

FUND SELECT

An Investment Guide to Mutual Funds

(An Exclusive Quarterly Issue July-Sep FY09)

Highlights

Market Roundup

Our bearish view was later substantiated and even the US\$700bn bail-out package failed to appease investor's panic in the financial markets across the globe.

Out-Performing Funds of 1st Quarter FY09

During the 1st Qtr FY09, funds having higher exposure towards liquid assets have outperformed their peers in respective categories and managed to offer relatively better returns to investors.

Income/Money Market Funds: The Only Safe Haven for Investors

During the past three months, average returns of income/money market funds have increased at a rapid pace. In June 2008, average return of industry return was 8.89% which surged to 12.44% in September 2008.

MCB Dynamic Cash Fund (MCBDCF)

During September 2008, the fund generated an annualized return of 13.09% during the month and managed to outperform the average industry returns by 65bps.

Atlas Income Fund (AIF)

During the 1st Qtr FY09, the fund has offered an annualized return of 11.86% and with this the fund emerged as the 8th best performing fund of the quarter.

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All figures given in the report are verified from respective AMCs or FMRs. However, for any further clarification regarding database & return calculations please send your queries to the following:

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Market Roundup

Economy Snapshot

During the past six months, key macro economic indicators of the country have deteriorated at an unprecedented pace. Foreign exchange reserves have dropped to US\$7.749bn during the week ended October 11, 2008 which was more than US\$16.4bn a year ago, leaving the country with only couple of months of import cover. Moreover, the burgeoning trade deficit, which surged to US\$3.7bn and Current Account Deficit swelled to US\$2.6bn during Jul-Aug FY09 is likely to further intensify the situation in the near future. In such a situation it would be very difficult for the country to meet its foreign exchange liabilities due within FY09 and the probability of the default can not be ruled out completely. Considering the rapidly depleting foreign exchange reserves, Standard & Poor's Rating Agency has recently lowered Pakistan's long-term foreign currency rating to CCC+ from B with a negative outlook. Pakistan's currency was last rated at CCC- in 1998 when the country did the nuclear test.

Foreign Exchange Review

Recently Credit Default Spread Swap (CDS) on 5yr Eurobond issued by the Government of Pakistan had surged to 30% and is currently hovering around 23% which is the highest in the world, significantly above the CDS on bonds issued by an already default state, namely Argentina. Due to the rapidly deteriorating macro economic indicators and the declining foreign exchange reserves, Pak Rupee has significantly lost its value against major currencies of the world, particularly against the Greenback and Japanese Yen.

Rupee value against major currencies of the world

	as at Oct 10, 2007		as at Oct 10, 2008		%Chg YoY
	Buying Rate	Selling Rate	Buying Rate	Selling Rate	
US Dollar	60.55	60.60	79.80	80.30	32.2%
JP Yen	0.512	0.514	0.808	0.813	58.0%
Euro	85.35	85.45	108.50	109.50	27.6%
UK Pound	123.30	123.40	136.50	137.50	11.1%
UAE Dirham	16.45	16.50	21.60	21.80	31.7%
Saudi Riyal	16.10	16.20	20.78	20.88	29.0%

Source: KKI

In such a scenario, the US\$1.4bn commitment from the World Bank and the doubling of assistance to UK £586mn from the Department for International Development is surely a positive development. Nevertheless, for supporting the nose-diving Rupee value, all eyes would be on the outcome of Mr. Zardari's visit to China and most importantly on the "Friends of Pakistan Conference" expected to be held in Abu Dhabi in the next couple of weeks. Moreover, rapidly falling oil prices would be a sigh of relief for the nation as this would help curtail the swelling import bill and skyrocketing inflation.

Global Bourses Highlights

In our last issue of the Fund Select Monthly Bulletin, we had mentioned that "major indexes across the globe are expected to continue their journey downward during the remaining months of CY2008 as there is nothing for investors to cheer." Our view was later substantiated and even the US\$700bn bail-out package failed to appease investor's panic in the financial markets across the globe. All the global bourses witnessed a massive decline during September 2008. KSE100 index was the smallest loser as it declined by merely 0.31%MoM, thanks to regulators for freezing the benchmark index at 9,144points.

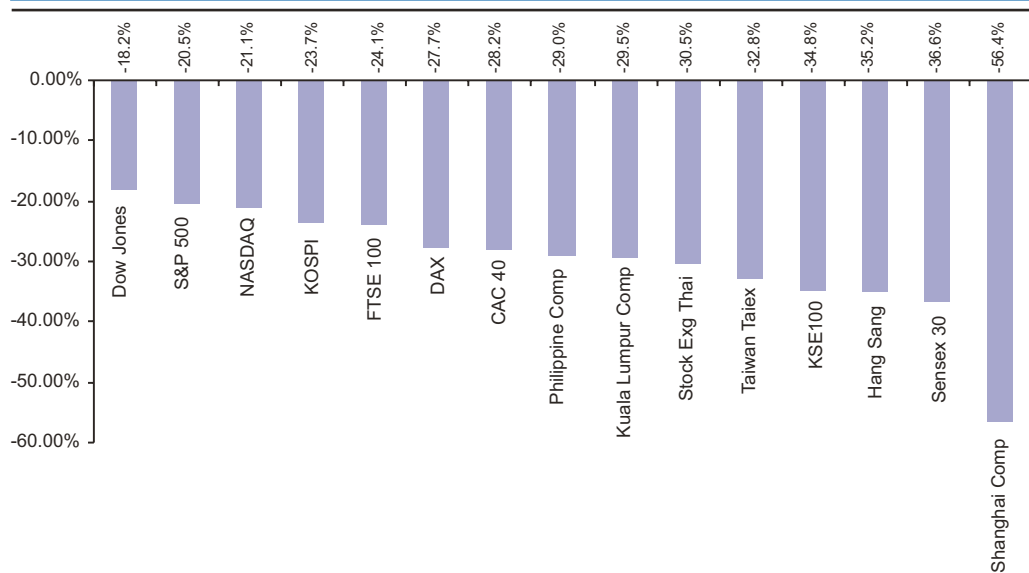
Global Bourses Highlights

	Index as on		%Chg MoM	Avg Vol mn shares	Dividend Yield (%)	Trailing PER (x)
	Sep-30-08	Aug-29-08				
Dow Jones	10,850.66	11,543.55	-6.00%	319.77	2.98	13.32
NASDAQ	2,091.88	2,367.52	-11.64%	868.55	0.98	33.64
S&P 500	1,166.36	1,282.83	-9.08%	1,431.51	2.57	21.94
FTSE 100	4,902.45	5,636.60	-13.02%	1,760.58	5.19	9.49
CAC 40	4,032.10	4,482.60	-10.05%	250.93	4.39	10.40
DAX	5,831.02	6,422.30	-9.21%	280.71	4.23	11.42
Hang Sang	18,016.21	21,261.89	-15.27%	3,226.86	3.89	10.95
Shanghai Comp	2,293.78	2,397.37	-4.32%	8,175.65	1.80	17.79
Sensex 30	12,860.43	14,564.53	-11.70%	38.50	1.48	13.05
Philippine Comp	2,569.65	2,688.09	-4.41%	399.44	4.84	11.65
Stock Exg Thai	596.54	684.44	-12.84%	2,496.28	5.43	9.59
Taiwan Taiex	5,719.28	7,046.11	-18.83%	2,351.81	6.32	9.58
KOSPI	1,448.06	1,474.24	-1.78%	426.28	2.08	11.50
Kuala Lumpur Comp	1,018.68	1,100.50	-7.43%	174.02	5.60	10.89
KSE100	9,179.68	9,208.26	-0.31%	0.91	5.60	8.70

Source: Bloomberg

Considering the year-to-date performance, major indices across the globe continue to hover in the bearish zone. Chinese benchmark index remained the biggest loser shedding 56.4% YTD. KSE100 index artificially managed to supersede Sensex30 and Hang Sang respectively. Despite the fact that most of indexes in our universe are trading at attractive price earnings multiple and are also offering lucrative dividend yields, due to prevailing liquidity crunch in the global as well as local financial markets we maintain our bearish stance on all bourses across the board in our universe.

Global Bourses Performance Snapshot during Jan-Sep 2008



Source: Bloomberg

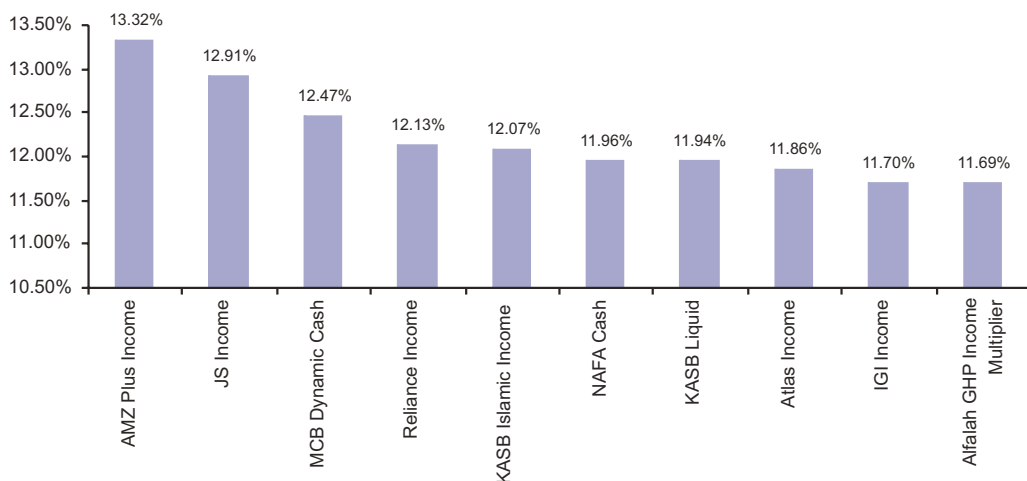
Out-Performing Funds of 1st Quarter FY09

During the 1st Qtr FY09, funds having higher exposure towards liquid assets have outperformed their peers in their respective categories and managed to offer relatively better returns to investors. In the following paragraphs we present the performance highlights of open-end mutual funds for the quarter ended September 30, 2008.

Top Ten Income/Money Market Funds of 1st Qtr FY09

Seven funds making the list of top ten income/money market funds of FY08 have managed to make the list of top ten income/money market fund for 1st Qtr FY09. AMZ Plus Income Fund, which was the best performing income/money market fund of FY08 has continued with its fabulous performance during the quarter under review and emerged as the best performing income/money market fund of 1st Qtr FY09. JS Income Fund and MCB Dynamic Cash Fund have demonstrated significant improvement in their performance and respectively emerged as the second and third best performing Income/Money Market Fund of 1st Qtr FY09. Reliance Income Fund, NAFA Cash Fund, KASB Liquid Fund and IGI Income Fund managed to once again make the list of top ten income/money market funds. Dawood Money Market Fund, Faysal Saving Growth Fund and POBOP Advantage Plus Fund which made the list of top ten income/money market funds of FY08 have failed to make the list of income/money market funds of 1st Qtr FY09. KASB Islamic Income Fund, Atlas Income Fund and Alfalah GHP Income Multiplier Fund are the new entrants in our list of top ten income/money market funds for the quarter ended September 30, 2008.

