

## Fund Manager Report

### 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 increased from PKR 602.35 mn to PKR 603.36 mn. The Fund made monthly annualized return of 3.84% for the month ended September 30, 2020 as compared to its benchmark return of 3.86% during the same period.

Category of CIS	Risk Profiling	Risk of Principal Erosion
Shariah Compliant Income Scheme	Medium	Principal at Medium Risk

Fund Statistics		Asset Allocation (% of Total Assets)		
<b>Name of Fund</b>	786 Smart Fund	<b>Assets</b>	<b>Sep-20</b>	<b>Aug-20</b>
<b>Type</b>	Open End	<b>TFC / Sukuk</b>	13.13%	13.74%
<b>Category</b>	Shariah Compliant Income Scheme	<b>Bank Balances</b>	84.87%	84.27%
<b>Net Assets</b>	PKR 603.36 million	<b>Others</b>	2.00%	1.99%
<b>Net Assets Value per unit</b>	PKR 81.8948	<b>Asset Allocation (Credit Quality)</b>		
<b>Wt. average Time to maturity</b>	PKR 0.51	<b>Credit Quality</b>	<b>Sep-20</b>	<b>Aug-20</b>
<b>Benchmark</b>	Six Month average deposit rates of three (3) A rated schedules islamic banks or Islamic windows of conventional banks as selected by MUFAP	<b>AA</b>	69.66%	69.56%
<b>Trustee &amp; Custodian</b>	MCB Financial Services Limited	<b>AA-</b>	0.18%	0.18%
<b>Auditor</b>	Grant Thornton Anjum Rahman	<b>A+</b>	28.17%	28.27%
<b>Registrar</b>	M/s F.D. Registrar Services (SMC-Pvt) Limited	<b>Unrated</b>	1.99%	1.99%
<b>Launch Date</b>	19-May-2003	<b>Fund Returns</b>		
<b>Listing</b>	PSX	<b>Periods</b>	<b>Returns</b>	<b>Benchmark</b>
<b>Duration</b>	Perpetual	<b>July 2020</b>	3.84%	3.86%
<b>Management Fee</b>	1.50% per annum	<b>FYTD 2021</b>	4.38%	4.42%
<b>Total Expense Ratio*</b>	2.26%* p.a	<b>Rolling 12 Months September 2020</b>	8.44%	6.00%
<b>Sales Load</b>	1% Front End	<b>FY 2020</b>	10.93%	6.41%
<b>Pricing Mechanism</b>	Forward	<b>FY 2019</b>	8.78%	12.93%
<b>Leverage</b>	Nil	<b>FY 2018</b>	11.89%	6.22%
<b>Risk Profile</b>	Medium	<b>FY 2017</b>	16.29%	5.98%
<b>AMC Rating</b>	AM3 (27 Dec 2019)	<b>FY 2016</b>	22.61%	6.50%
<b>Stability Rating</b>	AA-(f) by PACRA (27 Apr 2020)	<b>FY 2015</b>	6.41%	9.00%
<b>Subscription</b>	PKR. 5,000/-	<b>FY 2014</b>	6.18%	9.80%
		<b>last 10 years</b>	59.57%	9.77%

\* This includes 0.34% representing government levy, SWWF and SECP fee. (Annualized)

### TOP TEN DEBT SECURITIES

INVESTE COMPANY	Type	% of Total Assets
Dawood Hercules Corporation Limited	SUKUK	4.56%
Dubai Islamic Bank Limited	SUKUK	4.28%
Agha Steel Industries Limited	SUKUK	2.31%
TPL Corp Ltd. (Formerly: TPL Trakker Ltd.)	SUKUK	1.81%
Fatima Fertilizer Company Ltd.	SUKUK	0.18%

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

### Investment Committee

<b>Tara Uzra Dawood</b>	Chief Executive Officer
<b>Noman Shakir</b>	Chief Financial Officer
<b>Muhammad Abbas</b>	Fund Manager

### 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	Pre-IPO Investment	71,209,413	71,209,413	-	0.00%	0.00%
New Allied Electronics Industries Limited	TFC	32,655,939	32,655,939	-	0.00%	0.00%
New Allied Electronics Industries Limited	Sukuk	5,027,500	5,027,500	-	0.00%	0.00%
Eden Housing Ltd.	Sukuk	2,887,171	2,887,171	-	0.00%	0.00%
Amtext Limited	Sukuk	22,500,000	22,500,000	-	0.00%	0.00%

### 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 - Friday	09:00 am - 6:30 pm	9:00 am - 4:00 pm

### Other Information

The calculation of performance does not include cost of Front End Load.

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

### SWWF Disclosure

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 7.61 million Had that not been provided, the NAV per unit/return for the period would have been higher by Rs. 1.03 / 1.26%. For details investors are advised to read the Note 14.2 of the latest Financial Statements of the Scheme for the period ended June 30, 2020.

### Dispute Resolution/Complaints Handling:

Investors may lodge their complaints to our Investor Services Department through any of the following options where our dedicated staff is available to provide assistance. Call at 92-21 111 329 663, Email at info@786investments.com or submit our website <https://www.786investments.com/investor-complaints/>. In case your complaint has not been redressed by us, you may lodge your complaint with SECP at the link <https://sdms.secp.gov.pk/>. However, please note that SECP will entertain only those complaints which were at first directly requested to be redressed by the Company and the Company has failed to redress the same. Further, the complaints that are not relevant to SECP's regulatory domain/competence shall not be entertained by the SECP.

### 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)