

January 2007

spot
light

Monthly
Roundup



Managed By

Atlas Asset Management

Rated AM3+ by PACRA

Atlas
funds

Nurturing your investments

Message From The Editor

Disclaimer

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All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends / returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Please read the "Risk" & "Disclaimer" clauses of the respective funds' offering document and consult your investment legal advisor for understanding the investment policies and risks involved.

Editorial Team

Mashmooma Z. Majeed
Mazhar A. Sabir
Mehreen Z. Naqvi
Uzma Hussain
Wasim Akram
Zeeshan Ahmed

Contact us for queries, comments or suggestions at
spotlight@atlasfunds.com.pk or
Ground Floor, Federation House, Shabrae-Firdousi, Clifton,
Karachi

Dear Readers,

The New Year has started on a positive note for Atlas Asset Management Limited.

Our third open-end mutual fund, Atlas Islamic Fund was launched for continuous public subscription from January 15, 2007. The IPO was a success with the Fund receiving a good response from the individual investors, contributing significantly to our growing retail investor base. We thank all our investors for their tremendous support in making the IPO of Atlas Islamic Fund a success.

Our other three funds, Atlas Income Fund, Atlas Stock Market Fund and Atlas Fund of Funds were assigned a "5-Star" rating each by PACRA for FY 06. For each Fund the rating reflects a superior performance in their respective categories.

Also, Securities and Exchange Commission of Pakistan issued a Certificate of Registration to Atlas Asset Management Limited to act as a Pension Fund Manager, under the Voluntary Pension System Rules, 2005 (VPS). Under the VPS, all Pakistani nationals of over 18 years of age, whether salaried or self-employed, holding a valid National Tax Number (NTN) will be eligible to participate in the forthcoming pension schemes.

We have many reasons to be jubilant but we realize that all this would not have been achievable without YOUR continuous support and confidence reposed in our Funds and our management capabilities, which keep us motivated to outshine in our performance to deliver you the very best!!!

Thank You!!!!!!!!!!

Best Wishes,

Editor

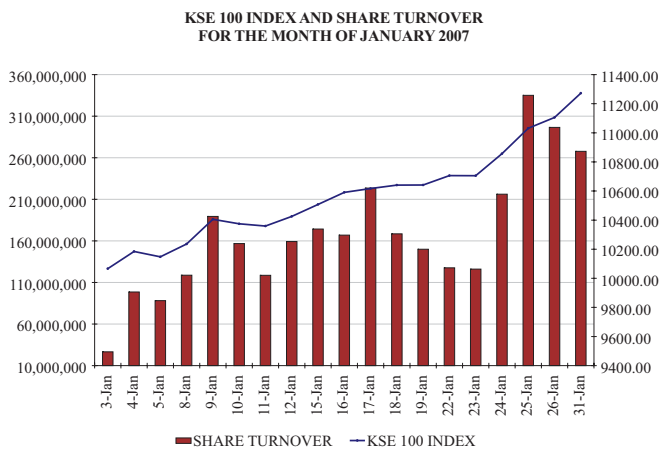
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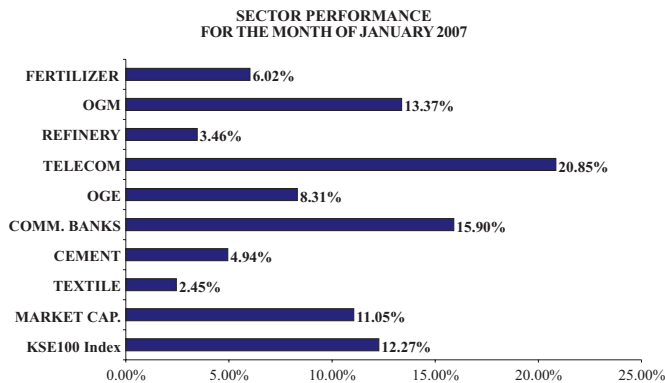
Market Review

On the Stock Market Front

The stock market witnessed a massive bull run during January, 2007. The index rose by 1,230 points or 12.28% to close at 11,272. The average monthly volumes remained healthy at 169 million shares. All the major sectors contributed to this rally whereby genuine buying interest was witnessed after quite a while. Leading in the front was the telecommunication sector which gained 21% during the month. Telecommunication sector was followed by the banking sector, which gained 16% during the month.



