

# AKD OPPORTUNITY FUND



Fund Manager Report - Mar 2010

## Fund activity during the month

AKD Opportunity Fund posted 7.59% return in March 2010 as against the index return of 5.39%. The fund continued to remain heavily invested in equities with the overall allocation touching 92.82%. During the month positions in the Banking Sector were liquidated as target prices materialized. We continue to believe that the concerns regarding NPL and net margin situation have been overplayed by the investors and selective stocks in the sector offer good upside.

Exposure to the fertilizer sector was increased on the back of significantly improved and earning growth outlook. Similarly, the proportion of the Gas, Water and Utilities sector was increased during the month as positive developments regarding the UFG issue surfaced, raising the upside potential of the sector. Exposure to the Oil and Gas sector was reduced as fundamentals were believed to be priced in the stock valuations. We believe that the market is about to enter into a bullish phase owing to strong interest by foreign buyers in domestic equities, and that investors can capitalize from the potential rally in the near future.

## 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 | 588.870mn                   |
| NAV (31st Mar 2010)     | 47.50                       |
| Benchmark               | KSE100 Index                |
| Dealing Days            | Mon to Fri                  |
| Cut-off Timings         | 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                         |

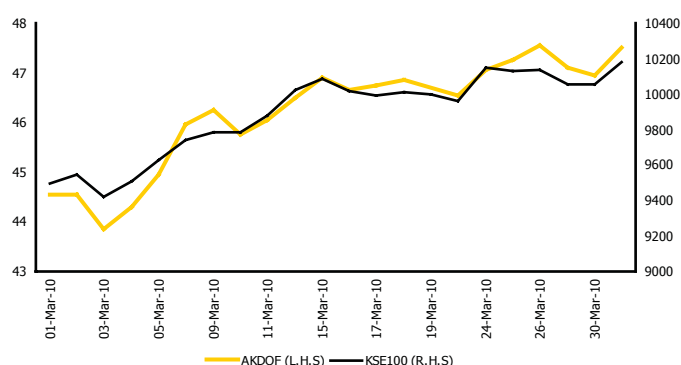
## Portfolio Characteristics

| Statistics                 | FY10E  |
|----------------------------|--------|
| Price to Earning Ratio     | 10.00x |
| Price to Book Value Ratio  | 1.26x  |
| EPS Growth                 | 13.90% |
| Dividend Yield             | 3.53%  |
| No. of Long Term Positions | 35     |
| Beta                       | 0.84   |

## Investment Committee Members

|                    |                     |
|--------------------|---------------------|
| Mr. Nadeem Naqvi   | Mr. Muhammad Yaqoob |
| Mr. Amin Hussain   | Mr. Ahmed Hassan    |
| Mr. Imran Motiwala | Mr. Danish Owais    |

## Fund Performance



|         | YTD    | 1 Month | 3 Month | 6 Month | 1 Year |
|---------|--------|---------|---------|---------|--------|
| KSE 100 | 42.11% | 5.39%   | 8.43%   | 8.86%   | 48.37% |
| AKDOF   | 34.94% | 7.59%   | 9.57%   | 7.22%   | 48.44% |

## Debt Securities (% of NAV)

| Debt Securities (% of NAV) | Ratings | Mar10 |
|----------------------------|---------|-------|
| Worldcall Telecom Limited  | A       | 1.61% |
| JDW Sugar Mills Limited    | A       | 2.99% |

## Top Ten Equity Holdings

|                           |        |                                    |       |
|---------------------------|--------|------------------------------------|-------|
| Dawood Hercules           | 11.68% | Kohinoor Energy Limited            | 5.63% |
| National Refinery Limited | 7.44%  | Habib Metropolitan Bank Limited    | 4.81% |
| Sui Southern Gas Company  | 7.01%  | Sitara Chemical Industries Limited | 4.73% |
| National Bank of Pakistan | 6.02%  | Pak Datacom Limited                | 4.19% |
| Clariant Pakistan Limited | 5.93%  | Artistic Denim Mills Limited       | 4.07% |

## Asset Allocation (% of NAV)

| Asset Allocation (% of NAV) | Feb-10 | Mar-10 |
|-----------------------------|--------|--------|
| Equities                    | 94.38% | 92.82% |
| TFCs                        | 4.84%  | 4.61%  |
| Cash                        | 0.78%  | 2.57%  |
| Leverage                    | NIL    | NIL    |

## Sector Allocation (% of NAV)

| Sector Allocation (% of NAV)  | Feb-10 | Mar-10 |
|-------------------------------|--------|--------|
| Commercial Banks              | 24.91% | 18.65% |
| Fertilizer                    | 9.56%  | 16.36% |
| Chemicals                     | 11.38% | 10.66% |
| Oil & Gas Marketing Companies | 4.13%  | 8.41%  |
| Refinery                      | 7.55%  | 8.07%  |

**DISCLAIMER & CAUTION:** This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in capital market instruments, including mutual funds, equities and fixed instruments are subject to market risk and issuer risk which includes volatility of principal and returns as well as loss in value of the principal amount. The NAV based price of units of mutual funds and any dividends/returns thereon are dependent on forces and factors affecting capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results. Investors are urged to carefully assess the risk factors prior to investing in capital market instruments.