



**INVESTMENTS**

WE KNOW YOUR VALUE

**786 INVESTMENTS LIMITED**



**786 SMART FUND**

**FOR THE  
QUARTER ENDED  
MARCH 31, 2024  
(UN-AUDITED)**

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## CORPORATE INFORMATION

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<b>Management Company</b>	786 Investments Limited G-3 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	
<b>Board of Directors</b>	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Syed Shabahat Hussain Mr. Naveed Ahmed Syed Musharaf Ali Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar	Chairperson Chief Executive Officer Director Director Director Director
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Noman Shakir	
<b>Audit Committee</b>	Syed Shabahat Hussain Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
<b>Human Resource Committee</b>	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
<b>Trustee:</b>	Digital Custodian Company Limited (formerly: MCB Financial Services Limited) 4th Floor, Pardasi House, 2/1 R-Y old Queens Road, Karachi	
<b>Auditors</b>	Reanda Haroon Zakaria & Company Chartered Accountants	
<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 (Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
<b>Banker:</b>	Dubai Islamic Bank Limited BankIslami Pakistan Limited	
<b>Rating</b>	PACRA: AA-(f)	



## DIRECTORS' REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2024

The Board of Directors of 786 Investments Limited, referred to as '786' or 'the Company,' which serves as the Management Company of **786 Smart Fund (786 SF)**, is pleased to present the un-audited financial statements for the nine-months ended March 31, 2024.

### Economic & Money Market Review:

The global economy is expected to grow by 3.2% in 2024, according to the IMF's latest biannual outlook, published in April 2024. This is up from its 2.9% global growth forecast six months earlier. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

Pakistan's liquid foreign reserves reached \$13,390.7 million as of March 15, 2024. As per the data released by the State Bank of Pakistan on Thursday, foreign reserves held by the central bank stood at \$8,017.9 million. Net foreign reserves held by the commercial banks stood at \$5,372.8 million as of March 15, 2024.

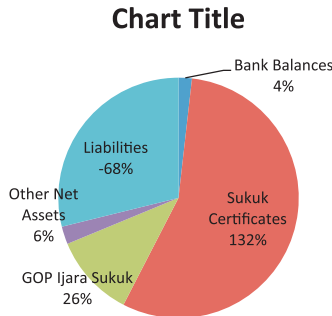
### Fund's Performance

786 SF is categorized as a Shariah Compliant Income Fund. Its objective is to deliver competitive returns through investments in Shariah-Compliant debt securities and money market instruments. However, the Fund is restricted from investing in equities. Additionally, the Fund's weighted average time to maturity must not exceed 4 years, excluding government securities.

As of March 31, 2023, net assets were PKR 750.74 million compared to PKR 721.07 million as of June 30, 2023. The Net Asset Value (NAV) per unit increased from PKR 96.17 to PKR 82.41 during the period, showing a return of 22.17% p.a., compared to its benchmark return of 9.79% p.a. for the same period. The performance of the Fund is net of management fees and other expenses.

The Fund's total income during the period stood at PKR 209.58 million, compared to an income of PKR 108.68 million. Total expenses were PKR 20.12 million, as compared to PKR 14.08 million in the same period last year. The net income is PKR 189.46 million, compared to PKR 94.60 million in the same period last year.

The asset allocation of 786 SF as on March 31, 2024 is as follows:





### Acknowledgement

The Directors express their gratitude to the Securities & Exchange Commission of Pakistan and other regulatory bodies for their valuable support, assistance, and guidance. The Board also extends its thanks to the employees of the Asset Management Company and the Trustee for their dedication and hard work. Additionally, the Directors appreciate the unit holders for their confidence in the Management.

On behalf of the board of  
786 Investments Limited

On behalf of the board of  
786 Investments Limited

----SD----

Chairperson

----SD----

Director

Date:  
Place: Karachi

## ڈائریکٹرز کی رپورٹ

786 انویسٹمنٹ لمیٹڈ ("786" یا "کمپنی") کے بورڈ آف ڈائریکٹرز، جو 786 سمارٹ فنڈ (786 SF) کی چیئرمین کے طور پر خدمات سرانجام دیتے ہیں، 31 مارچ 2024 کو ختم ہونے والی نو ماہی کے لئے غیر نظر ثانی شدہ مالیاتی کوٹوارے پیش کرتے ہیں۔

