



**INVESTMENTS**

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**786 INVESTMENTS LIMITED**



**FIRST DAWOOD MUTUAL FUND**

**FOR THE NINE-MONTH AND  
QUARTER ENDED**

**31 MARCH 2019  
(UN-AUDITED)**

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## CORPORATE INFORMATION

<b>Board of Directors</b>	Ms. Shafqat Sultana	Chairperson
	Miss Tara Uzra Dawood	Chief Executive Officer
	Ms. Charmaine Hidayatullah	Director
	Mr. Ahmed Salman Munir	Director
	Syed Shabahat Hussain	Director
	Mr. Tahir Mehmood	Director
	Syed Farhan Abbas	Director
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Talal Ismail Pasha	
<b>Audit Committee</b>	Syed Shabahat Hussain	Chairman
	Mr. Tahir Mehmood	Member
	Syed Farhan Abbas	Member
<b>Human Resource Committee</b>	Ms. Shafqat Sultana	Chairperson
	Miss Tara Uzra Dawood	Member
	Mr. Tahir Mehmood	Member
<b>Legal Advisor</b>	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
<b>Registrars</b>	F.D. Registrar Services (SMC-Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
<b>Banker:</b>	Habib Metropolitan Bank Limited BankIslami Pakistan Limited	
<b>Rating:</b>	PACRA: 1 Star	

## DIRECTORS' REPORT FOR THE QUARTER ENDED MARCH 31, 2019

On behalf of the Board of Directors, we are pleased to present **First Dawood Mutual Fund** quarterly report for the period ended March 31, 2019.

### MARKET & ECONOMY REVIEW

#### Economic Review

The current account deficit is narrowing. After experiencing large Current Account Deficits (CAD) and foreign exchange reserves reducing over the last couple of years, the financial situation of Pakistan finally appears to be improving. Intractable imports that had become unsustainable have started responding to demand compression policy measures such as hefty PKR devaluation, hike in interest rates, levying/expanding import duties, and deep cut in public spending.

The attraction in exports is also weak. We expect them to show meaningful growth from next year onwards as exporters ramp up their capacities and re-establish relationships with clients. The Government of Pakistan (GoP) also remains focused on boosting exports and incentives have been parceled out such as exemption from gas and electricity tariff hikes. The CAD for February 2019 has clocked in at USD 356 million as compared to USD 1.6 billion per month, on average witnessed in FISCAL YEAR 2018.

Negotiations for a bailout package with the IMF are underway and agreement is expected to be signed in May 2019. The GoP is working with the IMF to devise short to medium term framework for slashing the budget deficit through increasing revenues, rationalizing expenditure, raising utilities tariff, reducing circular debt, making exchange rate more flexible, and monetary tightening to contain underlying inflationary pressures. Entry into the IMF program would ameliorate the credibility of Pakistan in the eyes of global financial community, expecting for inflows of funds from multilateral agencies such as the World Bank & Asian Development Bank, and also facilitate access to international capital markets. Inflows from friendly countries have materialized, which have helped in SBP forex reserves increasing to USD 10.7 billion in Mar-19 from the recent low of USD 7.2 billion seen in Dec-18. Though financial assistance from friendly countries has staved off the immediate crisis situation; the urgency for structural reforms and measures to further narrow the CAD should remain the policy priority given large funding gap in the coming years.

Average CPI inflation for the 3rdQuarter Fiscal Year 2019 increased to 9.41% against 5.60% in 2ndQuarterFiscal Year 2019. We projected it to further rise as government still has to raise utility tariffs (electricity & gas) in the coming months to reduce the subsidy burden, while petroleum products prices may also be augmented to generate additional revenues via GST, and pass-through of expected currency devaluation during the coming months. However, average inflation for Fiscal Year 2021 is projected to drop to 7% after peaking in 1st Half Fiscal Year 2020. The policy interest rate was raised by 75 bps during the period under review.

The economy has averted the immediate severe balance of payments crises and all macro-economic indicators are showing positive trends towards stabilization. The general paradigm of fiscal and monetary policies has been realigned towards exports, investment and productivity growth. In the days to come, bold steps will be put in place to facilitate both foreign and local investment and dramatically improve the ease of doing business climate in the country.

#### Stock Market Review:

The outgoing third quarter of Fiscal Year 2019 remained a volatile year for the stock market. During the period, the Pakistan Stock markets 100 index outperformed 1.72%. During the period, the market remained volatile; it started from 37995.76 on Jan 1, 2019 and reached the lowest point of 37542.01 points on Jan 3, 2019. It started increasing and reached its highest peak of 41614.39 points on Feb 3, 2018, then continued to go down again and ends at 38649.34 points on March 29, 2019. During the period the local investors offloaded securities worth PKR 4.266 billion. which was absorbed by foreign individuals, corporates and overseas Pakistanis. Entry into an IMF program is expected in May 2018, along with lower CAD which will boost investors' confidence. Led by Index, heavy Oil & Gas Exploration and Banking sectors, we expect corporate earnings to grow at



double-digit rate in the next couple of years, due to eventual pass through of PKR devaluation related costs and focus of GoP towards encouraging local industries versus imports. From the valuation standpoint, dismal performance over the last two years has opened up a valuation gap in the broader part of the market that is trading at an attractive Price-to-Earnings (P/E) multiple of 7.5 times and offers an impressive 5% dividend yield. Furthermore, after three years of unabated foreign portfolio outflows, we expect resumption of net inflows given attractive valuations of the market and subsiding risk of disruptive currency devaluation. Foreign Investors are net buyers of USD 31 million in 1stQuarter Calendar Year 2019. Taken together, as challenges on the economic front are already reflected in the valuations, we hold on to our view that the stock market is well poised to deliver healthy double-digit returns in Calendar Year 2019 and beyond, as optimism pessimism wears off in the next few months.

#### **Money Market Review:**

The SBP held seven Treasury bill auctions during 3rd Quarter Fiscal Year 2019. SBP accepted an amount of PKR 5,608 billion during the period under review. against the pre-announced auction target of PKR 13.80billion, acceptance in 3 months tenor represented 99.99% of the total accepted amount while the 6 months were 0.01% while no bids were received in 12 months tenor. Further during this period SBP conducted three Pakistan Investment Bond (PIB) auctions and raised PKR 399 bn the last cut-off yields was 12.23%, 12.64% and 13.15% for 3, 5 and 10 years respectively. Further during this period SBP conducted one Floating Rate Bonds (FRB) auction based on spread over 6 months weighted average cut-off T.Bills plus 70 basis points. The cumulative participation witnessed were PKR 68bn while the SBP accepted 7.4bn. The SBP did not conduct any GOP Ijarah Sukuk auction during the period under review.

#### **FUND PERFORMANCE**

As at March 31, 2019, net assets were PKR. 135.64 million as compared to PKR.243.11 million as at June 30, 2018. Total operating loss for the nine months period was PKR. 24.33 million as compared to operating income of PKR. 14.32 million in the same period last year. Main reason for loss was realized and unrealized loss incurred on equity investments. Total expense was PKR. 5.09 million as compared to PKR. 8.91 million in the same period last year. Net loss for the nine months period was PKR. 29.42 as compared to profit of PKR. 5.41 million in the same period last year. Income already paid on unit redeemed was PKR. 0.31 million. The Net Asset Value per unit was Rs. 19.38as at March 31, 2019.

