AKD Index Tracker Fund

For the month ending January 2011

Fund activity during the month:
For the month of January 2011, AKD Index Tracker Fund Posted a return of 2.62% versus its Benchmark's (KSE-100 Index) return of 2.80%. The continued reduction in tracking error (0.18% in Jan 2011 versus 0.27% in Dec 2007) is viewed as satisfactory by the Investment Committee of AKDITF. For year-to-date, i.e. from July 01, 2010 to January 31, 2011, AKDITF posted a return of 25.10% versus KSE-100 return of 27.13%.

During the month, Banking Sector performed well in anticipation of 2010 results. Chemicals and Food Sectors also put in a strong performance while the Oil & Gas Sector witnessed elevated volatility.

Outlook for the broader market and KSE-100 Index for the remaining part of FY11 is positive based on Investment Committee's macro economic outlook (expected real GDP growth of 3.3-3.5% in FY11 led by Agriculture and the Service sectors) and consequently improving earnings growth momentum of KSE-100 Index companies. Additionally, consensus target for KSE-100 Index by June 30, 2011 ranges from 13,500 to 14,000 implying roughly a 10% potential gain over the next 5 months.

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.

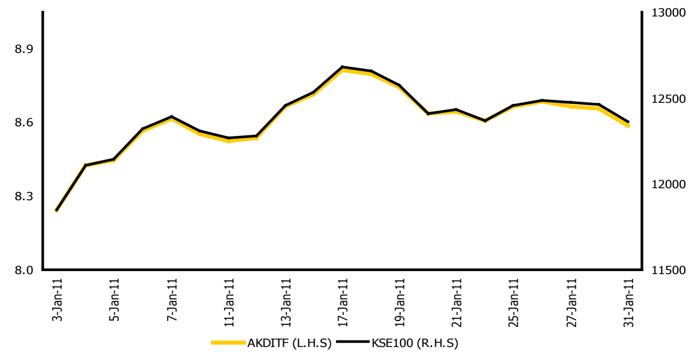
Fund Information

Fund Type	Open-end
Category	Index Tracker
Date of Fund launch	October, 2005
Assets under Management	185.294mn
NAV (31st Jan 2011)	PkR 8.61
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	27.13%	2.80%	16.62%	17.50%	28.55%
AKDITF	25.10%	2.62%	15.57%	15.88%	21.63%

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)	Dec 31, 2010	Jan 31, 2011
Equities	98.18%	98.43%
Fixed Income	0.00%	0.00%
Cash	1.82%	1.57%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Dec 31, 2010	Jan 31, 2011
Oil & Gas	39.34%	38.17%
Banks	23.19%	22.34%
Chemicals	8.66%	9.46%
Food Producers	6.33%	7.85%
Electricity	2.97%	2.97%