

Atlas funds

Nurturing your investments

Atlas Income Fund

HALF YEARLY REPORT

December 31, 2006

(UN-AUDITED)



Managed by

Atlas Asset Management

Rated AM3+by PACRA



Vision

To be a market leader in providing quality fund management services with customer satisfaction as our premier goal.

Mission Statement

We are committed to offering our investors the best possible returns on a diverse range of products; to meeting not only the customers' current and future requirements, but also exceeding their expectations. We aim to be the company with which people prefer to do business. We are committed to providing a stimulating and challenging environment in which all our people can be valuable contributors to the achievement of our vision, while achieving career progression and job satisfaction. We recognize that our success comes from our people. We are committed to the highest ethical and fiduciary standards and firmly believe that by placing the best interests of our clients first, we will also serve the best interest of our employees, our shareholders, and the communities in which we operate.

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Atlas Income Fund

ORGANIZATION

Management Company

Atlas Asset Management Limited

Board of Directors of the Management Company

Chairman	Mr. Yusuf H. Shirazi
Vice Chairman & Chief Executive Officer Directors	Mr. M. Habib-ur-Rahman Mr. Jawaid Iqbal Ahmed Mr. Peter A. Smyth (Alternate Mr. Michael Ferrer) Mr. Tariq Amin Mr. M. P. Bhandara (w.e.f. October 30, 2006) Mr. Sherali Mundrawala (uptil October 29, 2006)
Executive Director	Mr. Ali H. Shirazi
Company Secretary	Ms. Lilly R. Dossabhoy

Audit Committee

Chairman	Mr. Tariq Amin Mr. Sherali Mundrawala (uptil October 29, 2006)
Members	Mr. Jawaid Iqbal Ahmed Mr. Peter A. Smyth (w.e.f. November 10, 2006)

Human Resource Committee

(Constituted w.e.f. January 1, 2007)

Chairman	Mr. Tariq Amin
Members	Mr. M. Habib-ur-Rahman Mr. Ali H. Shirazi

Group Executive Committee

President	Mr. Aamir H. Shirazi
Members	Mr. Frahim Ali Khan Mr. Jawaid Iqbal Ahmed Mr. Iftikhar H. Shirazi Mr. Saquib H. Shirazi Mr. Bashir Makki

Management Committee

Chairman	Mr. M. Habib-ur-Rahman
Members	Mr. Ali H. Shirazi Mr. Ather H. Medina Ms. Lilly R. Dossabhoy Ms. Mashmooma Z. Majeed

ORGANIZATION

Group Systems & Technology Committee

Chairman	Mr. Iftikhar H. Shirazi
Member	Mr. Zia Ullah Begg

Trustee

Central Depository Company of Pakistan Limited
99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal
Karachi - 74400

Internal Auditor

Mr. Abdul Majid

Auditors

Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisers

Mohsin Tayebaly & Co.

Bankers

Atlas Bank Limited
Bank Alfalah Limited
KASB Bank Limited
MCB Bank Limited
Saudi Pak Commercial Bank Limited
Soneri Bank Limited

Registered Office

Ground Floor, Federation House, Sharae Firdousi
Clifton, Karachi - 75600
Tel: (92-21) 111-MUTUAL (111-6-888-25)
(92-21) 5379501-04
Fax: (92-21) 5379280
Email: info@atlasfunds.com.pk
Website: www.atlasfunds.com.pk

Atlas Income Fund

CHAIRMAN'S REVIEW

It is my pleasure to present the accounts for the first half ended December 31, 2006 of the financial year 2006-07.

The Economy

High oil prices, coupled with increasing imports of consumer goods led to increase in the trade deficit during the period. Imports for the period Jul-Dec. 2006 stand at US\$ 14,898 million and exports at US\$ 8,448 million leading to a deficit of US\$ 6,450 million, which exceeds the deficit recorded in any comparable period in the past. Even with improved flows in the form of foreign portfolio investment and foreign direct investment, the exchange rate parity came under pressure with the rupee weakening by over 1% during the period.

