# AKD Income Fund

*For the month ending December 2010*

## Fund activity during the month

The NAV of the Fund appreciated by 3.09% (annualized 43.16%) for the month of December primarily due to MUFAP's revaluation of debt securities. The Fund size of the AKD Income Fund showed a remarkable growth of 11.98% on a month on month basis. The FY11 return at the end of December stood at 11.33% on an annualized basis.

| Name of non-compliant investment*** | Type of Investment | Value of Investment before provision | Provision held if any | Value of investment after provision | % of Net Assets | % of Gross Assets |
|---|---|---|---|---|---|---|
| Security Leasing Company Limited | Preference Shares | 11,352,099 | - | 11,352,099 | 2.43% | 2.42% |
| Kohat Cement Company Limited * | SUKUK | 12,324,282 | 3,336,323 | 8,987,959 | 1.93% | 1.92% |
| Maple Leaf Cement Factory Limited * | SUKUK | 8,764,525 | 2,498,406 | 6,266,119 | 1.34% | 1.34% |
| Maple Leaf Cement Factory Limited * | SUKUK | 264,022 | - | 264,022 | 0.06% | 0.06% |
| Invest Capital Investment Bank Limited * | Certificate of Investment | 18,950,000 | - | 18,950,000 | 4.06% | 4.04% |
| Saudi Pak Leasing Company Limited * | Letter of Placement | 44,500,000 | - | 44,500,000 | 9.54% | 9.48% |
| First Dawood Investment Bank Limited ** | Term Finance Cerftficate | 26,339,250 | 6,510,000 | 19,829,250 | 4.25% | 4.22% |

* Investments Performing but below investment grade.
** Investment non-performing and below investment grade.
*** Fully provided for investments in Dewan Cement Limited (Rs. 100 Mn) and New Allied Electronics Industries (Private) Limited (Rs. 30 Mn)

## Investment Objective

AKDIF is a dedicated fund that focuses primarily on fixed income securities and instruments. The objective of AKDIF is to offer investors a convenient vehicle to invest in a diversified portfolio of fixed income securities/instruments that provide consistent returns with concern for preservation of capital over the longer term.

## Fund Information

| | |
|---|---|
| **Fund Type** | Open-end |
| **Category** | Income |
| **Date of Fund launch** | March, 2007 |
| **Assets under Management** | 466.549mn |
| **NAV (31st Dec 2010)** | PkR 47.7961 |
| **Benchmark** | 6-M Kibor |
| **Dealing Days** | Mon to Fri |
| **Cut-off Timings** | 9:00 am to 5:00 pm |
| **Pricing Mechanism** | Forward Pricing |
| **Management Fee** | 1.50% |
| **Sales Load** | 1.00% |
| **Risk Profile** | Low / Medium |
| **Trustee** | CDC |
| **Auditor** | A. F. Fergusons |
| **Asset Manager Rating** | AM3 |
| **Stability Rating** | BBB |

## Investment Committee Members

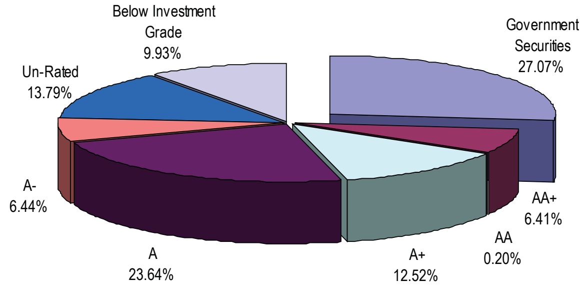
Mr. Nadeem Naqvi
Mr. Imran Motiwala
Mr. Amin Hussain
Mr. Muhammad Yaqoob
Mr. Ahmed Hassan

| | FYTD | 1 Month | 3 Month | 6 Month | 1 Year |
|---|---|---|---|---|---|
| **6-month Kibor** | 12.33% | 13.60% | 12.35% | 12.33% | 12.67% |
| **AKDIF** | 11.33% | 43.16% | 12.87% | 11.33% | 10.73% |

| Asset Allocation (% of NAV) | Nov 30, 2010 | Dec 31, 2010 |
|---|---|---|
| Cash and Cash Equivalents | 24.88% | 24.49% |
| Placement with NBFCs | 27.35% | 22.17% |
| Preference Shares | 2.72% | 2.43% |
| Government Securities (maturity exceeding 90 days) | 5.74% | 5.18% |
| TFCs | 47.49% | 44.00% |
| Others Including Receivables | -8.18% | 1.73% |

| Top Ten TFC's | Rating | Dec 31, 2010 |
|---|---|---|
| Worldcall Telecom Limited | A | 16.06% |
| Avari Hotels Limited | A- | 6.28% |
| JDW Sugar Mills Limited | A | 5.96% |
| First Dawood Investment Bank Limited | D | 4.25% |
| Al-Abbas Sugar Mills Limited | A+ | 3.54% |
| Orix Leasing Pakistan Limited | AA+ | 3.37% |
| Kohat Cement Company Limited | Withdrawn | 1.93% |
| Maple Leaf Cement Factory Limited | BB+ | 1.34% |
| Trakker (Pvt.) Ltd. | A | 1.07% |
| Pace Pakistan Limited | A+ | 0.12% |

**Credit Quality of the Portfolio (% of Assets)**

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