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786 INVESTMENTS LIMITED



DAWOOD ISLAMIC FUND

**FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2018
(UN-AUDITED)**

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CORPORATE INFORMATION

Management Company	786 Investments Limited G-3 Ground Floor, B.R.R. Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi - 74000 Pakistan Tel: (92-21) 32603751-54 Email: info@786investments.com Website: www.786investments.com	
Board of Directors	Ms. Shafqat Sultana Miss Tara Uzra Dawood Ms. Charmaine Hidayatullah Mr. Ahmed Salamn Munir Syed Shabahat Hussain Mr. Tahir Mehmood Syed Farhan Abbas	Chairperson Chief Executive Officer Director Director Director Director Director
Chief Financial Officer & Company Secretary	Mr. Talal Ismail Pasha	
Audit Committee	Syed Shabahat Hussain Mr. Tahir Mehmood Syed Farhan Abbas	Chairman Member Member
Human Resource Committee	Ms. Shafqat Sultana Miss Tara Uzra Dawood Mr. Tahir Mehmood	Chairman Member Member
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S. Main Shakra-e-Faisal, Karachi-74400 Ph: (92-21) 111-111-500 Fax: (92-21) 34326020-23	
Auditors	Riaz Ahmad & Co. Chartered Accountants	
Legal Advisor	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
Banker:	BankIslami Pakistan Limited Habib Metropolitan Bank Limited Dubai Islamic Bank Limited AlBaraka Bank Pakistan Limited	
Rating:	PACRA: 3 Star	



DIRECTORS' REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

It gives me immense pleasure to present on behalf of the Board of Directors of **786 Investments Limited** "786 or the Company", the Management Company of **Dawood Islamic Fund (DIF-S)**, I am pleased to present financial statements for the quarter ended September 30, 2018.

Economic Outlook:

The smooth and safe transition of powers between the Governments addresses the political uncertainty. However, concerns over the economic front continues to persist on the back of rising inflation and large twin deficits that are likely to compromise the sustainability of the high real economic growth path, posing a major concern for the newly elected Government.

The balance of payments is under stress due to relatively high current account deficit (CAD) at 5.8 percent of GDP (US\$18.1 billion) in FY18. Exports, after contracting for three consecutive fiscal years, grew by 12.6 percent in FY18, but relatively stronger import growth (14.7 percent) has resulted in a higher trade deficit. Government imposed regulatory duties on a large number of imports to slowdown import growth and the exchange rate has depreciated by cumulative 18 percent. The recent monetary and fiscal measures are likely to affect Large Scale Manufacturing. SBP has projected the real GDP growth for FY19 at around 5.0%. Average CPI inflation for the IQFY19 increased to 5.60% against 3.39% in FY18. SBP has revised its inflation cast for FY19 in the range of 6.5% to 7.5% in view of (i) higher anticipated international oil prices (ii) an upward revision in domestic gas prices (iii) an increase regularity duty on imports and (iv) exchange rate depreciations. The policy interest rate was raised by 200 bps during the period under review.

The government is also now pursuing fiscal consolidation program and has further announced regulatory measures to slowdown the growing pressures on the external front. As a result, domestic demand is projected to decelerate in the coming months of FY19.

Stock Market Review:

The outgoing first quarter of FY19 remained a volatile year for the stock market. During FY19Q1, the Pakistan Stock markets 100 index underperformed -2.18%. During the period under review, the market remained volatile, it started from 41910.90 on July 2, 2018 and reached the lowest point of 39288.48 points on July 9, 2018. It started increasing and reached its highest peak of 43556.63 points on July 30 2018, then continued to go down again and ends at 40998.59 points on September 28, 2018. During the period the foreign investors offloaded securities worth PKR 22.505 billion. which was absorbed by domestic individual investors, companies and insurance companies. This strong buying by local investors has shown the confidence of the investors in Pakistan's equity market.

Money Market Review:

The SBP held seven Treasury bill auctions during 1QFY19. The cumulative participation witnessed were PKR 5.199bn against the pre-announced auction target of PKR 5,450bn while the SBP accepted an amount of PKR 4.556bn during the period under review. That being said, 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 19.5bn the last cut-off yields was 9.25% for 5 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. The cumulative participation witnessed were PKR 151.525bn against the auction target of PKR 150bn while the SBP accepted an amount of PKR 101.525bn with spread over 70 bps on 6m T.Bills. The SBP did not conduct any GOP Ijarah Sukuk auction during the period under review.



DAWOOD
ISLAMIC FUND

Fund Strategy:

The investment strategy devised for the Fund seeks to provide investors with balanced exposure to Shariah based securities including stocks, debt securities and government securities. The Fund's strategy aims to not only preserve investors' capital but also to maximize the value of their investments while providing a stable stream of income.

The portfolio management team selects investments using various analytical disciplines such as top-down fundamental research and quantitative screens in the light of the country's macro indicators. In particular, the team seeks to include in its portfolios fundamentally strong sectors and companies, while dynamically rebalancing portfolios to benefit from predicted macro trends. Investments are diversified across a mix of sectors and investors are offered an optimized risk/return profile.

Fund Performance:

As at September 30, 2018, net assets were Rs. 112.04 million as compared to Rs. 106.15 million as at June 30, 2018. The Fund's operating loss during the period stands Rs. 1.01 million as compared to loss of Rs. 6.17 million during the last period. Total income decreased due to unrealized diminution in value of investments by 3.22 million. Total expenses were Rs. 1.04 million as compared to Rs. 0.95 million in the same period last year. The net loss for the quarter was Rs. 2.06 million, as compared to net loss of Rs. 7.12 million during the last period. The Net Asset Value (NAV) of DIF-S per unit decreased from Rs. 117.07 to Rs. 114.55 during the period.

Acknowledgement:

The Directors wish to express their gratitude to the Securities & Exchange Commission of Pakistan and other regulatory bodies for their valuable support, assistance and guidance during these times of recovery.

