



INVESTMENTS

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786 INVESTMENTS LIMITED



786 SMART FUND

**FOR THE
HALF YEAR ENDED
DECEMBER 31, 2023
(UN-AUDITED)**

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CORPORATE INFORMATION

Management Company	786 Investments Limited G-3 B.R.R. Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi - 74000 Pakistan Tel: (92-21) 32603751-54 Email: info@786investments.com Website: www.786investments.com	
Board of Directors	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Syed Shabahat Hussain Mr. Naveed Ahmed Syed Musharaf Ali Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar	Chairperson Chief Executive Officer Director Director Director Director Director
Chief Financial Officer & Company Secretary	Mr. Noman Shakir	
Audit Committee	Syed Shabahat Hussain Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
Human Resource Committee	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
Trustee:	Digital Custodian Company Limited (formerly: MCB Financial Services Limited) 4th Floor, Pardasi House, 2/1 R-Y old Queens Road, Karachi	
Auditors	Reanda Haroon Zakaria & Company Chartered Accountants	
Legal Advisor	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
Registrars	F.D. Registrar Services (Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
Banker:	Dubai Islamic Bank Limited BankIslami Pakistan Limited	
Rating	PACRA: AA-(f)	



DIRECTORS' REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2023

The Board of Directors of 786 Investments Limited, referred to as '786' or 'the Company,' which serves as the Management Company of 786 Smart Fund (786 SF), is pleased to present the reviewed financial statements along with the auditor's review report for the half-year ended December 31, 2023.

Economic & Money Market Review:

The global economic growth has improved in 2023, largely due to increased consumer spending in China and accelerated growth in the U.S. This positive change has helped mitigate the significant slowdown that Europe experienced in 2022, caused by an energy crisis. As of December 2023, we observe that the government's actions to curb hoarding and stabilize foreign exchange markets have contributed to moderating inflation.

According to the SBP's statistics the total liquid foreign exchange reserves held by the country surged to \$ 13.221 billion as of Dec 29, 2023, net foreign reserves held by commercial banks is \$ 4.99 billion as of Dec 29, 2023.

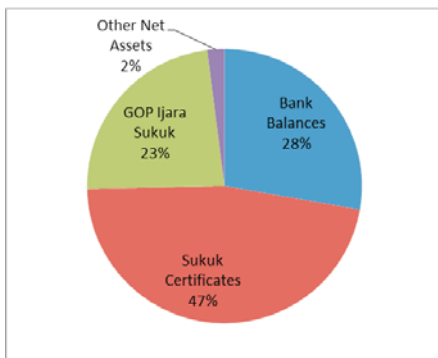
Fund's Performance

786 SF is categorized as a Shariah Compliant Income Fund. Its objective is to deliver competitive returns through investments in Shariah-Compliant debt securities and money market instruments. However, the Fund is restricted from investing in equities. Additionally, the Fund's weighted average time to maturity must not exceed 4 years, excluding government securities.

As of December 31, 2023, net assets were PKR 851.68 million compared to PKR 721.07 million as of June 30, 2023. The Net Asset Value (NAV) per unit increased from PKR 91.53 to PKR 82.41 during the period, showing a return of 21.96% p.a., compared to its benchmark return of 9.10% p.a. for the same period. The performance of the Fund is net of management fees and other expenses.

The Fund's total income during the period stood at PKR 134.28 million, compared to an income of PKR 70.11 million. Total expenses were PKR 12.72 million, as compared to PKR 8.89 million in the same period last year. The net income is PKR 121.56 million, compared to PKR 61.22 million in the same period last year.

The asset allocation of 786 SF as on December 31, 2023 is as follows:





Acknowledgement

The Directors express their gratitude to the Securities & Exchange Commission of Pakistan and other regulatory bodies for their valuable support, assistance, and guidance. The Board also extends its thanks to the employees of the Asset Management Company and the Trustee for their dedication and hard work. Additionally, the Directors appreciate the unit holders for their confidence in the Management.

On behalf of the board of
786 Investments Limited

---SD---

Director

---SD---

Director



SMART FUND

ڈائریکٹرز کی رپورٹ

786 سمارٹ فنڈ کی مینجمنٹ کمپنی، 786 انویسٹمنٹ لمیٹڈ (786 پبلیک کمپنی) کے بورڈ آف ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے نظر ثانی شدہ مالیاتی گوشوارے معہ آڈیٹرز کی جائزہ شدہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اقتصادی اور معی مارکیٹ کا جائزہ:

2023 میں عالمی اقتصادی نمو میں بہتری آئی ہے، جس کی بڑی وجہ چین میں صارفین کے اخراجات میں اضافہ اور امریکہ میں تیز رفتار نمو ہے۔ اس مثبت تبدیلی نے 2022 میں یورپ کو تانائی کے بحران کی وجہ سے پیش آنے والی نمایاں سست روی کو کم کرنے میں مدد کی ہے۔ دسمبر 2023 تک، ہم نے مشاہدہ کیا ہے کہ ذخیروں کی فروغ اور زر مبادلہ کی منڈیوں کو مستحکم کرنے کے لئے حکومت کے اقدامات نے افراط زر کو کم کرنے میں اہم کردار ادا کیا ہے۔ اسٹیٹ بینک پاکستان کے اعداد و شمار کے مطابق 29 دسمبر 2023 تک ملک کے مجموعی زر مبادلہ کے ذخائر بڑھ کر 13.221 بلین ڈالر ہو گئے، مگر شل بینکوں کے پاس موجود خالص زر مبادلہ کے ذخائر 29 دسمبر 2023 تک 4.99 بلین ڈالر تھے۔