On the positive side, inflation slowed down, in part due to the base effect, which has enabled the central bank to hold interest rates steady over the period. The Karachi Interbank Offer Rate (KIBOR) increased by 2 bps to 10.39% for the 3 month tenor, remained unchanged at 10.65% for the 6 month tenor, and declined by 8 bps to 10.97% for the 12 month tenor.

A severe monsoon and colder than normal winter, resulted in a negative growth outlook for major crops. A 2% cumulative growth during the year is expected only due to a bumper sugarcane crop, and modest growth in the wheat crop. However, Large Scale Manufacturing sector will benefit from increased capacity, and the Services sector is expected to maintain a strong growth, thus GDP growth is expected to touch the 6.5-7.0% level - quite positive.

Fund Operations

The per Unit Net Asset Value of the Fund increased by 9.72% (annualized) to Rs. 524.83 as at December 31, 2006 with an Earnings Per Unit of Rs. 24.51 for the period. The earnings per unit is worked out after a provision of Rs. 12,388 million against over dues of a non-banking financial institution. The company is undergoing restructuring and the management is hopeful of the recovery of the amount.

With interest rates remaining under pressure, your Fund has maintained a short duration for its portfolio. However, as the equity markets have gradually improved over the period, your Fund's asset allocation has gradually shifted from maintaining a cash position, to increasing exposure in Future Transactions and CFS.

Fund Rating

The Pakistan Credit Rating Agency (PACRA) upgraded the fund rating of the Atlas Income Fund to the highest - Five Stars. According to PACRA, a five star fund rating reflects a superior performance relative to its peers. The rating is a composite measure of returns and risk associated with the returns, along with the credit quality of the assets.

Future Prospects

Though many challenges are ahead, we remain optimistic that the enabling environment put in place by the economic team will help the economy stay on board. Your Fund will endeavor to continue providing the unit holders with the best possible returns available, while maintaining strong emphasis on risk management.

انسان کو اتنا ہی ملے گا جتنی اس نے محنت کی
(You get what you work for)

Acknowledgements

I would like to thank the Securities & Exchange Commission of Pakistan, Board of Directors, the Group President, Mr. Aamir H. Shirazi and the Group Executive Committee for their guidance. I also thank ING – Institutional and Government Advisory Services, B.V. and ING IM AP Administration Limited for their support. I thank the CEO, Mr. M. Habib-ur-Rahman and his team for their sincerity of purpose. I also thank the unit holders for their confidence reposed in the Fund.



Yusuf H. Shirazi
Chairman

Karachi: February 22, 2007

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REVIEW REPORT TO THE UNIT HOLDERS

We have reviewed the annexed statement of assets and liabilities of the **Atlas Income Fund** as at 31 December 2006, and the related income statement, statement of movement in unit holders' funds and cash flow statement together with the notes forming part thereof (herein-after referred to as the financial statements), for the half year then ended. These financial statements are the responsibility of the Management Company (Atlas Asset Management Limited). Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on review engagements 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Management Company and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit, accordingly, we do not express an audit opinion.

As explained in Note 5.2.1 to the financial statements, the Management Company has provided for impairment against Certificates of Investments on best estimate basis, which is subject to change on finalisation of the restructuring plans.

Based on our review, except for the matter referred to in the above paragraph, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi
Date: February 22, 2007



HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Atlas Income Fund

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2006

		December 31, 2006	June 30, 2006
		Un-audited	Audited
	Note	Rupees	Rupees
ASSETS			
Cash at banks	4	1,141,028,100	1,359,462,906
Receivable against continuous funding system		1,005,019,577	36,816,265
Placements		-	325,000,000
Investments	5	423,855,455	956,484,307
Advances and other receivables		1,098,565	3,942,215
Interest accrued		22,265,292	15,539,633
Security deposits		1,100,000	1,100,000
Total assets		2,594,366,989	2,698,345,326
LIABILITIES			
Accrued and other liabilities		3,876,120	3,813,381
Payable to Atlas Asset Management Limited -Management Company	6	15,123,527	16,928,796
Payable to Central Depository Company of Pakistan - Trustee		354,739	333,330
Payable to Securities and Exchange Commission of Pakistan		1,512,219	1,665,390
Total liabilities		20,866,605	22,740,897
Commitments	7	-	-
NET ASSETS		2,573,500,384	2,675,604,429
Unit holders' funds (as per statement attached)		2,573,500,384	2,675,604,429
		(No. of units)	
Number of units in issue		4,903,507	4,796,790
		(Rupees per unit)	
Net asset value per unit		524.83	557.79

The annexed notes form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)



M. Habib-ur-Rahman
Vice Chairman &
Chief Executive Officer



Yusuf H. Shirazi
Chairman



Tariq Amin
Director



Jawaid Iqbal Ahmed
Director

Half Yearly Report 2006-07

INCOME STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2006

Note	For the Quarter Ended		For the Half Year Ended	
	December 31,		December 31,	
	2006	2005	2006	2005
Un-audited				
	Rupees	Rupees	Rupees	Rupees
INCOME				
Interest income	89,972,727	34,788,695	170,552,568	65,740,643
Income on future transactions	6,540,055	17,991,907	13,166,814	23,285,307
Underwriting commission	-	-	-	40,000
Unrealized gain / (loss) on held for trading investments	(129,956)	3,887,749	(42,660)	4,618,743
Net loss on sale of held for trading investments	-	(1,199,976)	-	(1,199,976)
Element of income and capital gains included in prices of units sold less those in units repurchased	(27,095,687)	6,554,104	(23,254,860)	9,661,285
	69,287,139	62,022,479	160,421,862	102,146,002
EXPENDITURE				
Remuneration - Management Company	7,714,504	3,739,380	15,120,745	6,915,949
Remuneration - Trustee	1,023,506	625,994	2,016,329	1,195,696
Annual fee - SECP	771,450	373,939	1,512,218	691,778
Settlement charges	560,461	207,928	757,881	726,740
Auditors' remuneration	128,000	109,800	220,000	165,000
Brokerage, Commission & Capital Value Tax	4,263,674	4,915,780	8,096,812	7,953,095
Legal and professional charges	-	-	13,500	72,500
Annual Listing fee	7,438	7,500	15,000	15,000
Annual Rating fee	21,014	-	50,000	57,500
Provision for impairment in the value of investment	12,388,000	-	12,388,000	-
Bank charges	15,434	21,682	40,037	33,325
	26,893,481	10,002,003	40,230,522	17,826,583
Net income for the period	42,393,658	52,020,476	120,191,340	84,319,419
Earnings per unit	8.65	16.90	24.51	27.39

The annexed notes form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)



M. Habib-ur-Rahman
Vice Chairman &
Chief Executive Officer



Yusuf H. Shirazi
Chairman



Tariq Amin
Director



Jawaid Iqbal Ahmed
Director

Atlas Income Fund

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE HALF YEAR ENDED DECEMBER 31, 2006

	For the Half Year Ended December 31,			
	2006		2005	
	Un-audited			
	Units	Rupees	Units	Rupees
Net assets at the beginning of the period	4,796,790	2,675,604,429	2,101,528	1,154,154,526
Amount received on issue of units	5,862,266	3,004,355,465	1,179,703	605,146,698
Amount paid on redemption of units	(6,306,860)	(3,249,905,710)	(408,037)	(209,452,412)
	(444,594)	(245,550,245)	771,666	395,694,286
Element of income and capital gains included in prices of units sold less those in units repurchased	-	23,254,860	-	(9,661,285)
Issue of bonus units for the year ended 2006 (2005)	551,311	-	204,772	-
Net income for the period		120,191,340		84,319,419
Net assets at the end of the period	4,903,507	2,573,500,384	3,077,966	1,624,506,946
Net assets at the end of the period consist of:				
Capital account		2,451,340,512		1,539,223,165
Undistributed income carried forward		122,159,872		85,283,781
		2,573,500,384		1,624,506,946

The annexed notes form an integral part of these financial statements.

