AKD Income Fund

For the month ending March 2011

Fund activity during the month

The NAV of the AKD Income Fund appreciated by 2.52% (annualized 34.05%) in March 2011 primarily due to revaluation of debt securities. Year to date return is 5.96% (annualized 8.02%). The return of the AKD Income Fund was -4.16% for the month of January 2011 and we had advised our investors to remain invested in the AKD Income Fund as this decline was to recover in the future. Partial recovery has been witnessed during the month of February and March and further improvement is expected in 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	2.63%	2.61%
Kohat Cement Company Limited*	SUKUK	12,251,297	3,336,323	8,914,974	2.06%	2.05%
Maple Leaf Cement Factory Limited*	SUKUK	8,763,193	2,498,406	6,264,787	1.45%	1.44%
Maple Leaf Cement Factory Limited*	SUKUK	264,022	-	264,022	0.06%	0.06%
Pace Pakistan Limited**	Term Finance Certficate	559,276	285,625	273,651	0.06%	0.06%
Invest Capital Investment Bank Limited*	Certificate of Investment	18,950,000	-	18,950,000	4.39%	4.36%
Saudi Pak Leasing Company Limited*	Certificate of Investment	32,000,000	-	32,000,000	7.41%	7.36%
First Dawood Investment Bank Limited**	Term Finance Certficate	29,594,250	9,765,000	19,829,250	4.59%	4.56%

* 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	431.993mn
NAV (31st Mar 2011)	PkR 47.9788
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. Nadeem S. Siddique
Mr. Muhammad Yaqoob	Mr. Ahmed Hassan

	FYTD	1 Month	3 Month	6 Month	1 Year
6-month Kibor	13.30%	13.74%	13.75%	13.58%	13.05%
AKDIF	8.02%	34.05%	1.56%	7.13%	9.14%

Asset Allocation (% of NAV)	Feb 28, 2011	Mar 31, 2011
Cash and Cash Equivalents	37.95%	15.37%
Placement with NBFCs	13.22%	11.79%
Preference Shares	2.68%	2.63%
MTS	0.00%	23.79%
TFCs / Sukkuks	43.35%	42.95%
Others Assets Including Receivables	2.80%	3.47%

Top Ten TFC's	Rating	Mar 31, 2011
Worldcall Telecom Limited	A	16.32%
Avari Hotels Limited	A-	5.85%
JDW Sugar Mills Limited	A	5.20%
First Dawood Investment Bank Limited	D	4.59%
Al-Abbas Sugar Mills Limited	A+	3.82%
Orix Leasing Pakistan Limited	AA+	2.94%
Kohat Cement Company Limited	Withdrawn	2.06%
Maple Leaf Cement Factory Limited	BB+	1.45%
Trakker (Pvt.) Ltd.	A	0.56%
Pace Pakistan Limited	D	0.06%

Credit Quality of the Portfolio (% of Assets)