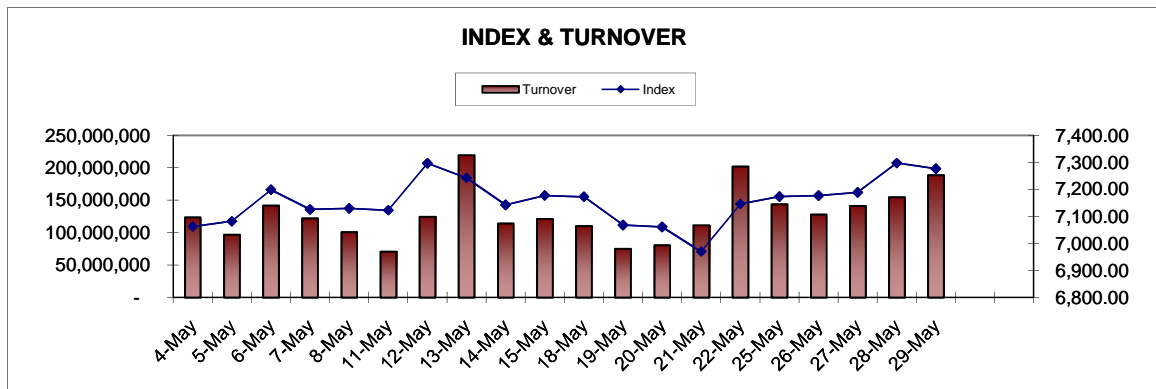


Stock Market Review

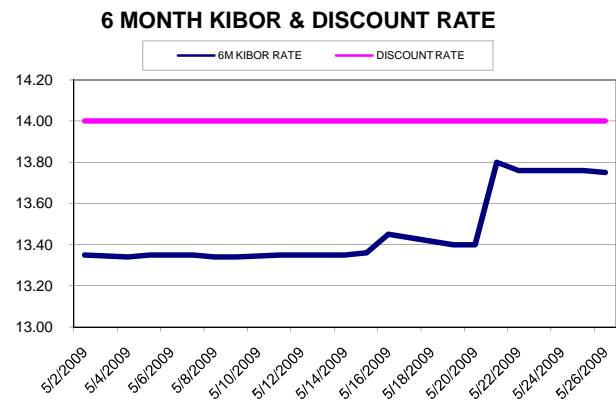
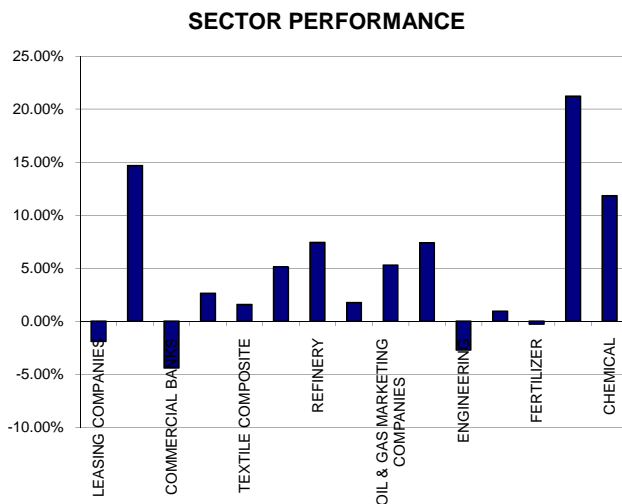
The benchmark KSE-100 index remained under pressure and was unable to maintain its upward momentum after hitting the peak of 8038.02 points level since start of 2009. The index during May followed a downward trend and on May 21, 2009 dipped to a 6841.03 points, thus losing nearly 1190.99 points (down 14.8%) At the end of the month, The index closed at 7276.61 points level.

Unrest and a disturbed law & order situation continued in northern part of the country. The Government launched a military operation in the region. These situations have eradicated the positive impact of the market, announcements of financial results were in line with the market expectation, economic indicators improved and the government's achieved of IMF economic targets. Which witness the shrinking foreign investors' confidence coupled with profit taking. Foreign Investors Portfolio investment (FIPI) showed withdrawal of investments from the local stock market. This showed net outflows of PKR 1.79billion during the period.



