



DAWOOD CAPITAL MANAGEMENT LIMITED

TREASURE CHEST - APRIL 2011

PAKISTAN ECONOMIC UPDATES

Economic Outlook

The economic indicators showed a mixed trend. Improvements were seen in the external accounts primarily due to the significant growth in export and record Overseas Pakistanis' remittances. However, the inflationary pressures persists in the economy with CPI inflation rose by 1.48% MoM basis to record 13.16% YTD. This was primarily due to the rise in 2% gas tariff and increase in oil prices.

FOREX reserves declined to \$17.107bn from \$17.95bn last month, a decline of 4.7% MoM. Pakistan is in talks with IMF to decide the release of its next \$7.72bn tranche. According to IMF conditionality's, Gov't is likely to impose RGST in the next budget. IMF scheduled a meeting with authorities and will discuss the economic conditions in Dubai.

Noticeable:

- Pakistani authorities were of the view that import embargo from India should be lifted and Pakistan was interested to import Oil from India.
- German Finance Minister offered his country's support for Pakistan's hydro power projects and small dams.

Stock Market Review:

During the month under review, benchmark index increased by 2.10% from 11,809.54 to close at 12,057.54 gaining 248 points. The month was attributed with season of quarterly corporate announcements. The results were on full swing and largely in line with the expectations and some are exceptional. Despite these positive notes, market participation remained on the lower side and the average trading volume declined to 75mn shares as opposed to 100mn in the previous month. The early days of the month witnessed a bearish trend due to number of factors, mainly due to law and order situation in the country and also because of growing menace of power and gas outages across the country. As the month continued to move forward, the market started to get better.

Foreign investors were the net sellers for the month of \$7.35mn which has a one of \$16.23mn of outflow on 27-Apr-2011. Our local market is currently trading on a huge discount as compared to the regional markets. At present, exposure in the equity offers attractive levels for the investors willing to take medium to long term investment horizon.

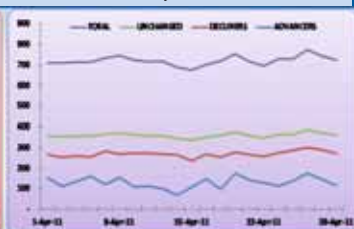
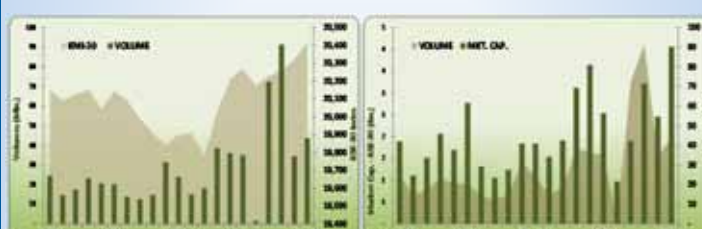
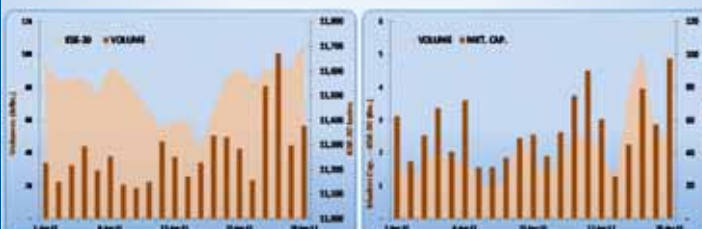
Fixed Income / Money Market Review

SBP conducted two auctions in April 2011. SBP picked up a cumulative amount of 434bn in 3, 6 and 12 months tenors. The major participation was in 6 months amounting to Rs. 405bn. The auctions were conducted on 7th and 21st April 2011 with weighted average yields of 13.25%, 13.61% and 13.83% in 3, 6 and 12 months respectively.

