AKD Investment Management Ltd. AKD

INCOME FUND

Fund Managers
Muhammad Yaqoob
Zeeshan Shalwani

Base Currency of Fund
PkR

Total Units
18,348,098 Units

Face Value
PkR 50

Assets under Management
PkR 801.783mn

Type of Fund
Open-end

Date of Fund launch
22 March, 2007

Fund Benchmark
6-Month Kibor

Net Asset Value (30th Jan 09)
PkR 43.6984

Management Fee
1.25%

Sales Load (Front-end)
1.00%

Financial Year
July 1st - June 30th

Auditor
A. F. Fergusons

Fund Performance

The Fund posted an annualized return of 19.56% for the month of January 2009. New pricing formula given by SECP was one of the major contributor in positive return for the fund.

Following are the changes in the portfolio composition of the Fund during the month of January, 2009:

- Investment in TFCs slightly decreased to 58.41% from 59.96% of net assets
- Investment in other assets and cash marginally increased to 41.59% from 40.03% of net assets

Money Market Activity during the month

During the month of January, SBP conducted two T-bill auctions and SECP issued new pricing formula for Term Finance Certificate/Sukuk Valuation

- In the first T-bill auction, SBP sold T-bill worth PKR 79.3bn against the target of PKR 70bn. Cut-off yield on six-month T-bill rose to 14.0108 percent while Cut-off yield on three-month fell to 13.8549 percent and Cut-off yield on twelve month T-bill rose to 14.2857 percent respectively.
- In the second T-bill auction, SBP sold T-bills worth PKR 79.5bn against the target of PKR 70bn. Cut-off yield on benchmark six-month remained flat at 14.0108 percent, however Cut-off yield on three-month and twelve-month fell to 13.7624 percent and 14.2072 respectively.
- In a circular No.NBFCD/MF/Circular/2009-31 issued by SECP on January 6th, 2009 regarding valuation of debt securities and provisioning criteria for Non-performing debt securities, MUFAP shall calculate prices of TFCs/Sukuks every fortnightly based on calculation methodology issued by SECP.

  Based on decrease in inflation numbers for the month of January-09 to 20.52% from 23.58% and a continuous declining trend in benchmark six-month KIBOR, we expect 50-100 bps cut in discount rate in next monetary policy.

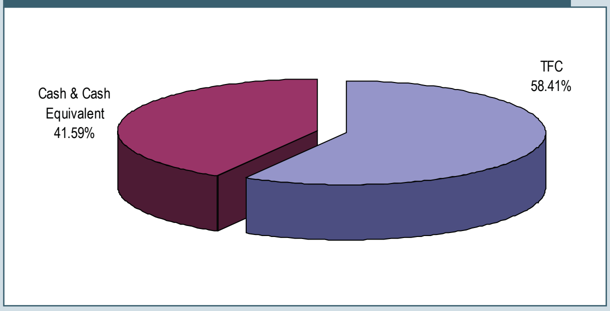
During the month fund also booked impairment charges on the following TFC/Sukuk

TFC/Sukkuk	Investment (mn)	After Impairment (mn)
Dewan Cement Limited	100	35
New Allied Electronics (Pvt.) Ltd	30	3

Investment Objective:

AKD Income Fund (AKDIF) is a dedicated fund that focuses primarily on fixed income securities and instruments. The objective of AKDIF is to offer investors an ideal vehicle to invest in a diversified portfolio of fixed income securities/instruments that provide consistent optimum returns with concern for preservation of capital.

Portfolio Composition (% of total)



January 2009