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 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

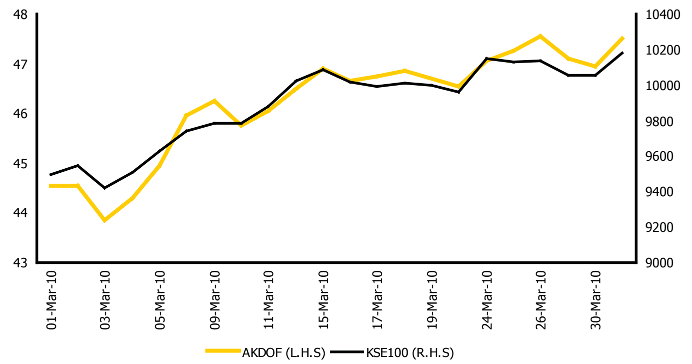
Portfolio Characteristics

Statistics	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)	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)	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)	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%