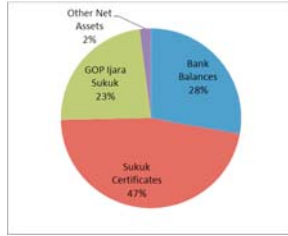
فنڈ کی کارکردگی کا جائزہ:

786SF کو شریعت کے مطابق آمدنی فنڈ کا درجہ دیا گیا ہے۔ اس کا مقصد شریعت کے مطابق ڈیٹ سیکورٹیز اور معی مارکیٹ اسٹریٹجی میں سرمایہ کاری کے ذریعے مستحکم منافع فراہم کرنا ہے۔ تاہم، فنڈ کو ایک شیئر میں سرمایہ کاری کرنے سے روک دیا گیا ہے۔ مزید برآں، فنڈ کی پیچیدہ اور متوسط مدت، ماسوائے سرکاری سیکورٹیز کے 4 سال سے زیادہ نہیں ہونا چاہئے۔

31 دسمبر 2023 تک خالص اثاثے 851.68 بلین روپے رہے، جو 30 جون 2023 کو 721.07 بلین روپے تھے۔ اس عرصے کے دوران فی یونٹ خالص اثاثہ جات کی قیمت (NAV) 91.53 روپے سے بڑھ کر 82.41 روپے ہو گئی جو گزشتہ اسی عرصے میں 9.10 فیصد کے بیچ مارک ریٹرن کے مقابلے میں 21.96 فیصد ریٹرن ظاہر کرتی ہے۔ فنڈ کی کارکردگی مینجمنٹ فیس اور دیگر اخراجات کے علاوہ ہے۔

اس عرصے کے دوران فنڈ کی کل آمدنی 134.28 بلین روپے رہی جبکہ گزشتہ مدت میں آمدنی 70.11 بلین روپے تھی۔ مجموعی اخراجات 12.72 بلین روپے ہوئے جو گزشتہ سال کے اسی عرصے میں 8.89 بلین روپے تھے۔ خالص آمدنی 121.56 بلین روپے ہوئی ہے جو گزشتہ سال کے اسی عرصے میں 61.22 بلین روپے تھی۔

31 دسمبر 2023 کو SF 786 کی ایسیٹس ڈریج ذیل کے مطابق ہے:



اعمالیاتی افکار

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے شکر گزار ہیں۔ بورڈ ایسٹ مینجمنٹ کمپنی کے ملازمین، بڑی سٹی کی لگن اور سخت محنت اور مینجمنٹ میں اعتماد پر یونٹ ہولڈرز کا کمالی شکر یاد کرتے ہیں۔

منجانب بورڈ

786 انویسٹمنٹ لمیٹڈ

---SD---

ڈائریکٹر

---SD---

چیئر پرسن



SMART FUND



DIGITAL
CUSTODIAN
COMPANY

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REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

786 SMART FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

786 Smart Fund, an open-end scheme established under a trust deed executed between 786 Investments Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Trust Deed was executed on April 8, 2003 between 786 Investments Limited and Bank Al Habib as Trustee. In June 2011, Bank Al Habib retired and Digital Custodian Company Limited was appointed as the new trustee of the fund and the name of the Fund was also changed from Dawood Money Market Fund to Dawood Income Fund. Later on the fund was further amended as 786 Smart Fund through its second supplemental trust deed.

1. 786 Investments Limited, the Management Company of 786 Smart Fund has, in all material respects, managed 786 Smart Fund during the period ended December 31st, 2023 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement.
2. Statement on the shortcoming(s) that may have impact on the decision of the existing or the potential unit holders remaining or investing in the Collective Investment Scheme; and

Statement

No short coming has been addressed during the period ended December 31st, 2023.

3. Disclosure of the steps taken to address the shortcoming(s) or to prevent the recurrence of the short coming(s).

Disclosure of the steps

We have critically examine the fund in accordance with circular, directives, NBFC Regulations 2008 and its constitutive documents. However, no shortcoming has been addressed.

4. Trustee's opinion regarding the calculation of the management fee, CIS Monthly Fee Payable to the Commission and other expenses in accordance with the applicable regulatory framework.

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DKL



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Trustee Opinion

"The Management fee, CIS monthly fee payable to the Commission and other expenses has been accurately calculated in accordance with the NBFC Regulations, 2008 and its constitutive documents".

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: February 29, 2024

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**TO THE MEMBERS OF 786 SMART FUND
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **786 Smart Fund** ("the fund") as at December 31, 2023 and the related condensed interim statement of profit or loss, statement of comprehensive income, condensed interim statement of movement in unit holders, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management company (786 investment limited) is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figure of the three-month period ended December 31, 2023 and 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this report on interim financial statements is **Farhan Ahmed Memon**.



Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: February 28, 2024

UDIN: RR202310147jZ0iMgYPA



**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT DECEMBER 31, 2023**

		<i>December 31, 2023</i>	<i>June 30, 2023</i>
	<i>Note</i>	<i>----- Rupees -----</i>	
Assets			
<i>Balances with banks</i>	5	236,257,288	<i>72,439,135</i>
<i>Investments</i>	6	598,264,000	<i>635,574,526</i>
<i>Accrued income/profit</i>	7	28,905,002	<i>24,705,927</i>
<i>Security deposits</i>	8	150,000	<i>150,000</i>
Total Assets		863,576,290	<i>732,869,588</i>
Liabilities			
<i>Payable to 786 Investments Limited - Management Company</i>	9	2,353,266	<i>2,273,915</i>
<i>Payable to Digital Custodian Company Limited - Trustee</i>	10	174,463	<i>136,988</i>
<i>Payable to Securities and Exchange Commission of Pakistan</i>	11	76,984	<i>176,710</i>
<i>Unclaimed dividend</i>		2,023,960	<i>2,023,960</i>
<i>Accrued expenses and other liabilities</i>	12	7,264,026	<i>7,187,839</i>
Total Liabilities		11,892,699	<i>11,799,412</i>
Contingencies and Commitments	13		
Net Assets		851,683,591	<i>721,070,176</i>
Unit Holders' Funds		851,683,591	<i>721,070,176</i>
<i>(Number)</i>			
Number of units in issue	14	9,305,072	<i>8,750,090</i>
<i>(Rupees)</i>			
Net assets value per unit		91.53	<i>82.41</i>

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

---SD---
Chief Executive Officer

---SD---
Chief Financial Officer

---SD---
Director



SMART FUND

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Note	Six Months Period Ended December 31,		Three Months Period Ended December 31,	
		2023	2022	2023	2022
<i>Income</i>					
Net realized loss on sale of investments		-	(855,711)	-	(855,711)
Income from investments and balances with banks	15	125,889,036	62,589,236	67,322,707	33,062,483
Reversal of impairment on investment at fair value through other comprehensive income	6.1.1	8,377,578	8,377,578	4,188,789	4,188,789
Other Income		9,231	-	-	-
		134,275,845	70,111,103	71,511,496	36,395,561
<i>Expenses</i>					
Remuneration to the management company	9.1	8,825,086	6,204,813	4,558,510	3,265,530
Sindh sales tax on remuneration to the management company	9.2	1,147,256	806,625	592,630	424,519
Accounting and operational charges	9.3	588,097	413,654	303,671	217,702
Remuneration to the trustee	10.1	882,512	620,482	455,863	326,554
Sindh sales tax on trustee fee	10.2	114,729	80,662	59,268	42,451
Annual fee to Securities and Exchange Commission of Pakistan	11	440,046	82,731	227,271	43,554
Auditor's remuneration		303,899	286,900	151,949	143,450
Fees and subscription		109,644	98,400	54,822	49,122
Securities transactions cost		44,659	47,168	7,796	43,306
Printing and related charges		24,198	24,198	12,099	12,099
Legal and professional charges		222,161	224,442	111,080	112,174
Bank charges		13,888	2,285	1,503	566
		12,716,175	8,892,360	6,536,462	4,681,027
Net income for the period before taxation		121,559,670	61,218,743	64,975,034	31,714,534
Taxation		-	-	-	-
Net income for the period after taxation		121,559,670	61,218,743	64,975,034	31,714,534
Allocation of net income for the period					
Net income for the period		121,559,670	61,218,743	64,984,265	31,714,534
Income already paid on units redeemed		(15,497,550)	(30,766,848)	(5,432,174)	(28,032,831)
Accounting income available for distribution:		106,062,120	30,451,895	59,542,860	3,681,703
Relating to capital gain		-	(855,711)	-	(855,711)
Excluding capital gain		106,062,120	31,307,606	59,552,092	4,537,414
		106,062,120	30,451,895	59,542,860	3,681,703

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

---SD---
Chief Executive Officer

---SD---
Chief Financial Officer

---SD---
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

	<i>Six Months Period Ended</i>		<i>Three Months Period Ended</i>	
	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>----- Rupees -----</i>			
Net income for the period after taxation	121,559,670	61,218,743	64,984,265	31,714,534
Unrealized loss on revaluation of investments classified as fair value through other comprehensive income - net	(839,080)	(815,244)	285,168	(42,457)
6.4	(839,080)	(815,244)	285,168	(42,457)
Total comprehensive income for the period	120,720,590	60,403,499	65,269,433	31,672,077

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

---SD---
Chief Executive Officer

---SD---
Chief Financial Officer

---SD---
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**

	December 31, 2023				December 31, 2022			
	Capital Value	(Accumulated Loss) / Undistributed Income	Unrealized (Loss) on Investment	Total	Capital Value	(Accumulated Loss) / Undistributed Income	Unrealized Gains on Investment	Total
	----- Rupees -----				----- Rupees -----			
<i>Net assets at beginning of the year</i>	934,791,485	(215,207,470)	1,486,161	721,070,176	736,657,526	(149,281,381)	1,956,922	589,333,067
<i>Issue of 14,712,389 units (2022: 7,062,027 units)</i>								
- Capital value (at net asset value per unit at the beginning of the period)	1,212,406,802	-	-	1,212,406,802	577,077,775	-	-	577,077,775
- Element of income	48,152,268	-	-	48,152,268	15,084,440	-	-	15,084,440
<i>Total proceeds on issuance of units</i>	1,260,559,070	-	-	1,260,559,070	592,162,215	-	-	592,162,215
<i>Redemption of 14,157,407 units (2022: 7,650,270 units)</i>								
- Capital value (at net asset value per unit at the beginning of the period)	(1,166,672,266)	-	-	(1,166,672,266)	(625,146,413)	-	-	(625,146,413)
- Amount paid out of element of income	-	(15,497,550)	-	(15,497,550)	-	(30,766,848)	-	(30,766,848)
- Refund/adjustment on units as element of income	(68,496,428)	-	-	(68,496,428)	(3,598,466)	-	-	(3,598,466)
<i>Total payments on redemption of units</i>	(1,235,168,695)	(15,497,550)	-	(1,250,666,245)	(628,744,879)	(30,766,848)	-	(659,511,727)
Net income for the period before taxation	-	121,559,670	-	121,559,670	-	61,218,743	-	61,218,743
Other comprehensive loss	-	-	(839,080)	(839,080)	-	-	(815,244)	(815,244)
	-	121,559,670	(839,080)	120,720,590	-	61,218,743	(815,244)	60,403,499
<i>Net assets at end of the period</i>	960,181,860	(109,145,350)	647,081	851,683,591	700,074,862	(118,829,486)	1,141,678	582,387,055
<i>Undistributed (loss)/income brought forward</i>								
- Realized loss		(215,207,470)				(149,281,381)		
- Unrealized income		-				-		
		(215,207,470)				(149,281,381)		
<i>Accounting income available for distribution</i>								
- Relating to capital gain		-				(855,711)		
- Excluding capital gain		106,062,120				31,307,606		
		106,062,120				30,451,895		
Distribution during the period		-				-		
Undistributed loss carried forward		(109,145,350)				(118,829,486)		
<i>Undistributed (loss) carried forward</i>								
- Realized loss		(109,145,350)				(118,829,486)		
		(109,145,350)				(118,829,486)		
Net assets value per unit at beginning of the year		82.41				81.72		
Net assets value per unit at end of the period		91.53				87.92		

