DAWOOD

Dawood Capital Management Ltd.

Manager of

DAWOOD

INCOME FUND

DAWOOD INCOME FUND

ANNUAL REPORT

2012

CONTENTS

CORPORATE INFORMATION

Management Company	Dawood Capital Management Limited 5B Lakson Square Building #1 Sarwar Shaheed Road Karachi-74200 Tel: (92-21) 3562-1001-7 Fax: (92-21) 3562-1010 E-mail: dcm@edawood.com Website: www.edawood.com		
Board of Directors	Mrs. Shafqat Sultana	Chairperson	
	Miss Tara Uzra Dawood	Chief Executive Officer	
	Mr. Masood A. S. Wahedna	Director	(Nominee of BoK)
	Mr. Nazimuddin Feroz	Director	(Nominee of BRRGM)
	Syed Shabahat Hussain	Director	(Nominee of NIT)
	Mr. Gul Nawaz	Director	
Chief Financial Officer & Company Secretary	Syed Kabiruddin		
Head of Internal Audit & Compliance Officer	Mr. Muhammad Farooq		
Audit Committee	Mr. Gul Nawaz	Chairman	
	Mr. Masood A. S. Wahedna	Member	
	Syed Shabahat Hussain	Member	
Human Resource Committee	Mrs. Shafqat Sultana	Chairperson	
	Mr. Gul Nawaz	Member	
	Miss Tara Uzra Dawood	Member	
Trustee	MCB Financial Services Limited 3rd Floor, Adamjee House, I.I. Chundrigar Road, Karachi-74000		
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants		
Tax Advisor	Mazhar Associates A-1/E-3, Faiza Avenue Karachi		
Legal Advisor	Bawaney & Partners 404, 4th Floor, Beaumont Plaza 6-cl-10 Beaumont Road, Karachi 75530		
Registrars	Noble Computer Services (Pvt.) Limited First Floor, House of Habib Building, 3-Jinnah C.H. Society, Main Shahrah-e-Faisal, Karachi-75350		
Former Registrars	Gangjees Registrar Services (Pvt.) Limited Room # 516, 5th. Floor, Clifton Centre Kehkashan Clifton, Karachi		
Banker	Al Baraka Bank (Pakistan) Limited Bank Alfalah Limited JS Bank Limited		
Rating	PACRA: A-(f)		
AMC Rating	PACRA: AM3-		

Mission Statement

To offer our unit holders the best possible return by expertly diversifying the Fund's investment portfolio into minimal risk and high yielding instruments and at all time to be a good corporate citizen

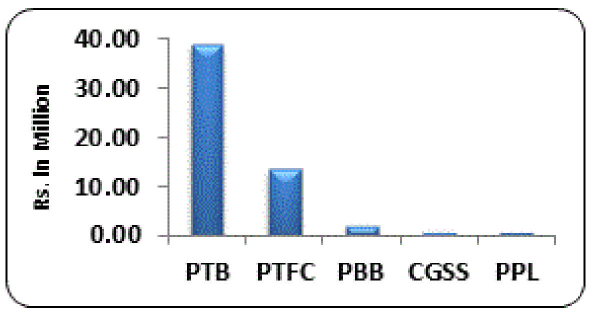
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Dawood Capital Management Ltd. ("DCM" or the "Company") the Management Company of Dawood Income Fund ("DIF"/"the Fund"), are pleased to present the tenth annual report and the audited financial statements of the Fund for the year ended June 30, 2012.

Fund Performance

As at June 30, 2012, net assets were Rs. 397.29 million as compared to Rs. 452.13 million as at June 30, 2011. Total operating income for the year was Rs. 37.82 million as compared to Rs. 89.01 million for the same period last year. Total expenses during the year were Rs. 7.78 million as compared to Rs. 7.05 million in last year. Element of losses were Rs. 1.82 million as compared to Rs. 15.78 million last year. The net profit before distribution for the financial year 2011-12 was Rs. 28.21 million, as compared to Rs. 66.18 million last year. The Net Asset Value per unit was Rs. 76.76 as at June 30, 2012.

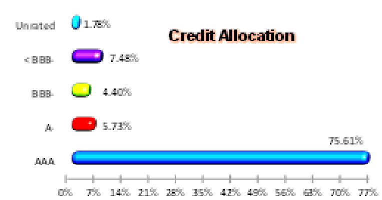
Income Derived



PTB	= Profit on Treasury Bills
PTFC	= Profit on Term Finance Certificates
PBB	= Profit on Bank Balances
CGSS	= Capital Gain on Sale of Securities-Net
PPL	= Profit on Placements

Investment Strategy

During the year, fund greatly optimized its portfolio and maintained major investments in short-term government securities (T-bill's) and bank deposits due to higher risks on other available instruments in the market. Only the exposure in the government securities and bank deposits during the illiquid market maintains a low risk threshold and yields consistent returns for the fund.



During FY12, debt market showed distressed situations and trading and settlements at huge discounts were observed due to liquidity situations and deteriorating financial positions of the investee companies. Management of the Fund successfully offloaded/settled its low graded debt securities which not only increased the unitholders' value but also optimized its credit allocation.

As at June 30, 2012, fund reduced its exposure in debt securities to 12.87% as compared to 33% in 2011 and maintained 79% liquidity in the portfolio. The investment strategy of DIF is modeled on a conservative approach towards investments. The Fund's strategy emphasizes the safety of capital and aims to achieve the highest rate of return while maintaining a low risk threshold. Investors are provided the convenience of redeeming units or subscribing to DIF at their discretion.

Dividend

The BOD has announced bonus dividend to unit holders of Rs. 4.95 per unit on NAV of June 30, 2012 of Rs. 76.7635. Which comes out to be 6.79% of the opening Ex-NAV of Rs. 72.8655. Unit holders will get 6.8929 bonus units per 100 units held.

The total return on investment including the appreciation in NAV amount to 5.35%

Sales and Redemption of Units

The Fund was launched on May 20, 2003 with a seed capital of Rs. 300 million as core investment with the conditions that these core units are not redeemable for a period of two years from the date of issue.

A total of 1,786,471 units were issued in the current year (Including 820,278 Bonus Units Issued) valued at Rs. 72.94 million (2011: 2,319,919 units worth Rs. 97.89 million) and 1,995,585 units were redeemed, with a value of Rs. 155.44 million (2011: 1,758,417 units worth Rs. 126.21 million). As on June 30, 2012, the total number of outstanding units was 5,175,568 valued as Rs. 397.29 million.

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a stability rating of "A-(f)" (Single A Minus-fund rating) to your Fund.

Pakistan's Economy

The year started with the reduction of 50 basis points in discount rate by the new State Bank governor to boost the economy and further it scaled down 150 bps (total 200bps) due to less inflationary pressure to 12% in 1HFY12, to assist in boosting the private sector credit and investment. However, State Bank of Pakistan adopted a wait-and-see approach, keeping the discount rate unchanged in 2HFY12. On the macroeconomic front, inflation rose sharply during the first month of the new fiscal year with a YoY CPI inflation touching 13.8% but it reduced near to single digit by the end of the year at an average 11.0% YoY.

Net government borrowings from central bank to finance the budget deficit were at an all time high at RS

1.28tn in FY12. Major reasons owing to this high borrowing requirement were insufficient foreign inflows, escalating government expenditures, lower than targeted revenue collection, losses of Public Sector Enterprises and huge rupee subsidies. A greater reliance was put onto commercial banking sectors (56% of the total borrowing for budgetary support or RS 704bn) to gain financial support.

After reaching high Foreign exchange reserves depletion and bringing the local currency to a record low level as political environment continued to remain volatile - involving government, judiciary and military leadership especially the Prime Minister of Pakistan disqualified by the Supreme Court for not writing a letter to Swiss authorities for the re-opening of graft cases against the President.

The rupee continued to lose its value due to tense relations between Pakistan and United States coupled with the absence of sizeable foreign inflows along with government's inability to contain budget deficit kept pressure on the exchange rate. Tensions persisted between Pak-US relations that increased during the first half of the year after an incident took place on Pakistani check post at Pak-Afghan border. Pak-US relations were at their lowest ebb post the NATO supply routes closure in Nov-2011, which stalled the potential Coalition Support Fund and Kerry-Lugar Bill flows.

However, remittances once again reached a record high level this year too but exports fell short of target due to low demand in the euro zone. The country not only missed the exports target but also witnessed highest ever trade deficit of $21.271 billion during the last fiscal year 2011-12. On the other hand, the imports of the country also witnessed a new height and amounted to $44.912 billion in the July-June period of the last fiscal year 2011-12 as compared with imports of $40.414 billion during the previous fiscal year 2010-11, indicating an increase of 11.13 percent. Fiscal side, on the other hand, has remained a cause of concern for the economic managers.

The unending gas and electricity crisis and overall law and order situation of the country downed the 2011-12 textile exports by 17.7 percent , in dollar terms by $1.432 billion as compared to 2010-11 exports but with a substantial growth of over 78 per cent, raw cotton export has reached all time high mark of 1.66 million bales at the end of last fiscal year 2011-2012 (FY12) mainly due to bumper cotton crop in the country and high demand in the world market.

While global economic headwinds continued to drive the domestic macroeconomic outlook, a multitude of events in FY12, such as the 200bps reduction in benchmark interest rates, oil price weakness toward the end of the fiscal year and higher GDP growth (3.7% against the anticipated 3%) on better agri-produce, provided some good news in an increasingly challenging environment.

Headline Inflation

According to Federal Board of Statistics, the average headline inflation at 11.0% in FY12 as compared to 13.7% in FY11, 1.0% below government's target of 12.0%. However, CPI ex food and energy inflation picked up, at 10.5% in FY12 as opposed to 9.4% in FY11.

