AKD Opportunity Fund

AKD Investment Management Ltd **February 2008**

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 markets as contingent defensive strategy.

Base Currency of Fund: PkR

Total Units: 24,187,554 Units

Face Value: PkR 50

Assets under Management
PkR 1.56 bil

Dividend Yield for FY07
11.3% (on starting NAV of FY07)

Type of Fund
Open end

Date of Fund launch
March, 2006

Fund Index
KSE100 Index

Net Asset Value (29th February 08)
PkR 64.75

KSE symbol
AKDOF

Management Fee
3%

Sales load (front-end)
3%

Financial Year
July 1st ~ June 30th

Auditor
M. Yousaf Adil Saleem & Co.

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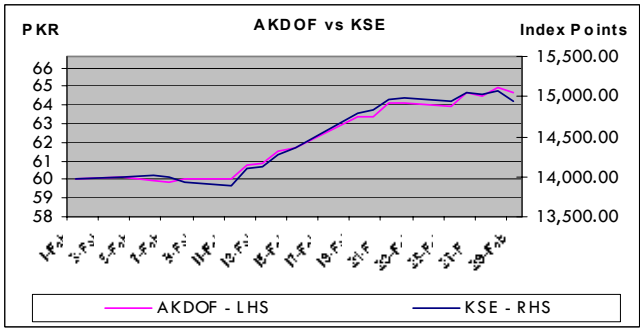
AKD Investment Management Ltd.

Fund Performance



Cumulative Performance % (Dividends re-invested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	8.44%	6.55%	6.68%	22.27%	33.58%
AKDOF	11.83%	7.56%	4.86%	22.87%	38.21%

Market Performance

February has been an excellent month for the equity market, where after a three-month lackluster activity the benchmark KSE-100 Index appreciated by 6.55% MoM. The primary trigger for the rally has been the peaceful, free and fair general elections, which have been highly commended by international observers and partners, simultaneously accepted by all the domestic stakeholders. Investors should recall that we in our letter 'Investment Perspective' Dated Jan 08, 2008 , we had clearly stated that a peaceful, free and fair elections accepted by all the stakeholders is essential for investor confidence as well as inflow of funds into the capital markets. Hence, with major hurdle out of the way, both domestic and international investors jumped on to the market bandwagon, allowing the KSE-100 Index to post an all time high of 15,155 points on February 27, 2008. However, contrary to the widely assumed belief this is not the biggest one-month rise for the fiscal year 2007-08 with KSE-100 Index appreciating by 9.31% and 7.25% in Sep-07 and Oct-07 respectively. Going forward, we feel the domestic equity market still has substantial upside potential , both on the front of re-rating as well as bottomline growth. Hence, we expect equity markets to be on the uptrend in the coming months and advise investors to remain long in equity funds.

Fund Activity during the month

AKD Opportunity Fund (AKDOF) has outperformed the benchmark KSE-100 Index for the month of February-08. AKDOF posted a growth of 7.56% MoM taking the year to date return to 11.83% versus 9.48% for the KSE-100 Index. Investor should recall that at the end of January-08, the fund had 28.81% cash in the portfolio. Envisioning that the market would positively react to smooth election process, the spare cash was actively deployed in fundamentally sound undervalued stocks, allowing the fund to outperform the KSE-100 Index. On the specific sector investments exposure in banking sector was increased to 20.38% from 12.20%, while the exposure in the E&P sector rose to 20.06% from 18.7%. We continue to actively realign the portfolio in view of the fundamental changes, market developments and interest from international investors.

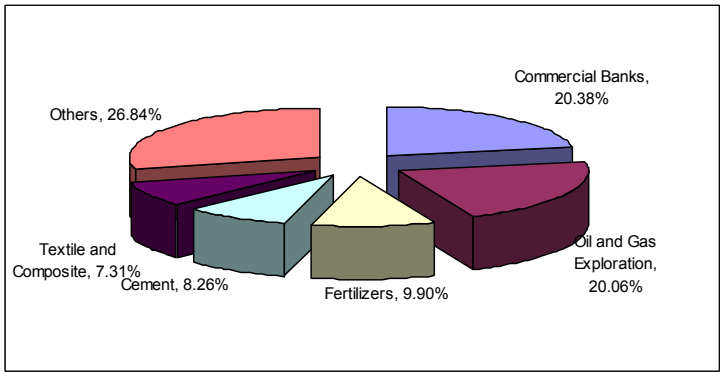
Top 5 Holdings (29th February 2008)

Security Name	%
PPL	9.38
NBP	8.89
OGDC	8.10
LUCK	7.48
ABL	6.37

Portfolio Details

Portfolio Composition (% of Assets Under Management)	
Equities	93.01%
Debt	0.89%
Cash	6.10%

Sector Breakdown (% of NAV - 29st February 2008)



All investments in mutual funds are subject to market risk. The NAV based prices of Units and any dividends and returns thereon are dependent on forces affecting capital markets. All efforts are made to present accurate performance data to the best of our abilities. Past performance is no guarantee of future results. Please read the funds prospectus, available on the website (www.akdinvestment.com) for detailed information before investing in this fund.