

AKD Income Fund



For the month ending October 2010

Fund activity during the month

For the month of October AKDIF showed a negative return of 0.61% primarily due to MUFAP's revaluation of debt securities across the board. The Fund size grew by 8% on a month on month basis. The FY11 return at the end of October stood at 5.41% (annualized). Keeping in view the current money market dynamics, cash and government securities (less than 90 days maturity) stood at 25.63% at the end October 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 Corporation Limited	Preference Shares	11,352,099	-	11,352,099	2.33%	2.30%
Kohat Cement Company Limited*	SUKUK	12,234,615	3,336,323	8,898,292	1.82%	1.80%
Maple Leaf Cement Factory Limited*	SUKUK	8,765,858	2,498,406	6,267,452	1.28%	1.27%
Maple Leaf Cement Factory Limited*	SUKUK	264,022	-	264,022	0.05%	0.05%
Invest Capital Investment Bank Limited*	Certificate of Investment	18,950,000	-	18,950,000	3.89%	3.84%
Saudi Pak Leasing Company Limited*	Letter of Placement	58,000,000	-	58,000,000	11.89%	11.74%
First Dawood Investment Bank Limited**	Term Finance Certificate	26,129,250	6,300,000	19,829,250	4.07%	4.01%

* 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	487.761mn
NAV (29th Oct 2010)	PkR 46.0767
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

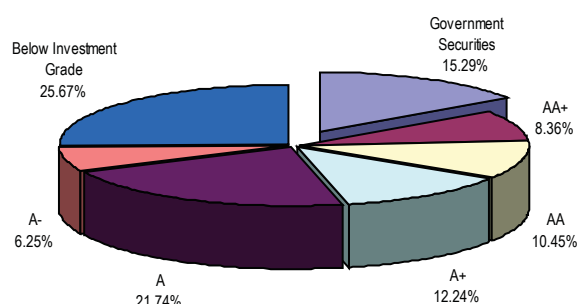
Mr. Nadeem Naqvi	Mr. Imran Motiwala
Mr. Amin Hussain	Mr. Muhammad Yaqoob
Mr. Ahmed Hassan	

	FYTD	1 Month	3 Month	6 Month	1 Year
AKDIF	5.41%	-7.43%	2.57%	7.17%	7.99%

Asset Allocation (% of NAV)	Sep 30, 2010	Oct 29, 2010
Cash	10.65%	25.55%
Placement with NBFCs	26.33%	23.98%
Preference Shares	2.51%	2.33%
Government Securities	5.19%	4.85%
TFCs	57.01%	41.97%
Others Including Receivables	-1.69%	1.32%

Top Ten TFC's	Rating	Oct 29, 2010
Worldcall Telecom Limited	A	14.58%
Avari Hotels Limited	A-	6.16%
JDW Sugar Mills Limited	A	5.87%
First Dawood Investment Bank Limited	D	4.07%
Al-Abbas Sugar Mills Limited	A+	3.79%
Orix Leasing Pakistan Limited	AA+	3.23%
Kohat Cement Company Limited	Withdrawn	1.82%
Maple Leaf Cement Factory Limited	BB+	1.28%
Trakker (Pvt.) Ltd.	A	1.00%
Pace Pakistan Limited	A+	0.08%

Credit Quality of the Portfolio (% of Assets)



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