### اقتصادی جائزہ اور مستقبل کا نقطہ نظر:

اپریل 2024 میں شائع ہونے والے IMF کے تازہ ترین سرمایہ نقطہ نظر کے مطابق 2024 میں عالمی معیشت میں 3.2 فیصد نمو کی توقع ہے۔ یہ گزشتہ ششماہی کی 2.9 فیصد عالمی نمو کی پیش گوئی سے زیادہ ہے۔ عالمی افراط زر 2023 میں 6.8 فیصد سے کم ہو کر 2024 میں 5.9 فیصد اور 2025 میں 4.5 فیصد ہو جائے گی، جس میں ترقی یافتہ معیشتیں ابھرتی ہوئی مارکیٹوں اور ترقی پذیر معیشتوں کے مقابلے میں اپنے افراط زر کے اہداف پر جلد واپس آ جائیں گی۔ بنیادی افراط زر عام طور پر بتدریج کم ہونے کا امکان ہے۔

15 مارچ 2024 تک پاکستان کے لیکویڈ زرمبادلہ کے ذخائر 13,390.7 ملین ڈالر تک پہنچ گئے۔ جمہوریت کو اسٹیٹ بینک آف پاکستان کے جاری کردہ اعداد و شمار کے مطابق مرکزی بینک کے زرمبادلہ کے ذخائر 8017.9 ملین ڈالر رہے۔ 15 مارچ 2024 کو کمرشل بینکوں کے خالص زرمبادلہ کے ذخائر 5,372.8 ملین ڈالر تھے۔

### فنڈ کی کارکردگی کا جائزہ

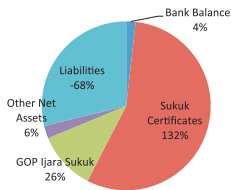
786 SF کوٹریڈ کمپلیٹ آمدنی فنڈ کے طور پر درج بندی کی گئی ہے۔ اس کا مقصد ٹریڈ کمپلیٹ ڈیٹ سیکورٹیز اور سی آر ایس مارکیٹ انڈیکس میں سرمایہ کاری کے ذریعے مساوی منافع فراہم کرنا ہے۔ تاہم، فنڈ کو ایکویٹیٹیز میں سرمایہ کاری کرنے کی اجازت نہیں ہے۔ مزید برآں، فنڈ کی میجورٹی کا اوسط دورانیہ، ماسوائے گورنمنٹ سیکورٹیز کے 4 سال سے زائد نہیں ہونا چاہئے۔

30 جون 2023 کو 721.07 ملین روپے کے مقابلے میں 31 مارچ 2024 کو خالص اثاثے 750.74 ملین روپے رہے۔ اس مدت کے دوران نیٹ ایسٹ ویلیو (NAV) نی یونٹ 96.17 روپے سے بڑھ کر 82.41 روپے ہو گئی جو گزشتہ سال کی اسی مدت میں اس کے 9.79% سالانہ پیچ مارک منافع کے مقابلے میں 22.17% کا منافع ظاہر کرتے ہیں۔ فنڈ کی یہ کارکردگی چیئرمین فیسوں اور دیگر اخراجات کے بعد خالص ہے۔

گزشتہ سال کی اسی مدت میں 108.68 ملین روپے کی آمدنی کے مقابلے میں موجودہ مدت میں فنڈ کی کل آمدنی 209.58 ملین روپے رہی۔ گزشتہ سال کی اسی مدت میں 14.08 ملین روپے کے مقابلے میں کل اخراجات 20.12 ملین روپے ہوئے۔ گزشتہ سال کی اسی مدت میں 94.60 ملین روپے کے مقابلے میں موجودہ مدت میں خالص آمدنی 189.46 ملین روپے ہے۔

31 مارچ 2024 کو 786 SF کی ایبٹ ایلیکٹیشن درج ذیل کے مطابق ہے:

Chart Title



### اعتراض

ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور دیگر ریگولیٹری اداروں کے قابل قدر تعاون، مدد اور رہنمائی کے لیے ان کا شکریہ ادا کرتے ہیں۔ بورڈ اثاثہ چیئرمین کے ملازمین بڑے پیمانے پر ان کی لگن اور محنت کے لیے، اور یونٹ ہولڈرز کا چیئرمین پر ان کے اعتماد کے لیے بھی شکریہ ادا کرتے ہیں۔ مزید برآں، ڈائریکٹرز کا نامیہ پر یونٹ ہولڈرز کے اعتماد کو سراہتے ہیں۔

### مخائبہ بورڈ

786 انویسٹمنٹ لمیٹڈ

---SD---

ڈائریکٹر

---SD---

چیئرمین

تاریخ:

