AKD Index Tracker Fund

Fund Manager Report - Mar 2010

Fund activity during the month:
For the month ended March 31st 2010, KSE-100 posted a growth of 5.39% where as AKD Index Tracker Fund witnessed a growth of 6.42%. For Quarter ended March 31st 2010, the Fund's return was 9.61% while KSE-100's return was 8.43%. The outperformance of AKDITF for the month of March and quarter ended March 31st 2010, facilitated the fund to increase its YTD performance to 38.27% where as the market performance increased to 42.11%. Currently our tracking error is 9.11% YTD much lower than 15% initially offered to our investors. However, in order to reduce the tracking error still more with an objective to further align our fund's return to KSE-100 index, we have developed certain standards and strategies to track KSE-100 to approx 93-95% in order provide benefits of the complete index tracking vehicle to our investors.

For the month under review our Fund remained exposed to volatility in certain illiquid stocks, which we decided not to include in our portfolio in the previous rebalancing phase, due to their market impact in case of any urgent redemption requirements.
In the forthcoming rebalancing phase, we have addressed this problem by developing certain standards such as minimum stock weightage limits and daily volumetric limits in order to provide our investors a more encompassing tracking vehicle, having only systematic market risk and lowering transaction costs. Going forward we expect the Fund to deviate with in the limits of 5-7% much lesser than our 15% limits defined in our offering document

Investment Objective

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

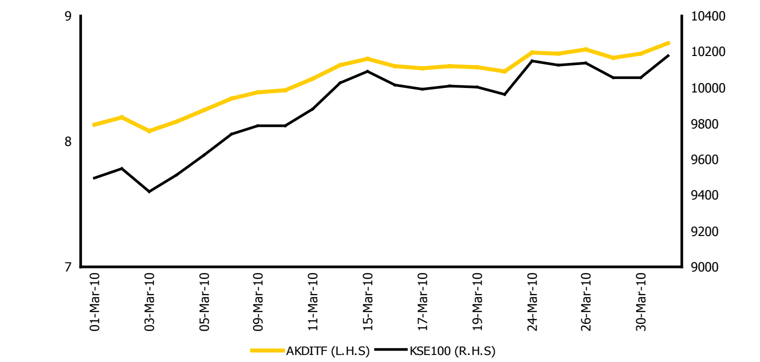
Fund Information

Fund Type	Open-end
Category	Equity
Date of Fund launch	October, 2005
Assets under Management	182.876mn
NAV (31st Mar 2010)	8.78
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. Muhammad Yaqoob
Mr. Amin Hussain	Mr. Ahmed Hassan
Mr. Imran Motiwala	Mr. Danish Owais

Fund Performance



	YTD	1 Month	3 Month	6 Month	1 Year
KSE 100	42.11%	5.39%	8.43%	8.86%	48.37%
AKDITF	38.27%	6.42%	9.61%	9.89%	43.70%

Top Ten Equity Holdings

Oil and Gas Development	20.00%	National Bank	3.88%
Pakistan Petroleum	6.94%	Pakistan Telecommunication	3.22%
Muslim Commercial Bank	6.27%	United Bank	3.21%
Uni Lever Pakistan	5.02%	Fauji Fertilizer Company	2.66%
Habib Bank	3.94%	Engro Foods	2.33%

Asset Allocation (% of NAV)	Feb-10	Mar-10
Equities	95.28%	95.56%
Fixed Income	0.00%	0.00%
Cash	4.72%	4.44%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Feb-10	Mar-10
Oil & Gas Exploration	28.63%	29.27%
Commercial Banks	25.74%	24.58%
Food & Personal Care Product	6.23%	7.09%
Fertilizer	6.82%	7.04%
Oil & Gas Marketing	4.34%	4.54%