The Board also thanks the employees of the Asset Management Company, the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

These condensed interim financial statements are unaudited. Accordingly, the Directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

---SD---
Chairperson

October 18, 2018
Karachi

ڈائریکٹرز کی رپورٹ

داؤد اسلامک فنڈ (DIF-S) مینجمنٹ کمیٹی 786 انویسٹمنٹ لیٹنڈ (786 یادی کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے مالیاتی گوشوارے پیش کرتے ہوئے میں خوشی محسوس کر رہا ہوں۔

اقتصادی امکانات:

حکمرانوں کے درمیان اختلافات کی ہموار اور محفوظ منتقلی سیاسی غیر یقینی کو ختم دیتی ہے۔ تاہم، اقتصادی محاذ پر بڑھتے ہوئے افراط زر اور بڑے جزو ان خطرات کی بناء پر خدشات درپیش ہیں جسے نئی حکومت کی طرف سے اعلیٰ حتمی اقتصادی ترقی کے استحکام پر بھروسہ کرنے اور اہم تشریحات خیال کئے جانے کا امکان ہے۔

بٹایا یا ڈیجیاں مالی سال 18 میں جی ڈی پی (18.1 بلین امریکی ڈالر) کی 5.8 فیصد پر نسبتاً اعلیٰ کرنٹ اکاؤنٹ خسارہ (CAD) کی وجہ سے دباؤ کے تحت ہیں۔ برآمدات، تین مسلسل مالی سالوں میں کی کے بعد، مالی سال 18 میں 12.6 فیصد تک زیادہ ہوئیں، لیکن نسبتاً درآمد (14.7 فیصد) کی وجہ سے تجارتی خسارہ میں اضافہ ہوا ہے۔ حکومت نے درآمد کو کم کرنے کیلئے درآمدات کی بڑی تعداد پر ریگولیٹری ڈیویڈنڈ عائد کی ہیں اور زر مبادلہ کی شرح مجموعی طور پر 18 فیصد تک کم ہو گئی ہے۔ حالیہ مانیٹری اور مالیاتی اقدامات سے بڑے پیمانے کی مینوفیکچرنگ متاثر ہونے کے امکانات ہیں۔ ایس بی پی نے مالی سال 19 کے لئے حتمی جی ڈی پی نمو کا تخمینہ تقریباً 5.0 فیصد لگایا ہے۔

مالی سال 19 کی پہلی سہ ماہی کے لئے اوسط سی بی آئی افراط زر مالی سال 18 میں 3.39 فیصد کے برعکس 5.60 فیصد تک بڑھ گیا۔ ایس بی پی نے مالی سال 19 کے لئے اپنی افراط زر قیمت کو (i) اعلیٰ متوقع بین الاقوامی تیل کی قیمتوں (ii) مقامی گیس کی قیمتوں میں دوبارہ اضافہ (iii) درآمدات پر ریگولیٹری ڈیویڈنڈ میں اضافہ اور (iv) زر مبادلہ کی شرح میں کمی کے مد نظر 6.5 فیصد تا 7.5 فیصد کی شرح میں ریوایز کیا ہے۔ پالیسی انٹریسٹ رٹ زبر جائزہ مدت کے دوران 200 bps تک بڑھ گیا تھا۔

حکومت بھی اب مالی کنسولیدیشن پروگرام کی پیروی کر رہی ہے اور بیرونی محاذ پر بڑھتے ہوئے دباؤ کو کم کرنے کے لئے مزید ریگولیٹری اقدامات کا اعلان کیا ہے۔ جس کے نتیجے میں مقامی طلب مالی سال 19 کے آئندہ مہینوں میں بڑھنے کی توقع ہے۔

اسٹاک مارکیٹ کا جائزہ:

مالی سال 19 کی پہلی سہ ماہی اسٹاک مارکیٹ کے لئے غیر مستحکم رہی ہے۔ مالی سال کی پہلی سہ ماہی کے دوران، پاکستان اسٹاک مارکیٹس 100 انڈیکس نے 2.18 فیصد کی نقص کارکردگی کا مظاہرہ کیا۔ زبر جائزہ مدت کے دوران، مارکیٹ غیر مستحکم رہی ہے، یہ 2 جولائی 2018 کو 41910.90 پوائنٹس سے شروع ہوئی اور 9 جولائی 2018 کو 39288.48 پوائنٹس کی سب سے کم سطح پر پہنچ گئی۔ یہ 30 جولائی 2018 کو بڑھنا شروع ہوئی اور 43556.63 پوائنٹس کی بلند ترین سطح تک پہنچنے کے بعد، مسلسل کم ہوتی چلی گئی اور 28 ستمبر 2018 کو 40998.59 پوائنٹس پر بند ہوئی۔ زبر جائزہ مدت کے دوران غیر ملکی سرمایہ کاروں نے 22.50 بلین روپے مالیت کی سیکیورٹیز کی سرمایہ کاری کی، جو مقامی انفرادی سرمایہ کاروں، کمپنیوں اور انشورنس کمپنیوں کے ذریعے کی گئی۔ مقامی سرمایہ کاروں کی طرف سے یہ بھاری خریداری پاکستان کی ایکویٹی مارکیٹ میں سرمایہ کاروں کے اعتماد کو ظاہر کرتی ہے۔

منی مارکیٹ کا جائزہ:

ایس بی پی نے مالی سال 19 کی پہلی سہ ماہی کے دوران سات ٹریڈری بل آکشن منعقد کرائیں۔ مجموعی شرکت کا مشاہدہ پہلے اعلان کردہ نیلامی مدد 5,450bn روپے کے برخلاف 5,199bn روپے تھا جبکہ ایس بی پی نے زبر جائزہ مدت کے دوران 4,556bn روپے کی رقم کی منظوری دی۔ یہ کہا جا رہا ہے کہ 3 ماہ کی مدت میں قیودیت قابل قبول رقم کی 99.99 فیصد کی نمائندگی کرتی ہے۔ جبکہ 6 ماہ کی 0.01 فیصد تک جبکہ 12 ماہ کی مدت کی کوئی بڈز وصول نہیں ہوئیں۔