The aforesaid decline in headline numbers was mainly driven by reduction in food prices due to better domestic supplies and a decline in international prices. CPI food inflation decelerated to 11.0% in FY12 compared to 18.0% increase in FY11. Other than food, a significant decline in house rent inflation, which has 21.8% weight in the CPI basket, also contributed to lower CPI in FY12.

Despite decline in house rent inflation, increase in core inflation represents substantial rise in prices of other goods and services. This shows 1) inflationary expectations are becoming entrenched in the economy; 2) lack of price controls which is also collaborated by significant difference between wholesale and retail prices of different goods.

The government projects headline inflation to further decline to 9.5% in FY13. However, we expect price pressures to persist in FY13 due to increase in electricity tariffs, rupee devaluation and demand effects of an expansionary fiscal policy. We expect FY13 inflation to at 10.0-11.0%.

At present, the government, due to its inability to access external sources and maintain fiscal discipline, has an insatiable funding demand from the local markets. Even the current level of interest rates has been maintained due to substantial government borrowing from SBP and liquidity injections in the banking system by the central bank. In our opinion, a change in government's fiscal stance, together with more balanced funding of the fiscal deficit, is a prerequisite for any further decline in domestic interest rates.

Tax Collection

Tax collection remained a huge task and after setting a target of Rs 1952 billion at the start of the year the government remained short of around Rs 70 billion in tax collection. However this remained the highest tax collection by any government in history. Direct tax remained major source of FBR tax collection.

Debt Market Review

Similar to FY11, debt market remained under pressure throughout the FY12 also. Downgrading and downward valuation continues at MUFAP coupled with defaults of major investee companies led towards negative market sentiments. Also the pressured selling of debt scripts by mutual funds to meet liquidity requirements joined the party. These issues are still hampering the secondary market which leads towards the shaky investors' confidence on the Mutual Fund industry especially in income funds. With the launch of few money market and government securities funds with 70%-80% investments in sovereign issues, industry is now attracting new investors with consistent yields.

Future Outlook

Pakistan's economy remains highly vulnerable because of continued security challenges, political uncertainty, worsened relationships between government and judiciary. Large fiscal deficits keep inflation high and limit growth, and the outlook for the short and medium term is not good. The media often focuses on the deteriorating security situation in Pakistan, but Pakistan's feeble economy may prove a more dangerous-but less visible-threat. While Pakistan was held decades ago as a shining example of economic progress in the developing world; its economy is now anemic, hobbled by a low savings rate, weak tax structure, a low investment in human capital, and the country's fraught political situation.

Moody's and Standard and Poor's (S&P) have reviewed Pakistan's current economic strength and future outlook and arrived at different conclusions. While Moody's downgraded Pakistan's sovereign credit rating by one notch, that is, from B3 to Caa1 with negative outlook, the S&P has maintained its previous rating for Pakistan at B-minus with stable outlook. Not surprisingly, Moody's also downgraded the ratings of five Pakistani commercial banks by one notch to B3 from B2 with negative outlook owing to their large exposure to government's debt securities.

This rating downgrade has severe economic implications. It will increase the confirmation charges of Letter of Credit thereby raising the cost of doing business in Pakistan. The cost of foreign and local currency borrowing is likely to rise with implications for debt-servicing. This entire cost is likely to be passed to the end consumers.

Going forward we believe in FY13 government borrowings requirement will mirror that witnessed in FY12. The government has set up a financing target of RS 1105bn in FY13. Domestic financing of estimated RS 484bn (or 43% of the total financing) will be raised through banks while RS 487bn or 44% (of the total financing) will be done through non-banks. The SBP has pushed for a net-zero financing from SBP, which we think would be overly optimistic to believe that government will restore to such policy keeping in mind already it has RS 564bn standing in its account. Whereas on the external side, bleak outlook over external funds will be a major risk pertaining to domestic borrowing. IMF due payments will also be a risky factor which amounts to USD 1.5bn in FY13.

There is huge economic opportunity for Pakistan if reforms are enacted. However, consensus on these reforms seems to have fled Pakistan. There are two possible reasons for this lack of consensus; either there is an information deficit and leaders do not understand the value of these reforms for Pakistan as a whole, or one constituency in Pakistan is shifting costs onto another constituency.

Pakistan has abundant economic potential. It is located in an economically dynamic neighborhood, is ready to massively benefit from increased regional trade, and has the potential demographic dividend of a young population eager for employment.

Several policy changes could be enacted in both the short- and medium-term to return Pakistan to a path of upward growth. In particular, Pakistan would need to enact fiscal, financial sector, and structural reforms. If Pakistan was able to do so, it would be able to contain vulnerabilities and move the economy to high and inclusive growth.

Looking ahead, election year considerations (higher development spending, salaries, targeted subsidies, and slower progress in increasing power tariff) are expected to keep fiscal pressures intact. The current focus on elections by Pakistani politicians would make it difficult to enact reforms.

Compliance with the Best Practices of the Code of Corporate Governance

The management company complies with the "Code of Corporate Governance" (Code) contained in the listing regulations of the Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Fund is managed in compliance with the best practices of Code. The directors of the Management Company hereby confirm the following as required by clause (xvi) of the Code:

- The financial statements, prepared by the management of the listed company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of account of the listed company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored with on going efforts to improve it further.
- There are no significant doubts upon the listed company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- The management company has planned to conduct orientation course for its directors, where necessary, in the year future to appraise them with their duties and responsibilities.
- There has been no trading during the year in the units of the Fund carried out by the Directors, Chief Executive Officer, Company Secretary and their spouses and their minor children except as disclosed below:

Trades By	Investment (No. of Units)	Redemption (No. of Units)
Chief Executive Officer	11,255	85,220
Director	-	194

- There are no statutory payment on account of taxes, duties, levies and charges outstanding.

Changes in Directors

A casual vacancy occurring on the board on February 17, 2011 is in the process as it needs prior approval of SECP as per NBFC Regulations to ensure the fit and proper criteria for director of NBFC.

Currently, the Management Company has six directors out of which five are non-executive directors.

Board of Directors Meetings

During the year, five meetings were held. The attendance of each Director is as follows:

S. No.	Name	Designation	Entitlement to Attend Meeting	Leave of Absences
1.	Mrs. Shafqat Sultana *	Chairperson	2	1
2.	Ms. Tara Uzra Dawood	Chief Executive	5	-
3.	Mr. Gul Nawaz	Director	5	-
4.	Mr. Masood A. S. Wahedna	Director	5	2
5.	Syed Shabahat Husssain	Director	5	-
6.	Mr. Nazimuddin Feroz	Director	5	2

* Appointed During the Year

Audit Committee Meeting

During the year, four meetings were held. The attendance of each member is as follows:

S. No.	Name	Designation	Entitlement to Attend Meeting	Leave of Absences
1.	Mr. Gul Nawaz	Chairman	4	-
2.	Mr. Masood A. S. Wahedna	Member	4	2
3.	Syed Shabahat Husssain	Member	4	-

Auditors

The present Auditor, M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants are due for retirement and being eligible, offer themselves for re-appointment. As required under the Code of Corporate Governance, The audit Committee of Management Company has recommended the appointment of Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants as auditors for the year ending June 30, 2013

Risk Management

Risk taking is an integral part of any business and is rooted in the philosophy of risk versus reward, that is, the higher the risk the greater the reward. Our fundamental objective is to maximize unit holder's value, but this must be carried out in a clearly articulated risk tolerance framework.

DIF exposed to a variety of risks including credit, liquidity, Interest rate, market risk and operational risk.

Our risk management policies and procedures ensure that risks are effectively identified, evaluated, monitored and managed. Risk management is a dynamic function and management must continuously monitor its internal risk procedures and practices in order to reduce earnings variability.

The Board has formed the following committees to manage the various types of risks the Fund is exposed to:

- Board's Audit Committee
- Investment Committee

Statement of Ethics and Business Practices

The Board of Directors of the Management Company has adopted a statement of ethics and business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

Marketing Function/Role

DIF continues to be one of the most exciting and profitable Income Fund in Pakistan. It is also the most innovative fund in the industry with its DAWOODPERKS® loyalty program (which has grown to over 20 eminent partners) and DAWOOD SAVINGS FUNDS® including BABYFUND® (children's trust fund), LADIESFUND® and SHAADI FUND®. The DCM family has now grown to include joint promotions with various enterprises including restaurants, art galleries, boutiques, salons and variety of other stores. A list of current partners and promotions is available on our website www.dawoodperks.com

As part of its corporate social responsibility, DCM has also held a series of fundraisers for Dawood Global Foundation(TM)'s LADIESFUND® Fellowships and Scholarships Program to meet UNDP's Millennium Goals (Goal 3 Women's economic empowerment - Innovative Approaches to Promoting Women's Economic Development). These events include LADIESFUND® Entrepreneurship Conference 2010 at Avari Karachi, LADIESFUND® Women of Influence Networking Luncheon at the British Deputy High Commission and 3rd LADIESFUND® Women's Awards at Mohatta Palace Museum. DCM also published LADIESFUND® Magazine, Pakistan's first magazine for women professionals and entrepreneurs.

In addition to the above stated marketing, further publicity is derived from interviews, newspaper articles and participation in industry events.

Information Technology

The IT department has been an integral department of the organization. A cutting-edge computerized environment and efficient utilization of information technology has been the hallmark of your company's policy.

The company continuously invests in technology to improve internal decision-making operational efficiencies and the quality of service to customers.

The IT function besides creating an efficient IT environment in the organization also keeps abreast with the latest trends in information technology. In addition, DCM continues to implement initiatives to reduce the usage of paper through the utilization of information technology as part of the company's long tenure objective to strive towards a paperless environment.

The Fund is also constantly upgrading its website, www.edawood.com which provides corporate product information.

