AKD Investment Management Ltd. AKD

# Income Fund

**Fund Managers**
Muhammad Yaqoob

**Base Currency of Fund**
PkR

**Total Units**
11,509,819 Units

**Face Value**
PkR 50

**Assets under Management**
PkR 532.167mn

**Type of Fund**
Open-end

**Date of Fund launch**
22 March, 2007

**Fund Benchmark**
6-Month Kibor

**Net Asset Value (31st Dec 09)**
46.2359

**Management Fee**
1.50%

**Sales Load (Front-end)**
1.00%

**Financial Year**
July 1st - June 30th

**Auditor**
A. F. Fergusons

## Fund Performance

AKD Income Fund posted an annualized return of -11.42% mainly on account of impairment of investments in the Sukuk of Maple Leaf Cement Factory Limited and Kohat Cement Company Limited.

Following are the changes in the portfolio composition of the Fund for the month of December. Change in portfolio composition is primarily due to impairment of Non-Performing Assets and a decline in net assets

- Investment in TFCs/Sukuk increased to 59.39% from 57.41%.
- Investment in COM/COI marginally increased to 30.81% from 29.48%
- Investments in Preference shares stood at 3.52%.
- Net Cash and Other Assets stood at 6.28% from 18.97%.

## Money Market Activity during the month

Three T-bill auctions were conducted during the month of December.

- In the first T-Bill (also the first after the announcement of a discount rate cut of 50 basis points in the monetary policy statement), yields fell in all the three tenor. The state bank accepted T-bills worth Rs.15.2 Bn against a target of Rs.15 Bn. One the one year paper yield fell by 13 basis points to stand at 12.0905%. Six month T-bill yield fell by 7 basis points to stand at 12.2577% and three month paper yield fell by 23 basis points to stand at 12.1495%.
- In the second auction State Bank accepted T-Bills worth Rs.27.6 Bn against the target of Rs. 25 Bn. Yields on the one year paper marginally increased by 10 basis points to stand at around 12.1913%. However six month T-bill yield declined by 2 basis points to stand at 12.2351% and the yields on the three month paper remained unchanged.
- In the third T-Bill auction the State Bank accepted Rs.17Bn against a target of Rs.10Bn. The one year T-Bill yields declined 10 basis points to stand at 12.0905%. Six months yield declined by 13 basis points to stand at 12.1009% and the three month T-bill yields declined by 9 basis points to stand at 12.0577% at the end of calendar year 2009.

## 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)**