مزید اس عرصے کے دوران، ایس بی پی نے تین (3) پاکستان انویسٹمنٹ بانڈ (بی آئی بی) نیلامیوں کا انعقاد کیا اور 19.5bn روپے اکٹھے کئے 5 سالوں کی بیاد اور بائرنٹیو 9.25 فیصد تک۔ اس کے علاوہ موجودہ مدت کے دوران، ایس بی پی نے 6 ماہ کی اسٹاک آف بلیز پر مبنی فلوئنگ ریٹ بانڈز (FRB) کی ایک نیلامی منعقد کی۔ مجموعی شرکت کا مشاہدہ 150bn روپے کے نیلامی مدد کے خلاف 151.525bn روپے کیا گیا تھا جبکہ ایس بی پی نے 6 ماہ کی بلیز پر مبنی 70 بی پی ایس پر مبنی 101.525bn روپے رقم کی منظوری دی ہے۔

زبر جائزہ مدت کے دوران ایس بی پی نے کوئی بھی او پی اچا رسک آکشن کا انعقاد نہیں کیا۔



فنڈ کی حکمت عملی

سرمایہ کاری کی حکمت عملی شریعت کی بنیاد پر سیکورٹیز، بشمول اسٹاک، قرض سیکورٹیز اور گورنمنٹ سیکورٹیز، موزوں مواقع کے ساتھ سرمایہ کاروں کو فنڈ فراہم کرنے کی کوشش کرتی ہے۔ فنڈ کی حکمت عملی کا مقصد سرمایہ کاروں کے سرمایہ کو صرف محفوظ بنانا نہیں بلکہ آمدنی کا ایک مستحکم بہاؤ فراہم کرتے ہوئے اُن کے سرمایہ کی قدر کو زیادہ سے زیادہ کرنا ہے۔

پورٹ فولیو مینجمنٹ ٹیم ملک کے میکرو ایشیاء کی روشنی میں ڈاؤن بنیادی تحقیق اور مقداری اسکرینوں جیسے مختلف تجزیاتی ڈسپلن کا استعمال کرتے ہوئے سرمایہ کاری کا انتخاب کرتی ہے۔ خاص طور پر، ٹیم متنوع اقتصادی رجحانات سے فائدہ حاصل کرنے کے لئے پورٹ فولیو کو متحرک طور پر دوبارہ توازن کرتے ہوئے بنیادی طور پر مضبوط شعبوں اور کمپنیوں کو اپنی پورٹ فولیو میں شامل کرنے کی کوشش کرتی ہے۔ سرمایہ کاری شعبوں میں اختلافات ہیں اور سرمایہ کاروں کو ایک بہتر خطرہ/ریٹرن پروفائل کی پیشکش کی جاتی ہے۔

فنڈ کی کارکردگی

30 ستمبر 2018 کو خالص اثاثے 112.04 ملین روپے تھے جو 30 جون 2018 کو 106.15 ملین روپے تھے۔ گزشتہ سال کی اسی مدت میں 6.17 ملین روپے کے نقصان کے مقابلے موجودہ مدت کے دوران فنڈ کا آپریٹنگ نقصان 1.01 ملین روپے پر برقرار رہا۔ آمدنی سرمایہ کاری کی قدر میں 3.22 ملین روپے تک غیر محسوس کمی کی وجہ سے کم ہوئی۔ مدت کے دوران کل اخراجات 1.04 ملین روپے ہوئے جو گزشتہ سال کی اسی مدت میں 0.95 ملین روپے تھے۔ سرمایہ کاروں کا خالص نقصان 2.06 ملین روپے ہوا، جبکہ گزشتہ سال کی اسی مدت میں خالص نقصان 7.12 ملین روپے تھا۔ مدت کے دوران DIF-S کی نیٹ پوزٹ خالص اثاثے کی قدر (NAV) 117.07 روپے سے کم ہو کر 114.55 روپے ہو گئی۔

اظہار تشکر

ڈائریکٹرز ان ریکوری کے کلمات کے دوران قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کے شکر گزار ہیں۔ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز، عزم، لگن اور محنت پر کمپنی کے ملازمین، سٹریٹجی اور کمپنی میں اعتماد پر پوزٹ ہولڈرز کا بھی شکر ادا کرتے ہیں۔ یہ ایشیاء شدہ عبوری مالیاتی گوشوارے غیر نظر ثانی شدہ ہیں۔ اس کے مطابق، مینجمنٹ کمپنی کے ڈائریکٹرز اعلان کرتے ہیں کہ یہ ایشیاء شدہ عبوری مالیاتی گوشوارے فنڈ کا حقیقی اور منصفانہ منظر پیش کرتے ہیں۔

---SD---

چیئر پرسن

کراچی: 118 اکتوبر 2018ء



**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 30 SEPTEMBER 2018**

	Note	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
Assets			
Bank Balances	6	22,323,887	14,605,923
Investments	7	81,370,841	82,167,371
Dividends and Other Receivable		1,028,985	252,857
Advance Income Tax		7,923,448	7,923,448
Receivable against Trading in Investments		583,017	2,161,517
Deposit		<u>2,500,000</u>	<u>2,500,000</u>
Total Assets		<u>115,730,178</u>	<u>109,611,116</u>
Liabilities			
Payable against Trading in Investments		-	-
Payable to 786 Investments Limited - Management Company	8	357,292	325,476
Payable to Central Depository Company of Pakistan Limited - Trustee		65,020	65,005
Payable to Securities and Exchange Commission of Pakistan - Annual Fee		25,821	99,300
Accrued Expenses and Other Liabilities	9	<u>3,246,131</u>	<u>2,968,151</u>
Total Liabilities		<u>3,694,264</u>	<u>3,457,932</u>
Net Assets		<u>112,035,914</u>	<u>106,153,184</u>
Unit Holders' Fund (As per Statement Attached)		<u>112,035,914</u>	<u>106,153,184</u>
Number of Units			
Number of Units in Issue	10	<u>978,036</u>	<u>906,713</u>
Rupees			
Net Assets Value per Unit		<u>114.55</u>	<u>117.07</u>
Contingencies and commitments	11		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For 786 Investments Limited
(Management Company)

