AKD Income Fund

For the month ending November 2010

Fund activity during the month

The annualized return of the AKD Income Fund (AKDIF) increased to 5.8% at the end of November as compared to 5.4% at the end of October, 2010. For November alone, the annualized return was 7.29%. The recent compression in returns is the outcome of the transition taking place in the AKDOF of reducing exposure to risky assets and significantly raising weight of lower risk / risk free investments. As this transition gets completed the return should rise smartly and with a much better risk profile. Cash & Short term govt. securities constituted nearly 25% of net assets of AKDIF as at Nov 30, 2010.

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%	2.47%
Kohat Cement Company Limited*	SUKUK	12,257,556	3,336,323	8,921,233	2.14%	1.94%
Maple Leaf Cement Factory Limited*	SUKUK	8,765,858	2,498,406	6,267,452	1.50%	1.36%
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	4.55%	4.12%
Saudi Pak Leasing Company Limited*	Letter of Placement	55,000,000	-	55,000,000	13.20%	11.95%
First Dawood Investment Bank Limited**	Term Finance Certficate	26,129,250	6,300,000	19,829,250	4.76%	4.31%

* 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	416.619mn
NAV (30th Nov 2010)	PkR 46.3617
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
AKDIF	5.80%	7.29%	4.50%	11.34%	6.38%

Asset Allocation (% of NAV)	Oct 29, 2010	Nov 30, 2010
Cash	25.55%	24.88%
Placement with NBFCs	23.98%	27.35%
Preference Shares	2.33%	2.72%
Government Securities	4.85%	5.74%
TFCs	41.97%	47.49%
Others Including Receivables	1.32%	-8.18%

Top Ten TFC's	Rating	Nov 30, 2010
Worldcall Telecom Limited	A	16.93%
JDW Sugar Mills Limited	A	6.82%
Avari Hotels Limited	A-	6.46%
First Dawood Investment Bank Limited	D	4.76%
Orix Leasing Pakistan Limited	AA+	3.77%
Al-Abbas Sugar Mills Limited	A+	3.72%
Kohat Cement Company Limited	Withdrawn	2.14%
Maple Leaf Cement Factory Limited	BB+	1.50%
Trakker (Pvt.) Ltd.	A	1.17%
Pace Pakistan Limited	A+	0.12%

Credit Quality of the Portfolio (% of Assets)