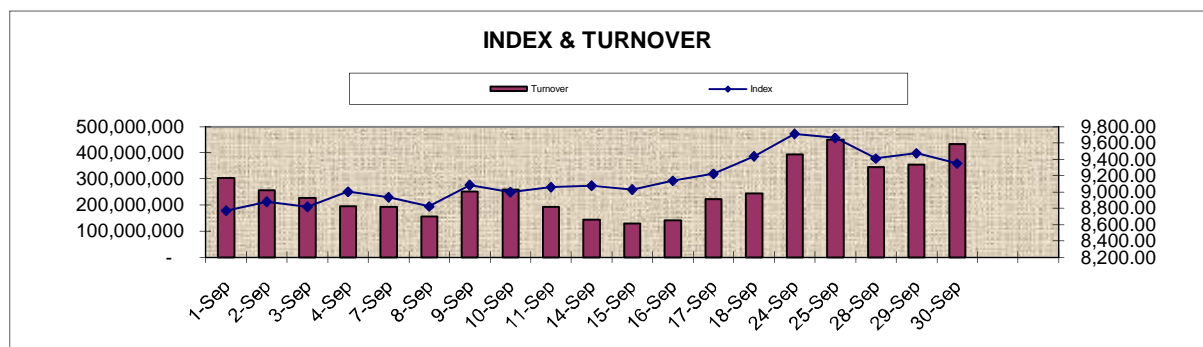




Stock Market Review

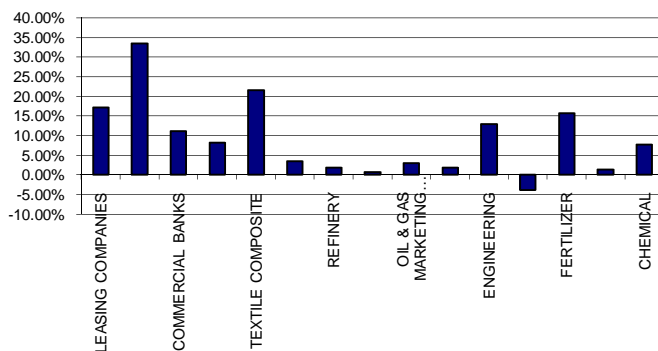
The benchmark KSE-100 index posted a healthy return of 13.45% during the month of September 2009. It said, the index gained approx 1,166 points and finally settled at 9,349.67 points level at the end of the period. The market capitalization also surged by 16% to PRs2.73tn as against PRs2.34tn previously. The upward momentum of stock market is attributable to a number of reasons a) Renewed foreign interest b) dollar inflows in the form of foreign aid, debt and remittances c) satisfactory law & order situation and d) firm oil prices. The renewed interest of foreign investors on the back of improving economic and law & order situation of the country triggered the buying spree at KSE. That said the Portfolio investments, as represent by Special Convertible Rupee Account (SCRA), showed encouraging figures with net inflows of US\$164.7mn during the period. The aggregate inflows during FY10 in SCRA have reached to the level of US\$209mn as on Sep 18, 2009. The central bank previously made cuts in its policy rates which is also believed to be one of the positive trigger for the market. The Foreign Investor Portfolio investments (FIPI) showed net inflows of US\$152.34mn during the period. The aggregate inflows during FY10 in SCRA have reached to positive level of US\$237.32mn as on September 30, 2009. All in all, the aggravated investment climate has improved considerably which has started reflecting from regaining local as well as foreign investors' confidence.