---SD---
Chief Executive Officer

---SD---
Chief Financial Officer

---SD---
Director



**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

	Note	Quarter Ended 30 September 2018 Rupees	Quarter Ended 30 September 2017 Rupees
Income			
Income on Bank Balances		255,464	289,582
Income on Sukuk Certificates		380,360	178,995
Income on Commercial Paper		80,918	-
Dividend Income		635,763	376,250
Capital Gain/(Loss) on Sale of Investments		859,325	(382,620)
		<u>2,211,830</u>	462,207
Net Unrealised Diminution in Fair Value of Investments Classified As 'At Fair Value Through Profit Or Loss'	7.1	<u>(3,223,307)</u>	<u>(6,629,849)</u>
Total Income		(1,011,477)	(6,167,642)
Expenses			
Remuneration to 786 Investments Limited - Management Company	8.1	407,670	373,199
Sindh Sales Tax on Remuneration to Management Company	8.2	52,994	48,436
Accounting and Operation Charges	8.3	27,177	24,880
Shariah Advisor Fee		34,179	-
Remuneration to Central Depository Company Pakistan Limited - Trustee		176,456	176,444
Sindh Sales Tax on Trustee Fee		22,939	22,938
Annual Fee to Securities and Exchange Commission of Pakistan		25,821	23,635
Auditors' Remuneration		173,735	163,153
Fees and Subscription		34,027	33,750
Securities Transaction Cost		56,013	57,342
Bank Charges		5,587	3,056
Reversal of Provision for Workers' Welfare Fund - Federal		-	-
Provision for Sindh Workers' Welfare Fund		-	-
Withholding Taxes		-	-
Printing and Related Charges		31,835	22,427
Charity		-	-
Total Expenses		<u>1,048,433</u>	949,260
Net (Loss)/Income From Operating Activities		<u>(2,059,910)</u>	<u>(7,116,902)</u>
Net (Loss)/Income for the Period Before Taxation		<u>(2,059,910)</u>	<u>(7,116,902)</u>
Taxation	13	-	-
Net (Loss)/Income for the Period After Taxation		<u>(2,059,910)</u>	<u>(7,116,902)</u>
Allocation of Net Loss for the Period:			
Income Already Paid on Units Redeemed		(807)	
Accounting Income Available for Distribution			
- Relating to Capital Loss		(2,363,982)	
- Excluding Capital Loss		303,265	
		<u>(2,060,717)</u>	
Earnings per Unit	12		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For 786 Investments Limited
(Management Company)

---SD---
Chief Executive Officer

---SD---
Chief Financial Officer

---SD---
Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

	Quarter Ended 30 September 2018 Rupees	Quarter Ended 30 September 2017 Rupees
Net (Loss)/Income for the Peirod after Taxation	(2,059,910)	(7,116,902)
Other Comprehensive Income		
Items That are or May be Reclassified Subsequently to Income Statement		
Net Unrealised Diminution in Fair Value of Investments Classified As Available for Sale	(8,717)	(149,796)
Total Comprehensive (Loss)/Income for the Period	<u>(2,068,627)</u>	<u>(7,266,698)</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

----SD----

Chief Executive Officer

For 786 Investments Limited
(Management Company)

----SD----

Chief Financial Officer

----SD----

Director



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

	30 September 2018				30 September 2017			
	Capital Value	Undistributed Income	Unrealised Gain on Investment	Total	Capital Value	Undistributed Income	Unrealised Gain on Investment	Total
	(Rupees)				(Rupees)			
Net Assets at the Beginning of the Year	103,426,000	2,517,008	210,176	106,153,184	88,289,543	14,335,378	406,042	103,030,963
Issue of 71,456 Units (2017: 40,679 Units)								
- Capital Value (At Net Asset Value per Unit At the Beginning of the Period)	8,072,670	-	-	8,072,670	5,000,000	-	-	-
- Element of Income	242,205	-	-	242,205	-	-	-	-
Total Proceed on Issuance of Units	8,314,875	-	-	8,314,875	5,000,000	-	-	-
Redemption of 133 Units (2017: 159,184 Units)								
- Capital Value (At Net Asset Value per Unit at the Beginning of the Period)	(15,073)	-	-	(15,073)	-	-	-	-
- Amount Paid Out of Element of Income Relating To 'Net Income for the Period after Taxation'	-	(807)	-	(807)	-	-	-	-
- Refund/Adjustment on Units as Element of Income Total Payment on Redemption of Units	(15,073)	(807)	-	(15,880)	-	-	-	-
Total Comprehensive (Loss)/Income for the Period	-	(2,059,910)	(8,717)	(2,068,627)	-	(7,116,902)	(149,796)	(7,266,698)
Distribution During the Period								
Final Distribution at the Rate of Rupees 0.3834 Per Unit For the Year Ended 30 June 2018	-	(347,638)	-	(347,638)	-	-	-	-
Net Assets at End of the Period	111,725,802	108,653	201,459	112,035,914	93,289,543	7,218,476	256,246	95,764,265
Undistributed Income Brought Forward								
- Realised Gain		12,373,269				21,092,981		
- Unrealised Loss		(9,856,261)				(6,757,603)		
		2,517,008				14,335,378		
Accounting Income Available for Distribution								
- Relating to Capital Loss		(2,363,982)				-		
- Excluding Capital Gains		303,265				-		
		(2,060,717)				-		
Net Income For the Period After Taxation (For Prior Periods Either Income/(Loss) And Where There Is Loss Situation in Current Year)		-				(7,116,902)		
Distribution During the Period		(347,638)				-		
Undistributed Income Carried Forward		108,653				7,218,476		
Undistributed Income Carried Forward								
- Realised		3,331,960				13,592,079		
- Unrealised Loss		(3,223,307)				(6,373,603)		
		108,653				7,218,476		
Net Assets Value per Unit at Beginning of the Year				117.07				132.63
Net Assets Value per Unit at End of the Period				114.55				123.26

