AKD Income Fund

For the month ending June 2010

Fund activity during the month

AKD Income Fund's NAV increased by 3.23% in June or 47.30% annualized. The fund benefitted from the re-classification of Kohat Cement Company Limited "KCCL" – SUKUK from a non-performing asset to a performing asset. The new price according to valuations provided by MUFAP comes to around Rs. 75. The AKD Income Fund had charged 100% impairment against the KCCL SUKUK. We expect, reversals to continue from a few other non-performing assets in the coming months, further enhancing the return of the AKD Income Fund. The AKD Income Fund closed the fiscal year with a return of 9.01% annualized, which ranks it as the 3rd best performing fund amongst the universe of open-end income funds in FY-10

Following are the changes in the portfolio composition of the Fund for the month of June 2010: Investment in TFCs/Sukuk increased to 55.01% from 49.87% primarily due to reversals from the investment in KOHAT SUKUK, Investment in COM/COI slightly increased to 29.25% from the previous 28.84%, Investments in Preference shares stood at 2.36%, Investments in Government Treasury Bills stood at 4.76% of the Net Asset Value and Net Cash and Other Assets decreased to 8.61% from 12.94% the previous month.

The management of AKD Investment Management Limited has strived hard in the past six month to rationalize the Portfolio of AKDIF. The Investment Committee is pleased to report that by June 30, 2010 most of the problem issues of the past have been addressed with good recoveries which have been redeployed in govt. securities. This should improve the Portfolio's risk-return profile significantly along with returns, going forward.

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	480.106mn
NAV (30th June 2010)	48.6784
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	Mr. Danish Owais

	YTD	1 Month	3 Month	6 Month	1 Year
AKDIF	9.01%	47.30%	14.36%	10.94%	9.01%

Asset Allocation (% of NAV)	May 31, 2010	Jun 30, 2010
Cash	11.35%	6.59%
Placement with NBFCs	28.84%	29.25%
Preference Shares	3.78%	2.36%
Government Securities	4.57%	4.76%
TFCs	49.87%	55.01%
Others Including Receivables	1.59%	2.03%

Top Ten TFC's	Rating	Jun 30, 2010
Worldcall Telecom Limited	A	17.80%
Pakistan Mobile Communication Limited	AA-	6.97%
JDW Sugar Mills Limited	A	6.45%
Avari Hotels Limited	A-	6.39%
First Dawood Investment Bank Limited	CCC	4.66%
Al-Abbas Sugar Mills Limited	A+	3.95%
Orix Leasing Pakistan Limited	A	3.79%
Kohat Cement Company Limited	Non-Rated	2.08%
Trakker (Pvt.) Ltd.	A	1.55%
Maple Leaf Cement Factory Limited	D	1.23%

Credit Quality of the Portfolio (% of Assets)