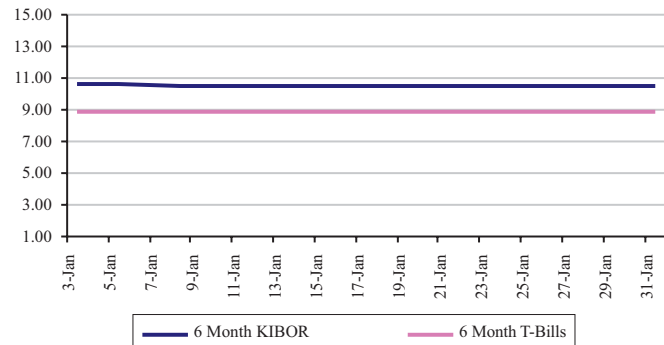
The current rally was largely based on the Government's decision to defer Capital Gains Tax till June, 2008. In addition, some major foreign equity houses issued positive reports regarding the Pakistani stock market which generated a lot of foreign buying. Special Convertible Rupee Account which is an indication of the foreign investment in the Pakistani Stock market showed a net inflow of USD103 million with major inflow coming in from USA.



On the Money Market Front

6-Month KIBOR closed at 10.53% in January, 2007, 9 bps lower as compared to the start of the month. Secondary market yield on 6-month T-Bills remained steady at 8.9% at the end of the month. State Bank of Pakistan maintained the cut off yields of 3-month, 6-month and 1-year Treasury Bills at 8.64%, 8.82% and 9.00%, respectively.

KIBOR vs T-BILLS



Major Result Announcements

COMPANIES	Earning Per Share (Rs.)			
	FY06	FY07	% Chg	Payout
Fauji Fertilizer	9.92	9.39	-5.34%	10.00
Engro Chemicals	13.78	15.14	9.87%	9.00
Fauji Fertilizer Bin Qasim	2.62	2.62	0.00%	2.50
Unilever Pakistan	120.51	123.67	2.62%	122.00
Pakistan Petroleum *	8.43	12.32	46.14%	4.50

* Half-Year Result

Atlas Income Fund

Fund Performance for the month ended January 31, 2007

Fund Information

Fund Launch date	March 22, 2004
Type	Open-end - Income Fund
Net Assets	Rs. 2.70 billion
NAV per Unit	Rs. 528.42
Management Fee	1%
Sales Load (Front-end)	2%
Listing	Lahore Stock Exchange (LSE)
Trustee	Central Depository Company of Pakistan (CDC).
Auditors	Hameed Chaudhri & Co.
Minimum Subscription	Rs. 5,000/-
Rating (by PACRA)	5 Star

Investment Objective

To achieve a good rate of current income consistent with reasonable concern for safety of principal and to provide the investors with liquidity and the facility to join or leave the fund at their convenience.

Investment Strategy

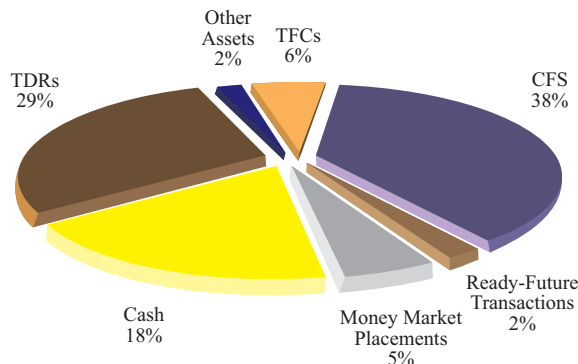
The Fund will invest mainly in high quality fixed income securities. In selecting debt instruments and government securities, the Fund will consider individual credit risks, with the understanding that market value of even high quality fixed rate securities can fluctuate with change in interest rate levels. The Fund may also invest in Continuous Funding System (CFS) and Spread Transactions. The asset allocation will depend on prevailing market conditions and exposure limits.

