AKD Index Tracker Fund

For the month ending February 2011

Fund activity during the month:
AKD Index Tracker Fund (AKDITF) posted a return of -8.71% against the benchmark of -8.66%. The tracking ability of the portfolio during the volatile period remained impressive with a total deviation of 0.05% from the benchmark return. The Investment Committee successfully managed to bring the tracking ability inline with the objectives of achieving atleast a 95% of the total KSE-100 return.

The improved performance was also helped by less volatile cashflows due to redemptions and investments in the period compared to last few months. The improved tracking ability during this period reaffirms the soundness of management technique of the Fund.

Given the positive outlook for the equity market over the course of calendar 2011, we believe that investors can benefit from exposure to broad-based returns of the KSE-100 Index by utilizing the cost-efficient AKDITF to provide added value to their portfolio. As we have highlighted in our earlier reports, AKDITF is best suited for passive investors who are not inclined towards active trading in stocks. One of the well tested investment strategies is to put a set of amount into Index Tracker Fund every month over a two-three year period. This will enable the investor to benefit from the proven long-term superior returns of the equity market versus many fixed income investments and bank deposits.

Investment Objective

To track the return of the KSE-100 index with up to 85% accuracy, providing investors with a high quality, indepth diversification instrument.

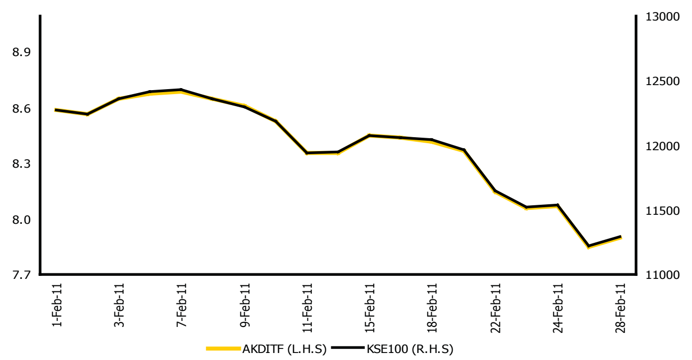
Fund Information

Fund Type	Open-end
Category	Index Tracker
Date of Fund launch	October, 2005
Assets under Management	168.438mn
NAV (28th Feb 2011)	PkR 7.86
Benchmark	KSE100 Index
Dealing Days	Mon to Fri
Cut-off Timings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	0.75% (exceptionally low fees for Passive management)
Trustee	CDC
Auditor	M. Yousaf Adil Saleem & Co.
Asset Manager Rating	AM3

Investment Committee Members

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

Fund Performance



	FYTD	1 Month	3 Month	6 Month	1 Year
KSE 100	16.12%	-8.66%	0.48%	15.04%	16.89%
AKDITF	25.10%	-8.71%	0.00%	13.58%	12.24%

Top Ten Equity Holdings

Oil and Gas Development	24.08%	National Bank	3.40%
Pakistan Petroleum	8.51%	Fauji Fertilizer Company	2.81%
Muslim Commercial Bank	5.70%	United Bank Limited	2.74%
Habib Bank LImited	4.02%	Pakistan Telecommunication	2.41%
Nestle Pakistan	3.54%	Pakistan Oilfields Limited	2.30%

Asset Allocation (% of Total Assets)	Jan 31, 2011	Feb 28, 2011
Equities	98.43%	98.08%
Fixed Income	0.00%	0.00%
Cash	1.57%	1.92%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Jan 31, 2011	Feb 28, 2011
Oil and Gas	38.71%	37.23%
Banks	22.34%	21.85%
Chemicals	9.46%	10.22%
Food Producers	7.85%	8.81%
Electricity	2.97%	3.23%