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For 786 Investments Limited
[Management Company]**

----SD-----
Chief Executive Officer

----SD-----
Chief Financial Officer

----SD-----
Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

	Quarter Ended 30 September 2018 Rupees	Quarter Ended 30 September 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)/Income for the Period before Taxation	(2,059,910)	(7,116,902)
Adjustments for Non-Cash Charges and Other Items:		
Net Unrealised Diminution in Fair Value of Investments Classified As 'At Fair Value Through Profit Or Loss' Provision for Sindh Workers' Welfare Fund	3,223,307	6,629,849
Net Element of Loss and Capital Losses Included in Prices of Units Issued Less Those in Units Redeemed	-	-
Reversal of Provision for Workers' Welfare Fund - Federal Withholding Taxes	-	-
	1,163,397	(487,053)
Increase in Assets		
Receivable against Trading in Investments	1,578,500	(673,711)
Investments	(2,435,494)	(2,638,683)
Dividends and Other Receivable	(776,128)	(264,485)
Advance Income Tax	-	(36,918)
	(1,633,122)	(3,613,797)
Decrease in Liabilities		
Payable against Redemption of Units	-	-
Payable against Trading in Investments	-	165,566
Payable to 786 Investments Limited - Management Company	31,816	10,700
Payable to Central Depository Company of Pakistan Limited - Trustee	15	(44,878)
Payable to Securities and Exchange Commission of Pakistan - Annual Fee	(73,479)	(77,711)
Dividend Payable	-	(41,952)
Accrued Expenses and Other Liabilities	277,980	(155,901)
	236,332	(144,176)
Taxes Paid/Withheld By Counter Parties	-	-
Net Cash Used in Operating Activities	(233,393)	(4,245,026)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from Issuance of Units	8,314,875	5,000,000
Dividend Paid	(347,638)	-
Payments on Redemption of Units	(15,880)	-
Net Cash Generated From/(Used in) Financing Activities	7,951,357	5,000,000
Net Decrease in Cash and Cash Equivalents During the Period	7,717,964	754,974
Cash and Cash Equivalents at Beginning of the Year	14,605,923	33,608,003
Cash and Cash Equivalents at End of the Period	22,323,887	34,362,977

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For 786 Investments Limited
[Management Company]

----SD----
Chief Executive Officer

----SD----
Chief Financial Officer

----SD----
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Dawood Islamic Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 (the NBFC Rules). The Fund was established under a Trust Deed executed on 13 September 2006 between 786 Investments Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDCPL) as Trustee. The Securities and Exchange Commission of Pakistan (SECP) approved the appointment of Trustee and granted license to the Management Company of the Fund to act as Asset Management Company. The registered office of the Management Company is situated at G3, Ground floor, BRR Tower, Hassan Ali Street, I.I Chundrigarh Road, Karachi, Pakistan.

1.2 The Fund is an open-ended Islamic fund and is listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.3 The Fund is categorized as a "Shariah Compliant Asset Allocation 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 Shariah Compliant equity instruments and debt instruments with a minimum rating of "A-".

Titles to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

1.4 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 "3 star" to the Fund.

1.5 The Management Company paid the dues of PSX on June 28, 2018 and fulfilled other conditions subsequently on July 23, 2018. On fulfillment of the conditions, PSX through its notice dated August 30, 2018 announced the shifting of name of the Management Company to Normal Counter and resumption of trading in shares of the Management Company from September 3, 2018.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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 unit holders as per the requirement of the NBFC regulations. However, a limited scope review has been performed by the external auditors of the fund. 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of these 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.

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.

6 BANK BALANCES		Un-Audited 30 September 2018	Audited 30 June 2018
Balances with Bank	Note	Rupees	Rupees
- Current Account		290,623	1,152,689
- Savings Accounts	6.1	<u>22,033,264</u>	<u>13,453,234</u>
		<u>22,323,887</u>	<u>14,605,923</u>

6.1 Profit rates on saving accounts range from 1.73% to 7.45% (30 June 2018: 1.73% to 6.5%) per annum.

7 INVESTMENTS		Un-Audited 30 September 2018	Audited 30 June 2018
At Fair Value through Profit or Loss - Held for Trading		Rupees	Rupees
Listed Equity Securities	7.1	53,593,382	64,381,195
Available-for-Sale			
Listed Debt Securities - Sukuk Certificates	7.2	2,594,519	2,617,216
Unlisted Debt Securities - Sukuk Certificates	7.3	15,182,940	15,168,960
Commercial Paper	7.4	10,000,000	-
		<u>27,777,459</u>	<u>17,786,176</u>
		<u>81,370,841</u>	<u>82,167,371</u>



