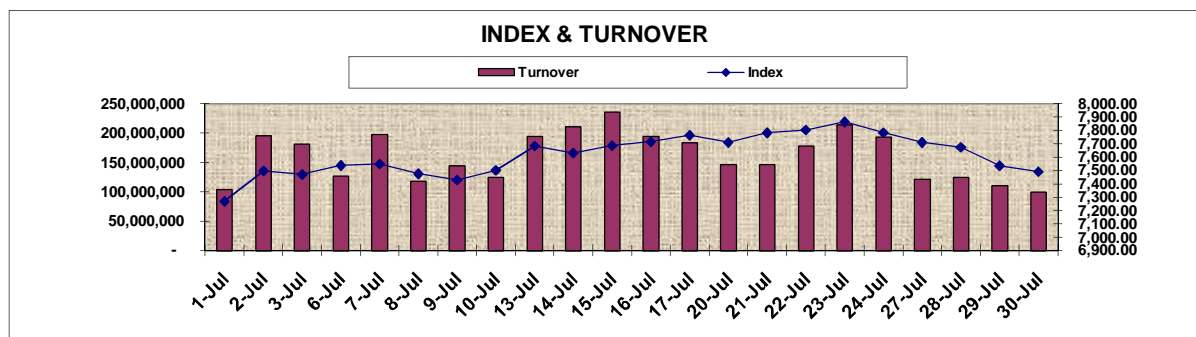


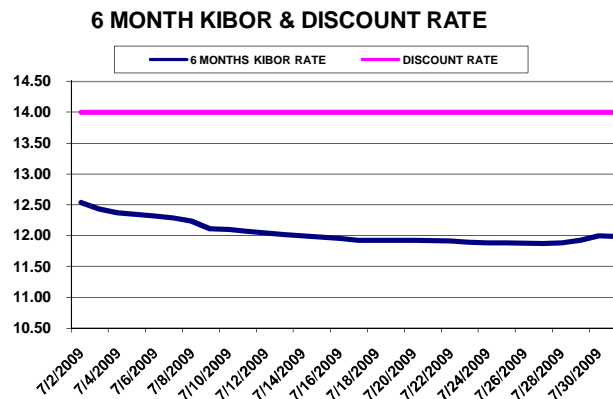
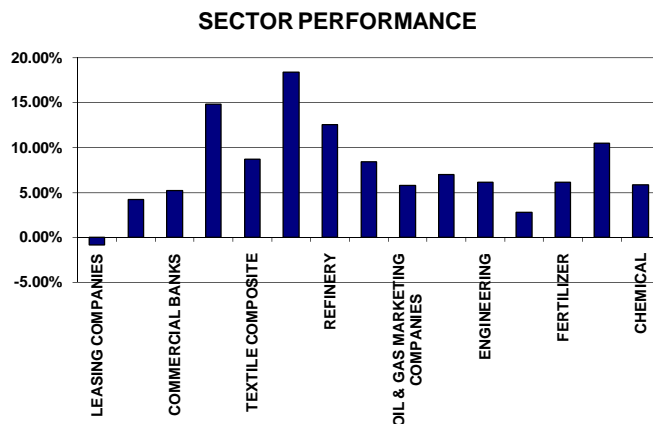
Stock Market Review

During the period of July, KSE-100 index posted a healthy return of 10.87%. That said, the index gained 779 points to reach its peak 7,941.23 points level during the month and finally closed at 7,720.93 points level at end of the July. The market capitalization also surged by 8% to PRs2.27tn as against PRs2.10tn previously. The upward momentum of stock market is attributable to a number of reasons a) market expectations of 150bps cut in discount rate in upcoming monetary policy for 1QFY10. b) Cut in NSS and other debt instruments c) reversal in oil prices d) satisfactory law & order situation in the upper region due to military operation that also lead renewed foreign investors' confidence. Therefore, the aggravated investment climate has improved considerably which also attracted foreign investment in the country. During the month 100 index fell 475 points from its peak due to SBP has deferred announcement of monetary policy for 1QFY10 to August 15, 2009, a day before July 25 and devaluation of PKR against dollar. That said the Portfolio investments, as represent by Special Convertible Rupee Account (SCRA), showed net inflows of US\$69mn during the period. The aggregate inflows during FY10 in SCRA have reached to positive level of US\$18mn as on Jul 15, 2009. Moreover, the reversal in NSS and other debt instruments rates also resulted in increased exposure towards highly undervalued stock market. Rising oil prices also ignited the activity in heavy weight E&P sector. Foreign Investors Portfolio Investment (FIPI) in this time period recorded a net outflow of a US\$(1.37)mn and SCRA position during the month recorded a net outflow of a US\$(2.08)mn.