PIB auction was conducted on 27th April 2011. SBP collectively accepted an amount of Rs. 23.4bn against the participation of Rs. 42.3bn in 3, 5 and 10 years. Bids of 7, 15, 20

STOCK MARKET STATISTICS

Index	Apr-11	Mar-11	Return	Avg. Vol.	M. Cap.	Part.	Apr-11	Mar-11
KSE-100	12,057.54	11,821.59	2.00%	55.31	5.01	Avg. Vol.	75.52 M	34.98 M
KSE-30	11,716.35	11,561.50	1.34%	40.83	4.87	Mkt. Cap.	5.30 B	3.72 B
KMI-30	20,415.39	20,063.68	1.75%	28.87	4.06	FIPI	\$(7.35) M	\$(16.22) M
All-Shares	8,397.81	8,225.74	2.09%	75.52	5.30	6M KIBOR	13.73%	13.74%



INVESTMENT COMMITTEE	
Tara Uzra Dawood	Chief Investment Officer - Acting
Muhammad Aslam	Assistant Fund Manager
Syed Kabiruddin	Member

CUTT-OFF TIMINGS OF FUNDS			
	Cut-Off Timings		
	Business Day	Business Hours	Cut-Off Timings
DMF	Monday - Friday	9:00 AM - 5:00 PM	9:00 AM - 5:00 PM
	Saturday	9:00 AM - 1:30 PM	9:00 AM - 1:30 PM
DIF	Monday - Friday	9:00 AM - 5:00 PM	9:00 AM - 12:00 PM
	Saturday	9:00 AM - 1:30 PM	9:00 AM - 12:00 PM

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PREMIER SAVINGS PLANS FOR INDIVIDUAL INVESTORS

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DAWOOD MONEY MARKET FUND

Treasure Chest - April 2011



FUND STATISTICS

Name of Fund	Dawood Money Market Fund
Structure	Open End
Industry Category	Fixed Income
Benchmark	Avg. 6 Month KIBOR
Trustee & Custodian	Bank AL Habib Limited
Auditor	M. Yousuf Adil Saleem & Co.
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Legal Advisor	Bawaney & Partners
Launch Date	19-May-2003
Listing	KSE
Duration	Perpetual
Management Fee	1.00% per annum
Sales Load	1% Front End
Pricing Mechanism	Forward
Leverage	Nil
Risk Profile	Medium
AMC Rating	AM4+
Stability Rating	Not Rated

PERFORMANCE STATISTICS

Net Assets	PKR 437.68 Million
NAV	PKR 79.5344
Wt. Avg. Time To Maturity	2.90 Years
Standard Deviation	1.88%
Sharpe Ratio	0.49
Information Ratio	0.47
VAMI	1.22

Returns	Apr-2011	Mar-2011
DMMF	46.42%	38.44%
Benchmark	13.73%	13.74%
Alpha	32.69%	24.70%

HISTORIC RETURNS

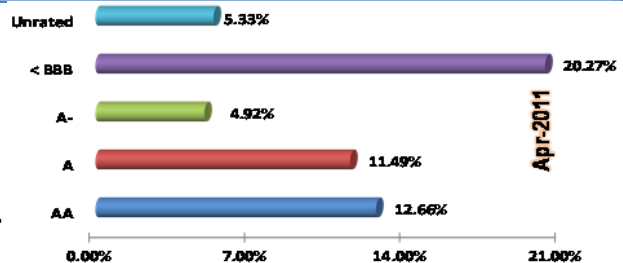
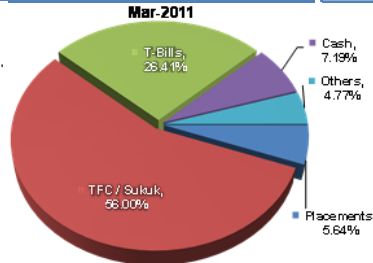
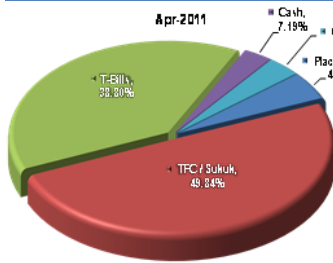
1 Month	3 Months	6 Months	YTD
46.42%	63.56%	31.61%	26.39%

INVESTMENT OBJECTIVE

To preserve the investor's capital while providing a return greater than that offered by other investments of similar risk profile through investments in a portfolio of money market instruments.

