



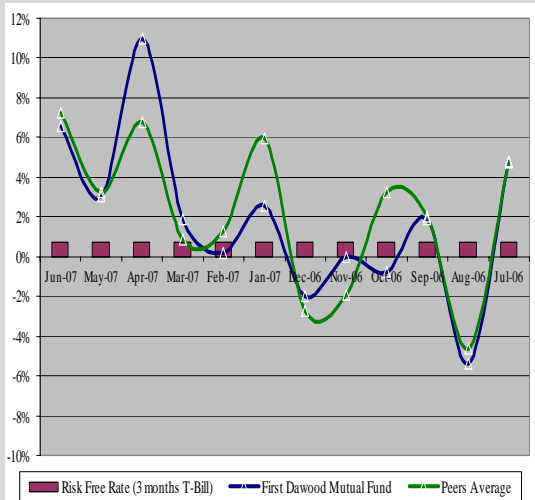
FIRST DAWOOD MUTUAL FUND (FDMF)

MUTUAL FUND RATING (APRIL 2008)

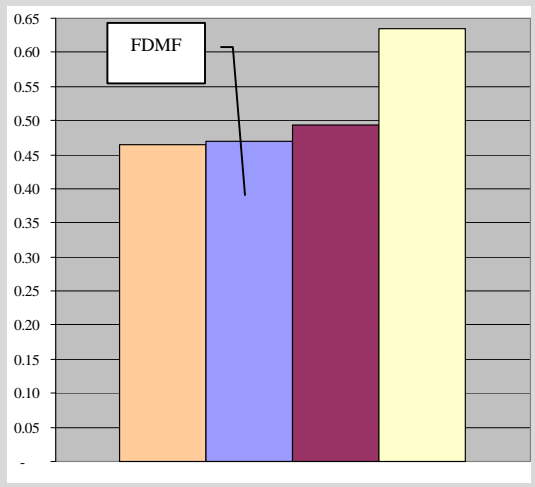
NORMAL: ★★★★★ (4-STAR)
LONG TERM: N.A.

FUND:	First Dawood Mutual Fund
FUND CATEGORY:	Balanced Fund
FUND TYPE	Close-end
LAUNCH DATE:	March 2005
ASSET MANAGER:	Dawood Capital Management Limited
ASSET MANAGER RATING:	AM3 (by PACRA)
TRUSTEE	Central Depository Company

ABSOLUTE RETURN – MONTHLY:



SHARPE RATIO VS PEERS (FY-07):



RATING

The star ratings measure the performance of the funds not only on the returns given by these funds over the period of analysis but also the risk – measured by variability in return over monthly periods. The rating of a fund is comparable only to ratings of other funds in the same category. A balanced fund means a fund that carries a mix of interest-based and equity securities and invests at least around 30% of its net assets in equities at all times.

PACRA assigns two types of star ratings, differentiated on the basis of period of review; (i) normal star ratings based on performance during the trailing 12 months, and (ii) long-term star ratings based on performance during the trailing 36 months period.

As FDMF has operational history of less than three years at end-June07, the Fund, being not eligible for long-term star rating, is assigned normal star rating only. Accordingly, normal 4-star rating has been assigned to FDMF based on the performance during FY07.

ASSET MANAGER

DCM, listed on Karachi Stock Exchange, was incorporated in 1993 as a venture capital company. The company was acquired by First Dawood Group (FDG) in 1999. During 2003, the company changed its objective to undertake asset management and investment advisory business.

The sponsoring group is a branch of reputable Dawood family, which is one of the leading business groups in Pakistan. The combined effective holding of the Group in the company is around 43%. Apart from First Dawood Investment Bank Limited (FDIB), the sponsoring group is operating a modaraba – BRR Guardian Modaraba (BGM). Recently, the Group has strengthened its standing in the financial sector by setting up an Islamic bank – Dawood Islamic Bank Limited – and a family Takaful insurance company. While majority holding in DCM is held by FDG, ADB and NIT also hold 12.5% and 9% stake in the company. The CEO of DCM, Ms. T. Uzra Dawood, a law graduate from Harvard Law School, is holding this office since Apr04. Recently, Mr. Adnan Siddiqui, having considerable experience in the asset management industry, has joined DCM as COO.

