

GIPS® **Compliant Performance** **Report** for the period Ended Mar '13





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Atlas Money Market Composite



Benchmark: 50% Average of 3M PKRV + 50% 3M Deposit Rate of three scheduled banks (AA and above rated)

Creation Date: July 01, 2012

Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
9MFY13	6.86%	5.96%	<5	3,759	41.9%	8,969
FY12	11.32%	9.40%	<5	4,558	56.9%	8,015
FY11	11.62%	9.84%	<5	3,330	53.3%	6,247
FY10 *	4.47%	4.19%	<5	1,415	30.7%	4,616

* From January 20, 2010 to June 30, 2010

Note: GIPS Compliant Returns may vary by few basis points from returns presented in FMR due to difference in calculation methodology. Returns presented for composite and benchmark are on absolute basis.

Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm AAML includes all Collective Investment Schemes under its management (including investment plans) and all Fee Paying, Discretionary Portfolios.

Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

The investment objective of Atlas Money Market Composite is to provide its unit-holders competitive returns from a portfolio of low risk, short duration assets while maintaining high liquidity. It provides stable income stream with preservation of capital by investing in AA and above rated banks and short term Government Securities. Currently the composite comprises of one portfolio i.e. Atlas Money Market Fund (AMF).

Atlas Money Market Composite



Benchmark

The Benchmark for “Atlas Money Market Composite” is 50/50 composition as follows: 50% an average of “3-Month deposit rates of three scheduled banks (AA and above rated)” for the period of return; and 50% an average of “3 Month PKRV rate” for the period of return as available through Reuters and Financial Markets Association of Pakistan (FMA). Returns of the Benchmark are not net of withholding taxes

List of Composites

A list of all composite descriptions is available on request.

Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker’s Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at March 31, 2013 amounts to Rs. 22.2 million.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period does not include general sales tax.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is 1.0% of Annual Net Assets and presently there is no Front-end and Back-end load.

Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund)

Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

Atlas Money Market Composite



Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	Composite 3-Yr Standard Deviation	Benchmark 3-Yr Standard Deviation
9MFY13	0.44%	2.84%
FY12	0.46%	1.17%

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Revenue Recognition

Interest income on government securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. Gain or loss on sale of government securities is accounted for in the period in which it arises.

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management and Shirazi Investments (Pvt.) Limited (SIL) (AAML's parent company).

Taxation

1) Liability for Income Tax for Funds

- a) Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund will be regarded as a public company liable to a tax rate applicable to a public company. The income of the Fund will accordingly be taxed at the following rates:
 - i. Dividend income at 10%.
 - ii. Capital Gains Tax as applicable according to the relevant law
 - iii. Return from all other sources / instruments are taxable at the rate applicable to a public company.

Atlas Money Market Composite



Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend. Furthermore, the Fund will distribute not less than 90% of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Fund.

b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.

2) Taxation of Unit Holders & Liability to Zakat

- a) Unit Holders of the Fund will be subject to Income Tax @ 10% on dividend income distributed by the Fund. However distribution by debt funds or money market funds out of capital gains is not subject to income tax or any withholding tax. The tax deducted on dividend at the rate specified above will be the final tax and the payer will be required to withhold the amount of tax at source from payment of dividend. For banking companies the tax rate will be as mentioned in Income Tax Ordinance 2001 and the Fund will not be required to withhold tax at source.
- b) Capital gain arising from sale/redemption of Units of the Fund within twelve months of acquisition will be subject to tax at the applicable tax rate as mentioned in Income Tax Ordinance 2001.
- c) Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration to the Management Company.

Atlas Fixed Income Composite



Benchmark: Average six (6) month KIBOR (Offer)

Creation Date: July 01, 2012

Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
9MFY13	7.64%	7.53%	<5	1,875	20.9%	8,969
FY12	6.01%	12.42%	<5	943	11.8%	8,015
FY11	7.16%	13.42%	<5	797	12.8%	6,247
FY10	9.89%	12.40%	<5	1,302	28.2%	4,616
FY09	6.89%	14.13%	<5	1,767	47.6%	3,710
FY08	9.39%	10.57%	<5	4,165	60.3%	6,902

Note: GIPS Compliant Returns may vary by few basis points from returns presented in FMR due to difference in calculation methodology. Returns presented for composite and benchmark are on absolute basis.

Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm AAML includes all Collective Investment Schemes under its management (including investment plans) and all Fee Paying, Discretionary Portfolios.

Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

Atlas Fixed Income Composite aims at achieving a good rate of current income consistent with reasonable concern for principal and to provide the investors with liquidity. The composite invests mainly in high quality fixed income securities. In selecting debt instruments and government securities, the composite considers individual credit risks, with the understanding that market value

Atlas Fixed Income Composite



of even high quality fixed rate securities can fluctuate with change in interest rate levels. The composite may also invest in Margin Trading (MT) and Spread Transactions (Ready Futures). Currently the composite comprises of one portfolio i.e. Atlas Income Fund (AIF).

Benchmark

The Performance Benchmark for Atlas Fixed Income Composite is average six (6) month KIBOR (Offer) and returns of Benchmark are not net of withholding taxes

List of Composites

A list of all composite descriptions is available on request.

Significant Events

- a) The Debt securities held by Collective Investment Schemes managed by AAML were re-priced during the year 2008-09 on SECP directive issued on November 05, 2008, applicable on mutual funds. The Directive enforced re-pricing of debt securities, due to absence of liquidity and price discovery in the debt market, by applying discount rates varying from 5% in case of AAA rated instruments to 30% for BBB rated and below. On 6 January 2009 the SECP issued Circular No. 1 of 2009 titled "Valuation of debt securities and provisioning criteria for non-performing debt securities." This Circular stipulated that from 10 January 2009, the pricing would be determined through a market price methodology as compiled by MUFAP. The valuation criteria takes into consideration a number of factors, such as "trading", "thinly trading" and "non-trading" status of the debt securities, rating and cash flows, besides liquidity factors.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at March 31, 2013 amounts to Rs. 10.9 million.
- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period does not include general sales tax.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Atlas Fixed Income Composite



Fee Schedule

Management Fee is 1.5% of Annual Net Assets with a discretionary 1.0% Front-end load. There is no Back-end load currently.

Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund)

Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	Composite 3-Yr Standard Deviation	Benchmark 3-Yr Standard Deviation
9MFY13	3.48%	5.01%
FY12	3.59%	2.36%
FY10	5.19%	3.37%
FY09	4.76%	5.96%
FY08	4.69%	6.76%
FY07	0.63%	2.86%

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Atlas Fixed Income Composite



Revenue Recognition

Interest income on government securities and other debt securities is recognized using effective interest method at the rate of return implicit in the instrument. Interest income on bank balances, placements and deposits is recognized on an accrual basis. However, recognition of income on non-performing placements / deposits and securities is suspended in accordance with the SECP's Circular 1 of 2009 and the Fund's provisioning policy. Gain or loss on sale of government securities and other debt securities and derivatives is accounted for in the period in which it arises.

Subjective Unobservable Inputs

Atlas Asset Management Limited uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates/Sukuks. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management and Shirazi Investments (Pvt.) Limited (SIL) (AAML's parent company).

Taxation

1) Liability for Income Tax for Funds

- a) Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund will be regarded as a public company liable to a tax rate applicable to a public company. The income of the Fund will accordingly be taxed at the following rates:
 - i. Dividend income at 10%.
 - ii. Capital Gains Tax as applicable according to the relevant law
 - iii. Return from all other sources / instruments are taxable at the rate applicable to a public company.

Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend. Furthermore, the Fund will distribute not less than 90% of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Fund.

- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.

Atlas Fixed Income Composite



2) Taxation of Unit Holders & Liability to Zakat

- a) Unit Holders of the Fund will be subject to Income Tax @ 10% on dividend income distributed by the Fund. However distribution by debt funds or money market funds out of capital gains is not subject to income tax or any withholding tax. The tax deducted on dividend at the rate specified above will be the final tax and the payer will be required to withhold the amount of tax at source from payment of dividend. For banking companies the tax rate will be as mentioned in Income Tax Ordinance 2001 and the Fund will not be required to withhold tax at source.
- b) Capital gain arising from sale/redemption of Units of the Fund within twelve months of acquisition will be subject to tax at the applicable tax rate as mentioned in Income Tax Ordinance 2001.
- c) Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration to the Management Company.