Human Resource Training and Development

DCM's employees are its greatest asset. Hence, several significant initiatives have been taken during the year to improve upon the hiring including retention and work environment-related issues, grooming of skills to match with the changing business needs, induction of qualified and experienced professionals. Training and Human Resource Development continues to be of prime importance in 2012-13.

Transaction with Connected Persons/Related Parties

Transactions between the Fund and its connected persons are carried out on an arm's length basis and the relevant terms of the transactions are determined in accordance with the "Comparable Uncontrolled Price Method". The Fund has fully complied with the best practices on transfer pricing as contained in the Listing Regulation of the Karachi Stock Exchange.

Pattern of Unit Holders as on June 30, 2012

The pattern of unit holders as on June 30, 2012 along with disclosure as required under the Code of Corporate Governance is annexed.

Key Financial Highlights

Key financial highlights are summarized and annexed to these financial statements.

Acknowledgement

We take the opportunity to thank our investor, business associates, leading banks and financial institutions for putting their trust with us and allowing us to cater to their financial needs. We also appreciate the guidance provided to the fund by the Management Company, the Trustee and the Securities and Exchange Commission of Pakistan. We truly appreciate and value the contribution of our staff who have worked tirelessly to bring quality and growth to the fund and to grow our investor base.

In closing, we reaffirm our commitment to our unit holders to further enhance the value of their investment in the Company.

For and on behalf of the
Board of Directors,

September 17, 2012
Karachi.

Chairperson

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED 30 JUNE 2012

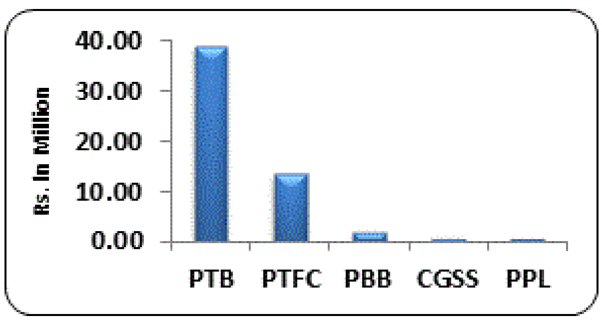
Fund Objective

To preserve the investor's capital while providing a return greater than that offered by other investments of similar risk profile through investments in a portfolio of money market instruments.

Fund Performance

As at June 30, 2012, net assets were Rs. 397.30 million as compared to Rs. 452.13 million as at June 30, 2011. Total income for the year was Rs. 37.82 million as compared to Rs. 89.01 million for the same period last year. Total expenses during the year reduced to Rs. 7.78 million as compared to Rs. 7.05 million in last year. Element of loss was Rs. 1.82 million as compared to Rs. 15.78 million last year. The net profit before distribution for the financial year 2011-12 was Rs. 66.178 million, as compared to Rs. 66.18 million last year. The Net Asset Value per unit was Rs. 76.7634 as at June 30, 2012.

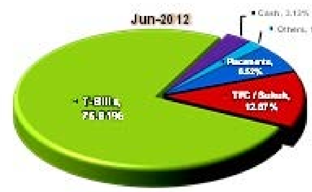
Income Derived



PTB = Profit on Treasury Bills
PTFC = Profit on Term Finance Certificates
PBB = Profit on Bank Balances
CGSS = Capital Gain on Sale of Securities-Net
PPL = Profit on Placements

Fund posted a return of 5.33%. This low return was due to the provisions and settlements done on non-performing debt scrips during the year. Fund prudently succeeded in reducing its non-compliant portfolio to 9.38% as compared to 27.45% in June 2011 and aiming to bring it to 0% in the next year.

Fund remained totally liquid throughout the year with major investments in T- Bills and bank deposits. Management acted very actively and prudently in the best interest of unit holders for successful settlements/restructuring of defaulted investments in the outgoing year. Few investments are still in process of settlement and management is very hopeful that these will also come through resulted in the better portfolio and sales volumes in upcoming years.

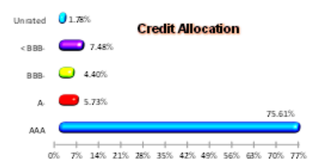


With this stellar performance, active fund management and optimization of portfolio, PACRA has assigned "A-" Stability Rating to the Fund.

DIF is still an attractive investment for those who want to make quick capital gains on their investments.

INVESTMENT STRATEGY

During the year, fund greatly optimized its portfolio and maintained major investments in short-term government securities (T-bill's) and bank deposits due to higher risks on other available instruments in the market. Only the exposure in the government securities and bank deposits during the illiquid market maintains a low risk threshold and yields consistent returns for the fund.



During FY12, debt market showed distressed situations and trading and settlements at huge discounts were observed due to liquidity situations and deteriorating financial positions of the investee companies. Management of the Fund successfully offloaded/settled its low graded debt securities which not only increased the unitholders' value but also optimized its credit allocation.

As at June 30, 2012, fund reduced its exposure in debt securities to 12.87% as compared to 33% in 2011 and maintained 79% liquidity in the portfolio. The investment strategy of DIF is modeled on a conservative approach towards investments. The Fund's strategy emphasizes the safety of capital and aims to achieve the highest rate of return while maintaining a low risk threshold. Investors are provided the convenience of redeeming units or subscribing to DIF at their discretion.

Major Strategies and Policies Employed During the Year 2012

On the basis of our objective of capital protection, the Fund mostly adopted the strategy to invest only cash & equivalent instruments. Details of major strategies and policies employed are as under.

- Fund adopted the strategy to offload/settle as much debt securities at better rates to increase the liquidity as well as to optimize the allocation. Fund successfully reduced its debt securities to 12.87% as compared to 33% in FY11.
- Fund has prudently offloaded/settled a major chunk of its non performing debt securities during the year at best available market rates to ensure more liquidity in the fund.
- The liquidity received was mainly invested in bank deposits and short-term government securities (T-bills) which are the safest avenues to maintain consistency in returns while ensuring liquidity.

Dividend

The Board of Directors has announced bonus dividend to unit holders of Rs. 4.95 per unit on NAV of June 30, 2012 of Rs. 76.7635.Which comes out to be 6.79% of the opening Ex-NAV of Rs. 72.8655. Unit holders will get 6.8929 bonus units per 100 units held.

Detail of Pattern of Holdings (Units)
As at June 30, 2012

Catogory	*No. of Unit Holders*	*Unit Held*	*% of Total*
Associated Companies			
Dawood Capital Management Ltd.	1	198,561	3.84
Chief Executive Officer			
Ms. Tara Uzra Dawood	1	85,212	1.65
Individuals	235	288,133	5.57
Insurance Companies	2	31,391	0.61
Banks/DFIs	2	4,056,521	78.38
NBFC	1	11,197	0.22
Retirement Funds	11	269,221	5.20
Others	9	235,332	4.55
TOTAL	262	5,175,568	100

MCB FINANCIAL SERVICES LIMITED

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Dawood Income Fund, an open-end Scheme established under a Trust Deed dated April 08, 2003 executed between Dawood Capital Management Limited, as the Management Company and Bank AL Habib Limited (BAHL), as the Trustee. Last year, BAHL retired and MCB Financial Services Limited (MCBFSL) was appointed as the new trustee of the fund.

1. Dawood Capital Management Limited, the Management Company of Dawood Income Fund has, in all material respects, managed Dawood Income Fund during the year ended 30th June 2012 in accordance with the provisions of the following:

   (i) the limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;

   (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;

   (iii) the creation and cancellation of units are carried out in accordance with the deed;

   (iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 13, 2012

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2012

Statement of Compliance with the Code of Governance

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 35 of listing Regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The management company has applied the principles contained in the Code in the following manner:

1. The management company encourages representation of independent non-executive directors on its board of directors. At present the board includes:

Category	Names
Independent Directors	1. Mrs. Shafqat Sultana 2. Mr. Gul Nawaz
Executive Directors	1. Miss Tara Uzra Dawood - Chief Executive Officer
Non - Executive Directors	1. Mr. Masood A. S. Wahedna 2. Mr. Nazimuddin Feroz 3. Mr. Shabahat Hussain

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this management company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the management company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the company.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the management company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.

7. The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

8. The management company arranged one orientation programs for its directors during the year.

9. No new appointment of CFO, Company Secretary and Head of Internal Audit were made during the year.

10. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

11. The financial statements of the fund were duly endorsed by Chief Executive Officer and Chief Financial Officer of the management company before approval of the board.

12. The directors, Chief Executive Officer and executives do not hold any interest in the units of the fund other than that disclosed in the pattern of unit-holdings.

13. The management company has complied with all the corporate and financial reporting requirements of the Code.

14. The board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.

15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the fund and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

16. The Board has outsourced the internal audit function to Riaz Ahmad & Company Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the management company.

17. The Board has formed a Human Resource and Remuneration Committee subsequent to the year end. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is an independent non-executive director.

18. The statutory auditors of the fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold certificate of the fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP).

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed International Federation of Accountants (IFAC) guidelines in this regard.

20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of scrip, was determined and intimated to directors, employees and stock exchange.

21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

22. We confirm that all other material principles enshrined in the Code have been complied except for the following, towards which reasonable progress is being made by the management company to seek compliance by the end of next accounting year:

    - A casual vacancy occurred in the Board on February 17, 2011 which has not yet been filled as the SECP did not grant approval for appointment of persons applied to fill the said casual vacancy;

For and on behalf of the
Board of Directors,

September 17, 2012
Karachi.