مقام: کراچی



**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)  
AS AT MARCH 31, 2024**

		<i>Un-Audited March 31, 2024</i>	<i>Audited June 30, 2023</i>
	<i>Note</i>	<i>----- Rupees -----</i>	
<b>Assets</b>			
Balances with banks	5	<b>31,814,015</b>	72,439,135
Investments	6	<b>1,188,786,000</b>	635,574,526
Accrued income/profit	7	<b>42,237,565</b>	24,705,927
Security deposits	8	<b>150,000</b>	150,000
<b>Total Assets</b>		<b>1,262,987,580</b>	732,869,588
<b>Liabilities</b>			
Payable to 786 Investments Limited - Management Company	9	<b>2,884,560</b>	2,273,915
Payable to Digital Custodian Company Limited - Trustee	10	<b>192,981</b>	136,988
Payable to Securities and Exchange Commission of Pakistan	11	<b>85,156</b>	176,710
Unclaimed dividend		<b>2,023,960</b>	2,023,960
Payable against Redemption of Units		<b>500,000,000</b>	-
Accrued expenses and other liabilities	12	<b>7,062,309</b>	7,187,839
<b>Total Liabilities</b>		<b>512,248,966</b>	11,799,412
<b>Contingencies and Commitments</b>	13		
<b>Net Assets</b>		<b>750,738,614</b>	721,070,176
<b>Unit Holders' Funds</b>		<b>750,738,614</b>	721,070,176
		<i>(Number)</i>	
<b>Number of units in issue</b>	14	<b>7,806,020</b>	8,750,090
		<i>(Rupees)</i>	
<b>Net assets value per unit</b>		<b>96.17</b>	82.41

The annexed notes form an integral part of these financial statements.

---SD---

Chief Executive Officer

For 786 Investments Limited  
(Management Company)

---SD---

Chief Financial Officer

---SD---

Director



SMART FUND

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	Note	Nine Months Period Ended March 31,		Three Months Period Ended March 31,	
		2024	2023	2024	2023
----- Rupees -----					
<b>Income</b>					
Net realized loss on sale of investments		-	(855,711)	-	-
Income from investments and balances with banks	15	<b>196,623,353</b>	96,972,555	<b>70,734,317</b>	34,383,319
Reversal of impairment on investment at fair value through other comprehensive income	6.1.1	<b>12,566,367</b>	12,566,367	<b>4,188,789</b>	4,188,789
Other Income		<b>394,879</b>	-	-	-
		<b>209,584,599</b>	108,683,211	<b>74,923,106</b>	38,572,108
<b>Expenses</b>					
Remuneration to the management company	9.1	<b>14,017,780</b>	9,398,194	<b>5,192,694</b>	3,193,381
Sindh sales tax on remuneration to the management company	9.2	<b>1,822,306</b>	1,221,763	<b>675,050</b>	415,138
Accounting and operational charges	9.3	<b>934,282</b>	626,545	<b>346,185</b>	212,891
Remuneration to the trustee	10.1	<b>1,401,787</b>	939,818	<b>519,275</b>	319,336
Sindh sales tax on trustee fee	10.2	<b>182,236</b>	122,184	<b>67,507</b>	41,522
Annual fee to Securities and Exchange Commission of Pakistan	11	<b>698,975</b>	125,632	<b>258,929</b>	42,901
Auditor's remuneration		<b>409,616</b>	427,231	<b>105,717</b>	140,331
Fees and subscription		<b>223,165</b>	146,273	<b>113,521</b>	47,873
Securities transactions cost		<b>46,727</b>	51,548	<b>2,068</b>	4,380
Printing and related charges		<b>36,165</b>	36,034	<b>11,967</b>	11,836
Legal and professional charges		<b>332,035</b>	334,272	<b>109,874</b>	109,830
Withholding taxes - written off		-	649,288	-	649,288
Bank charges		<b>16,045</b>	2,279	<b>2,157</b>	(6)
		<b>20,121,119</b>	14,081,061	<b>7,404,944</b>	5,188,701
<b>Net income for the period before taxation</b>		<b>189,463,480</b>	94,602,150	<b>67,518,162</b>	33,383,407
Taxation		-	-	-	-
<b>Net income for the period after taxation</b>		<b>189,463,480</b>	94,602,150	<b>67,518,162</b>	33,383,407
<b>Allocation of net income for the period</b>					
Net income for the period		<b>189,463,480</b>	94,602,150	<b>67,903,810</b>	33,383,407
Income already paid on units redeemed		<b>(126,596,569)</b>	(61,991,493)	<b>(111,099,019)</b>	(31,224,645)
<b>Accounting income available for distribution:</b>		<b>62,866,911</b>	32,610,657	<b>(43,580,857)</b>	2,158,762
Relating to capital gain		-	(855,711)	-	-
Excluding capital gain		<b>62,866,911</b>	33,466,368	<b>(43,195,209)</b>	2,158,762
		<b>62,866,911</b>	32,610,657	<b>(43,580,857)</b>	2,158,762

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited  
(Management Company)

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

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

----SD----  
Director





**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	<i>Nine Months Period Ended March 31,</i>		<i>Three Months Period Ended March 31,</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>----- Rupees -----</i>			
Net income for the period after taxation	<b>189,463,480</b>	94,602,150	<b>67,903,810</b>	33,383,407
Unrealized loss on revaluation of investments classified as fair value through other comprehensive income - net	<b>(317,080)</b>	(979,119)	<b>522,000</b>	(163,875)
	<b>(317,080)</b>	(979,119)	<b>522,000</b>	(163,875)
<b>Total comprehensive income for the period</b>	<b>189,146,400</b>	93,623,031	<b>68,425,810</b>	33,219,532

The annexed notes form an integral part of these financial statements.