For Atlas Asset Management Limited (Management Company)



M. Habib-ur-Rahman
Vice Chairman &
Chief Executive Officer



Yusuf H. Shirazi
Chairman



Tariq Amin
Director



Jawaid Iqbal Ahmed
Director

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CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2006

	Note	For the Half Year Ended December 31,	
		2006	2005
		Un-audited	
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period		120,191,340	84,319,419
Adjustments for:			
Net unrealized (gain) /loss on held for trading investments		42,660	(4,618,743)
Net amortization of discount on held for trading investments		-	(26,207)
Provision for impairment in the value of investment		12,388,000	-
Element of income and capital gains included in prices of units sold less those in units repurchased		23,254,860	(9,661,285)
Remuneration to Management Company		15,120,745	6,915,949
Remuneration to Trustee		2,016,329	1,195,696
		173,013,934	78,124,829
Changes in operating assets			
Due from brokers		-	(542,791,956)
Receivable against continuous funding system		(968,203,312)	201,074,067
Advances and other receivables		2,843,650	368,494
Interest accrued		(448,833)	(3,468,100)
		(965,808,495)	(344,817,495)
Changes in operating liabilities			
Payable to unit holders - Redemption of units		-	(5,888)
Due to brokers		-	541,718,442
Accrued and other liabilities		77,713	751,118
Payable to Management Company against sales load & others		(272,115)	(223,856)
Payable to Securities and Exchange Commission of Pakistan		(153,171)	691,778
		(347,573)	542,931,594
Remuneration paid to Management Company		(16,653,899)	(2,435,157)
Remuneration paid to Trustee		(2,009,894)	(1,162,098)
		(18,663,793)	(3,597,255)
Cash (used in) / generated from operating activities		(811,805,927)	272,641,673
CASH FLOWS FROM INVESTING ACTIVITIES			
Placements		325,000,000	(50,000,000)
Purchase of held for trading investments		(1,163,883,153)	(619,155,133)
Sale of held for trading investments		1,150,273,090	131,089,027
Purchase of held to maturity investments		(50,000,000)	(185,000,000)
Sale of held to maturity investments		577,531,429	100,000,000
Cash generated from / (used in) investing activities		838,921,366	(623,066,106)
Cash flow before financing activities	c/f	27,115,439	(350,424,433)

Atlas Income Fund

CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2006

	Note	For the Half Year Ended December 31,	
		2006	2005
		Un-audited	
		Rupees	Rupees
Cash flow before financing activities	b/f	27,115,439	(350,424,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts in respect of sale of units		3,004,355,465	605,146,698
Paid on redemption of units		(3,249,905,710)	(209,452,412)
Cash (used in) / generated from financing activities		(245,550,245)	395,694,286
Net (decrease) / increase in cash and cash equivalents		(218,434,806)	45,269,853
Cash and cash equivalents at the beginning of the period		1,359,462,906	72,777,148
Cash and cash equivalents at the end of the period	4	1,141,028,100	118,047,001

The annexed notes form an integral part of these financial statements.

For Atlas Asset Management Limited
(Management Company)



M. Habib-ur-Rahman
Vice Chairman &
Chief Executive Officer



Yusuf H. Shirazi
Chairman



Tariq Amin
Director



Jawaid Iqbal Ahmed
Director

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NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2006

1. LEGAL STATUS AND NATURE OF BUSINESS

The Atlas Income Fund (the Fund) is an open ended Fund constituted by a trust deed entered into on February 20, 2003 between Atlas Asset Management Limited (AAML) as the establisher and the management company and Muslim Commercial Financial Services (Pvt.) Limited (MCFSL) as trustee. AAML is licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as investment adviser and asset management company under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003). MCFSL resigned on June 11, 2005 as trustee and Central Depository Company of Pakistan Limited (CDC) was appointed as the trustee with effect from that date. The Trust Deed was revised through the Deed of Change of Trustee and First Supplemental Trust Deed dated June 11, 2005 with the approval of the SECP.