Top Ten Income/Money Market Funds of 1st Qtr FY09

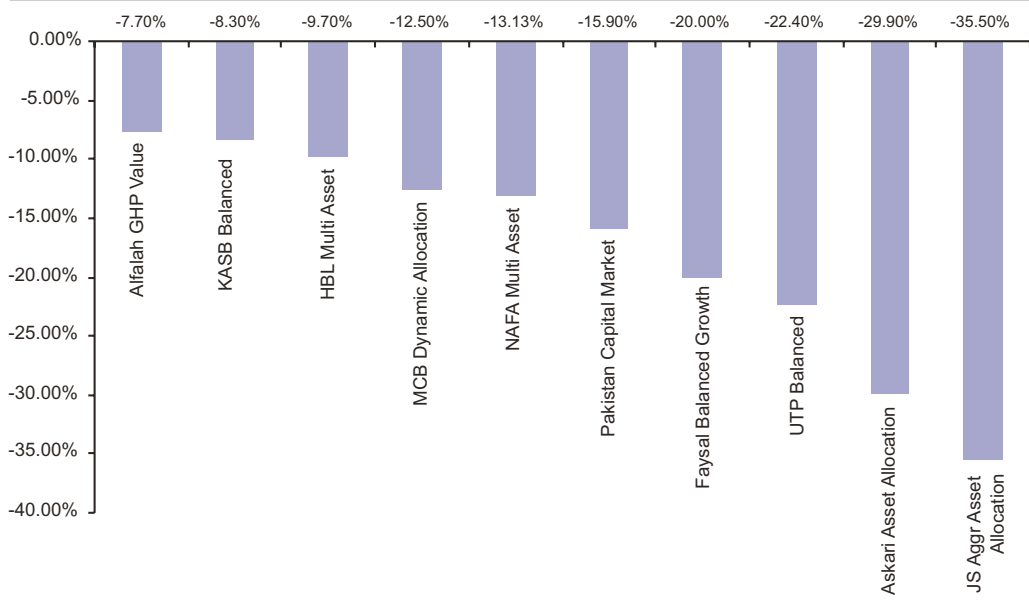


Source: MCBDCF FMR

Asset Allocation & Balanced Funds

The 1st Qtr FY09 remained a somewhat lackluster period for funds falling in this category. All asset allocation and balanced funds witnessed a dip in their NAVs during the quarter under review. Alfalah GHP Value Fund, KASB Balanced Fund and HBL Multi Asset Fund with the least decline in their NAVs emerged as the top three best performing asset allocation & balanced funds of the 1st Qtr FY09.

Asset Allocation & Balanced Fund: Performance Snapshot 1st Qtr FY09

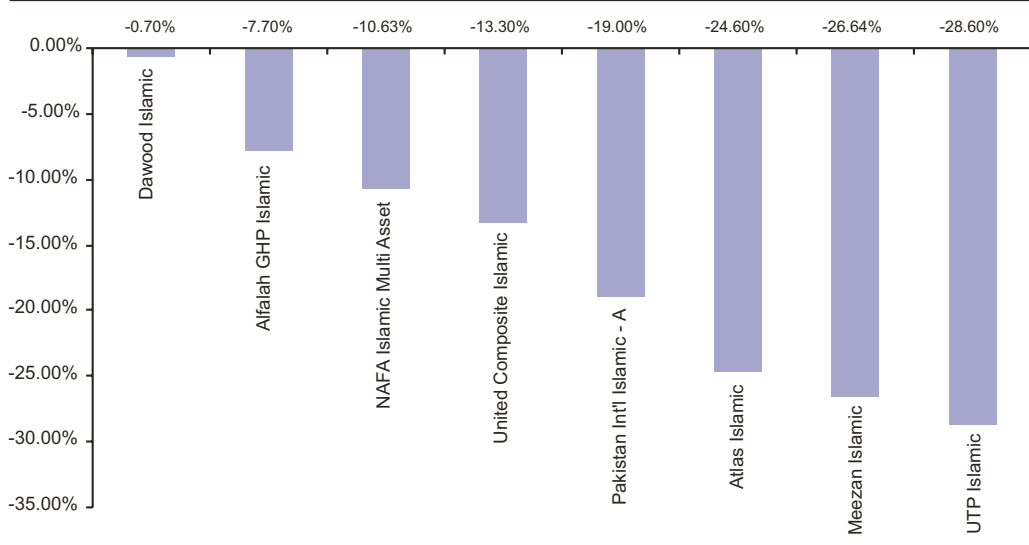


Source: MCBDCF FMR

Islamic Funds

Owing to the nose diving equity market, Islamic Equity Funds as well as Islamic Hybrid Funds failed to perform well during the quarter under review and have witnessed a fall in their NAVs. Hybrid Islamic Funds managed to outperform pure Equity Islamic Funds. Dawood Islamic Fund witnessed a marginal drop in its NAV and emerged as the best performing Islamic Fund of 1st Qtr FY09. Alfalah GHP Islamic Fund, NAFA Islamic Multi Asset Fund and United Composite Islamic Fund respectively occupied second, third and fourth places. Pakistan International Islamic Fund emerged as the best performing pure equity Islamic Fund, however, could not manage to beat any of the Hybrid Islamic Funds and overall stood at fifth place.

Hybrid & Equity based Islamic Funds: Performance Highlights 1st Qtr FY09

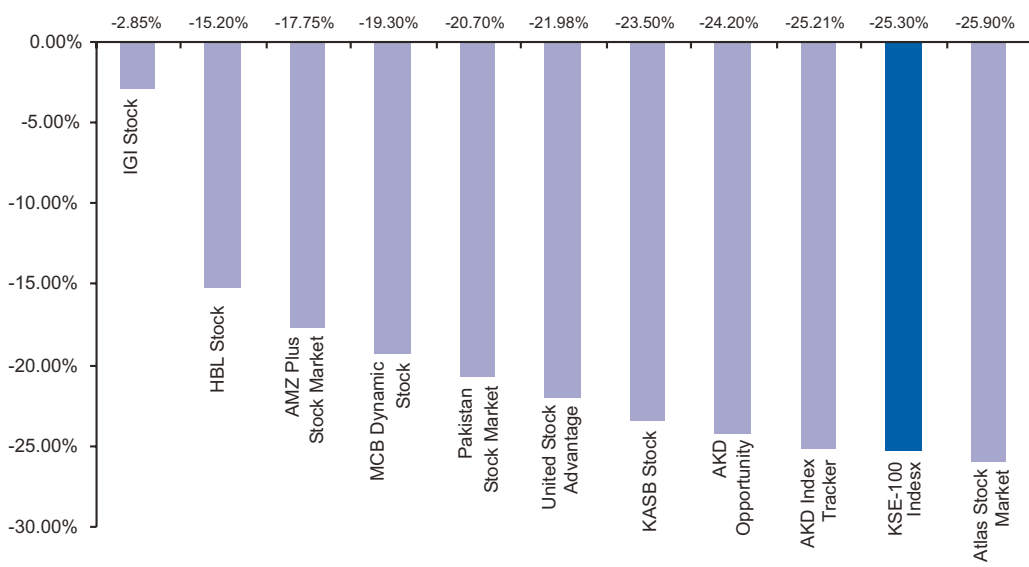


Source: MCBDCF FMR

Pure Equity Funds

1st Qtr FY09 proved to be the worst ever period for pure equity funds. Except for IGI Stock Fund, all other pure equity funds witnessed a huge drop (more than 15%) in their NAVs. IGI Stock Fund with a nominal decline in its NAV managed to outperform all its peers as well as the KSE 100 index by fairly large margins and has emerged as the best performing pure equity fund of 1st Qtr FY09. HBL Stock Fund and AMZ Plus Stock Market Fund respectively stood at second and third places. Atlas Stock market Fund managed to make the list of top ten pure equity funds, however, underperformed the benchmark KSE100 index by a very small margin. NAFA Stock Fund, NIT, UTP A30+ and Crosby Dragon failed to make the list of top ten pure Equity Funds of 1st Qtr FY09 and have respectively under-performed the benchmark KSE100 index.

Top Ten Pure Equity Funds of 1st Qtr FY09



Source: MCBDCF FMR

(Please note: Funds launched after August 1st 2008 are not included)

Income/Money Market Funds: The Only Safe Haven for Investors

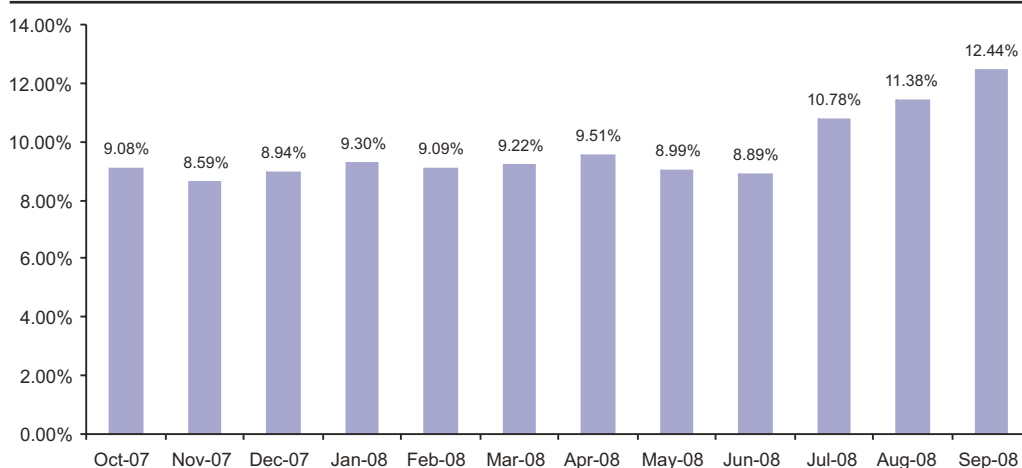
On October 7, 2008, Security and Exchange Commission of Pakistan (SECP) on the request of Mutual Fund Association of Pakistan (MUFAP) took a very crucial decision and suspended the redemption and issuance of open-end mutual fund units with direct exposure to equity securities immediately, till the third business day after the removal of the floor on stock exchanges. In our view, this step may hamper the unprecedented growth witnessed by the industry during the past seven years. Firstly, suspending the issuance and redemption of units of open-end asset allocation, balanced and hybrid funds is not a prudent decision. Secondly, this step would shatter investors' confidence towards open-end income/money market funds as well.

Many investors are of the view that the issuance and redemption of income/money market units may freeze in near future. Through this issue of fund select monthly bulletin, we would like to highlight the fact that the only reason behind the freezing of issuance and redemption of open-end mutual fund units with direct exposure to equity securities is the artificial floor mechanism presently imposed on domestic stock exchanges. Since income/money funds do not take any exposure in equity, thus the probability of freezing of issuance and redemption of income/money market funds' units is less likely. Moreover, in the prevailing rising interest rates, the open-end income/money market is the only safe haven which provides an outstanding investment opportunity to short and medium term investors.

Rising Returns of Income/Money Funds

During the past three months, average return of income/money market funds have increased at a rapid pace. In June 2008, average return of industry return was 8.89% which surged to 12.44% in September 2008. The key reason behind this is the rising KIBOR on the back of 200pbs hike in the primary discount rates. Moreover, funds with higher liquid assets were the major beneficiaries of the rising KIBOR. We believe that in the prevailing rising interest rates scenario, funds with greater exposure towards liquid assets and having investments in superior credit quality assets will potentially offer better returns in near future.

Average Returns of Income/Money Market Funds during past 12months



Source: MCBDCF FMR

In our last issue of Fund Select Monthly Bulletin, we presented evaluation process along with the seven key criteria for selecting the best of the best income/money market funds. The seven key evaluation criteria are as follows:

- Having absolutely clean TFC portfolios, with no investments in issues having a credit rating of below A- (A minus)

- Having lesser duration (atleast less than 100days).
- Offered fairly decent returns consistently during the past 15 months (this includes total returns during FY07-08, YTD annualized returns during ongoing FY08-09, standard deviation of monthly returns during the past 15 months and a sharpe ratio since July 1st, 2007).
- Have relatively higher exposure towards liquid assets which can easily be converted into cash with total exposure of below industry average towards TFCs.
- Have management fee in-line with the industry average or below industry average (1.5% or below) with sound management and a strong group backing.
- Moreover, the fund provides easy entry & exit opportunity or in other words do not have any front and back end loads.
- Having a minimum fund size of Rs3bn or atleast 2% market share (as on August 31, 2008). Moreover, during the ongoing CY08, the fund size has either increased or remained intact or declined at a rate lesser than that of the industry average.