Money Market Review

During the period money market is facing a liquidity crunch due to the tightening of the liquidity position in the market, evidenced by a rise in yield of 3 months T-bills from 12.8896 to 12.9678, 1 year T-bills from 13.2294 to 13.2648 and 6-M KIBOR to 13.75% as against 13.35%. Prices of money market instruments have slightly declined. The market situation is expected to improve once the inflation rate will ease off which shall lead to a decrease in the discount rate from 14%, based on the declining of Consumer Price Index and Whole sale Price Index which is declining, and realization of some foreign inflows will increasing domestic liquidity.





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.

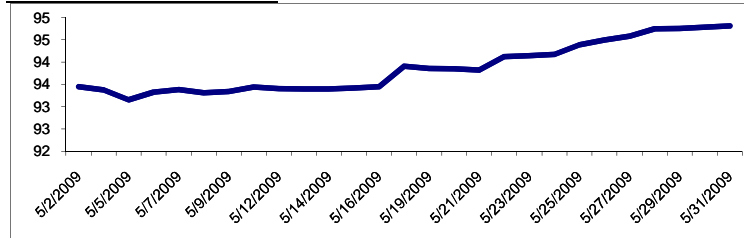
Volatility Measures

Average Return	-0.26%
Standard Deviation	3.13%
Sharpe Ratio	-0.43

KSE 100 Index Performance

	May-09	Apr-09	Change in %
100 Index	7276.6	7202.17	1.03%
Mkt Capitalization(bil)	2156.4	2145.96	0.49%
Turnover(million)	188.83	123.54	52.85%

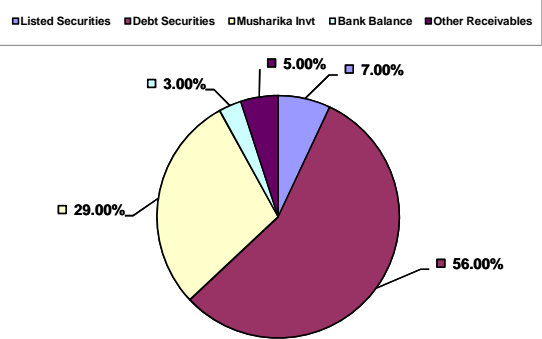
DIF - NAV Performance



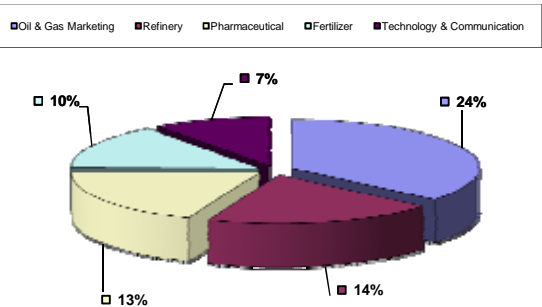
Salient Feature

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-May-2009	PKR. 357.61 million
NAV - 31-May-2009	94.8126
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	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



Trailing Performance

30 Days (1 Month)	90 Days (3 Months)	180 Days (6 Months)	YTD	Since Inception
1.52%	0.90%	1.77%	-5.48%	5.21%

*Annualized Return

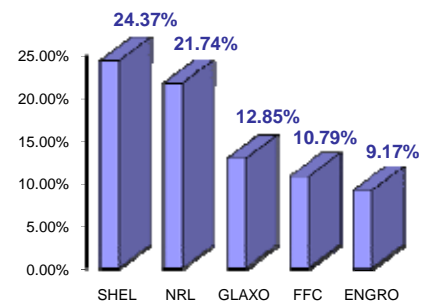
Assets Allocation

Asset Mix	May-09	Apr-09
Listed Securities	7.00%	8.00%
Debt Securities	56.00%	56.00%
Musharika Invt	29.00%	30.00%
Bank Balance	3.00%	2.00%
Other Receivables	5.00%	4.00%

Top 5 Holdings

Scripts	May-09
SHEL	24.37%
NRL	21.74%
GLAXO	12.85%
FFC	10.79%
ENGRO	9.17%

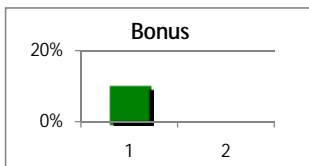
TOP 5 HOLDING



Sector Allocation

	May-09
Oil & Gas Marketing	24%
Refinery	14%
Pharmaceutical	13%
Fertilizer	10%
Technology & Communication	7%

Payout History



FUND MANAGER COMMENTS:

We have reallocated the asset structure and focus toward the equity take advantage of pre budget rally. The return of the month is 1.52%, making an annualize return of -5.48% as compare to the performance of -40.79% KSE index.