---SD---  
**Chairperson**

---SD---  
**Director**

April 22, 2019  
Karachi

786 نويسفٹ ليپڈ  
ڈائریکٹرز کی رپورٹ  
برائے 31 مارچ 2019 بمطابق نوای

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 مارچ 2019 کو ختم ہونے والی نوامی کے لئے فرسٹ داؤد میوچل فنڈ کی سرمایہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

مارکیٹ اور اقتصادی جائزہ

اقتصادی جائزہ:

کرنٹ اکاؤنٹ خسارہ میں کمی آ رہی ہے۔ گزشتہ کئی سالوں سے کرنٹ اکاؤنٹ خسارہ میں بہت زیادہ اضافہ اور غیر ملکی زرمبادلہ کے ذخائر میں کمی کے بعد، پاکستان کی مالی صورت حال آخر کار بہتر ہوتی دکھائی دیتی ہے۔ انتہائی درآمدات جو تاگزیر ہو چکی تھیں نے کمپنیشن پالیسی اقدامات کا مطالعہ شروع کر دیا ہے جیسا کہ پاکستانی روپیہ کی قدر میں بہت زیادہ کمی، سود کی شرحوں میں اضافہ، درآمدات پر عائد برہتی ہوئی ڈیوٹیاں اور پبلک اخراجات میں بہت زیادہ کمی۔

برآمدات میں توجہ بھی بہت کم ہے۔ ہم امید رکھتے ہیں کہ اگلے سال سے معنی خیز نمو دکھائی دے گی کیونکہ برآمد کنندگان کو اپنی اہلیتوں کو بڑھانا اور کارکنوں کے ساتھ تعلقات کو دوبارہ قائم کرنا ہے۔ حکومت پاکستان (GoP) نے بھی برآمدات کو بڑھانے پر توجہ مرکوز کی ہے اور گیس سے بجلی کی فراہمی اور بجلی کی نیف کی کمی جیسی اہلیتوں کا اعلان کیا گیا ہے۔ فروری 2019 کے لئے CAD، مالی سال 2018 میں درج اوسط پر 1.6 بلین امریکی ڈالر ماہانہ کے مقابلے 356 بلین امریکی ڈالر میں محدود رہا ہے۔

آئی ایم ایف کے ساتھ ایک تیل آؤٹ آؤٹ بکنج کے لئے مذاکرات جاری ہیں اور مئی 2019 میں معاہدہ مکمل ہونے کی توقع کی جارہی ہے۔ حکومت پاکستان آمدنی کو بڑھانے، اخراجات کو کم کرنے، پمپٹیر نیف کو بڑھانے، گردش فرم کو کم کرنے، تبادلی شرح کو مزید یکساں بنانے اور بنیادی افراط زر کے دباؤ کی روک تھام کے لئے مانیٹرنگ پالیسی کو سخت کر کے بجٹ کے خسارہ کو کم کرنے کے لئے درمیانی درجے کے فریم ورک کو ختم کرنے کے لئے آئی ایم ایف کے ساتھ کام کر رہی ہے۔ آئی ایم ایف کے پروگرام میں داخلہ عالمی مالیاتی برادری کی نظر میں پاکستان کی سادھ بڑھانے کی، پمپٹیرل ایجنسیوں جیسا کہ عالمی بینک اور ایشیائی ترقیاتی بینک سے فنڈز کے بہاؤ کی آمد متوقع اور بین الاقوامی سرمایہ کاری مارکیٹ میں بھی سہولت فراہم کرے گی۔ دوستانہ ممالک سے مالی امداد حاصل ہو گئی ہے، جس نے SBP کے فارینکس ذخائر کو مارچ 2019 میں 10.7 بلین امریکی ڈالر تک بڑھانے میں مدد کی ہے جو دسمبر 2018 میں 7.2 بلین امریکی ڈالر تھے۔ اگرچہ دوستانہ ممالک سے مالی امداد نے فوری طور پر بحران کی صورت حال کو روک دیا ہے۔ CAD کو کمزور محدود کرنے کے لئے فوری بنیادی اصلاحات اور اقدامات آنے والے سالوں میں پالیسی کی ترجیحات رہنے چاہئیں۔

مالی سال 2019 کی تیسری سرمایہ کے لئے اوسط سی پی آئی افراط زر 9.41 فی صد تک بڑھ گیا جو مالیاتی سال 2019 کی دوسری سرمایہ میں 5.60 فیصد تھا۔ ہمیں اس کے مزید بڑھنے کی توقع ہے کیونکہ حکومت نے سسڈی بوجھ کو کم کرنے کے لئے آنے والے مہینوں میں پمپٹیر نیف (بجلی اور گیس) بڑھا دیا ہے، جبکہ آنے والے مہینوں کے دوران جی ایس ٹی کے ذریعے اضافی ریونیو پیدا کرنے اور کرنسی کی قدر میں متوقع کمی کو پورا کرنے کے لئے پٹرولیم مصنوعات کی قیمتیں بھی بڑھانی جاسکتی ہیں۔ تاہم، مالی سال 2021 کے لئے اوسط افراط زر مالی سال 2020 کی پہلی ششماہی کے بعد 7 فیصد تک ہونے کا امکان ہے۔ زیر جائزہ مدت کے دوران پالیسی انٹریسٹ ریٹ 75 پی پی ایس تک زیادہ ہو گئی۔

مجموعی طور پر، ہم ہمیشہ نے ادائیگی کے بحرانوں کے فوری شدید توازن کو خراب کر دیا ہے اور تمام بڑے معاشی اشارے استحکام کی طرف مثبت رجحانات ظاہر کرتے ہیں۔ مالی اور مالیاتی پالیسیوں کا عام انداز برآمدات، سرمایہ کاری اور پیداواری نمو کی طرف اشارہ کرتا ہے۔ آنے والے دنوں میں، غیر ملکی اور مقامی سرمایہ کاروں کو سہولت دینے کے لئے جرات مندانہ اقدامات کیے جائیں گے اور ملک میں کاروباری آپ دہواؤ راہائی طور پر آسانی سے بہتر بنائی جائے گی۔

شاہکار مارکیٹ کا جائزہ:

مالی سال 2019 کی اختتام پذیر ہونے والی تیسری سرمایہ شاہکار مارکیٹ کے لئے غیر مستحکم رہی۔ زیر جائزہ مدت کے دوران، پاکستان شاہکار مارکیٹس 100 انڈیکس نے 1.72 فیصد بہتر کارکردگی کا مظاہرہ کیا، اس مدت کے دوران مارکیٹ عدم استحکام کا شکار رہی، یہ یکم جنوری 2019 کو 37995.76 پوائنٹس سے شروع ہوئی اور 3 جنوری 2019 کو 37542.04 پوائنٹس کی سب سے چٹائی سطح پر پہنچ گئی۔ اس میں اضافہ ہونا شروع ہوا اور 3 فروری 2019 کو 41614.39 پوائنٹس کی بلند ترین سطح پر پہنچ گئی، پھر مسلسل دوبارہ کم ہونا شروع ہوئی اور 29 مارچ 2019 کو 38649.34 پوائنٹس پر بند ہوئی۔ زیر جائزہ مدت کے دوران مقامی سرمایہ کاروں نے 4.266 بلین روپے مالیت کی سیکیورٹیز کی سرمایہ کاری کی، جو غیر ملکی انفرادی سرمایہ کاروں، کمپنیوں اور انشورنس کمپنیوں کے ذریعے کی گئی۔

مئی 2019 میں کم CAD کے ساتھ آئی ایم ایف پروگرام میں داخلہ کی توقع ہے جو سرمایہ کاروں کے اعتماد میں اضافہ کرے گا۔ انڈیکس، بھاری آئل انڈیکس ریسرچ اور بینکنگ شعبوں کی قیادت میں، ہم اگلے چند برسوں میں شرح میں دوہندہ اضافہ ہونے کی توقع رکھتے ہیں، پاکستانی روپیہ کی قدر میں کمی واقع ہونے کے باعث اخراجات میں اضافہ ہوا ہے اور حکومت پاکستان نے درآمدات کے مقابلے مقامی مصنوعات کو فروغ دینے پر توجہ مرکوز کی ہے۔ ویلیو ایڈیشن اسٹینڈ پوائنٹ سے، گزشتہ دو سالوں سے مایوس کن کارکردگی نے مارکیٹ کے بڑے حصہ میں ویلیو ایڈیشن خلاء پیدا کر دیا ہے جو 7.5 گنا سے زیادہ قیمت پر متاثر کن آمدنی (E/P) کی تجارت اور ایک شاندار 5% ڈیویڈنڈ Yield کی پیشکش کرتا ہے۔ اس کے علاوہ، بلا روک ٹوک غیر ملکی پورٹ فولیو آؤٹ فلو کے تین سالوں کے بعد، ہم مارکیٹ کی پرمکشن ویلیو ایڈیشن کے خالص بہاؤ کی، بحالی اور مایوس کن کرنسی کی تنفیص کے خطرے سے بچنے کی توقع رکھتے ہیں۔ غیر ملکی سرمایہ کار کیلنڈر سال 2019 کی پہلی سرمایہ میں 31 بلین ڈالر کے خالص خرید رہا ہے۔ اس کے



ساتھ، اقتصادی محاذ پر مشکلات کے اثرات پہلے ہی قیمتوں پر عیاں ہیں، ہم امید کرتے ہیں کہ اسٹاک مارکیٹ کیلنڈر سال 2019 میں اور اس کے بعد صحت مند و بہتری منافع فراہم کرنے کے لئے اچھی طرح سے تیار ہے، کیونکہ اگلے چند مہینوں میں مشکلات ختم ہونے کی امید ہے۔

