AKD Opportunity Fund

AKD Investment Management Ltd October '07

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: 22,492,680 Units

Face Value: PkR 50

Assets under Management
PkR 1.4 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 October 07)
PkR 62.40

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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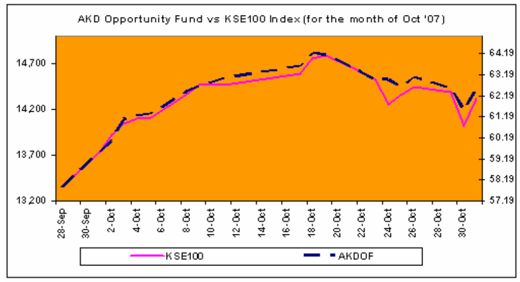
AKD Investment Management Ltd.

Fund Performance



Cumulative Performance % (Dividends re-invested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	3.97%	7.24%	4.24%	15.76%	26.40%
AKDOF	8.15%	7.87%	6.39%	20.93%	37.44%

Market Performance:
The KSE100 index hit an all-time high level of 14,788 (on closing basis) during October 07, gaining 23.6% from its recent lows of 11,955 in August 07. A lackluster result season, rising political uncertainty and domestic law & order concerns triggered the market-wide correction. On the global front, fears of a US recession kept the markets volatile. However, China and India continued to make all time highs despite the concerns. A declining US Dollar sent crude oil and gold prices to their all time high levels, leading a rally across all commodities.

Fund Activity during the month:
The fund managers reduced the fund's equity exposure from 96.58% (September-End) to 75.68% (October-End) as the KSE100 index had rallied over 23% without a significant correction. High energy prices and the continued threat of rising inflation will have a negative impact on the economic growth.

The equity exposure was trimmed by liquidating holdings in cements and reducing exposure to aggressive companies in other sectors. Oil & Gas E&P is now the heaviest sector in the portfolio with 18% exposure. The holdings in POL were liquidated and exposure limited to OGDC and PPL. Exposure to Banking sector is down from 22.2% to 17.3%. Aggressive allocations in AKBL, BAFL and UBL were trimmed to reduce the banking sector risk as the new provisioning regulations regarding FSV (Forced Sale Value) will erode earnings of the sector. The fund maintains defensive holdings in Autos, Fertilizers and Textiles sector.

Portfolio Details

Portfolio Composition (% of Assets Under Management)

Equities: 75.68%	Debt: 0%	Cash: 24.32%

Top 5 Holdings (31st October 2007)

Security Name	%
Oil & Gas Development Co.	9.21
Pakistan Petroleum Ltd	8.82
National Bank of Pakistan	5.85
Nishat Mills	5.60
Pakistan Suzuki Motors	4.90

Fund Characteristics

Statistic	FY08E
Price to Earning Ratio	7.66x
Price to Book Value Ratio	2.22x
EPS Growth	13.01%
Dividend Yield	3.99%
No. of long-term positions	26
Beta	0.84

Sector Breakdown (31st October 2007)