



DAWOOD CAPITAL MANAGEMENT LIMITED

TREASURE CHEST - FEBRUARY 2013

PAKISTAN ECONOMIC UPDATES

Economic Update:

The SBP in its latest Monetary Policy Statement (MPS), valid for February and March 2013, has left the discount rate unchanged at 9.5%. Due to the decline in food inflation, CPI for the month of February was lower as compare to the last month. Foreign inflows remained subdued due to the payment to IMF twice a month under consideration. The Federal Board of Revenue faced a shortfall of more than Rs26 billion in the month of February 2013 and fears that the tax machinery may not be able to achieve the downward revised revenue target.

Stock Market Review

Bulls continued to reign over the Karachi Stock Exchange (KSE) on the back of the start of the result season, propelling the benchmark index to a new peak level in the month under review. The KSE-100 index gained 930.93 points, closing at an all-time high level of 18,173.67 points, up 5.4% against 17,242.74 points a month ago. Monthly average trading volume also stood at 172.58 million shares during the past week against

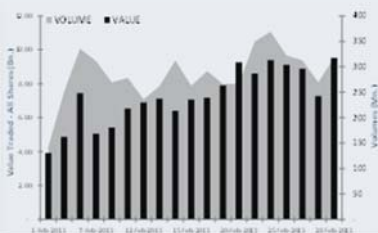
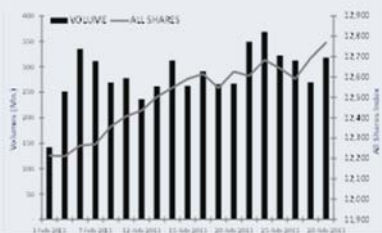
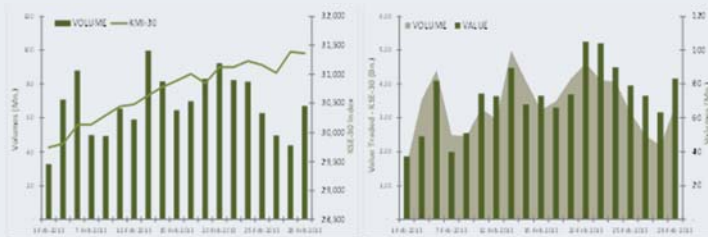
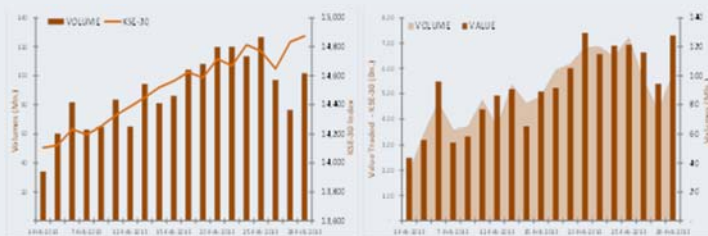
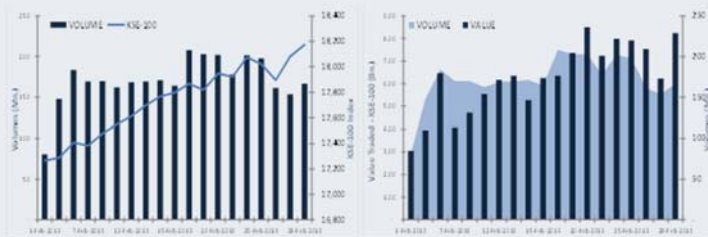
200.21 million shares a month ago. On a net basis, foreigners remained buyers of scrips. Very few quarters in the market were optimistic on the expectation of a possible rate cut in the central bank's monetary policy statement during the month, though the SBP opted to maintain status quo and kept the discount rate unchanged at 9.5% for the next two months. Despite the prevailing political and law and order situation in the country the market did not may pay attention on the political situation and continued to achieve milestones hitting all time high.

Money Market Review:

Owing to tight liquidity the short term money market rates remained under pressure. Government continued to inject sizeable amount owing to tight liquidity. Moving forward it seems very unlikely that the central bank will reduce the interest rate. During the last T-Bill auction the yield shifted upward and the weighted average yield of 3M, 6M and 12M stood at 9.1522%, 9.2431% and 9.3030% respectively.

