

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 increased from PKR 1409.09 million to PKR 1466.29 million. The fund achieved a monthly, annualized return of 8.63% for the month ended October 31, 2025, outperforming its benchmark, which returned 9.14% during the same period.

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

| Fund Statistics | |
|-------------------------------------|---|
| Name of Fund | 786 Smart Fund |
| Type | Open End |
| Category | Shariah Compliant Income Scheme |
| Net Assets | PKR 1466.29 million |
| Net Assets Value per unit | PKR 86.6507 |
| Wt. average Time to maturity | 1.01 |
| Benchmark | 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* |
| Trustee & Custodian | Digital Custodian Company Limited |
| Auditor | Reanda Haroon Zakaria & Company |
| Registrar | M/s F.D. Registrar Services (SMC-Pvt) Limited |
| Launch Date | 19-May-2003 |
| Listing | PSX |
| Duration | Perpetual |
| Management Fee | 1.50% per annum |
| Total Expense Ratio** | Ytd 2.06% Mtd 2.06% |
| Sales Load | 1% Front End |
| Pricing Mechanism | Forward |
| Leverage | Nil |
| Risk Profile | Medium |
| AMC Rating | AM3 (20 Dec 2024) |
| Stability Rating | AA-(f) by PACRA (17 Oct 2024) |
| Subscription | 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 | | |
|--|-------|-------------------|
| INVESTEE COMPANY | Type | % of Total Assets |
| Mughal Iron & Steel Industries Ltd (26-3-2025) | SUKUK | 13.11% |
| Thatta Cement Limited - (10-10-25) LTS | SUKUK | 10.14% |
| Pakistan Telecommunication Co Ltd. STS | SUKUK | 12.84% |
| K-Electric Company Ltd. (23-11-22) | SUKUK | 5.87% |
| Ismail Industries Limited - Sukuk 5 | SUKUK | 3.38% |
| Lucky Electric Power Company Ltd Sukuk-22 | SUKUK | 3.24% |
| Dubai Islamic Bank Ltd. (02-12-22) | SUKUK | 3.00% |
| Loads Limited Sukuk (23-7-2025) | SUKUK | 1.35% |
| Mughal Iron & Steel Industries Ltd (03-6-2025) | SUKUK | 1.62% |
| K-Electric Company Ltd. (24-04-25) | SUKUK | 1.42% |

| Asset Allocation (% of Total Assets) | | |
|---------------------------------------|---------------|---------|
| Assets | Oct-25 | Sept-25 |
| Sukuk | 56.47% | 48.53% |
| Bank Balances | 42.34% | 50.22% |
| Others | 1.19% | 1.25% |

| Asset Allocation (Credit Quality) | | |
|-----------------------------------|---------------|---------|
| Credit Quality | Oct-25 | Sept-25 |
| AAA | 24.12% | 31.93% |
| AA+ | 17.75% | 18.30% |
| AA- | 3.38% | 3.51% |
| AA | 23.84% | 24.31% |
| A+ | 17.73% | 18.44% |
| A | 11.71% | 1.98% |
| D | 0.28% | 0.29% |
| Unrated | 1.19% | 1.25% |

| Fund Returns | | |
|--|---------------|--------------|
| Periods | Returns | Benchmark |
| October 2025 | 8.63% | 9.14% |
| FYTD 2026 | 9.13% | 9.42% |
| Rolling 12 Months October 2025 | 10.54% | 9.97% |
| FY 2025 | 14.57% | 10.37% |
| FY 2024 | 22.72% | 10.10% |
| 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 | 14.52% | 7.10% |
| Peer Group Average Return | | 8.93% |
| 5 years Peer Group Average Return | | 13.41% |

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 | |
|-------------------------|-------------------------------|
| Tara Uzra Dawood | Chief Executive Officer |
| Noman Shakir | Chief Financial Officer |
| Muhammad Abbas | Vice President - Fund Manager |
| Aazim Khan | Head of Risk and 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 |
| 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% |
| Amtex Ltd. | Sukuk | 22,500,000 | 22,500,000 | - | 0.00% | 0.00% |
| Eden Housing Ltd. | Sukuk | 2,887,171 | 2,887,171 | - | 0.00% | 0.00% |
| Agha Steel Industries Limited | Sukuk | 10,200,000 | 6,120,000 | 4,080,000 | 0.28% | 0.28% |

| 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 Timings |
| Monday - Friday | 09:00 am - 6:00 pm | 9:00 am - 4:00 pm |

Other Information

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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