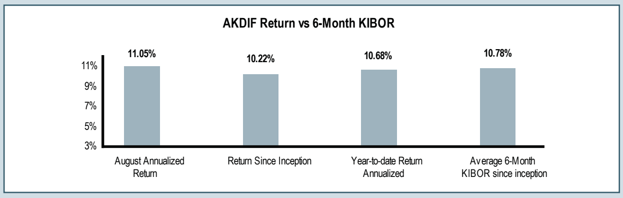
AKD Investment Management Ltd. AKD

INCOME FUND



Fund Manager
Muhammad Yaqoob

Base Currency of Fund
PkR

Total Units
54,358,548 mn Units

Face Value
PkR 50

Assets under Management
PkR 2.833bn

Type of Fund
Open-end

Date of Fund launch
22 March, 2007

Fund Benchmark
6-Month Kibor

Net Asset Value (29th Aug 08)
PkR 51.2703

Management Fee
1.25%

Sales Load (Front-end)
1.00%

Financial Year
July 1st - June 30th

Auditor
A. F. Fergusons

Fund Performance

AKDIF has posted an annualized return of 11.05% for the month of Aug-08, this is an improvement of 71bps over July-08 returns of 10.34%. Going forward from November-08, our current portfolio is expected to give a return in excess of 12% (annualized) as our TFC Portfolio coupon payments revise upwards. Hence, we expect to give a return in the range of 12% to 14% for FY09, which on a after tax basis is better than prevailing returns in the market.

- Investments in TDR / COM / COI slightly decreased to 46.94% from 47.28% of the net assets.
- Investments in Term Finance Certificates increased to 48.48% from 44.19% of the net assets.
- Our net cash position and investment in other assets stood at 4.58% at the end of Aug-08.

Money Market Activity during the month

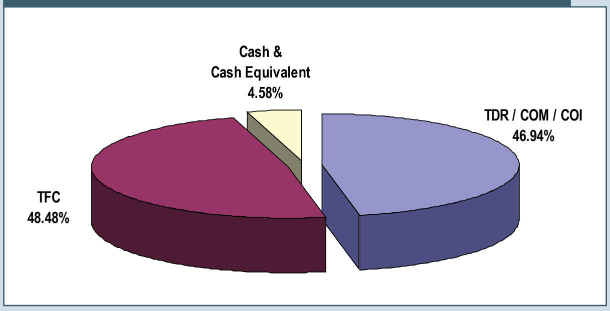
During the month SBP conducted two T-bill auctions and one PIB auction.

- In the first T-bill auction, SBP sold T-bills worth PkR 35.9bn against the total participation of PkR 39.30bn. Yield on the 3-months T-bill was raised to 12.29% from 12.19%. There were no bids for participation in 6-months T-bill, while bids for 12-month T-bills were rejected. In the second auction, SBP sold T-bills worth PkR 34.71bn against the total participation of PkR 35.70bn, yield on 3-month T-bill rose to 12.56% once again no bids were received in 6-months.
- Market participants chose not to participate actively in first PIB auction of FY 08-09 in which SBP sold PIB worth PkR 3.18bn out of the total participation of PkR 6.19bn, where SBP`s target for the auction was PkR 20bn.

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)



August 2008