

May 2007

spot
light

Monthly
Roundup



Managed By

Atlas Asset Management

Rated AM3+ by PACRA

Atlas
funds

Nurturing your investments

Message From The Editor

Dear Readers,

Atlas Pension Fund (APF): A Voluntary Pension Fund under the Voluntary Pension System Rules, 2005 APF is the latest entrant in the Atlas Funds family. The Trust Deed for the APF was signed on June 8, 2007 between Atlas Asset Management Limited, as the Pension Fund Manager and the Central Depository Company of Pakistan (CDC) as the Trustee. The Trust Deed was signed by Mr. M. Habib-ur-Rahman, Vice Chairman & Chief Executive, Mr. Jawaid Iqbal Ahmed, Director and Mr. Ali H. Shirazi, Executive Director, on behalf of AAML and by Mr. Hanif Jakhura, Chief Executive on behalf of CDC.



APF is being introduced with the aim to encourage and facilitate the investors to save for their retirement and will play an important part in developing and strengthening the pension system in Pakistan. The investors in APF shall have the power over how much to invest for their pension, at what frequency as well as how to invest their savings which shall stay with them even if they change jobs. APF has three Sub Funds; Equity, Debt and Money Market, in which the amounts contributed, shall be allocated Units based on the investor's preference.

Avail Tax Credit: Investors who invest in mutual funds during the year can claim a tax credit under section 62 on their investments of up to Rs. 200,000/- or 10% of their taxable income (whichever is lower). The tax credit would be allowed at the average tax rate of the investor. These units need to be held for at least a year to enjoy this benefit. **Investments must be made before June 30, 2007** to avail this opportunity. Please read the attached document or contact us for further information.

AAML's Participation in Dawn Lifestyle: Also our readers in Karachi can visit Atlas Funds kiosk in the Dawn Lifestyles event being held on June 22-24, 2007 and collect our special application forms from there which would enable them to purchase Atlas Funds without any sales load upto June 30, 2007. Looking forward to seeing you at Lifestyles!!!

Best Wishes,

Editor

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Disclaimer

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any product. The contents in this publication are of a general nature only and have not been prepared to take into account any particular investor's financial circumstances or particular needs. The information and assumptions in the publication are provided in good faith for investors and their advisers. The contents are not to be relied upon as a substitute for financial or other professional advice-such advice should be sought before making any financial or investment decision. While the sources for the material are considered reliable, the correctness of information in this newsletter cannot be guaranteed and responsibility is not accepted for any inaccuracies, errors or omissions or for any losses or gains arising upon actions, opinions and views created by this publication.

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

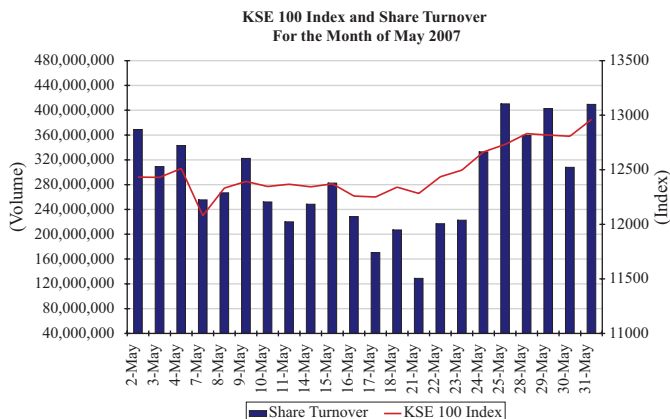
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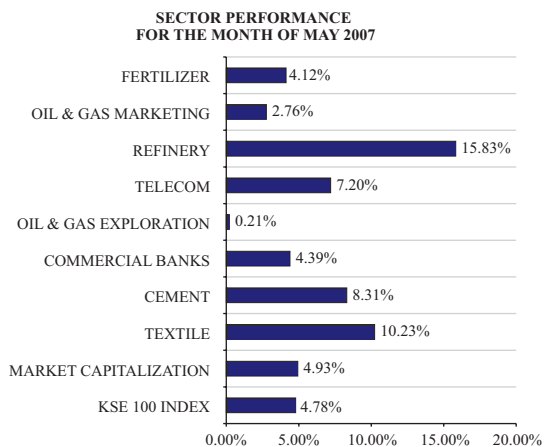
Market Review

