



The Pakistan Credit Rating Agency Limited

# STAR RANKING REPORT

## DAWOOD ISLAMIC FUND

### [CATEGORY: ISLAMIC ASSET ALLOCATION]

	1-YEAR	3-YEAR	5-YEAR
<b>FUND RANKINGS</b>	★★★	★★★	★★★
	2-Star	-	-
<b>REVIEW PERIOD – JUN'18</b>	12 Months	36 Months	60 Months

<b>Ranking Scale</b>	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	Superior Good Average Below Average Weak
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Dawood Islamic Fund

Fund Facts	
Fund	Dawood Islamic Fund
Fund Category	Islamic Asset Allocation
Launch Date	14-Jul-07
Trustee	CDC
Fund Size	PKR: 104mln
AMC	786 Investments Ltd.
AMC Rating	AM3 (PACRA)
Fund Manager	Mr. Tauqir Shamshad
Peer Universe	All Eligible Islamic Asset Allocation Funds

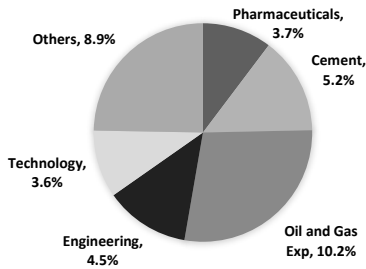
History	Dec-18	Jun-18	Dec-17	Jun-17
Fund Ranking 1Yr	2-Star	3-Star	3-Star	2-Star
Fund Ranking 3Yrs	-	-	-	-
Fund Ranking 5Yrs	-	-	-	-
Fund Size (PKR mln)	104	106	105	102
Category Size (PKR mln)	24,932	29,088	29,727	31,193
Fund NAV (PKR)	106.4	117.1	116.0	132.6
Fund Dividend (PKR)	0.4	-	-	6

Fund's Objective

The primary objective is to provide an avenue to Unit Holders to invest their savings in a diversified portfolio based on Shariah Compliant investments under

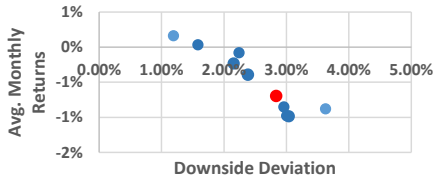
Asset Allocation	Dec-18	June-18
Equities	36.2%	58.7%
Banks	25.8%	13.3%
Debt Instruments	25.8%	16.2%
Others	12.3%	11.7%

Sector-wise Portfolio (Dec'18)



Risk

Return - Downside Deviation Analysis - 1 Year



Asset Manager (Dec'18)

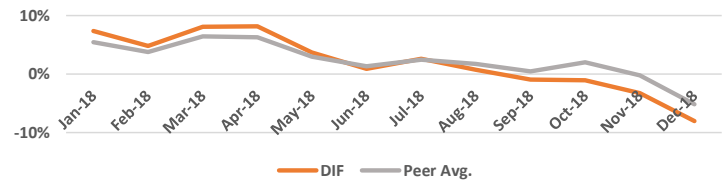
Year of Incorporation	2003
Conventional Funds	2
Shariah-Compliant Funds	1
CEO	Ms. Tara Uzra Dawood
CIO	Mr. Tauqir Shamshad
AUMs	PKR 662mln

Return Summary

CY18	DIF	Peer Avg.	Fund SD.	Peer SD.
1Q	8.1%	6.4%	4.9%	3.2%
2Q	-6.8%	-4.9%	2.1%	1.6%
3Q	-1.8%	-0.9%	2.0%	1.3%
4Q	-7.3%	-5.6%	2.4%	3.0%
	<b>-7.7%</b>	<b>-4.9%</b>	<b>11.4%</b>	<b>9.1%</b>

Performance

DIF|Peer Avg. | 1Yr| Dec-18 (Cumulative Monthly Returns)





# Rankings Explained

**Categorize Funds**

• Ranking is a purely quantitative measure, avoiding any biases. It is based on historical returns of a fund relative to other funds in similar category. PACRA mainly follows SECP guidelines (Circular No. 7 of 2009) for defining fund categories – each having distinct characteristics – and rankings of funds are comparable only in their respective category.

**Measure Absolute Returns (R)**

$$R = \frac{PE - PB}{PB} \pm A$$

- R = Total return for the month
- PE = End of month NAV (net assets value) per share/certificate
- PB = Beginning of month NAV per share/certificate
- A = Adjustments on account of cash dividend, bonus issue addition to capital.

**Measure Risk adjusted Return (RAR)**

$$RAR = \frac{R_n}{DD(R_f)}$$

- R<sub>n</sub> = Average monthly returns for the relevant period (trailing 12/36/60 monthly periods)
- DD = Downside Deviation of the monthly returns of the fund. DD is computed using the returns for the relevant period
- R<sub>f</sub> = Risk free rate: Monthly average of 6-Month T Bill Yield for the relevant period

**Equal Weigh to R & RAR**

- The fund's performance (measured by assigning 50 % weight each to the fund's return and risk adjusted return)

**Plot along Normal Distribution**



**Final Ranking**

<b>Weak</b>	<b>Below Average</b>	<b>Average</b>	<b>Good</b>	<b>Superior</b>
★	★★	★★★	★★★★	★★★★★

- Rankings are calculated on the basis of performance during a particular period (12 months for 1-Year star ranking, 36 months for 3-Year star ranking and 60 months for 5-Year star ranking). For a particular fund the relevant period ranking will be disclosed.
- Only those funds are eligible for ranking that have remained operational throughout the given period.
- A month of a year is used as a reference period to calculate performance.
- Rankings are based on past performance of the fund. PACRA's opinion is not a recommendation to purchase, sell or hold a fund, in as much as it does not comment on the Fund's NAV or suitability for a particular investor.
- PACRA releases rankings twice a year; for the period ending in June and December.

## Disclosure

Name of Fund	Dawood Islamic Fund
Sector	Mutual Fund
Type of Relationship	Solicited
Purpose of the Rating	Performance Ranking
Applicable Criteria	Performance Ranking Methodology - June'18
Related Research	Sector Study   Mutual Funds   Performance Ranking - Feb'19
Rating Analysts	Shahzaib Khalid   <a href="mailto:shahzaib.khalid@pacra.com">shahzaib.khalid@pacra.com</a>

## Regulatory and Supplementary Disclosure

### Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

### (2) Conflict of Interest

i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)

ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)

iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)]

Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee Restrictions

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(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

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(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report |

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(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)

(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

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(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)

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(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)

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(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

### Monitoring and review

(18) PACRA does not monitor Star Ranking on continuous basis. Any potential change therein due to any event associated with the fund is incorporated in next review; | Chapter III | 18-(a)

(19) PACRA reviews all outstanding ratings on semi-annual basis | Chapter III | 18-(b)

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