Tara Uzra Dawood

ERNST & YOUNG

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541
Karachi 75530, Pakistan

Phone: (92-21) 3565 0007
Fax: (92-21) 3568 1965
www.ey.com

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Dawood Capital Management Limited (the Management Company) of Dawood Income Fund (the Fund) to comply with the Listing Regulation No. 35 (Chapter X1) of the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Management Company's compliance with the provisions of the Code in respect of the Fund and report if it does not. A review is limited primarily to inquiries of the Management Company's personal and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

Further, Sub-Regulation (xiii a) of Listing Regulation 35 notified by The Karachi Stock Exchange vide circular KSE/N-269 dated 19 January 2009 requires the Management Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Fund for the year ended 30 June 2012.

We draw your attention to clause 22 of the Statement which mentions certain non-compliances with the Code.

Our opinion is not qualified in respect of the above matter.

Ernst & Young Ford Rhodes Sidate Hyder
Chartered Accountants

Karachi
Date: September 17, 2012

ERNST & YOUNG

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541
Karachi 75530, Pakistan

Phone: (92-21) 3565 0007
Fax: (92-21) 3568 1965
www.ey.com

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Dawood Income Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2012, and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2012 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other Matters

The financial statements of the fund for the year ended 30 June 2011 were audited by another firm of Chartered Accountants whose report dated 07 September 2011 expressed an unqualified opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Chartered Accountants
Audit Engagement Partner: Omer Chughtai

Date: September 17, 2012
Karachi

DAWOOD INCOME FUND

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
ASSETS			
Bank Balances	4	12,596,909	18,302,764
Investments	5	382,086,853	376,581,775
Mark-Up/Interest Receivable	6	7,440,281	6,233,475
Deposits, Prepayments and Other Receivables	7	100,000	55,571,133
Total Assets		402,224,043	456,689,147
Liabilities			
Payable to Management Company	8	369,972	380,271
Payable to Trustee	9	47,841	204,078
Annual Fee Payable to Securities and Exchange Commission of Pakistan	10	343,508	290,314
Accrued Expenses and Other Liabilities	11	4,168,371	3,687,159
Total Liabilities		4,929,692	4,561,822
NET ASSETS		397,294,351	452,127,325
Unit Holders' Fund (as per statement attached)		397,294,351	452,127,325
Number of Units in Issue		5,175,568	5,384,682
Net Asset Value per Unit - Rupees		76.76	83.97
Contingencies and Commitments	12		

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer | Director | Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
Income			
Mark-Up/Interest Income on Investments, Bank Balances and Placements	13	54,978,135	54,338,502
Gain on Sale of Securities - Net		3,655,444	72,054,506
Impairment in the Value of Investments Classified as Available for Sale - Net	5.7	(20,773,629)	(37,374,441)
Unrealised Diminution in Value of Investments at Fair Value through Profit or Loss		(39,685)	(6,971)
Total Income		37,820,265	89,011,596
Expenses			
Remuneration of Management Company	8	4,580,121	3,870,854
Sales Tax on Management Fee	8.1	732,819	-
Remuneration of Trustee	9	687,029	762,091
Annual fee to Securities and Exchange Commission of Pakistan	10	343,508	290,314
Securities Transactions Cost		41,019	75,914
Auditor's Remuneration	14	363,500	318,500
Bank Charges		24,127	24,954
Legal and Professional Charges		295,000	250,000
Workers' Welfare Fund		576,208	1,350,572
Fees and Subscription		40,000	40,000
Printing Charges		100,200	70,631
Total Expenses		7,783,531	7,053,830
Net Income from Operating Activities		30,036,734	81,957,766
Element of (Losses)/Gains and Capital (Losses)/Gains Included in Prices of Units Issued Less Those in Units Redeemed - Net		(1,822,532)	(15,779,742)
Net Income		28,214,202	66,178,024

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer | Director | Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
Net Income for the Year		28,214,202	66,178,024
Other Comprehensive Income			
Net Unrealized (Diminution)/Appreciation During the Year in Fair Value of Investments Classified as 'Available for Sale'	5.8	(2,365,840)	14,386,198
Total Comprehensive Income for the Year		25,848,362	80,564,222

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer	Director	Director

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	2012 Rupees	2011 Rupees
Undistributed Losses Brought Forward		
- Realised	(88,953,591)	(87,047,173)
- Unrealised	(6,971)	-
	(88,960,562)	(87,047,173)
Net Income for the Year	28,214,202	66,178,024
Final Distribution of Bonus Units (820,278 Units) for the Year Ended 30 June 2011: Rs. 11.10 per Unit (2010: 1,040,545 Units at the Rate of Rs. 14.10 per Unit)	(59,769,962)	(68,091,413)
Undistributed Losses Carried Forward	(120,516,322)	(88,960,562)
Represented By:		
- Realised	(120,469,666)	(88,953,591)
- Unrealised	(46,656)	(6,971)
	(120,516,322)	(88,960,562)

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer Director Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	2012 Rupees	2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Year	28,214,202	66,178,024
Adjustments for:		
Gain on Sale of Securities	(3,655,444)	(72,054,506)
Element of Losses and Capital Losses Included in Prices of Units Issued Less Those in Units Redeemed - Net	1,822,532	15,779,742
Charge of Impairment in the Value of Investments Classified as Available for Sale - Net	20,773,629	37,374,441
Financial Charges	24,127	24,954
	18,964,844	(18,875,369)
	47,179,046	47,302,655
(Increase)/Decrease in Assets		
Investments	(24,989,103)	(450,850)
Mark-Up/Interest Receivable	(1,206,806)	10,152,232
Deposits, Prepayments and Other Receivables	55,471,133	(55,571,133)
	29,275,224	(45,869,751)
Increase/(Decrease) in Liabilities		
Payable to Management Company	(10,299)	86,842
Payable to Trustee	(156,237)	25,380
Annual fee Payable to Securities & Exchange Commission of Pakistan	53,194	(147,373)
Payable to Unit Holders against Redemption	-	(24,902)
Accrued Expenses and Other Liabilities	481,212	1,691,644
	367,870	1,631,591
Net Cash Inflow from Operating Activities	76,822,140	3,064,495
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial Charges Paid	(24,127)	(24,954)
Cash Received on Issue of Units	72,940,044	97,888,124
Cash Paid/Payable on Redemption of Units	(155,443,912)	(126,208,986)
Net Cash Outflow from Financing Activities	(82,527,995)	(28,345,816)
Net Decrease in Cash and Cash Equivalents	(5,705,855)	(25,281,321)
Cash and Cash Equivalents at Beginning of the Year	18,302,764	43,584,085
Cash and Cash Equivalents at End of the Year	12,596,909	18,302,764

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer   Director   Director

DAWOOD INCOME FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2012

	2012 Rupees	2011 Rupees
Net Assets at the Beginning of the Year	452,127,325	384,104,223
Issue of 966,193 Units (2011: 1,273,374)	72,940,044	97,888,124
Redemption of 1,995,585 Units (2011: 1,758,417)	(155,443,912)	(126,208,986)
	(82,503,868)	(28,320,862)
Element of Losses/(Gains) and Capital Losses/(Gains) Included in Prices of Units Issued less Those in Units Redeemed - Net	1,822,532	15,779,742
Net Income for the Year	28,214,202	66,178,024
Other Comprehensive Income	(2,365,840)	14,386,198
Total Comprehensive Income for the Year	25,848,362	80,564,222
Net Assets as at End of the Year	397,294,351	452,127,325
Net Asset Value per Unit at the Beginning of the Year	83.97	79.54
Net Asset Value per Unit at the End of the Year	76.76	83.87

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer Director Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

Dawood Income Fund (the Fund) was established under a Trust Deed executed on April 08, 2003 between Dawood Capital Management Limited (DCML) as Management Company and Bank AL-Habib Limited (BAHL) as Trustee. Last year, BAHL retired and MCB Financial Services Limited (MCBFSL) was appointed as the new trustee of the Fund. Furthermore, the name of the Fund was also changed from the "Dawood Money Market Fund" to "Dawood Income Fund". These changes, after necessary regulatory approvals, were duly incorporated in the Trust Deed of the Fund. The registered office of the Management Company is situated at 5B, Lakson Square Building No.1, Sarwar Shaheed Road, Karachi, Pakistan.

The Fund is an open-ended mutual fund and is listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund is categorized as "income scheme" in accordance with Circular No. 7 of 2009. The principal activity of the Fund is to make investment in spread transactions and debt-based securities including Government securities, Commercial Papers and other money market instruments and placement of funds.

Asset Manager Rating (AMR) of Management Company is 'AM3-' and that of Fund is A-(f) (2011: A-(f)) rated by Pakistan Credit Rating Agency (PACRA).

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, Non- Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for investments which are accounted for as stated in notes 3.1 and 3.2 below.

2.3 Functional and Presentation Currency

These financial statements have been presented in Pakistan Rupees which is the functional and presentation currency of the Fund.

2.4 Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in the relevant accounting policies/notes in the financial statements.

2.5 Changes in Accounting Policy and Disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

The Fund has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 7 - Financial Instruments: Disclosures (Amendment)

IAS 24 - Related Party Disclosures (Revised)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below

IFRS 7 - Financial Instruments: Disclosures- Clarification of disclosures

IAS 1 - Presentation of Financial Statements- Clarification of statement of changes in equity

IAS 34 - Interim Financial Reporting- Significant events and transactions

IFRIC 13 - Customer Loyalty Programmes- Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Investments

The investments, upon initial recognition, are classified as investment at fair value through profit or loss, held to maturity investment or available for sale investment, as appropriate, in accordance with the requirements of International Accounting Standards (IAS) 39; 'Financial Instruments: Recognition and Measurement'.

All investments are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit and loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are charged in the income statement.

All regular way purchases and sales of investments are recognised on the trade date i.e. the date the Fund commits to purchase/sell the investment. Regular way purchases and sales of investments require delivery of securities within the time frame generally established by regulation or market convention.

