AKD Index Tracker Fund

For the month ending May 2010

Fund activity during the month:
The month under review witnessed a decline in KSE 100 index by 10.56%. The uncertainties resulting from various aspects of budget which included capital gains tax, Value added tax and decrease in the power subsidy kept investors mostly out of the market.

For the month under review AKD index tracker fund witnessed a decline of 10.61%, producing a tracking error of 5bp, this is the result of the improvement of our tracking criteria and standardized procedures that we applied in the previous rebalancing phase. In this new strategy we increased the tracking exposure of our fund from previous 65 stocks to 88 stocks, we apply different standards such as market capitalization, moving average daily turnover, value weights etc to align our performance with that of KSE-100 index.

Going forward, we opt to reduce the annualized tracking error of the fund in the range of 5% - 7%, much lower than our stated mandate of 15% in the 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.

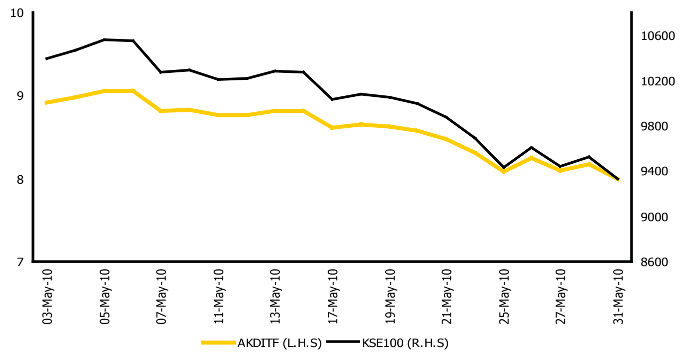
Fund Information

Fund Type	Open-end
Category	Equity
Date of Fund launch	October, 2005
Assets under Management	150.898mn
NAV (31st May 2010)	8.00
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	Mr. Danish Owais

Fund Performance



	YTD	1 Month	3 Month	6 Month	1 Year
KSE 100	30.22%	-10.56%	-3.43%	1.31%	28.17%
AKDITF	25.98%	-10.61%	-3.03%	1.39%	24.61%

Top Ten Equity Holdings

Oil and Gas Development	23.31%	Pakistan Telecommunication	3.04%
Pakistan Petroleum	7.53%	Fauji Fertilizer Company	2.88%
Muslim Commercial Bank	5.55%	Nestle Pakistan	2.78%
Habib Bank LImited	3.83%	United Bank Limited	2.54%
National Bank	3.43%	Engro Foods	2.34%

Asset Allocation (% of NAV)	Apr 30, 2010	May 31, 2010
Equities	95.56%	96.80%
Fixed Income	0.00%	0.00%
Cash	4.44%	3.20%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Apr 30, 2010	May 31, 2010
Oil & Gas	34.85%	37.49%
Banks	24.67%	23.35%
Chemicals	9.00%	8.70%
Food Producers	5.63%	5.66%
Electricity	3.27%	3.37%