Asset Allocation

Asset Allocation	TFCs / Sukuk Exposure	Credit Quality								
		AAA	AA+	AA	AA-	A+	A	A-	BBB	BBB+
Money Market										
BMA Chundrigar Road Saving Fund	45.82%		15.96%	8.40%	21.67%	17.15%	24.92%	11.89%		
Dawood Money Market Fund	58.24%									
Faysal Savings Growth Fund	3.16%									
KASB Liquid Fund	49.50%		4.30%	25.50%	36.50%	10.40%	14.20%	9.10%		
MCB Dynamic Cash Fund	23.00%	3.20%	13.00%	10.00%	9.00%	19.00%	11.00%	13.00%		
NAFA Cash Fund	37.00%									
United Money Market Fund	39.00%	3.86%	5.09%	23.25%	25.04%	27.68%	3.85%	10.77%	0.46%	
Income Fund										
AKD Income Fund	46.57%			20.88%	35.33%	9.09%	25.57%	9.13%		
Alfalah GHP Income Multiplier Fund	43.77%		6.58%	17.22%	15.30%	21.09%	18.22%	21.59%		
AMZ Plus Income Fund	17.03%		3.68%	40.80%	7.98%	12.09%	8.47%	22.73%		
Askari Income Fund	48.00%		3.00%	24.00%	27.00%	11.00%	26.00%	8.00%		
Atlas Income Fund	39.40%	4.05%	2.95%	20.06%	55.61%	8.70%	7.94%		0.69%	1.00%
First Habib Income Funds	38.00%	1.00%	13.00%	40.00%	28.00%	12.00%	2.00%	4.00%		
HBL Income Fund	39.00%		10.00%	65.00%	5.00%	4.00%	12.00%	4.00%		
IGI Income Fund	20.80%		10.43%	26.44%	28.99%	16.55%	10.33%	7.26%		
NAFA Income Fund	57.70%									
Pakistan Income Fund	48.60%									
POBOP Advantage Plus Fund	65.00%			19%	24%	25%	13%	11%		
Reliance Income Fund			6.00%		41%	11%	19%	17%		
United Growth & Income Fund	47.00%	0.03%	6.30%	25.23%	20.42%	23.21%	13.26%	11.34%	0.22%	
Islamic Income Funds										
Meezan Islamic Income Fund	37.17%			14.37%		15.32%	14.22%	5.88%		
NAFA Islamic Income Fund	53.93%									
United Islamic Income Fund	61.00%									
KASB Islamic Income Fund	27.18%	19.70%		13.90%	9.90%	56.50%				

Source: Respective AMCs and FMRs

Please note: Portfolio Status are as of July 31, 2008. Moreover few AMCs, due to their company policies have not revealed the Credit Ranking of long term instruments.

Favorite Funds of Fund Select

Top Picks = Seven Stars

1. IGI Income Fund
2. MCB Dynamic Cash Fund

Other Preferred Picks = Five Stars

1. JS Income Fund
2. KASB Income Fund
3. NAFA Cash Fund

Stand-by Picks = Three Stars

1. AMZ Plus Income Fund
2. Atlas Income Fund
3. Faysal Saving Growth Fund

Source: IGI Fund Select

Favorite Funds of Fund Select

Based on aforesaid seven criteria, MCB Dynamic Cash Fund and IGI Income Fund were rated as our top picks and are still our top picks. NAFA Cash Fund and KASB Liquid Fund were rated as our other preferred picks and both these funds still remain our other preferred picks. Nevertheless, JS Income Fund which was our stand-by pick till last month, due to its outstanding performance during September 2008 has moved up one place and has made the list of our other preferred picks. AMZ Plus Income Fund and Faysal Saving Growth Fund still remains our stand-by picks, however, Atlas Income Fund due to its improving returns is the new entrant in our list of stand-by picks.

Asset Allocation as on September 30, 2008

Asset Allocation	Cash & Equivalents	MM placement/ Repo	TDR/COI/ COM	PIBs	CFS	TFCs/ Sukuk	Corporate Debt/CP	Mudarba Place.	Others
Money Market Funds									
BMA Chundrigar Road Saving Fund	4.9%		47.7%			44.9%			2.5%
Dawood Money Market Fund		34.0%		2.3%		61.0%			3.1%
Faysal Savings Growth Fund	93.3%				4.0%		4.0%		2.7%
MCB Dynamic Cash Fund	6.0%	19.0%	43.0%	0.1%	3.0%	26.0%			2.0%
NAFA Cash Fund	53.0%	4.0%			5.0%	40.1%			
United Money Market Fund	18.0%	30.0%				43.0%			3.0%
Pakistan Cash Management Fund	3.4%			96.6%					
Income Funds									
AKD Income Fund	54.9%					45.1%			
Alfalah GHP Income Multiplier Fund	39.1%	11.3%			0.6%	48.2%	1.4%		
AMZ Plus Income Fund	40.5%	9.5%	14.8%			34.7%			
Askari Income Fund	7.0%		41.0%		3.4%	52.0%			
Atlas Income Fund	0.8%	11.4%	45.8%		5.0%	37.6%			1.1%
First Habib Income Funds	5.0%	9.0%	40.0%		13.0%	41.0%			
HBL Income Fund	10.0%	7.0%	23.0%		0.0%	44.0%			3.0%
IGI Income Fund	24.4%		44.0%			28.9%	2.7%		
JS-Aggressive Income Fund	2.0%	13.0%	40.0%		2.0%	34.0%	11.0%		
JS-Income Fund	13.0%	9.0%	48.0%	1.0%	2.6%	23.0%	2.0%		2.0%
NAFA Income Fund	22.1%	2.7%			3.2%	72.6%			
Pakistan Income Fund	13.2%		40.7%		4.0%	41.2%			1.6%
POBOP Advantage Plus Fund	4.0%	20.0%			5.0%	68.0%	4.0%		
United Growth & Income Fund	17.0%	31.0%				45.0%			2.0%
Islamic Income Funds									
Meezan Islamic Income Fund	59.0%					41.0%			
NAFA Islamic Income Fund						62.0%		38.0%	
United Islamic Income Fund	20.0%	18.0%				62.0%			

Source: IGI Fund Select

The Bottomline: An Investment Perspective

We believe that in the industry of more than 25 income/money market funds, an investor should not go for an average or even above average fund but should select the best of the best fund. Investment in income/money market funds, compared to equity funds, is considered to be a relatively easy task, but selecting the best of the best fund is not so easy. In addition to past performance, extensive portfolio evaluation is the only key to select the best of the best income/money market fund.

Fact Sheet General Information

Fund Type	Open End Money Market
Risk Level	Low
Launch Date	1-Mar-07
Fund Manager	M. Imran
Custodian / Trustee	CDC
Auditor	A. F. Ferguson
Management Fee	1.5% p.a.
Front / Back end Load	0%
Min. Subscription	
Growth Units	PKR 5,000
Cash Dividend Units	PKR 5,000
Income Units	PKR 100,000
Listing	LSE
Benchmark	1 Month KIBOR

Source: MCBDCF FMR

MCB Dynamic Cash Fund (MCBDCF)

Company Snapshot

MCB Asset Management Company, the wholly owned subsidiary of MCB Bank, is currently managing three open-end mutual funds namely MCB Dynamic Cash Fund, MCB Dynamic Stock Fund and MCB Dynamic Allocation Fund. Presently, the company has total assets of over Rs17bn under management which makes MCB Asset Management Company, the fifth largest open end funds management company in Pakistan. The company is rated AM3 + (AM3 plus) by PACRA.

Investment Objective

To provide an attractive return to short term investors or investors with a very low appetite for risk while taking into account capital security and liquidity considerations.

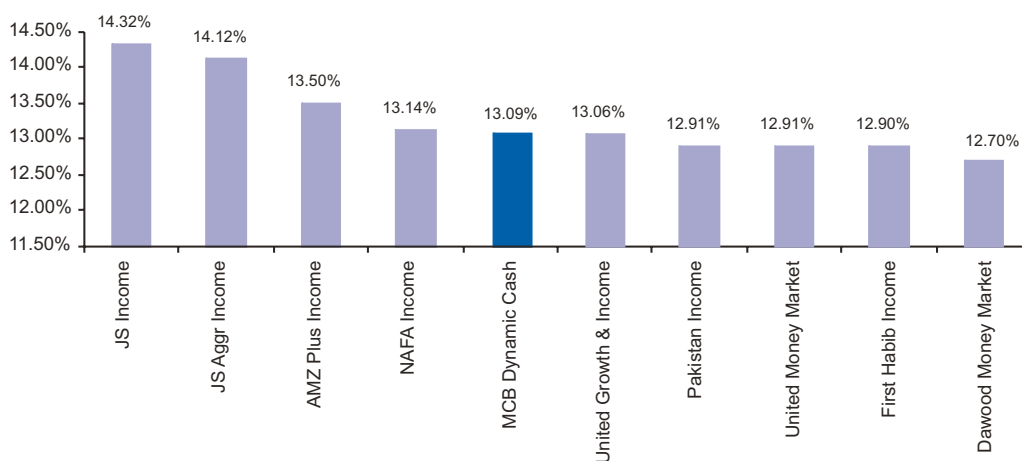
Investment Strategy

The Fund through active management will aim to provide optimum returns for its Unit Holders by investing primarily in money market and short term instruments. The fund may also invest a portion of the Funds in medium term assets in order to provide higher returns to Unit Holders.

Performance Highlights

During September 2008, the fund once again managed to make the list of top ten income/money market funds of the month. The fund generated an annualized return of 13.09% during the month and managed to outperform the average industry return by 65bps. (Please note: average industry return for the month of September 2008 stood at 12.44%). Since inception the fund generated an annualized return of 10.4% against the average 1 Month KIBOR of 10.2%, an out-performance of 20bps.

Top Ten Income/Money Market Funds of September 2008



Source: IGI Fund Select

Technical Information

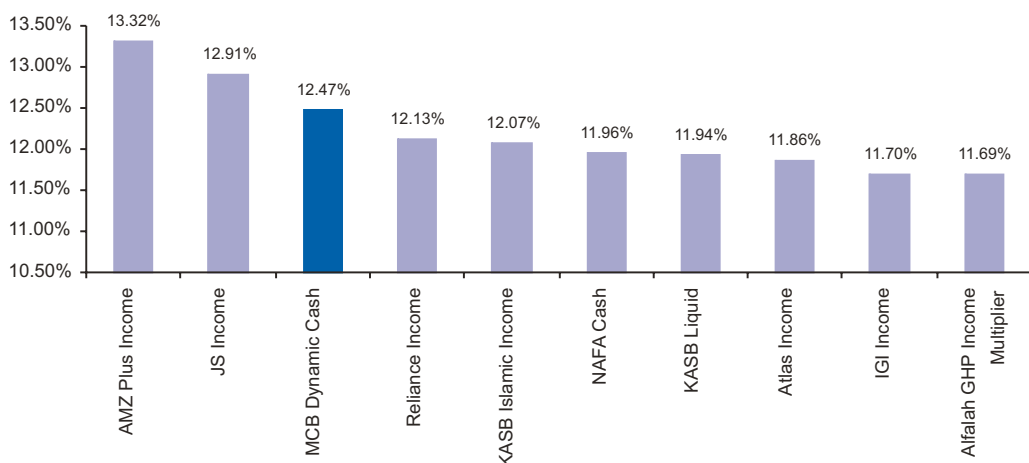
NAV per Unit (PKR)	103.0056
Net Assets (PKR M)	15,951
Duration (Months)	2.3
Sharpe Measure*	0.19
Correlation*	8.0%
Standard Deviation	0.02%
Alpha*	0.00%

*as against benchmark

Source: MCBDCF FMR

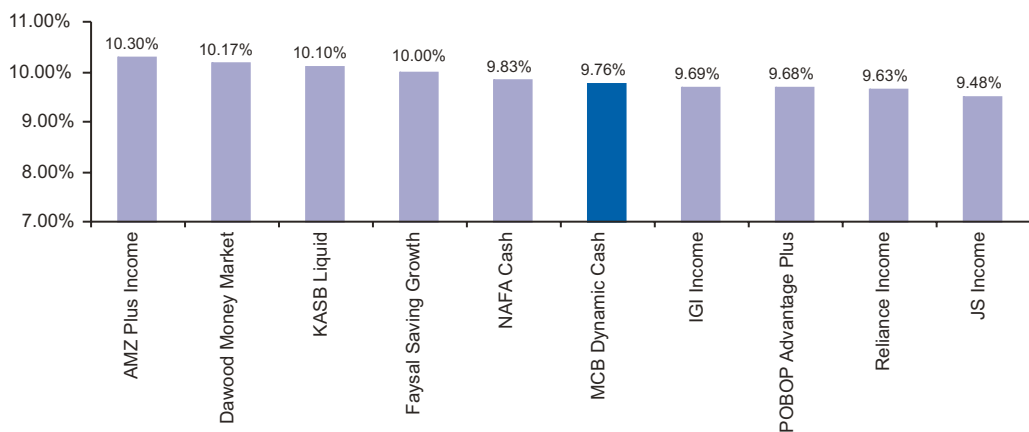
During the 1st Qtr FY09, in our universe of 27 income/money market funds, MCB Dynamic Cash Fund stood at 3rd place with an annualized return of 12.47% offered by the Fund during the quarter under review. During FY08, the fund offered an annualized return of 9.76% and with this return, the Fund managed to make the list of top ten income/money market funds of fiscal year 2007-08 and stood at sixth place. Moreover, since inception the fund generated an annualized return of 10.4% against the average 1 Month KIBOR of 10.2%, an out-performance of 0.2%.