The investments of the Fund are classified in the following categories:

a) Financial Assets at Fair Value through Profit or Loss

These include held for trading investments and such other investments that, upon initial recognition, are designated under this category. Investments are classified as held for trading if they are acquired for the purpose of selling in the near term. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. After initial measurement, such investments are carried at fair value and the gains or losses on revaluation are recognised in the income statement in the period in which they arise.

b) Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise of bank balances, receivable from the sale of securities, advances, deposits and profit receivable.

c) Held to Maturity

Investments with fixed maturities and fixed or determinable payments are classified as held to maturity investments when management has both the intent and ability to hold to maturity. After initial measurement, such investment are carried at amortised cost less any provision for impairment except for in case of debt securities (listed but not regularly traded on a stock exchange) and government securities, which are carried at fair value in accordance with the requirements of the NBFC Regulations and directives issued by SECP.

d) Available for Sale

These are non-derivative financial assets that are designated as available-for-sale and may be sold in response to needs for liquidity or changes in interest rates or market prices or are not classified in any of the three other categories. After initial measurement, such investments are measured at fair value with unrealised gains or losses recognised in other comprehensive income as a part of the unit holders' fund until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously recognised in unit holders' fund is taken to the income statement.

Fair Value of Investments is Determined as Follows:

Debt Securities:
Fair value of debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the SECP's Circular No. 1 of 2009 dated 06 January 2009, read with Regulation 66(b) of the NBFC Regulations.

Fair value of unlisted debt securities, other than government securities, is also determined by reference to the average rates notified by MUFAP and where such rates are not so notified, with reference to quotations obtained from brokerage houses.

Government Securities:
Fair value of government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

3.2 Impairment

The carrying amounts of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement and are reversed through the profit and loss account as well.

Provision of non-performing debt securities is made on the basis of time based criteria as prescribed under Circular No. 01 of 2009 issued by the Securities and Exchange Commission of Pakistan.

To fulfill the requirement of SECP Circular No. 13 dated 04 May 2009 the BOD approved a comprehensive provisioning policy whereby the Investment Committee can make accelerated provision against any debt security or exposure other than debt security after considering the financial difficulties of the issuer, probability of the borrower entering bankruptcy or financial reorganization, deterioration of key financial ratios, down grade of credit rating, measurable decrease in cash flows and industry out look.

3.3 Derecognition

All investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and either (a) the Fund has transferred substantially all risks and rewards of ownership or (b) the Fund has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred the control of the asset.

3.4 Securities Under Repurchase/Resale Agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement using the effective interest method.

3.5 Issue and Redemption of Units

Units issued are recorded at the offer price, determined by the Management Company, for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus provision of duties and charges and provision of transaction costs, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less duties, taxes, charges on redemption and provision for transaction costs, if applicable.

Redemption of units is recorded on acceptance of application of redemption.

3.6 Element of Income/(Loss) and Capital Gain/(Loss) Included in Prices of Units Sold Less Those in Units Redeemed

An equalisation account called the "element of income/(loss) included in prices of units sold less those in units redeemed" is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The "element of income and capital gains in prices of units sold less those in units redeemed" account is credited with the amount representing net income and capital gains accounted for in the last announced net asset value and included in the sale proceeds of units. Upon redemption of units, the "element of income and capital gains in prices of units sold less those in units redeemed" account is debited with the amount representing net income and capital gains accounted for in the last announced net asset value and included in the redemption price.

The "element of income and capital gains in prices of units sold less those in units redeemed" during an accounting period is transferred to the income statement.

3.7 Net Asset Value per Unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at year end. Net assets are defined in NBFC Regulation, 2008 clause 66.

3.8 Taxation

The Fund is exempt from taxation on income under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income excluding realised and unrealised capital gain for the year is distributed amongst the unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

3.9 Revenue Recognition

Gains/(losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

Dividend income is recognised when the right to receive the dividend is established.

Income on reverse repurchase, certificates of investment, placements, bank deposits, commercial papers, federal government securities and investments in debt securities are recognised at rate of return implicit in the instrument on a time proportionate basis.

3.10 Financial Instruments

All the financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cashflows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

3.11 Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are only offset and net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.12 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of bank balance net of short-term running finance under markup arrangements, if any.

3.13 Provision

A provision is recognised in the statement of assets and liabilities when the Fund has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

3.14 Distribution to Unit Holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

3.15 Standards, Interpretations and Amendments to Approved Accounting Standards That are Not Yet Effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective Date (Annual Periods Beginning On or After)
IFRS 7	- Financial Instruments: Disclosures - (Amendments) - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	01 January 2013
IAS 1	- Presentation of Financial Statements - Presentation of items of comprehensive income	01 July 2012
IAS 12	- Income Taxes (Amendment) - Recovery of Underlying Assets	01 January 2012
IAS 19	- Employee Benefits -(Amendment)	01 January 2013
IAS 32	- Offsetting Financial Assets and Financial liabilities - (Amendment)	01 January 2014
IFRIC 20	- Stripping Costs in the Production Phase of a Surface Mine	01 January 2013

The Fund expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Fund's financial statements in the period of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective Date (Annual Periods Beginning On or After)
IFRS 9 - Financial Instruments: Classification and Measurement	01 January 2015
IFRS 10 - Consolidated Financial Statements	01 January 2013
IFRS 11 - Joint Arrangements	01 January 2013
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2013
IFRS 13 - Fair Value Measurement	01 January 2013

	Note	2012 Rupees	2011 Rupees
4. BANK BALANCES			
PLS Saving Accounts	4.1	12,596,909	18,302,764

4.1 Profit rates on savings accounts range from 5% to 13% (2011:10.25%) per annum.

	Note	2012 Rupees	2011 Rupees
5. INVESTMENTS			
At Fair Value through Profit or Loss			
Government Securities	5.1	304,101,982	226,209,736
Available for Sale Securities			
Listed Term Finance Certificates and Sukuks	5.2	18,147,454	56,451,510
Unlisted Term Finance Certificates and Sukuks	5.3	33,612,062	63,839,789
		51,759,516	120,291,299
Certificate of Investment	5.4	-	-
Certificates of Musharika	5.5	26,225,355	30,080,740
		382,086,853	376,581,775

5.1 Government Securities

Type of Instrument	Issue Date	Tenor	Face Value					As at 30 June 2012		Appreciation/ (Diminution)	Percentage of Net Assets on the Basis of Market Value	Percentage of Total Investments on the Basis of Market Value
			As at 01 July 2011	Purchases During the Year	Maturities During the Year	Sales During the Year	As at 30 June 2012	Cost	Market Value			
			Rupees									
Market Treasury Bills	21-Apr-2011	3 Months	90,000,000	-	90,000,000	-	-	-	-	-	-	-
	5-May-2011	3 Months	20,000,000	-	20,000,000	-	-	-	-	-	-	-
	16-Jun-2011	3 Months	75,000,000	-	75,000,000	-	-	-	-	-	-	-
	24-Mar-2011	6 Months	45,000,000	-	45,000,000	-	-	-	-	-	-	-
	21-Apr-2011	3 Months	-	65,000,000	65,000,000	-	-	-	-	-	-	-
	28-Jul-2011	3 Months	-	20,000,000	-	20,000,000	-	-	-	-	-	-
	14-Jul-2011	3 Months	-	150,000,000	150,000,000	-	-	-	-	-	-	-
	8-Sep-2011	3 Months	-	90,000,000	90,000,000	-	-	-	-	-	-	-
	22-Sep-2011	3 Months	-	50,000,000	50,000,000	-	-	-	-	-	-	-
	11-Aug-2011	3 Months	-	40,000,000	40,000,000	-	-	-	-	-	-	-
	6-Oct-2011	3 Months	-	150,000,000	150,000,000	-	-	-	-	-	-	-
	1-Dec-2011	3 Months	-	100,000,000	100,000,000	-	-	-	-	-	-	-
	15-Dec-2011	6 Months	-	50,000,000	50,000,000	-	-	-	-	-	-	-
	3-Nov-2011	3 Months	-	45,000,000	45,000,000	-	-	-	-	-	-	-
	6-Oct-2011	6 Months	-	10,000,000	-	10,000,000	-	-	-	-	-	-
	26-Jan-2012	3 Months	-	25,000,000	-	25,000,000	-	-	-	-	-	-
	6-Oct-2011	6 Months	-	100,000,000	100,000,000	-	-	-	-	-	-	-
	23-Feb-2012	3 Months	-	100,000,000	100,000,000	-	-	-	-	-	-	-
	22-Mar-2012	3 Months	-	60,000,000	-	60,000,000	-	-	-	-	-	-
	6-Oct-2011	6 Months	-	50,000,000	50,000,000	-	-	-	-	-	-	-
	5-Apr-2012	3 Months	-	150,000,000	150,000,000	-	-	-	-	-	-	-
	26-Jan-2012	6 Months	-	25,000,000	-	-	25,000,000	24,811,814	24,797,375	(14,439)	6.24	6.49
	17-May-2012	3 Months	-	125,000,000	-	-	125,000,000	123,456,252	123,427,967	(28,285)	31.07	32.30
	28-Jun-2012	3 Months	-	160,000,000	-	-	160,000,000	155,880,572	155,876,640	(3,932)	39.23	40.80
							310,000,000	304,148,638	304,101,982	(46,656))	76.54	79.59

5.1.1 The Market Treasury Bills have a purchase yield ranging between 11.63% and 11.92% per annum. These Market Treasury Bills will mature latest by 20 September 2012.