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited
(Management Company)

---SD---
Chief Executive Officer

---SD---
Chief Financial Officer

---SD---
Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023**

	<i>Six Months Period Ended</i>	
	<i>December 31,</i>	
	<i>2023</i>	<i>2022</i>
<i>Note</i>	<i>----- Rupees -----</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Period Before Taxation	121,559,670	61,218,743
Adjustments For:		
Net realized loss on sale of investments	-	(855,711)
Profit on bank balances and investments	(125,889,036)	(62,589,236)
Reversal of impairment on investment at fair value through other Comprehensive income	(8,377,578)	(8,377,578)
Operating Loss Before Working Capital Changes	(134,266,614)	(71,822,525)
Increase in Assets		
Advance income tax	-	(666,339)
	-	(666,339)
Increase/(Decrease) in Liabilities		
Payable to 786 Investments Limited - Management Company	79,351	(278,376)
Payable to Digital Custodian Company Limited - Trustee	37,475	18,684
Payable to Securities and Exchange Commission of Pakistan	(99,726)	(93,042)
Unclaimed dividend	-	(101,812)
Accrued expenses and other liabilities	76,187	182,283
	93,287	(272,263)
Proceeds from investments - net	44,849,024	(232,316,936)
Profit received on investments and balances with banks	121,689,961	50,693,792
Net cash generated/(Used in) from operating activities	153,925,328	(193,165,528)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issue of units	1,260,559,070	592,162,215
Payment made against redemption of units	(1,250,666,245)	(659,511,727)
Dividend paid	-	-
Net cash generated / (used in) from financing Activities	9,892,825	(67,349,512)
Net increase / (decrease) in cash and cash equivalents	163,818,153	(260,515,040)
Cash and cash equivalents at beginning of the year	72,439,135	298,014,919
Cash and cash equivalents at end of the period	5 <u>236,257,288</u>	<u>37,499,879</u>

The annexed notes form an integral part of these financial statements.

---SD---

Chief Executive Officer

---SD---

Chief Financial Officer

---SD---

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Dawood Income Fund (the Fund) was established under a Restated Trust Deed executed on April 08, 2003 between 786 Investments Limited as Management Company and Bank AL-Habib Limited (BAHL) as Trustee. In June 2011, BAML retired and Digital Custodian Company Limited (formerly MCB Financial Services Limited (MCBFSL)) was appointed as the new trustee of the Fund and the name of the Fund was also changed from "Dawood Money Market Fund" to "Dawood Income Fund". These changes, after necessary regulatory approvals, were duly incorporated in the Trust Deed of the Fund by way of First Supplemental Trust Deed. On January 20, 2017, the Management Company has changed its name to 786 Investments Limited after completing regulatory formalities.
- 1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at G3, B.R.R Tower, Hassan Ali Street, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open end mutual Fund and is listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund.
- 1.4 The objective of the Fund is 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 into account liquidity considerations.
- 1.5 Title to the assets of the Fund are held in the name of MCBFSL as the Trustee of the Fund (except for term finance certificate of New Allied industries limited as mentioned in note 7.3.1 which is a non-performing term finance certificate hence being unable to be transferred until final settlement, which is held in the name of BAML being the previous Trustee of the Fund).
- 1.6 The Fund is categorized as "Shariah compliant islamic scheme" as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS).
- 1.7 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM3" to the Management Company as at December 23, 2022 and stability rating of "AA-(f)" to the Fund as at October 14, 2022.
- 1.8 Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment, private Funds etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, management has initiated the process of execution of Re-stated Trust Deeds between the Management Company and the trustees of the trust deed and necessary documents will be submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

1.9 Significant events or transactions

There are no significant events or transactions during the period.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of the directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non Banking Finance Companies (Establishment and Regulation) Rules 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations and the requirement of the Trust Deed differ from the IFRS, the provision of and the directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirement of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments which are valued at fair value as stated in notes 6.1, 6.2 and 6.3 below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

	Note	December 31, 2023	June 30, 2023
		----- Rupees -----	
5 BALANCES WITH BANKS			
- Saving accounts	5.1	<u>236,257,288</u>	<u>72,439,135</u>