Fund Manager's Review

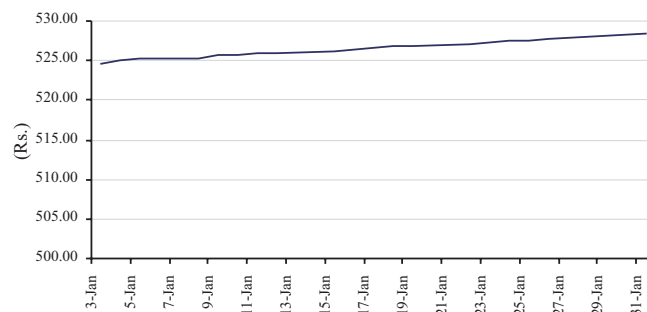
The NAV of AIF was Rs.528.42 per Unit as at the end of month of January 31, 2007 as compared with the NAV of Rs.524.83 per Unit as at December 31, 2006. This translates to 8.05% annualized return on month on month basis.

During the month of January 2007, investment in Term Deposit Receipts (TDRs) was reduced from 38% to 29% and some divestment was made from the money market placements and increased the minimal exposure into Ready-Future Spread Transactions. The breakdown of total assets of the Fund is as follows: Continuous Funding System (CFS) as share of total assets 38%, Term Finance Certificates (TFCs) 6%, Money Market Placement 5%, Ready-Future Spread Transactions 2%, Bank balances 18% and other assets 2%.

Asset Allocation



NAV Performance



Returns*

	From	AIF
Month on Month	31-Dec-06	8.05%
Quarter on Quarter	31-Oct-06	8.66%
1 Year	31-Jan-06	10.24%
Year to date	30-Jun-06	9.55%
Since Inception	22-Mar-04	9.79%

*All returns are on an annualized basis

Key Interest Rates*

KIBOR 3 month	10.26%
KIBOR 6 month	10.53%
Discount Rate	9.50%
6 month T-Bills	8.90%
12 month T-Bills	9.15%
10- Year PIBs	10.40%
Inflation (CPI)	8.88%

* Source: Business Recorder dated January 31, 2007

Website: www.sbp.org.pk

Atlas Stock Market Fund

Fund Performance for the month ended January 31, 2007

Fund Information

Fund Launch date	November 23, 2004
Type	Open-end - Equity Fund
Net Assets	Rs. 1.54 billion
NAV per Unit	Rs. 601.32
Management Fee	3%
Sales Load (Front-end)	2%
Listing	Lahore Stock Exchange (LSE)
Trustee	Central Depository Company of Pakistan (CDC)
Auditors	Hameed Chaudhri & Co.
Minimum Subscription	Rs. 5,000/-
Rating (by PACRA)	5 Star

Investment Objective

To achieve a good rate of current income consistent with the prospects of appreciation in the value of amount invested and to provide the investors with liquidity and the facility to join or leave the fund at their convenience.

Investment Strategy

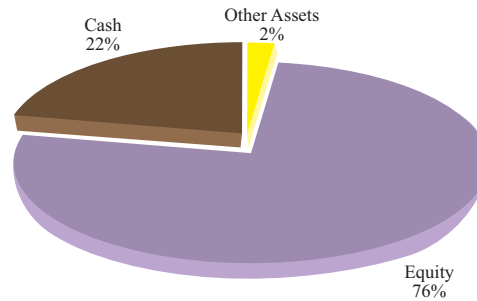
The Fund will invest mainly in high quality equity securities. In selecting equity securities, the Fund will consider the reputation of the management, volume trading in the shares, profitability, dividend record and prospects of earning growth. The Fund may also invest in Term Finance Certificates, Continuous Funding System transactions and Money Market Instruments. The asset allocation in each instrument will depend on prevailing market conditions.

Fund Manager's Review

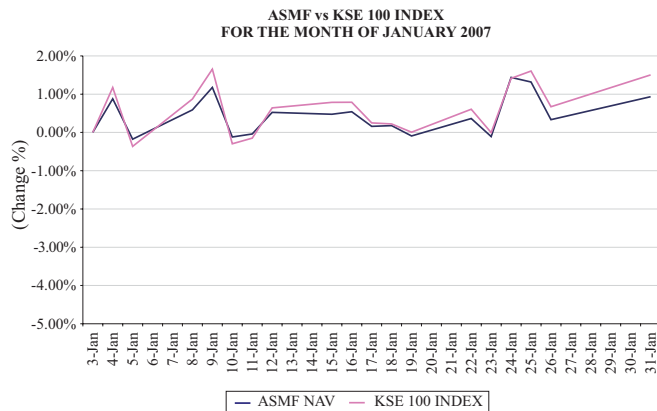
During the month of January 2007, the KSE 100 Index performed significantly well and sharply increased by 12.25% on month on month basis. Whereas, the Fund has increased by 8.95% on month on month basis, underperforming the index slightly. The index's significant increase was mainly due owing to the good performance of the index heavy weights, which have a higher percentage in the index whereas the Fund has to abide by the SECP's restriction of 10% investment in a single stock. The Fund size as at January 31, 2007 stood at Rs. 1.54 billion.