#### منی مارکیٹ کا جائزہ:

ایس بی پی نے مالی سال 19 کی تیسری سہ ماہی کے دوران سات (7) ٹریڈری بل آکشن منعقد کرائیں۔ مجموعی شرکت کا مشاہدہ پہلے اعلان کردہ نیلامی ہدف 13.80 بلین پاکستانی روپے کے برخلاف، ایس بی پی نے زیر جائزہ مدت کے دوران 5,608 بلین پاکستانی روپے کی رقم کی منظوری دی، 3 ماہ کی مدت میں قبولیت کل قابل قبول رقم کی 99.99 فیصد کی نمائندگی کرتی ہے، جبکہ 6 ماہ کی 0.01 فیصد تھی اور 12 ماہ کی مدت کی کوئی بڑز وصول نہیں ہوئیں۔

مزید، اس عرصے کے دوران، ایس بی پی نے تین (3) پاکستان انویسٹمنٹ بانڈ (پی آئی بی) نیلامیوں کا انعقاد کیا اور 399 بلین پاکستانی روپے اکٹھے کئے، 3، 5 اور 10 سالوں کی پیدوار با ترتیب 12.23 فیصد، 12.64 فیصد اور 13.15 فیصد تھی۔ اس کے علاوہ موجودہ مدت کے دوران، ایس بی پی نے 6 ماہ کی او۔سٹاک آف ٹی بلز عیس 70 تیسس پوائنٹس پر مینڈیٹونگ ریٹ بانڈز (FRB) کی ایک نیلامی منعقد کی۔ مجموعی شرکت کا مشاہدہ 68 بلین پاکستانی روپے کیا گیا تھا جبکہ ایس بی پی نے 7.4 بلین کی منظوری دی ہے۔ زیر جائزہ مدت کے دوران ایس بی پی نے کسی GOP جارہ سبک آکشن کا انعقاد نہیں کیا۔

#### فٹڈ کی کارکردگی

31 مارچ 2019 کو خالص اثاثے 135.64 بلین روپے ہیں جو 30 جون 2018 کو 243.11 بلین روپے تھے۔ گزشتہ سال کی اسی مدت میں 14.32 بلین روپے آپریٹنگ آمدنی کے مقابلے موجودہ نو ماہی مدت کے دوران فٹڈ کا کل آپریٹنگ نقصان 24.33 بلین روپے رہا۔ نقصان کی بڑی وجہ ایکویٹی سرمایہ کاری پر محسوس اور غیر محسوس خسارہ تھی۔ نو ماہی مدت کے دوران کل اخراجات 5.09 بلین روپے ہوئے جو گزشتہ سال کی اسی مدت میں 8.91 بلین روپے تھے۔ موجودہ نو ماہی مدت میں خالص نقصان 29.42 بلین روپے ہوا جبکہ گزشتہ سال کی اسی مدت میں 5.41 بلین روپے منافع ہوا۔ موصولی پونٹ پہلے ہی ادا شدہ آمدنی 0.31 بلین روپے تھی۔ 31 مارچ 2019 کو فی پونٹ خالص اثاثے کی قدر 19.38 روپے ہو گئی۔

---SD---

ڈائریکٹر

---SD---

چیف ایگزیکٹو آفیسر

کراچی: 22 اپریل 2019ء



**CONDENSED INTERIM STATEMENT OF FINANCIAL INFORMATION (UNAUDITED)  
AS AT 31 MARCH 2019**

	Note	Unaudited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
<b>Assets</b>			
Bank Balances	6	29,166,897	32,823,960
Investments	7	110,951,736	213,262,337
Deposits	8	3,550,000	3,550,000
Prepayment and Other Receivable	9	1,060,069	3,500,575
<b>Total Assets</b>		<b>144,728,702</b>	<b>253,136,872</b>
<b>Liabilities</b>			
Payable to 786 Investments Limited - Management Company	10	1,019,114	1,335,294
Payable to Central Depository Company of Pakistan Limited - Trustee	11	67,180	65,022
Payable to Securities and Exchange Commission of Pakistan (SECP) - Annual Fee	12	116,989	220,433
Accrued Expenses and Other Liabilities	13	7,398,985	7,952,998
Unclaimed Dividend		483,315	446,440
<b>Total Liabilities</b>		<b>9,085,583</b>	<b>10,020,187</b>
<b>Net Assets</b>		<b>135,643,119</b>	<b>243,116,685</b>
<b>Unit Holders' Fund (As per Statement Attached)</b>		<b>135,643,119</b>	<b>243,116,685</b>
<b>Number of Units</b>			
<b>Number of Units in Issue</b>		<b>6,997,031</b>	<b>10,864,101</b>
<b>Rupees</b>			
<b>Net Assets Value per Unit</b>		<b>19.39</b>	<b>22.38</b>

**Contingencies and Commitments** 14

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For 786 Investments Limited  
(Management Company)

---SD---  
Chief Executive Officer

---SD---  
Chief Financial Officer

---SD---  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED 31 MARCH 2019**

Note	Nine-Month Period Ended 31 March		Three-Month Period Ended 31 March	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
<b>Income</b>				
Income from Bank Balances	1,797,422	2,269,759	819,235	784,809
Income from Sukuk and Term Finance Certificates	3,264,373	1,990,699	908,759	774,877
Dividend Income	2,089,906	4,195,002	337,975	832,550
Capital (Loss)/Gain on Sale of Investments	(8,249,921)	2,010,818	(4,185,385)	3,927,406
Other Income	145,275	-	13,927	-
	(952,945)	10,466,278	(2,105,489)	6,319,642
Net Unrealised (Diminution)/Appreciation in Fair Value of Investments Classified As 'At Fair Value Through Profit or Loss'	(23,379,312)	3,854,227	6,172,028	18,838,114
<b>Total Income</b>	<b>(24,332,257)</b>	<b>14,320,505</b>	<b>4,066,539</b>	<b>25,157,756</b>
<b>Expenses</b>				
Remuneration to Management Company	10.1 2,752,701	3,940,093	693,678	1,284,793
Sindh Sales Tax on Remuneration to Management Company	10.2 357,852	512,208	90,179	167,022
Accounting and Operation Charges	10.3 137,636	197,002	34,686	64,237
Remuneration to Trustee	525,461	525,481	172,549	172,603
Sindh Sales Tax on Trustee Fee	68,310	68,303	22,431	22,438
Annual Fee to Securities and Exchange Commission of Pakistan	116,989	167,450	29,481	54,601
Auditors' Remuneration	394,732	432,098	104,258	141,930
Fees and Subscription	477,769	434,352	140,338	150,169
Legal and Professional Charges	15,000	-	15,000	-
Securities' Transaction Cost	182,706	198,468	46,456	52,148
Bank Charges	8,946	2,730	1,552	1,157
Withholding Taxes	1,601	2,219,337	1,601	-
Provision for Sindh Workers' Fund (SWWF)	-	110,386	-	110,386
Printing Charges	52,550	104,755	17,265	34,406
<b>Total Expenses</b>	<b>5,092,253</b>	<b>8,912,663</b>	<b>1,369,474</b>	<b>2,255,890</b>
<b>Net (Loss)/Income from Operating Activities</b>	<b>(29,424,510)</b>	<b>5,407,842</b>	<b>2,697,065</b>	<b>22,901,866</b>
Taxation	15 -	-	-	-
<b>Net (Loss)/Income for the Period After Taxation</b>	<b>(29,424,510)</b>	<b>5,407,842</b>	<b>2,697,065</b>	<b>22,901,866</b>
<b>Allocation of Net Income for the Period</b>				
Income Already Paid on Units Redeemed	(312,907)	2,250	-	-
<b>Accounting Income Available for Distribution</b>				
- Relating to Capital Gain	-	(3,788,288)	-	20,522,750
- Excluding Capital Gain	-	9,193,880	-	2,379,116
	-	5,405,592	-	22,901,866
<b>Earnings Per Unit</b>	16			

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For 786 Investments Limited  
 (Management Company)

---SD---  
 Chief Executive Officer

---SD---  
 Chief Financial Officer

---SD---  
 Director



**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTH AND THREE MONTHS PERIOD ENDED 31 MARCH 2019**

	Nine-Month Period Ended 31 March		Three-Month Period Ended 31 March	
	2019 Rupees	2018 Rupees	2019	2018
Net (Loss)/Income for the Period After Taxation	(29,424,510)	5,407,842	2,697,065	22,901,866
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive (Loss)/Income for the Period</b>	<b>(29,424,510)</b>	<b>5,407,842</b>	<b>2,697,065</b>	<b>22,901,866</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For 786 Investments Limited  
(Management Company)

