

## Fund Manager Report

### Investment Objective

To provide competitive, risk-adjusted returns to its investors, the portfolio invests in a diversified mix of long-, medium-, and short-term Shariah-compliant debt instruments, taking into account liquidity considerations.

### Fund Manager's Comments

During the month, the fund size decreased from PKR 1,194.14 million to PKR 719.21 million. The fund achieved a monthly, annualized return of 17.51% for the month ended September 30, 2023, outperforming its benchmark, which returned 7.87% during the same period.

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

Fund Statistics	
<b>Name of Fund</b>	786 Smart Fund
<b>Type</b>	Open End
<b>Category</b>	Shariah Compliant Income Scheme
<b>Net Assets</b>	PKR 719.21 million
<b>Net Assets Value per unit</b>	PKR 86.6471
<b>Wt. average Time to maturity</b>	2.38
<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>Trustee &amp; Custodian</b>	Digital Custodian Company Limited
<b>Auditor</b>	Reanda Haroon Zakaria & Company
<b>Registrar</b>	M/s F.D. Registrar Services (SMC-Pvt) Limited
<b>Launch Date</b>	19-May-2003
<b>Listing</b>	PSX
<b>Duration</b>	Perpetual
<b>Management Fee</b>	1.50% per annum
<b>Total Expense Ratio*</b>	Ytd 2.17%   Mtd 2.17%
<b>Sales Load</b>	1% Front End
<b>Pricing Mechanism</b>	Forward
<b>Leverage</b>	Nil
<b>Risk Profile</b>	Medium
<b>AMC Rating</b>	AM3 (23 Dec 2022)
<b>Stability Rating</b>	AA-(f) by PACRA (14 Oct 2022)
<b>Subscription</b>	PKR. 5,000/-

\* This includes Ytd | 0.29% and Mtd | 0.29% representing Government Levy and SECP Fee. (Annualized)

TOP TEN DEBT SECURITIES		
INVESTE COMPANYY	Type	% of Total Assets
Hub Power Company Limited	SUKUK	17.94%
K-Electric Company Ltd (23-11-22)	SUKUK	13.84%
Abhi Private Limited	SUKUK	12.32%
K-Electric Ltd - XIX	SUKUK	10.13%
Nishat Mills Limited	SUKUK	6.67%
Dubai Islamic Bank Limited	SUKUK	6.04%
Agha Steel Industries Limited	SUKUK	1.40%

Asset Allocation ( % of Total Assets)		
Assets	Sep-23	Aug-23
TFC / Sukuk	68.34%	41.51%
GOP Ijara Sukuk	21.63%	13.10%
Bank Balances	3.60%	42.55%
Others	6.43%	2.84%

Asset Allocation (Credit Quality)		
Credit Quality	Sep-23	Aug-23
AAA	21.63%	13.10%
AA	46.57%	68.70%
AA+	17.94%	10.86%
A+	7.44%	4.50%
Unrated	6.42%	2.84%

Fund Returns		
Periods	Returns	Benchmark
September 2023	17.51%	7.87%
FYTD 2024	20.41%	7.60%
Rolling 12 Months Sept., 202:	17.90%	6.80%
FY 2023	18.84%	6.06%
FY 2022	10.81%	3.34%
FY 2021	5.49%	3.11%
FY 2020	10.90%	6.41%
FY 2019	11.12%	12.93%
FY 2018	11.86%	6.22%
FY 2017	16.32%	5.98%
FY 2016	22.61%	6.50%
last 10 years	13.49%	6.32%

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
<b>Muhammad Ali</b>	Head of Compliance

### 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 Ltd.	Pre-IPO Investment	29,321,523	-	29,321,523	0.00%	0.00%
New Allied Electronics Industires Ltd.	TFC	32,655,939	-	32,655,939	0.00%	0.00%
New Allied Electronics Industires Ltd.	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 Ltd.	Sukuk	22,500,000	-	22,500,000	0.00%	0.00%

### Registered Address

786 Investments Limited

G3, 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 Timmines
Monday - Friday	09:00 am - 6:30 pm	9:00 am - 4:00 pm

### Other Information

The calculation of performance does not include the cost of a front-end load. 786SF has generated an annualized return of 21.51% due to an agreement executed between the Management Company and Dewan Cement Limited for the recovery of a fully provided TFC of Dewan Cement Ltd

The scheme holds certain non-compliant investments. Before making any investment decision, investors are advised to review the latest Monthly Fund Manager Report and Financial Statements

### 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.

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