



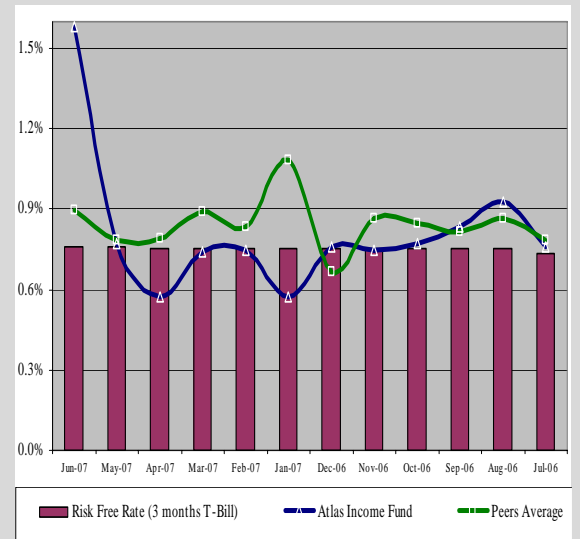
ATLAS INCOME FUND (AIF)

MUTUAL FUND STAR RATINGS (FEBRUARY 2008)

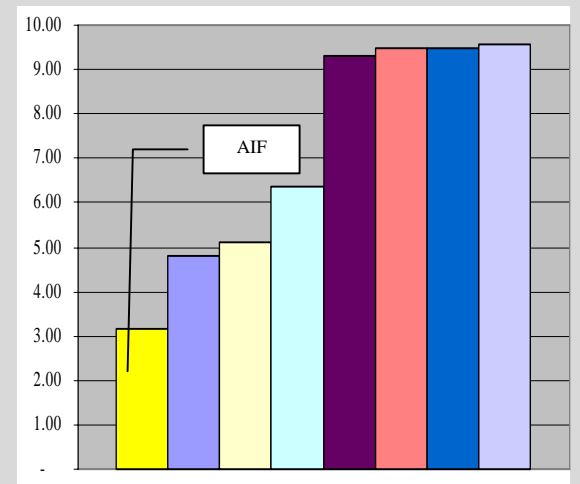
NORMAL: ★★★★★ (4-STAR)
LONG TERM: ★★★★★ (5-STAR)

| | |
|------------------------------|--------------------------------|
| FUND: | Atlas Income Fund |
| FUND CATEGORY: | Income Fund |
| FUND TYPE: | Open-end |
| LAUNCH DATE: | March 2004 |
| ASSET MANAGER: | Atlas Asset Management Limited |
| ASSET MANAGER RATING: | AM3+ (by PACRA) |
| TRUSTEE: | Central Depository Company |

ABSOLUTE RETURN – MONTHLY



SHARPE RATIO VS PEERS (FY-07)



RATING

The star ratings measure the performance of the funds not only on the returns given by these funds over the period of analysis but also the risk – measured by variability in return over monthly periods. For Income or money market funds, the credit quality of the underlying assets is also considered in arriving at the overall rating. The rating of a fund is comparable only to ratings of other funds in the same category. An income fund means a fund that invests in interest-based instruments/securities and weighted average maturity of its assets is more than 90 days at all times.

PACRA assigns two types of star ratings, differentiated on the basis of period of review; (i) normal star ratings based on performance during the trailing 12 months, and (ii) long-term star ratings based on performance during the trailing 36 months period. Accordingly, AIF has been assigned 4-star rating based on the performance during FY07. Meanwhile, a long-term rating of 5-star has also been assigned to the fund based on the performance during FY05 to FY07.

ASSET MANAGER

AAML, incorporated in August 2002, is majority owned (88%) by Shirazi Investments (Pvt) Limited – the holding company of Atlas group. Atlas group, established in 1962, is one of the well-known business groups of the country with strong presence in manufacturing, financial, and trading sectors. The group’s commercial bank – Atlas Bank Limited – though currently small in size, is gradually expanding.

