AKD Income Fund

Fund Manager Report - Mar 2010

Fund activity during the month

AKD Income Fund continued to be re-aligned with the portfolio being positioned towards exposures in good corporate Term Finance Certificates having decent yields with potential for capital gains. The Fund primarily increased its exposure in the Term Finance Certificates of Pakistan Mobile Communication Limited and increased the exposure to 8.2% of the Net Assets. The TFC is scheduled for a partial redemption (50% of the principal) at par in the month of April. The fund also increased its exposure in the Term Finance Certificate of JDW Sugar Mills Limited to 3.88% of the Net Assets. The fund exited from its exposure to the Term Finance Certificate of Askari Bank Limited and booked capital gains

AKD Income Fund posted an annualized return of 7.28% based upon the change in the NAV of the fund between June 30, 2009 to Mar 31, 2010. Following are the changes in the portfolio composition of the Fund for the month of March 2010:

- Investment in TFCs/Sukuk slightly decreased to 57.08% from 58.20% the previous month.
- Investment in COM/COI decreased to 31.67% from the previous 33.05% in the month of February.
- Investments in Preference shares stood at 3.88%.
- Net Cash and Other Assets increased to 7.37% from 4.85% the previous month.

Investment Objective

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

Fund Information

Fund Type	Open-end
Category	Income
Date of Fund launch	March, 2007
Assets under Management	482.928mn
NAV (31st Mar 2010)	47.0756
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. Muhammad Yaqoob
Mr. Amin Hussain	Mr. Ahmed Hassan
Mr. Imran Motiwala	Mr. Danish Owais

	YTD	1 Month	3 Month	6 Month	1 Year
AKDIF	7.28%	8.60%	7.57%	7.76%	4.82%

Asset Allocation (% of NAV)	Feb-10	Mar-10
Cash	1.65%	3.83%
Placement with NBFCs	33.05%	31.67%
Preference Shares	3.90%	3.88%
TFCs	58.20%	57.08%
Others Including Receivables	3.20%	3.54%

Top Ten TFC's	Rating	Mar-10
Worldcall Telecom Limited	A	17.72%
Pakistan Mobile Communication Limited	AA-	8.18%
Avari Hotels Limited	A-	6.91%
Orix Leasing Pakistan Limited	AA+	5.20%
First Dawood Investment Bank Limited	CCC	4.63%
Al-Abbas Sugar Mills Limited	A+	4.54%
JDW Sugar Mills Limited	A	3.88%
KASB Securities Limited	A+	2.75%
Maple Leaf Cement Factory Limited	D	1.55%
Trakker (Pvt.) Ltd.	A	1.54%

Credit Quality of the Portfolio (% of Assets)