5.2 Listed Term Finance Certificates and Sukuks

Name of Security	Note	As at 01 July 2011	Purchases During the Year	Sold During the Year	Matured During the Year	As at 30 June 2012	Cost as at 30 June 2012	Market Value as at 30 June 2012	Unrealised Gain/(Loss)/ (Impairment)	Rate of Return per Annum	Percentage of Net Assets on the Basis of Carrying Value	Percentage of Total Investments on the Basis of Carrying Value
		Number of Shares					Rupees					
Financial Services												
Invest Capital Investment Bank limited (05-09-07)	5.2.1	6,000	-	-	-	6,000	30,000,000	-	(30,000,000)	K6+1.9%	0.00	0.00
Escort Investment Bank Limited (15-03-07)		500	-	-	-	500	512,065	460,475	(51,590)	8%	0.12	0.12
Trust Investment Bank Limited (04-07-08)		10,000	-	-	-	10,000	18,742,500	17,686,979	(1,055,521)	K6+1.85%	4.45	4.63
Real Estate Investment and Services												
Pace Pakistan Limited (15-02-08)	5.2.2	2,800	-	-	-	2,800	9,089,080	-	(9,089,080)	K6+2%	0.00	0.00
Construction and Material												
Dewan Cement Company Limited	5.2.3	30,000	-	-	-	30,000	150,000,000	-	(150,000,000)	K6+2%	0.00	0.00
Total Quoted Debt Securities							208,343,645	18,147,454	(190,196,191)		4.57	4.75
Impairment Loss									189,089,080			
									(1,107,111)			

5.2.1 Invest Capital Investment Bank Limited (ICIBL) defaulted on its payment of principal and markup due on 18 September 2010. The security was classified as non-performing by MUFAP on 17 May 2012 and accrual on the same was suspended. Accordingly, the security has been fully provided in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy. Negotiations are undergoing between the investors and management of ICIBL to formulate a future course of action in regard of the settlement of the outstanding amount.

5.2.2 Pace Pakistan Limited defaulted on its payment of principal and markup due on 21 August 2011 and the security was classified as non-performing by MUFAP on 05 September 2011. Consequently, a provision of Rs. 6.29 million has been created and accrual of income has been suspended in line with the SECP's Circular No. 1 of 2009. Further, an additional provision amounting to Rs. 2.79 million has been created on the recommendation of the investment committee and as per the provisioning policy of the Fund prepared in compliance with SECP's Circular No. 13 of 2009.

5.2.3 Dewan Cement Company Limited defaulted on its initial public offering and was classified as non-performing by MUFAP. Accordingly, the security has been fully provided in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

5.3 Unlisted Term Finance Certificates and Sukuks

Name of Security	Note	As at 01 July 2011	Purchases During the Year	Sold During the Year	Matured During the Year	As at 30 June 2012	Cost as at 30 June 2012	Market Value as at 30 June 2012	Unrealised Gain/(Loss)/ (Impairment)	Rate of Return per Annum	Percentage of Net Assets on the Basis of Carrying Value	Percentage of Total Investments on the Basis of Carrying Value
		.... Number of Shares			....		....	Rupees	....			
Term Finance Certificate												
Financial Services Grays Leasing Company Limited (04-07-08)		9,900	-	-	(9,900)	-	-	-	-	K6+2.5	0.00	0.00
Cable & Electric Goods New Allied Electronics Industries Limited (15-05-07)	5.3.1	11,532	-	-	-	11,532	25,433,190	-	(25,433,190)	K3+2.75	0.00	0.00
Hotels Avari Hotel Limited. (30-04-09)		5,573	-	-	-	5,573	19,275,643	23,028,062	3,752,419	K12+2.50	5.80	6.03
Information Technology Trakker Pakistan Limited. (15-09-07)		200	-	-	(200)	-	-	-	-	K6+3.5	0.00	0.00
							44,708,833	23,028,062	(21,680,771)		5.80	6.03
Sukuks												
Financial Services Invest Capital Investment Bank Limited (12-05-08)	5.3.2	4,000	-	-	-	4,000	15,569,441	-	(15,569,441)	K6+1.9	0.00	0.00
Construction and Material Kohat Cement Company Limited (20-12-07)	5.3.3	6,335	-	-	-	6,335	9,565,850	7,174,388	(2,391,462)	K3+1.8	1.81	1.88
Real Estate Development Eden Housing Limited (31-03-08)	5.3.4	2,933	-	-	-	2,933	8,524,030	3,409,612	(5,114,418)	K3+2.5	0.86	0.89
							33,659,321	10,584,000	(23,075,321)		2.67	2.77
Total Unquoted Debt Securities							78,368,154	33,612,062	(44,756,092)		8.47	8.80
Impairment Loss									46,117,049			
									1,360,957			

5.3.1 New Allied Electronics Industries Limited defaulted on its payment of principal and markup due on 25 December 2008. Consequently, the security was classified as non-performing by MUFAP on 09 January 2009 and accrual on the same was suspended. Accordingly, a provision amounting to Rs. 25.433 million has been created based on the number of overdue days in line with the requirements of SECP's circular No. 1 of 2009.

5.3.2 Invest Capital Investment Bank Limited (ICIBL) defaulted on its payment of principal and markup due on 12 August 2010. Consequently, the security was classified as non-performing by MUFAP on 26 August 2010 and accrual on the same was suspended. Accordingly, a provision amounting to Rs. 15.569 million has been created based on the number of overdue days in line with the requirements of SECP's circular No. 1 of 2009. ICIBL has offered following options to either settle or restructure the payment of outstanding amount, however, a decision by the sukuk holders is pending in this regard.

5.3.3 During the period, the Sukuk issued by Kohat Cement Company Limited was restructured. As per the revised terms:

- The maturity date of the Sukuk has been increased to September 2016 from Dec 2015. All current markup will go into frozen account from September 2011 to June 2012

- From September 2012 current markup will be paid on the respective due dates

- From September 2014 payment of frozen markup will be started. All the accumulated balance in the frozen account will be paid off till June 2016.

- The current markup rate will be 3 months KIBOR plus 1.5%.

The Company has been regular on its payments as per the restructuring agreement. Furthermore, during the period the issuer by exercising Call option for early payment of outstanding principal amount made part payment representing 30% of principal amount due.

5.3.4 Eden Housing defaulted on its payment of principal and markup due on 21 April 2011. Consequently, the security was classified as non-performing by MUFAP on 06 May 2011 and accrual on the same was suspended. Accordingly a provision amounting to Rs. 5.114 million has been created based on the number of overdue days in line with the requirements of SECP's circular No. 1 of 2009.

5.4 Certificate of Investments

Name of Security	Note	As at 01 July 2011	Purchased/ Acquired During the Year	Sold During the Year	Received During the Year	As at 30 June 2012	Impairment Loss	Carrying Value	Date of Maturity	Percentage of Net Assets on the Basis of Carrying Value	Percentage of Total Investments on the Basis of Carrying Value
			Rupees								
Trust Investment Bank Limited	5.4.1	11,041,359	-	-	(3,000,000)	8,041,359	(8,041,359)	-	March 11, 2009	0.00	0.00

5.4.1 Trust Investment Bank Limited (TIBL) defaulted in repayment of scheduled amounts in August 2010. A request for restructuring was made by TIBL, however the management of the Fund did not agree to the same. An amount of Rs. 3 million was received during the year and has been recorded as a capital gain. Investment committee, on the basis of prudence, has decided to reverse the provision gradually upon receipt of cash.

5.5 Certificate of Musharika

Name of Security	Note	As at 01 July 2011	Acquired/ Purchased During the Year	Sold During the Year	Received During the Year	As at 30 June 2012	Impairment Loss	Carrying Value	Date of Maturity	Percentage of Net Assets on the Basis of Carrying Value	Percentage of Total Investments on the Basis of Carrying Value
			Rupees								
Invest Capital Investment Bank limited	5.5.1	41,250,000	-	-	(9,000,000)	32,250,000	(6,024,645)	26,225,355	January 10, 2016	6.60	6.86

5.5.1 On December 31, 2010 the Management Company entered into an agreement for repayment of this COM in two monthly installments of Rs. 2.5 million each and 60 equal monthly installment of Rs. 0.75 million each from February 2011. Profit on this investment has been waived effective from August 29, 2010.

5.6 Details of Non Compliant Investments Under SECP Circular No. 16 dated July 07, 2010 are as follows:

Circular no. 16 dated 07 July 2010 issued by the SECP requires details of investments not compliant with the investment criteria specified by the category assigned to open-end collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in these condensed interim financial statements of the Fund. Details of such non-compliant investments are given below:

Name of Non-Compliant Investment	Type of Investment	Value of Investment Before Provision	Provision Held	Value of Investment After Provision	Percentage of Net Assets	Percentage of Gross Assets	Remarks
Invest Capital Investment Bank Limited	COM	32,250,000	6,024,645	26,225,355	6.60	6.52	Non-Compliant Investment due to credit rating less than required as per SECP Circular No.7 of 2009.
Invest Capital Investment Bank Limited (05-09-07)	TFC	30,000,000	30,000,000	-	-	-	
Invest Capital Investment Bank Limited (12-05-08)	Sukuk	15,569,441	15,569,441	-	-	-	
Escort Investment Bank Limited (15-03-07)	TFC	460,475	-	460,475	0.12	0.11	
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	-	-	
New Allied Electronics Industries Limited (15-May-07)	TFC	25,433,190	25,433,190	-	-	-	
Trust Investment Bank Limited	COI	8,041,359	8,041,359	-	-	-	
Pace Pakistan Limited (15-Feb-08)	TFC	9,089,080	9,089,080	-	-	-	
Kohat Cement Company Limited) (20-Dec-07)	Sukuk	7,174,388	-	7,174,388	1.81	1.78	
Eden Housing Limited (Note 5.5) (31-Mar-08)	Sukuk	8,524,030	5,114,418	3,409,612	0.86	0.85	

At the time of purchase/investment, the TFCs, Sukuks and COM were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in NBFC Regulations or NBFC Rules. However, subsequently they were defaulted or downgraded to non investment grade or became non-compliant with investment restrictions parameters laid down in NBFC Regulations or NBFC Rules and with the requirements of Constitutive Documents.