On the Stock Market Front

The market continued on its bullish trend and gained 592 points or 4.8% during the month of May, 2007. Across the board positive sentiment was observed as all the major sectors posted healthy gains. Leading gainer was the refinery sector. Other sectors which contributed to the positive performance were the Cement, Textile, Telecommunication and Banking sectors. The average monthly volumes during the month remained at 285 million shares, higher by 6% on a month-on-month basis.

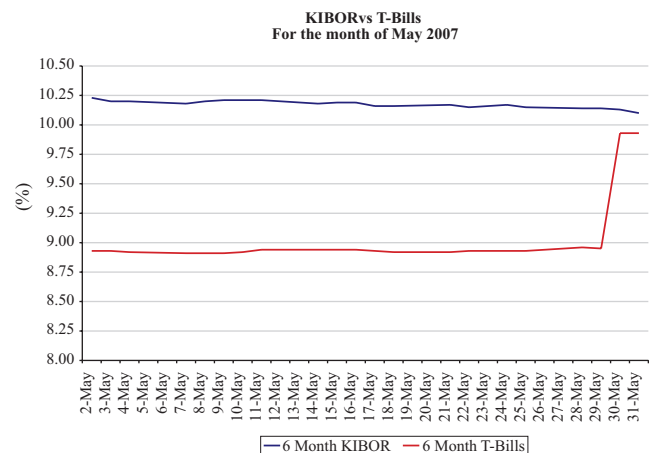


The healthy volumes along with the strong price movements are a testament to the positive sentiments in the market, despite turbulence on the political front.



On the Money Market Front

During the month of May, 2007, State Bank of Pakistan maintained the cut off yields of 3-months Treasury bills at 8.69%. The yield for the 6-months Treasury bills was raised by 5 bps to 8.90%. The yield on 1-year T-bills was also raised by 2 bps to 9.10%.



Excess liquidity is causing the yields in the secondary market to rise while at the same time putting pressure on the inter-bank borrowing rates. Secondary market yields on the 6 month T-bills witnessed a jump of 100 bps at the end of the month closing at 9.93% as compared to 8.83% at the start of the month. On the other hand, 6-Month KIBOR dropped by a further 13 bps during the month to close at 10.23%.

Major Result Announcements

COMPANIES	FY06	FY07
Saudi Pak Bank	0.19	(0.27)
Meezan Bank	0.48	0.50
Telecard Limited *	(0.03)	(1.47)
Dewan Salman Fibers *	0.08	(1.18)

* 9M 07 Results

Atlas Income Fund

Fund Performance for the month ended May 31, 2007

Fund Information

Fund Launch date	March 22, 2004
Type	Open-end - Income Fund
Net Assets	Rs. 3.26 billion
NAV per Unit	Rs. 543.03
Management Fee	1%
Sales Load	2% (Front-end)
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

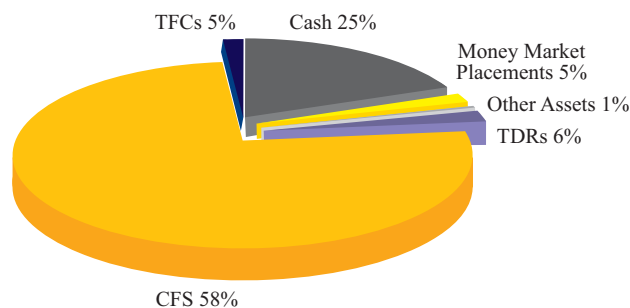
The Fund will invest mainly in high quality fixed income securities. In selecting debt instruments and government securities, the Fund will consider individual credit risks, with the understanding that market value of even high quality fixed rate securities can fluctuate with change in interest rate levels. The Fund may also invest in Continuous Funding System (CFS) and spread transactions.