Units of the Fund have been offered for public subscription on a continuous basis from March 22, 2004, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on Lahore Stock Exchange (Guarantee) Limited.

The objective of the Fund is to provide investors one window facility to invest in diversified portfolio offering good returns and consistent growth. The Fund aims to deliver this objective mainly by investing in debt securities, Government securities, money market instruments, repurchase transactions (REPO), reverse repurchase transactions including continuous funding system and future transactions. The investment objectives and policy are more fully defined in the Fund's offering document. The offering document was revised on June 21, 2005 with the approval of the SECP.

The investment activities and administration are managed by Atlas Asset Management Limited situated at Ground Floor, Federation House, Sharaf Firdousi, Clifton, Karachi.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Accounting Standard IAS 34 - Interim Financial Reporting as applicable in Pakistan and the requirements of the Trust Deed, the NBFC Rules, 2003 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules or directives issued by the SECP differ with the requirements of this standard, the requirements of the Trust Deed, the NBFC Rules, 2003 and the said directives take precedence.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation are consistent with those followed in the preparation of the annual financial statements of the Fund for the year ended June 30, 2006.

4. CASH AT BANKS

		December 31, 2006	June 30, 2006	
		Un-audited	Audited	
Note		Rupees	Rupees	
	In PLS Deposit accounts	4.1	116,028,100	359,462,906
	In Term Deposit accounts	4.2	1,025,000,000	1,000,000,000
		<u>1,141,028,100</u>	<u>1,359,462,906</u>	

4.1. PLS deposits account includes Rs. 2,988,792 (June 30, 2006: Rs. 565,146) maintained with Atlas Bank Limited, a connected person.

4.2. This includes a deposit of Rs. 175,000,000 (June 30, 2006: Rs. 200,000,000) held with Atlas Bank Limited, a connected person.

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5.1.2 Term Finance Certificates

Term Finance Certificates	Status	Number of certificates				Market Value as at December 31, 2006	Percentage of investment in relation to Net Assets of the Fund
		As at July 01, 2006	Acquired during the period	Sold/ matured during the period	As at December 31, 2006		
Rupees							%
MODARABAS							
Al-Zamin Leasing Modaraba	Listed	2,000	-	-	2,000	6,800,000	0.26
Al-Zamin Leasing Modaraba-II	Listed	2,000	-	-	2,000	10,000,000	0.39
LEASING COMPANIES							
Grays Leasing Ltd.	Unlisted	3,000	-	-	3,000	5,625,000	0.22
Trust Leasing & Investment Bank Ltd.-II	Listed	629	-	-	629	1,887,000	0.07
INVESTMENT BANKS/COMPANIES							
IGI Investment Bank Limited	Listed	-	1,000	-	1,000	5,000,000	0.19
Jahangir Siddiqui & Company Ltd.-II	Listed	2,000	-	-	2,000	9,992,000	0.39
Jahangir Siddiqui & Company Ltd.-III	Listed	2,000	-	-	2,000	9,996,000	0.39
COMMERCIAL BANKS							
Crescent Commercial Bank Ltd.	Unlisted	3,000	-	3,000	-	-	-
Prime Commercial Bank Ltd.	Listed	658	-	-	658	3,288,026	0.13
United Bank Ltd.-II	Listed	2,000	-	-	2,000	8,799,424	0.34
TEXTILE COMPOSITE							
Azgard Nine Ltd.	Listed	5,000	-	-	5,000	25,052,500	0.97
OIL & GAS EXPLORATION COMPANIES							
Chanda Oil & Gas Securitization Co. Ltd.	Listed	1,000	-	-	1,000	4,340,000	0.17
Naimat Basal Oil & Gas Securitization Co. Ltd.	Listed	1,000	-	-	1,000	3,592,660	0.14
Orient Petroleum Incorporated.	Unlisted	5,000	-	5,000	-	-	-
TECHNOLOGY & COMMUNICATION							
Pakistan Mobile Communications (Pvt.) Ltd.	Unlisted	5,000	-	-	5,000	20,000,000	0.78
Telecard Ltd.	Listed	4,000	-	-	4,000	18,742,000	0.73
MISCELLANEOUS							
Pakistan Services Ltd.	Listed	1,494	-	-	1,494	4,436,645	0.17
						137,551,255	5.34