Name of the Investee Company	Number of Shares				Balance as at 30 September 2018			Market Value		
	As at 1 July 2018	Purchased During the Period	Bonus/ Right Issued	Sold During the Period	As at 30 September 2018	Carrying Value	Market Value	Appreciation/ (Diminution)	As a Percentage of Total Investments	As a Percentage of Net Assets
	(Rupees)									
REAL ESTATE INVESTMENT AND SERVICES										
Dolmen City REIT	50,000	-	-	-	50,000	645,000	630,000	(15,000)	0.77%	0.56%
CEMENT										
CHERAT CEMENT COMPANY LIMITED	-	8,500	-	-	8,500	756,965	684,675	(72,290)	0.84%	0.61%
FAUJI CEMENT COMPANY LIMITED	69,000	1,000	-	56,000	14,000	319,172	313,040	(6,132)	0.38%	0.28%
BESTWAY CEMENT LIMITED	10,000	-	-	8,400	1,600	209,584	193,840	(15,744)	-	-
MAPLE LEAF CEMENT FACTORY LIMITED	4,500	2,500	-	7,000	-	-	-	-	0.00%	0.00%
LUCKY CEMENT LIMITED	15,900	2,900	-	10,600	8,200	4,164,146	4,206,108	41,962	5.17%	3.75%
PIONEER CEMENT LIMITED	5,000	8,000	-	5,500	7,500	353,789	325,950	(27,839)	0.40%	0.29%
POWER CEMENT LIMITED	46,044	-	-	31,000	15,044	125,617	108,919	(16,698)	0.13%	0.10%
									6.93%	
REFINERY										
Attock Refinery Limited	3,200	-	300	2,000	1,500	258,372	227,055	(31,317)	0.28%	0.20%
									0.28%	
POWER GENERATION AND DISTRIBUTION										
Hub Power Company Limited	27,000	4,000	-	500	30,500	2,798,560	2,667,835	(130,725)	3.28%	2.38%
K-Electric Limited*	212,500	-	-	25,000	187,500	1,065,000	1,003,125	(61,875)	1.23%	0.90%
									4.51%	
OIL AND GAS MARKETING COMPANIES										
Sui Southern Gas Company Limited	15,000	1,000	-	1,000	15,000	488,953	415,500	(73,453)	0.51%	0.37%
Hascol Petroleum Limited	5,700	2,300	-	1,000	7,000	2,157,686	1,906,730	(250,956)	2.34%	1.70%
Sui Northern Gas Pipelines Limited	33,000	1,000	-	1,000	33,000	3,301,320	2,940,960	(360,360)	3.61%	2.63%
									6.47%	
OIL AND GAS EXPLORATION COMPANIES										
Oil and Gas Development Company Limited	26,900	2,000	-	-	28,900	4,485,328	4,421,411	(63,917)	5.43%	3.95%
Pakistan Oil Field Limited	6,750	850	1,520	-	9,120	5,083,180	5,008,522	(74,658)	6.16%	4.47%
Pakistan Petroleum Limited	7,300	5,900	-	1,000	12,200	2,578,395	2,603,480	25,085	3.20%	2.32%
									14.79%	
AUTOMOBILE PARTS AND ACCESSORIES										
The General Tyre and Rubber Company of Pakistan Limited	10,000	-	-	8,500	1,500	249,300	244,380	(4,920)	0.30%	0.22%
									0.30%	
ENGINEERING										
Amreli Steels Limited	16,000	13,500	-	15,500	14,000	978,781	909,300	(69,481)	1.12%	0.81%
Crescent Steels and Allied Products Limited	3,500	-	-	-	3,500	319,095	267,820	(51,275)	0.33%	0.24%
International Industries Limited	7,700	700	-	500	7,900	1,814,632	1,700,080	(114,552)	2.09%	1.52%
International Steel Limited	16,100	4,000	-	7,000	13,100	1,327,320	1,191,707	(135,613)	1.46%	1.06%
Mughal Iron and Steel Industries Limited	26,000	4,500	-	4,500	26,000	1,567,045	1,272,180	(294,865)	1.56%	1.14%
									6.56%	
AUTOMOBILE ASSEMBLER										
Gandhara Nissan Limited	3,620	500	-	-	4,120	729,280	509,232	(220,048)	0.63%	0.45%
									0.63%	
SYNTHETIC & RAYON										
Tri-star Polyester Ltd	5,000	-	-	5,000	-	-	-	-	0.00%	0.00%
									0.00%	
CABLE AND ELECTRICAL GOODS										
Pak Electron Limited	45,000	1,000	-	-	46,000	1,635,700	1,414,040	(221,660)	1.74%	1.26%
Pakistan Cables Limited	700	175	-	800	75	11,840	14,871	3,031	0.02%	0.01%
Pakistan Cables Limited - R	175	-	-	175	-	-	-	-	0.00%	0.00%
									1.76%	
FERTILIZER										
Engro Fertilizers Limited	-	-	-	-	-	-	-	-	-	-
Engro Corporation Limited	15,800	1,700	-	15,600	1,900	598,500	592,097	(6,403)	0.73%	0.53%
									0.73%	
PHARMACEUTICALS										
GlaxoSmith Kline Pakistan Limited	36,400	-	-	500	35,900	5,959,400	5,306,738	(652,662)	6.52%	4.74%
GlaxoSmithKline Consumer Healthcare Pakistan Limited**	1,780	-	-	1,780	-	-	-	-	0.00%	0.00%
The Searle Company Limited	16,400	2,700	-	200	18,900	6,339,159	5,971,077	(368,082)	7.34%	5.33%
									13.86%	
CHEMICAL										
Archroma Pakistan Limited	5,000	-	-	-	5,000	2,525,000	2,574,000	49,000	3.16%	2.30%
Ghani Gases Limited	20,500	-	-	13,000	7,500	120,900	108,075	(12,825)	0.13%	0.10%
Pakistan oxygen Limited (Linde Pakistan Ltd)	1,070	-	-	-	1,070	256,800	230,050	(26,750)	0.28%	0.21%
Lotte Chemical Pakistan Limited	26,500	-	-	26,500	-	-	-	-	0.00%	0.00%
									3.58%	