Fund Manager's Review

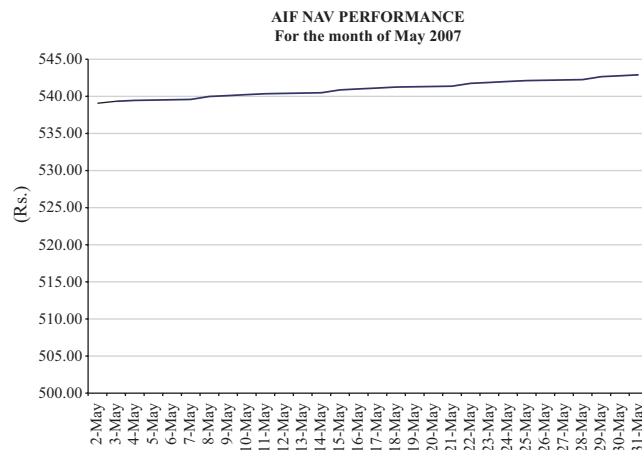
During the month, AIF has earned a return of 8.65% as compared with the last month's return of 7.02%. The net assets of the fund stood at Rs. 3.26 billion increasing by 2.5% on month on month basis. The year to date annualized return of the Fund is 9.31%.

The asset allocation of the Fund remained almost same as the last month. The asset allocation of the fund is as follows: Money market placements 5%, Term Deposits Receipts (TDR) 6%, Continuous Funding System (CFS) 58%, Term Finance Certificates (TFCs) 5% and Cash 25% and other assets 1%. AIF has maintained an average duration of less than three months strategy.

Asset Allocation



NAV Performance



Returns*	From	AIF
Month on Month	30-Apr-07	8.65%
Quarter on Quarter	28-Feb-07	8.32%
1 Year	31-May-06	8.85%
Year to date	30-Jun-06	9.31%
Since Inception	22-Mar-04	9.68%

*All returns are on an annualized basis

Key Interest Rates*

KIBOR 3 month	9.74%
KIBOR 6 month	10.10%
Discount Rate	9.50%
6 month T-Bills	9.93%
10- Year PIBs	10.04%
Inflation (CPI)	6.90%**

* Source: Business Recorder: dated May 31, 2007 & SBP's Website: www.sbp.org.pk

** April 2007

Atlas Stock Market Fund

Fund Performance for the month ended May 31, 2007

Fund Information

Fund Launch date	November 23, 2004
Type	Open-end - Equity Fund
Net Assets	Rs. 1.26 billion
NAV per Unit	Rs. 673.71
Management Fee	3%
Sales Load	2% (Front-end)
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.

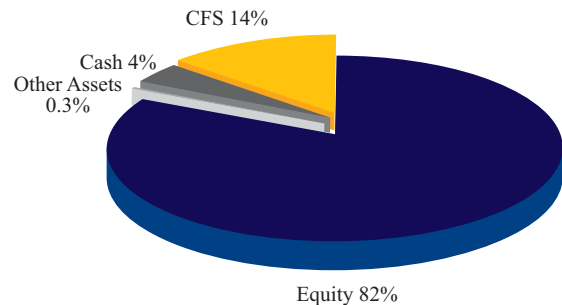
Fund Manager's Review

During the month the Atlas Stock Market Fund (ASMF) earned 3.8% return whereas KSE 100 Index increased by 4.78% slightly under performing the market. The Net assets of the Fund decreased by 1.62% during the month under review.

