AKD Investment Management Ltd. AKD

INCOME FUND

Fund Managers
Muhammad Yaqoob
Zeeshan Shalwani

Base Currency of Fund
PkR

Total Units
26,291,215 Units

Face Value
PkR 50

Assets under Management
PkR 1.251bn

Type of Fund
Open-end

Date of Fund launch
22 March, 2007

Fund Benchmark
6-Month Kibor

Net Asset Value (31st Oct 08)
PkR 47.5917

Management Fee
1.25%

Sales Load (Front-end)
1.00%

Financial Year
July 1st - June 30th

Auditor
A. F. Fergusons

Fund Performance

The Management of AKD Income Fund has marked down its TFC/Sukuks portfolio in accordance with the SECP circular.

Following are the changes in the portfolio composition of AKD Income Fund for the month of October, 2008:

- Investments in Term Finance Certificates increased to 47.46% from 45.07% of the net assets.
- Investment in other assets stood at 52.54% down from 54.93% of net assets.

Money Market Activity during the month

During the month of October SBP conducted two T-bill auctions and undertook a series of measures to increase liquidity in the system.

- SBP on different occasions reduced the Cash Reserve Requirement (CRR) from 9% to 5% which caused an immediate injection of PKR 120bn.
- The SBP, in another effort to provide relief to the banking sector, has temporarily allowed the banks to use the securities classified under "Held to Maturity" investments for borrowing under SBP Repo facility (OMO) or Discount Window, with immediate effect. This facility had been provіously provided only against T-Bills and Pakistan Investment Bonds (PIBs). However, the Central Bank has notified that the banks can use these investments only after deducting the prescribed Statutory Liquidity Requirements (SLR). At the same time the State Bank has enhanced the maximum limit of SLR for PIBs and TFCs portfolio to 10% of the total Time and Demand Liabilities (TDLs) from 5%
- In the first T-bill auction, SBP sold T-bill worth PkR 51.11bn against the total participation of PkR 69.80bn. Cut-off yield on 3-month T-bill was 12.55%, bids for 6-month T-bill were rejected, and there was no participation in the 12-month T-bill
- In the second T-bill auction, SBP sold T-bill worth PkR 62.6bn against the total participation of PkR 67.6bn. Cut-off yield on 3-month T-bill was 12.56%, cut-off yield on 6-month T-bill declined to 12.66%, while yield on 12-month T-bill stood at 12.78%.

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.

Portfolio Composition (% of total)