Atlas Equity Composite



Benchmark: KSE-100 index
 Creation Date: July 01, 2012
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
9MFY13	32.85%	30.74%	<5	887	9.9%	8,969
FY12	22.67%	10.45%	<5	724	9.0%	8,015
FY11	39.76%	28.53%	<5	691	11.1%	6,247
FY10	24.79%	35.74%	<5	659	14.3%	4,616
FY09	-31.60%	-41.72%	<5	695	18.7%	3,710
FY08	-6.90%	-10.77%	<5	1,327	19.2%	6,902

Note: GIPS Compliant Returns may vary by few basis points from returns presented in FMR due to difference in calculation methodology. Returns presented for composite and benchmark are on absolute basis.

Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm AAML includes all Collective Investment Schemes under its management (including investment plans) and all Fee Paying, Discretionary Portfolios.

Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

Atlas Equity Composite aims at achieving a good rate of current income consistent with the prospects of appreciation in the value of amount invested. The composite invests mainly in good quality listed equity securities. In selecting equity securities, the composite considers the reputation of the management, liquidity, profitability, dividend record and prospects of earning growth. The remaining

Atlas Equity Composite



net assets are invested in Cash and / or near cash instruments which include cash in bank accounts (excluding TDRs), and treasury bills not exceeding 90 days maturity. Currently the composite comprises of one portfolio i.e. Atlas Stock Market Fund (ASMF).

Benchmark

The Performance Benchmark for Atlas Equity Composite is KSE-100 Index and returns of the Benchmark are not net of withholding taxes.

List of Composites

A list of all composite descriptions is available on request.

Significant Events

- a) The stock markets across the globe witnessed heavy selling pressures during FY09. The KSE -100 index shed 41.7 % from 12,289 points on 30 June 2008 to 7,162 points on 30 June 2009. The temporary measures such as imposition of floor price mechanism failed to achieve the desired result. This brought equity market to a virtual halt, as buyers remained hesitant to buy securities at floor prices. Subsequent to the removal of floor on 15 December 2008, the KSE -100 index witnessed a sharp fall to hit a low of 4,815 points on 26 January 2009.
- b) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at March 31, 2013 amounts to Rs. 14.9 million.
- c) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period does not include general sales tax.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is 2.0% of Annual Net Assets with a discretionary 2.0% Front-end load. There is no Back-end load currently.

Atlas Equity Composite



Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows:

For Portfolio/Fund: Rs.100 Million per Fund (Minimum Regulatory Requirement to start a fund).

Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	Composite 3-Yr Standard Deviation	Benchmark 3-Yr Standard Deviation
9MFY13	18.07%	16.52%
FY12	19.09%	18.08%
FY10	34.63%	32.05%
FY09	35.56%	33.84%
FY08	34.65%	34.08%
FY07	19.45%	24.22%

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Revenue Recognition

Dividend income is recognized when the right to receive the dividend is established. Interest income on bank balances, placements and deposits is recognized on an accrual basis. Gain or loss on sale of securities is accounted for in the period in which it arises

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management and Shirazi Investments (Pvt.) Limited (SIL) (AAML's parent company).

Atlas Equity Composite



Taxation

1) Liability for Income Tax for Funds

- a) Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund will be regarded as a public company liable to a tax rate applicable to a public company. The income of the Fund will accordingly be taxed at the following rates:
 - i. Dividend income at 10%.
 - ii. Capital Gains Tax as applicable according to the relevant law
 - iii. Return from all other sources / instruments are taxable at the rate applicable to a public company.

Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend. Furthermore, the Fund will distribute not less than 90% of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Fund.

- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.

2) Taxation of Unit Holders & Liability to Zakat

- a) Unit Holders of the Fund will be subject to Income Tax @ 10% on dividend income distributed by the Fund. However distribution by debt funds or money market funds out of capital gains is not subject to income tax or any withholding tax. The tax deducted on dividend at the rate specified above will be the final tax and the payer will be required to withhold the amount of tax at source from payment of dividend. For banking companies the tax rate will be as mentioned in Income Tax Ordinance 2001 and the Fund will not be required to withhold tax at source.
- b) Capital gain arising from sale/redemption of Units of the Fund within twelve months of acquisition will be subject to tax at the applicable tax rate as mentioned in Income Tax Ordinance 2001.
- c) Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration to the Management Company.