Top Ten Income/Money Market Funds of 1st Qtr FY09



Source: IGI Fund Select

Top Ten Income/Money Market Funds of FY07-08 Criteria : Annualized Return during the Year

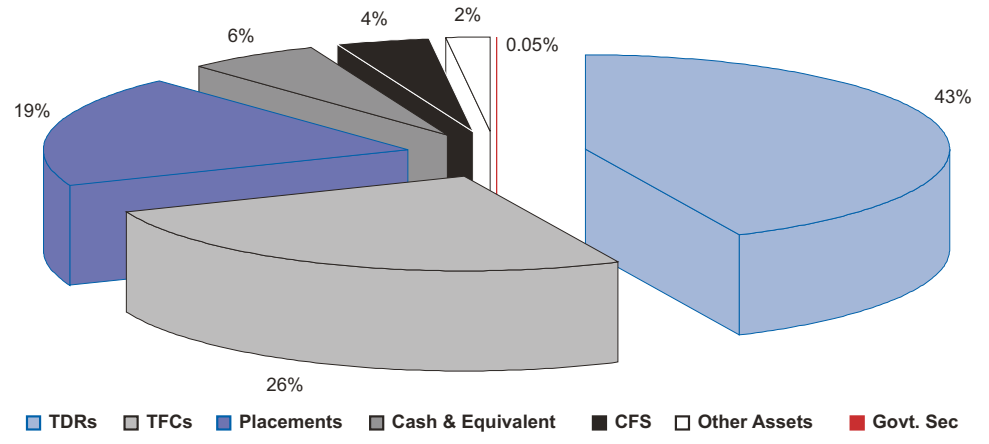


Source: IGI Fund Select

Asset Allocation

During the month of September 2008, the fund has maintained its focus on the credit quality of the portfolio considering the rising interest rate environment and liquidity constraints in the market. With a continued downside in the equities market, the fund maintained its focus on better credit quality money market instruments such as TDRs and money market placements. During September 2008, the fund has reduced its exposure in CFS from 12% (as on Aug 30, 2008) to merely 4% (as on Sep 30, 2008). Considering the liquidity crunch prevailing in the capital markets particularly in equity market, we believe that reducing exposure in CFS is a shrewd move.

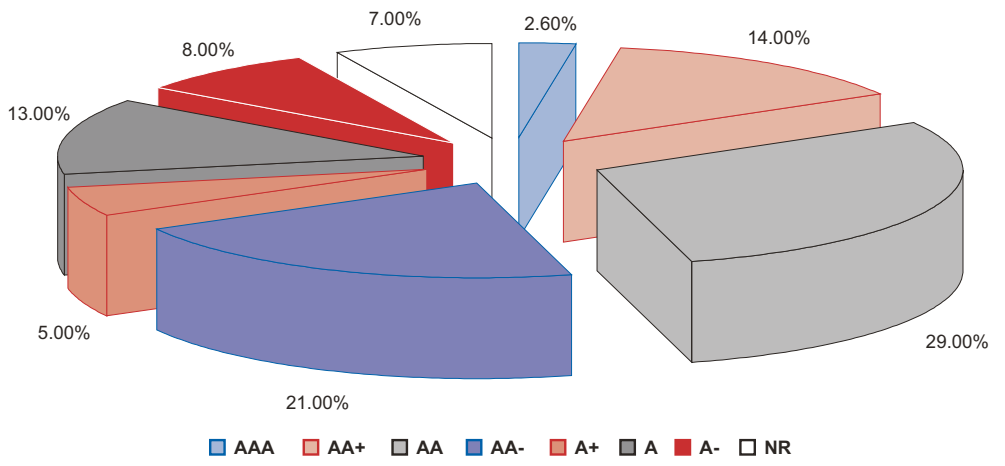
Asset Allocation as on September 30, 2008



Source: MCBDCF FMR

Analyzing the Credit Quality of the latest portfolio of the fund, it can be seen clearly in the following graph that the fund does not have any exposure towards asset having credit ranking below A – (A minus). Moreover, the weighted average credit ranking of the Fund’s portfolio works out to be AA – (Double A minus) which substantiates the fact that the Fund primarily focuses on better credit quality assets.

Credit Quality of the Portfolio as on September 30, 2008



Source: MCBDCF FMR

Performance Prediction

Due to a rising trend in KIBOR, all KIBOR linked assets of the fund would continue to increase fund’s yield going forward. Additionally, the fund’s relatively liquid position and shorter-duration would enable it to benefit from the rising interest rates scenario. Moreover, analyzing the credit quality of the portfolio and asset allocation of the fund as of September 30, 2008, we believe that the Fund can potentially offer even better returns to investors going forward.

The Bottomline: An investment Perspective

The Fund offers exiting investment opportunity to risk-averse investors whose prime objective is capital preservation and prefers consistent capital appreciation at a decent pace. We view this fund as a defensive growth player having potential to offer returns over and above investor’s expectations on a consistent basis.

Fact Sheet - General Information

Fund Inception Date	Mar-04
Type	Open-ended-Income
Sales Load	2% (Front-end)
Management Fee	1.25% of Annual Net Assets
Rating	5 star (Long Term) by PACRA
Listing	LSE
Trustee	Central Depository Co.
Auditors	Ford Rhodes SHC
Benchmark	Average 1month KIBOR
Bloomberg Code	ATLISINCF PA
Minimum Investment	Rs. 5,000/-
Fund Size (mn)	PKR 4,259
NAV	PKR 515.19

Source: AIF FMR

Atlas Income Fund (AIF)

Company Snapshot

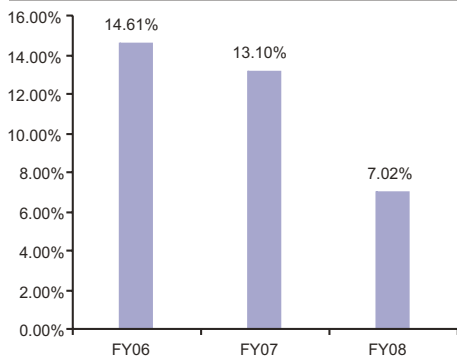
Atlas Asset Management Limited (AAML) is amongst four exclusive Asset Management Companies in Pakistan which has been selected as Pension Fund Managers by SECP. Presently, AAML has four open-end funds, two Pension funds and a closed-end fund under management. Being one of the oldest AMC in the country, AAML has introduced number of Administrative Plans which diversifies investors' money between Atlas Income Fund & Atlas Stock Market Fund and Atlas Islamic Fund & Atlas Islamic Income Fund. The Atlas Income Fund & Atlas Stock Market Fund Administrative Plan aims at a customized investment approach to the investors to meet their personal goals and preferences. The Administrative Plan has three categories which are: a) Income Multiplier Plan. b) Balance Plan and c) Growth Plan. Each of these plans has allocated different weightages between Atlas Income Fund and Atlas Stock Fund which can be seen in the table below. Moreover, annual performance highlights of these funds can be seen in the following graphs.

Atlas Income & Stock Market Funds Administrative Plan

	Atlas Income Fund	Atlas Stock Market Fund
Income Multiplier Plan		
Weight	85%	15%
Balanced Plan		
Weight	50%	50%
Growth Plan		
Weight	15%	85%

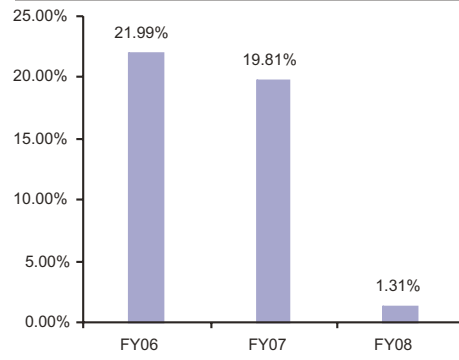
Source: AAML

Weighted Avg Annual Return of Income Multiplier Plan



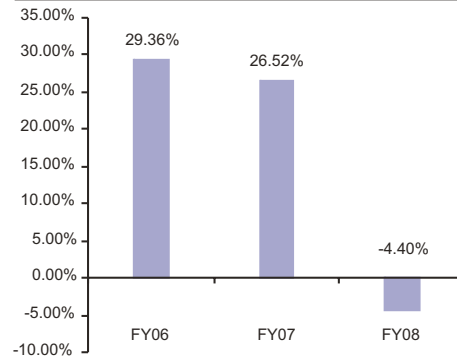
Source: AIF FMR

Weighted Avg Annual Return of Income Balanced Plan



Source: AIF FMR

Weighted Avg Annual Return of Income Growth Plan



Source: AIF FMR

Investment Objective

The fund aims at achieving a good rate of current income consistent with reasonable concern for safety of principal and providing the investors with liquidity and the facility to join or leave the fund at their convenience.

Performance Highlights

During September 2008, the fund has yielded an annualized return of 12.20% which was 24bps lower than that of the industry average. Moreover, during the 1st Qtr FY09, the fund has offered an annualized return of 11.86% and with this the fund emerged as the 8th best performing fund of the quarter.