---SD---  
Chief Executive Officer

---SD---  
Chief Financial Officer

---SD---  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
 FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2019**

	<b>Nine-Month Period Ended</b>	
	<b>31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (Loss)/Income for the Year Before Taxation	(29,424,510)	5,407,842
<b>Adjustments for Non-Cash Charges and Other Items:</b>		
Capital Loss/(Gain) on Sale of Investments	8,249,921	(2,010,818)
Unrealised Diminution in Fair Value of Investments		
Classified As 'At Fair Value Through Profit or Loss' - Net	23,379,312	(3,854,227)
	<b>2,204,723</b>	<b>(457,203)</b>
<b>Decrease/(Increase) in Assets</b>		
Investments	70,681,368	(38,112,875)
Deposits	-	1,000,000
Advance Income Tax	-	(1,046,760)
Prepayment and Other Receivable	2,440,506	1,871,371
	<b>73,121,874</b>	<b>(36,288,264)</b>
<b>(Decrease)/Increase in Liabilities</b>		
Payable to Management Company	(316,180)	(444,254)
Payable to Trustee	2,158	(65,026)
Payable to SECP	(103,444)	(79,938)
Accrued Expenses and Other Liabilities	(554,013)	(3,055,780)
	<b>(971,479)</b>	<b>(3,644,998)</b>
<b>Net Cash Generated From/(Used In) Operating Activities</b>	<b>74,355,118</b>	<b>(40,390,465)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(446,812)	(2,461,281)
Receipts from Issuance of Units	12,696,358	
Payments on Redemption of Units	(90,261,727)	(26,211,832)
<b>Net Cash Used in Financing Activities</b>	<b>(78,012,181)</b>	<b>(28,673,113)</b>
Net Decrease in Cash and Cash Equivalents During the Period	<b>(3,657,063)</b>	<b>(69,063,578)</b>
Cash and Cash Equivalents At Beginning of the Period	<b>32,823,960</b>	<b>104,074,858</b>
<b>Cash and Cash Equivalents At End of the Period</b>	<b>29,166,897</b>	<b>35,011,280</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For 786 Investments Limited  
 (Management Company)

---SD---  
 Chief Executive Officer

---SD---  
 Chief Financial Officer

---SD---  
 Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2019**

	31 March 2019			31 March 2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	Rupees			Rupees		
<b>Net Assets at the Beginning of the Period</b>	<b>50,428,298</b>	<b>192,688,387</b>	<b>243,116,685</b>	<b>89,043,101</b>	<b>202,008,516</b>	<b>291,051,617</b>
Issue of 568,881 Units (2018: Nil Units)						
- Capital Value	12,206,068	-	12,206,068	-	-	-
- Element of Income	490,290	-	490,290	-	-	-
- Refund of Capital	33,493	-	33,493	-	-	-
Total Proceed on Issuance of Units	12,729,851	-	12,729,851	-	-	-
Redemption of 4,435,951 Units (2018: 1,206,992 Units)						
- Capital Value	(89,948,820)	-	(89,948,820)	(26,209,582)	(2,250)	(26,211,832)
- Element of Loss	-	(312,907)	(312,907)	-	-	-
Total Payment on Redemption of Units	(89,948,820)	(312,907)	(90,261,727)	(26,209,582)	(2,250)	(26,211,832)
Total Comprehensive Loss for the Period	-	(29,424,510)	(29,424,510)	-	5,407,842	5,407,842
<b>Distributions</b>						
Distribution at the Rate of Rupee 0.0476 per Unit on 04 July 2018 (31 March 2018: Nil Units)						
- Capital Value	-	(483,687)	(483,687)	-	-	-
- Refund of Capital	(33,493)	-	(33,493)	-	-	-
	(33,493)	(483,687)	(517,180)	-	-	-
<b>Net Assets at End of the Period</b>	<b>(26,824,164)</b>	<b>162,467,283</b>	<b>135,643,119</b>	<b>62,833,519</b>	<b>207,414,108</b>	<b>270,247,627</b>
Undistributed Income Brought Forward						
- Realised		207,126,742			154,700,956	
- Unrealised		(14,438,355)			47,307,560	
		192,688,387			202,008,516	
Accounting Income Available for Distribution						
- Relating to Capital Loss		-			-	
- Excluding Capital Gains		-			-	
Net Loss for the Period Including Income Already Paid on Units Redeemed		(29,737,417)			5,405,592	
Distribution During the Period		(483,687)			-	
Undistributed Income Carried Forward		162,467,283			207,414,108	
Undistributed Income Carried Forward						
- Realised		185,846,595			203,559,881	
- Unrealised		(23,379,312)			3,854,227	
		162,467,283			207,414,108	
Net Assets Value per Unit at Beginning of the Period			22.38			23.08
Net Assets Value per Unit at End of the Period			19.39			23.70

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

For 786 Investments Limited  
(Management Company)

---SD---  
Chief Executive Officer

---SD---  
Chief Financial Officer

---SD---  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** First Dawood Mutual Fund ('the Fund') was established under the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 (the NBFC Rules, 2003). Formation of the Fund as closed end fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on 28 January 2005. It was established under Trust Deed dated 08 December 2004 executed between 786 Investments Limited (formerly Dawood Capital Management Limited) as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee, duly approved by the SECP. During the last year, registered office of the Management Company was changed and now situated at G3, Ground floor, BRR Tower, Hassan Ali Street, I.I Chundrigar Road, Karachi, Pakistan.

SECP vide its letter SCD/AMCW/FDMF/337/2016 dated 10 March 2016 approved the conversion of the Close-end fund into an Open-end scheme effective from 7 April 2013 under the regulation 65 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008) by virtue of a scheme of conversion of the Fund under a supplemental Trust Deed executed between 786 Investments Limited as Management Company and CDC as Trustee after being approved by the SECP on 3 June 2016 in accordance with the provisions of the NBFC Regulations, 2008.

- 1.2** Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund. The Fund obtained listing as an Open-end fund on Pakistan Stock Exchange Limited (PSX) on 05 December 2018 and simultaneously the Fund was delisted as Closed-end fund from Pakistan Stock Exchange (PSX).
- 1.3** The Fund is categorized as a "Balanced Scheme" approved by the Board of Directors of the Management Company as per Circular 7 of 2009 issued by the SECP. The policy of the Fund is to invest in a mix of traded securities covering debt, equity and money market transactions.

Title to assets of the Fund is held in name of CDC as Trustee of the Fund.

- 1.4** Regulation 54 Clause 3(a) of the NBFC Regulations, 2008 requires the minimum size of open end schemes to be Rupees 100 million at all times during the life of the scheme. As at 31 March 2019, size of the Fund is Rupees 135.64 million and the Management Company holds up to 69.67% units of the Fund. Redemption of units of the Fund by the Management Company would result in size of the Fund reduced from the minimum required size of Rupees 100 million. In case of any such redemption, Management Company is committed to maintain minimum size of the Fund (as required under the NBFC Regulations, 2008) on its own.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM3' to the Management Company and has assigned performance ranking of "1 star" to the Fund.
- 1.6** In continuation of onsite and offsite inspections carried out in prior years, SECP conducted offsite examination of the Management Company and the Fund under its management during the six-month period ended 31 December 2018. Based on the inspection and examination, SECP highlighted various non-compliances with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules, 2003) and the NBFC Regulations, 2008 in its letters to the Management Company dated 18 July 2018 and 09 November 2018. These non-compliances mainly pertain to financial management systems, compliance and risk management system, updating policies and procedures, fund management and internal controls and procedure. Apart from these, SECP also highlighted non-compliances of its circular 7 of 2009 (from 18 July 2018 to 14 August 2018) and circular 9 of 2013 (from 23 July 2018 to 16 August 2018), whereby the Fund is restricted to invest more than 70% of its net assets into equity securities and is required to maintain bank balances at least 10% of its net assets at all the times respectively. The Management Company vide its letters to SECP dated 31 July 2018 and 20 November 2018 conveyed that most of the requirements of the rules and regulations have been complied whereas the Management Company is fully committed to ensure compliance with rest of the non-compliances in due course.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

**2.1.1** These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules, 2003), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, 2003, the NBFC Regulations, 2008 and requirements of the Trust Deed differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, 2003, the NBFC Regulations, 2008 and requirements of the Trust Deed have been followed.

