



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 550.41 mn to PKR 552.16 mn. The Fund made monthly annualized return of 9.30% for the month ended January 31, 2020 as compared to its benchmark return of 6.79% during the same period.

Fund Statistics		Asset Allocation ( % of Total Assets)		
Name of Fund	786 Smart Fund (Formerly Dawood Income Fund)	Assets	Jan-20	Dec-19
Type	Open End	TFC / Sukuk	15.78%	15.83%
Category	Shariah Compliant Income Scheme	Bank Balances	80.74%	80.37%
Net Assets	PKR 552.16 million	Others	3.48%	3.80%
Net Assets Value per unit	PKR 86.6675	Asset Allocation (Credit Quality)		
Wt. average Time to maturity	0.69 years	Credit Quality	Jan-20	Dec-19
Benchmark	Six Month average deposit rates of three (3) A rated schedules islamic banks or Islamic windows of conventional banks as selected by MUFAP	AA	6.29%	6.30%
Trustee & Custodian	MCB Financial Services Limited	AA+	0.07%	0.00%
Auditor	Grant Thornton Anjum Rahman	AA-	0.26%	0.27%
Registrar	M/s F.D. Registrar Services (SMC-Pvt) Limited	A+	89.90%	89.62%
Launch Date	19-May-2003	Unrated	3.48%	3.81%
Listing	PSX	Fund Returns		
Duration	Perpetual	Periods	Returns	Benchmark
Management Fee	1.50% per annum	January 2020	9.30%	6.79%
Total Expense Ratio*	2.53%* p.a	*FYTD 2020 (till July 2019)	8.51%	13.43%
Sales Load	1% Front End	**FYTD 2020 (from Aug 2019 tilldate)	13.16%	6.35%
Pricing Mechanism	Forward	*Rolling 12 Months Jan 20 (Till July 19)	12.48%	10.60%
Leverage	Nil	**Rolling 12Months Jan 20 (Aug19 todate)	12.48%	5.58%
Risk Profile	Medium	FY 2019	8.78%	12.93%
AMC Rating	AM3 (27 Dec 2019)	FY 2018	11.89%	6.22%
Stability Rating	AA-(f) by PACRA (28 Oct 2019)	FY 2017	16.29%	5.98%
Subscription	PKR. 5,000/-	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%

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

TOP TEN DEBT SECURITIES		
INVESTEES COMPANY	Type	% of Total Assets
Dawood Hercules Corporation Limited	SUKUK	6.29%
Dubai Islamic Bank Limited	SUKUK	4.56%
Agha Steel Industries Limited	SUKUK	2.63%
TPL Corp Ltd. (Formerly: TPL Trakker Ltd.)	SUKUK	2.04%
Fatima Fertilizer Company Ltd.	SUKUK	0.26%

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	
Noman Shakir	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	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%
Amtex 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
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Email: info@786investments.com
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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.

SWWF Disclosure

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 7.1 million Had that not been provided, the NAV per unit/return for the period would have been higher by Rs. 1.11 / 1.28%. For details investors are advised to read the Note 10.1 of the latest Financial Statements of the Scheme for the period ended September 30, 2019.

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

786SF has provided annualize return 13.16 % 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)