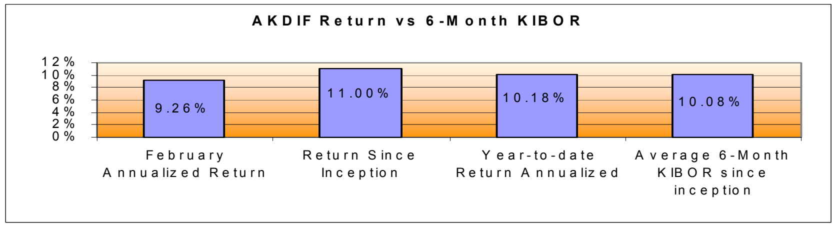
AKD Income Fund

AKD Investment Management Ltd — February 08

Cumulative Performance % (Dividends re-invested)



Returns calculated using Tax Method. (Base adjusted for payouts)

Fund Performance

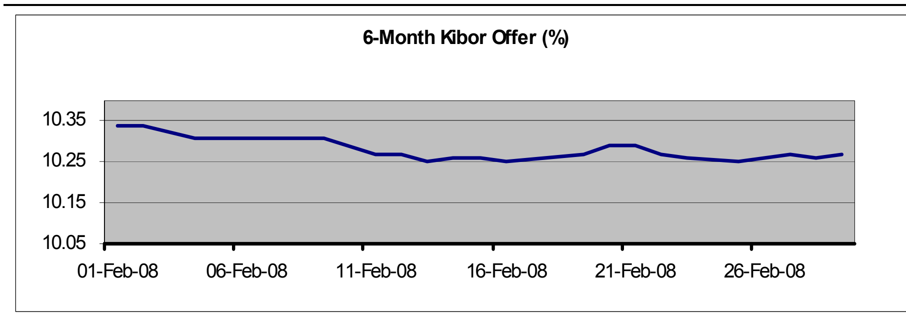
The NAV of AKD Income Fund closed the month of February at PkR 53.5906, appreciating by 0.74% in the month representing an annualized yield of 9.26%; while the annualized return since inception stood at 11.00%. The net assets of the Fund increased by 9.55% to PkR 6.170 bn. Following is the month on month change in the portfolio composition of AKD Income Fund:

- Additional investments in Term Finance Certificates amounted to PkR 107 mn. However, due to increase in Fund size by 9.55% MoM, the exposure in % terms increased marginally by 19 basis points to 17.42% of the net assets from the previous 17.23%.
- Exposure in CFS declined to 0.75% of the net assets of the fund from 1.46% in previous month. While exposure in Ready Future Spread transactions stood at 11.42% previously 11.60%.
- Investment in Government securities increased to 3.11% from 2.59%.
- Investments in TDR / COM / COI increased to 51.78% previously 42.08%
- Cash position reduced to 9.76% of the Net Assets previously 19.67%.

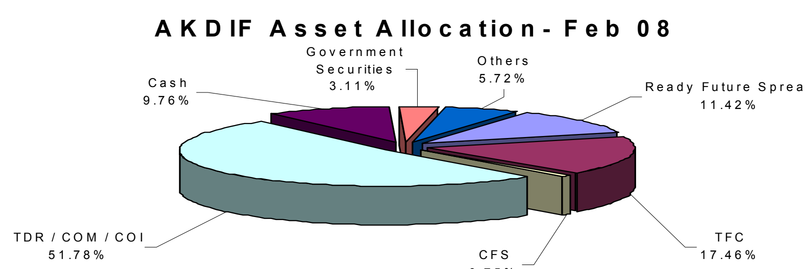
Money Market Activity during the month

February was the first month after the new monetary policy announcement by the State Bank of Pakistan, and as expected KIBOR jumped by 28 basis points to 10.34% on February 01, 2008 from 10.06% on January 31, 2008. The SBP governor also announced jumbo PIB auctions in its monetary policy speech, however, there were no PIB auctions conducted during the month. Two T-Bill auctions were held during the month. In the first auction PkR 45.576 bn were realized by the SBP which was well below the target of PkR 75 bn. The yield on 3 month, 6 month and 1 year T-bills increased to 9.45%, 9.72% and 9.97% respectively from the previous level of 9.09%, 9.29% and 9.4951%. In the second auction the SBP sold worth PkR 6.29 bn in the tenor of six-month, PkR 25.69 bn in 12-month and Rs3.45 bn in three-months, after receiving total bids of PkR 40.97 bn against the target of PkR 50 bn. The cut-off for the three month T-bills remained unchanged, however, the yield on the six month T-bills and one year T-bills slightly increased to 9.8024% and 10.0385% respectively.

Market Overview



Portfolio Composition (% of total)



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: 115.132 mln Units

Face Value: PkR 50

Assets under Management
PkR 6.170 bn

Dividend Yield for FY07
3.1874% (Inception March 22nd 2007 Rs. 50)

Type of Fund
Open end

Date of Fund launch
22 March, 2007

Fund Benchmark
6-Month KIBOR

Net Asset Value (29th Feb 08)
PkR 53.5906

KSE symbol
AKDIF

Management Fee
1.10%

Sales load (front-end)
1.00%

Financial Year
July 1st ~ June 30th

Auditor
A. F. Ferguson

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