

AKD Income Fund



For the month ending September 2010

Fund activity during the month

The return for the month was 14.23% primarily due to the re-classification of the SUKUK issue of Maple Leaf Cement Factory Limited from a non-performing asset to a performing asset. The fund closed the quarter with an annualized return of 9.82%. The investment committee has improved the credit quality of legacy investments in the portfolio and this effort will continue going forward.

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	2.51%	2.38%
First Dawood Investment Bank Limited*	Term Finance Certificate	31,500,000	11,670,750	19,829,250	4.39%	4.16%
Dewan Cement Limited *	Term Finance Certificate	100,000,000	100,000,000	-	0.00%	0.00%
New Allied Electronics Industries (Pvt.) Ltd.*	SUKUK	30,000,000	30,000,000	-	0.00%	0.00%
Kohat Cement Company Limited**	SUKUK	13,345,290	3,336,323	10,008,968	2.22%	2.10%
Maple Leaf Cement Factory Limited	SUKUK	9,993,625	2,498,406	7,495,219	1.66%	1.57%
Maple Leaf Cement Factory Limited	SUKUK	375,000	93,750	281,250	0.06%	0.06%
Invest Capital Investment Bank Limited**	Certificate of Investment	18,950,000	-	18,950,000	4.19%	3.97%
Saudi Pak Leasing Company Limited**	Letter of Placement	60,000,000	-	60,000,000	13.28%	12.57%
World Call Telecom Limited***	Term Finance Certificate	86,724,404	-	86,724,404	19.19%	18.17%

* Investments performing but not an authorized investment.

** Investments performing but in Excess of 10% Exposure Limits of the Net Assets

*** Cash and Cash equivalents constitute 8.33% of the Net Assets however according to circular 16 dated 07 July 2010, 25% of the net assets should be in cash and cash equivalents, by 31.12.10

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	451.821mn
NAV (31st Aug 2010)	Pkr 46.3601
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

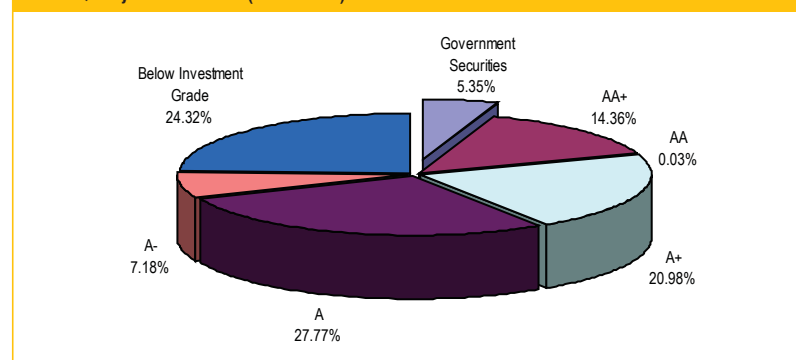
Mr. Nadeem Naqvi	Mr. Imran Motiwala
Mr. Amin Hussain	Mr. Muhammad Yaqoob
Mr. Ahmed Hassan	

	FYTD	1 Month	3 Month	6 Month	1 Year
AKDIF	9.82%	14.23%	9.82%	11.70%	9.72%

Asset Allocation (% of NAV)	Aug 31, 2010	Sep 30, 2010
Cash	7.37%	10.65%
Placement with NBFCs	26.60%	26.33%
Preference Shares	2.46%	2.51%
Government Securities	5.03%	5.19%
TFCs	55.93%	57.01%
Others Including Receivables	2.61%	-1.69%

Top Ten TFC's	Rating	Sep 30, 2010
Worldcall Telecom Limited	A	19.19%
Pakistan Mobile Communication Limited	A+	7.50%
Avani Hotels Limited	A-	6.97%
JDW Sugar Mills Limited	A	6.63%
First Dawood Investment Bank Limited	D	4.39%
Al-Abbas Sugar Mills Limited	A+	3.90%
Orix Leasing Pakistan Limited	AA+	3.28%
Kohat Cement Company Limited	Non-Rated	2.22%
Maple Leaf Cement Factory Limited	BB+	1.66%
Trakker (Pvt.) Ltd.	A	1.10%

Credit Quality of the Portfolio (% of Assets)



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