For 786 Investments Limited  
(Management Company)

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

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

----SD----  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	March 31, 2024				March 31, 2023			
	Capital Value	(Accumulated Loss)/ Undistributed Income	Unrealized (Loss) on Investment	Total	Capital Value	(Accumulated Loss)/ Undistributed Income	Unrealized Gains on Investment	Total
	----- Rupees -----				----- Rupees -----			
<i>Net assets at beginning of the year</i>	934,791,485	(215,207,470)	1,486,161	721,070,176	736,657,526	(149,281,381)	1,956,922	589,333,067
<i>Issue of 21,533,107 units (2023: 10,298,291 units)</i>								
- Capital value (at net asset value per unit at the beginning of the period)	1,774,483,068	-	-	1,774,483,068	841,531,057	-	-	841,531,057
- Element of income	113,451,554	-	-	113,451,554	35,631,158	-	-	35,631,158
<i>Total proceeds on issuance of units</i>	1,887,934,622	-	-	1,887,934,622	877,162,215	-	-	877,162,215
<i>Redemption of 22,477,177 units (2023: 10,921,390 units)</i>								
- Capital value (at net asset value per unit at the beginning of the period)	(1,852,281,219)	-	-	(1,852,281,219)	(892,447,977)	-	-	(892,447,977)
- Amount paid out of element of income	-	(126,596,569)	-	(126,596,569)	-	(61,991,493)	-	(61,991,493)
- Refund/adjustment on units as element of income	(68,534,796)	-	-	(68,534,796)	(3,598,466)	-	-	(3,598,466)
<i>Total payments on redemption of units</i>	(1,920,816,015)	(126,596,569)	-	(2,047,412,584)	(896,046,443)	(61,991,493)	-	(958,037,936)
Net income for the period before taxation	-	189,463,480	-	189,463,480	-	94,602,150	-	94,602,150
Other comprehensive loss	-	-	(317,080)	(317,080)	-	-	(979,119)	(979,119)
	-	189,463,480	(317,080)	189,146,400	-	94,602,150	(979,119)	93,623,031
<i>Net assets at end of the period</i>	901,910,092	(152,340,559)	1,169,081	750,738,614	717,773,298	(116,670,724)	977,803	602,080,378
<i>Undistributed (loss)/income brought forward</i>								
- Realized loss		(215,207,470)				(149,281,381)		
- Unrealized income		-				-		
		(215,207,470)				(149,281,381)		
<i>Accounting income available for distribution</i>								
- Relating to capital gain		-				(855,711)		
- Excluding capital gain		62,866,911				33,466,368		
		62,866,911				32,610,657		
Distribution during the period		-				-		
Undistributed loss carried forward		(152,340,559)				(116,670,724)		
<i>Undistributed (loss) carried forward</i>								
- Realized loss		(152,340,559)				(116,670,724)		
		(152,340,559)				(116,670,724)		
Net assets value per unit at beginning of the year	82.41				81.72			
Net assets value per unit at end of the period	96.17				91.38			

The annexed notes form an integral part of these financial statements.