(i) Cost of Term Finance Certificates as at December 31, 2006 is Rs.137,593,915 (June 30, 2006: Rs. 153,770,552)

Note	December 31, 2006	June 30, 2006
	Un-audited	Audited
	Rupees	Rupees

5.2 Held to maturity

Term finance certificates -
(3,544 certificates of Pharmagen Ltd.)
Income accrued on term finance certificates

Certificate of deposits
Income accrued on certificate of deposits

10,125,715	12,657,143
179,704	217,523
10,305,419	12,874,666
-	100,000,000
-	1,764,384
-	101,764,384
c/f	114,639,050

Atlas Income Fund

		December 31, 2006	June 30, 2006
		Un-audited	Audited
	Note	Rupees	Rupees
5.2 Held to maturity (Continued...)	b/f	10,305,419	114,639,05
Certificates of investments	5.2.1	150,000,000	600,000,000
Income accrued on certificates of investments		1,006,918	6,762,055
Provision for impairment in value of investment	5.2.1	(12,388,000)	-
		138,618,918	606,762,055
Musharika Agreements		100,000,000	75,000,000
Income accrued on musharika agreements		2,379,863	1,099,349
		102,379,863	76,099,349
		251,304,200	797,500,454
<p>5.2.1 Certificates of Investments includes Rs. 100 million placed with a Non Banking Finance Company (NBFC) which has matured and has become overdue due to significant financial difficulties of the NBFC. The Management of the NBFC has received an offer from an investor for acquisition and restructuring of the NBFC. The offer is being considered by the Management, lenders and investors of the NBFC. The Management Company is confident that the final outcome will be favorable to the lenders and investors. The Management Company has provided Rs. 12,388 million upto December 31, 2006 on best estimates and suspended markup, and continues to provide in the subsequent period. The Management Company considers that the provision made will be sufficient to cover the impairment. However, it may change on finalisation/approval of restructuring plans.</p>			
5.3 Pre Initial Public Offer Subscription in TFCs			
Bank Al Habib Limited-II		10,000,000	-
Escort Investment Bank Limited		25,000,000	-
IGI Investment Bank Limited		-	5,000,000
		35,000,000	5,000,000
6. PAYABLE TO ATLAS ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable		15,120,745	16,653,899
Sales load payable		2,782	274,897
		15,123,527	16,928,796
7. COMMITMENTS			
Reverse repurchase agreements (including agreements to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at December 31, 2006.		528,321,870	24,596,550

These transactions have been settled subsequent to the period end.

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For the Quarter Ended For the Half Year Ended
December 31, December 31,
2006 2005 2006 2005

Un-audited			
Rupees	Rupees	Rupees	Rupees
36,211,374	3,047,467	69,856,790	5,201,808
26,547,982	15,204,656	37,769,734	33,615,809
868,079	10,006,024	3,370,093	15,858,560
4,498,596	5,730,968	8,849,355	8,620,378
21,846,696	773,373	50,706,596	2,417,881
-	26,207	-	26,207
89,972,727	34,788,695	170,552,568	65,740,643