**2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 30 June 2018.

**2.1.3** This condensed interim financial information is unaudited and is being circulated to the unitholders as per the requirement of the regulation 38(2)(f) of NBFC Regulations, 2008. The Board of Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

**2.1.4** The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2019 have been extracted from the annual audited financial statements of the Fund for the year ended 30 June 2018, where as the comparative in condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement are extracted from unaudited condensed interim financial information for the period ended 31 March 2018.

### **2.1.5 New Standards, Amendments to Approved Accounting Standards and Interpretations that are Effective During the Six-Month Period Ended 31 December 2018**

There are certain new standards, amendments to approved accounting standards and interpretations which are mandatory for the accounting periods beginning on or after 1 July 2018 but are considered not to be relevant or have any significant effect on the Fund's condensed interim financial information, except for IFRS 9 "Financial Instruments". The impact of adoption of this new standard is detailed in note 3.1.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the method of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended 30 June 2018 except for change in accounting policy for financial instruments as stated below.

### **3.1 Change in Accounting Policy**

Effective 1 July 2018, the Fund adopted IFRS 9 "Financial Instruments", which has replaced IAS 39 "Financial Instruments: Recognition and Measurement".

IFRS 9 prescribes the rules for the classification and measurement of financial instruments, measuring impairment allowances for financial assets, and hedge accounting. Unlike IAS 39 where multiple classification categories were permitted, this standard has simplified the classification of a financial asset either at amortised cost or at fair value (through profit or loss OR through other comprehensive income) based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Now impairment of a financial asset is determined based on an expected credit loss model under IFRS 9, rather than the incurred loss model under IAS 39. However, SECP vide its letter to MUFAP dated 21 November 2017 relaxed the applicability of IFRS 9 to the extent of impairment rules on debts securities for mutual funds and deferred it till further instructions.

As permitted by IFRS 9, the Fund has not restated comparatives on initial application of IFRS 9. Certain key transitional provisions used to calculate the transitional impact, are summarised below:

- IFRS 9 is not applied to financial instruments that have been derecognised as of 1 July 2018; and
- The classification and measurement requirements are applied considering facts and circumstances in existence as of 1 July 2018 for the business model and fair value option elections, and facts and circumstances at the date of initial recognition for the contractual cash flow characteristics of financial assets.

The Fund has not presented initial transitional disclosures by comparing the closing statement of assets and liabilities at 30 June 2018 (under IAS 39) to the opening statement of assets and liabilities at 1 July 2018 (under IFRS 9) on account of the fact that the transition has not effected the measurement of its financial assets and financial liabilities except for the change of classification categories as stated below:

	Category as per		Effect on Opening Undistributed Income Rupees
	IAS 39	IFRS 9	
<b>Financial Assets</b>			
Bank Balances	Loans and receivables	Amortized cost	-
Investments	Fair value through profit or loss - Held for trading	Fair value through profit or loss	-
Deposits	Loans and receivables	Amortized cost	-
Other Receivables	Loans and receivables	Amortized cost	-
<b>Financial Liabilities</b>			
Payable to 786 Investments Limited - Management Company	Other financial liabilities	Amortized cost	-
Payable to Central Depository Company of Pakistan Limited - Trustee	Other financial liabilities	Amortized cost	-
Payable to Securities and Exchange Commission of Pakistan - annual fee	Other financial liabilities	Amortized cost	-
Accrued Expenses and Other Liabilities	Other financial liabilities	Amortized cost	-
Unclaimed Dividend	Other financial liabilities	Amortized cost	-

#### Key Accounting Policies as Revised Under IFRS 9

Following the application of IFRS 9, the Fund's policy for financial instruments stands amended as follows:

##### a) Financial Assets

The Fund classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Fund's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.



**i) Financial Assets at Amortised Cost**

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii) Financial Assets at Fair Value through Other Comprehensive Income**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial Assets at Fair Value through Profit or Loss**

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories.

All financial assets are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the Fund commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Gains and losses arising on financial assets at amortised cost and financial assets at fair value through profit or loss are recognised in profit or loss. Interest calculated under effective interest method, dividend, impairment (relating to debt instruments) and foreign exchange gains and losses on financial assets at fair value through other comprehensive income are also recognised in profit or loss. Gains and losses from changes in fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and, in case of debt instruments, are reclassified to profit or loss on derecognition or reclassification. Gains and losses from changes in fair value of equity securities designated at fair value through other comprehensive income are not subsequently transferred to profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

**b) Financial Liabilities**

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

**c) Off-Setting of Financial Assets and Financial Liability**

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Fund has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**4 ESTIMATES AND JUDGMENTS**

- 4.1** The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 30 June 2018.

## 5 FINANCIAL RISK MANAGEMENT

5.1 The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements of the Fund as at and for the year ended 30 June 2018.

		Unaudited 31 March 2018 Rupees	Audited 30 June 2018 Rupees
<b>6 BANK BALANCES</b>	Note		
- Savings Accounts	6.1	<u>29,166,897</u>	<u>32,823,960</u>

6.1 Profit rates on savings accounts range from 2.48% to 10% (30 June 2018: 2.48% to 6.20%) per annum.

## 7 INVESTMENTS

### At Fair Value through Profit or Loss

Listed Equity Securities	7.1	<b>77,891,936</b>	161,973,694
Unlisted Debt Securities	7.2	<b>33,059,800</b>	51,288,643
		<u><b>110,951,736</b></u>	<u>213,262,337</u>

### 7.1 Listed Equity Securities

Shares of listed companies are fully paid ordinary shares of Rupees 10 each unless stated otherwise.

Name of Investee Entity	Number of Shares				Balance as at 31 March 2019			Market Value	
	As at 1 July 2018	Purchased During the Period	Bonus/ Right Issue	Sold/Matured/ Settled During the Period	As at 31 March 2019	Carrying Value	Market Value	Appreciation/ (Diminution)	As a Percentage of Total Investments
									As a Percentage of Net Assets
<b>MODARABA</b>									
B.R.R Guardian Modaraba	794,498	-	-	695,498	99,000	865,260	739,530	(125,730)	0.67%
<b>SECURITIES COMPANY</b>									
Dawood Equities Limited	979,500	-	-	492,500	487,000	1,801,900	1,387,950	(413,950)	1.25%
<b>COMMERCIAL BANKS</b>									
Bank Alfalah Limited	10,000	16,000	1,350	-	27,350	1,315,130	1,287,365	(27,765)	1.16%
Bank of Punjab	27,500	56,000	-	33,500	50,000	698,643	651,000	(47,643)	0.59%
Habib Bank Limited	26,100	15,700	-	17,200	24,600	3,770,967	3,259,254	(511,713)	2.94%
MCB Bank Limited	19,000	7,100	-	16,100	10,000	1,984,385	1,965,300	(19,085)	1.77%
United Bank Limited	13,000	17,900	-	21,400	9,500	1,357,493	1,325,535	(31,958)	1.19%
									7.65%
<b>INSURANCE COMPANIES</b>									
IGI Life Insurance Limited	260,875	-	-	48,500	212,375	16,990,000	10,555,038	(6,434,962)	9.51%
IGI Holdings Limited	2,000	300	300	300	2,300	564,486	432,446	(132,040)	0.39%
Beema Pakistan Company Limited**	35,500	-	-	-	35,500	-	-	-	0.00%
									9.90%
<b>TEXTILE COMPOSITES</b>									
Gul Ahmed Textile Mills Limited	1,500	-	-	1,500	-	-	-	-	0.00%
Kohinoor Textile	-	3,500	-	3,500	-	-	-	-	0.00%
Nishat Mills Limited	3,000	1,500	-	4,500	-	-	-	-	0.00%
Azgard Nine Limited (Cumulative Preference Shares) 8.95%**	1,013,863	-	-	-	1,013,863	-	-	-	0.00%