STOCK MARKET STATISTICS

Indices	Feb-13	Jan-13	Return	Avg. Vol.	Avg. Val.		Feb-13	Jan-13
KSE-100	18,173.67	17,242.74	5.40%	171.58	6.28	Avg. Vol.	285.74 M	160.44 M
KSE-30	14,874.17	14,084.85	5.60%	88.48	5.23	Mkt. Cap.	PKR 4.51 T	PKR 4.33 T
KMI-30	31,362.24	29,695.20	5.61%	68.06	3.62	FIPI	\$ 28.91 M	\$ 15.42 M
All-Shares	12,768.64	12,207.26	4.60%	285.74	7.26	6M KIBOR	9.43%	9.36%



INVESTMENT COMMITTEE		CUTT-OFF TIMINGS OF FUNDS			REGISTERED ADDRESS
Tara Uzra Dawood	Chief Investment Officer	DIF	Business Day	Business Hours	5B Lakson Square Building No. 1, Sarwar Shaheed Road, Karachi-74200, Pakistan UAN: (92 21) 111-DAWOOD (329-863) Tel: (92 21) 35621001-6 Fax: (92 21) 35621010 Email: dcm@edawood.com URL: www.edawood.com
Syed Kabiruddin	Member		Monday - Friday	9:00 AM - 5:00 PM	
Muhammad Abbas	Fund Manager Fixed Income	DIF-S	Saturday	9:00 AM - 1:30 PM	
Muhammad Aslam	Assistant Fund Manager Equity		Monday - Friday	9:00 AM - 5:00 PM	
Zeeshan Swalaheen	Research Associate		Saturday	9:00 AM - 1:30 PM	9:00 AM - 12:00 PM

PREMIER SAVINGS PLANS FOR INDIVIDUAL INVESTORS

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DAWOOD INCOME FUND

TREASURE CHEST - FEBRUARY 2013

FUND STATISTICS	
Name of Fund	Dawood Income Fund
Structure	Open End
Industry Category	Income
Benchmark	Avg. 6 Month KIBOR
Trustee & Custodian	MCB Financial Services Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder
Registrar	Noble Computer 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	AM3- by PACRA
Stability Rating	A+(f) by PACRA

PERFORMANCE STATISTICS	
Net Assets	PKR 370.43 M
NAV	PKR 70.9973
Wt. Avg. Time To Maturity	0.15 Years
Standard Deviation	1.96%
Sharpe Ratio	(0.49)
Information Ratio	(0.49)
VAMI	0.99

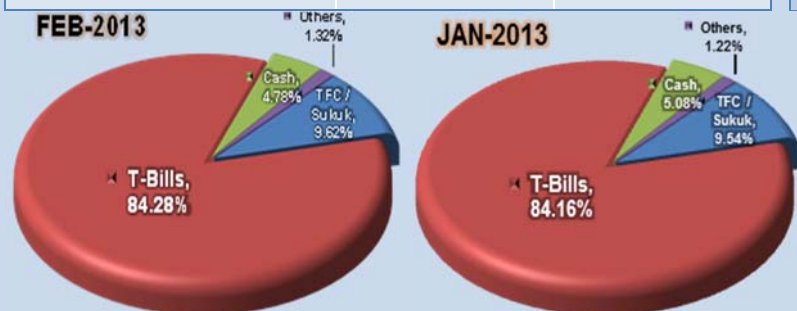
RETURNS	Feb-2013	Jan-2013
DIF	9.63%	-4.64%
Benchmark	9.36%	9.36%
Alpha	0.27%	-14.00%

HISTORIC RETURNS			
1 Month	3 Months	6 Months	YTD
9.63%	2.94%	2.53%	-1.70%

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	Feb-2013	Jan-2013
TFC / Sukuk	9.62%	9.54%
T-Bills	84.28%	84.16%
Cash	4.78%	5.08%
Others	1.32%	1.22%

CREDIT QUALITY	Feb-2013	Jan-2013
AAA	84.28%	84.16%
A-	6.25%	6.14%
BBB-	1.25%	1.26%
< BBB-	0.67%	0.67%
Unrated	1.45%	1.46%