During the month, the strategy of the Fund was to book profits at upper levels and the average investment in equities remained 75% to 80%. At the end of the month, the total investment in equities stood at 76% of total assets.

Asset Allocation



NAV Performance



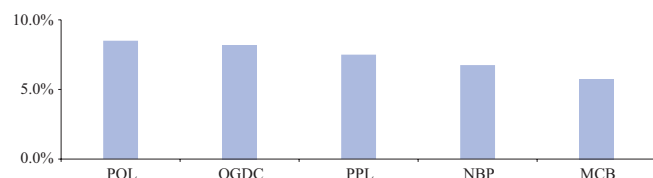
Returns*	From	ASMF
Month on Month	31-Dec-06	8.87%
Quarter on Quarter	31-Oct-06	-0.13%
1 Year	31-Jan-06	5.87%
Year to date	30-Jun-06	11.81%
Since Inception	23-Nov-04	56.56%

*All returns are for the respective periods mentioned and have not been annualized.

Top Five Sectors

Oil & Gas Exploration	23.91%
Banks	21.70%
Fertilizer	8.88%
Oil & Gas Marketing	6.48%
Telecommunication	3.58%

Top Five Holdings



Atlas Fund of Funds

Fund Performance for the month ended January 31, 2007

Fund Information

Fund Launch date	December 13, 2004
Type	Closed-end - Fund of Funds
Net Assets	Rs. 570.394 million
NAV per Unit	Rs. 10.86
Management Fee	1.75%
Listing	Karachi Stock Exchange (KSE)
Trustee	Central Depository Company of Pakistan (CDC)
Auditors	Hameed Chaudhri & Co.
Rating (by PACRA)	5 Star

This Fund is traded at Karachi Stock Exchange (KSE) and can be purchased on prevailing market price that is generally at a discount to NAV during the trading hours of KSE.

Investment Objective

To provide investors a one-window facility to invest in a diversified portfolio of securities of closed-end & open-end schemes offering consistent returns and growth.

Investment Strategy

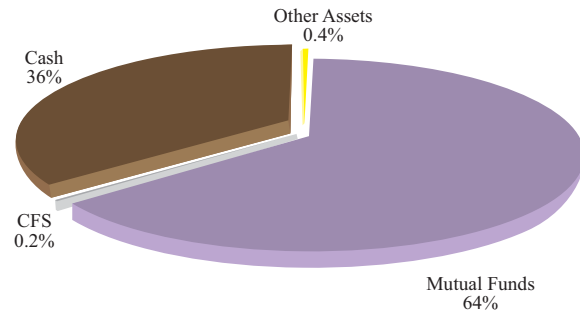
The Fund will invest mainly in other closed end funds. In selecting the closed end funds, the Fund will review the comparison of the Net Asset Value (NAV) with market value and the available discount, the portfolio of that fund and trading activities in the shares of the investee funds. The Fund may also invest in unit trust schemes, CFS transactions and Money Market Instruments. The open-end schemes shall be selected on the basis of their returns. The asset allocation in each instrument will depend on the prevailing market conditions.

Fund Manager's Review

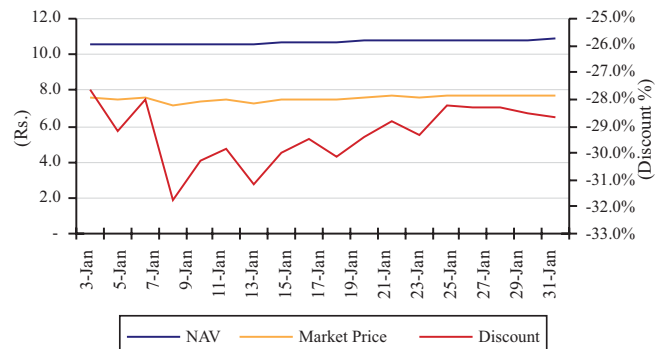
The NAV of Atlas Fund of Funds as on January 31, 2007 was Rs. 10.86 as compared to Rs.10.65 as at December 31, 2006, reflecting an increase of 1.97% on month on month basis. During the month, all investee funds performed well as KSE 100 Index rose by over 12%. The Net Assets of the Fund stood at Rs. 570.394 million as at January 31, 2007.