For the Half Year Ended
December 31,
2006 2005

Un-audited	
Rupees	Rupees

8. INTEREST INCOME

Interest income arises from:

Cash at banks	36,211,374	3,047,467	69,856,790	5,201,808
Continuous funding system	26,547,982	15,204,656	37,769,734	33,615,809
Placements	868,079	10,006,024	3,370,093	15,858,560
Held for trading investments	4,498,596	5,730,968	8,849,355	8,620,378
Held to maturity investments	21,846,696	773,373	50,706,596	2,417,881
Amortization of held for trading investments	-	26,207	-	26,207

89,972,727	34,788,695	170,552,568	65,740,643
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9. TRANSACTIONS WITH CONNECTED PERSONS/RELATED PARTIES

Atlas Asset Management Limited

- Management Company

Remuneration	15,120,745	6,915,949
Sales load and certificate charges	50,684	2,087,195

Atlas Asset Management Company Limited

- Staff Provident Fund

Bonus 55 (2005: 43) units	27,702	21,401
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Allwin Engineering Industries Limited

- Employees Provident Fund

Bonus 2,356 (2005 : nil) units	1,178,819	-
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Atlas Bank Limited

Term deposit receipts placed	925,000,000	-
Term deposit receipts matured	950,000,000	-
Income earned	13,132,505	-
Bank charges	200	-

Atlas Battery Limited

Sale of nil (2005: 49,061) units	-	25,241,245
Redemption of nil (2005: 48,605) units	-	25,018,709
Bonus 52 (2005: nil) units	26,255	-

Atlas Battery Limited

- Employees Provident Fund

Bonus 728 (2005: 811) units	364,205	405,503
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Atlas Capital Markets (Pvt.) Limited

Brokerage	342,269	-
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Atlas Foundation (Formerly Shirazi Foundation)

Sale of 11,516 (2005: nil) units	6,000,000	-
Bonus 2,515 (2005: nil) units	1,258,433	-

Atlas Group of Companies

- Management Staff Gratuity Fund

Bonus 2,703 (2005: 1,287) units	1,352,048	643,805
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Atlas Income Fund

For the Half Year Ended
December 31,
2006 2005

Un-audited
Rupees Rupees

9. TRANSACTIONS WITH CONNECTED PERSONS/RELATED PARTIES (Continued...)

Atlas Honda Limited

Sale of 1,176,622 (2005: 125,940) units	601,059,662	66,843,700
Bonus 7,096 (2005: 17,851) units	3,550,104	8,930,805

Atlas Investment Bank Limited

Brokerage	-	34,047
Bonus 6,185 (2005: 5,846) units	3,094,533	2,925,000
Certificate of deposits matured	-	100,000,000
Profit on certificate of deposits	-	328,767

Honda Atlas Cars (Pakistan) Limited

Bonus 81,837 (2005: 63,220) units	40,942,154	31,629,829
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Shirazi Investments (Pvt.) Limited - Employees Provident Fund

Sale of nil (2005: 97,718) units	-	50,000,000
Redemption of nil (2005: 97,718) units	-	50,086,593
Bonus 1,008 (2005: 8,073) units	504,366	4,038,879

Key Management Personnel

Directors

Redemption of 19,576 (2005: nil) units	10,137,040	-
Bonus 2,737 (2005 : 1,944) units	1,369,467	972,403

Executives

Sale of 396 (2005: 1,211) units	200,000	627,641
Redemption of 2,378 (2005: 1,262) units	1,229,586	644,142
Bonus 633 (2005 : 19) units	316,723	9,750

9.1 The transactions with connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on February 22, 2007.

11. GENERAL

Figures have been rounded off to the nearest rupee.

For Atlas Asset Management Limited
(Management Company)



M. Habib-ur-Rahman
Vice Chairman &
Chief Executive Officer



Yusuf H. Shirazi
Chairman



Tariq Amin
Director



Jawaid Iqbal Ahmed
Director

Atlas Asset Management Limited

Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi - 75600

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