Name of Investee Entity	Number of Shares					Balance as at 31 March 2019			Market Value	
	As at 1 July 2018	Purchased During the Period	Bonus/ Right Issue	Sold/Matured/ Settled During the Period	As at 31 March 2019	Carrying Value	Market Value	Appreciation/ (Diminution)	As a Percentage of Total Investments	As a Percentage of Net Assets
							(Rupees)			
<b>CEMENT</b>										
Fauji Cement Company Limited	18,500	19,000	-	30,500	7,000	151,494	139,720	(11,774)	0.13%	0.10%
Bestway Cement Limited	10,000	800	-	10,800	-	-	-	-	0.00%	0.00%
D.G. Khan Cement Company Limited	18,000	18,000	-	36,000	-	-	-	-	0.00%	0.00%
Lucky Cement Limited	12,700	14,000	-	15,400	11,300	5,395,184	4,839,112	(556,072)	4.36%	3.57%
Cherat Cement Company Limited	-	7,000	-	7,000	-	-	-	-	0.00%	0.00%
Power Cement Limited	18,044	-	-	18,044	-	-	-	-	0.00%	0.00%
Maple Leaf Cement Factory Limited	-	8,500	-	8,500	-	-	-	-	0.00%	0.00%
Pioneer Cement Limited	-	13,000	-	13,000	-	-	-	-	0.00%	0.00%
									4.49%	
<b>REFINERY</b>										
Attock Refinery Limited	3,200	-	-	3,200	-	-	-	-	0.00%	0.00%
National Refinery Limited	-	1,000	-	1,000	-	-	-	-	0.00%	0.00%
<b>POWER GENERATION AND DISTRIBUTION</b>										
K-Electric Limited*	200,000	67,500	-	97,500	170,000	989,859	950,300	(39,559)	0.86%	0.70%
Kot Addu Power Company Limited	20,000	-	-	20,000	-	-	-	-	0.00%	0.00%
Hub Power Company Limited	27,000	7,000	-	5,000	29,000	2,641,131	2,126,570	(514,561)	1.92%	1.57%
									2.77%	
<b>OIL AND GAS MARKETING COMPANIES</b>										
Sui Southern Gas Company Limited	15,000	1,500	-	16,500	-	-	-	-	0.00%	0.00%
Pakistan State Oil Company Limited	9,700	2,000	740	10,940	1,500	383,478	324,270	(59,208)	0.29%	0.24%
Sui Northern Gas Pipelines Limited	33,000	15,000	-	28,500	19,500	1,761,208	1,464,645	(296,563)	1.32%	1.08%
Hascol Petroleum Limited	4,700	1,800	1,250	1,000	6,750	1,631,672	875,273	(756,399)	0.79%	0.65%
									2.40%	
<b>OIL AND GAS EXPLORATION COMPANIES</b>										
Pakistan Oilfields Limited	4,600	4,000	1,040	5,400	4,240	2,144,771	1,896,340	(248,431)	1.71%	1.40%
Oil and Gas Development Company Limited	17,000	5,700	-	10,200	12,500	1,910,386	1,844,375	(66,011)	1.66%	1.36%
Pakistan Petroleum Limited	5,800	7,600	1,245	14,100	545	97,468	100,820	3,352	0.09%	0.07%
									3.46%	
<b>AUTOMOBILE ASSEMBLER</b>										
Millat Tractors	-	200	-	200	-	-	-	-	0.00%	0.00%
Pak Suzuki Motor Company Limited	1,700	2,500	-	4,200	-	-	-	-	0.00%	0.00%
									0.00%	
<b>SYNTHETIC &amp; RAYON</b>										
Tri-Star Polyester Limited	-	12,500	-	2,000	10,500	130,548	116,025	(14,523)	0.10%	0.09%
<b>ENGINEERING</b>										
Amreli Steels Limited	7,500	8,500	-	12,500	3,500	203,596	150,745	(52,851)	0.14%	0.11%
Crecent Steel and Allied Products Limited	2,100	-	-	2,100	-	-	-	-	0.00%	0.00%
Mughal Iron and Steel Industries Limited	26,000	4,000	-	10,000	20,000	1,196,353	781,200	(415,153)	0.70%	0.58%
International Industries Limited	4,600	3,700	-	3,000	5,300	1,056,376	657,730	(398,646)	0.98%	0.48%
International Steels Limited	16,100	16,000	-	20,500	11,600	1,009,157	742,748	(266,409)	0.67%	0.55%
									2.10%	
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>										
General Tyre and Rubber Company of Pakistan Limited	1,500	2,500	-	3,000	1,000	61,905	54,650	(7,255)	0.05%	0.04%
Loads Limited	55,000	7,000	-	45,000	17,000	501,977	328,270	(173,707)	0.30%	0.24%
									0.35%	
<b>CABLE AND ELECTRICAL GOODS</b>										
Pak Elektron Limited	31,000	2,000	-	33,000	-	-	-	-	0.00%	0.00%
Pakistan Cables Limited	700	175	-	875	-	-	-	-	0.00%	0.00%
<b>TRANSPORT</b>										
Pakistan International Bulk Terminal Limited	30,000	46,058	-	72,058	4,000	46,068	40,040	(6,028)	0.04%	0.03%
<b>TECHNOLOGY AND COMMUNICATION</b>										
Netsol Technologies Limited	-	12,500	-	12,500	-	-	-	-	0.00%	0.00%
Systems Limited	33,000	11,500	-	3,500	41,000	4,311,058	4,366,500	55,442	3.94%	3.22%
Calimata Telips Telecom Limited**	213,221	-	-	-	213,221	-	-	-	-	-
									3.94%	

Name of Investee Entity	Number of Shares					Balance as at 31 March 2019			Market Value	
	As at 1 July 2018	Purchased During the Period	Bonus/ Right Issue	Sold/Matured/ Settled During the Period	As at 31 March 2019	Carrying Value	Market Value	Appreciation/ (Diminution)	As a Percentage of Total Investments	As a Percentage of Net Assets
							(Rupees)			
<b>FERTILIZERS</b>										
Engro Fertilizers Limited	-	24,500	-	8,000	16,500	1,224,485	1,180,575	(43,910)	1.06%	0.87%
Fauji Fertilizer Bin Qasim Limited	26,000	1,000	-	27,000	-	-	-	-	0.00%	0.00%
Engro Corporation Limited	13,300	3,500	-	16,800	-	-	-	-	0.00%	0.00%
Fauji Fertilizer Company Limited	27,000	3,000	-	30,000	-	-	-	-	0.00%	0.00%
									1.06%	
<b>PHARMACEUTICALS</b>										
Otsuka Pakistan Limited	78,336	-	-	17,000	61,336	17,361,155	10,095,906	(7,265,249)	9.10%	7.44%
GlaxoSmithKline Pakistan Limited	79,150	-	-	30,200	48,950	8,125,700	7,028,241	(1,097,459)	6.33%	5.18%
The Searle Company Limited	4,300	3,200	195	7,695	-	-	-	-	0.00%	0.00%
GlaxoSmithKline Consumer Healthcare Pakistan Limited	51,255	-	-	9,500	41,755	16,912,863	14,216,325	(2,696,538)	12.81%	10.48%
									28.25%	
<b>CHEMICALS</b>										
Engro Polymer & Chemicals Limited	-	11,500	-	1,500	10,000	361,880	363,200	1,320	0.33%	0.27%
Pakistan Oxygen Limited	1,070	-	-	1,029	41	9,840	10,250	410	0.01%	0.01%
Archroma Pakistan Limited	5,000	-	-	5,000	-	-	-	-	0.00%	0.00%
									0.34%	
<b>LEATHER AND TANNERIES</b>										
Service Industries Limited	3,500	-	-	3,500	-	-	-	-	0.00%	0.00%
<b>FOOD AND PERSONAL CARE PRODUCTS</b>										
Engro Foods Limited	15,500	4,000	-	15,500	4,000	354,062	276,640	(77,422)	0.25%	0.20%
Unity Foods Limited	-	7,500	-	7,500	-	-	-	-	0.00%	0.00%
Fauji Foods Limited	62,500	68,500	-	80,500	50,500	1,573,537	1,318,048	(255,489)	1.19%	0.97%
									1.44%	
<b>MISCELLANEOUS</b>										
Synthetic Products Limited	6,000	-	-	6,000	-	-	-	-	0.00%	0.00%
<b>Total as at 31 March 2019</b>						<b>100,895,475</b>	<b>77,891,936</b>	<b>(23,003,539)</b>		
<b>Total as at 30 June 2018</b>						<b>173,445,942</b>	<b>161,973,694</b>	<b>(11,472,248)</b>		

\* Each having face value of Rupees 3.5 per share

\*\* The securities are marked as non-trading at Pakistan Stock Exchange Limited. Accordingly the investment is carried at nil value in the books of the Fund.