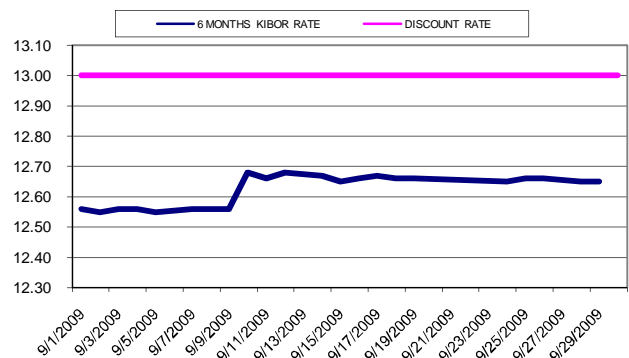
Money Market Review

Money market remained firm during the month of September owing to a relatively tighter liquidity situation in the market. During the month SBP announced no change in the current Discount Rate of 13% p.a. in its Monetary Policy, due to elevated commodity prices during Ramadan and subsequent Eid festival, inflation number remain volatile therefore justifying the decision to maintain the discount rate. Inflationary figure have posted a decline on YOY basis. It is expected that short term pressure will carry on due to expected electricity tariffs, oil prices volatility and inconsistent commodity prices. Thus uncertainties toward interest rate led to volatility in treasury bill yield during the month, where the heavy increase of cut-off yield in shorter tenor instrument was experienced, 3 months T-bill increased from 12.36% to 12.44%, 6 months T-bill increases from 12.44% to 12.58%, whereas 1 year T-bill increases from 12.42% to 12.48%. Six months KIBOR shows the range bound b/w 12.56-12.65% during the month. Secondary market yield on T-Bill during the month was ranged bound and are expected to remain at present levels till the next MPS.

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.

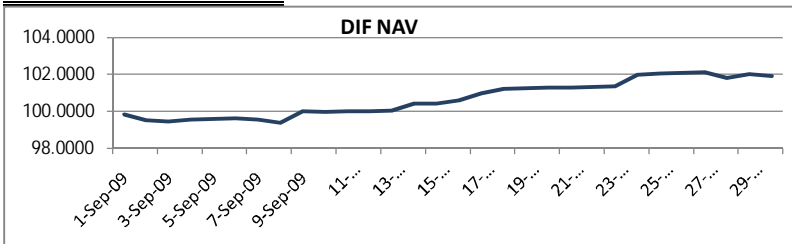
Volatility Measures

Average Return	0.13%
Standard Deviation	3.32%
Sharpe Ratio	-0.27

KSE 100 Index Performance

	Sep-09	Aug-09	Change in %
100 Index	9349.7	8675.67	7.77%
Mkt Capitalization(bl)	2715.74	2536.92	7.05%
Turnover(million)	432.83	260.42	66.20%

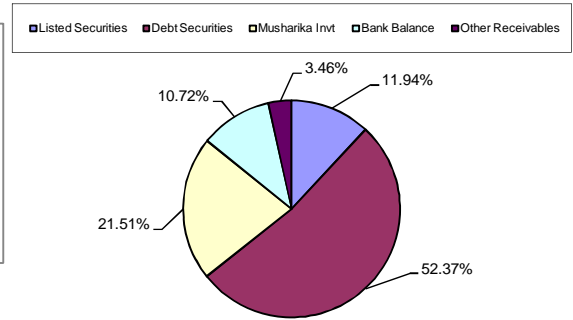
DIF - NAV Performance



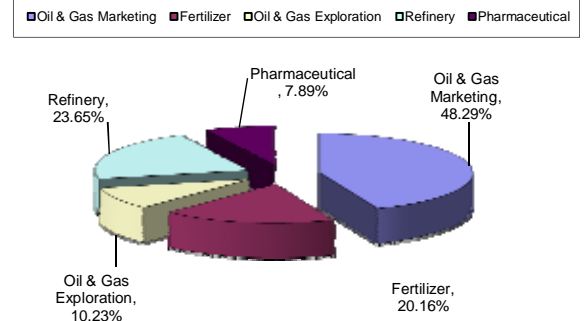
Salient Feature

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-Sept-2009	PKR. 392.09 million
NAV - 30-Sept-2009	101.918
Major Sponsors	Dawood Islamic Bank Ltd. 1500-A Saima Trade Tower, I.I. Chundrigar Road, Karachi
Registered Address	Central Depository Co. of Pakistan Gangjees Registrar Services (Pvt.) Ltd 14 July, 2007
Trustee and Custodian	Bawaney & Partners
Registrar	Karachi Stock Exchange
IPO Date	Perpetual
Legal Advisor	NBFC Rules, 2003 and Notified Entities Regulations 2008
Listing	Securities & Exchange Commission of Pakistan
Duration	
Governing Law	
Governing Body	
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
2.09%	5.15%	16.14%	5.15%	17.52%

