



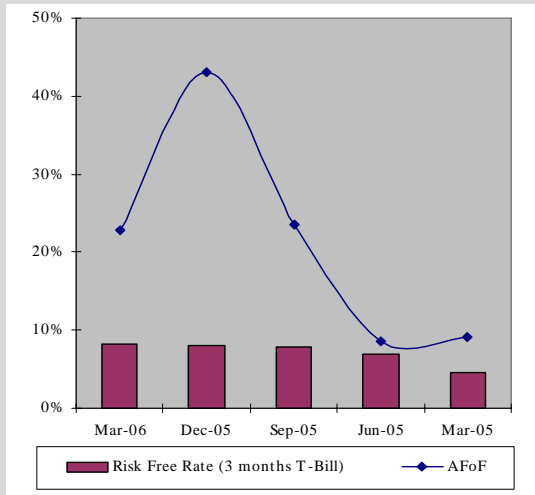
ATLAS FUND OF FUNDS (AFoF)

MUTUAL FUND RATING (JUNE 2006)

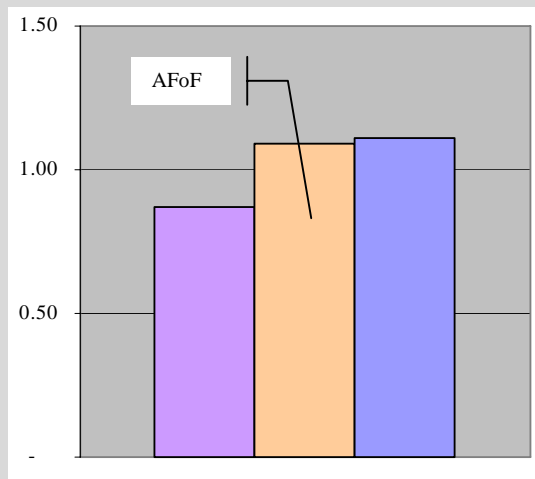


FUND:	Atlas Fund of Funds
FUND CATEGORY:	Balanced Fund
LAUNCH DATE:	December 2004
ASSET MANAGER:	Atlas Asset Management Limited
ASSET MANAGER RATING:	AM3+ (by PACRA)

SIMPLE ANNUALISED RETURN:



SHARPE RATIO VS PEERS (31-Mar-06):



RATING

AFoF 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 Mar 31, 2006 has been considered.

PROFILE

AFoF, a closed-end scheme, was established under a Trust Deed executed on May 29, 2004 with Atlas Asset Management Limited (AAML) as the management company and Central Depository Company of Pakistan Limited (CDC) as a trustee.

ASSET MANAGER

Atlas Asset Management Limited (AAML), sponsored by the Atlas Group, was incorporated in August 2002. Atlas Group, established in 1962, is one of the well-known business groups of the country with strong presence in manufacturing, finance and trading sectors. The group has diversified into various industrial and service oriented businesses. Though each company within the group works independently, the overall strategic direction of the group is set by the Group Executive Committee. Shirazi Investments (Pvt) Limited, the parent company of the asset manager, holds 88% of the total shareholding.

The BoD of AAML comprises seven members out of which six are non-executive directors. The Chief Executive of AAML, Mr. Habib-ur-Rahman, is a chartered accountant with extensive exposure to the financial sector and played a pivotal role in establishing the first asset management company in the private sector.

AAML has an asset manager rating of 'AM3+', which reflects the company's strong capacity to manage the risks inherent in asset management. The company is catering to different investment objectives of a diverse client base. Currently, the company is managing three funds with assets under management of more than PKR 4.8bln as at May 31, 2006. AAML, in addition to AFoF, manages two open-end funds namely, Atlas income fund and Atlas stock market fund.