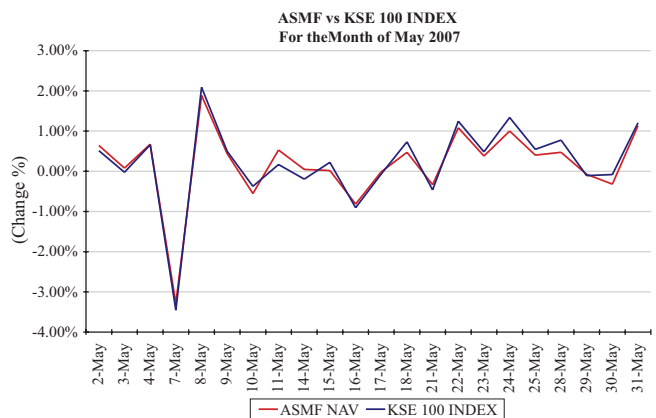
The equity portion remained at 82% of the total assets whereas as % of the net assets the equity portion stood at 85% as at May 31, 2007. Major investment was in two sectors i.e. Oil & Gas Exploration & Banking sectors. The ASMF's asset allocation as a share of total assets were as follows: Equities 82%, CFS 14% and cash 4%, other assets and net of receivables/ payables 0.3%.

Currently market is trading at all time high levels and our stance would be 'neutral' for upcoming month.

Asset Allocation



NAV Performance

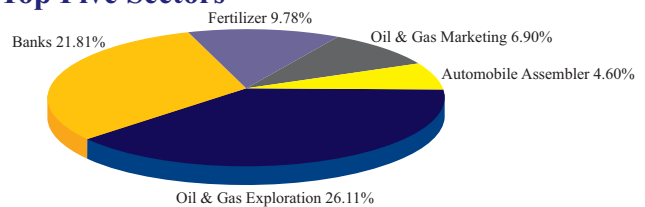


Returns*

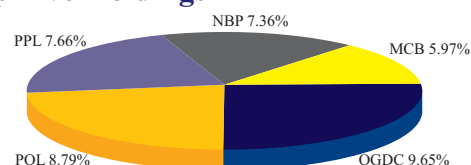
	From	ASMF
Month on Month	30-Apr-07	3.83%
Quarter on Quarter	28-Feb-07	12.27%
1 Year	31-May-06	21.76%
Year to date	30-Jun-06	25.27%
Since Inception	23-Nov-04	70.92%

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

Top Five Sectors



Top Five Holdings



Atlas Islamic Fund

Fund Performance for the month ended May 31, 2007

Fund Information

Fund Launch date	January 15, 2007
Type	Open-end - Islamic Equity Fund
Net Assets	Rs. 473 million
NAV per Unit	Rs. 514.83
Management Fee	3%
Sales Load	1% (Front-end) (Back-end as per the following slab): 1.5% (For redemption in first year of investment) 1% (For redemption in second year of investment) 0.5% (For redemption in third year of investment) Nil (After 3 years of investment)
Listing	Lahore Stock Exchange (LSE)
Trustee	Central Depository Company of Pakistan (CDC).
Auditors	Hameed Chaudhri & Co.
Shariah Board	Mr. Javed Ahmed Ghamidi Dr. Khalid Zaheer
Minimum Subscription	Rs. 5,000/-
Rating	Not Applicable

Investment Objective

To achieve maximum return for Unitholders while at all times observing prudent investment practices, high professional standards, all applicable laws, and the Shariah Code, in addition to maintaining a moderate risk profile.

Investment Strategy

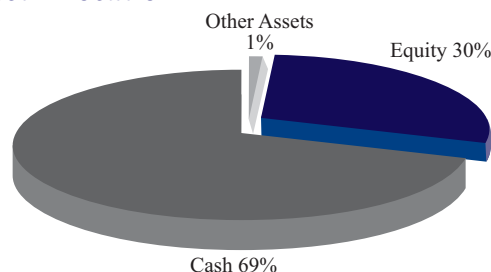
The Fund will invest mainly in a diversified, professional management investment portfolio of Shariah Compliant Securities, such as equities, debt securities and other Shariah Compliant instrument including Shariah Compliant securities available outside Pakistan.

