

## 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 1438.02 million to PKR 1445.36 million. The fund achieved a monthly, annualized return of 9.25% for the month ended December 31, 2025, outperforming its benchmark, which returned 9.30% 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 1445.36 million
<b>Net Assets Value per unit</b>	PKR 87.9999
<b>Wt. average Time to maturity</b>	0.92
<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+ (10 Nov 2025)
<b>Stability Rating</b>	AA-(f) by PACRA (18 Nov 2025)
<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	13.30%
Thatta Cement Limited - (10-10-25) LTS	SUKUK	10.28%
Pakistan Telecommunication Co Ltd. STS	SUKUK	13.02%
K-Electric Company Ltd. (23-11-22)	SUKUK	5.62%
Ismail Industries Limited - Sukuk 5	SUKUK	3.43%
Lucky Electric Power Company Ltd Sukuk-22	SUKUK	3.29%
Dubai Islamic Bank Ltd. (02-12-22)	SUKUK	3.04%
Daewoo Pakistan Bus Services Limited -Sukuk (30-	SUKUK	1.71%
Loads Limited Sukuk (23-7-2025)	SUKUK	1.37%
K-Electric Company Ltd. (24-04-25)	SUKUK	1.45%

Asset Allocation ( % of Total Assets)		
Assets	Dec-25	Nov-25
<b>Sukuk</b>	<b>57.00%</b>	57.23%
<b>Bank Balances</b>	<b>39.45%</b>	41.22%
<b>Others</b>	<b>3.55%</b>	1.55%

Asset Allocation (Credit Quality)		
Credit Quality	Dec-25	Nov-25
<b>AAA</b>	<b>1.14%</b>	4.91%
<b>AA+</b>	<b>36.35%</b>	36.30%
<b>AA-</b>	<b>3.43%</b>	3.45%
<b>AA</b>	<b>25.33%</b>	23.51%
<b>A+</b>	<b>16.34%</b>	18.08%
<b>A</b>	<b>11.87%</b>	11.93%
<b>D</b>	<b>0.28%</b>	0.28%
<b>Unrated</b>	<b>3.55%</b>	1.55%

Fund Returns		
Periods	Returns	Benchmark
<b>December 2025</b>	<b>9.25%</b>	<b>9.30%</b>
<b>FYTD 2026</b>	<b>9.29%</b>	<b>9.39%</b>
<b>Rolling 12 Months December 2025</b>	<b>9.53%</b>	<b>10.06%</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>		10.00%
<b>5 years Peer Group Average Return</b>		13.30%

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>Aazim Khan</b>	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%
Amtext 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 Timmings
<b>Monday - Friday</b>	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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