DETAILS OF NON COMPLIANT INVESTMENT						
Name of Investment	Type	Value Before Provision	Provision (if any)	Value After Provision	% Net Assets	% Gross Assets
Trust Investment Bank Limited	TFC	18,742,500	14,056,875	4,685,625	1.26%	1.25%
Escort Investment Bank Limited	TFC	368,380	-	368,380	0.10%	0.10%
Pace Pakistan Limited	TFC	9,089,080	9,089,080	-	0.00%	0.00%
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	0.00%	0.00%
Invest Capital and Investment Bank Limited	TFC	30,000,000	30,000,000	-	0.00%	0.00%
Eden Housing Limited	SUKUK	7,149,186	5,004,430	2,144,756	0.58%	0.57%
New Allied Electronics Industries Limited	TFC	25,433,190	25,433,190	-	0.00%	0.00%
Kohat Cement Company Limited	SUKUK	5,452,301	-	5,452,301	1.47%	1.45%
Trust Investment Bank Limited	COI	8,041,359	8,041,359	-	0.00%	0.00%
TOTAL		254,275,996	241,624,934	12,651,061	3.42%	3.37%

DIF(DMMF) TOP TEN DEBT SECURITIES		
INVESTEES COMPANY	TYPE	%
Avari Hotels (Pvt) Limited	TFC	6.32%
Kohat Cement Company Limited	SUKUK	1.47%
Trust Investment Bank Limited	TFC	1.26%
Eden Housing Limited	SUKUK	0.58%
Escort Investment Bank Limited	TFC	0.10%
TOTAL		9.74%

FUND MANAGER'S COMMENTS
During the month, Fund generated the return of 9.63% pa as compared to its benchmark return of 9.36%. Zero defaults during the current month. DIF is still a goldmine for those who want to earn capital gains on investments.

WWF DISCLOSURE
The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 3.47M, if the same were not made the NAV per unit/return YTD of the Scheme would be higher by Rs. 0.66/1.39%. For details investors are advised to read the Note 8 of the latest Financial Statements of the Scheme.



DAWOOD ISLAMIC FUND

TREASURE CHEST - FEBRUARY 2013

FUND STATISTICS	
Name of Fund	Dawood Islamic Fund
Structure	Open End
Industry Category	Islamic Asset Allocation
Benchmark	25% KMI-30 + 75% Savings Rate
Shariah Advisor	Mufti Zeeshan Abdul Aziz
Trustee & Custodian	CDC Pakistan Limited
Auditor	Ernst & Young Ford Rhodes Sidat Hyder
Registrar	Noble Computer 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
Risk Profile	Medium
AMC Rating	AM3- by PACRA

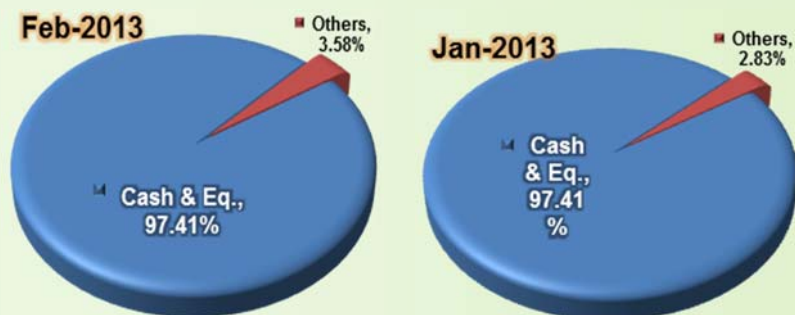
PERFORMANCE STATISTICS	
Net Assets	PKR 115.42 Mn
NAV	PKR 96.2284
Wt. Avg. Time To Maturity	0.00 Years
Standard Deviation	3.22%
Sharpe Ratio	(0.06)
Sortino Ratio	(0.07)
Information Ratio	(0.24)
VAMI	1.02

RETURNS	Feb-2013	Jan-2013
DIF-S	0.96%	0.75%
Benchmark	0.80%	0.80%
Alpha	0.16%	-0.05%

