



786 Smart Fund (Formerly Dawood Income Fund)

Fund Manager Report

August '19

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 435.6 mn to PKR 411.26 mn. The Fund made monthly annualized return of 9.84% for the month ended August 31, 2019 as compared to its benchmark return of 13.94% during the same period.

Fund Statistics		Asset Allocation (% of Total Assets)		
Name of Fund	Dawood Income Fund	Assets	Aug-19	Jul-19
Type	Open End	TFC / Sukuk	27.81%	26.26%
Category	Income	Bank Balances	70.64%	72.52%
Net Assets	PKR 411.26 million	Others	1.55%	1.22%
Net Assets Value per unit	PKR 81.6918	Asset Allocation (Credit Quality)		
Wt. average Time to maturity	0.98 years	Credit Quality	Aug-19	Jul-19
Benchmark	Avg. 6 Month KIBOR	AA	7.13%	6.70%
Trustee & Custodian	MCB Financial Services Limited	AA-	0.18%	0.29%
Auditor	Grant Thornton Anjum Rahman	A+	81.59%	82.77%
Registrar	M/s F.D. Registrar Services (SMC-Pvt) Limited	A1+	9.54%	9.02%
Launch Date	19-May-2003	Unrated	1.56%	1.22%
Listing	PSX	Fund Returns		
Duration	Perpetual	Periods	Returns	Benchmark
Management Fee	1.50% per annum	August 2019	9.84%	13.94%
Total Expense Ratio*	2.41%* p.a	FYTD 2020	9.07%	13.66%
Sales Load	1% Front End	Rolling 12 Months August 2019	10.63%	11.07%
Pricing Mechanism	Forward	FY 2019	8.78%	12.93%
Leverage	Nil	FY 2018	11.89%	6.22%
Risk Profile	Medium	FY 2017	16.29%	5.98%
AMC Rating	AM3 (28 June 2019)	FY 2016	22.61%	6.50%
Stability Rating	AA-(f) by PACRA (30 April 2019)	FY 2015	6.41%	9.00%
Subscription	PKR. 5,000/-	FY 2014	6.18%	9.80%
		last 10 years	59.57%	9.77%

* This includes 0.43% representing government levy, SWWF and SECP fee. (Annualized)

TOP TEN DEBT SECURITIES		
INVESTEES COMPANY	Type	% of Total Assets
The Hub Power Company Limited	SUKUK	9.54%
Dawood Hercules Corporation Limited	SUKUK	7.13%
Dubai Islamic Bank Limited	SUKUK	6.32%
Agha Steel Industries Limited	SUKUK	3.58%
TPL Corp Ltd. (Formerly: TPL Trakker Ltd.)	SUKUK	1.25%

Investment Committee	
Tara Uzra Dawood	Chief Executive Officer
Talal Ismail Pasha	Chief Financial Officer
Muhammad Abbas	AVP Finance

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	79,586,991	79,586,991	-	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
786 Investments Limited
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Cut-off Timings		
Business / Dealing Days	Business Hours	Cut-off Timings
Monday - Thursday	09:00 am - 6:00 pm	9:00 am - 3:00 pm
Friday	09:00 am - 6:00 pm	9:00 am - 3:00 pm

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

SWWF Disclosure

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. 3.41 million. Had that not been provided, the NAV per unit/return for the period would have been higher by Rs. 0.68 / 0.83%. For details investors are advised to read the Note 10.2 of the latest Financial Statements of the Scheme for the period ended March 31, 2019.

DIF has provided annualize return 9.07 % 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)