**For 786 Investments Limited  
(Management Company)**

---SD---  
Chief Executive Officer

---SD---  
Chief Financial Officer

---SD---  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	<i>Nine Months Period Ended</i>	
	<i>March 31,</i>	
	<i>2024</i>	<i>2023</i>
<i>Note</i>	<i>----- Rupees -----</i>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Income for the Period Before Taxation</b>	<b>189,463,480</b>	94,602,150
<b>Adjustments For:</b>		
Net realized loss on sale of investments	-	(855,711)
Profit on bank balances and investments	<b>(196,623,353)</b>	(96,972,555)
Reversal of impairment on investment at fair value through other Comprehensive income	<b>(12,566,367)</b>	(12,566,367)
<b>Operating Loss Before Working Capital Changes</b>	<b>(209,189,720)</b>	(110,394,633)
<b>Increase in Assets</b>		
Advance income tax	-	-
	-	-
<b>Increase/(Decrease) in Liabilities</b>		
Payable to 786 Investments Limited - Management Company	<b>610,645</b>	(8,604)
Payable to Digital Custodian Company Limited - Trustee	<b>55,993</b>	24,377
Payable to Securities and Exchange Commission of Pakistan	<b>(91,554)</b>	(50,141)
Payable against Redemption of Units	<b>500,000,000</b>	-
Unclaimed dividend	-	(101,812)
Accrued expenses and other liabilities	<b>(125,530)</b>	169,999
	<b>500,449,554</b>	33,819
Proceeds from investments - net	<b>(540,962,187)</b>	(225,190,647)
Profit received on investments and balances with banks	<b>179,091,715</b>	67,599,897
<b>Net cash Used in from operating activities</b>	<b>118,852,842</b>	(173,349,414)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received against issue of units	<b>1,887,934,622</b>	877,162,215
Payment made against redemption of units	<b>(2,047,412,584)</b>	(958,037,936)
<b>Net cash (used in) / generated from financing Activities</b>	<b>(159,477,962)</b>	(80,875,721)
<b>Net decrease in cash and cash equivalents</b>	<b>(40,625,120)</b>	(254,225,135)
Cash and cash equivalents at beginning of the year	<b>72,439,135</b>	298,014,919
<b>Cash and cash equivalents at end of the period</b>	<b>31,814,015</b>	43,789,784

The annexed notes form an integral part of these financial statements.

---SD---

Chief Executive Officer

For 786 Investments Limited  
(Management Company)

---SD---

Chief Financial Officer

---SD---

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Dawood Income Fund (the Fund) was established under a Restated Trust Deed executed on April 08, 2003 between 786 Investments Limited as Management Company and Bank AL-Habib Limited (BAHL) as Trustee. In June 2011, BAHL retired and Digital Custodian Company Limited (formerly MCB Financial Services Limited (MCBFSL)) was appointed as the new trustee of the Fund and the name of the Fund was also changed from "Dawood Money Market Fund" to "Dawood Income Fund". These changes, after necessary regulatory approvals, were duly incorporated in the Trust Deed of the Fund by way of First Supplemental Trust Deed. On January 20, 2017, the Management Company has changed its name to 786 Investments Limited after completing regulatory formalities.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at G3, B.R.R Tower, Hassan Ali Street, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open end mutual Fund and is listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund.
- 1.4** The objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations.
- 1.5** Title to the assets of the Fund are held in the name of MCBFSL as the Trustee of the Fund (except for term finance certificate of New Allied industries limited as mentioned in note 7.3.1 which is a non-performing term finance certificate hence being unable to be transferred until final settlement, which is held in the name of BAHL being the previous Trustee of the Fund).
- 1.6** The Fund is categorized as "Shariah complaint islamic scheme" as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS).
- 1.7** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM3" to the Management Company as at December 22, 2023 and stability rating of "AA-(f)" to the Fund as at October 18, 2023.
- 1.8** Due to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment, private Funds etc., being Specialized Trusts are required to be registered with the Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh under Section 12A of the Sindh Trusts Act, 2020. For this purpose, management has initiated the process of execution of Re-stated Trust Deeds between the Management Company and the trustees of the trust deed and necessary documents will be submitted with Assistant Director of Industries and Commerce (Trust Wing), Government of Sindh.

**1.9 Significant events or transactions**

There are no significant events or transactions during the period.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of:

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations and the requirement of the Trust Deed differ from the IFRS, the provision of and the directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirement of the Trust Deed have been followed.

## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments which are valued at fair value as stated in notes 6.1, 6.2 and 6.3 below.

## 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## 3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

		<i>March 31,</i> <i>2024</i>	<i>June 30,</i> <i>2023</i>
<b>5</b>	<b><i>BALANCES WITH BANKS</i></b>	<i>Note</i>	<i>----- Rupees -----</i>
	- Saving accounts	5.1	<u>31,814,015</u> <u>72,439,135</u>

5.1 These saving accounts carry profit at rates ranging from 18.50% to 20.25% (June 30, 2023: 15% to 19%) per annum.

		<i>March 31,</i> <i>2024</i>	<i>June 30,</i> <i>2023</i>
<b>6</b>	<b><i>INVESTMENTS</i></b>	<i>Note</i>	<i>----- Rupees -----</i>
	<i>At fair value through other comprehensive income</i>		
	Listed - Term finance certificates	6.1	-
	Unlisted - Sukuk certificates	6.2	477,574,526
	GOP Ijara Sukuk		158,000,000
			<u>1,188,786,000</u> <u>635,574,526</u>

### 6.1 At fair value through other comprehensive income

	<i>As at July 01, 2023</i>	<i>Purchases during the period</i>	<i>Matured/ Disposed During the period</i>	<i>As at March 31, 2024</i>	<i>Cost/ Carrying Value</i>	<i>Market Value</i>	<i>% of Total Investment</i>
<i>Note</i>	<i>----- Number of Certificates -----</i>			<i>----- Rupees -----</i>			