HISTORICAL RETURNS			
1 Month	3 Months	6 Months	YTD
0.96%	4.87%	10.36%	2.41%

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	Feb-2013	Jan-2013
Cash & Eq.	96.42%	97.17%
Others	3.58%	2.83%



DETAILS OF NON COMPLIANT INVESTMENT						
Name of Investment	Type	Value Before Provision	Provision (if any)	Value After Provision	% of Net Assets	% Gross Assets
Pak Elektron Limited	SUKUK	17,280,105	17,280,105	-	0.00%	0.00%
Maple Leaf Cement Factory Limited	SUKUK	45,630,387	45,630,387	-	0.00%	0.00%
Maple Leaf Cement Factory Limited	SUKUK	613,335	613,335	-	0.00%	0.00%
New Allied Electronics Industries Limited	SUKUK	5,027,500	5,027,500	-	0.00%	0.00%
TOTAL		68,551,327	68,551,327	-	0.00%	0.00%

FUND MANAGER'S COMMENTS
During the month, Fund generated a return of 0.96% as compared to its benchmark which produced a return of 0.80%, hence, just slightly below by 0.16%. The fund will exceed the benchmark if there are reversal in future. Now DIF-S is fully liquid and still a goldmine for those who want to earn capital gains on investments.

WWF DISCLOSURE
The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 1.45M, if the same were not made the NAV per unit/return YTD of the Scheme would be higher by Rs. 1.21/1.29%. For details investors are advised to read the Note 9 of the latest Financial Statements of the Scheme.



FIRST DAWOOD MUTUAL FUND

TREASURE CHEST - FEBRUARY 2013

FUND STATISTICS

Name of Fund	First Dawood Mutual Fund
Structure	Closed End
Industry Category	Balanced
Benchmark	50% KSE-100 + 50% Avg. 6 M KIBOR
Trustee & Custodian	CDC Pakistan Limited
Auditor	Ernst & Young Ford Rhodes
Registrar	FD Registrar Services Pvt. Limited
Legal Advisor	Bawaney & Partners
Launch Date	23-Mar-2005
Listing	KSE
Management Fee	2.00% per annum
Pricing Mechanism	Forward
Risk Profile	Medium - High
AMC Rating	AM3- by PACRA

PERFORMANCE STATISTICS

Net Assets	PKR 559.44 M	
NAV	PKR 9.63	
Wt. Avg. Time To Maturity	0.15 Years	
Standard Deviation	2.08%	
Sharpe Ratio	0.30	
Sortino Ratio	0.76	
Information Ratio	(0.30)	
VAMI	1.13	

RETURNS	Feb-2013	Jan-2013
FDMF	0.00%	0.31%
Benchmark	1.39%	1.39%
Alpha	-1.39%	-1.09%

HISTORICAL RETURNS

1 Month	3 Months	6 Months	YTD
0.00%	-2.03%	7.36%	12.76%

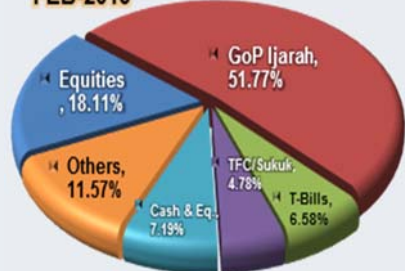
INVESTMENT OBJECTIVE

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 mixed portfolio of money market, fixed income and stocks.

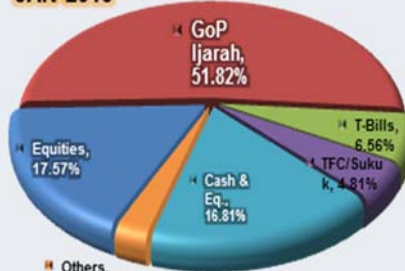
ASSET MIX	Feb-2013	Jan-2013
Equities	18.11%	17.57%
GoP Ijarah	51.77%	51.82%
T-Bills	6.58%	6.56%
TFC/Sukuk	4.78%	4.81%
Cash & Eq.	7.19%	16.81%
Others	11.57%	2.43%

CREDIT QUALITY	Feb-2013	Jan-2013
AAA	58.35%	58.33%
A-	0.38%	0.37%
BBB-	0.41%	0.41%
<BBB-	3.23%	3.26%
Unrated	0.76%	0.76%