5.7 Break up of impairment (loss)/reversal of impairment loss on investments classified as non-performing are as follows:

	2012 Rupees	2011 Rupees
Listed/Unlisted Term Finance Certificates and Sukuks		
Invest Capital Investment Bank Limited - TFCs	(16,500,000)	(13,500,000)
Invest Capital Investment Bank Limited - Sukkuk	(8,563,193)	(7,006,248)
Pace Pakistan Limited - TFC	(9,089,080)	-
Eden Housing Limited - Sukkuk	(1,923,790)	(3,190,628)
Kohat Cement Company Limited - TFCs	10,157,819	(2,508,305)
	(25,918,244)	(26,205,181)
Placements		
Invest Capital Investment Bank Limited - COM	5,144,615	(11,169,260)
Total	(20,773,629)	(37,374,441)

5.8 Net unrealized (diminution)/appreciation in the value of investments classified as 'available for sale'

	2012 Rupees	2011 Rupees
Market Value of Securities	77,984,871	150,372,039
Less: Cost of Securities	327,003,157	379,250,856
	(249,018,286)	(228,878,817)
Net Impairment at the Beginning of the Year	231,498,503	194,124,062
Impairment Charged/(Reversed) During the Year	20,773,629	37,374,441
Realised on Redemption	(3,000,000)	-
Net Impairment at the End of the Year	249,272,132	231,498,503
Net Unrealized Appreciation in the Market Value of Securities Classified as Fair Value through Profit or Loss at the End of the Year	253,846	2,619,686
Less: Net Unrealized Appreciation/(Diminution) in the Market Value of Securities Classified as fair Value through Profit or Loss at the Beginning of the Year	2,619,686	(11,766,512)
Net Unrealized Diminution in the Market Value During the Year	(2,365,840)	14,386,198

6. MARK-UP/ INTEREST RECEIVABLE

	2012	2011
On		
- Bank Deposits	448,944	-
- Investments		
Term Finance Certificates and Sukuks - Net	6,991,337	6,233,475
	7,440,281	6,233,475

	2012 Rupees	2011 Rupees

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2012 Rupees	2011 Rupees
Security Deposit with Central Depository Company of Pakistan Limited	100,000	100,000
Receivable against Sale of Investments	-	55,471,133
	100,000	55,571,133

8. PAYABLE TO MANAGEMENT COMPANY

The Regulations allow remuneration to Dawood Capital Management Limited - the management company for services rendered to the Fund up to a maximum of 3% per annum of the average annual net assets of the Fund for the first five years and 2% per annum of the average annual net assets thereafter. The Management Company is currently charging 1% per annum of the average annual net assets value of the Fund.

8.1 During the current year, an amount of Rs. 732,819 (30 June 2011: Rs Nil) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO TRUSTEE

MCB Financial Services Limited - the Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provision of the Trust Deed at the following rates:

On net assets up to Rs. 1,000 million	Rs. 0.6 million or 0.15% per annum of the net assets, whichever is higher
On net assets exceeding Rs. 1,000 million	Rs. 1.5 million plus 0.09% per annum of the amount exceeding Rs. 1,000 million

10. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of Regulation 62 the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to pay annual fee to SECP, an amount equal to 0.075% of the average daily net assets of the Fund.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2012 Rupees	2011 Rupees
Accrued Expenses		693,700	693,426
Other Liabilities		7,110	102,380
Workers' Welfare Fund	11.1	3,467,561	2,891,353
		4,168,371	3,687,159

11.1 WORKER'S WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of Collective Investment Schemes (CISs) through their Trustee on the grounds that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed/sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law ibid".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law ibid. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During 2011, the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. Further, during the year, based on such decision of Honourable High Court, the Commissioner of Inland Revenue (Appeals - II) have declared the WWF demand raised by tax authorities against certain mutual funds managed by Asset Management Companies as illegal and without jurisdiction. The management company believes that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh. Further, based on the opinion from legal counsel of Mutual Funds Association of Pakistan (MUFAP), there are good chances for the Constitutional Petition to be decided in favour of the mutual funds and accordingly mutual funds need not to make a provision regarding WWF in their financial statements.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 3.468 million up to 30 June 2012. If the same were not made, the NAV per unit would be higher by Re. 0.67 per unit and return of the Fund would be higher by 0.13% for the year.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2012.

13. MARK-UP/INTEREST INCOME

	2012 Rupees	2011 Rupees
Return on:		
- PLS Accounts	2,012,832	3,008,376
- Investments		
Term Finance Certificates and Sukuk Certificates	13,439,444	33,340,479
Placements	569,986	7,960,431
Government Securities	38,955,873	10,029,216
	54,978,135	54,338,502

14. AUDITOR'S REMUNERATION

Annual Audit	200,000	180,000
Half Yearly Review	90,000	85,000
Review of Statement of Compliance with the Code of Corporate Governance	25,000	25,000
Other Certification	20,000	-
Out of Pocket Expenses	28,500	28,500
	363,500	318,500

15. TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Related parties/connected persons comprise of the following as at 30 June 2012:

Dawood Capital Management Limited - Management Company
MCB Financial Services Limited
Directors and officers of the Management Company.

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively. Details of transactions with related parties and balances with them at the year end are as follows:

The transactions with related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

	For the Year Ended 30 June 2012		For the Year Ended 30 June 2011	
	(Units)	(Rupees)	(Units)	(Rupees)
Units Sold to:				
- Directors and Executives of the Management Company	11,255	850,000	50,135	3,968,000
Units Redeemed by:				
- Directors and Executives of the Management Company	85,414	6,813,556	-	-
Units Held by:				
Dawood Capital Management Ltd.	198,561	15,242,197	172,312	14,468,228
The Bank of Khyber	4,056,496	311,390,566	3,520,239	295,578,643

	2012 Rupees	2011 Rupees
Balances with Related Parties:		
Dawood Capital Management Limited		
Balance as at 01 July	380,271	293,429
Remuneration for the Year Including Sales Tax	5,312,940	3,870,854
Remuneration Paid During the Year	(5,323,239)	(3,784,012)
Balances as at 30 June	369,972	380,271
MCB Financial Services Limited - Trustee		
Balance as at 01 July	-	-
Remuneration for the Year	687,029	-
Remuneration Paid During the Year	(639,188)	-
Balances as at 30 June	47,841	-

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

16.1 The Fund's objective in managing risks is the creation and protection of Unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management company, Fund's constitutive documents and the regulations and directives of the SECP.

Financial risk in fund is the possibility that the outcome of an action or event could bring up adverse impacts. Such outcomes could either result in a direct loss of earnings/net assets or may result in imposition of constraints on fund's ability to meet its business objectives. Such constraints pose a risk as these could hinder a fund's ability to conduct its ongoing business or to take benefit of opportunities to enhance its business.

These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the management company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk (which includes interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Regardless of the sophistication of measures, fund often distinguish between expected and unexpected losses. Expected losses are those that the management knows with reasonable certainty will occur (e.g. the expected decline in prices) and are typically reserved for in some manner. Unexpected losses are those associated with unforeseen events.

Risk management activities broadly take place simultaneously at following different hierarchy levels:

a) Strategic Level: It encompasses risk management functions performed by senior management and BOD. It is concerned with the overall risk management of the organization starts with identifying of risk, planning to mitigate them, implementation of strategies and monitoring.

b) Macro Level: It encompasses risk management within a business area or across business lines. Generally the risk management activities performed by middle management or units devoted to risk reviews fall into this category.

c) Micro Level: It involves 'On-the-line' risk management where risks are actually created. This is the risk management activities performed by individuals who take risk on organization's behalf such as front office and transactions origination functions.

Risk management starts at the highest management level. Its responsibility rests with the board of directors. Senior management makes sure that the policies of risk management are ingrained in the organization's culture.

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets.

Concentrations of risk may arise if the Fund has a significant exposure in a single industry, or aggregate exposure in several industries that tend to move together. In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Fund Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

16.2 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, debt security prices and foreign exchange rates.

(i) Interest Rate Risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. As of 30 June 2012, the Fund is exposed to such risk in respect of bank balances, term deposits and investment in debt and Government securities. The bank balances are subject to interest rates as declared by the respective bank on periodic basis. Majority of the debt securities are subject to floating interest rates.

(ii) Price Risk

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Fund is exposed to changes in the fair values of investments as a result of changes in MUFAP Prices and PKRV rates.

(iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

The management company manages the above market risks through diversification of investment portfolio and placing limits on individual and aggregate exposures in accordance with the internal risk management policies.