Fund Manager's Review

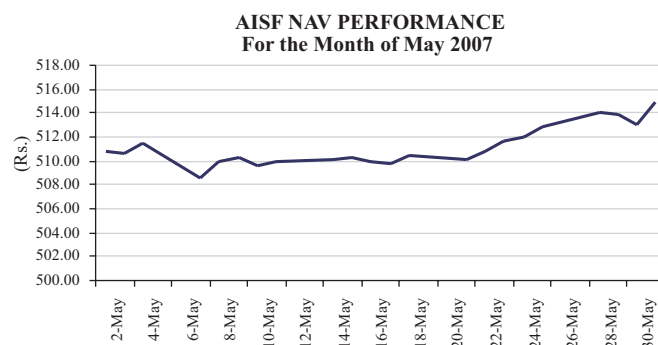
During the month of May 2007 the NAV of Atlas Islamic Fund increased by 0.98%. The Net Assets of the Fund stood at 473 million as at May 31, 2007.

During the month fund manager's strategy was to accumulate shares at good prices and gradually increase investment in the Equities. As at May 31, 2007 the investment in equities as % of net assets is 31.29%.

Asset Allocation



NAV Performance

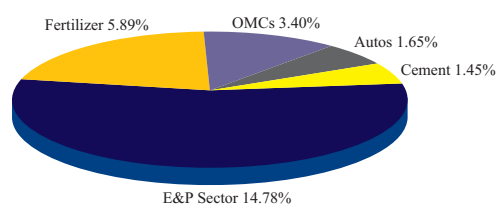


Returns*

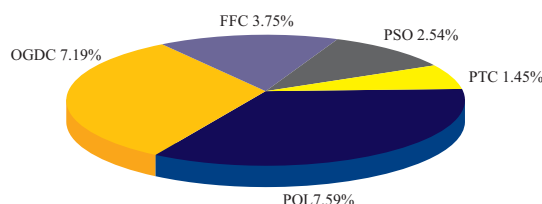
	From	AISF
Month on month	30-Apr-07	0.98%
Quarter on quarter	28-Feb-07	2.09%
Since Inception	15-Jan-07	2.97%

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

Sector Allocation



Top Five Holdings



Note: NAV performance and returns have been calculated on NAV of AISF and back-end load has not been taken into consideration for these calculations.

Atlas Fund of Funds

Fund Performance for the month ended May 31, 2007

Fund Information

Fund Launch date	December 13, 2004
Type	Closed-end - Fund of Funds
Net Assets	Rs. 631.23 million
NAV per Unit	Rs. 12.02
Management Fee	1.75%
Listing	Karachi Stock Exchange (KSE)
Trustee	Muslim Commercial Financial Services (Pvt.) Ltd. (MCFSL)
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 equity securities of closed-end & open-end schemes offering consistent returns and growth.

Investment Strategy

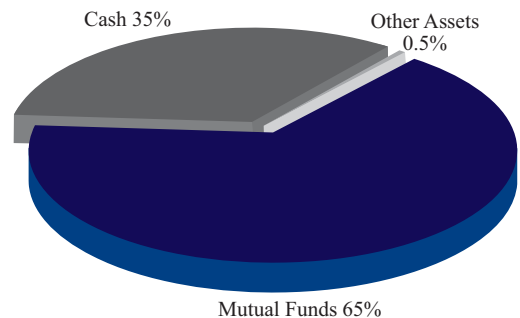
The Fund will invest mainly in other closed end funds. In selecting the closed end funds, the Fund will review the comparison of the net asset value with market value and the available discount, the portfolio of that fund and trading activities in the shares of the investee funds. The Fund may also invest in unit trust schemes, CFS and Money Market Instruments.

