# AKD OPPORTUNITY FUND

*For the month ending October 2010*

**Fund activity during the month**
In the month of October 2010, AKD Opportunity Fund (AKDOF) posted a return of 4.24% versus KSE-100 return of 5.84%, while in the Financial YTD AKDOF posted a return of 9.27% versus KSE-100 return of 9.02%. AKDOF fund size declined marginally by PkR 7.4mn over the month to close at PkR 450 million on Oct 29, 2010.

The composition of the fund remained relatively unchanged during the month. However, the Investment Committee continued to exit from trading positions to improve the risk-return profile of the fund. Trading positions in the Cement, Textile, Oil and Gas and Financial Sectors were exited to create space for better opportunities.

We continue to maintain focus on picking value stocks for our portfolio. There has been no significant deviation from our strategy, despite the fact it results in periods of short-term underperformance. This is particularly effective when major components of the market have touched their peak in terms of valuations and hence further upside remains limited. We presently utilize our research capabilities to filter sectors that have underperformed during the recent bull run to add value to our portfolio.

## 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** | 450.200mn |
| **NAV (29th Oct 2010)** | PkR 28.30 |
| **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 |

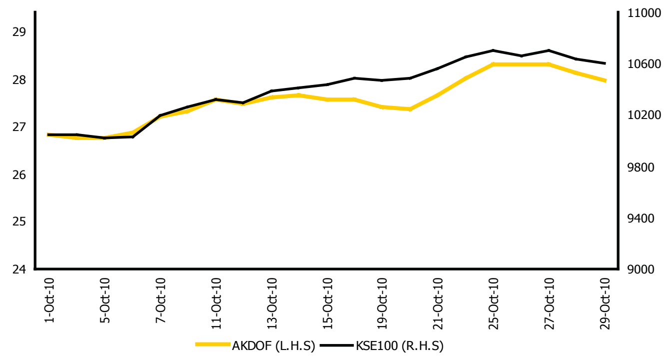
## Portfolio Characteristics

| **Statistics** | **FY10** |
|---|---|
| Price to Earning Ratio | 11.87x |
| EPS Growth | 10.77% |
| Dividend Yield | 3.12% |
| No. of Long Term Positions | 32 |
| Beta | 0.76 |

## 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** | 9.02% | 5.84% | 0.75% | 1.63% | 15.71% |
| **AKDOF** | 9.15% | 4.24% | 3.47% | -6.84% | 0.35% |

| Debt Securities (% of NAV) | Ratings | Oct 29, 2010 |
|---|---|---|
| Worldcall Telecom Limited | A | 1.73% |

## Top Ten Equity Holdings

| | | | |
|---|---|---|---|
| Sui Southern Gas Company | 10.59% | TRG Pakistan | 6.15% |
| Dawood Hercules | 10.49% | Habib Metropolitan Bank Limited | 5.12% |
| National Refinery Limited | 8.33% | Kohinoor Energy Limited | 5.10% |
| Clariant Pakistan Limited | 7.34% | Pak Datacom Limited | 5.07% |
| Thal Limited | 6.51% | Sitara Chemical | 4.53% |

| Asset Allocation (% of Total Assets) | Sep 30, 2010 | Oct 29, 2010 |
|---|---|---|
| Equities | 97.01% | 93.93% |
| TFCs | 2.05% | 1.73% |
| Cash | 0.12% | 0.22% |
| Other Assets | 0.82% | 4.12% |
| Leverage | NIL | NIL |

| Sector Allocation (% of NAV) | Sep 30, 2010 | Oct 29, 2010 |
|---|---|---|
| Chemicals | 22.17% | 22.35% |
| Banks | 11.76% | 11.06% |
| Oil and Gas | 11.21% | 11.06% |
| Gas Water and Multiutilities | 10.45% | 10.59% |
| General Industrials | 6.20% | 6.51% |