Management of the fund estimates that 1% increase/(decrease) in the market interest rate/fair value, with all other factors remaining constant, would increase/(decrease) the fund's net assets by;

	Increase/(Decrease) in Basis Points	Sensitivity of Income Increase/(Decrease)	Sensitivity of Changes in Fair Value of Investments Increase/(Decrease)
		------------------------ (Rupees)	------------------------
2012	100	978,433	3,041,020
	(100)	(978,433)	(3,041,020)
2011	100	2,257,656	2,262,097
	(100)	(2,257,656)	(2,262,097)

The Fund's exposure to profit rate risk based on contractual repricing and maturity dates, whichever is earlier is as follows:

2012	0 to 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	More Than 5 Years	Non-Profit Bearing	Total
	Rupees						
Assets							
Bank Balances	12,596,909	-	-	-	-	-	12,596,909
Investments	304,101,982	-	-	51,759,516	-	26,225,355	382,086,853
Mark-Up/Interest Receivable	-	-	-	-	-	7,440,281	7,440,281
Deposits, Prepayments and Other Receivables	-	-	-	-	-	100,000	100,000
Sub-Total	316,698,891	-	-	51,759,516		33,765,636	402,224,043
Liabilities							
Payable to Management Company	-	-	-	-	-	369,972	369,972
Payable to Trustee	-	-	-	-	-	47,841	47,841
Accrued and Other Liabilities	-	-	-	-	-	4,168,371	4,168,371
Sub-Total	-	-	-	-	-	4,586,184	4,586,184
Total Interest Sensitivity Gap	316,698,891	-	-	51,759,516	-	29,179,452	397,637,859

2011	0 to 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	More Than 5 Years	Non-Profit Bearing	Total
	Rupees						
Assets							
Bank Balances	18,302,764	-	-	-	-	-	18,302,764
Investments	230,744,831	-	-	115,756,204	-	30,080,740	376,581,775
Mark-Up/Interest Receivable	-	-	-	-	-	6,233,475	6,233,475
Deposits, Prepayments and Other Receivables	-	-	-	-	-	55,571,133	55,571,133
Sub-Total	249,047,595	-	-	115,756,204	-	91,885,348	456,689,147
Liabilities							
Payable to Management Company	-	-	-	-	-	380,271	380,271
Payable to Trustee	-	-	-	-	-	204,078	204,078
Accrued and Other Liabilities	-	-	-	-	-	3,687,159	3,687,159
Sub-Total		-	-	-	-	4,271,508	4,271,508
Total Interest Sensitivity Gap	249,047,595	-	-	115,756,204	-	87,613,840	452,417,639

16.3 Liquidity Risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

In order to manage the Fund's overall liquidity, the Fund has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such request would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemption during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

2012	Not Later Than One Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	More Than 5 Years	Total
	Rupees					
Financial Assets						
Bank Balances	12,596,909	-	-	-	-	12,596,909
Investments	24,797,375	279,304,607	-	77,984,871	-	382,086,853
Mark-Up/Interest Receivable	1,717,375	14,645	2,326,740	3,381,521	-	7,440,281
Deposits, Prepayments and Other Receivables	100,000	-	-	-	-	100,000
Sub-Total	39,211,659	279,319,252	2,326,740	81,366,392	-	402,224,043
Financial Liabilities						
Payable to Management Company	-	369,972	-	-	-	369,972
Payable to Trustee	-	47,841	-	-	-	47,841
Accrued and Other Liabilities	700,810	-	-	-	-	700,810
Sub-Total	700,810	417,813	-	-	-	1,118,623
Liquidity Gap	38,510,849	278,901,439	2,326,740	81,366,392	-	401,105,420

2011	Not Later Than One Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	More Than 5 Years	Total
	Rupees					
Financial Assets						
Bank Balances	18,302,764	-	-	-	-	18,302,764
Investments	109,382,040	116,827,696	-	150,372,039	-	376,581,775
Mark-Up/Interest Receivable	3,217,723	410,016	2,605,736	-	-	6,233,475
Deposits, Prepayments and Other Receivables	55,571,133	-	-	-	-	55,571,133
Sub-Total	186,473,660	117,237,712	2,605,736	150,372,039	-	456,689,147
Financial Liabilities						
Payable to Management Company	-	380,271	-	-	-	380,271
Payable to Trustee	-	204,078	-	-	-	204,078
Accrued and Other Liabilities	795,806	-	-	-	-	795,806
Sub-Total	795,806	584,349	-	-	-	1,380,155
Liquidity Gap	185,677,854	116,653,363	2,605,736	150,372,039	-	455,308,992

16.4 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation. The Fund's credit risk is primarily attributable to its investment in term finance certificates, certificates of investment, term deposits and balances with banks. The credit risk on liquid fund is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies, offering document and investment guidelines (approved by Investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a approved rating agency. Due to defaults made by the issuers of TFCs the rating of the instrument have down graded from the investment grade, the fund has not liquidated its investments as the management expects the counterparties will recover their rating. The table below analyses the Fund's maximum exposure to credit risk:

	2012 Rupees	2011 Rupees
Investments (Other than Government Securities)	77,984,871	150,372,039
Cash and Cash Equivalents	12,596,909	18,302,764
Mark-Up/Interest Receivable	7,440,281	6,233,475
Deposits, Prepayments and Other Receivables	100,000	55,571,133

The analysis below summaries the credit quality of the Fund's debt portfolio:

Debt Securities/ Entity Rating by Category

	30 June 2012		30 June 2011	
	Rupees	%	Rupees	%
AAA	-	-	-	-
AA- to AA+	-	-	-	-
A- to A+	23,028,063	44.49	26,248,424	21.82
BBB to BBB+	-	-	-	-
Non Investment grade	28,731,453	55.51	94,042,875	78.28
Total	51,759,516		120,291,299	

The analysis below summarizes the credit quality of the Fund's portfolio in deposits/placement with banks:

	30 June 2012		30 June 2011	
	Rupees	%	Rupees	%
AAA	23,402	0.06	18,302,764	37.83
AA- to AA+	12,573,507	32.39	-	
A- to A+	-	-		
BBB to BBB+	-	-		
Non Investment grade	26,225,355	67.55	30,080,740	62.27
Total	38,822,264		48,383,504	

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's policy is to maintain a diversified portfolio of financial assets and to enter into transactions with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The concentration in the banks has been due to illiquidity in the TFCs market and the defaults made by the issuers of the instruments. However the management expects these counterparties will recover their rating and consequently their liquidity in the market. The table below analyses the Fund's concentration of credit risk by industrial distribution;

Sector	Exposure on the basis of net investment			
	30 June 2012		30 June 2011	
	Rupees	%	Rupees	%
Financial Services	44,372,809	11.61	87,754,087	23.30
Hotels	23,028,062	6.03	23,043,085	6.12
Information Technology	-	-	2,472,595	0.66
Construction and Material	7,174,388	1.88	20,440,232	5.43
Real estate Investment and Services	-	-	9,403,856	2.50
Real Estate Development	3,409,612	0.89	7,258,184	1.93
Government Securities	304,101,982	79.59	226,209,736	60.07
	382,086,853	100.00	376,581,775	100.00

16.5 Capital Management

The Fund's objective when managing unit holder's funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market's conditions. The capital structure depends on the issuance and redemption of units.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	June 30, 2012			June 30, 2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees					
At Fair Value through						
Profit or Loss		-	-			
- Government Securities	-	304,101,983	-		226,209,736	
Available for Sale						
- Term Finance Certificates						
Sukuks		48,349,904	3,409,612		67,457,690	52,761,609
- Placements			26,225,355	-		30,080,740
	-	352,451,887	29,634,967		293,667,426	82,842,349

18. SUBSEQUENT EVENT

The Board of Directors of the Management Company have approved the distribution of bonus units of Rs. 4.95 per unit to the unit holders of the fund for the year ended 30 June 2012 amounting to Rs. 25,619,054/-

19. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by The Board of Directors of the management company on September 17, 2012.

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top five brokers, members of the Investment Committee, fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company has been disclosed in Annexure I to the financial statements.

21. GENERAL

Figures have been rounded off to nearest rupee.

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer | Director | Director

SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (I) AND (J)
OF THE FIFTH SCHEDULE TO THE NBFC REGULATIONS

Annexure - I

(i) UNIT HOLDING PATTERN OF THE FUND

Category	Number of unit holders	Number of units held	Amount	% of Total
Individuals	235	288,133	22,118,097	5.57
Associated Companies & Directors	2	283,773	21,783,388	5.48
Insurance Companies	2	31,391	2,409,681	0.61
Banks/DFIs	2	4,056,521	311,392,449	78.38
NBFC	1	11,197	859,520	0.22
Retirement Funds	11	269,221	20,666,326	5.20
Others	9	235,332	18,064,891	4.55
	262	5,175,568	397,294,352	100

(ii) LIST OF TOP BROKERS BY PERCENT OF THE COMMISSION PAID

S.No.	Name	Percentage of commission paid
1	KASB Securities Limited	47.14%
2	JS Global Capital Limited	52.86%

During the year the Fund has carried out transactions only through above brokers.

(iii) THE MEMBERS OF THE INVESTMENT COMMITTEE

Name	Designation	Qualification	Experience
Ms. Tara Uzra Dawood	Chief Executive Officer	Doctorate of Juridical Science	9 years
Mr. Syed Kabiruddin	Chief Financial Officer and Company Secretary	ACMA , ACIS	21 years
Mr. Muhammad Abbas	Fund Manager Fixed Income/ Manager Finance	MBA Finance	13 years
Mr. Muhammad Aslam	Assistant Fund Manager	B.com	26 years
Mr. Zeeshan Swalaheen	Research Associate	M.A. Economic and Finance	03 years

(iv) MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Following are the names of directors who attended the meetings of the board of directors during the year along with the dates of the meetings.

	Meeting held on				
Name of Director	06 July 2011	September 07 2011	October 20 2011	21 February 2012	28 April 2012
Ms. Tara Uzra Dawood	3	3	3	3	3
Mr. Gul Nawaz	3	3	3	3	3
Syed Shabahat Hussain	3	3	3	3	3
Mr. Masood A. S. Wahedna	3	3	x	3	x
Mr. Nizamuddin Feroz	x	3	3	X	3
Mrs. Shafqat Sultana	x	x	x	3	x

For Dawood Capital Management Limited
(Management Company)

Chief Executive Officer Director Director

BOOK POST

If undelivered, please return to:
DAWOOD INCOME FUND
5B Lakson Square Building #1,
Sarwar Shaheed Road, Karachi 74200.

Managed by Dawood Capital Management Ltd.

A company sponsored by First Dawood Group

Trustee: MCB Financial Services Limited

DAWOOD
5B Lakson Square Building #1, Sarwar Shaheed Road, Karachi 74200
Tel: (92-21) 3562-1001-7 Fax: (92-21) 3562-1010
Email: dcm@edawood.com
Website: www.edawood.com

AMP Tel: 32737531 Cell : 0300-2174970