Money Market Review

During the month of July, 2009, the expectation of interest rate cut in the much awaited Monetary Policy statement in July, market sentiment led to a drop in yield much before the announcement. Debt market improvement is attributable to improved prices of TFCs in the secondary market. The main reason for this was enhanced market liquidity. This can be established from the decline in Money Market rates including KIBOR and short-term Government securities. Three-month T-Bill was trading at around 11.80% p.a. by end-July as against 12.45% p.a. at the end of June. Similarly, 6-Months KIBOR after reaching low of 11.88% and closed at 11.99% p.a during July, as against 12.54% p.a. in the previous month. Investments in debt securities would be beneficial in terms of capital gain as the discount rate is expected to drop due to upcoming meeting with IMF on August 07, 2009 and as the Ministry of finance provided the assurance that the meeting would be successful and would provide much relief to the industry.





Investment Objective

DIF is an Islamic Asset Allocation Fund, allowing investors an alternative to the traditional 100% equity exposure Islamic Funds. It is the intention of the fund manager to limit its exposure to the equity market to a maximum of 25% of the Net Assets of the fund, placing it in the moderate risk category.

Dawood Islamic Fund's (DIF) objective is to provide investors the opportunity to earn Riba-free Halal income through investment. The high portion of non equity investments provides the fund with stability, while equity portion serves as yield kicker for the fund. DIF shall be invested in the following asset classes; a) Equity including depository receipts such as GDRs & ADRs, b) Participation Term Certificates, c) Modaraba Certificates, d) Musharika, Murahaba, Sukuk and Term Finance Certificates, e) Sukuk Islamic Bonds and other types of Islamic bonds etc, And any other securities or instruments that may be permitted by the Commission and the Shariah Council.

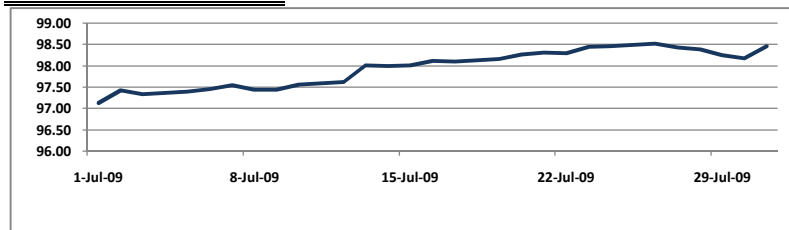
Volatility Measures

Average Return	0.00%
Standard Deviation	3.42%
Sharpe Ratio	-0.28

KSE 100 Index Performance

	Jul-09	Jun-09	Change in %
100 Index	7720.9	7162.18	7.80%
Mkt Capitalization(bil)	2278.2	2120.65	7.43%
Turnover(million)	140.37	100.04	40.31%

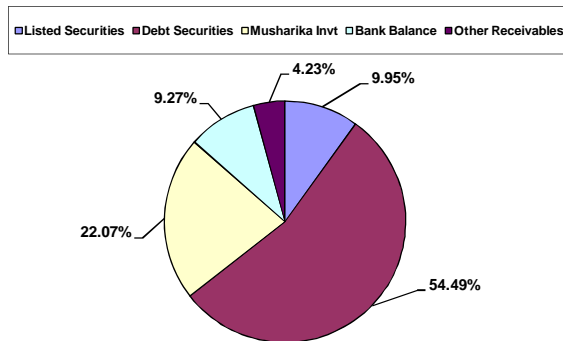
DIF - NAV Performance



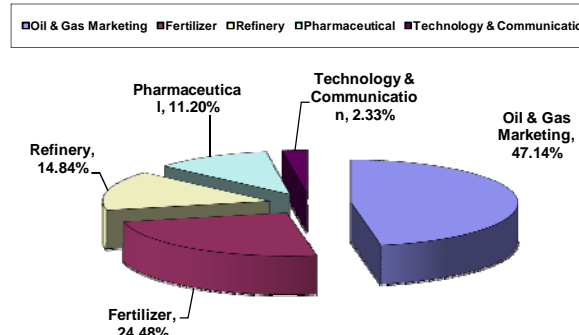
Salient Feature

Name of the Fund	Dawood Islamic Fund
Structure	Open-end Scheme
Industry Category	Shariah Compliant Islamic
Shariah Board	Professor Mufti Munib ur Rehman Mufti Syed Sabir Hussein
Net Assets - 31-July-2009	PKR. 380.32 million
NAV - 31-July-2009	98.4569
Major Sponsors	Dawood Islamic Bank Ltd.
Registered Address	1500-A Saima Trade Tower, I.I. Chundrigar Road, Karachi Central Depository Co. of Pakistan Gangjees Registrar Services (Pvt.) Ltd 14 July, 2007
Trustee and Custodian	
Registrar	
IPO Date	
Legal Advisor	Bawaney & Partners
Listing	Karachi Stock Exchange
Duration	Perpetual
Governing Law	NBFC Rules, 2003 and Notified Entities Regulations 2008
Governing Body	Securities & Exchange Commission of Pakistan
Management	Fee 1.5% per annum
Minimum Initial Investment	Rs. 5,000/-