Asset Mix	Apr-2011	Mar-2011
Placements	4.84%	5.64%
TFC / Sukuk	49.84%	56.00%
T-Bills	38.80%	26.41%
Cash	3.00%	7.19%
Others	3.52%	4.77%

Credit Quality	Apr-2011	Mar-2011
AA	12.66%	14.49%
A	11.49%	19.70%
A-	4.92%	5.15%
< BBB	20.27%	13.48%
Unrated	5.33%	6.46%
A+	0.00%	2.36%



DETAILS OF NON COMPLIANT INVESTMENT

Name of Investment	Type	Value Before Provision	Provision (if any)	Value After Provision	% Net Assets	% Gross Assets
Engro Fertilizer Ltd. *	TFC	55,894,648	-	55,894,648	12.77%	12.66%
Optimus Ltd. *	TFC	47,560,446	-	47,560,446	10.87%	10.77%
Invest Capital Investment Bank Ltd. **	COM	42,750,000	21,375,000	21,375,000	4.88%	4.84%
Invest Capital Investment Bank Ltd. **	TFC	30,000,000	15,000,000	15,000,000	3.43%	3.40%
Invest Capital Investment Bank Ltd. **	Sukuk	15,569,441	7,784,721	7,784,721	1.78%	1.76%
Dewan Cement Ltd. **	TFC	150,000,000	150,000,000	-	0.00%	0.00%
Grays Leasing Company Ltd. **	TFC	3,093,750	-	3,093,750	0.71%	0.70%
New Allied Electronics Industries Ltd. **	TFC	25,433,190	25,433,190	-	0.00%	0.00%
Trust Investment Bank Ltd. **	COI	14,041,359	14,041,359	-	0.00%	0.00%
Pace Pakistan Limited **	TFC	9,403,856	-	9,403,856	2.15%	2.13%
Kohat Cement Company Ltd. **	SUKUK	20,440,232	-	20,440,232	4.67%	4.63%
Eden Housing Ltd. **	SUKUK	7,449,189	-	7,449,189	1.70%	1.69%
Flying Paper & Board **	TFC	40,000,000	40,000,000	-	0.00%	0.00%
Total		461,636,110	273,634,270	188,001,841	42.95%	42.59%

DMMF TOP TEN DEBT SECURITIES

Investee Company	Type	%
Engro Fertilizer Ltd.	TFC	12.77%
Optimus Ltd.	TFC	10.87%
Trust Investment Bank Ltd.	TFC	6.51%
Avari Hotels (Pvt) Ltd	TFC	4.96%
Invest Capital Investment Bank Ltd.	COM	4.88%
Kohat Cement Company Ltd.	TFC	4.67%
Invest Capital and Investment Bank Ltd.	TFC	3.43%
Pace Pakistan Limited	TFC	2.15%
Invest Capital and Investment Bank Ltd.	SUKUK	1.78%
Eden Housing Ltd.	TFC	1.70%
Total		53.72%

FUND MANAGER'S COMMENTS

During the month of April, DMMF again shown a handsome increment by 46.42% pa. This increase was due to the capital gains on debt securities making DMMF an extremely attractive investment for investors looking to take the advantage of the reversals and capital gains.

* Limit Breach, ** Credit Rating



DAWOOD ISLAMIC FUND

Treasure Chest - April 2011



FUND STATISTICS

Name of Fund	Dawood Islamic Fund
Structure	Open End
Industry Category	Islamic Asset Allocation
Benchmark	25% KMI-30 + 75% Savings Rate
Shariah Advisors	Prof. Mufti Munib-ur-Rehman Mufti Syed Sabir Hussain Mufti Syed Zahid
Trustee & Custodian	CDC Pakistan Limited
Auditor	M. Yousuf Adil Saleem & Co.
Registrar	Gangjees Registrar Services (Pvt.) Ltd.
Legal Advisor	Bawaney & Partners
Launch Date	14-Jul-2007
Listing	KSE
Duration	Perpetual
Management Fee	1.50% per annum
Sales Load	1.50% Front End
Pricing Mechanism	Forward
Leverage	Nil
Risk Profile	Medium
AMC Rating	AM4+

PERFORMANCE STATISTICS

Net Assets	PKR 355.97 Million
NAV	PKR 115.6261
Wt. Avg. Time To Maturity	4.78 Years
Standard Deviation	5.64%
Sharpe Ratio	0.11
Information Ratio	0.09
Sortino Ratio	0.52
VAMI	1.17

Returns	Apr-2011	Mar-2011
DIF	0.90%	2.85%
Benchmark	0.75%	2.18%
Alpha	0.15%	0.68%