Name of the Investee Company	Number of Shares					Balance as at 30 September 2018			Market Value	
	As at 1 July 2018	Purchased During the Period	Bonus/ Right Issued	Sold During the Period	As at 30 September 2018	Carrying Value	Market Value	Appreciation/ (Diminution)	As a Percentage of Total Investments	As a Percentage of Net Assets
						----- (Rupees) -----				
LEATHER AND TANNERIES										
Service Industries Limited	450	-	-	450	-	-	-	-	0.00%	0.00%
FOOD PRODUCERS										
TARIQ GLASS INDUSTRIES LTD	-	11,000	-	9,000	2,000	189,585	189,540	(45)	0.23%	0.17%
TECHNOLOGY AND COMMUNICATION										
NetSol Technologies Ltd	-	12,500	-	7,000	5,500	771,786	732,270	(39,516)	0.90%	0.65%
System Limited	-	24,000	-	1,500	22,500	2,631,499	2,708,775	77,276	3.33%	2.42%
Total as at 30 September 2018						56,816,689	53,593,382	(3,223,307)		
Total as at 30 June 2018						74,237,456	64,381,195	(9,856,261)		

* These have a face value of Rs. 3.5 per share.

**GlaxoSmithkline Consumer Healthcare Pakistan Limited 15,000 shares have been pledged against exposure margin and MTM losses by Central Depository Company of Pakistan Limited.

7.2 Listed Debt Securities - Sukuk Certificates - Available-for-Sale

Certificates have a Face Value of Rupees. 5,000 Each

Name of the Investee Company	Note	Number of Certificates				Balance as at 30 September 2018			Market Value	
		As at 1 July 2018	Purchased During the Period	Sold/Matured/ Settled During the Period	As at 30 September 2018	Carrying Value/ Carrying Cost	Market Value	Diminution	As a Percentage of Total Investment	As a Percentage of Net Assets
		----- Units -----				----- Rupees -----				
Chemicals										
Falima Fertilizer Company Limited	7.2.1	736	-	-	736	2,617,216	2,594,519	(22,697)	3.19%	2.32%
Total as at 30 September 2018						2,617,216	2,594,519	(22,697)		

7.2.1 These Sukuk certificates carry profit equal to 6 month KIBOR plus 1.1% receivable semi-annually in arrears and will mature in 5 years from 28 November 2016. The principal amount is redeemable in ten equal semi-annual instalments from the Ijarah commencement date. These certificates are secured by 1st ranking hypothecation charge of all present and future fixed assets excluding land and building of the issuer with a minimum 25% margin, 1st ranking mortgage over land and building of the issuer with a minimum 25% margin, establishment of and assignment of a Debt Payment Account, assignment over all rights and benefits of the issuer under any and all project insurances and cut-through agreements for reinsurance.

Name of the Investee Company	Note	Number of Certificates				Balance as at 30 September 2018			Market Value	
		As at 1 July 2018	Purchased During the Period	Sold/Matured/ Settled During the Period	As at 30 September 2018	Carrying Value	Market Value	Appreciation/ (Diminution)	As a Percentage of Total Investment	As a Percentage of Net Assets
		----- Units -----				----- Rupees -----				
Cable and Electrical Goods										
New Allied Electronics Industries * (Private) Limited	7.3.1	1,000	-	-	1,000	5,027,500	-	-	-	-
TPL Corporation Limited **	7.3.2	5	-	-	5	5,162,500	5,189,320	26,820	6.38%	4.63%
Fertilizers										
Dawood Hercules Corporation Limited ***	7.3.3	100	-	-	100	10,006,460	9,993,620	(12,840)	12.28%	8.92%
Total as at 30 June 2018						20,196,460	15,182,940	13,980		

*These TFCs certificates are non performing and are fully provided (note: 7.3.1), therefore these are not subject to mark to market.

** These have a face value of Rs. 1,000,000 per certificate.

*** These have a face value of Rs. 1,00,000 per certificate.



7.3.1 New Allied Electronics Industries (Private) Limited defaulted on its payment of principal and mark-up due on 27 October 2008. Consequently, the security was classified as non-performing by MUFAP on 9 January 2009 and accrual on the same was suspended. Management has recognised full provision there against and the accrual of income has been suspended in line with provisioning policy of the Fund duly approved by the Board as per applicable SECP provisioning circulars.

7.3.2 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.

7.3.3 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.

7.4 Commercial Paper of K-Electric Ltd issue tenor is is a 6 months and carry profit equal to 6 month KIBOR plus 0.9% receivable on maturity on March 1, 2019.

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

7.5.1 In accordance with Clause (v) of the investment criteria laid down for "Shariah Compliant Asset Allocation 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 30 June 2018, 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	Value of Investment Before Provision	Provision Held	Value of Investment after Provision	Percentage of Net Assets	Percentage of Gross Assets
		(Rupees)			%	%
New Allied Electronics Industries (Private) Limited	Sukuk	5,027,500	5,027,500	-	-	-

7.6 Unrealised Appreciation in Fair Value of Investments Classified as 'Available for Sale'	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
	Fair Value of Investments	17,777,459
Cost of Investment	<u>(17,380,134)</u>	<u>(17,576,000)</u>
Net Unrealised Appreciation in the Fair Value of Investments at the Beginning of the Period	<u>397,325</u>	210,176
	<u>195,866</u>	<u>(406,042)</u>
	<u>593,191</u>	<u>(195,866)</u>

8 PAYABLE TO 786 INVESTMENTS LIMITED - MANAGEMENT COMPANY

On Account of			
Management Remuneration	8.1	138,237	134,129
Sindh Sales Tax	8.2	87,352	86,821
Accounting and Operation Charges	8.3	131,703	104,526
Shariah Advisor Fee		-	-
		<u>357,292</u>	<u>325,476</u>



- 8.1** In accordance with Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to receive a remuneration at the rate not exceeding 2% of the average annual net assets of the Fund. The Management Company has charged its remuneration at rate of 1.5% per annum of the average annual net assets of the Fund. The fee is payable to the Management Company on monthly basis in arrears.
- 8.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 8.3** In accordance with the provisions of the NBFC Regulations 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. However, in order to keep Total Expense Ratio (TER) within prescribed limit of 4% as disclosed in note 14, the Management Company has charged accounting and operation charges to the extent of Rupees. 27,177.

