AKD Index Tracker Fund

AKD Investment Management Ltd **February 2008**

Investment objective

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

Fund Manager
Ahmed Hassan, Muhammed Yakoob

Base Currency of Fund: PkR

Total Units: 27,735,851 units

Assets Under Management
PkR 392mn

Dividend Yield for FY07
5.6% (on starting NAV of FY07)

Type of Fund: Open ended

Date of Fund launch
Oct, 2005

Fund Index
KSE100 Index

Net Asset Value (29th Feb '08)
PkR.14.06

KSE symbol
AKDITF

Management Fee
0.75% (exceptionally low fees for passive management)

Sales load
1% Front-end
2% Back-end (only for seed investors)

Financial Year
July 1st ~ June 30th

Auditor
M. Yousaf Adil Saleem & Co.

Contact Us

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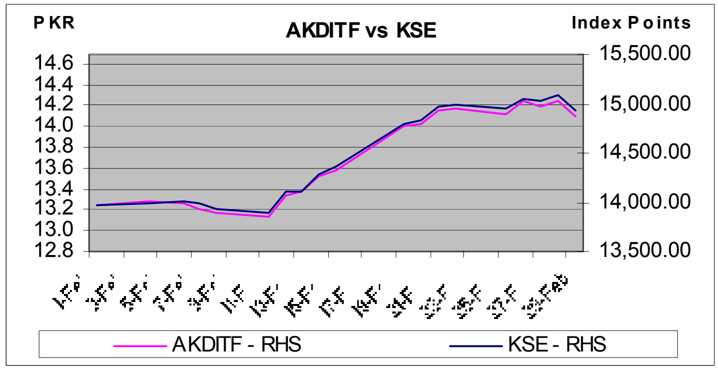
Fund Performance



Cumulative Performance (Dividends reinvested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	8.44%	6.55%	6.68%	22.27%	33.58%
AKD Index Tracker Fund	4.23%	6.11%	4.69%	18.05%	26.55%

Market Performance

February has been an excellent month for the equity market, where after a three-month lackluster activity the benchmark KSE-100 Index appreciated by 6.55% MoM. The primary trigger for the rally has been the peaceful, free and fair general elections, which have been highly commended by international observers and partners, simultaneously accepted by all the domestic stakeholders. Investors should recall that we in our letter 'Investment Perspective' Dated 08 Jan 2008 , we had clearly stated that a peaceful, free and fair elections accepted by all the stakeholders is essential for investor confidence as well as inflow of funds into the capital markets. Hence, with major hurdle out of the way, both domestic and international investors jumped on to the market bandwagon, allowing the KSE-100 Index to post an all time high of 15,155 points on February 27, 2008. However, contrary to the widely assumed belief this is not the biggest one-month rise, for the fiscal year 2007-08 with KSE-100 Index appreciating by 9.31% and 7.25% in Sep-07 and Oct-07 respectively. Going forward, we feel the domestic equity market still has substantial upside potential , both on the front of re-rating as well as bottomline growth. Hence, we expect equity markets to be on the uptrend in the coming months and advise investors to remain long in equity funds.

Fund Activity during the month

AKD Index Tracker Fund is a passively managed fund. However, the fund managers continued to fine tune the portfolio to minimize the tracking error and manage liquidity.

Top 5 Holdings (29th February '08)

Security Name	%
OGDC	13.65
MCB	7.38
NBP	6.16
UBL	5.00
PPL	4.95

Portfolio Details

Portfolio Composition (% of Assets under Management)	
Equity	95.71%
Debt	0%
Cash	4.29%

Sector Breakdown (% of NAV - 29th February '08)