*Annualized Return

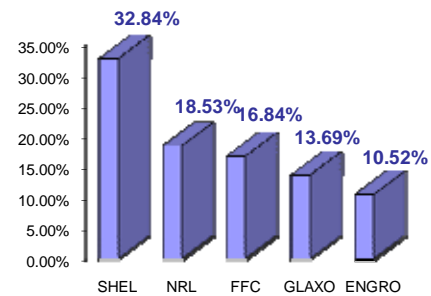
Assets Allocation

	Sep-09	Aug-09
Listed Securities	11.94%	13.92%
Debt Securities	52.37%	53.70%
Musharika Invnt	21.51%	21.86%
Bank Balance	10.72%	5.77%
Other Receivables	3.46%	4.75%

Top 5 Holdings

Asset Mix	Sep-09
SHEL	32.84%
NRL	18.53%
FFC	16.84%
GLAXO	13.69%
ENGRO	10.52%

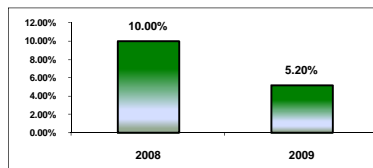
TOP 5 HOLDING



Sector Allocation

	Aug-09
Oil & Gas Marketing	48.29%
Fertilizer	20.16%
Oil & Gas Exploration	10.23%
Refinery	23.65%
Pharmaceutical	7.89%

Payout History



FUND MANAGER COMMENTS:

During the month of September 2009, Net Asset Value (NAV) of Dawood Islamic Fund (DIF) increased by 2.09% and making YTD return of 5.15%, as compare to the performance of KSE 100 index is 7.77%.

Monthly Performance History

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2009-10	1.58%	1.40%	2.09%										5.15%
2008-09	-1.32%	-0.19%	-0.79%	0.96%	-7.34%	-3.64%	2.85%	1.77%	-1.85%	1.26%	1.52%	7.71%	1.81%



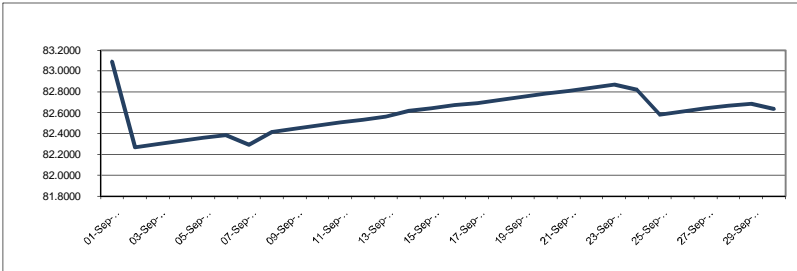
Investment Objective

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.