*Listed - Term finance certificates face value of Rs. 5,000/-each*

#### *Construction and material*

Dewan cement company limited	6.1.1	6,702	-	2,513	4,189	20,943,945	-	-
Provision held	6.3					(20,943,945)	-	-

**6.1.1** Dewan Cement Limited (DCL) is classified as non-performing by MUFAP. Accordingly, the security has been fully provided in accordance with the requirements of SECP's circular No. 1 of 2009 and the board's approved provisioning policy. The Fund has entered into a compromise agreement with DCL on May, 09 2016 whereby the remaining debt will be paid in thirty one equal quarterly installments in arrears. The Fund has recognized reversal of impairment amounting to Rs. 12.566 millions on receipt basis in current period. The Fund has suspended profit there against.

	<i>March 31,</i> <b>2024</b>	<i>June 30,</i> <b>2023</b>
<b>6.2 At fair value through other comprehensive income</b>	<b>----- Rupees -----</b>	
Cost / Carrying Value of Investment	<b>990,503,080</b>	478,045,287
Less: Net unrealized gain in fair value of investments-closing	<b>(317,080)</b>	(470,761)
Fair value of investments	<b>990,186,000</b>	<b>477,574,526</b>

<i>As at</i>	<i>Purchases</i>	<i>Matured/</i>	<i>As at March</i>	<i>Cost/</i>	<i>Market Value</i>	<i>% of Total</i>			
<i>July 01,</i>	<i>during the</i>	<i>Disposed/</i>	<i>31, 2024</i>	<i>Carrying</i>		<i>Investment</i>			
<i>2023</i>	<i>period</i>	<i>During the</i>		<i>Value</i>					
	<i>period</i>	<i>period</i>							
<i>Note</i>	<i>----- Number of certificates -----</i>			<i>----- Rupees -----</i>					
<i>Unlisted - term finance certificates</i>									
<i>face value of Rs. 5,000/- each</i>									
<i>Cable and electric goods</i>									
New Allied Industries Limited	6.3.1	11,523	-	-	11,523	<b>25,433,190</b>	-	-	
Provision held	6.3					<b>(25,433,190)</b>			
New Allied Industries Limited	6.3.2	3,417	-	-	3,417	<b>7,222,749</b>	-	-	
Provision held	6.3					<b>(7,222,749)</b>			
<i>At fair value through other comprehensive income</i>									
<i>Unlisted - Sukuk certificates</i>									
<i>Face Value of Rs. 1,000,000/- each</i>									
<i>Information Technology</i>									
Abhi Private Ltd Sukuk		90	-	90	-	-	-	-	0%
<i>Engineering</i>									
Agha Steel Industries Limited	6.3.3	15	15	15	15	<b>10,200,000</b>	<b>10,200,000</b>	1%	
<i>Commercial Bank</i>									
Dubai Islamic Bank Limited	6.3.4	44	-	-	44	<b>44,060,280</b>	<b>44,286,000</b>	4%	
Bankislami Pakistan Limited		-	635	-	635	<b>5,000,000</b>	<b>5,000,000</b>		
<i>Services Allied (other)</i>									
Hub Power Company Limited		131	-	131	-	-	-	0%	
<i>Power Generation &amp; Distribution</i>									
Lucky Electric Power Company Ltd. ST									
- Sukuk 7		35	-	35	-	-	-	0%	
<i>Textile Composite</i>									
Nishat Mills Ltd - Sukuk									
(09-5-23)		65	-	65	-	-	-	0%	
<i>Power Generation &amp; Distribution</i>									
<i>Face value of Rs. 100,000/- each</i>									
K-Electric Company Limited - Sukuk									
(23-11-22)		1,000	-	-	1,000	<b>102,242,800</b>	<b>101,700,000</b>	10%	
<i>Face value of Rs. 1,000,000/- each</i>									
K-Electric Limited - STS 19			74	74	-				
K-Electric Limited - STS 24		-	125	-	125	<b>125,000,000</b>	<b>125,000,000</b>	13%	
<i>Steel and Allied</i>									
Mughal Iron & Steel Industries Limited	6.3.6		170	-	170	<b>170,000,000</b>	<b>170,000,000</b>	17%	