During the month, profit taking strategy was adopted by the Fund reducing investment from the open-end funds. The total investment in mutual funds was 64% as compared to 75% previous month. As of January 31, 2007, the investment as a percentage of Net Assets in the closed-end funds stood at 48.25% whereas, in the open-end funds the investment reached to 15.80% of the total Net Assets.

Asset Allocation



NAV Performance

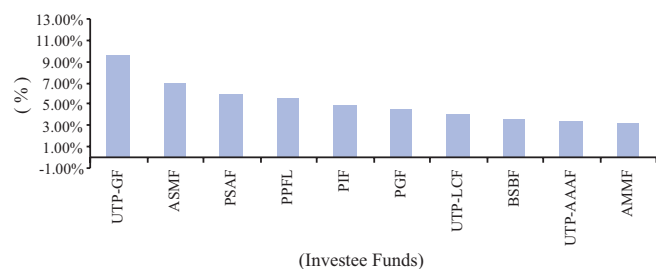


Returns*

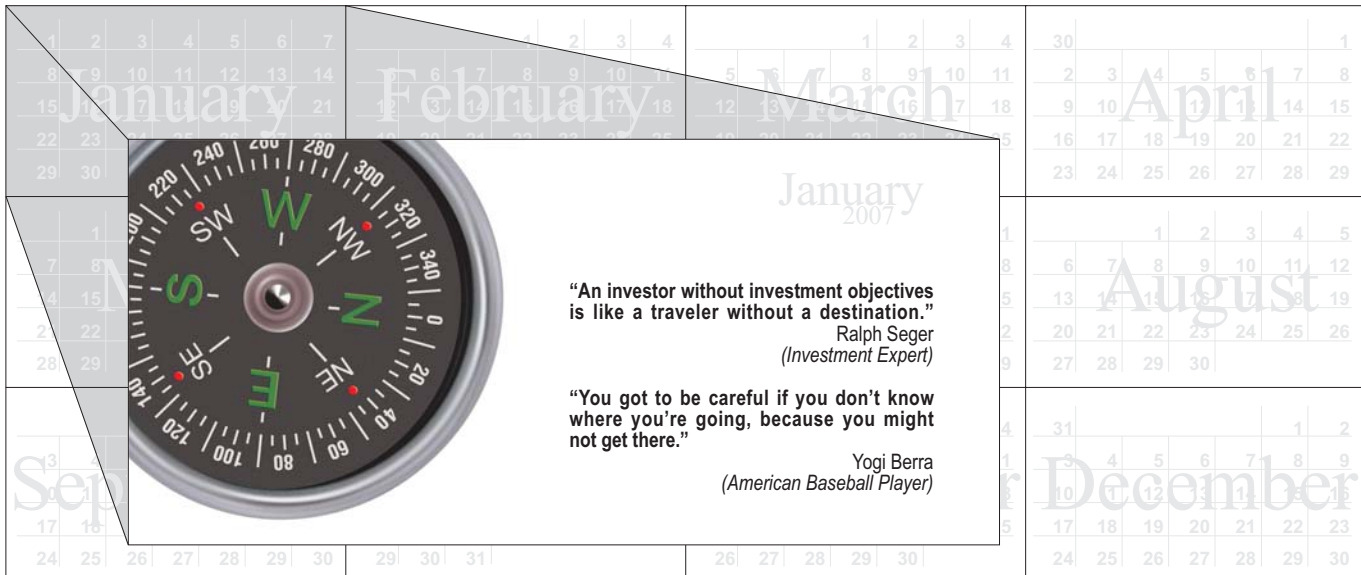
	From	ATFF
Month on Month	31-Dec-06	1.97%
Quarter on Quarter	31-Oct-06	-1.09%
1 Year	31-Jan-06	0.70%
Year to date	30-Jun-06	3.72%
Since Inception	13-Dec-04	28.60%

*All returns are for the respective periods mentioned and have not been annualized.

