AKD Income Fund

For the month ending January 2011

Fund activity during the month

NAV of the AKD Income Fund for the month of January declined by -4.08% (annualized -38.76%) primarily due to revaluation of debt securities by MUFAP. This has resulted in a year to date return 1.25% (annualized 2.14%). However, the decline in the prices of debt securities are temporary and should reverse as the debt securities mature at their par values. We recommend our investors to remain in the AKD Income Fund as the NAV of the Fund is to recover in the coming months.

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	2.72%	2.70%
Kohat Cement Company Limited*	SUKUK	12,324,282	3,336,323	9,029,677	2.16%	2.15%
Maple Leaf Cement Factory Limited *	SUKUK	8,764,525	2,498,406	6,266,119	1.50%	1.49%
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	4.54%	4.51%
Saudi Pak Leasing Company Limited *	Letter of Placement	39,000,000	-	39,000,000	9.34%	9.28%
First Dawood Investment Bank Limited **	Term Finance Certficate	26,339,250	7,595,000	19,829,250	4.75%	4.72%

* 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.

	FYTD	1 Month	3 Month	6 Month	1 Year
6-month Kibor	13.16%	13.73%	13.56%	13.28%	12.80%
AKDIF	2.14%	-38.76%	-1.97%	0.25%	6.04%

Asset Allocation (% of NAV)	Dec 31, 2010	Jan 31, 2011
Cash and Cash Equivalents	24.49%	26.75%
Placement with NBFCs	22.17%	23.45%
Preference Shares	2.43%	2.72%
Government Securities (maturity exceeding 90 days)	5.18%	0.00%
TFCs	44.00%	43.26%
Others Including Receivables	1.73%	3.82%

Fund Information

Fund Type	Open-end
Category	Income
Date of Fund launch	March, 2007
Assets under Management	417.642mn
NAV (31st Jan 2011)	PkR 45.8463
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

Top Ten TFC's	Rating	Jan 31, 2011
Worldcall Telecom Limited	A	15.74%
Avari Hotels Limited	A-	5.63%
JDW Sugar Mills Limited	A	5.49%
First Dawood Investment Bank Limited	D	4.75%
Al-Abbas Sugar Mills Limited	A+	3.67%
Orix Leasing Pakistan Limited	AA+	2.99%
Kohat Cement Company Limited	Withdrawn	2.16%
Maple Leaf Cement Factory Limited	BB+	1.50%
Trakker (Pvt.) Ltd.	A	1.14%
Pace Pakistan Limited	A+	0.09%

Investment Committee Members

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

Credit Quality of the Portfolio (% of Assets)