.9%
Others	22.4%
	100.0%

Total Equity Portfolio (PKR mln) 2,523.8
Equity Portfolio / Total Assets 55.8%

CERTIFICATE HOLDING PATTERN (31-Dec-05):

Unit Holders' Category	%
Individuals	7.1
Financial Institutions	66.1
Associates	16.6
Others	10.2

ANALYST

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INVESTMENT METHODOLOGY

The investment objective of ACoF is to maximize the total investment return, which consist of a combination of capital appreciation and income. ACoF follows a "large cap" investment strategy, investing primarily in large market capitalization companies. Consistent with this policy, the Fund invests primarily in equity securities of large-cap companies having market capitalization of over PKR 1bln. ACoF can also invest in debt securities up to a maximum of 20% of the net assets of the Fund.

The Investment Committee (IC), comprising Chief Executive, CIO, Executive Director, and Chief Executive of the parent company, is responsible for macro level planning including asset allocation on quarterly basis and overall investment policy. The IC meets on a weekly basis to review the Fund's performance and compliance with the quarterly investment policy. The fund manager submits investment proposals to the CIO, who takes the final decision, on daily basis. At the same time, if there is some fundamental change, one of the members of IC – mostly the CIO – can convene a meeting and suggest changes in the quarterly investment strategy.

RESEARCH

The research department is equipped with high-tech modeling and research software. The software is used for data collection, performing fundamental / technical analysis and generating customized reports.

The research department conducts research on individual companies, gleaning valuable information from annual reports, industry data, management meetings, plant visits and also from other reliable market sources. Once sufficient data is gathered, the sector analyst creates detailed sector model and tries to forecast performance of the entire sector. A number of periodic reports / resources are maintained in this regard. Additionally technical based research is also conducted. ABAMCO also factors in view of market participants including brokers, analysts and fund managers. The company is also coming up with a specialized performance module on CFS, for facilitating research and analysis work.

RISK MANAGEMENT & ASSET COMPOSITION

The major portion of the Fund's assets is deployed in listed equities and CFS. The Fund adheres to the limits specified in NBFCs Rules for investment in any individual stock and sector. The market risk is also mitigated by investing in companies, which are consistently paying dividends and / or have growth prospects and / or are actively traded.

The CFS, given the highly liquid nature of the underlying securities and imposition of the settlement risk on the clearinghouse, involves minimal potential risk. In case of deployment in debt securities, ACoF restricts itself to investment grade debt instruments.

RATING SCALE



Superior Performance
 Good Performance
 Average Performance
 Weak Performance
 Poor Performance