Note	As at July 01, 2023	Purchases during the period	Matured/ Disposed During the period	As at March 31, 2024	Cost/ Carrying Value	Market Value	% of Total Investment	
	----- Number of certificates -----				----- Rupees -----			
<b>Pharmaceutical Allied (others)</b>								
OBS Pharma (Private) Limited	6.3.7	-	115	-	115	115,000,000	115,000,000	12%
<b>Technology and communication</b>								
Pakistan Telecommunication Limited - STS II	6.3.8	-	110	-	110	110,000,000	110,000,000	11%
Pakistan Telecommunication Limited - STS III		-	104	-	104	104,000,000	104,000,000	11%
<b>Technology and communication</b>								
Pakistan Elecron Limited	6.3.9	-	205	-	205	205,000,000	205,000,000	21%
<b>Face value of Rs. 5,000/- each</b>								
Eden Housing Limited	6.3.10	2,933	-	-	2,933	2,887,171	-	-
Provision held	6.3					(2,887,171)	-	-
						-	-	
<b>Face value of Rs. 5,000/- each</b>								
Amtex limited	6.3.11	6,000	-	-	6,000	22,500,000	-	-
Provision held	6.3					(22,500,000)	-	-
						-	-	
<b>Face value of Rs. 5,000/- each</b>								
New Allied Electronics Industries (Private) Limited	6.3.12	1,000	-	-	1,000	5,027,500	-	-
Provision held	6.3					(5,027,500)	-	-
						-	-	
						<b>990,503,080</b>	<b>990,186,000</b>	

### 6.3 Details of non-compliant investments

The Securities & Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of non compliant investment	Type of Investment	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of net assets	% of Gross Assets
Note		----- Rupees -----				
Dewan Cement Limited - Restructured	6.1.1	Pre-IPO investment	20,943,945	(20,943,945)	-	-
New Allied Industries Limited	6.3.1	Term finance certificates	25,433,190	(25,433,190)	-	-
New Allied Industries Limited	6.3.2	Term finance certificates	7,222,749	(7,222,749)	-	-
New Allied Industries Limited	6.3.12	Sukuk certificates	5,027,500	(5,027,500)	-	-
Eden Housing Limited	6.3.10	Sukuk certificates	2,887,171	(2,887,171)	-	-
Amtex Limited	6.3.11	Sukuk certificates	22,500,000	(22,500,000)	-	-
Agha Steel Industries Limited	6.3.3	Sukuk certificates	10,200,000	-	10,200,000	-

- 6.3.1** New Allied Electronics Industries Limited defaulted on its payment of principal and mark-up due on December 25, 2008. Consequently, the security was classified as non-performing by MUFAP on January 09, 2009 and accrual on the same was suspended. This security has been fully provided in accordance with the provisioning circulars of SECP and the Board's approved provisioning policy. These TFCs are held in CDC investor account of the previous trustee and will only be transferred upon final settlement.
- 6.3.2** 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.
- 6.3.3** Sukuk certificates of Agha Steel Industries Limited are carried at their cost as they are not valued by MUFAP.
- 6.3.4** The Dubai Islamic Bank Limited's sukuk certificates are unsecured and carry a profit equal to 6-month KIBOR plus 0.70%, which is receivable half-yearly in arrears. These certificates will mature in 2 December 2032.
- 6.3.5** The K-Electric Company Limited - Sukuk (23-11-22) are unsecured and offer a profit equivalent to 3-month KIBOR plus 1.70%. This profit is payable quarterly in arrears. Additionally, the principal amount will be repaid in 20 equally distributed quarterly installments, starting from 23 February 2025, and continuing until the maturity date of 23 November 2029. These certificates will mature in 23 November 2029.
- The K-Electric Limited Short-Term Sukuk 24 are unsecured and offer a profit equal to 6-month KIBOR plus 0.20%, which is payable semi-annually in arrears. These certificates will mature in 28 September 2024.
- 6.3.6** The sukuk certificates issued by The Mughal Iron & Steel Industries Limited are unsecured and bear a profit rate equivalent to 3-month KIBOR plus 0.145%, payable quarterly in arrears. The maturity date for these certificates is 27 March 2025.
- 6.3.7** The OBS Pharma (Private) are unsecured and offer a profit equal to 6-month KIBOR plus 1.40%, which is payable semi-annually in arrears. These certificates will mature in 29 August 2024.
- 6.3.8** The Pakistan Telecommunication Limited - Short Term Sukuk II are unsecured and offer a profit equal to 6-month KIBOR plus 0.15%, which is payable semi-annually in arrears. These certificates will mature in 17 July 2024.
- The Pakistan Telecommunication Limited - Short Term Sukuk III are unsecured and offer a profit equal to 6-month KIBOR plus 0.15%, which is payable semi-annually in arrears. These certificates will mature in 19 September 2024.
- 6.3.9** The Pakistan Elekrion Limited are unsecured and offer a profit equal to 6-month KIBOR plus 1%, which is payable semi-annually in arrears. These certificates will mature in 27 September 2024.
- 6.3.10** Eden Housing Limited defaulted on its payment of principal and mark-up due on April 21, 2011. Consequently, the security was classified as non-performing by MUFAP on May 06, 2011 and accrual on the same was suspended. This security has been fully provided in accordance with the provisioning circulars of SECP and the Board's approved provisioning policy. These sukuk are held in CDC investor account of the Fund.
- 6.3.11** Amtex Limited (Sukuk) defaulted on its payment of principal and mark-up due on December 22, 2010. Consequently, the security was classified as non-performing by MUFAP on January 6, 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 SECP and the board's approved provisioning policy.
- 6.3.12** 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.