7.1.1 Investments as at 31 March 2019 include Nil (30 June 2018: 75,000) shares of GlaxoSmithKline Pakistan Limited with market value of Rupees Nil (30 June 2018: Rupees 12.450 million), 15,000 (30 June 2018: Nil) shares of Habib Bank Limited with market value of Rupees 1.987 million (30 June 2018: Rupees Nil), 6,000 (30 June 2018: Nil) shares of Oil and Gas Development Company Limited with market value of Rupees 0.885 million (30 June 2018: Rupees Nil) and 6,000 (30 June 2018: Nil) shares of Sui Northern Gas Pipelines Limited with market value of Rupees 0.45 million (30 June 2018: Rupees Nil) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.



## 7.2 Unlisted Debt Securities

Certificates have a face value of Rupees 5,000 each unless stated otherwise.

Name of Investee Entity	Note	Number of Certificates			As at March 31 2019	Balance as at 31 March 2019			Market Value	
		Ast at July 01 2018	Purchased During the Period	Sold/Matured/ Settled During the Period		Carrying Value	Market Value	Appreciation/ (Diminution)	As a Percentage of Total Investments	As a Percentage of Net Assets
----- Rupees -----										
Term Finance Certificates										
Cable and Electrical Goods										
New Allied Electronics Industries* (Private) Limited	7.2.1	3,417	-	-	3,417	7,222,749	-	-	-	-
Commercial Bank										
Silk Bank Limited	7.2.2	5,000	-	2,000	3,000	13,263,383	12,830,015	(433,368)	11.56%	9.46%
Sukuk Certificates										
Textile										
Amtex Limited *	7.2.3	6,000	-	-	6,000	22,500,000	-	-	-	-
Cable and Electrical Goods										
TPL Corporation Limited**	7.2.4	5	-	-	5	5,162,500	5,229,785	67,285	4.71%	3.86%
Fertilizers										
Dawood Hercules Corporation Limited***	7.2.5	240	-	90	150	15,009,690	15,000,000	(9,690)	13.52%	11.06%
						42,672,190	20,229,785	57,595		
Total as at 31 March 2019						63,158,322	33,059,800	(375,773)		
Total as at 30 June 2018						83,977,499	51,288,643	(2,966,107)		

\*These TFCs and Sukuk certificates are non performing and are fully provided (note: 7.2.1 and 7.2.3), therefore these are not subject to mark to market.

\*\*Each having face value of Rupees 1,000,000 per certificate.

\*\*\*Each having face value of Rupees 100,000 per certificate.

7.2.1 New Allied Electronics Industries (Private) Limited defaulted on its payment of principal and mark-up due on 25 December 2008. Consequently, the security was classified as non-performing by MUFAP on 9 January 2009 and accrual of income on the same was suspended. This security has been fully provided in accordance with the provisioning circulars issued by the SECP and the Board's approved provisioning policy.

7.2.2 These term finance certificates carry profit equal to 6 month KIBOR plus 1.85% receivable half-yearly in arrears and will mature in August 2025. The Instrument is structured to redeem 0.14% of the Issue Amount during the first 7 years and remaining 99.86% in last two (2) equal semi-annual installments of 49.93% each. The instrument is unsecured and subordinated as to payment of Principal and Profit to all other indebtedness of the bank, including deposits.

7.2.3 Amtex Limited (Sukuk) defaulted on its payment of principal and mark-up due on 22 December 2010. Consequently, the security was classified as non-performing by MUFAP on 6 January 2011 and accrual of income on the same was suspended. Accordingly, the security has been fully provided in accordance with the provisioning circulars issued by the SECP and the Board's approved provisioning policy.

7.2.4 These certificates carry profit equal to 1 year KIBOR plus 3% receivable quarterly in arrears and will mature in April 2021. The principal amount is redeemable in four six monthly instalments of Rupees 0.25 million per certificate each commencing from October 2019. These Sukuk certificates are secured by hypothecation charge over the hypothecated assets of Rupees 625 million and pledge of shares of TPL Properties Limited in favour of the Trustee of the issuer for the benefit of the certificate holders.

**7.2.5** These sukuk certificates carry profit equal to 3 month KIBOR plus 1% receivable quarterly in arrears and will mature in February 2023. The instrument is structured to redeem 60% of the Issue Amount during the first 4 years and remaining 40% in last two (2) equal semi-annual installments of 20% each. The instrument is secured against pledge of shares of Engro Corporation Limited, inclusive of 50% margin, in a designated CDC account. In the event of any sale and repurchase of security, the Trustee will have a lien over subsequent cash, which is to be deposited in a specified bank account and further, Floating or Hypothecation charge on all present and future assets of the Company inclusive of 25% margin Security.

**7.3 Details of Non-Compliant Investment with the Investment Criteria as Specified by Securities and Exchange Commission of Pakistan**

In accordance with Clause (v) of the investment criteria laid down for 'Balanced Scheme' in Circular no. 7 of 2009 issued by the SECP, the Fund is required to invest in any security having rating not lower than 'A-'. However, as at 31 March 2019, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance of the Circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by respective issuer in repayment of coupon due on respective dates. The Fund holds 100% provision against such investment as enumerated below:

Name of Non-Compliant Investment	Type of Investment	As at 31 March 2019			% of Net Assets	% of Gross Assets
		Value before Provision	Provision Made	Value after Provision		
		----- (Rupees) -----				
New Allied Electronics Industries (Private) Limited	TFC	7,222,749	7,222,749	-	-	-
Amtext Limited	Sukuk	22,500,000	22,500,000	-	-	-

**8 DEPOSITS**

	Unaudited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
Central Depository Company Pakistan Limited	50,000	50,000
National Clearing Company Pakistan Limited	3,500,000	3,500,000
	<b>3,550,000</b>	<b>3,550,000</b>

**9 PREPAYMENT AND OTHER RECEIVABLE**

Prepayment		
Prepaid PSX Listing Fee	6,857	-
Other Receivable		
Dividend Receivable	337,976	49,000
Profit on Saving Accounts	256,741	152,008
Profit Receivable on Term Finance and Sukuk Certificates	458,495	1,065,735
Receivable from National Clearing Company Pakistan Limited	-	2,233,832
	<b>1,053,212</b>	<b>3,500,575</b>
	<b>1,060,069</b>	<b>3,500,575</b>

**10 PAYABLE TO 786 INVESTMENT LIMITED  
- MANAGEMENT COMPANY**

On Account of		
Remuneration Payable	10.1	230,917
Sindh Sales Tax Payable	10.2	650,561
Accounting and Operation Charges	10.3	137,636
		<b>1,019,114</b>
		<b>1,335,294</b>

**10.1** The Management Company has charged its remuneration at the rate of 2% per annum of the average annual net assets of the Fund in accordance with regulation 61 of the NBFC Regulations, 2008. The remuneration is payable to the management company on monthly basis in arrears.

**10.2** Government of Sindh has levied Sindh Sales Tax on services at the rate of 13% (30 June 2018: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.



10.3 In accordance with the provisions of the NBFC Regulations, 2008 as amended vide SRO 1160(1)/2015 dated 25 November 2015, the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the scheme or actual whichever is less.

	NOTE	Unaudited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
<b>11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee Remuneration Payable	11.1	59,452	57,533
Sindh Sales Tax Payable on Trustee Remuneration	11.2	7,728	7,489
		<u>67,180</u>	<u>65,022</u>

11.1 In accordance with the provision of the Trust Deed, the remuneration is paid to the Trustee on monthly basis in arrears.

The following tariff structure relating to Trustee fee is applicable based on net assets of the Fund:

Amount of funds under management (Average Net Assets Value)	Tariff per annum
Up to Rupees. 1 Billion	Rupees 0.7 million or 0.20% per annum of net assets, whichever is higher.
Over Rupees. 1 Billion	Rupees 2 million or 0.10% per annum of net assets on amount exceeding Rupees 1 billion.

11.2 A notification (SRB-3-4/TP/01/2015/86554 dated 13 June 2015) was issued by Sindh Revenue Board (SRB), which introduced amendments in Sindh Sales Tax on Services Act, 2011. As a result of these amendments, the Fund recognised sales tax on Trustee fee at the rate of 13% (30 June 2018: 13%).

## 12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - ANNUAL FEE

This represents annual fee payable to SECP in accordance with the regulation 62 of the NBFC Regulations, 2008 whereby the Fund is required to pay SECP an amount equal to 0.085% of the average daily net assets.

