



# Dawood Income Fund

## Fund Manager Report

October'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 increased from PKR 376.87 mn to PKR 455.59mn. The Fund made monthly annualize return of 17% for the month ended October 31, 2018 as compared to its benchmark return of 9.29% during the same period.

Fund Statistics		Asset Allocation (% of Total Assets)		
<b>Name of Fund</b>	Dawood Income Fund	<b>Assets</b>	<b>Oct-18</b>	<b>Sep-18</b>
<b>Type</b>	Open End	<b>Government Securities</b>	68.20%	64.93%
<b>Category</b>	Income	<b>TFC / Sukuk</b>	16.60%	16.04%
<b>Net Assets</b>	PKR 455.59 million	<b>Islamic Commercial Paper</b>	8.65%	10.41%
<b>Net Assets Value per unit</b>	PKR 82.8331	<b>Bank Balances</b>	6.06%	8.23%
<b>Wt. average Time to maturity</b>	1.15 years	<b>Others</b>	0.49%	0.39%
<b>Benchmark</b>	Avg. 6 Month KIBOR	<b>Asset Allocation (Credit Quality)</b>		
<b>Trustee &amp; Custodian</b>	MCB Financial Services Limited	<b>Credit Quality</b>	<b>Oct-18</b>	<b>Sep-18</b>
<b>Auditor</b>	Grant Thornton Anjum Rahman	<b>AAA</b>	68.20%	64.93%
<b>Registrar</b>	M/s F.D. Registrar Services (SMC-Pvt) Limited	<b>AA</b>	15.14%	18.21%
<b>Launch Date</b>	19-May-2003	<b>AA-</b>	0.04%	0.22%
<b>Listing</b>	PSX	<b>A+</b>	16.12%	16.25%
<b>Duration</b>	Perpetual	<b>Unrated</b>	0.50%	0.39%
<b>Management Fee</b>	1.50% per annum	<b>Fund Returns</b>		
<b>Total Expense Ratio*</b>	2.51%* p.a	<b>Periods</b>	<b>Returns</b>	<b>Benchmark</b>
<b>Sales Load</b>	1% Front End	<b>October 2018</b>	17.00%	9.29%
<b>Pricing Mechanism</b>	Forward	<b>FYTD 2019</b>	11.33%	8.22%
<b>Leverage</b>	Nil	<b>Rolling 12 Months October 2018</b>	8.69%	6.93%
<b>Risk Profile</b>	Medium	<b>FY 2018</b>	11.89%	6.22%
<b>AMC Rating</b>	AM3 (29 May 2018)	<b>FY 2017</b>	16.29%	5.98%
<b>Stability Rating</b>	AA-(f) by PACRA (30 June 2018)	<b>FY 2016</b>	22.61%	6.50%
<b>Subscription</b>	PKR. 5,000/-	<b>FY 2015</b>	6.41%	9.00%
		<b>FY 2014</b>	6.18%	9.80%
		<b>last 10 years</b>	59.57%	9.77%

\* This includes 0.52% representing government levy, SWWF and SECP fee. (Annualized)

TOP TEN DEBT SECURITIES			Investment Committee	
<b>INVESTEES COMPANY</b>	<b>Type</b>	<b>% of Total Assets</b>	<b>Tara Uzra Dawood</b>	Chief Executive Officer
K-Electric	Islamic Commercial Paper	8.65%	<b>Tauqir Shamshad</b>	COO / CIO / Fund Manager
Dawood Hercules Corporation Limited	SUKUK	6.49%	<b>Talal Ismail Pasha</b>	Chief Financial Officer
Dubai Islamic Bank Limited	SUKUK	5.73%	<b>Muhammad Abbas</b>	AVP Finance
Agha Steel Industries Limited	SUKUK	3.25%	<b>Shaheryar Ali</b>	Risk Officer
TPL Corp Ltd. (Formerly: TPL Trakker Ltd.)	SUKUK	1.13%		

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

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	87,964,569	87,964,569	-	0.00%	0.00%
Eden Housing Ltd.	Sukuk	2,887,171	2,887,171	-	0.00%	0.00%
New Allied Electronics Industries Limited	TFC	25,433,190	25,433,190	-	0.00%	0.00%

Registered Address	Cut-off Timings		
<b>786 Investments Limited</b>	<b>Business / Dealing Days</b>	<b>Business Hours</b>	<b>Cut-off Timings</b>
G3, Ground Floor BRR Tower, Hassan Ali Street, Off I. I. Chundrigar Road, Karachi 74000, Pakistan	<b>Monday - Thursday</b>	9:00 am - 6:00 pm	9:00 am - 3:30 pm
UAN: (92 21) 111-DAWOOD (329663) Tel: (92 21) 32603751-54	<b>Friday</b>	9:00 am - 6:00 pm	9:00 am - 4:30 pm
Email: info@786investments.com			
URL: www.786investments.com			

Other Information	SWWF Disclosure
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.	The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 2.56 million, Had that not been provided, the NAV per unit/return for the period would have been higher by Rs. 0.47 / 0.57%. For details investors are advised to read the Note 9.1 of the latest Financial Statements of the Scheme for the period ended September 30, 2018.

DIF has provided annualize return 11.33 % due to agreement executed between the Management Company and Dewan Cement Ltd. for recovery of fully provided TFC of Dewan Cement Ltd.

### 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)