HISTORIC RETURNS

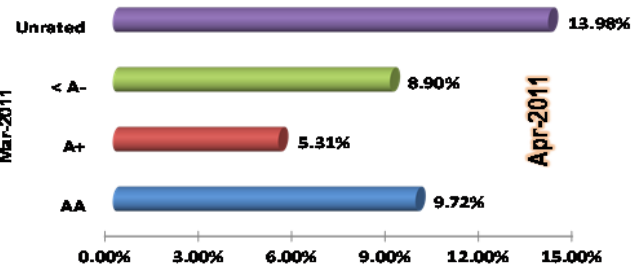
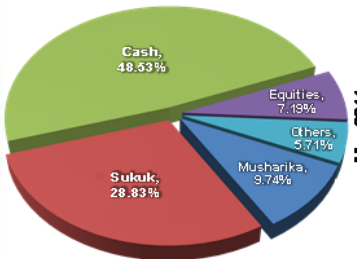
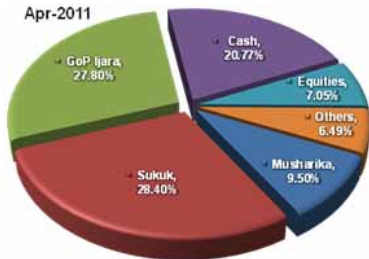
1 Month	3 Months	6 Months	YTD
0.90%	3.85%	1.97%	16.86%

INVESTMENT OBJECTIVE

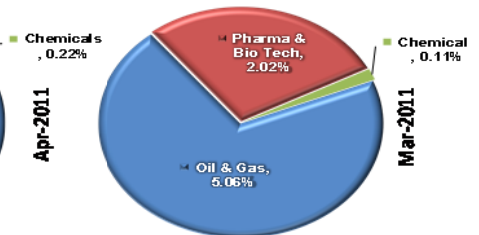
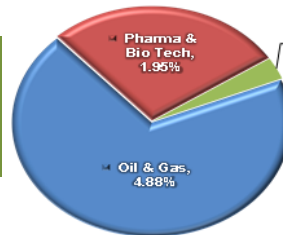
To provide Riba-Free "*Halal Munafa!*" to investors by investing maximum 25% of net assets in equities, while the high percentage of non-equity income provides stability.

Asset Mix	Apr-2011	Mar-2011
Musharika	9.50%	9.74%
Sukuk	28.40%	28.83%
GoP Ijara	27.80%	0.00%
Cash	20.77%	48.53%
Equities	7.05%	7.19%
Others	6.49%	5.71%

Credit Quality	Apr-2011	Mar-2011
AA	9.72%	9.79%
A+	5.31%	5.76%
< A-	8.90%	8.97%
Unrated	13.98%	14.25%
A	0.00%	5.56%



Equity Allocation	Apr-2011	Mar-2011
Oil & Gas	4.88%	5.06%
Pharma & Bio Tech	1.95%	2.02%
Chemicals	0.22%	0.11%



DETAILS OF NON COMPLIANT INVESTMENT

Name of Investment	Type	Value Before Provision	Provision (if any)	Value After Provision	% of Net Assets	% Gross Assets
Maple Leaf Cement Factory Limited *	Sukuk	30,744,442	-	30,744,442	8.64%	8.54%
Maple Leaf Cement Factory Limited *	Sukuk	1,295,469	-	1,295,469	0.36%	0.36%
New Allied Electronics Industries Limited *	Sukuk	5,027,500	5,027,500	-	0.00%	0.00%
Kohat Cement Company Limited *	Sukuk	16,132,780	-	16,132,780	4.53%	4.48%
Invest Capital Investment Bank Limited *	COM	42,750,000	8,550,000	34,200,000	9.61%	9.50%
Total		95,950,190	13,577,500	82,372,690	23.14%	22.87%

DIF TOP TEN DEBT SECURITIES

Investee Company	Type	%
Engro Fertilizer Limited	SUKUK	9.83%
Pak Elektron Limited	SUKUK	5.37%
Maple Leaf Cement Factory Limited	SUKUK	8.64%
Maple Leaf Cement Factory Limited	SUKUK	0.36%
New Allied Electronics Industries Limited	SUKUK	0.00%
Kohat Cement Company Limited	SUKUK	4.53%
Invest Capital Investment Bank Ltd.	COM	9.61%
Total		38.35%

FUND MANAGER'S COMMENTS

During the month of April, DIF NAV increased by 0.90% as compared to its benchmark which was increased by 0.75%. Thus DIF outperformed by 0.15%. DIF has increased the exposure in GoP Ijarah SUKUK which gave support during pressurized market conditions. DIF is still an extremely attractive investments for investors looking to take advantage of the reversals and capital gains.

* Credit Rating