



## ATLAS STOCK MARKET FUND (ASMF)

### MUTUAL FUND STAR RATING (FEBRUARY 2008)

**NORMAL:** ★★★★★ (4-STAR)

**LONG TERM:** N.A.

**FUND:** Atlas Stock Market Fund

**FUND CATEGORY:** Equity Fund

**FUND TYPE:** Open-end

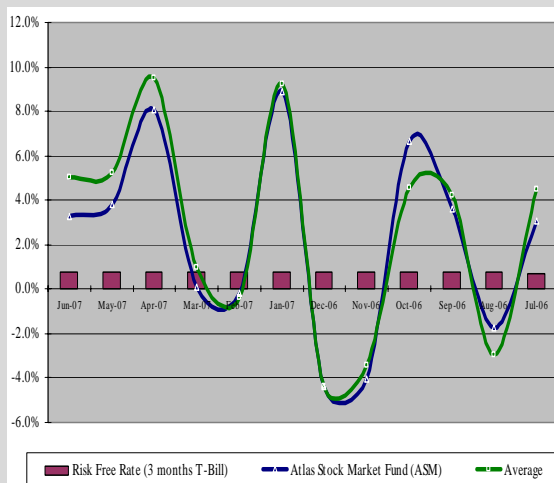
**LAUNCH DATE:** November 2004

**ASSET MANAGER:** Atlas Asset Management Limited

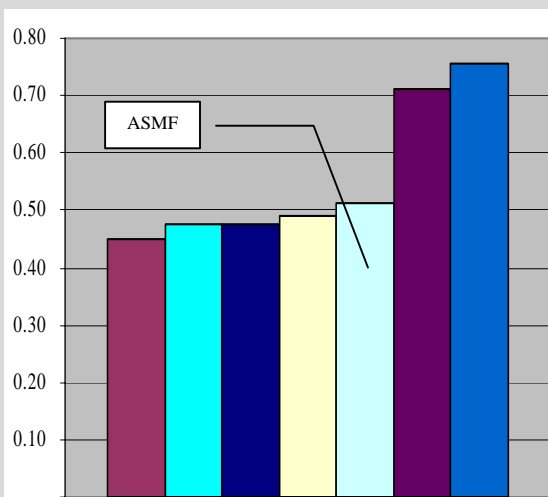
**ASSET MANAGER RATING:** AM3+ (by PACRA)

**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. The rating of a fund is comparable only to ratings of other funds in the same category. An equity fund means a fund that invests at least around 50% of its net assets in equities 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.

As ASMF has operational history of less than three years at end-June07, the Fund, being not eligible for long-term star rating, is assigned normal star rating only. Accordingly, normal 4-star rating has been assigned to ASMF based on the performance during FY07.

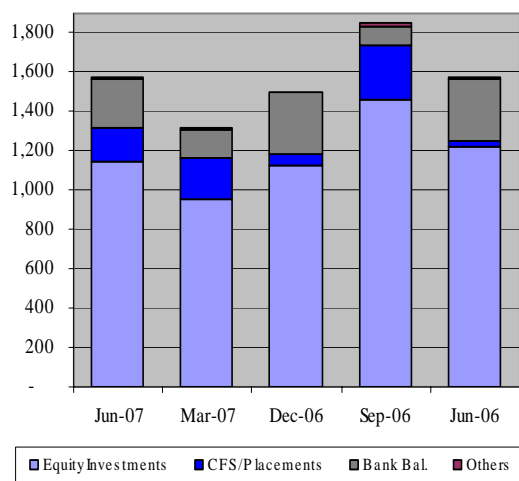
### ASSET MANAGER

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.

**ASSET ALLOCATION**



**TOP TEN HOLDINGS (30-June-07)**

Entity	Holding as a %age of total portfolio
Oil & Gas Development Company	10.3%
Pakistan Oilfields Limited	8.5%
National Bank of Pakistan	8.5%
Pakistan Petroleum Limited	8.3%
MCB Bank Limited	7.5%
Pakistan State Oil Co. Limited	4.9%
United Bank Limited	4.9%
Fauji Fertilizer Co. Limited	4.9%
Indus Motor Co. Limited	4.2%
Engro Chemicals Pakistan Limited	3.5%
Others	34.5%
	100.0%
<b>Total Equity Portfolio (PKR mln)</b>	<b>1,150</b>
<b>Equity Portfolio / Total Assets</b>	<b>72.9%</b>

**UNIT HOLDING PATTERN (30-June-07)**

Category	%
Individuals	12.6%
Corporates & others	10.1%
Financial Institutions	69.7%
Associates	7.2%
Others	0.5%
	100.0%

**ANALYST**

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**PERFORMANCE**

ASMF's earnings have mainly been a function of realized/unrealized capital gains on equity securities, though the proportion of unrealized gains in the total income increased notably during the year (FY07: 61%, FY06: 2%). The contribution of dividend income, albeit increased from the last year, remained at around 12% of the total income.

While the investment in equities remained above 70% for most of the year, the management efficiently switched between CFS and money market placements/bank deposits for deployment of surplus funds.

**INVESTMENT OBJECTIVE AND METHODOLOGY**

The objective of ASMF is to provide investors one window facility to invest in a diversified portfolio of equity securities offering consistent returns and growth. The Fund aims to achieve this objective mainly by investing in equity securities that are paying regular dividend, have growth prospects, or are actively traded. Any amounts that have not been invested in equity securities may be invested in corporate debt instruments or government securities or placed in money market instruments, reverse repurchase agreements or spread transactions. However, the investment in debt instruments and Government paper shall not exceed 25% of the Net Assets at any point of time. ASMF also holds assets in the form of cash deposits with banks to take advantage of suitable investment opportunities as they emerge.

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.

**RATING SCALE**

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