	NOTE	Unaudited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
<b>13 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' Remuneration		287,813	375,281
Securities' Transaction Cost Payable		559,706	441,421
Other Payables		133,583	635,060
Federal Excise Duty on Remuneration	13.1	4,240,850	4,240,850
Provision for Sindh Workers' Welfare Fund (SWWF)	13.2	2,176,440	2,176,440
Withholding Tax and Zakat Payable		593	83,946
		<u>7,398,985</u>	<u>7,952,998</u>

13.1 There is no change in the status of the appeal pending in the Supreme Court of Pakistan against the decision of Sindh High Court filed by the Deputy Commissioner Inland Revenue, as more fully disclosed in the annual financial statements for the year ended 30 June 2018. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rupees 4.241 million. Had the provision not been made, net asset value per unit of the Fund as at 31 March 2019 would have been higher by Rupee 0.61 per unit (30 June 2018: Rupee 0.39 per unit).

13.2 As more fully disclosed in the annual financial statements for the year ended 30 June 2018, the Management Company on the advice of Mutual Fund Association of Pakistan is recognizing provision for SWWF since 21 May 2015, only as a matter of abundant caution. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rupee 0.31 (30 June 2018: Rupee 0.20).

#### 14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 March 2019 (30 June 2018: Nil).

#### 15 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90 percent of accounting income, the income distributed through bonus units shall not be considered as dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance 2001.

#### 16 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average number of units for calculating EPU is not practicable.

#### 17 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016 required that Collective Investment Scheme (CIS) to disclose Total Expense Ratio (TER) in the periodic financial statements of the Fund. TER of the Fund for the nine-month period ended 31 March 2019 is 3.67 % which includes 0.41% representing government levy and SECP fee. The ratio is within the maximum limit of 4% prescribed under the NBFC Regulation 2008 for a collective investment scheme categorised as balanced fund.

#### 18 TRANSACTIONS WITH CONNECTED PERSONS

Related parties/connected persons of the Fund include 786 Investments Limited, being Management Company, other collective investment schemes managed by Management Company, Central Depository Company of Pakistan Limited (CDC), being the Trustee of the Fund, Directors and key management personnel of the Management Company, other associated undertakings and unit holders holding more than 10% units in the Fund or any of their connected person.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

The transactions with related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Details of transactions with related parties and balances with them at the six-month period ended are as follows:

##### 18.1 Details of Transactions with Connected Person/Related Parties are as Follows:

	Nine-Month Period Ended 31 March	
	2019 Rupees	2018 Rupees
<b>786 Investments Limited - Management Company</b>		
Remuneration (Including Indirect Taxes)	3,110,553	4,452,301
Accounting and Operation Charges	137,636	197,002
Issue of 432,889 Units (2018: Nil Units)	9,836,835	-
Redemption of 4,257,577 Units (2018: 923,344 Units)	86,500,000	20,000,000
Issue of 14,144 Units (2018: Nil Units) against Dividend Reinvested	305,386	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration (Including Indirect Taxes)	593,771	593,784
CDS Charges	13,429	-

	Nine-Month Period Ended 31 March	
	2019 Rupees	2018 Rupees
<b>B.R.R Guardian Modaraba - Connected Person due to Holding 10% or More</b>		
Issue of 863 Units (2018: Nil Units) against Dividend Reinvested	<u>18,632</u>	<u>-</u>
<b>Directors and Executives of the Management Company</b>		
Issue of 90 Units (2018: Nil Units) and against Dividend Reinvested	<u>1,950</u>	<u>-</u>
Redemption of 50,149 Units (2018: Nil Units)	<u>1,041,195</u>	<u>-</u>
Cash Dividend	<u>536</u>	<u>-</u>
<b>Other Connected Persons/Related Parties</b>		
Issue of 410 Units (2018: Nil Units) against Dividend reinvested	<u>8,857</u>	<u>-</u>
Issue of 1,551 Units (2018: Nil Units) against refund of capital	<u>33,493</u>	<u>-</u>
	<b>Un-Audited 31 March 2019 Rupees</b>	<b>Audited 30 June 2018 Rupees</b>
<b>18.2 Amounts Outstanding as at Period/Year End</b>		
<b>786 Investments Limited - Management Company</b>		
Remuneration Payable	<u>1,019,114</u>	<u>1,335,294</u>
Units Held 4,259,184 (June 2018: 8,069,728 Units)	<u>82,567,685</u>	<u>180,584,362</u>
<b>Central Depository Company Of Pakistan Limited-Trustee</b>		
Remuneration Payable	<u>67,180</u>	<u>65,022</u>
<b>B.R.R Guardian Modaraba - Associate of Management Company</b>		
Units Held 493,211 (June 2018: 492,349 Units)	<u>9,561,299</u>	<u>11,017,776</u>
<b>Directors and Executives of the Management Company</b>		
Units Held 13,747 (June 2018: 63,806 Units)	<u>266,500</u>	<u>1,427,852</u>
<b>Other Connected Persons/Related Parties</b>		
Units Held 229,309 (June 2018: 227,348 Units)	<u>4,445,345</u>	<u>5,087,591</u>

## 19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of underlying financial assets are determined based on requirements of Regulation 66 of the NBFC Regulations, 2008 and directives if any, issued by the Securities and Exchange Commission of Pakistan. The Fund has an established control framework with respect to the measurement of fair values.

The fair value of financial assets that are traded in active market are based on prices obtained directly from an exchange on which the investments are traded. For unlisted debt securities and debt securities listed but not traded regularly on stock exchange valued in the manner specified by Securities and Exchange Commission of Pakistan.

The Fund measures fair value using the following fair value hierarchy that reflects the significance of the input in making the measurements.

**Level 1** - Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

**Level 2** - Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

**Level 3** - Valuation techniques (for which the lowest input that is significant to the fair value measurement is unobservable).

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy to which the fair value measurement is categorized.

31 March 2019			
Carrying Amount			
On-Balance Sheet Financial Instruments	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss
			Total
	(Rupees)		

**Financial Assets Measured at Fair Value**

Investments			
- Equity Securities - Listed	-	-	77,891,936
- Term Finance and Sukuk Certificates - Unlisted	-	-	33,059,800
	-	-	110,951,736

**Financial Assets Not Measured at Fair Value**

Bank Balances	29,166,897	-	-
Deposits	3,550,000	-	-
Other Receivable	1,053,212	-	-
	33,770,109	-	-

**Financial Liabilities Not Measured at Fair Value**

Payable to Management Company	1,019,114	-	-
Payable to Trustee	67,180	-	-
Accrued Expenses and Other Liabilities	981,102	-	-
Unclaimed Dividend	483,315	-	-
	2,550,711	-	-

31 March 2019			
Fair Value			
Financial Assets Measured at Fair Value	Level 1	Level 2	Level 3
			Total
	(Rupees)		

Investments			
- Equity Securities - Listed	77,891,936	-	-
- Term Finance and Sukuk Certificates - Unlisted	-	33,059,800	-
	77,891,936	33,059,800	-

30 June 2018			
Fair Value			
Financial Assets Measured At Fair Value	Level 1	Level 2	Level 3
			Total
	(Rupees)		

Investments			
- Equity Securities - Listed	161,973,694	-	-
- Term Finance and Sukuk certificates - Unlisted	-	51,288,643	-
	161,973,694	51,288,643	-



For financial assets and financial liabilities not measured at fair value through profit or loss management considers that their carrying amounts approximate fair value because of their short-term nature and the high credit quality of counter parties.

The Fund routinely redeems and issues the redeemable units at the amount equal to the proportionate share of net assets of the Fund at the time of issuance and redemption, calculated on a basis consistent with that used in this condensed interim financial information. Accordingly, the carrying amount of net assets attributable to holders of redeemable units approximates their fair value.

<b>Reconciliation of Recurring Fair Value Measurements Categorised Within Level 2 of the Fair Value Hierarchy</b>	<b>31 March 2019 Rupees</b>	<b>30 June 2018 Rupees</b>
<b>Unlisted Sukuk and Term Finance Certificates</b>		
<b>Opening Balance</b>	<b>51,288,643</b>	5,257,250
Certificate Purchased	-	49,000,000
Certificate Sold	(8,843,256)	-
Certificate Redeemed	(9,009,814)	(2,500)
Net Unrealised (Diminution)/Appreciation Recognised in Income Statement During the Period	(375,773)	(2,966,107)
<b>Closing Balance</b>	<b>33,059,800</b>	51,288,643

## 20 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been approved and authorised for issue in the meeting of the Board of Directors of the Management Company held on 22 April, 2019.

## 21 GENERAL

21.1 The corresponding figures have been re-arranged wherever necessary.

21.2 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

	For 786 Investments Limited (Management Company)	
---SD---	---SD---	---SD---
Chief Executive Officer	Chief Financial Officer	Director

## BOOK POST

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