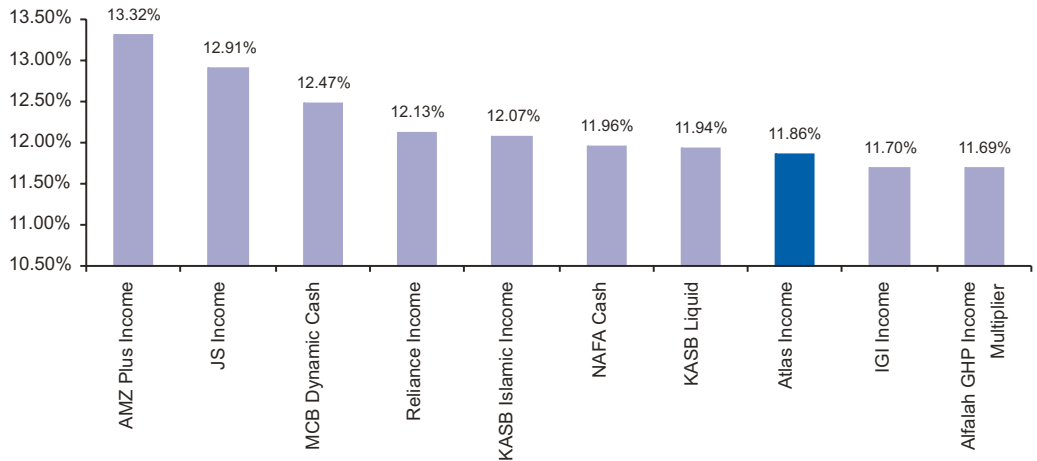


30 Days (1 Month)	90 Days (3 Month)	180 Days (6 Month)	360 Days (1 Year)	Since Inception
12.20%	11.86%	10.83%	10.16%	10.08%

* Annualized Return

Source: AIF FMR

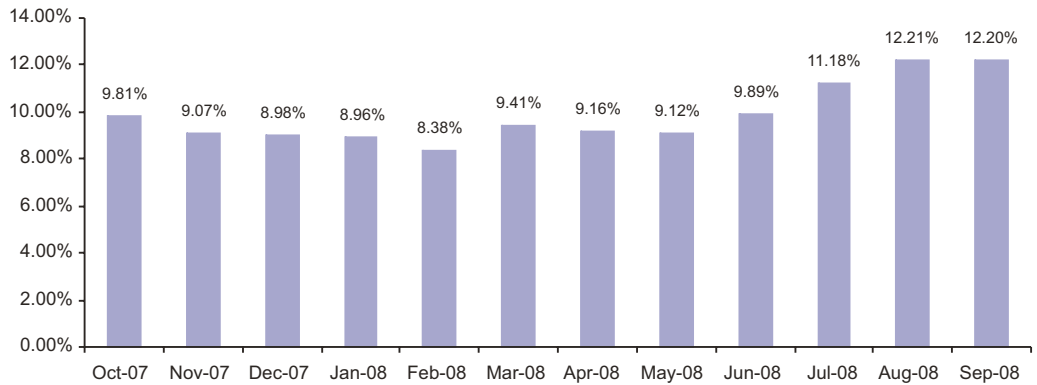
Top Ten Income/Money Market Funds of 1st Qtr FY09



Source: IGI Fund Select

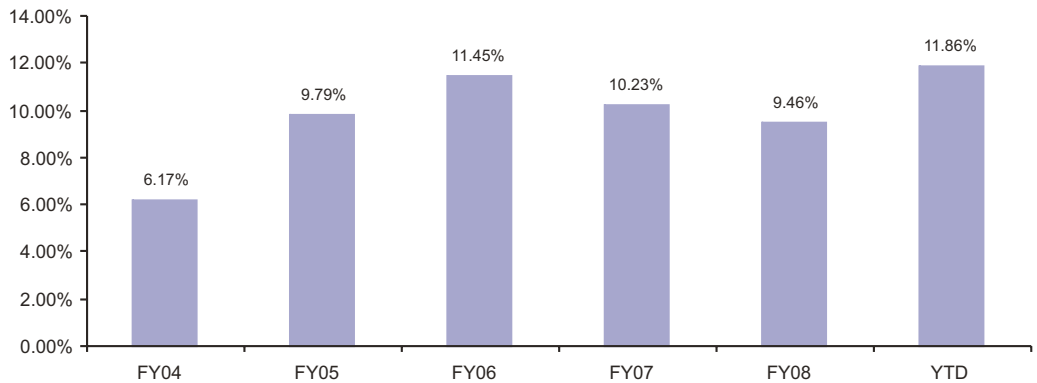
The Fund's performance has improved consistently during the past few months which is evident by looking at the graph below. Moreover, during the ongoing FY09, the Fund's performance has improved significantly. Considering the annual returns since inception, the Fund once gain commenced performing well and during the 1st Qtr FY09, the Fund offered an annualized return of 11.86% which was 240bps higher than that of the cumulative return offered by the Fund during FY08.

Monthly Performance Review during past 12months



Source: AIF FMR

Yearly Performance Review Since Inception

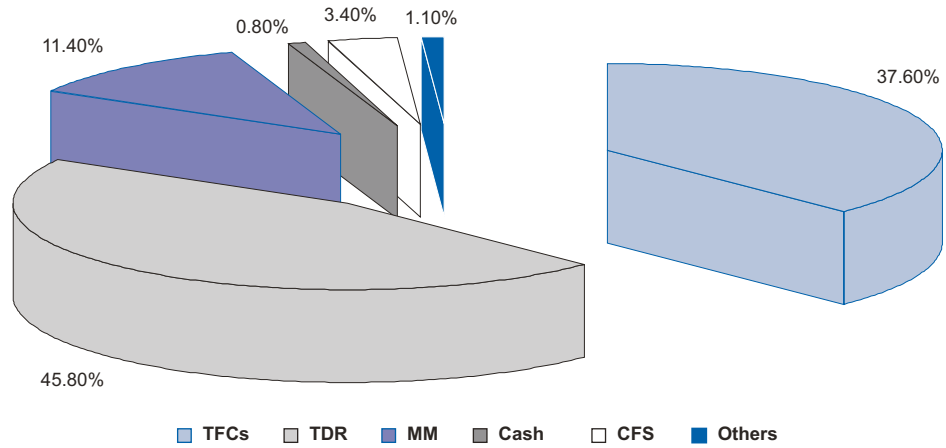


Source: AIF FMR

Asset Allocation

As on September 30, 2008, the fund had highest exposure in Term Deposits Receipts (TDRs) followed by TFCs and Money Market Instruments. During the month, the fund has diverted its exposure from money market instruments to TDRs. Investments in continuous funding system (CFS) has also increased marginally while exposure in other asset were almost held intact on month-on-month basis.

Asset Allocation as on September 30, 2008



Source: AIF FMR

Performance Prediction

Analyzing the portfolio status of the Fund as of September 30, 2008, we believe that the Fund due to higher exposure towards liquid assets would be able to capitalize the benefit of rising interest rate scenario. Moreover, comprehensively examining the TFC portfolio, we believe that the Fund had implemented a prudent investment process in selecting TFCs as almost all TFCs are KIBOR linked, they help the Fund to capitalize the benefit of rising interest rates. Furthermore, credit quality of the TFCs is very sound and in a Fund size of over Rs4bn, nominal exposure of Rs10mn in TFC issue of Telecard (Rated BBB) is not a cause of concern for investors. In-depth portfolio evaluation of AIF has made us believe that the Fund can potentially offer even better returns to investors in the near future.

The Bottomline: An Investment Perspective

The Fund offers a fairly decent investment opportunity to risk-averse investors who wish to enjoy the benefit of rising interest rates and having core focus on capital preservation. We view this Fund as a defensive growth player having potential to offer returns over and above money market returns in the short to medium-term.

Relative Ranking

Open End Income/Money Market Funds								
Income/Money Market Funds	YTD Annualized Returns	Income/Money Market Funds	Std Deviation	Income/Money Market Funds	Sharpe Ratio			
1	AMZ Plus Income Fund	13.32%	1	United Islamic Income Fund	0.06%	1	AMZ Plus Income Fund	2.40
2	JS Income Fund	12.91%	2	NAFA Islamic Income Fund	0.25%	2	KASB Islamic Income Fund	1.92
3	MCB Dynamic Cash Fund	12.47%	3	KASB Islamic Income Fund	0.29%	3	MCB Dynamic Cash Fund	1.46
4	Reliance Income Fund	12.13%	4	Meezan Islamic Income Fund	0.35%	4	JS Income Fund	0.90
5	KASB Islamic Income Fund	12.07%	5	Askari Income Fund	0.57%	5	Reliance Income Fund	0.69
6	NAFA Cash Fund	11.96%	6	Atlas Income Fund	0.59%	6	KASB Liquid Fund	0.65
7	KASB Liquid Fund	11.94%	7	Faysal Saving Growth Fund	0.63%	7	NAFA Cash Fund	0.63
8	Atlas Income Fund	11.86%	8	KASB Liquid Fund	0.64%	8	Atlas Income Fund	0.57
9	IGI Income Fund	11.70%	9	MCB Dynamic Cash Fund	0.65%	9	Alfalah GHP Income Multiplier Fund	0.23
10	Alfalah GHP Income Multiplier Fund	11.69%	10	NAFA Cash Fund	0.70%	10	IGI Income Fund	0.17
11	JS Aggr Income Fund	11.68%	11	Alfalah GHP Income Multiplier Fund	0.75%	11	JS Aggr Income Fund	0.06
12	United Growth & Income Fund	11.59%	12	AMZ Plus Income Fund	0.75%	12	United Growth & Income Fund	0.05
13	United Money Market Fund	11.55%	13	AKD Income Fund	0.84%	13	United Money Market Fund	0.03
14	Faysal Saving Growth Fund	11.52%	14	Reliance Income Fund	0.88%	14	Faysal Saving Growth Fund	-
15	POBOP Advantage Plus Fund	11.40%	15	Pakistan Cash Management Fund	0.96%	15	POBOP Advantage Plus Fund	(0.10)
16	Pakistan Income Fund	11.32%	16	IGI Income Fund	1.07%	16	Pakistan Income Fund	(0.11)
17	First Habib Income Funds	11.23%	17	United Money Market Fund	1.17%	17	First Habib Income Funds	(0.17)
18	AKD Income Fund	11.15%	18	POBOP Advantage Plus Fund	1.23%	18	NAFA Income Fund	(0.24)
19	Dawood Money Market Fund	11.13%	19	HBL Income Fund	1.27%	19	Dawood Money Market Fund	(0.28)
20	Askari Income Fund	11.11%	20	Dawood Money Market Fund	1.38%	20	BMA Chundrigar Road Saving Fund	(0.30)
21	NAFA Income Fund	11.09%	21	United Growth & Income Fund	1.40%	21	AKD Income Fund	(0.44)
22	BMA Chundrigar Road Saving Fund	11.08%	22	BMA Chundrigar Road Saving Fund	1.47%	22	HBL Income Fund	(0.44)
23	United Islamic Income Fund	11.02%	23	JS Income Fund	1.54%	23	Askari Income Fund	(0.72)
24	HBL Income Fund	10.96%	24	First Habib Income Funds	1.74%	24	Pakistan Cash Management Fund	(1.35)
25	NAFA Islamic Income Fund	10.63%	25	NAFA Income Fund	1.78%	25	Meezan Islamic Income Fund	(3.03)
26	Meezan Islamic Income Fund	10.45%	26	Pakistan Income Fund	1.84%	26	NAFA Islamic Income Fund	(3.61)
27	Pakistan Cash Management Fund	10.23%	27	JS Aggr Income Fund	2.47%	27	United Islamic Income Fund	(8.22)
Asset Allocation and Balanced Funds	Avg Monthly Return during Jul-Sep 08	Asset Allocation and Balanced Funds	Year-to-Date Returns	Asset Allocation and Balanced Funds	Std Deviation			
1	Alfalah GHP Value Fund	-2.61%	1	Alfalah GHP Value Fund	-7.70%	1	KASB Balanced Fund	3.20%
2	KASB Balanced Fund	-2.80%	2	KASB Balanced Fund	-8.30%	2	HBL Multi Asset Fund	3.36%
3	HBL Multi Asset Fund	-3.31%	3	HBL Multi Asset Fund	-9.70%	3	Alfalah GHP Value Fund	3.37%
4	MCB Dynamic Allocation fund	-4.29%	4	MCB Dynamic Allocation fund	-12.50%	4	NAFA Multi Asset Fund	4.00%
5	NAFA Multi Asset Fund	-4.53%	5	NAFA Multi Asset Fund	-13.13%	5	MCB Dynamic Allocation fund	4.03%
6	Pakistan Capital Market Fund	-5.52%	6	Pakistan Capital Market Fund	-15.90%	6	Pakistan Capital Market Fund	5.33%
7	Faysal Balanced Growth Fund	-7.03%	7	Faysal Balanced Growth Fund	-20.00%	7	Faysal Balanced Growth Fund	6.20%
8	UTP (Balanced Fund)	-7.93%	8	UTP (Balanced Fund)	-22.40%	8	UTP (Balanced Fund)	7.27%
9	Askari Asset Allocation fund	-10.82%	9	Askari Asset Allocation fund	-29.90%	9	Askari Asset Allocation fund	9.67%
10	JS Aggr Asset Alloc Fund	-13.12%	10	JS Aggr Asset Alloc Fund	-35.50%	10	JS Aggr Asset Alloc Fund	11.35%
Sector Specific or Hybrid Funds	Avg Monthly Return during Jul-Sep 08	Sector Specific or Hybrid Funds	Year-to-Date Returns	Sector Specific or Hybrid Funds	Std Deviation			
1	Faysal Income & Growth Fund	2.58%	1	Faysal Income & Growth Fund	1.70%	1	JS CPF III	0.29%
2	JS CPF III	-0.07%	2	JS CPF III	-0.20%	2	JS CPF II	0.69%
3	JS CPF II	-0.29%	3	JS CPF II	-0.90%	3	Faysal Income & Growth Fund	3.55%
4	JS CPF	-1.23%	4	JS CPF	-3.80%	4	JS CPF	3.55%
5	JS Fund of Funds	-6.10%	5	JS Fund of Funds	-17.60%	5	JS Fund of Funds	6.54%

Please Note: Regular Income Certificates rates by National Savings Schemes are used as a risk-free rate for calculating sharp ratio.