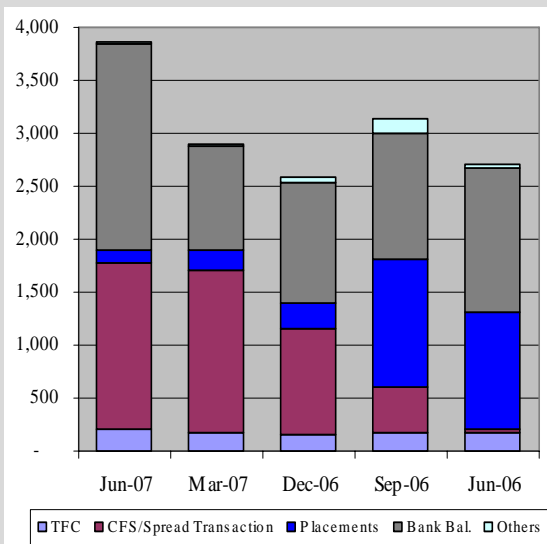
AAML’s seven-member board of directors, in addition to two Shirazi family members and the Chief Executive, comprises independent experienced professionals including a representative of ING – a global asset manager and technical partner of AAML. The current Chief Executive of AAML, Mr. M. Habib-ur-Rahman, is a Chartered Accountant with extensive exposure to the financial sector. He has played a pivotal role in establishing the asset management business in the private sector. The Chief Investment Officer, an MBA, has an extensive experience in equity research and portfolio management.

AAML has an asset manager rating of ‘AM3+’, which reflects the company’s strong capacity to manage the risks inherent in asset management. AAML currently has assets under management of PKR 7.6bln (end Dec-07). With the launch of an Islamic Fund in Jan07, AAML is managing four funds in total – three open-end and a closed-end fund. Furthermore, AAML is one of the few companies, which has launched conventional as well as Islamic pension schemes.

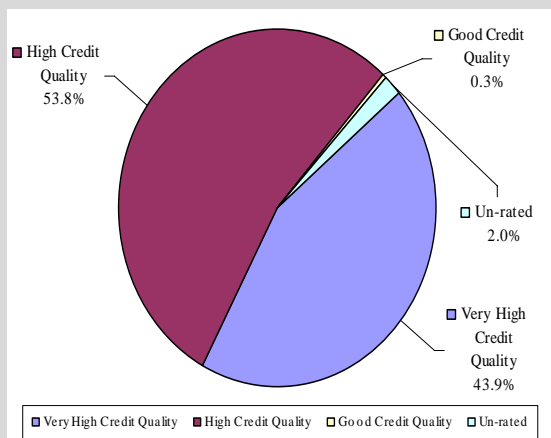
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ASSET ALLOCATION



ASSET QUALITY (30-June-07)



UNIT HOLDING PATTERN (30-June-07)

| Category | % |
|------------------------|---------------|
| Individuals | 8.0% |
| Corporates | 17.6% |
| Financial Institutions | 40.6% |
| Associates | 28.1% |
| Others | 5.7% |
| Total | 100.0% |

PERFORMANCE

The Fund, for the most of FY-07 derived its income from money market operations and terms deposits followed by capital market operations in the form of Continuous Funding System (CFS) financing, and ready-future spread transactions. While the fund has shown YoY growth in size, this remained low compared to peers.

The Fund's performance during the year was impacted by provisioning against one of its exposure in COIs. However, the overall return during the year has improved, as the management reduced its share of management fee to compensate investors for loss of income. Thereby resulting in a sharp upsurge in returns in the month of Jun07. While this has improved the overall YoY return to investors, the resulting volatility has led to the lowest Sharpe ratio among peers.

INVESTMENT OBJECTIVES AND METHODOLOGY

The objective of AIF is to provide investors one window facility to invest in a diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in CFS, spread transactions, debt securities, money market instruments, and government securities. The portfolio mix is managed in a manner that reduces the risk of loss in the market value of the investment as a result of prevailing market situation, including any major shift in lending rates. AIF also holds assets in the form of cash deposits with banks to take advantage of suitable investment opportunity as and when they arise. The majority of funds deployed by AIF are short dated, making it easier for the Fund to switch its holdings to suitable asset classes to manage interest rates volatility.

The company, in consultation with ING, is further streamlining its investment process and now follows a structured bottom-up approach for making investment decisions. The structure of investment committee has been reorganized by the induction of a senior representative from ING's Thailand office, in addition to AAML's CEO, Chief Investment Officer, and a member of the group's executive committee as permanent members. The IC meets on weekly basis to take investment/divestment decisions. The Fund manager and personnel from research and trading departments assist the committee. Based on the presentations made to the committee alongwith other information available, the IC makes investment/divestment decisions, which are properly documented.

ANALYST

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RATING SCALE

- ★★★★★ Superior Performance
- ★★★★ Good Performance
- ★★★ Average Performance
- ★★ Weak Performance
- ★ Poor Performance