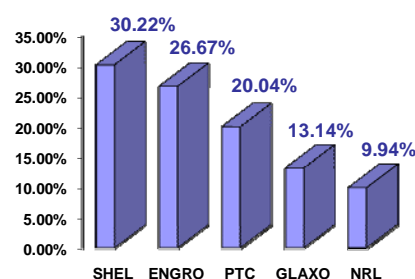
ASSETS ALLOCATION



SECTOR ALLOCATION



TOP 5 HOLDING



Trailing Performance

30 Days (1 Month)	90 Days (3 Months)	180 Days (6 Months)	* YTD	Since Inception
1.58%	10.99%	12.27%	1.58%	14.06%

*Annualized Return

Assets Allocation

	Jul-09	Jun-09
Listed Securities	9.95%	8.00%
Debt Securities	54.49%	54.00%
Musharika Invt	22.07%	22.00%
Bank Balance	9.27%	13.00%
Other Receivables	4.23%	4.00%

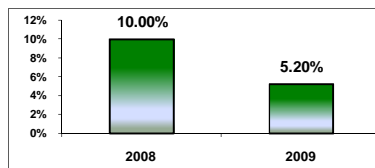
Top 5 Holdings

Asset Mix	Jul-09
SHEL	30.22%
ENGRO	26.67%
PTC	20.04%
GLAXO	13.14%
NRL	9.94%

Sector Allocation

	Jul-09
Oil & Gas Marketing	47.14%
Fertilizer	24.48%
Refinery	14.84%
Pharmaceutical	11.20%
Technology & Communication	2.33%

Payout History



FUND MANAGER COMMENTS:

During the month July'09 Net Asset Value (NAV) of Dawood Islamic Fund We have reallocated the asset structure and focus toward the equity take advantage of pre monetary policy rally. The return of the month is 7.71%, making an annualize return of 1.81% as compare to the performance of -41.72% KSE index.

Monthly Performance History

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2009-10	1.58%												1.58%
2008-09	-1.32%	-0.19%	-0.79%	-9.60%	-7.34%	-3.64%	2.85%	1.77%	-1.85%	1.26%	1.52%	7.71%	1.81%



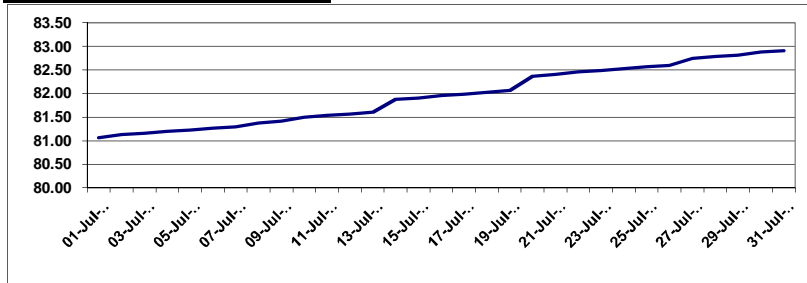
Investment Objective

The Dawood Money Market Fund's (DMMF) objective is to preserve the investor's capital while providing a return on capital greater than that offered by other investment avenues of similar risk profile. It represents an ideal investment avenue for investors seeking stable returns in the conservative and risk-averse manner. DMMF invests in a portfolio of money market investments including but not limited to: spread transactions, COTs, investment grade debt securities, Government bonds, repo and reverse repo transactions, asset backed securities issued by SPVs, investment grade COIs, investment grade COMs, and other deposits with banks and NBFIs, money market instruments and short maturity reverse repurchase transactions.

Volatility Measures

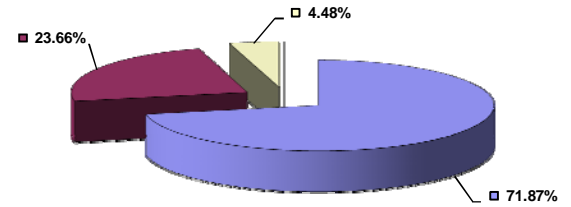
Average Return	-0.10%
Standard Deviation	5.20%
Sharpe Ratio	-0.20

