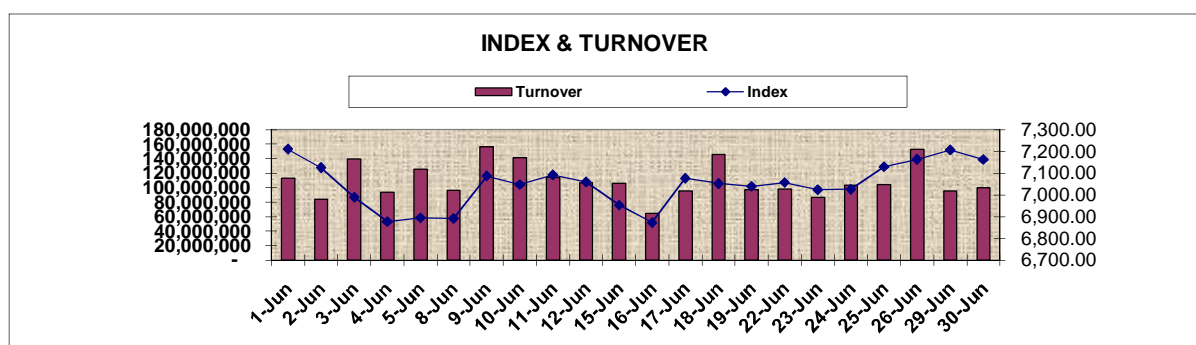


Stock Market Review

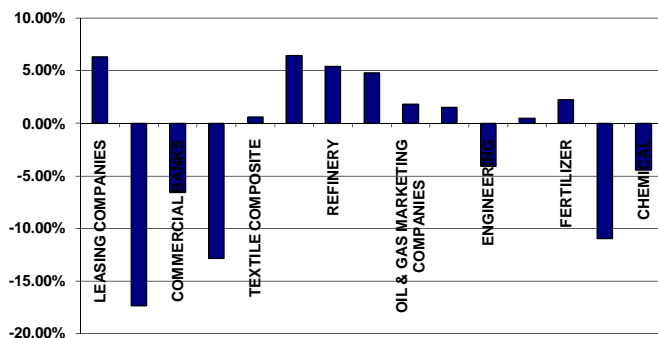
During the period, KSE-100 index remained volatile on the back of likely budgetary announcements & prevailing disturbed law & order situation of the country. Owing to the above, on a net basis, 100 index lost 470.71 points from its peak of 7,276.61, representing a decline of 6.48% during the month of June, 2009. The market capitalization also fell by 4% to PRs2.05tn as against PRs2.14tn previously. The volatile stock market behavior is also attributable to the disturbed law & order situation, shrinking foreign investors' confidence coupled with budget expectations during the period. The ongoing war has destabilizes the state & aggravated the investment climate of the country which has not only restricted the foreign investment but has also created negative sentiments for the local investors. Moreover, the market was eagerly waiting for the budget announcements especially with regards impositions of new taxes on capital markets. This had also kept investors' confidence a little shaky during post budget period. The government in the budget FY10 announced the abolition of CVT along with the imposition of 16% FED in VAT mode which will be levied on services provided by the brokers. A cost-to-benefit analysis suggests while the transaction cost will be lowered by CVT withdrawal, the induction of FED would restrict the impact. Thus, these two measures are offsetting each other. Foreign Investors Portfolio Investment (FIPI) in this time period recorded a net inflow of a US\$5.64mn.



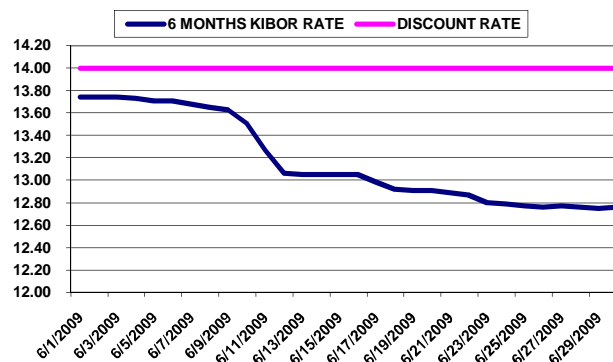
Money Market Review

The liquidity crunch concerns remained in the limelight during the month of June, 2009 and short term money activity took place near the discount rate of 14%. The market participants remained bearish on interest rates in long run and expected to decline in upcoming monetary policy, after the SBP decided to cut the T-Bills and PIB rates in the month of June 09. Treasury Bill yields fell drastically by 100 bps in last auction. The yield of 6 months T-bills decline from 13.1423% to 12.0059% and 1 year T-bills from 13.2648% to 12.0882% and 6-M KIBOR to 12.76% as against 13.75% during the month of June. The cut in NSS rates on June 30, 2009 remained also a prominent factor behind the expectation of declining trend in the interest rates. The market situation is expected to improve once the inflation rate will ease off which should lead to a decrease in the discount rate from 14%. Which is expected to provide liquidity in the market.

