AKD Opportunity Fund

AKD Investment Management Ltd

January '08

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.

Fund Managers
Faisal Bengali, Ali Alvi

Base Currency of Fund: PkR

Total Units: 24,706,542 Units

Face Value: PkR 50

Assets under Management
PkR 1.49 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 (31st January 08)
PkR 60.20

KSE symbol
AKDOF

Management Fee
3%

Sales load (front-end)
3%

Financial Year
July 1st ~ June 30th

Auditor
M. Yousaf Adil Saleem & Co.

Contact Us

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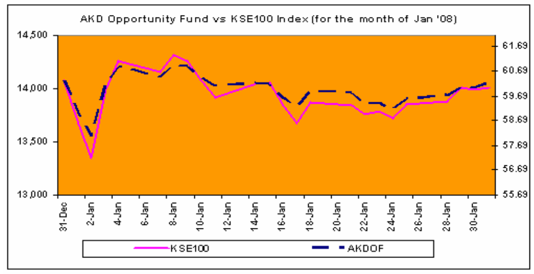
AKD Investment Management Ltd.

Fund Performance



Cumulative Performance % (Dividends re-invested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	1.77%	-0.42%	-2.12%	2.02%	24.34%
AKDOF	4.33%	-0.17%	-3.53%	2.64%	28.77%

Market Performance

The market for the month was range bound, down 0.42% MoM. The after effects of Mohtarma Benazir Bhutto's assassination led to negative opening for the KSE100 Index, which lost 5.14% in the first two trading days. However, normalcy gradually set in and the market started to recover closing the month with a flat performance.

News for the month was not very encouraging where most of the earning announcements were below expectations. This was further exacerbated by fears of US recession, downward trend in global markets, outflow from SCRA account, and high inflation (December CPI stood at 8.79%). Going forward, result season will come into full swing in February while on the political front investors will also keep a close eye on the Feb 18th elections and the developments thereafter.

Fund Activity during the month

The fund managers stuck to a defensive strategy during January 08. Political uncertainty and weak economic numbers kept the fund from switching to an aggressive stance. The fund maintained a cash level of over 28%. The allocation within equities asset class was also fine tuned to reduce the risk exposure of the portfolio.

Oil & Gas E&P and Commercial Banks continue to be the heaviest weight sectors in the portfolio; however their weight was reduced to 18.69% and 12.15% from 20.2% and 14.9% respectively. Exposure to textiles was trimmed as the industry is facing low production due to constraints on gas supply. Political uncertainty has also had a negative impact on export potential of the sector. Additional exposure taken in fertilizer during the last month was also cut down as fertilizer offtake expectations dropped.

Fresh allocations were made in Autos and Telecom sector as they have suffered the most recently and are trading at very attractive price levels. Exposure to power sector was also increased from 1.8% to 2.9% to benefit from the high dividend yield of the sector.

Portfolio Details

Portfolio Composition (% of Assets Under Management)

Equities: 69.25%	Debt: 1.94%	Cash: 28.81%

Top 5 Holdings (31st January 2008)

Security Name	%
Oil & Gas Development Co.	8.33
Pakistan Petroleum Ltd	7.37
National Bank of Pakistan	5.33
Nishat Mills	4.57
Fauji Fertilizer Company	4.50

Fund Characteristics

Statistic	FY08E
Price to Earning Ratio	7.10x
Price to Book Value Ratio	2.03x
EPS Growth	13.36%
Dividend Yield	3.91%
No. of long-term positions	31
Beta	0.68
Alpha	7.01%
Sharpe Ratio	1.81

Sector Breakdown (31st January 2008)