Top Ten Holdings of Mutual Funds



A Page From Our Calendar



Investor Education

INVESTMENT OBJECTIVE

An investment objective is an investor's or a mutual fund's financial goal. A mutual fund states its investment objective prominently in its offering document/ prospectus, which is designed to help an investor determine whether a fund is suitable to meet his or her particular financial goal.

Before looking for investment options though, an investor must have formed or decided his or her investment objective. The investment objective is determined on the following; whether will you invest for income or growth; and how much risk are you prepared to take? Common investment objectives include: aggressive growth; growth; growth and income; equity income; income; balanced; high income; tax-free income; and specialty.

Once an investor's objective has been determined, he or she can review the investment objective of various mutual funds available to help them to determine which fund is suitable to meet his or her financial goal. They need to remember however, that an investment objective alone does not usually provide sufficient detail about a fund's style or return and risk characteristics. The objective is helpful in so far as it provides information about the general characteristics of the fund, but it may not provide the quality and sector information

that could be crucial to the investment decision process. Style refers to the investment philosophy of a mutual fund. Investment style describes the types of stocks a mutual fund selects and is often used as a way to classify mutual funds. Therefore, it is important to fully understand both a fund's investment style and return and risk characteristics to ensure that it is inline with your investment objective before investing in that fund.

Test Your Mutual Fund Knowledge...

Question of the Month

What is the most common investment goal among mutual fund unit holders?

- a) make a large purchase, such as a down payment on a home
- b) saving for children's college educations
- c) saving for retirement

Please send your responses to spotlight@atlasfunds.com.pk
The correct answer shall be printed in the next issue of *Spotlight*

The correct answer for previous month's question is (a). Most mutual fund managers invest in a wide range of securities, seeking portfolio diversification. A diversified portfolio helps reduce risk by offsetting losses from some securities with gains in others. The average investor would find it difficult and expensive to assemble a portfolio as diversified as that of a mutual fund.

Where To Apply

Sales Outlets:

KARACHI

1- C/o Atlas Bank Limited
P & O Plaza, I.I Chundrigar Road,
Karachi.
Phone: (92-21) 2463746-51
Fax: (92-21) 2463744,
Cell: 0300-9226850
Contact Person: Mr. Arbab Ahmed
Email: abd@atlasfunds.com.pk

2- C/o Atlas Bank Limited
Ground Floor, Nice Trade Orbit,
Plot # 44-A, Block-6, P.E.C.H.S.,
Shahra -e- Faisal, Karachi
Phone: (92-21) 4386184-87,
Fax: (92-21) 4386180, Cell: 0300-2254977
Contact Person: Mr. Salman Tahir
Email: str@atlasfunds.com.pk

3- C/o Atlas Bank Limited
Plot # 28, Block-3, Adam Arcade,
B.M.C.H.S., Karachi.
Phone: (92-21) 4145323-24
Fax: (92-21) 4145325,
Cell: 0334-3995647
Contact Person: Mr. Muhammad Umer Ali
Email: mua@atlasfunds.com.pk

4- C/o Atlas Bank Limited
1/15, Hassan Square, Block 13-A,
Gulshan-e-Iqbal, Karachi.
Phone: (92-21) 4818759-63
Fax: (92-21) 4818720,
Cell: 0333- 3366833
Contact Person: Mr. Shahnawaz Tariq
Email: stk@atlasfunds.com.pk

5- C/o Atlas Bank Limited
B/53, Estate Avenue, S.I.T.E. Area,
Karachi.
Phone: (92-21) 2587533,35,37,111
Fax: (92-21) 2587672,
Cell: 0321- 2063267
Contact Person: Mr. M. Abdullah Khan
Email: mak@atlasfunds.com.pk

LAHORE

C/o Atlas Bank Limited
Building No. 56, Ground Floor,
Shahrah-e-Quaid-e-Azam (The Mall),
Lahore.
Phone: (92-42) 6284801-4
Dir: 6285155, (042) 111-688-825
Fax: 6284805, Cell: 0300-8422570
Contact Person: Mr. Javaid Aslam
Email: jam@atlasfunds.com.pk

Head Office:

Atlas Asset Management Limited
Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600
Tel: (021) 5379501-04, 111-MUTUAL (6-888-25)
Fax: 5379280 Website: www.atlasfunds.com.pk