Funds launched after 1st August 2008 are not included in the above list.

Standard Deviation and Sharpe Ratio are calculated on monthly returns during July 2008 - September 2008.

Relative Ranking

Open End Income/Money Market Funds								
Islamic Funds		Avg Monthly Return during Jul-Sep 08	Islamic Funds		Year-to-Date Returns	Islamic Funds		Std Deviation
1	Dawood Islamic Fund	-0.24%	1	Dawood Islamic Fund	-0.70%	1	Dawood Islamic Fund	1.06%
2	Alfalah GHP Islamic fund	-2.61%	2	Alfalah GHP Islamic fund	-7.70%	2	United Composite Islamic Fund	2.96%
3	NAFA Islamic Multi Asset Fund	-3.65%	3	NAFA Islamic Multi Asset Fund	-10.63%	3	NAFA Islamic Multi Asset Fund	2.97%
4	United Composite Islamic Fund	-4.65%	4	United Composite Islamic Fund	-13.30%	4	Alfalah GHP Islamic fund	3.07%
5	Pakistan Int'l Islamic Fund - A	-6.73%	5	Pakistan Int'l Islamic Fund - A	-19.00%	5	Pakistan Int'l Islamic Fund - A	4.11%
6	Atlas Islamic Fund	-8.79%	6	Atlas Islamic Fund	-24.60%	6	Atlas Islamic Fund	7.52%
7	Meezan Islamic Fund	-9.57%	7	Meezan Islamic Fund	-26.64%	7	Meezan Islamic Fund	8.28%
8	UTP Islamic Fund	-10.35%	8	UTP Islamic Fund	-28.60%	8	UTP Islamic Fund	9.00%
Equity Funds		Avg Monthly Return during Jul-Sep 08	Equity Funds		Year-to-Date Returns	Equity Funds		Std Deviation
1	IGI Stock Fund	-0.96%	1	IGI Stock Fund	-2.85%	1	IGI Stock Fund	0.80%
2	HBL Stock Fund	-5.28%	2	HBL Stock Fund	-15.20%	2	HBL Stock Fund	4.87%
3	AMZ Plus Stock Market Fund	-6.22%	3	AMZ Plus Stock Market Fund	-17.75%	3	AMZ Plus Stock Market Fund	5.75%
4	MCB Dynamic Stock Fund	-6.75%	4	MCB Dynamic Stock Fund	-19.30%	4	Pakistan Stock Market Fund	6.12%
5	Pakistan Stock Market Fund	-7.30%	5	Pakistan Stock Market Fund	-20.70%	5	United Stock Advantage Fund	6.33%
6	United Stock Advantage Fund	-7.80%	6	United Stock Advantage Fund	-21.98%	6	MCB Dynamic Stock Fund	6.59%
7	KASB Stock Fund	-8.33%	7	KASB Stock Fund	-23.50%	7	AKD Opportunity Fund	7.40%
8	AKD Opportunity Fund	-8.62%	8	AKD Opportunity Fund	-24.20%	8	KASB Stock Fund	7.52%
9	AKD Index Tracker Fund	-9.03%	9	AKD Index Tracker Fund	-25.21%	9	AKD Index Tracker Fund	7.61%
10	Atlas Stock Market Fund	-9.27%	10	Atlas Stock Market Fund	-25.90%	10	NAFA Stock Fund	7.80%
11	NAFA Stock Fund	-9.40%	11	NAFA Stock Fund	-26.16%	11	Atlas Stock Market Fund	7.96%
12	National Investment Trust	-9.60%	12	National Investment Trust	-26.89%	12	UTP A30+ Fund	8.52%
13	UTP A30+ Fund	-10.42%	13	UTP A30+ Fund	-28.80%	13	National Investment Trust	9.22%
14	Crosby Dragon Fund	-12.82%	14	Crosby Dragon Fund	-34.60%	14	Crosby Dragon Fund	10.12%

Please Note: Funds launched after 1st August 2008 are not included in the above list.

Standard Deviation and Sharpe Ratio are calculated on monthly returns during July 2008 - September 2008.

Performance Profile

Open End Income/Money Market Fund									
Open End Income/Money Market Fund	February Ann. Return	March Ann. Return	April Ann. Return	May Ann. Return	June Ann. Return	July Ann. Return	August Ann. Return	September Ann. Return	
AMZ Plus Income Fund	9.79%	9.18%	9.08%	8.64%	9.28%	12.50%	13.97%	13.50%	
Askari Income Fund	8.04%	6.59%	9.33%	9.19%	8.48%	10.47%	11.30%	11.57%	
Atlas Income Fund	8.38%	9.41%	9.16%	9.12%	9.89%	11.18%	12.21%	12.20%	
Dawood Money Market Fund	12.59%	10.64%	12.12%	9.51%	6.87%	10.08%	10.63%	12.70%	
KASB Liquid Fund	10.08%	9.13%	9.80%	11.50%	10.46%	11.45%	11.73%	12.68%	
NAFA Cash Fund	9.45%	9.09%	9.82%	9.16%	10.20%	11.01%	12.39%	11.94%	
Pakistan Income Fund	8.80%	9.50%	8.96%	8.14%	8.09%	9.32%	11.80%	12.91%	
United Growth & Income Fund	7.89%	9.10%	9.90%	8.31%	8.88%	10.27%	11.50%	13.06%	
United Money Market Fund	8.45%	8.41%	9.32%	8.01%	8.90%	10.74%	11.06%	12.91%	
JS Income Fund	8.61%	8.98%	9.10%	9.20%	10.04%	13.20%	11.27%	14.32%	
Reliance Income Fund	9.60%	9.35%	9.59%	10.20%	9.44%	11.12%	12.61%	12.67%	
Meezan Islamic Income Fund	8.85%	9.56%	9.34%	9.57%	8.59%	10.35%	10.39%	10.98%	
MCB Dynamic Cash Fund	9.98%	9.36%	9.97%	9.10%	9.18%	12.58%	11.76%	13.09%	
HBL Income Fund	8.72%	10.87%	9.31%	8.03%	8.84%	9.69%	11.00%	12.22%	
AKD Income Fund	9.26%	9.10%	9.59%	8.22%	4.03%	10.34%	11.05%	12.02%	
IGI Income Fund	9.36%	9.44%	9.53%	9.41%	8.85%	10.47%	12.25%	12.40%	
Faysal Saving Growth Fund	8.67%	8.94%	9.05%	10.76%	10.67%	11.11%	11.52%	12.34%	
First Habib Income Funds	8.94%	9.53%	9.14%	8.19%	8.86%	9.44%	11.41%	12.90%	
Alfalah GHP Income Multiplier Fund	9.27%	9.07%	9.14%	9.14%	9.92%	11.03%	11.54%	12.50%	
BMA Chundrigar Road Saving Fund	9.00%	9.36%	9.57%	9.07%	8.08%	9.54%	11.28%	12.47%	
NAFA Islamic Income Fund	8.05%	7.82%	8.51%	8.54%	8.97%	10.34%	10.74%	10.79%	
POBOP Advantage Plus Fund	9.07%	8.65%	9.80%	10.53%	9.13%	10.01%	11.92%	12.32%	
United Islamic Income Fund	8.11%	10.93%	9.91%	8.91%	7.86%	11.03%	10.93%	11.04%	
JS Aggr Income Fund				6.48%	10.16%	11.88%	9.18%	14.12%	
NAFA Income Fund			9.16%	7.90%	8.24%	10.26%	9.88%	13.14%	
Pakistan Cash Management Fund					9.11%	9.33%	10.08%	11.23%	
KASB Islamic Income Fund						12.40%	11.89%	11.92%	
Asset Allocation and Balanced Funds	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Alfalah GHP Value Fund	4.55%	1.36%	1.07%	-5.53%	0.51%	-1.85%	-6.29%	0.32%	
Faysal Balanced Growth Fund	1.89%	0.65%	4.25%	-13.09%	3.06%	-10.12%	-11.07%	0.11%	
NAFA Multi Asset Fund	3.13%	1.11%	3.17%	-9.40%	0.35%	-5.91%	-7.65%	-0.02%	
UTP (Balanced Fund)	5.36%	3.66%	2.73%	-11.06%	2.73%	-13.87%	-10.11%	0.18%	
Pakistan Capital Market Fund	3.95%	0.24%	-1.29%	-11.52%	0.18%	-6.82%	-10.07%	0.34%	
JS Aggr Asset Alloc Fund	7.41%	5.37%	3.43%	-12.79%	2.63%	-21.51%	-17.65%	-0.20%	
Askari Asset Allocation fund	2.72%	-1.21%	-2.22%	-14.58%	6.67%	-15.17%	-17.54%	0.26%	
KASB Balanced Fund	4.21%	0.82%	-0.47%	-6.01%	0.32%	-5.47%	-3.67%	0.75%	
HBL Multi Asset Fund	3.04%	0.88%	0.57%	-8.37%	0.46%	-5.00%	-5.50%	0.56%	
MCB Dynamic Allocation fund			-0.33%	-11.37%	-0.99%	-5.66%	-7.46%	0.25%	
Sector Specific or Hybrid Funds									
JS Fund of Funds	4.14%	0.93%	1.84%	-6.93%	3.16%	-11.31%	-8.22%	1.24%	
Faysal Income & Growth Fund	2.37%	0.74%	0.63%	-5.95%	12.42%	6.66%	0.27%	0.80%	
JS CPF	1.19%	2.23%	3.55%	0.41%	2.01%	-4.78%	-1.24%	2.32%	
JS CPF II	1.10%	1.09%	0.61%	0.45%	0.75%	-0.16%	0.33%	-1.03%	
JS CPF III	0.91%	0.82%	0.40%	1.21%	0.65%	-0.18%	0.26%	-0.29%	
Islamic Funds									
Meezan Islamic Fund	5.66%	3.25%	-0.64%	-13.22%	0.98%	-14.17%	-14.53%	-0.01%	
Pakistan Int'l Islamic Fund - A	4.41%	1.88%	1.19%	-8.32%	-0.92%	-8.38%	-9.76%	-2.05%	
UTP Islamic Fund	3.53%	4.46%	-1.15%	-15.41%	1.07%	-15.51%	-15.58%	0.04%	
Atlas Islamic Fund	3.65%	2.57%	0.84%	-14.42%	1.41%	-13.66%	-12.58%	-0.13%	
United Composite Islamic Fund	4.29%	1.93%	0.24%	-7.89%	-0.79%	-5.82%	-6.84%	-1.28%	
NAFA Islamic Multi Asset Fund	1.45%	1.40%	0.32%	-7.28%	0.64%	-5.01%	-5.69%	-0.24%	
Dawood Islamic Fund	2.42%	1.12%	1.09%	-1.45%	1.25%	-1.32%	-0.19%	0.79%	
Alfalah GHP Islamic fund	2.86%	2.84%	0.35%	-3.34%	-0.34%	-2.38%	-5.79%	0.33%	
Equity Funds									
AKD Opportunity Fund	7.56%	2.73%	4.78%	-15.21%	2.73%	-13.66%	-12.07%	-0.12%	
AMZ Plus Stock Market Fund	7.04%	-0.22%	-0.31%	-20.26%	0.04%	-10.69%	-8.25%	0.27%	
Atlas Stock Market Fund	6.72%	2.13%	0.58%	-17.42%	0.96%	-14.64%	-13.05%	-0.13%	
AKD Index Tracker Fund	6.11%	1.35%	-0.07%	-20.08%	0.62%	-13.70%	-13.13%	-0.25%	
Crosby Dragon Fund	11.54%	5.68%	17.95%	-20.79%	3.08%	-20.35%	-16.79%	-1.32%	
KASB Stock Fund	8.43%	0.03%	-0.21%	-16.11%	-0.49%	-13.90%	-11.31%	0.22%	
MCB Dynamic Stock Fund	8.61%	1.12%	-0.53%	-15.89%	0.07%	-7.56%	-12.90%	0.20%	
National Investment Trust	4.01%	1.12%	-1.11%	-15.42%	-0.13%	-13.07%	-16.58%	0.86%	
NAFA Stock Fund	4.25%	1.72%	-0.40%	-18.43%	0.23%	-13.22%	-14.55%	-0.42%	
Pakistan Stock Market Fund	6.49%	1.67%	-1.17%	-12.41%	0.60%	-9.88%	-11.71%	-0.31%	
United Stock Advantage Fund	6.81%	2.63%	1.12%	-15.60%	4.38%	-10.70%	-12.16%	-0.54%	
UTP A30+ Fund	9.91%	0.89%	-1.07%	-22.51%	2.28%	-15.53%	-15.15%	-0.59%	
HBL Stock Fund	5.64%	0.80%	0.87%	-11.70%	0.80%	-7.53%	-8.61%	0.31%	
IGI Stock Fund						-0.36%	-1.86%	-0.65%	

