



# 786 Smart Fund (Formerly Dawood Income Fund)

## Fund Manager Report

September '19

### Investment Objective

To provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking in to account liquidity considerations.

### Fund Manager's Comments

During the month, the fund size decreased from PKR 411.26 mn to PKR 387.87 mn. The Fund made monthly annualized return of 22.31% for the month ended September 30, 2019 as compared to its benchmark return of 6.09% during the same period.

Fund Statistics	
Name of Fund	786 Smart Fund (Formerly Dawood Income Fund)
Type	Open End
Category	Shariah Compliant Income Scheme
Net Assets	PKR 387.87 million
Net Assets Value per unit	PKR 83.1898
Wt. average Time to maturity	0.98 years
Benchmark	Six Month average deposit rates of three (3) A rated schedules islamic banks or Islamic windows of conventional banks as selected by MUFAP
Trustee & Custodian	MCB Financial Services Limited
Auditor	Grant Thornton Anjum Rahman
Registrar	M/s F.D. Registrar Services (SMC-Pvt) Limited
Launch Date	19-May-2003
Listing	PSX
Duration	Perpetual
Management Fee	1.50% per annum
Total Expense Ratio*	2.57%* p.a
Sales Load	1% Front End
Pricing Mechanism	Forward
Leverage	Nil
Risk Profile	Medium
AMC Rating	AM3 (28 June 2019)
Stability Rating	AA-(f) by PACRA (30 April 2019)
Subscription	PKR. 5,000/-

\* This includes 0.58% representing government levy, SWWF and SECP fee. (Annualized)

### TOP TEN DEBT SECURITIES

INVESTE COMPANY	Type	% of Total Assets
The Hub Power Company Limited	SUKUK	10.11%
Dawood Hercules Corporation Limited	SUKUK	6.80%
Dubai Islamic Bank Limited	SUKUK	6.69%
Agha Steel Industries Limited	SUKUK	3.79%
TPL Corp Ltd. (Formerly: TPL Trakker Ltd.)	SUKUK	1.32%

Asset Allocation (% of Total Assets)			
Assets	Sep-19	Aug-19	
TFC / Sukuk	28.71%	27.81%	
Bank Balances	70.01%	70.64%	
Others	1.28%	1.55%	

Asset Allocation (Credit Quality)			
Credit Quality	Sep-19	Aug-19	
AA	6.80%	7.13%	
AA-	0.10%	0.18%	
A+	81.71%	81.59%	
A1+	10.11%	9.54%	
Unrated	1.28%	1.56%	

Fund Returns			
Periods	Returns	Benchmark	
September 2019	22.31%	6.09%	
*FYTD 2020 (till July 2019)	13.59%	13.43%	
**FYTD 2020 (from Aug 2019 till date)	13.59%	5.90%	
*Rolling 12 Months Sep 19 (Till July 19)	11.94%	10.60%	
**Rolling 12Months Sep 19 (Aug19 toda)	11.94%	4.44%	
FY 2019	8.78%	12.93%	
FY 2018	11.89%	6.22%	
FY 2017	16.29%	5.98%	
FY 2016	22.61%	6.50%	
FY 2015	6.41%	9.00%	
FY 2014	6.18%	9.80%	
last 10 years	59.57%	9.77%	

Returns are computed on the basis of NAV to NAV with dividend reinvested  
\* As per Old benchmark \*\* As per New benchmark

### 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	75,398,202	75,398,202	-	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%

Exposure in Government Securities is not complied as per OD

### Registered Address

#### 786 Investments Limited

G3, Ground Floor BRR Tower, Hassan Ali Street, Off I. I. Chundrigar Road, Karachi 74000, Pakistan  
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Email: info@786investments.com  
URL: www.786investments.com

### Cut-off Timings

Business / Dealing Days	Business Hours	Cut-off Timings
Monday - Friday	09:00 am - 6:00 pm	9:00 am - 4:00 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 16.06 % 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. 3.56 million Had that not been provided, the NAV per unit/return for the period would have been higher by Rs. 0.76 / 0.91%. For details investors are advised to read the Note 15.2 of the latest Financial Statements of the Scheme for the period ended June 30, 2019.

### 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)