Atlas Islamic Income Composite



Benchmark: Average six months profit rate of three Islamic Banks
 Creation Date: July 01, 2012
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
9MFY13	6.81%	5.18%	<5	638	7.1%	8,969
FY12	10.10%	7.70%	<5	466	5.8%	8,015
FY11	9.89%	7.91%	<5	383	6.1%	6,247
FY10	9.28%	7.14%	<5	349	7.6%	4,616
FY09 *	8.21%	8.27%	<5	258	7.00%	3,710

*From October 14, 2008 to June 30, 2009

•Note: GIPS Compliant Returns may vary by few basis points from returns presented in FMR due to difference in calculation methodology. Returns presented for composite and benchmark are on absolute basis.

Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm AAML includes all Collective Investment Schemes under its management (including investment plans) and all Fee Paying, Discretionary Portfolios.

Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

The Composite's primary objective is to provide investors with a good and stable rate of current income in a Shariah Compliant manner. A secondary objective is to take advantage of opportunities to realize capital appreciation. The Composite seeks to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium and short term high quality Islamic income instruments. Currently the composite comprises of one portfolio i.e. Atlas Islamic Income Fund (AIIF).

Atlas Islamic Income Composite



Benchmark

The Performance Benchmark for Atlas Islamic Income Composite is the most recently published average six months profit rate of three Islamic Banks in the country and returns of Benchmark are not net of withholding taxes

List of Composites

A list of all composite descriptions is available on request.

Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at March 31, 2013 amounts to Rs. 3.1 million.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period does not include general sales tax.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is 1.0% of Annual Net Assets with a discretionary 1.0% Front-end load. There is no Back-end load currently.

Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund)

Atlas Islamic Income Composite



Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	Composite 3-Yr Standard Deviation	Benchmark 3-Yr Standard Deviation
9MFY13	0.72%	1.57%
FY12	0.54%	0.46%

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Revenue Recognition

Markup income on Government Securities is recognized using effective markup method at the rate of return implicit in the instrument. Income on bank balances and deposits is recognized on an accrual basis. Gain or loss on sale of Shariah compliant debt securities and derivatives is accounted for in the year in which it arises.

Subjective Unobservable Inputs

Atlas Asset Management Limited uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates/Sukuks. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management and Shirazi Investments (Pvt.) Limited (SIL) (AAML's parent company).

Atlas Islamic Income Composite



Taxation

1) Liability for Income Tax for Funds

- a) Under the Tax Law in Pakistan, the definition of a public company includes a trust formed under any law for the time being in force. The Fund will be regarded as a public company liable to a tax rate applicable to a public company. The income of the Fund will accordingly be taxed at the following rates:
- i. Dividend income at 10%.
 - ii. Capital Gains Tax as applicable according to the relevant law
 - iii. Return from all other sources / instruments are taxable at the rate applicable to a public company.

Notwithstanding the tax rate given above, the income from the Fund will be exempted from tax if not less than 90% of the income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the Unit Holders as dividend. Furthermore, the Fund will distribute not less than 90% of its income received or derived from sources other than unrealized capital gains as reduced by such expenses as are chargeable to the Fund.

- b) Under the provisions of Clause 47 (B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/ financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with banks of the Fund will not be subject to any withholding tax.

2) Taxation of Unit Holders & Liability to Zakat

- a) Unit Holders of the Fund will be subject to Income Tax @ 10% on dividend income distributed by the Fund. However distribution by debt funds or money market funds out of capital gains is not subject to income tax or any withholding tax. The tax deducted on dividend at the rate specified above will be the final tax and the payer will be required to withhold the amount of tax at source from payment of dividend. For banking companies the tax rate will be as mentioned in Income Tax Ordinance 2001 and the Fund will not be required to withhold tax at source.
- b) Capital gain arising from sale/redemption of Units of the Fund within twelve months of acquisition will be subject to tax at the applicable tax rate as mentioned in Income Tax Ordinance 2001.
- c) Units held by resident Pakistani Unit Holders shall be subject to Zakat at 2.5% of the value of the Units under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted under the said Ordinance. Zakat will be deducted at source from the redemption proceeds. Above deduction will not be made if Unit Holder provides declaration to the Management Company.

