AKD Index Tracker Fund

AKD Investment Management Ltd — **December '07**

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
Ali Alvi

Base Currency of Fund: PkR

Total Units: 44,053,035 units

Assets Under Management
PkR 584mn

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 (31st Dec '07)
PkR.13.26

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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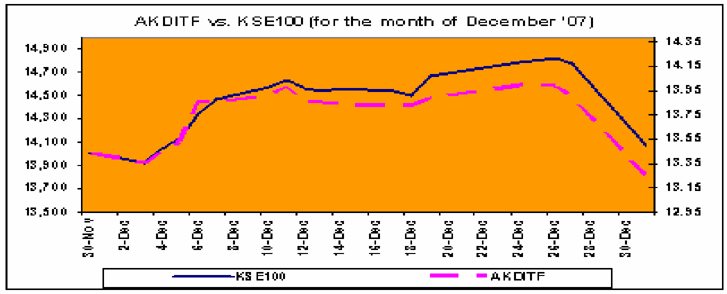
Fund Performance



Cumulative Performance (Dividends reinvested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	2.20%	0.55%	5.42%	2.20%	40.18%
AKD Index Tracker Fund	-1.70%	-1.27%	1.77%	-1.70%	33.53%

Market Performance

Politics continued to dominate the investor sentiment during the month of December 07. KSE100 index started the month at 13,999 and steadily gained 877 point to reach an all-time high level of 14,876 on Dec 26th. This rise was reflective of rising confidence in the political process preceding the elections as political parties ran their election campaigns. However, the assassination of Pakistan Peoples Party's leader Mohtarma Benazir Bhutto on Dec 27th exposed the fragility of the political process in the country as the nation descended into a cycle of violence and destruction. The shaken investor confidence was clearly reflected by the 4.7% decline in the KSE100 on the last day of the year as the index closed the month and the calendar year at 14,077.

We express our heartfelt condolences to the nation on the tragic demise of Ms. Benazir Bhutto, and for all the loss of life and property in the events following her assassination.

Fund Activity during the month

AKD Index Tracker Fund, being a passively managed fund, does not require intensive fund management. However, the fund managers continued to fine tune the portfolio to minimize the tracking error and manage liquidity.

Portfolio Details

Portfolio Composition (% of Assets under Management)

Equity: 98.15%	Debt: 0%	Cash: 1.85%

Top 5 Holdings (31st December'07)

Security Name	%
Oil & Gas Dev Co.	13.99
Muslim Commercial Bank	7.87
National Bank of Pakistan	6.13
Pakistan Petroleum Ltd	5.00
Pakistan Telecom Co. Ltd	4.66

Fund Characteristics

Statistic	FY08F
Price to Earning Ratio	10.44x
Price to Book Value Ratio	2.61x
EPS Growth	20.44%
Dividend Yield	4.99%

Sector Breakdown (31st December' 2007)