AKD Investment Management Ltd. AKD

INCOME FUND

Fund Manager:
Muhammad Yaqoob

Base Currency of Fund:
PkR

Total Units:
75,384,359 units

Face Value:
PkR 50

Assets under Management:
PkR.3.87bn

Type of Fund:
Open-end

Date of Fund Launch:
22 March, 2007

Fund Benchmark:
6-Month KIBOR

Net Asset Value (30th June 08):
PkR 51.4220

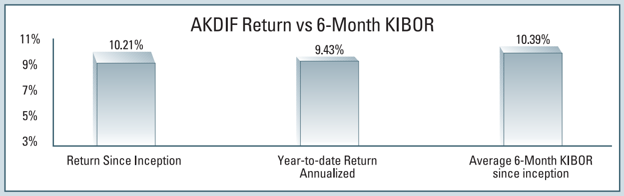
KSE Symbol:
AKDIF

Management Fee:
1.10%

Sales Load (Front-end):
1.00%

Financial Year:
July 1st - June 30th

Auditor:
A. F. Ferguson



Fund Performance

The NAV of AKD Income Fund on June 30, 2008 stood at PkR 51.4220, appreciating by 0.34% the annualized return since inception stood at 10.21%. Following are the change in the portfolio composition of AKD Income Fund:

- Investments in Term Finance Certificates increased to 39.02% from 30.41% of the net assets.
- Investments in TDR / COM / COI slightly decreased to 47.08% from 48.98% of the net assets.
- Investment in Government securities increased to 4.47% from 3.81% of the net assets.
- CFS stood at 0.22% down from 2.37% of the net assets.

Money Market Activity during the month

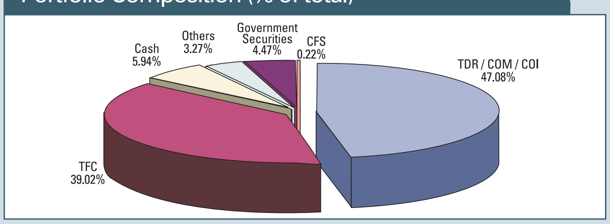
In June, SBP conducted a PIB auction and two T-bill auctions to mop-up liquidity from the system. In first T-bill auction held on June 4 (first auction since SBP announced interim monetary policy), SBP sold T-Bills worth PkR 63bn and raised the benchmark six months paper yield by 1.28% to 11.24%. Yields on three months paper increased by 1.46% to 11.23% and twelve months paper increased by 1.24% to 11.48% In the second auction held on 18th June 2008, SBP raised six months paper yield to 11.49%, three months paper yield to 11.41% and twelve months paper yield to 11.73%. Total amount accepted was PkR 15bn.

On June 28 SBP conducted a PIB auction with a target of PkR 20bn. It sold PIBs worth PkR 3.41bn (well below the target) against a participation of PkR 6.63bn. Cut-off yield for 10-yrs PIB 13.42% and 15-yrs PIB 13.61%. All bids for 5 year PIB were rejected.

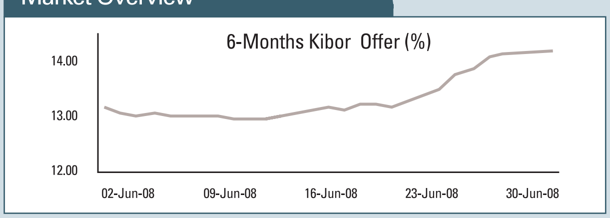
Investment Objective:

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)



Market Overview



June 2008