Rating Guide

Open End Mutual Fund	Inception dates	Bench Mark	AMC Rating	Fund Rating
AKD Income Fund	Mar-07	6 M KIBOR	AM3+	JCR-VIS A-(F) JCR-VIS
AMZ Plus Income Fund	25-Feb-06	1 M KIBOR	AM3+	JCR-VIS 5 Star PACRA
Askari Income Fund	16-Mar-06	3 M KIBOR	AM3	PACRA & JCR-VIS A(F) JCR-VIS & 5 Star PACRA
Atlas Income Fund	22-Mar-04	3 M KIBOR	AM3+	PACRA 5 Star PACRA
Dawood Money Market Fund	18-Apr-03	1 M KIBOR	AM3	PACRA 5 Star PACRA
Faysal Income & Growth Fund	10-Oct-05	6 M KIBOR	AM3+	JCR-VIS A+(f) JCR-VIS
HBL Income Fund	19-Mar-07	1 M KIBOR	AM3	JCR-VIS Not rated as yet
KASB Liquid Fund	9-May-06	1 M KIBOR	AM3+	PACRA 5 Star PACRA
KASB Islamic Income Fund	10-Jun-08	3 M KIBOR	AM3+ PACRA	AM2- JCR-VIS Not rated as yet
MCB Dynamic Cash Fund	1-Mar-07	1 M KIBOR	AM3	PACRA Not rated as yet
Meezan Islamic Income Fund	15-Jan-07	-	AM2	PACRA Not rated as yet
NAFA Cash Fund	22-Apr-06	3 M T BILLS	AM2	JCR-VIS A(F) JCR-VIS
Pakistan Income Fund	11-Mar-02	6 M KIBOR	AM2	PACRA 5 Star PACRA
Reliance Income Fund	19-Oct-06	6 M KIBOR	AM2	É Not rated as yet
United Growth & Income Fund	2-Mar-06	1 & 3 Yr. KIBOR	AM2-	JCR-VIS A(f) JCR-VIS
United Money Market Fund	5-Nov-02	1 M KIBOR	AM2-	JCR-VIS A+(f) JCR-VIS
JS Income Fund	26-Aug-02	1 M KIBOR	AM2+	PACRA 5 Star PACRA
IGI Income Fund	16-Apr-07	1 M KIBOR	AM3-	PACRA Not rated as yet
Faysal Savings Growth Fund	14-May-07	1 M KIBOR	AM3+	JCR-VIS A(f) JCR-VIS
First Habib Income Funds	30-May-07	1 M KIBOR	AM3-	PACRA Not rated as yet
Alfalah GHP Income Multiplier Fund	15-Jun-07	1 M KIBOR	AM3	PACRA Not rated as yet
BMA Chundrigar Road Saving Fund	23-Aug-07	1 M KIBOR	AM2-	JCR-VIS Not rated as yet
NAFA Islamic Income Fund	29-Oct-07	Avg. 1 M Deposit Rate of 4 Islamic Bank	AM2	JCR-VIS Not rated as yet
POBOP Advantage Plus Fund	25-Oct-07	3 M KIBOR	AM3+	JCR-VIS A(f) JCR-VIS
United Islamic Income Fund	2-Oct-07	Avg. of 6 M Placement Rate of 3 Islamic Bank	AM2-	JCR-VIS Not rated as yet
Pakistan Cash Management Fund	23-May-08	3 Months T-bills	AM2+	PACRA Not rated as yet
NAFA Income Fund	29-Mar-08	3 Months T-bills	AM2	JCR-VIS Not rated as yet
JS Aggressive Income Fund	22-Jan-08	1 M KIBOR	AM2+	PACRA Not rated as yet
Totals				
AMZ Plus Stock Fund	24-Jul-06	KSE 100	AM3+	JCR-VIS 3 Star PACRA
AKD Opportunity Fund	Mar-06	KSE 100	AM3+	JCR-VIS 5 Star JCR-VIS
AKD Index Tracker Fund	Oct-05	KSE 100	AM3+	JCR-VIS Not rated as yet
Alfalah GHP Value Fund	28-Oct-05	KSE 100	AM3	PACRA 5 Star PACRA
Alfalah GHP Islamic Fund	3-Sep-07	KSE 100	AM3	PACRA Not rated as yet
Alfalah GHP Principal Protected Fund	24-Jul-08	KSE 100	AM3	PACRA Not rated as yet
Alfalah GHP Alpha Fund	É	É	AM3	PACRA Not rated as yet
Atlas Islamic Fund	15-Jan-07	KSE 100	AM3+	PACRA Not rated as yet
Atlas Stock Market Fund	23-Nov-04	KSE 100	AM3+	PACRA 5 Star PACRA
Askari Asset Allocation Fund	10-Sep-07	KSE 100	AM3	PACRA & JCR-VIS Not rated as yet
Crosby Dragon Fund	Dec-03	KSE 100	AM4-	JCR-VIS 5 Star JCR-VIS
Dawood Islamic Fund	14-Jul-07	KSE 100	AM3	PACRA Not rated as yet
Faysal Balanced Growth Fund	14-Apr-04	KSE 100	AM3+	JCR-VIS 4 Star JCR-VIS
HBL Stock Fund	1-Sep-07	KSE 100	AM3	JCR-VIS Not rated as yet
HBL Multi Asset Fund	18-Dec-07	KSE 100	AM3	JCR-VIS Not rated as yet
IGI Stock Fund	15-Jul-08	KSE 100	AM3-	PACRA Not rated as yet
KASB Stock Fund	22-Mar-07	KSE 100	AM3+	PACRA Not rated as yet
KASB Balanced Fund	31-Dec-07	65% 1 M KIBOR + 35% KSE 30 Index	AM3+	PACRA Not rated as yet
MCB Dynamic Stock Fund	1-Mar-07	KSE 30	AM3	PACRA Not rated as yet
MCB Dynamic Allocation Fund	17-Mar-08	É	AM3	PACRA Not rated as yet
Meezan Islamic Fund	8-Aug-03	DJIMPK	AM2	PACRA 5 Star PACRA
NAFA Multi Asset Fund	22-Jan-07	50% KSE & 50% 1 M KIBOR	AM2	JCR-VIS 5 Star JCR-VIS
NAFA Stock Fund	22-Jan-07	KSE 30	AM2	JCR-VIS 5 Star JCR-VIS
NAFA Islamic Multi Asset Fund	29-Oct-07	50% Dow Jones Islamic Pakistan Index & 50% Avg.	AM2	JCR-VIS Not rated as yet
NIT	12-Nov-62	1 M Deposit rate of 4 Islamic Bank	AM2-	PACRA 5 Star JCR-VIS
Pakistan Capital Market Fund	24-Jan-04	KSE 100	AM2	PACRA 5 Star PACRA
Pakistan Int'l Islamic Fund	2-May-06	KSE 100	AM2	PACRA 4 Star PACRA
Pakistan Stock Market Fund	11-Mar-02	KSE 100	AM2	PACRA 3 Star normal 5 star Long Term PACRA
United Composite Islamic Fund	24-Dec-06	KSE 100	AM2-	JCR-VIS Not rated as yet
United Stock Adv. Fund	4-Aug-06	KSE 100	AM2-	JCR-VIS 4 Star JCR-VIS
UTP - A30+ Fund	29-May-06	A 30 index	AM2+	PACRA Not rated as yet
UTP - Fund of Funds	31-Oct-05	Composite BM of Top 10 open end funds with equal weightage	AM2+	PACRA Not rated as yet
UTP (Balanced Fund)	27-Oct-97	30% 6 M KIBOR % 70% KSE 30	AM2+	PACRA 5 Star PACRA
UTP Aggr Asset Alloc Fund	28-Jun-05	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA 5 Star PACRA
UTP Islamic Fund	27-Dec-02	Dow Jones Islamic Market Index	AM2+	PACRA 5 Star PACRA
UTP-CPF I	21-Feb-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA Not rated as yet
UTP-CPF II	18-Jun-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA Not rated as yet
UTP-CPF III	28-Sep-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA Not rated as yet