Atlas Islamic Equity Composite



Benchmark: KMI-30 index
 Creation Date: July 01, 2012
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Total Assets at end of Period (mn)	Percentage of Firm's Assets (%)	Total Assets of the Firm at the end of Period (mn)
9MFY13	29.55%	32.90%	<5	713	8.0%	8,969
FY12	27.30%	13.57%	<5	520	6.5%	8,015
FY11	43.70%	43.66%	<5	336	5.4%	6,247
FY10	25.09%	36.87%	<5	257	5.6%	4,616
FY09	-22.68%	-5.11%	<5	424	11.4%	3,7110
FY08	1.27%	0.92%	<5	600	8.7%	6,902

Note: GIPS Compliant Returns may vary by few basis points from returns presented in FMR due to difference in calculation methodology. Returns presented for composite and benchmark are on absolute basis.

Compliance Statement

Atlas Asset Management Limited ("AAML" or the "firm") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. The Firm AAML has not been independently verified.

Firm Definition

AAML, sponsored by the Atlas Group of Companies is licensed to carry out Asset Management Services as Non-Banking Finance Company by Securities and Exchange Commission of Pakistan (Commission). The firm AAML includes all Collective Investment Schemes under its management (including investment plans) and all Fee Paying, Discretionary Portfolios.

Policies

AAML policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

Atlas Islamic Equity Composite enables Unit Holders to participate in a diversified portfolio of Shariah Compliant securities such as equities, profit bearing securities and other Shariah Compliant

Atlas Islamic Equity Composite



securities available outside Pakistan. The Management Company manages the composite with the objective of maximizing Unit Holders' returns on their Investments while at all times observing prudent investment practices, the highest professional standards, all applicable laws, and the Islamic Shariah as advised by the Shariah Board. Currently the composite comprises of one portfolio i.e. Atlas Islamic Stock Fund (AISF)

Benchmark

The Performance Benchmark for Atlas Islamic Equity Composite is 'KMI- 30 Index' and returns of Benchmark are not net of withholding taxes.

List of Composites

A list of all composite descriptions is available on request.

Significant Events

The stock markets across the globe witnessed heavy selling pressures during FY09. The KSE -100 index shed 41.7 % from 12,289 points on 30 June 2008 to 7,162 points on 30 June 2009. The temporary measures such as imposition of floor price mechanism failed to achieve the desired result. This brought equity market to a virtual halt, as buyers remained hesitant to buy securities at floor prices. Subsequent to the removal of floor on 15 December 2008, the KSE -100 index witnessed a sharp fall to hit a low of 4,815 points on 26 January 2009.

Significant Events

- a) The Finance Act 2008 introduced an amendment to the Worker's Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes/mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within scope of the WWF ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, pending the decision of the said Constitutional Petition, the Management Company, as a matter of abundant caution, has maintained the provision for WWF. The realized amount of WWF as at March 31, 2013 amounts to Rs. 9.8 million.
- b) During the period, through Sindh Sales Tax on Services Act 2011, general sales tax on fund management services has been imposed at the rate 16% effective July 01, 2011. Management fee charges during the period does not include general sales tax.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Atlas Islamic Equity Composite



Fee Schedule

Management Fee is 2.0% of Annual Net Assets with a discretionary 1.0% Front-end load. There is no Back-end load currently.

Minimum Portfolio Size

The minimum portfolio size for inclusion in the composite is as follows: For Portfolio/Fund: Rs. 100 Million per Fund (Minimum Regulatory Requirement to start a fund).

Internal Dispersion

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Period	Composite 3-Yr Standard Deviation	Benchmark 3-Yr Standard Deviation
9MFY13	15.93%	15.67%
FY12	16.89%	17.03%
FY10	32.29%	35.11%
FY09	32.93%	36.12%

Note: Benchmark changed from Dow Jones Islamic Index to KMI-30 index on March 01, 2010.

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

All financial assets and financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Revenue Recognition

Income on PLS accounts is recognized on an accrual basis. Dividend income is recognized when the right to receive the dividend is established. Gain or loss on sale of equity securities is accounted for in the period in which it arises

Atlas Islamic Equity Composite



Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of AAML, its Management and Shirazi Investments (Pvt.) Limited (SIL) (AAML's parent company).

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Compliant Performance Report for the period Ended Mar '13

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