5.1 These saving accounts carry profit at rates ranging from 18.50% to 20.25% (June 30, 2023: 15% to 19%) per annum.

	Note	December 31, 2023	June 30, 2023
		----- Rupees -----	
6 INVESTMENTS			
<i>At fair value through other comprehensive income</i>			
Listed - Term finance certificates	6.1	-	-
Unlisted - Sukuk certificates	6.2	<u>399,664,000</u>	<u>477,574,526</u>
GOP Ijara Sukuk		<u>198,600,000</u>	<u>158,000,000</u>
		<u>598,264,000</u>	<u>635,574,526</u>

6.1 At fair value through other comprehensive income

	As at July 01, 2023	Purchases during the period	Matured/ Disposed During the period	As at Dec, 31, 2023	Cost/ Carrying Value	Market Value	% of Total Investment
Note	----- Number of Certificates -----				----- Rupees -----		

Listed - Term finance certificates face value of Rs. 5,000/-each

Construction and material

Dewan cement company limited	6.1.1	6,702	-	1,676	5,027	25,132,734	-	-
Provision held	6.3					(25,132,734)	-	-

- 6.1.1 Dewan Cement Limited (DCL) is classified as non-performing by MUFAP. Accordingly, the security has been fully provided in accordance with the requirements of SECP's circular No. 1 of 2009 and the board's approved provisioning policy. The Fund has entered into a compromise agreement with DCL on May, 09 2016 whereby the remaining debt will be paid in thirty one equal quarterly installments in arrears. The Fund has recognized reversal of impairment amounting to Rs. 4.18 millions on receipt basis in current period. The Fund has suspended profit there against.

	<i>December 31,</i> 2023	<i>June 30,</i> 2023
	<i>----- Rupees -----</i>	
Cost / Carrying Value of Investment	400,503,080	478,045,287
Less: Net unrealized gain in fair value of investments-closing	(839,080)	(470,761)
Fair value of investments	399,664,000	477,574,526

	<i>As at July 01, 2023</i>	<i>Purchases during the period</i>	<i>Matured/ Disposed During the period</i>	<i>As at Dec., 31, 2023</i>	<i>Cost/ Carrying Value</i>	<i>Market Value</i>	<i>% of Total Investment</i>	
<i>Note</i>	<i>----- Number of certificates -----</i>				<i>----- Rupees -----</i>			
<i>Unlisted - term finance certificates</i>								
<i>face value of Rs. 5,000/- each</i>								
<i>Cable and electric goods</i>								
New Allied Industries Limited	6.3.1	11,523	-	-	11,523	25,433,190	-	-
Provision held	6.3				(25,433,190)			
New Allied Industries Limited	6.3.2	3,417	-	-	3,417	7,222,749	-	-
Provision held	6.3				(7,222,749)			
<i>At fair value through other comprehensive income</i>								
<i>Unlisted - Sukuk certificates</i>								
<i>Face Value of Rs. 1,000,000/- each</i>								
<i>Information Technology</i>								
Abhi Private Ltd Sukuk	90	-	-	90	-	-	0%	
<i>Engineering</i>								
Agha Steel Industries Limited	6.3.3	15	15	15	10,200,000	10,200,000	3%	
<i>Commercial Bank</i>								
Dubai Islamic Bank Limited	6.3.4	44	-	-	44	44,060,280	44,264,000	11%
<i>Services Allied (other)</i>								
Hub Power Company Limited	131	-	-	131	-	-	0%	
<i>Power Generation & Distribution</i>								
Lucky Electric Power Company Ltd.	35	-	-	35	-	-	0%	
<i>Textile Composite</i>								
Nishat Mills Ltd - Sukuk (09-5-23)	65	-	-	65	-	-	0%	
<i>Face value of Rs. 1000,000/- each</i>								
<i>Power Generation & Distribution</i>								
K-Electric Company Limited -	6.3.5	1,000	-	-	1,000	102,242,800	101,200,000	25%
K-Electric Limited - Short Term		-	74	-	74	74,000,000	74,000,000	19%
<i>Steel and Allied</i>								
Mughal Iron & Steel Industries	6.3.6	-	170	-	170	170,000,000	170,000,000	43%

	<i>As at July 01, 2023</i>	<i>Purchases during the period</i>	<i>Matured/ Disposed During the period</i>	<i>As at Dec., 31, 2023</i>	<i>Cost/ Carrying Value</i>	<i>Market Value</i>	<i>% of Total Investment</i>
<i>Note</i>	<i>-----Number of certificates-----</i>			<i>-----Rupees-----</i>			
Face value of Rs. 5,000/- each							
Eden Housing Limited	6.3.7	2,933	-	2,933	2,887,171	-	-
Provision held	6.3				(2,887,171)		
Face value of Rs. 5,000/- each							
Amtex limited	6.3.8	6,000	-	6,000	22,500,000	-	-
Provision held	6.3				(22,500,000)		
Face value of Rs. 5,000/- each							
New Allied Electronics Industries (Private) Limited	6.3.9	1,000	-	1,000	5,027,500	-	-
Provision held	6.3				(5,027,500)		
					-	-	
					400,503,080	399,664,000	