FEB-2013



JAN-2013



Unrated 0.76%

<BBB- 3.23%

BBB- 0.41%

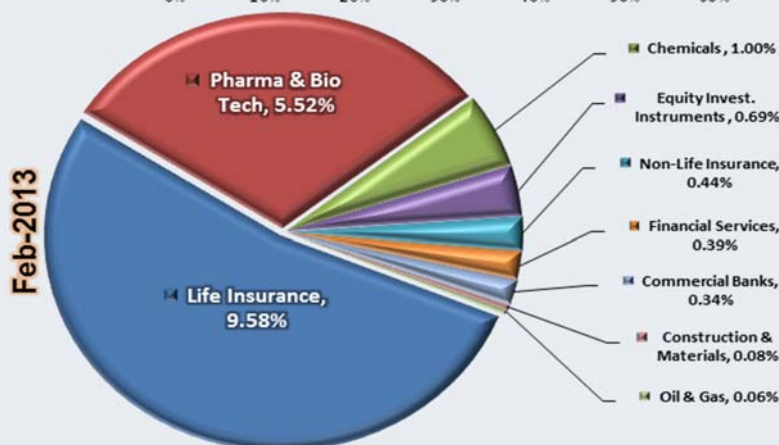
A- 0.38%

AAA 58.35%

Feb-2013

0% 10% 20% 30% 40% 50% 60%

EQUITY ALLOCATION	Feb-2013	Jan-2013
Life Insurance	9.58%	10.41%
Pharma & Bio Tech	5.52%	5.38%
Equity Invest. Instruments	0.69%	0.68%
Non-Life Insurance	0.44%	0.44%
Financial Services	0.39%	0.42%
Beverages	0.00%	0.12%
Fixed Line Telecom	0.00%	0.08%
Construction & Materials	0.08%	0.04%
Oil & Gas	0.06%	0.00%
Chemicals	1.00%	0.00%
Commercial Banks	0.34%	0.00%



DETAILS OF NON COMPLIANT INVESTMENT

Name of Investment	Type	Value Before Provision	Provision (if any)	Value After Provision	% Net Assets	% Gross Assets
Trust Investment Bank Limited	TFC	9,371,250	7,028,438	2,342,813	0.42%	0.41%
Escort Investment Bank Limited	TFC	736,760	0	736,760	0.13%	0.13%
Maple Leaf Cement Factory Limited	SUKUK	51,344,946	51,344,946	0	0.00%	0.00%
Pace Pakistan Limited	TFC	9,988,000	9,988,000	0	0.00%	0.00%
B.R.R. Guardian Modaraba	SUKUK	17,519,531	0	17,519,531	3.13%	3.10%
Amtex Limited	SUKUK	22,500,000	22,500,000	0	0.00%	0.00%
New Allied Electronics Industries Limited	TFC	7,222,749	7,222,749	0	0.00%	0.00%
Kohat Cement Company Limited	SUKUK	4,303,316	0	4,303,316	0.77%	0.76%
TOTAL		122,986,552	98,084,133	24,902,419	4.45%	4.40%

FDMF TOP TEN DEBT SECURITIES

Investee Company	Type	%
Gop Ijarah	SUKUK	52.33%
B.R.R. Guardian Modaraba	SUKUK	3.16%
Kohat Cement Company Limited	SUKUK	0.42%
Trust Investment Bank Limited	TFC	0.77%
Avari Hotels (Pvt) Limited	TFC	0.36%
Escort Investment Bank Limited	TFC	0.13%
TOTAL		57.18%

FUND MANAGER'S COMMENTS

During the month, Fund generated a return of 0% against 1.39% return on its benchmark, hence, the fund underperformed. In anticipation of positive market sentiments, FDMF has taken new exposures with cautious approach.

WWF DISCLOSURE

The Scheme has maintained provisions against Workers' Welfare Fund's. If the same were not made the NAV per unit/return YTD of the Scheme would be higher by Rs. 0.0452/0.53%. For details investors are advised to read the Note 10 of the latest Financial Statements of the Scheme.