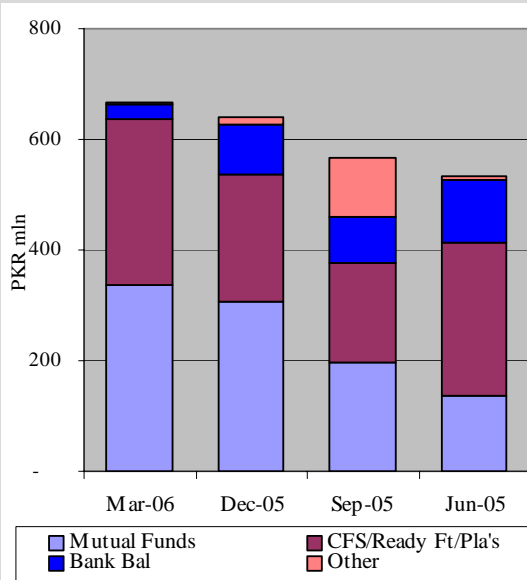
PERFORMANCE

The Fund's earnings have pre-dominantly been a function of unrealised gain on re-measurement of investments, capital gains and interest income mainly arising from financing against equity securities. Financing is currently in the form of Continuous Funding System (CFS) financing and spread transactions in ready future market. There is an increasing focus on CFS and ready futures due to high margin and improving trading volumes. There is also a continuing contribution, though modest, from other assets like bank deposits, placements and dividend income. The Fund, in the recent period, has consistently maintained moderate level of bank deposits to benefit from increasing interest rates being offered by financial institutions. AFoF, while following its balanced policy, switches funds more efficiently among different asset classes. This has resulted in relatively lower volatility as shown by Sharpe ratio.

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ASSET ALLOCATION:



TOP TEN HOLDINGS (31-Mar-06)

Entity	Holding as a %age of total portfolio
Pakistan Strategic Allocation Fund.	14.1%
Pakistan Premier Fund Ltd	11.0%
ABAMCO Growth Fund.	9.9%
PICIC Investment Fund.	9.1%
ABAMCO Capital Fund.	7.1%
Al-Meezan Mutual Fund Ltd.	7.0%
ABAMCO Stock Market Fund.	5.9%
Atlas Stock Market Fund.	5.4%
ABAMCO Composite Fund.	5.4%
BSJS Balance Fund Ltd.	4.6%
Others	20.4%
	100.0%

Total Equity including Portfolio (PKR mln) 335
Equity Portfolio / Total Assets 50.2%

CERTIFICATE HOLDING PATTERN (31-Mar-06):

Certificate Holders' Category	%
Individuals	93.76
Financial Institutions	3.63
Associates	0.58
Others	2.03

ANALYST

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INVESTMENT METHODOLOGY

The objective of AFoF 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 closed-end mutual funds, open-ended mutual funds, money market instruments or in deposits with scheduled banks. Before making investment in closed-end schemes, the Fund's investment committee considers Net Assets Value (NAV) and composition of the investment portfolio of the funds. The portfolio mix is managed in a manner that reduces the risk of loss in the market value of the investments as a result of prevailing market situation, including any major shift in lending rates. AFoF also holds assets in the form of cash deposits with scheduled banks to take advantage of suitable investment opportunity as and when they arise.

The company has clearly documented the investment process for AFoF. The investment committee (IC), comprising CEO, COO and a member of Group Executive Committee, meets weekly to review financial data, stock market performance, CFS summary, money market position, sector-wise updates, sectoral & macro economic picture, and peer comparison. Based on the presentations made by the fund manager to the committee along with other information available, IC makes investment/disinvestments decisions. For CFS and spread transactions, IC provides the general guidelines and the fund manager takes decisions on day-to-day basis. The IC has overall responsibility for the investment management process, including review of investment policy, monitoring compliance and periodical review of the portfolio composition.

RESEARCH

For the investment in mutual funds, the research department supports the fund manager in developing the proposal. Spreadsheets are used for continuous follow-up of rates of CFS and spread transactions. The company is in the process of designing a new module in its core software system for performance monitoring of CFS and spread transactions. This would facilitate the fund manager in decision-making process.

RISK MANAGEMENT & ASSET COMPOSITION

Majority of the Fund's assets are deployed in mutual funds, CFS, ready futures and placements with financial institutions. Given the highly liquid nature of the underlying securities and imposition of the settlement risk on the clearinghouse, CFS involves a minimal credit risk. In case of spread transactions in ready-future market, the risk is managed by ensuring simultaneous execution of buying and selling. For placements, the Fund have written guidelines and assets are only deploy on the bases of credit rating assigned to the commercial banks and NBFCs.

In terms of risk management of investment in mutual funds, the relevant exposure limits and restrictions are considered and as a policy the Fund refrains from investment over 25% of net assets in mutual fund schemes managed by any one investment adviser / management company.

RATING SCALE



Superior Performance
 Good Performance
 Average Performance
 Weak Performance
 Poor Performance