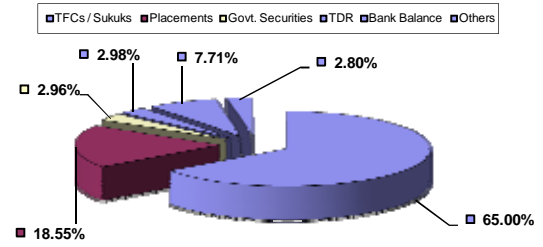
Volatility Measures

Average Return	-0.10%
Standard Deviation	5.13%
Sharpe Ratio	-0.22

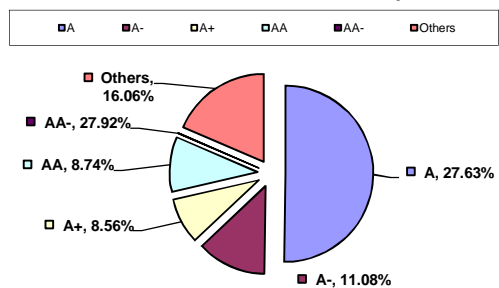
DMMF - NAV Performance



ASSETS COMPOSITION



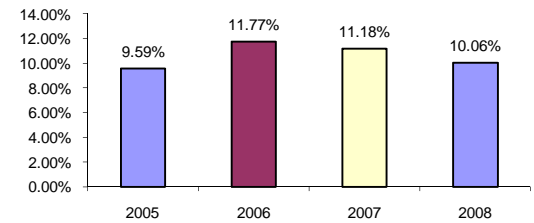
DMMF Portfolio Credit Quality



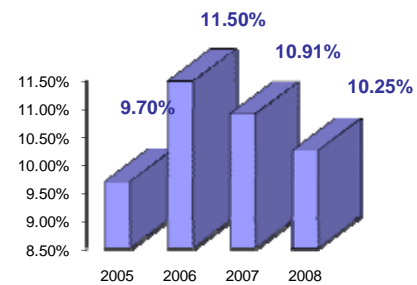
Salient Feature

Name of the Fund	Dawood Money Market Fund
Structure	Open-end Scheme
Industry Category	Fixed-Income
Net Assets - 31-Sept-2009	PKR. 835.71 million
NAV - 31-Sept-2009	82.6395
Registered Address	1500-A Saima Trade Tower, II, 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 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.

YEARLY PERFORMANCE



PAYOUT HISTORY



Trailing Performance

30 Days (1 Month)	90 Days (3 Months)	180 Days (6 Months)	* YTD	Since Inception
-5.56%	8.10%	15.34%	8.10%	4.53%

*Annualized Return

Interest Rates Scenario*

KIBOR 3 months	12.60%
KIBOR 6 months	12.65%
Discount Rate	13.00%
6 months T-bills	12.58%
10 Years PIBs	12.58%
Inflation (CPI)	10.93%

Source: SBP's website & The Financial Daily

Portfolio Composition (%)

Asset Mix	Sep-09	Aug-09
TFCs / Sukuks	65.00%	75.66%
Placements	18.55%	19.94%
Govt. Securities	2.96%	0.00%
TDR	2.98%	0.00%
Bank Balance	7.71%	0.00%
Others	2.80%	4.40%

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:

During the month of September, DMMF had negative return of -5.56% as compared to 1.65% last month. This is because of down ward revision of TFC's prices. DMMF is in the process of restructuring the portfolio to strengthen your fund; we are reducing the TFC's portfolio and getting exposure in Government Securities and TDR to reduce the risk and diversified your fund. Your Fund has earned YTD return of 8.10%.

Monthly Performance History

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2009-10	31.01%	1.65%	-5.56%										8.10%
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%

INVESTMENT COMMITTEE MEMBERS INFORMATION

Name :	Mr. Muhammad Saleem Munshi
Designation :	Chief Investment Officer/Chief Financial Officer.
Qualification :	Masters of Business administration (Finance).
Experience :	He is one of the founder member of first perpetual Modaraba of Pakistan i.e. B.R.R. Guardian Modaraba (BRRGM) and has been associated with the Modaraba from 1983 till 2008 which covers 25 years experience. He specializes in Islamic mode of financing i.e. Ijara, Musharaka, Morabaha and other related transactions. His core responsibilities include Financial Management & Reporting, Taxation, Finalization of Accounts and Budgeting etc
Name :	Mr. Muhammad Ahmed
Designation :	Fund Manager - Equity
Qualification :	B-Com
Experience :	Mr. Ahmed has over 15 years of experience with the financial markets. He is responsible for managing the equity portfolio. His expertise includes hedging/arbitrage of shares, continuous funding system.
Name :	Mr. Khalid Mahmood
Designation :	Fund Manager - Fixed Income
Qualification :	He is a Masters of Business administration (MBA) and Masters of Economics & Finance (MEF) from Karachi University. He is also enrolled for Chartered Financial Analyst (CFA) from CFA Institute, USA.
Experience :	Mr. Khalid has over 7 years experience in the financial markets. He has served with institutions such as National Bank of Pakistan, where he held the position of an Assistant Portfolio Manager (Equity), Technical & Investment Analyst in Atlas Asset Management.
Name :	Mr. Muhammad Aamir Siddiqui
Designation :	Head of Compliance & Risk Management
Qualification :	Mr. Muhammad Aamir Siddiqui is Chartered Accountant – Intermediate of Institute of Chartered Accountants of Pakistan. He has also completed his Bachelors of Commerce from Balochistan University.
Experience :	He has completed four years as audit trainee with M.Yousuf Adil Saleem and Co., Chartered Accountants, member firm of Deloitte Touché Tohmatsu in the Audit & Assurance department. His areas of expertise include Corporate Affairs, Non-Banking Financial Companies and Notified Entities, Code of Corporate Governance, Risk Management of Debt and Equity Portfolios.

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

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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.