9 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Un-Audited	Audited
		30 September 2018 Rupees	30 June 2018 Rupees
Federal Excise Duty on Remuneration		475,723	475,723
Sindh Workers' Welfare Fund	9.1	895,173	895,173
Audit Fee Payable		656,578	469,843
Other Liabilities		1,166,336	1,075,091
Withholding Tax and Zakat Payable		52,321	52,321
		3,246,131	2,968,151

- 9.1** MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. 21 May 2015. Accordingly, on 12 January 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from 21 May 2015, while the efforts to exclude mutual funds from SWWF continue. The Management Company has recognised SWWF charge for the period from 21 May 2015 to 30 September 2018, amounting to Rupees 0.895 million (June 2018: Rupees 0.895 million). Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rupee 0.92 (June 2018: Rupees 0.99).

10 NUMBER OF UNITS IN ISSUE	Un-Audited	Audited
	30 September 2018 Numbers	30 June 2018 Numbers
Total Outstanding as of July 01	906,713	776,825
Issued During the Period	71,456	197,437
Redemption During the Period	(133)	(67,549)
Total Outstanding as of Period Ended	978,036	906,713

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 September 2018 (30 June 2018: Nil)

12 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.

13 TAXATION

- 13.1** 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 dividend. Furthermore, as per regulation 63 of the NBFC Regulation, 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.



14 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 year ended 30 September 2018 is 3.81% which includes 0.39% 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 "Shariah compliant asset allocation fund".

15 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 officers 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 period end are as follows:

	Quarter Ended 30 September 2018 Rupees	Quarter Ended 30 September 2017 Rupees
786 Investments Limited - Management Company		
Remuneration (Including Indirect Taxes)	<u>460,664</u>	<u>421,635</u>
Accounting and Operations Charges	<u>27,177</u>	<u>24,880</u>
Issue of 68,643 Units (2017: Nil Units)	<u>7,997,225</u>	<u>-</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (Including Indirect Taxes)	<u>199,395</u>	<u>199,382</u>
First Dawood Investment Bank Limited-Employees Contributory Provident Fund - Connected Person due to Holding 10% or More		
Issue of 368 Units (2017: Nil Units)	<u>41,622</u>	<u>-</u>
Dawood Family Takaful Limited - Associate of Management Company		
Issue of 891 Units (2017: Nil Units)	<u>100,704</u>	<u>-</u>
B.R.R Guardian Modaraba - Connected Person due to Holding More Than 10% Units		
Issue of 407 Units (2017: Nil Units)	<u>45,947</u>	<u>-</u>
Crescent Standard Modaraba - Connected Person due to Holding More Than 10% Units		
Issue of 233 Units (2017: Nil Units)	<u>26,370</u>	<u>-</u>



	Quarter Ended 30 September 2018 Rupees	Quarter Ended 30 September 2017 Rupees
Dawood Family Takaful Limited - Employees' Contributory Provident Fund - Associate of Management Company Issue of 142 Units (2017: Nil Units) and	<u>16,088</u>	<u>-</u>
Directors and Executive of the Management Company Issue of 12 Units (2017: Nil Units)	<u>1,325</u>	<u>-</u>
Other Connected Persons/Related Parties Issue of 511 Units (2017: Nil Units)	<u>57,782</u>	<u>-</u>
	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
15.2 Amounts Outstanding as at Period End		
786 Investments Limited - Management Company		
Remuneration Payable	<u>357,292</u>	<u>325,476</u>
Units Held 109,323 (June 2018: 40,680 Units)	<u>12,523,159</u>	<u>4,762,552</u>
Central Depository Company of Pakistan Limited-Trustee		
Remuneration Payable	<u>65,020</u>	<u>65,005</u>
B.R.R Guardian Modaraba - Connected Person due to Holding More Than 10% Units		
Units Held 123,695 (June 2018: 140,988 Units)	<u>14,169,497</u>	<u>16,506,184</u>
Crescent Standard Modaraba - Connected Person due to Holding More Than 10% Units		
Units Held 98,848 (June 2018: 80,915 Units)	<u>11,323,286</u>	<u>9,473,071</u>
First Dawood Investment Bank - Employees Provident Fund- Connected Person due to Holding More Than 10% Units		
Units Held 108,928 (June 2018: 108,560 Units)	<u>12,477,939</u>	<u>12,709,621</u>
Dawood Family Takaful Limited - connected person due to holding more than 10% Units		
Units Held 309,901 (June 2018: 309,010 Units)	<u>35,499,836</u>	<u>36,177,253</u>
Dawood Family Takaful Limited - Employees' Contributory Provident Fund - Associate of Management Company		
Units Held 42,102 (June 2018: 41,960 Units)	<u>4,822,909</u>	<u>4,912,458</u>



	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
Directors and Executive of the Management Company		
Units Held 3,961 (June 2018: 3,949 Units)	<u>453,746</u>	<u>462,366</u>
Other Connected Persons/Related Parties		
Units Held 172,748 (June 2018: 172,237 Units)	<u>19,788,647</u>	<u>20,164,561</u>

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been approved and authorized for issue in the meeting of the Board of Directors of the Management Company held on 18 October 2018

17 GENERAL

- 17.1 The corresponding figures have been re-arranged wherever necessary.
- 17.2 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

For 786 Investments Limited
[Management Company]

----SD----

Chief Executive Officer

----SD----

Chief Financial Officer

----SD----

Director

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786 Investments Limited

Trustee: Central Depository Company of Pakistan Limited

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