SECTOR PERFORMANCE



6 MONTH KIBOR & DISCOUNT RATE





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.

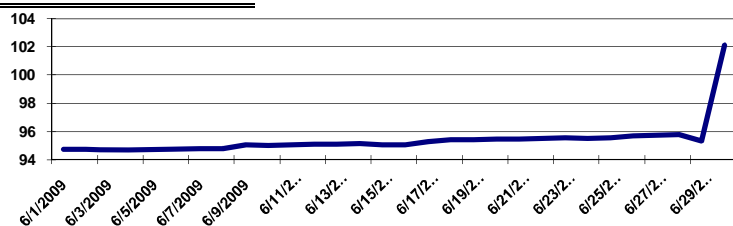
Volatility Measures

Average Return	0.15%
Standard Deviation	3.41%
Sharpe Ratio	-0.27

KSE 100 Index Performance

	Jun-09	May-09	Change in %
100 Index	7162.2	7276.61	-1.57%
Mkt Capitalization(bil)	2120.7	2156.41	-1.66%
Turnover(million)	100.04	188.83	-47.02%

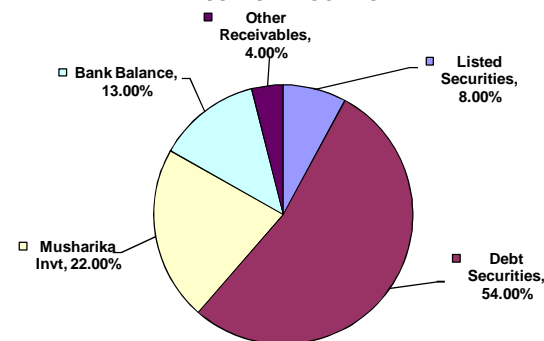
DIF - NAV Performance



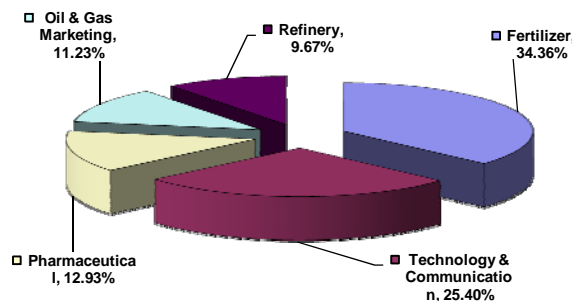
Salient Feature

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 - 30-June-2009	PKR. 386.74 million
NAV - 30-June-2009	102.1227
Major Sponsors	Dawood Islamic Bank Ltd.
Registered Address	1500-A Saima Trade Tower, I.I. Chundrigar Road, Karachi
Trustee and Custodian	Central Depository Co. of Pakistan
Registrar	Gangjees Registrar Services (Pvt.) Ltd
IPO Date	14 July, 2007
Legal Advisor	Bawany & 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/-

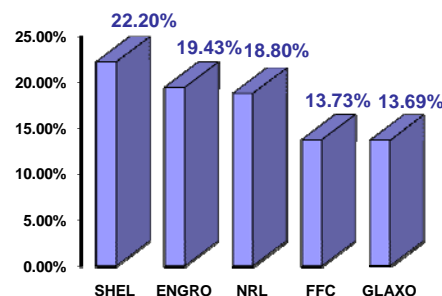
ASSETS ALLOCATION



SECTOR ALLOCATION



TOP 5 HOLDING



Trailing Performance

30 Days (1 Month)	90 Days (3 Months)	180 Days (6 Months)	* YTD	Since Inception
7.71%	10.73%	13.76%	1.81%	12.52%

*Annualized Return

Assets Allocation

	Jun-09	May-09
Listed Securities	8.00%	7.00%
Debt Securities	54.00%	56.00%
Musharika Invt	22.00%	29.00%
Bank Balance	13.00%	3.00%
Other Receivables	4.00%	5.00%

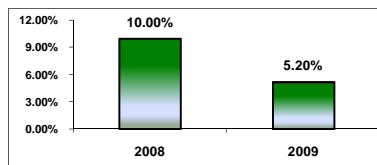
Top 5 Holdings

Asset Mix	Jun-09
SHEL	22.20%
ENGRO	19.43%
NRL	18.80%
FFC	13.73%
GLAXO	13.69%

Sector Allocation

	Jun-09
Fertilizer	34.36%
Technology & Communication	25.40%
Pharmaceutical	12.93%
Oil & Gas Marketing	11.23%
Refinery	9.67%

Payout History



Monthly Performance History

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
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%
2007-08	6.99%	-5.75%	32.85%	20.80%	8.33%	2.20%	15.61%	18.25%	13.13%	13.22%	-17.03%	14.54%	10.66%

FUND MANAGER COMMENTS:

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.



