AKD Index Tracker Fund

For the month ending September 2010

Fund activity during the month:

AKDITF was the second best performing fund in the equity category for January to September CY10 registering a rise of 5.49% against the index return of 6.67%, whereas the return for the month of September 2010 was 1.88% against the market return of 2.04%. Despite the deviation from the Index this month the tracking error remains within manageable limits.

AKD Index Tracker Fund has consistently tracked the Index throughout the calendar year. The Investment Committee is committed to curtailing the tracking error of the Fund to best capture the returns of the KSE-100. The combination of low-cost and market returns makes AKDITF an ideal vehicle for cost-conscious investors to gain exposure to the leading companies that are included in the KSE-100 Index and benefit from broad sector diversification within the Pakistan equity market.

Going forward, we expect the broad market and hence, the KSE-100 to continue showing improved performance on the back of potential positive outcome for the implementation of the margin financing product. If it is introduced in October, the market can revisit the highs seen in April 2010 (10,700 levels) or go even higher. Further, such developments can move the near-term trading range for the market to 10,000 – 11,000 versus 9,000 – 10,000 range in the last quarter.

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.

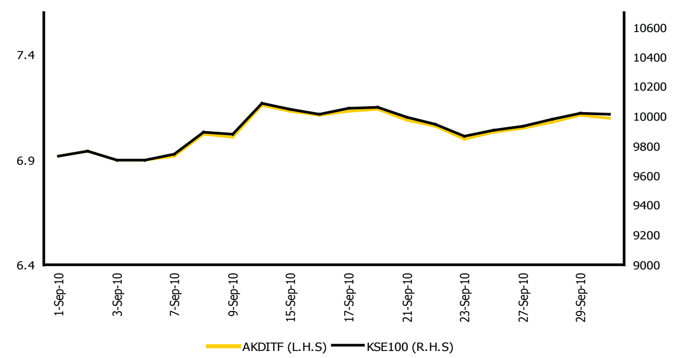
Fund Information

Fund Type	Open-end
Category	Equity
Date of Fund launch	October, 2005
Assets under Management	156.649mn
NAV (30th Sep 2010)	PkR 7.05
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	3.00%	2.04%	3.00%	-1.62%	7.10%
AKDITF	2.43%	1.88%	2.43%	-3.76%	5.76%

Top Ten Equity Holdings

Oil and Gas Development	24.53%	Nestle Pakistan	3.34%
Pakistan Petroleum	8.06%	Fauji Fertilizer Company	2.79%
Muslim Commercial Bank	5.60%	Pakistan Telecommunication	2.78%
Habib Bank LImited	3.74%	United Bank Limited	2.47%
National Bank	3.37%	Engro Corporation	2.23%

Asset Allocation (% of Total Assets)	Aug 31, 2010	Sep 30, 2010
Equities	95.79%	96.97%
Fixed Income	0.00%	0.00%
Cash	4.21%	3.03%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Aug 31, 2010	Sep 30, 2010
Oil & Gas	38.47%	39.15%
Banks	22.39%	21.90%
Chemicals	8.50%	8.48%
Food Producers	5.92%	6.17%
Electricity	3.43%	3.25%