AKD Opportunity Fund

For the month ending December 2010

Fund activity during the month

The stock market continued its upward trend in the last month of calendar year 2010 with the benchmark index rising by 7.01%. The Fund closely tracked the market with a MoM return of 6.38%, underperforming the benchmark marginally on account of reduced exposure to the Oil and Gas segment. The portfolio composition remained largely unchanged from the last month with a few trading positions being exited as price objectives were achieved. The Fund was rebalanced to comply with the regulatory requirements pertaining to the sector and stock exposure; hence, excess positions particularly in the Fertilizer sector were exited during the month.

Our value focus yet again paid-off this month as our long-term position in the General Industries sector outperformed the index in the period under review. The continuous flow of foreign investment has helped the KSE end the first half of the year at a decent level. Given the fresh resurgence of economic concerns in the West which are best indicated by low treasury yields, some speculation pertaining to QE Trilogy and fear of EMS collapse, have left limited investment choices on the table of international money managers. Hence, consistent with this theme is the gradual inflow of funds into the emerging markets, where cheap dollars are being exchanged for real assets. We therefore continue to adhere to our value oriented investment focus.

Investment Objective

AKDOF filters through the opportunity presented in the capital markets, searching for the optimal combination of investment strategies, mainly in equities, followed by fixed income and money market as contingent defensive strategy

Fund Information

Fund Type	Open-end
Category	Equity
Date of Fund launch	March, 2006
Assets under Management	469.257mn
NAV (31st Dec 2010)	PkR 31.70
Benchmark	KSE100 Index
Dealing Days	Mon to Fri
Cut-off Timmings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	3%
Sales Load	3%
Risk Profile	Moderate / High
Trustee	CDC
Auditor	M. Yousaf Adil Saleem & Co.
Asset Manager Rating	AM3

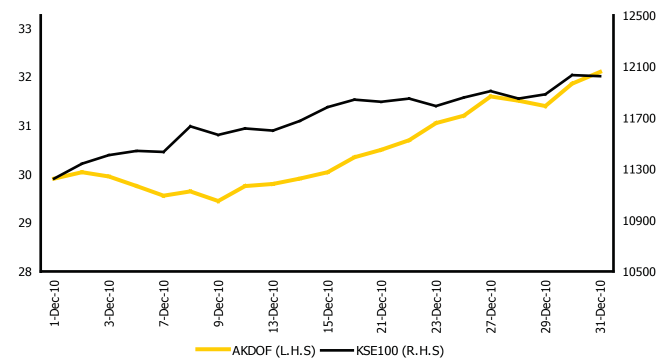
Portfolio Characteristics

Statistics	**FY10**
Price to Earning Ratio	10.04x
EPS Growth	13.68%
Dividend Yield	4.66%
No. of Long Term Positions	30
Beta	0.84

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	23.66%	7.01%	20.06%	23.66%	28.08%
AKDOF	22.26%	6.38%	16.76%	22.26%	16.32%

Debt Securities (% of NAV)	Ratings	Dec 31, 2010
Worldcall Telecom Limited	A	1.77%

Top Ten Equity Holdings

Dawood Hercules	10.02%	National Refinery Limited	6.71%
Sui Southern Gas Company	9.01%	TRG Pakistan	5.25%
Thal Limited	8.90%	Sitara Chemical	5.07%
Clariant Pakistan Limited	8.19%	Kohinoor Energy Limited	4.87%
Habib Metropolitan Bank Limited	7.07%	Artistic Denim Mills Limited	4.54%

Asset Allocation (% of Total Assets)	Nov 30, 2010	Dec 31, 2010
Equities	94.98%	96.94%
TFCs	1.72%	1.75%
Cash	0.82%	0.69%
Other Assets	2.49%	0.62%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Nov 30, 2010	Dec 31, 2010
Chemicals	23.83%	23.27%
Banks	12.85%	13.81%
Oil and Gas	9.79%	10.26%
Gas Water and Multiutilities	10.12%	9.01%
General Industrials	7.29%	8.90%