6.3 Details of non-compliant investments

The Securities & Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

<i>Name of non compliant investment</i>	<i>Type of Investment</i>	<i>Value of Investment before provision</i>	<i>Provision held if any</i>	<i>Value of Investment after provision</i>	<i>% of net assets</i>	<i>% of Gross Assets</i>
<i>Note</i>	<i>-----Rupees-----</i>					
Dewan Cement Limited - Restructured	6.1.1	Pre-IPO investment	25,132,734	(25,132,734)	-	-
New Allied Industries Limited	6.3.1	Term finance certificates	25,433,190	(25,433,190)	-	-
New Allied Industries Limited	6.3.2	Term finance certificates	7,222,749	(7,222,749)	-	-
New Allied Industries Limited	6.3.9	Sukuk certificates	5,027,500	(5,027,500)	-	-
Eden Housing Limited	6.3.7	Sukuk certificates	2,887,171	(2,887,171)	-	-
Amtex Limited	6.3.8	Sukuk certificates	22,500,000	(22,500,000)	-	-

6.3.1 New Allied Electronics Industries Limited defaulted on its payment of principal and mark-up due on December 25, 2008. Consequently, the security was classified as non-performing by MUFAP on January 09, 2009 and accrual on the same was suspended. This security has been fully provided in accordance with the provisioning circulars of SECP and the Board's approved provisioning policy. These TFCs are held in CDC investor account of the previous trustee and will only be transferred upon final settlement.

6.3.2 New Allied Electronics Industries (Private) Limited defaulted on its payment of principal and mark-up due on 25 December 2008. Consequently, the security was classified as non-performing by MUFAP on 9 January 2009 and accrual of income on the same was suspended. This security has been fully provided in accordance with the provisioning circulars issued by the SECP and the Board's approved provisioning policy.

6.3.3 Agha Steel Industries Limited is presenting Pakistan's inaugural over-the-counter listed sukuk issue. Priced through competitive bidding, this sukuk is supported by diminishing musharaka and offers a profit equivalent to 3-month KIBOR plus 0.8%. The maturity date for this sukuk is August 2023. According to the Trust Deed and Conditions, the Issuer intends

to fully exercise the Call Option for the outstanding Sukuk Certificates. This process involves disbursing the Sukuk amount to investors, who will then reinvest the same sum in exchange for an equal number of certificates.

- 6.3.4 The Dubai Islamic Bank Limited's sukuk certificates are unsecured and carry a profit equal to 6-month KIBOR plus 0.70%, which is receivable half-yearly in arrears. These certificates will mature in December 2032.
- 6.3.5 The K-Electric Company Limited - Sukuk (23-11-22) are unsecured and offer a profit equivalent to 3-month KIBOR plus 1.70%. This profit is payable quarterly in arrears. Additionally, the principal amount will be repaid in 20 equally distributed quarterly installments, starting from February 23, 2025, and continuing until the maturity date of November 23, 2029. These certificates will mature in November 2023.
- The K-Electric Limited Short-Term Sukuk XIX (19) are unsecured and offer a profit equal to 6-month KIBOR plus 0.45%, which is payable semi-annually in arrears. These certificates will mature in February 2024.
- 6.3.6 The sukuk certificates issued by The Mughal Iron & Steel Industries Limited are unsecured and bear a profit rate equivalent to 3-month KIBOR plus 0.145%, payable quarterly in arrears. The maturity date for these certificates is 27 March 2025.
- 6.3.7 Eden Housing Limited defaulted on its payment of principal and mark-up due on April 21, 2011. Consequently, the security was classified as non-performing by MUFAP on May 06, 2011 and accrual on the same was suspended. This security has been fully provided in accordance with the provisioning circulars of SECP and the Board's approved provisioning policy. These sukuk are held in CDC investor account of the Fund.
- 6.3.8 Amtex Limited (Sukuk) defaulted on its payment of principal and mark-up due on December 22, 2010. Consequently, the security was classified as non-performing by MUFAP on January 6, 2011 and accrual of income on the same was suspended. Accordingly, the security has been fully provided in accordance with the provisioning circulars issued by SECP and the board's approved provisioning policy.
- 6.3.9 New Allied Electronics Industries (Private) Limited defaulted on its payment of principal and mark-up due on 27 October 2008. Consequently, the security was classified as non-performing by MUFAP on 9 January 2009 and accrual on the same was suspended. Management has recognised full provision there against and the accrual of income has been suspended in line with provisioning policy of the Fund duly approved by the Board as per applicable SECP provisioning circulars.

		<i>December 31, 2023</i>	<i>June 30, 2023</i>
	<i>Note</i>	<i>----- Rupees -----</i>	
6.4	<i>Unrealized gain on revaluation of investments classified as fair value through other comprehensive income - net</i>		
	Fair value of investments	6.2 399,664,000	477,574,526
	Less: Cost/Carrying Value of Investment	(400,032,319)	(479,216,047)
		(368,319)	(1,641,521)
	Less: Net unrealized gain in fair value of investments - Opening	(470,761)	1,170,760
		(839,080)	(470,761)
7	<i>ACCRUED INCOME/PROFIT</i>		
	- Income from profit and loss sharing (PLS) accounts	11,448,361	4,819,685
	- Income from sukuk certificates	10,030,396	15,415,581
	- Income from GOP Ijara Sukuk	7,426,245	4,470,661
		28,905,002	24,705,927
8	<i>SECURITY DEPOSITS</i>		
	<i>Deposits - Central Depository Company</i>		
	- Deposits - Central depository company 786SF	100,000	100,000
	- Deposits - Central depository company FDMF	50,000	50,000
		150,000	150,000