Fund Manager's Review

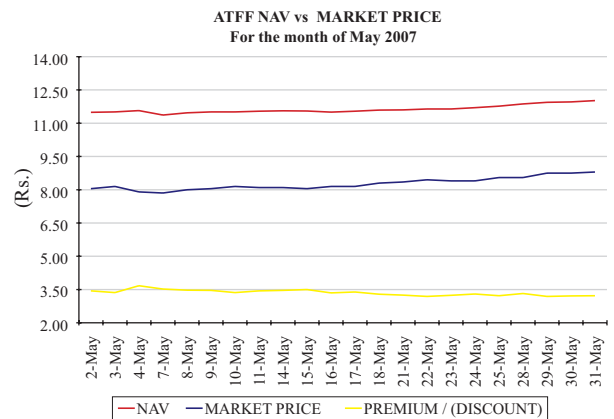
The Atlas Fund of Funds NAV increased by 5.44% from Rs.11.40 as at April 30, 2007 to Rs.12.02 as on May 31, 2007. The net assets of the Fund stood at Rs. 631 million as at May 31, 2007 increasing from Rs. 598 million as at April 30, 2007, reflecting an increase of 5.5% month-on-month basis.

The average investment in mutual funds was 63.20% as % of net assets. As at May 31, 2007, the investment in closed-end funds was 47.91% of the net assets whereas 15.29% of the net assets was invested in the open-end mutual funds.

Asset Allocation



NAV Performance

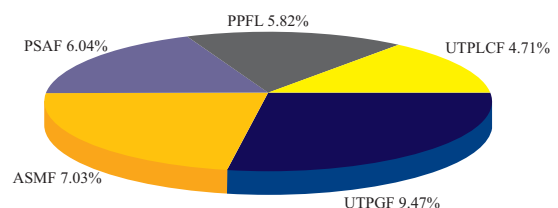


Returns*

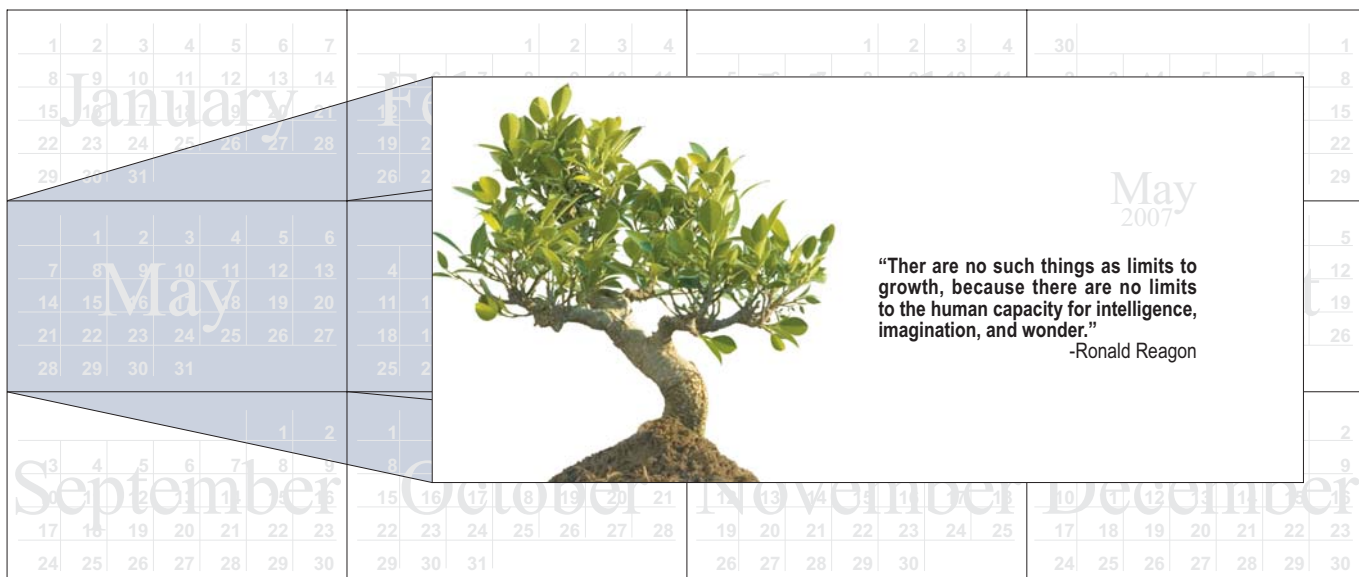
	From	ATFF
Month on Month	30-Apr-07	5.44%
Quarter on Quarter	28-Feb-07	11.19%
1 Year	30-Apr-06	13.14%
Year to date	30-Jun-06	14.80%
Since Inception	13-Dec-04	40.20%