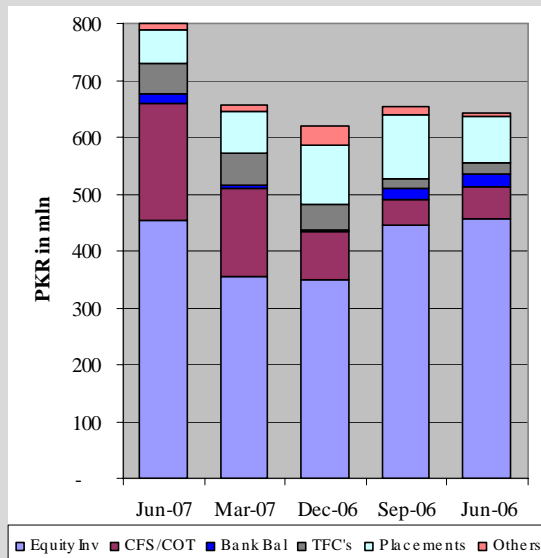
The Fund Manager is an MBA, with over 10 years of experience in Pakistan’s financial and capital markets. He is assisted by an Assistant Fund Manager, having extensive experience in the capital market operations.

DCM has an asset manager rating of ‘AM3’. The rating reflects the company’s strong capacity to manage the risks inherent in asset management.

The company has three funds under management, having AUM of around PKR 5bln at end-Mar08. The other two funds are a open-end money market fund and an Islamic fund.



ASSET ALLOCATION:



TOP 10 HOLDINGS (30-June-07):

Entity	Holding as a %age of total portfolio
American Life Insurance Co. Limited	20.09%
New Jubilee Life Insurance Co. Limited	8.09%
GlaxoSmithkline Pakistan Limited	6.71%
Oil & Gas Development Co. Limited	6.62%
Ecopack Limited	6.14%
Habib Metropolitan Bank Limited	5.52%
Arif Habib Securities Limited	4.59%
Fauji Fertilizer Co. Limited	4.08%
Pioneer Cement Limited	4.07%
Callmate Telips Telecom Limited	3.75%
Others	30.35%
	100.0%

Total Equity Portfolio (PKR mln) 452
Equity Portfolio / Total Assets 56.6%

CERTIFICATE HOLDING PATTERN (30-June-07):

Category	%
Individuals	7.1%
Corporates	11.5%
Financial Institutions	58.1%
Associates	13.1%
Others	10.2%
	100.0%

PERFORMANCE

Being a balanced fund, FDMF continues to deploy funds in a mix of equity and debt instruments, though the exposure in equities dominates the overall asset mix. The major portion of income is derived from capital gains, both realized and unrealized, on equity securities. During FY07, the unrealized gains increased substantially, mainly relating to holdings in the insurance sector. Meanwhile, revenue from fixed income avenue, including bank balance, placements, TFCs, and CFS financing had a share of 17% (FY06: 23%) in the total income.

The fund is better placed among the peer group in terms of absolute monthly return and volatility in returns as measured by sharpe ratio.

INVESTMENT METHODOLOGY

The primary objective of FDMF is to provide an opportunity to invest in diversified portfolio of securities representing equity, fixed income, and money market instruments. The Fund is primarily investing in equity market subject to the maximum limit of 80%. The Fund increases or decreases its exposure in the equity market depending on the fund manager's view as to the market's valuations. However, the minimum exposure in equity market at all times can not be less the 20% of the Fund's net assets. The remaining portion of the Fund is invested in fixed income securities and money market instruments. The Fund has obtained specific approval from SECP to invest upto 50% as per the investment objectives in any one of the authorized investments other than equity.

The investment committee (IC) comprises six members – 1) CEO, 2) CFO, 3) Fund Manager, 4) Head of Sales, 5) Manager Equity and Investment, and 6) AVP-Capital and Debt Market. The investment process is adequately structured with well-defined roles and responsibilities of the members of IC. The full IC meets every Monday afternoon. In this meeting, the performance of funds is reviewed and investment proposals by the fund managers for the next week are evaluated, and an overall investment strategy is devised after detailed discussions. The IC decides the actual quantity and a range of prices for purchase and sales of securities. Minutes, highlighting the broad investment decisions are prepared on regular basis. A sub-committee, comprising the CFO and AVP Capital and Debt Market, meets every morning to plan the purchase and sale of securities, within the limits prescribed by the IC.

ANALYST

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RATING SCALE

★★★★★ Superior Performance
 ★★★★ Good Performance
 ★★★ Average Performance
 ★★ Weak Performance
 ★ Poor Performance