		<i>December 31,</i> <i>2023</i>	<i>June 30,</i> <i>2023</i>
		<i>----- Rupees -----</i>	
9	PAYABLE TO 786 INVESTMENTS LIMITED - MANAGEMENT COMPANY	<i>Note</i>	
	Management remuneration	9.1 1,543,977	1,212,282
	Sindh sales tax payable	9.2 221,201	178,081
	Accounting and operational charges	9.3 588,088	883,552
		<u>2,353,266</u>	<u>2,273,915</u>
9.1	According to the provisions of the Trust Deed of the Fund, the Management Company has charged its remuneration at the rate of 1.5% (June 2023: 1.5%) per annum on the average annual net assets of the Fund calculated on a daily basis.		
9.2	The Sindh Provincial Government has levied Sindh Sales tax at the rate of 13% (June 2023: 13%) on Management Company's remuneration.		
9.3	In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I)/2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fee and expenses incurred by the Management Company in relation to registrar service, accounting, operation and valuation services related to the Fund maximum up to 0.1% of average annual net assets of the scheme or actual which ever is less. Accordingly, the Management Company has charged accounting and operating expenses to the Fund at a rate of 0.1% per annum of the average annual net assets of the Fund for the year period ended December 31, 2023.		
		<i>December 31,</i> <i>2023</i>	<i>June 30,</i> <i>2023</i>
		<i>----- Rupees -----</i>	
10	PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE	<i>Note</i>	
	Trustee Remuneration	10.1 154,392	121,228
	Sindh sales tax payable on Trustee remuneration	10.2 20,071	15,760
		<u>174,463</u>	<u>136,988</u>
10.1	According to the provisions of the Trust Deed of the 786 Smart Fund, the Trustee is entitled to monthly remuneration for services rendered to the Fund as follows:		
	On net assets:		
	- Up to Rs.1 billion computed on a daily basis whichever is higher.		Rs.0.6 million or 0.15% per annum of the net assets of the Fund
	- Exceeding Rs.1 Billion computed on a daily basis exceeding Rs.1 billion.		Rs.0.6 million plus 0.09% per annum of the net assets of the Fund
10.2	The Sindh Provincial Government has levied sindh sales tax at the rate of 13% (June 2023: 13%) on trustee's remuneration.		
11	ANNUAL FEE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	This represents the annual fee payable to SECP as amended in clause 'c' of Schedule II of the Non-Banking Financial Companies (NBFC) Regulation 2008, read in conjunction with regulation 62 of the NBFC Regulation 2008. This fee became applicable from July 1, 2023, and it mandates that the Fund must remit to SECP an amount equal to 0.075% of the average daily net assets. This payment is due within fifteen days following the conclusion of each calendar month of the Collective Investment Scheme.		
	Previously, the applicable fee was 0.02% of the average daily net assets, and it was payable within three months after the close of the accounting year /financial year.		

		<i>December 31,</i> 2023	<i>June 30,</i> 2023
	<i>Note</i>	<i>----- Rupees -----</i>	
10 PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE			
Trustee Remuneration	10.1	154,392	121,228
Sindh sales tax payable on Trustee remuneration	10.2	20,071	15,760
		<u>174,463</u>	<u>136,988</u>

- 12.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax levied by Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified. On September 04, 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative collective investment schemes.

The SHC while disposing the Constitutional Petition relating to levy of FED on mutual funds has declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011 (i.e. the date on which Sindh Sales Tax on Services Act, 2011 came into force). In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honorable Supreme Court of Pakistan (SCP). Thereafter, during the pendency of the present civil petition, SCP has suspended the operation of the impugned judgement of the SHC. The matter is still pending adjudication. With effect from July 01 2016, FED on services provided or rendered on non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision made for FED for the period from June 13, 2013 till June 30, 2016 aggregating to Rupees. 6.51 million (June 30, 2023: Rupees. 6.51 million) is being retained in the financial statements of the Fund as the matter is pending before the SCP. Had the said provision of FED not been recorded in the financial statements of the Fund, the net asset value per unit of the Fund as at December 31, 2023 would have been higher by Rs. 0.70 (June 30, 2023: Rs. 0.74) per unit.

		<i>December 31,</i> 2023	<i>June 30,</i> 2023
		<i>----- Rupees -----</i>	
12.2 Accrued expenses			
Auditors' remuneration payable		306,626	357,327
PSX fee payable		41,363	55,000
Printing and related expenditure payable		15,046	17,848
Shariah and tax advisors fee payable		279,911	227,250
		<u>738,727</u>	<u>657,425</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023.

		<i>December 31,</i> 2023	<i>June 30,</i> 2023
		<i>----- Number of Units -----</i>	
14 NUMBER OF UNITS IN ISSUE			
Total outstanding as of July 01		8,750,090	7,212,002
Issued during the period		14,712,389	22,840,520
Redemption during the period		(14,157,407)	(21,302,432)
Closing units		<u>9,305,072</u>	<u>8,750,090</u>

		<i>Six Months Period Ended</i>	
		<i>December 31,</i>	
		<i>2023</i>	<i>2022</i>
		<i>----- Rupees -----</i>	
15	INCOME FROM INVESTMENTS AND BALANCES WITH BANKS		
	<i>Income from:</i>		
	- Sukuk certificates	80,736,935	13,162,711
	- Profit and loss sharing (PLS) account	45,152,101	44,870,883
	- Commercial Paper	<u>-</u>	<u>4,555,642</u>
		<u>125,889,036</u>	<u>62,589,236</u>

16 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ending on December 31, 2023, is 2.16%, which includes 0.29% representing government levies on the Fund, such as federal excise duties and sales taxes, as well as the annual fee payable to the SECP, among other expenses. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as an 'Islamic Income Scheme'

17 TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS

Related party/connected person include 786 Investments Limited being the Management Company, other collective investment schemes managed by the Management company, Digital Custodian Company Limited formerly (MCB Financial Services Limited) being the Trustee of the Fund, Directors and Officers of the Management Company, other associated undertakings and unit holder's holding more than 10% units in the Fund or any other connected person.