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

Top Five Holdings of Mutual Funds



A Page From Our Calendar



Investor Education

Make Your Money Grow

Start now

Ideally, "now" is early enough in your life that you'll have plenty of time for your money to grow long before you face the challenges of retirement. But if you're at a later stage in life and haven't started growing your money, it's even more important that you start a plan immediately.

Time is an investor's best friend (or worst enemy if you wait too long) because it gives compounding time to work its magic. Compounding is the mathematical process where interest on your money in turn earns interest and is added to your principal. Money takes time to grow. It may also have to weather unforeseen financial storms - national recession, a bout of unemployment or an expensive medical bill - so it will need time to recover from those setbacks.

Make a Plan

If you want to save money, all you have to do is set money aside in a savings account -- or stash some cash between the couch cushions. But if you want to grow money, you'll have to do a little more planning than that.

Start by identifying your financial goals. Are you trying to buy a house? Are you planning for your children's education? Or are you more concerned about growing a nest egg for retirement? By narrowing your objectives, you can make smarter decisions on how to invest your money.

As part of your plan, be sure to evaluate all of your options for growing money. For this you need to ensure that your investments are diversified enough across various asset classes to be able to take advantage of all the swings the market can throw at you. You may have heard the term "asset class" in the media and wondered exactly what was meant. Financial professionals generally agree there are four broad classes of assets.

The classes are:

- Stocks or equities
- Fixed Income or bonds
- Money market or cash equivalents
- Real estate or other tangible assets

These are the classes of assets you have available to build a portfolio. The purpose of having all four asset classes represented in your portfolio is to take advantage of the different strengths of each class. The whole theory of asset allocation is based on diversifying your portfolio by asset class.

Of course, the cornerstone to any financial plan is a monthly budget. Once you begin to track where your paycheck goes each month, you'll have a better understanding of ways you can find money to grow. The most important financial move you can make? Learn to live within your means. Debt is like a poison that will prevent your money from growing.

Reevaluate the Plan

As your life changes, so should your financial goals. When you're young, saving for a house may be your biggest priority. But as you approach other milestones in your life - raising kids, paying for college tuition, changing career paths - you'll need to reevaluate how you invest your money.

The older you get, the less you can afford to take aggressive risks with your nest egg. Be sure to check in with your financial advisors - and yourself - to make sure your budget and long term investing strategies are on track.

Test Your Mutual Fund Knowledge...

Question of the Month

When interest rates rise, the market value of existing bonds and bond mutual funds rise.

- (a) True
- (b) False

The correct answer for previous month's question is (e). Mutual fund companies perform all the functions mentioned (i.e. record keeping and administration, professional management, diversification and lower transaction costs) for their investors

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. M. 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 Capital Markets
2nd Floor, Ajmal House,
27- Edgerton Road, Lahore.
Phone: (92-42) 6366170-4
UAN: (042) 111-688-825
Cell: 0300-8422570
Contact Person: Mr. Javaid Aslam
Email: jam@atlasfunds.com.pk

RAWALPINDI

C/o Atlas Bank Limited
Bank Road Branch,
60, Bank Road, Rawalpindi.
Phone: (92-51) 5566671, 5564123
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Fax: (92-51) 5528148
V-PTCL: (92-51) 5856411
Contact Person: Mr. Mohsin Sarwar
Email: cms@atlasfunds.com.pk

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