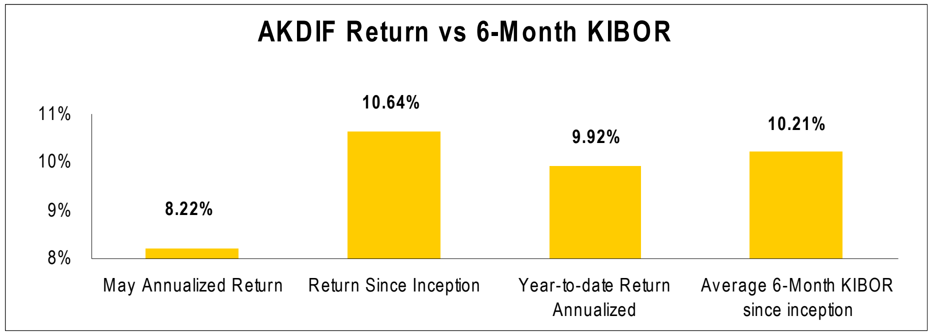
AKD Income Fund

AKD Investment Management Ltd May 2008

Cumulative Performance % (Dividends re-invested)



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.

Fund Manager:
Muhammad Yaqoob

Base Currency of Fund:
PkR

Total Units:
93,034,003 mln Units

Face Value:
PkR 50

Assets under Management
PkR 4.77 bn

Type of Fund
Open end

Date of Fund launch
22 March, 2007

Fund Benchmark
6-Month KIBOR

Net Asset Value (30th May 08)
PkR 51.2464

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 May 30, 2008 stood at PkR 51.2464, appreciating by 0.68% in the month representing an annualized yield of 8.22%; while the annualized return since inception stood at 9.92%. Following is the change in the portfolio composition of AKD Income Fund:

- Investments in Term Finance Certificates increased to 30.41% from 18.00% of the net assets.
- Investments in TDR / COM / COI slightly decreased to 48.98% from 49.10%.
- Investment in Government securities increased to 3.81% from 2.92%.
- CFS stood at 2.37% down from 11.23% demand for CFS remained on the lower side where total CFS financing stood at PkR 31.33 bn as on 30th May 2008 well below its cap of PkR 55 bn.

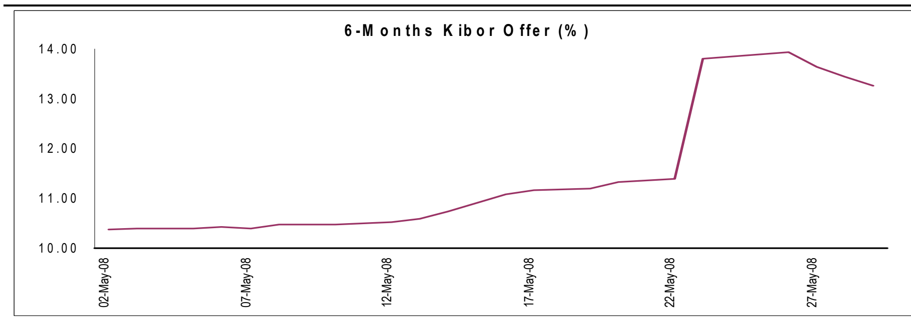
Following an increase in yields overall, we expect AKD Income fund to post a double digit return in FY09

Money Market Activity during the month

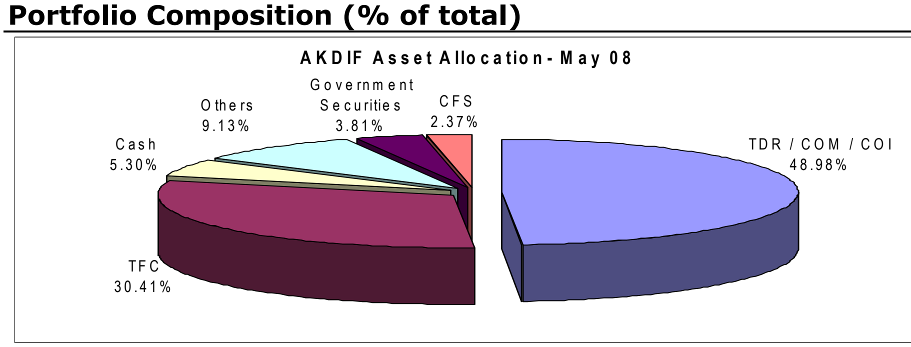
During the month SBP announced additional measures to address the current economic environment. The salient features are as follows:

- Discount rate increased by by 150 bps and now stands at 12%.
- CRR and SLR requirement were raised by 100 bps to 9% and 19% respectively.
- Increase in LC margin to 35%.
- Minimum 5% deposit rate on Savings Account to be paid by all commercial banks.

Market Overview



Portfolio Composition (% of total)



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