Source: IGI Fund Select

Sector Snapshot

Open End Mutual Fund Income/Money Market Funds	Fund Sizes as at 31 Aug, 08 PKR bn	Fund Sizes as at 30 Sep, 08 PKR bn	%Chg MoM	Front-end Load	Back-end Load	Mgt Fee
AKD Income Fund	2.833	2.273	-19.77%	1.00%	Nil	1.10%
AMZ Plus Income Fund	3.201	3.000	-6.28%	1.25%	Nil	1.25%
Askari Income Fund	7.300	6.687	-8.40%	Nil	0.25%	1.50%
Atlas Income Fund	4.250	4.259	0.18%	2.00%	Nil	1.00%
Dawood Money Market Fund	2.550	2.596	1.80%	1.00%	Nil	1.00%
Faysal Income & Growth Fund	1.794	1.727	-3.73%	1.00%	2%2	1.25%
HBL Income Fund	5.187	4.464	-13.94%	Nil	Nil	1.50%
KASB Liquid Fund	7.685	7.993	4.01%	Nil	Nil3	1.30%
KASB Islamic Income Fund	0.938	0.941	0.32%	1.00%	Nil	1.25%
MCB Dynamic Cash Fund	17.133	15.951	-6.90%	Nil	Nil	1.50%
Meezan Islamic Income Fund	5.408	5.295	-2.09%	0.50%	1%4	1.00%
NAFA Cash Fund	22.224	21.032	-5.36%	Nil	Nil	1.50%
Pakistan Income Fund	5.920	5.840	-1.35%	1.35%	Nil	1.50%
Reliance Income Fund	1.210	1.065	-11.98%	1.50%	Nil	1.50%
United Growth & Income Fund	14.999	14.369	-4.20%	1.50%	Nil5	1.50%
United Money Market Fund	7.531	7.533	0.03%	Nil	Nil	1.50%
JS Income Fund	11.201	11.963	6.80%	1.50%	Nil	1.50%
IGI Income Fund	3.944	2.680	-32.05%	Nil	Nil	1.25%
Faysal Savings Growth Fund	4.264	4.526	6.14%	Nil	Nil	1.50%
First Habib Income Funds	2.090	1.960	-6.22%	Nil	Nil6	1.50%
Alfalah GHP Income Multiplier Fund	1.887	1.765	-6.47%	Nil	Nil	1.25%
BMA Chundrigar Road Saving Fund	3.278	3.286	0.24%	1.00%	Nil	1.50%
NAFA Islamic Income Fund	0.904	0.915	1.22%	1.00%	Nil	1.50%
POBOP Advantage Plus Fund	1.889	1.850	-2.06%	1.00%	Nil	1.50%
United Islamic Income Fund	2.078	2.205	6.11%	1%9	1%10	1.25%
Pakistan Cash Management Fund	0.198	0.147	-25.76%	Nil	Nil	10.00%
NAFA Income Fund	1.424	1.470	3.23%	1.00%	Nil	1.50%
JS Aggressive Income Fund	0.888	0.899	1.24%	1.00%	Nil	1.50%
Totals	144.208	139.582	-3.21%			
Equity and Hybrid						
AMZ Plus Stock Fund	0.353	0.343	-2.90%	3.00%	Nil	3.00%
AKD Opportunity Fund	1.536	1.470	-4.30%	3.00%	Nil	3.00%
AKD Index Tracker Fund	0.281	0.280	-0.36%	1.00%	2%7	0.75%
Alfalah GHP Value Fund	0.808	0.794	-1.73%	2.50%	Nil	2.50%
Alfalah GHP Islamic Fund	0.368	0.365	-0.82%	2.50%	Nil	2.25%
Alfalah GHP Principal Protected Fund	0.887	0.890	0.34%	2.50%	Nil	1.50%
Alfalah GHP Alpha Fund	-	0.152	N/P	-	-	-
Atlas Islamic Fund	0.426	0.590	38.50%	1.00%	1.5%8	3.00%
Atlas Stock Market Fund	0.975	1.320	35.38%	2.00%	Nil	3.00%
Askari Asset Allocation Fund	0.344	0.336	-2.39%	2.50%	Nil	3.00%
Crosby Dragon Fund	2.480	1.500	-39.52%	2.00%	Nil	2.50%
Dawood Islamic Fund	0.417	0.417	0.00%	1.00%	Nil	1.50%
Faysal Balanced Growth Fund	0.744	0.694	-6.72%	2.25%	Nil	2.25%
HBL Stock Fund	1.494	1.475	-1.27%	2.50%	Nil	3.00%
HBL Multi Asset Fund	0.639	0.628	-1.72%	2.00%	Nil	2.50%
IGI Stock Fund	0.131	0.130	-0.76%	2.50%	Nil	2.00%
KASB Stock Fund	0.355	0.349	-1.69%	2.50%	Nil	3.00%
KASB Balanced Fund	0.961	0.941	-2.08%	2.00%	Nil	2.00%
MCB Dynamic Stock Fund	0.669	0.626	-6.43%	2.50%	Nil	3.00%
MCB Dynamic Allocation Fund	1.203	1.074	-10.72%	3.00%	Nil	3.00%
Meezan Islamic Fund	4.545	4.320	-4.95%	2.00%	Nil	3.00%
NAFA Multi Asset Fund	2.194	2.177	-0.77%	3.00%	Nil	2.50%
NAFA Stock Fund	1.691	1.548	-8.46%	3.00%	Nil	3.00%
NAFA Islamic Multi Asset Fund	0.602	0.543	-9.80%	3.00%	Nil	2.50%
NIT	56.492	56.786	0.52%	2.50%	1.00%	1.00%
Pakistan Capital Market Fund	0.650	0.640	-1.54%	4.00%	Nil	3.00%
Pakistan Int'l Islamic Fund	0.790	0.710	-10.13%	*	**	***
Pakistan Stock Market Fund	2.530	2.130	-15.81%	4.00%	Nil	2.00%
United Composite Islamic Fund	1.003	0.969	-3.39%	2.50%	Nil	3.00%
United Stock Adv. Fund	2.197	2.129	-3.10%	2.50%	Nil	3.00%
UTP - A30+ Fund	0.127	0.124	-2.36%	2.00%	Nil	1.50%
UTP - Fund of Funds	0.985	0.996	1.12%	3.00%	Nil	1.00%
UTP (Balanced Fund)	4.300	4.108	-4.47%	3.00%	Nil	2.00%
UTP Aggr Asset Alloc Fund	0.397	0.323	-18.64%	3.00%	Nil	3.00%
UTP Islamic Fund	0.548	0.493	-10.04%	3.00%	5.00%	3.00%
UTP-CPF I	0.982	0.969	-1.32%	3.00%	5.00%	1.25%
UTP-CPF II	1.599	1.583	-1.00%	2.00%	3.00%	1.50%
UTP-CPF III	1.391	1.385	-0.43%	2.00%	3.00%	1.50%
Total	98.094	96.307	-1.82%			
Grand Total	242.30	235.89	-2.65%			

Source: IGI Fund Select

Load

- 0.25% if redeemed within 2 month
- If redeem within a year and 1% if redeem in the 2nd year of investment and 1% if redeem in the 3rd year of investment and after that no load
- 0.5% if redeemed within 15 days
- If redeem within 6 month and after that .5% load
- Back end load charge on Growth fund: 1 yr 3%, yr 2 2% and yr 1%
- 0.5% if redeemed within 15 days
- Only for seed investors
- If redeem within a year and 1% if redeem in the 2nd year of investment and .5% if redeem in the 3rd year of investment and after that no load
- 1% Front End load on Income Fund, No, load on Growth
- No Back End load on Income, and on Growth, if redeem < 6 month 1% if redeem = 1year 0.5%, after that no load
- Type A 2.5% and Type B, C and D None
- Type A None and B, C, D: 1 yr 3%, yr 2 2% and yr 3 1%
- Type A & B: 3% and Type C&D: 2%

Payout Profile

Mutual Fund	Inception Date	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Equity Funds							
1 Atlas Stock Market Fund	22-Nov-04	-	-	12.50%	25.00%	20.00%	7.50%
2 Crosby Dragon Fund	24-Dec-03	-	2%	10.5%	15.00%	38.00%	30.00%
3 National Investment Trust	12-Nov-62	17.50%	25.50%	33.00%	58.00%	62.00%	65.00%
4 Pakistan Stock Market Fund	12-Mar-02	40.00%	60.00%	70.00%	60.00%	50.00%	34.00%
5 AMZ Plus Stock Fund	24-Jul-06	-	-	-	-	19.00%	-
6 AKD Opportunity Fund	1-Mar-06	-	-	-	0.00%	11.29%	10.00%
7 KASB Stock Fund	22-Mar-07	-	-	-	-	9.74%	-
8 MCB Dynamic Stock Fund	1-Mar-07	-	-	-	-	25.00%	-
9 United Stock Advantage Fund	4-Aug-06	-	-	-	-	22.30%	3.01%
10 HBL Stock Fund	1-Sep-07	-	-	-	-	-	5.85%
11 UTP-A30+ Fund	29-May-06	-	-	-	0.50%	25.00%	-
12 NAFA Stock Fund	22-Jan-07	-	-	-	-	22.60%	6.04%
					13.21%	25.41%	20.18%
Islamic Funds							
1 Meezan Islamic Fund	8-Aug-03	-	15.00%	35.00%	35.00%	31.20%	20.00%
2 UTP Islamic Fund	27-Dec-02	8.00%	17.00%	10.00%	37.50%	29.73%	-
3 Pakistan Int'l Islamic Elmnt. Fund	2-May-06	-	-	-	-	17.50%	3.50%
4 KASB Islamic Income Fund		-	-	-	-	-	0.55%
5 Atlas Islamic Fund	15-Jan-07	-	-	-	-	3.00%	1.80%
6 Alfalah GHP Islamic Fund		-	-	-	-	-	-
7 NAFA Islamic Multi Asset Fund		-	-	-	-	-	-
8 Dawood Islamic Fund	14-Jul-07	-	-	-	-	-	10.00%
9 United Composite Islamic Fund	24-Dec-06	-	-	-	-	10.35%	5.14%
					8.06%	10.20%	5.12%
Hybrid Funds							
1 UTP-Capital Protected Fund	21-Feb-07	-	-	-	-	4.50%	8.01%
2 UTP-Capital Protected Fund II	18-Jun-07	-	-	-	-	0.20%	9.00%
3 UTP-Capital Protected Fund III		-	-	-	-	-	5.50%
Funds of Funds							
1 UTP - Fund of funds	31-Oct-05	-	-	-	8.00%	15.10%	10.24%
Asset Allocation							
1 Pakistan Capital Market Fund	31-Jan-04	-	8.25%	30.00%	30.00%	30.00%	3.00%
2 UTP Aggr Asset Alloc Fund	28-Jun-05	-	-	-	65.00%	26.72%	2.50%
3 Askari Asset Allocation Fund		-	-	-	-	-	-
4 MCB Dynamic Allocation Fund	15-Mar-08	-	-	-	-	-	-
5 Alfalah GHP Value Fund	28-Oct-05	-	-	-	1.00%	10.44%	-
					19.20%	13.43%	1.38%
Balanced Funds							
1 Faysal Balanced Growth Fund	17-May-04	-	-	12.50%	26.00%	18.00%	18.00%
2 UTP (Balanced Fund)	27-Oct-97	25.00%	30.00%	20.00%	40.00%	40.21%	18.60%
3 KASB Balance Fund		-	-	-	-	-	-
4 HBL Multi Asset Fund		-	-	-	-	-	-
5 NAFA Multi Asset Fund	22-Jan-07	-	-	-	-	16.40%	16.40%
					16.50%	14.92%	10.60%

Source: IGI Fund Select

Payout Profile

Mutual Fund	Inception Date	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Money Market Funds							
Dawood Money Market Fund	11-May-03	1.10%	7.00%	9.70%	11.50%	10.91%	10.25%
United Money Market Fund	7-Aug-02	10.00%	4.85%	4.08%	10.00%	10.10%	9.14%
KASB Liquid Fund	9-May-06	-	-	-	1.40%	10.72%	10.00%
Pakistan Cash Management Fund	7-Aug-02	-	-	-	-	-	2.30%
MCB Dynamic Cash Fund	1-Mar-07	-	-	-	-	3.38%	6.46%
BMA Chundarigar Road Saving Fund	23-Aug-02	-	-	-	-	-	7.70%
Faysal Saving Growth fund	14-May-07	-	-	-	-	1.25%	10.00%
NAFA Cash Fund	21-Apr-06	0.00%	0.00%	0.00%	1.90%	10.50%	9.72%
Income Funds							
Atlas Income Fund	22-Mar-04	-	-	9.75%	11.50%	10.00%	9.50%
AMZ Plus Income Fund	25-Feb-06	-	-	-	4.14%	11.60%	10.22%
Askari Income Fund	16-Mar-06	-	-	-	4.49%	11.06%	9.03%
Pakistan Income Fund	12-Mar-02	12.00%	9.00%	9.60%	10.00%	10.50%	9.50%
United Growth & Income Fund	2-Mar-06	-	-	-	9.25%	11.40%	9.18%
United Islamic Income Fund	20-Oct-06	-	-	-	-	-	5.85%
UTP Income Fund	26-Aug-02	0.10	6.20%	10.25%	12.10%	10.66%	9.72%
NAFA Income Fund	31-Mar-02	-	-	-	-	-	2.10%
NAFA Islamic Income Fund	29-Oct-06	-	-	-	-	-	4.60%
POBOP Advantage Plus Fund	25-Oct-06	-	-	-	-	-	6.19%
JS Aggressive Income Fund	24-Jan-08	-	-	-	-	-	5.00%
Faysal Income & Growth Fund	10-Oct-05	-	-	-	5.50%	12.75%	10.00%
Meezan Islamic Income Fund	15-Jan-07	-	-	-	-	4.40%	9.20%
HBL Income Fund	19-Mar-07	-	-	-	-	2.65%	9.20%
AKD Income Fund	1-Mar-07	-	-	-	-	3.18%	9.00%
IGI Income Fund	16-Apr-07	-	-	-	-	1.95%	9.71%
First Habib Income Fund	30-May-07	-	-	-	-	1.50%	9.25%

Source: IGI Fund Select

IGI

Investment Bank

I, **Tahir Hussein Ali**, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject, securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, relates to the specific recommendations or views expressed in this research report.

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