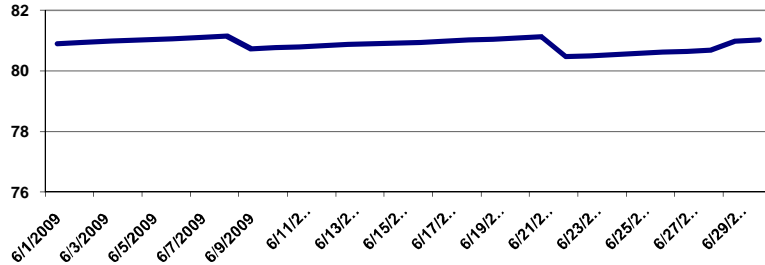
Investment Objective

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.

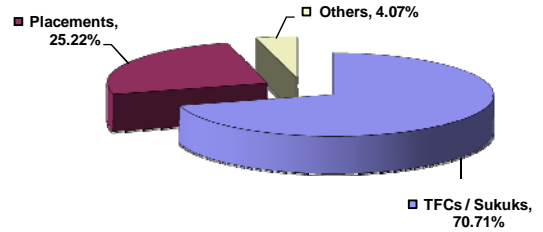
Volatility Measures

Average Return	-0.13%
Standard Deviation	5.23%
Sharpe Ratio	-0.23

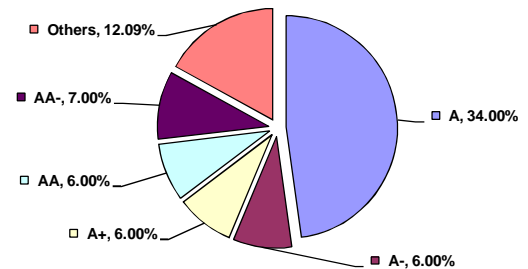
DMMF - NAV Performance



ASSETS COMPOSITION



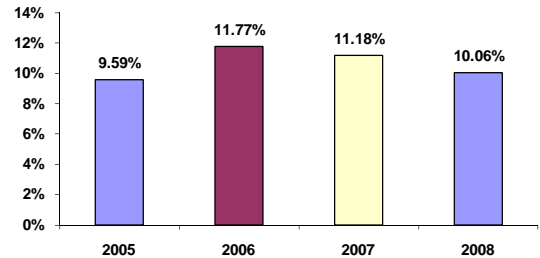
DMMF Portfolio Credit Quality



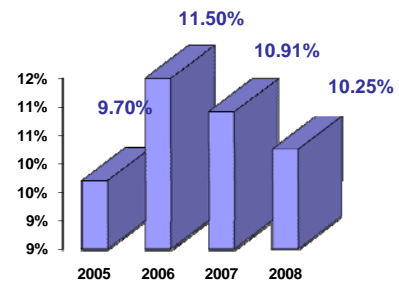
Salient Feature

Name of the Fund	Dawood Money Market Fund
Structure	Open-end Scheme
Industry Category	Fixed-Income
Net Assets - 30-June-2009	PKR. 873.34 million
NAV - 30-June-2009	81.0333
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
-0.06%	23.15%	69.96%	-19.33%	4.51%

*Annualized Return

Interest Rates Scenario*

KIBOR 3 months	12.77%
KIBOR 6 months	12.76%
Discount Rate	14.00%
6 months T-bills	12.01%
10 Years PIBs	12.57%
Inflation (CPI)	21.55%

Source: SBP's website

Portfolio Composition (%)

Asset Mix	Jun-09	May-09
TFCs / Sukuks	70.71%	70.22%
Placements	25.22%	24.22%
Others	4.07%	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
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%
2007-08	9.72%	9.64%	8.22%	9.97%	10.15%	8.97%	10.04%	10.57%	1.64%	12.12%	9.51%	5.90%	10.06%

FUND MANAGER COMMENTS:

Last month fund resumed its operation after taking extra impairment on the portfolio of TFCs, the return for the month of June is (0.06%). Looking at the interest rate scenario, we expect the prices of debt instrument improve 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.

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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.