DMMF - NAV Performance



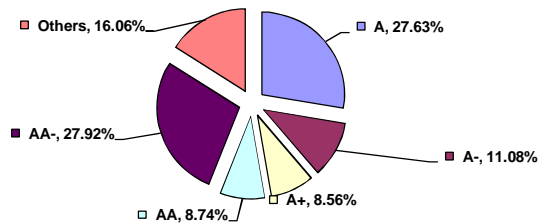
ASSETS COMPOSITION

TFCs / Sukuks	Placements	Others
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DMMF Portfolio Credit Quality

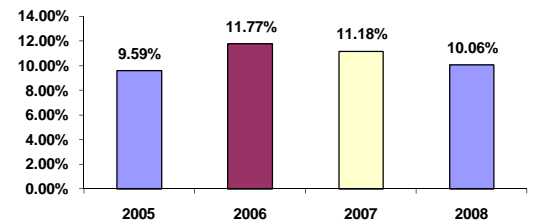
A	A-	A+	AA	AA-	Others
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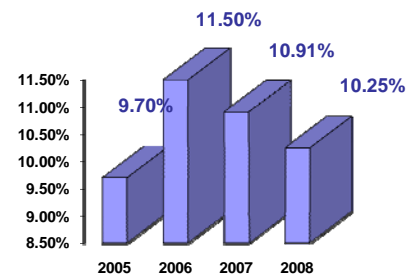
Salient Feature

Name of the Fund	Dawood Money Market Fund
Structure	Open-end Scheme
Industry Category	Fixed-Income
Net Assets - 31-July-2009	PKR. 880.54 million
NAV - 31-July-2009	82.9138
Registered Address	1500-A Saima Trade Tower, I.I. Chundrigar Road, Karachi
Trustee and Custodian	Bank-Al Habib
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
IPO Date	22-May-2003
Legal Advisor	Bawaney & Partners
Listing	Karachi Stock Exchange
Duration	Perpetual
Governing Law	NBFC Rules, 2003 and Notified Entities Regulations 2007
Governing Body	Securities & Exchange Commission of Pakistan
Management	Fee 1.00% per annum
Minimum Initial Investment	Rs. 5000/-
Distribution Policy	DMMF shall distribute not less than 90% received or derived from sources other than capital gains or reduced by such expenses as are chargeable or attributable to the fund under the governing rules.

YEARLY PERFORMANCE



PAYOUT HISTORY



Trailing Performance

30 Days (1 Month)	90 Days (3 Months)	180 Days (6 Months)	* YTD	Since Inception
31.01%	17.90%	32.13%	31.01%	4.69%

*Annualized Return

Interest Rates Scenario*

KIBOR 3 months	11.93%
KIBOR 6 months	11.99%
Discount Rate	14.00%
6 months T-bills	11.38%
10 Years PIBs	12.57%
Inflation (CPI)	20.77%

Source: SBP's website

Portfolio Composition (%)

Asset Mix	Jul-09	Jun-09
TFCs / Sukuks	71.87%	70.22%
Placements	23.66%	24.22%
Others	4.48%	3.72%

Yearly Performance

2005	9.59%
2006	11.77%
2007	11.18%
2008	10.06%

Payout History

2005	9.70%
2006	11.50%
2007	10.91%
2008	10.25%

Monthly Performance History

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2009-10	31.01%												31.01%
2008-09	10.08%	10.67%	12.70%	9.62%	-98.66%	-84.37%	469.94%	432.44%	-53.48%	50.08%	25.00%	-0.06%	-19.33%

FUND MANAGER COMMENTS:

After resumed its operation the return for the month of July is 31.01% as against (0.06%) last month. Looking at the interest rate scenario, cut in discount rate will improve the prices of debt instrument over the period and the fund having major investment in the portfolio to be benefited. Therefore we believe that in funds like DMMF is the right time to make investment.

Glossary

1 Standard Deviation:

The standard deviation measures how much the returns of a portfolio move around the average return. The standard deviation grows as returns move further above or further below the average.

2 Sharp Ratio:

It measures the portfolio excess return above the risk free rate per unit of risk.

3 Covariance

The Covariance of a portfolio is the major index indicates the risk of the portfolio with respect to the index. The Covariance of the portfolio with any other index is computed by gathering the returns of the portfolio and the

4 Correlation

Correlation is a statistical technique which can show whether and how strongly pairs of variables are related. For example, height and weight are related. The Correlation between the portfolio and the index.

Registered Office

DAWOOD CAPITAL MANAGEMENT LIMITED
1500-A SAIMA TRADE TOWER,
I I CHUNDRIGAR ROAD, KARACHI 74000
0800-FUNDS (38637) - 111-DAWOOD (329663)

Disclaimer:

Investment in mutual funds are subject to market risk. Past performance is not indicative of future result. For understanding investment policy, risks and rewards read the offering document, consult your financial/legal advisor or call.