Remuneration payable to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations 2008 and the Trust Deed respectively.

The transactions with related parties are in the normal course of business and at contracted rates and terms determined in accordance with market rates.

Aggregate transactions and balances with related parties, associated undertakings and connected person which are not disclosed elsewhere in the notes are as follows:

		<i>Six Months Period Ended</i>	
		<i>December 31,</i>	
		<i>2023</i>	<i>2022</i>
		<i>----- Rupees -----</i>	
17.1	Transactions during the Period Ended		
	<i>Note</i>		
	786 Investments Limited - Management Company		
	Remuneration of the management company	<u>8,825,086</u>	<u>6,204,813</u>
	Sales tax on remuneration to the management company	<u>1,147,256</u>	<u>806,625</u>
	Accounting and operational charges	<u>588,097</u>	<u>413,654</u>
	Issue of units: 32,848 (2022: Nil)	<u>3,000,000</u>	<u>-</u>
	Redemption of 237,122 units: (2022: 28,779)	<u>21,000,000</u>	<u>2,500,000</u>
	Digital Custodian Company Limited		
	(formerly MCB Financial Services Limited) - Trustee		
	Remuneration of the Trustee	<u>882,512</u>	<u>620,482</u>
	Sales tax on Trustee fee	<u>114,729</u>	<u>80,662</u>
	Dawood Family Takaful Limited		
	(Associate of Management Company)		
	Issue of units: 11,684,430 (2022: 6,384,521)	<u>990,000,000</u>	<u>535,000,000</u>
	Redemption of 11,684,430 units: (2022: 6,497,527)	<u>1,036,426,540</u>	<u>561,156,862</u>

		<i>Six Months Period Ended</i>	
		<i>December 31,</i>	
	<i>Note</i>	<i>2023</i>	<i>2022</i>
		<i>----- Rupees -----</i>	
<i>First Dawood Investment Bank Limited-Employees Contributory Provident Fund - Employee Benefit Fund of Asset Management Company</i>			
Issue of units: 298,969 (2022: Nil)		<u>25,000,000</u>	<u>-</u>
<i>First Dawood Investment Bank Limited - Associate of Management Company</i>			
Issue of units: 59,616 (2022: Nil)		<u>5,000,000</u>	<u>-</u>
<i>LADIESFUND Energy (Pvt) Limited</i>			
Redemption of 5,497 units: (2022: Nil)		<u>500,000</u>	<u>-</u>
17.2 Balance as at period ended			
<i>786 Investments Limited - Management Company</i>			
Remuneration payable to the management company	9	<u>1,543,977</u>	<u># 1,212,282</u>
Sales tax payable on management company's remuneration	9	<u>221,201</u>	<u># 178,081</u>
Accounting and operational charges	9	<u>588,088</u>	<u># 883,552</u>
FED payable on management company's remuneration		<u>6,513,679</u>	<u># 6,513,679</u>
Units held: 2,291,141 (June 2023: 2,495,416)		<u>209,705,926</u>	<u>205,640,238</u>
<i>Digital Custodian Company Limited</i>			
<i>(formerly MCB Financial Services Limited) - Trustee</i>			
Remuneration payable to the Trustee	10	<u>154,392</u>	<u>121,228</u>
Sales tax payable on Trustee fee	10	<u>20,071</u>	<u>15,760</u>
<i>BRR Guardian Modaraba</i>			
<i>(Associate of Management Company)</i>			
Units held: 436,920 (June 2023: 436,920)		<u>39,990,850</u>	<u>36,005,353</u>
<i>First Dawood Investment Bank Limited - Associate of Management Company</i>			
Units held: 59,616 (June 2023: Nil)		<u>5,456,639</u>	<u>-</u>
<i>First Dawood Investment Bank Limited -Employees Contributory Provident Fund- Employee Benefit Fund of Group Company</i>			
Units held: 609,464 (June 2023: 310,495)		<u>55,783,661</u>	<u>25,587,055</u>
<i>LADIESFUND Energy (Private) Limited</i>			
<i>(Connected Person due to Management Company)</i>			
Units held: 767,135 (June 2023: 772,632)		<u>70,215,128</u>	<u>63,670,447</u>
<i>Directors and key management personnel of the Management Company</i>			
Units held: 1,459,978 (June 2023: 1,219,318)		<u>133,630,301</u>	<u>100,480,554</u>



17.3 The transactions with related parties/connected persons are in the normal course of business at contracted rates and terms, determined in accordance with market rates.

18 **GENERAL**

Figures have been rounded off to the nearest rupee.

19 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue by the board of directors of the Management Company on 28 February 2024.

**For 786 Investments Limited
(Management Company)**

---SD---
Chief Executive Officer

---SD---
Chief Financial Officer

---SD---
Director



BOOK POST



If undelivered, please return to:

786 SMART FUND
G-3, B.R.R. Tower,
Hassan Ali Street,
Off I.I. Chundrigar Road,
Karachi - 74000 Pakistan



Managed By:
786 Investments Limited
Trustee: Digital Custodian Company

G-3, B.R.R. Tower, Hassan Ali Street,
Off I.I. Chundrigar Road, Karachi - 74000 Pakistan
Tel: (92-21) 32603751-54
Email: info@786investments.com
Website: www.786investments.com