



Dawood Income Fund

Fund Manager Report

September'18

Investment 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 Manager's Comments

During the month the fund size decreased from PKR 413.88 mn to PKR 376.87 mn. The Fund made monthly annualize return of 5.56% for the month ended September 30, 2018 as compared to its benchmark return of 8.06% during the same period.

Fund Statistics		Asset Allocation (% of Total Assets)		
Name of Fund	Dawood Income Fund	Assets	Sep-18	Aug-18
Type	Open End	Government Securities	64.93%	70.66%
Category	Income	TFC / Sukuk	16.04%	14.63%
Net Assets	PKR 376.87 million	Islamic Commercial Paper	10.41%	9.50%
Net Assets Value per unit	PKR 81.6543	Bank Balances	8.23%	4.83%
Wt. average Time to maturity	1.05 years	Others	0.39%	0.38%
Benchmark	Avg. 6 Month KIBOR	Asset Allocation (Credit Quality)		
Trustee & Custodian	MCB Financial Services Limited	Credit Quality	Sep-18	Aug-18
Auditor	Grant Thornton Anjum Rahman	AAA	64.93%	70.66%
Registrar	M/s F.D. Registrar Services (SMC-Pvt) Limited	AA	18.21%	16.61%
Launch Date	19-May-2003	AA-	0.22%	0.12%
Listing	PSX	A+	16.25%	12.23%
Duration	Perpetual	Unrated	0.39%	0.38%
Management Fee	1.50% per annum	Fund Returns		
Total Expense Ratio*	2.47%* p.a	Periods	Returns	Benchmark
Sales Load	1% Front End	September 2018	5.56%	8.10%
Pricing Mechanism	Forward	FYTD 2019	9.29%	7.82%
Leverage	Nil	Rolling 12 Months September 2018	11.32%	6.63%
Risk Profile	Medium	FY 2018	11.89%	6.22%
AMC Rating	AM3 (29 May 2018)	FY 2017	16.29%	5.98%
Stability Rating	AA-(f) by PACRA (30 June 2018)	FY 2016	22.61%	6.50%
Subscription	PKR. 5,000/-	FY 2015	6.41%	9.00%
		FY 2014	6.18%	9.80%
		last 10 years	59.57%	9.77%

* This includes 0.48% representing government levy, SWWF and SECP fee. (Annualized)

TOP TEN DEBT SECURITIES		
INVESTEE COMPANY	Type	% of Total Assets
K-Electric	Islamic Commercial Paper	10.41%
Dawood Hercules Corporation Limited	SUKUK	7.80%
Dubai Islamic Bank Limited	SUKUK	6.89%
TPL Corp Ltd. (Formerly: TPL Trakker Ltd.)	SUKUK	1.35%

Returns are computed on the basis of NAV to NAV with dividend reinvested

Investment Committee	
Tara Uzra Dawood	Chief Executive Officer
Tauqir Shamshad	COO / CIO / Fund Manager
Talal Ismail Pasha	Chief Financial Officer
Muhammad Abbas	AVP Finance
Shaheryar Ali	Risk Officer

Details of Non-Compliant Investment						
Name of Investment	Type	Value before Provision	Provision (if any)	Value after Provision	% of Net Assets	% of Gross Assets
Dewan Cement Limited	TFC	92,153,358	92,153,358	-	0.00%	0.00%
Eden Housing Ltd.	Sukuk	2,887,171	2,887,171	-	0.00%	0.00%
New Allied Electronics Industires Limited	TFC	25,433,190	25,433,190	-	0.00%	0.00%
K-Electric	Islamic Commercial Paper	40,000,000	-	40,000,000	10.61%	10.41%

Registered Address

786 Investments Limited
 G3, Ground Floor BRR Tower, Hassan Ali Street, Off I. I. Chundrigar Road, Karachi 74000, Pakistan
 UAN: (92 21) 111-DAWOOD (329663) Tel: (92 21) 32603751-54
 Email: info@786investments.com
 URL: www.786investments.com

Cut-off Timings

Business / Dealing Days	Business Hours	Cut-off Timings
Monday - Thursday	9:00 am - 6:00 pm	9:00 am - 3:30 pm
Friday	9:00 am - 6:00 pm	9:00 am - 4:30 pm

Other Information

The calculation of performance does not include cost of Front End Load.
 This return includes reversal of provisioning.

The Scheme holds certain Non-Compliant investments. Before making any investment decision, investors should review the latest monthly Fund Manager Report and Financial Statements.

DIF has provided annualize return 9.29% due to agreement executed between the Management Company and Dewan Cement Ltd. for recovery of fully provided TFC of Dewan Cement Ltd.

SWWF Disclosure

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 2.43 million, Had that not been provided, the NAV per unit/return for the period would have been higher by Rs. 0.53 / 0.65%. For details investors are advised to read the Note 10.2 of the latest Financial Statements of the Scheme for the period ended June 30, 2018.

Disclaimer

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand investment policies and the risks involved.

(MUFAP's recommended format)