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%		-6.90%
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%



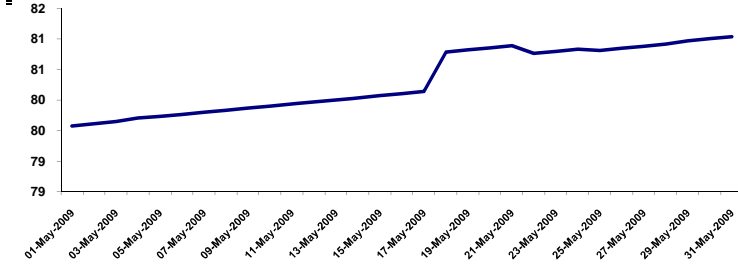
Investment Objective

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. The Fund 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.

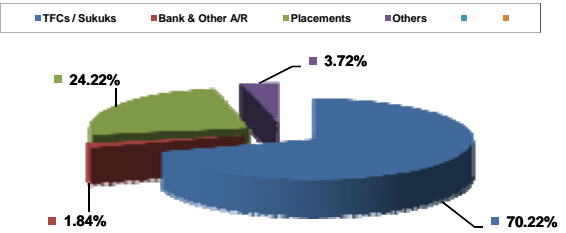
Volatility Measures

Average Return	-0.14%
Standard Deviation	5.26%
Sharpe Ratio	-0.23

DMMF - NAV Performance



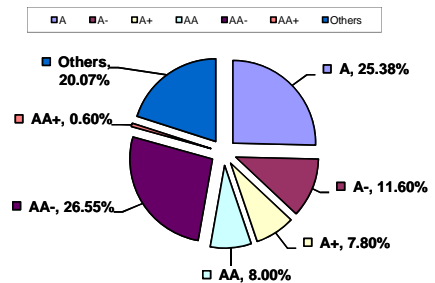
ASSETS COMPOSITION



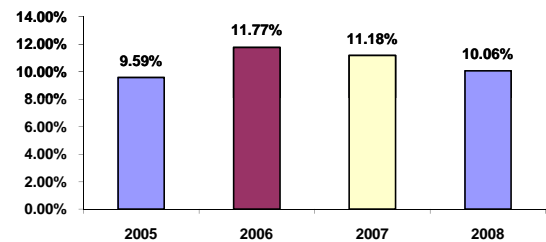
Salient Feature

Name of the Fund	Dawood Money Market Fund
Structure	Open-end Scheme
Industry Category	Fixed-Income
Net Assets - 31-May-2009	PKR. 920.90 million
NAV - 31-May-2009	81.0370
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	Bawany & 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 shell 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.

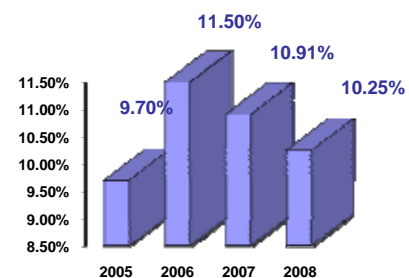
DMMF Portfolio Credit Quality



YEARLY PERFORMANCE



PAYOUT HISTORY



Trailing Performance

30 Days (1 Month)	90 Days (3 Months)	180 Days (6 Months)	YTD	Since Inception
25.00%	-5.04%	23.54%	-20.87%	4.57%

*Annualized Return

Interest Rates Scenario*

KIBOR 3 months	13.72%
KIBOR 6 months	13.76%
Discount Rate	14.00%
6 months T-bills	13.14%
10 Years PIBs	12.42%
Inflation (CPI)	22.35%

Source: SBP's website

Portfolio Composition (%)

Asset Mix	May-09	Apr-09
TFCs / Sukuks	70.22%	71.70%
Bank & Other A/R	1.84%	-0.19%
Placements	24.22%	25.22%
Others	3.72%	3.27%

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%

FUND MANAGER COMMENTS:

In May fund resume its operation after taking extra impairment on the portfolio of TFCs, the return for the month is 25%. 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.

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%		-24.44%
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%

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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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.