

## 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 1513.81 million to PKR 1511.63 million. The fund achieved a monthly, annualized return of 8.87% for the month ended July 31, 2025, outperforming its benchmark, which returned 10.06% 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 1511.63 million   |
| <b>Net Assets Value per unit</b>    | PKR 84.6977   |
| <b>Wt. average Time to maturity</b> | 0.62  |
| <b>Benchmark</b>                    | 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled 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 2.06%   Mtd 2.06%   |
| <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 (20 Dec 2024)   |
| <b>Stability Rating</b>             | AA-(f) by PACRA (17 Oct 2024)   |
| <b>Subscription</b>                 | PKR. 5,000/-  |

\*effective from Jan 01, 2025; Previously 6-month average deposit rates of three A rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP

\* This includes Ytd | 0.32% and Mtd | 0.32% representing Government Levy and SECP Fee. (Annualized)

### TOP TEN DEBT SECURITIES

| INVESTE COMPANY                                | Type  | % of Total Assets |
|--|-------|-------------------|
| Mughal Iron & Steel Industries Ltd (26-3-2025) | SUKUK | 12.71%            |
| Pakistan Telecommunicaiton Co Ltd. Sukuk XI    | SUKUK | 7.21%             |
| K-Electric Company Ltd. (23-11-22)             | SUKUK | 6.03%             |
| Dubai Islamic Bank Ltd. (02-12-22)             | SUKUK | 2.90%             |
| Ismail Industries Limited - Sukuk 4            | SUKUK | 2.16%             |
| Lucky Electric Power Company Ltd Sukuk-21      | SUKUK | 1.97%             |
| Loads Limited Sukuk (23-7-2025)                | SUKUK | 1.64%             |
| Mughal Iron & Steel Industries Ltd (03-6-2025) | SUKUK | 1.57%             |
| K-Electric Company Ltd. (24-04-25)             | SUKUK | 1.38%             |
| Bankislami Pakistan Limited                    | SUKUK | 0.21%             |
| Agha Steel Industries Limited                  | SUKUK | 0.40%             |

|                      | Asset Allocation ( % of Total Assets) |        |
|----------------------|---------------------------------------|--------|
| Assets               | Jul-25                                | Jun-25 |
| <b>Sukuk</b>         | <b>38.18%</b>                         | 36.57% |
| <b>Bank Balances</b> | <b>60.34%</b>                         | 61.39% |
| <b>Others</b>        | <b>1.48%</b>                          | 2.04%  |

### Asset Allocation (Credit Quality)

| Credit Quality | Jul-25        | Jun-25 |
|----------------|---------------|--------|
| <b>AAA</b>     | <b>32.82%</b> | 61.19% |
| <b>AA+</b>     | <b>16.25%</b> | 0.00%  |
| <b>AA-</b>     | <b>2.16%</b>  | 2.16%  |
| <b>AA</b>      | <b>27.84%</b> | 16.74% |
| <b>A+</b>      | <b>17.20%</b> | 17.18% |
| <b>A</b>       | <b>1.85%</b>  | 0.21%  |
| <b>D</b>       | <b>0.40%</b>  | 0.47%  |
| <b>Unrated</b> | <b>1.48%</b>  | 2.05%  |

### Fund Returns

| Periods                                  | Returns       | Benchmark     |
|--|---------------|---------------|
| <b>July 2025</b>                         | <b>8.87%</b>  | <b>10.06%</b> |
| <b>FYTD 2026</b>                         | <b>8.87%</b>  | <b>10.06%</b> |
| <b>Rolling 12 Months July 2025</b>       | <b>13.37%</b> | <b>10.30%</b> |
| <b>FY 2025</b>                           | 14.57%        | 10.37%        |
| <b>FY 2024</b>                           | 22.72%        | 10.10%        |
| <b>FY 2023</b>                           | 18.84%        | 6.06%         |
| <b>FY 2022</b>                           | 10.81%        | 3.34%         |
| <b>FY 2021</b>                           | 5.49%         | 3.11%         |
| <b>FY 2020</b>                           | 10.90%        | 6.41%         |
| <b>FY 2019</b>                           | 11.12%        | 12.93%        |
| <b>FY 2018</b>                           | 11.86%        | 6.22%         |
| <b>FY 2017</b>                           | 16.32%        | 5.98%         |
| <b>FY 2016</b>                           | 22.61%        | 6.50%         |
| <b>last 10 years</b>                     | 14.52%        | 7.10%         |
| <b>Peer Group Average Return</b>         |               | 10.07%        |
| <b>5 years Peer Group Average Return</b> |               | 13.64%        |

Returns are computed on the basis of NAV to NAV with dividend reinvested  
The performance reported is net of management fee & all other expenses and based on dividend reinvestment gross of with-holding tax where applicable.

### Investment Committee

|                         |                               |
|-------------------------|-------------------------------|
| <b>Tara Uzra Dawood</b> | Chief Executive Officer       |
| <b>Noman Shakir</b>     | Chief Financial Officer       |
| <b>Muhammad Abbas</b>   | Vice President - 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 | 4,188,789              | 4,188,789          | -                     | 0.00%           | 0.00%             |
| New Allied Electronics Industries Ltd. | TFC                | 32,655,939             | 32,655,939         | -                     | 0.00%           | 0.00%             |
| New Allied Electronics Industries 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%             |
| Agha Steel Industries Limited          | Sukuk              | 10,200,000             | 4,080,000          | 6,120,000             | 0.40%           | 0.40%             |

### 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 Timmings  |
|-------------------------|--------------------|-------------------|
| <b>Monday - Friday</b>  | 09:00 am - 6:00 pm | 9:00 am - 4:00 pm |

### Other Information

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.

### 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.