		<i>March 31,</i> <i>2024</i>	<i>June 30,</i> <i>2023</i>
	<i>Note</i>	<i>----- Rupees -----</i>	
<b>6.4 Unrealized gain on revaluation of investments classified as fair value through other comprehensive income - net</b>			
Fair value of investments	6.2	<b>990,186,000</b>	477,574,526
Less: Cost/Carrying Value of Investment		<b>(990,032,319)</b>	(479,216,047)
		<b>153,681</b>	(1,641,521)
Less: Net unrealized gain in fair value of investments - Opening		<b>(470,761)</b>	1,170,760
		<b>(317,080)</b>	(470,761)
<b>7 ACCRUED INCOME/PROFIT</b>			
- Income from profit and loss sharing (PLS) accounts		<b>8,085,466</b>	4,819,685
- Income from sukuk certificates		<b>15,580,602</b>	15,415,581
- Income from GOP Ijara Sukuk		<b>18,571,497</b>	4,470,661
		<b>42,237,565</b>	24,705,927
<b>8 SECURITY DEPOSITS</b>			
<i>Deposits - Central Depository Company</i>		<b>150,000</b>	150,000
<b>9 PAYABLE TO 786 INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration	9.1	<b>1,707,790</b>	1,212,282
Sindh sales tax payable	9.2	<b>242,497</b>	178,081
Accounting and operational charges	9.3	<b>934,273</b>	883,552
		<b>2,884,560</b>	2,273,915
<b>9.1</b>	According to the provisions of the Trust Deed of the Fund, the Management Company has charged its remuneration at the rate of 1.5% (June 2023: 1.5%) per annum on the average annual net assets of the Fund calculated on a daily basis.		
<b>9.2</b>	The Sindh Provincial Government has levied Sindh Sales tax at the rate of 13% (June 2023: 13%) on Management Company's remuneration.		
<b>9.3</b>	In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I)/2015 dated November 25, 2015, the Management Company of the Fund is entitled for reimbursement of fee and expenses incurred by the Management Company in relation to registrar service, accounting, operation and valuation services related to the Fund maximum up to 0.1% of average annual net assets of the scheme or actual which ever is less. Accordingly, the Management Company has charged accounting and operating expenses to the Fund at a rate of 0.1% per annum of the average annual net assets of the Fund for the period ended March 31, 2024.		
		<i>March 31,</i> <i>2024</i>	<i>June 30,</i> <i>2023</i>
<b>10 PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE</b>	<i>Note</i>	<i>----- Rupees -----</i>	
Trustee Remuneration	10.1	<b>170,779</b>	121,228
Sindh sales tax payable on Trustee remuneration	10.2	<b>22,202</b>	15,760
		<b>192,981</b>	136,988

**10.1** According to the provisions of the Trust Deed of the 786 Smart Fund, the Trustee is entitled to monthly remuneration for services rendered to the Fund as follows:

**On net assets:**

- Up to Rs.1 billion                      Rs.0.6 million or 0.15% per annum of the net assets of the Fund computed on a daily basis whichever is higher.
- Exceeding Rs.1 Billion                Rs.0.6 million plus 0.09% per annum of the net assets of the Fund computed on a daily basis exceeding Rs.1 billion.

**10.2** The Sindh Provincial Government has levied sindh sales tax at the rate of 13% (June 2023: 13%) on trustee's remuneration.

**11 ANNUAL FEE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

This represents the annual fee payable to SECP as amended in clause 'c' of Schedule II of the Non-Banking Financial Companies (NBFC) Regulation 2008, read in conjunction with regulation 62 of the NBFC Regulation 2008. This fee became applicable from July 1, 2023, and it mandates that the Fund must remit to SECP an amount equal to 0.075% of the average daily net assets. This payment is due within fifteen days following the conclusion of each calendar month of the Collective Investment Scheme.

Previously, the applicable fee was 0.02% of the average daily net assets, and it was payable within three months after the close of the accounting year /financial year.

		<i>March 31,</i> <i>2024</i>	<i>June 30,</i> <i>2023</i>
<b>12 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<i>Note</i>	<i>----- Rupees -----</i>	
Federal Excise Duty on Remuneration	12.1	<b>6,513,679</b>	6,513,679
Accrued expenses	12.2	<b>537,010</b>	657,425
Other liabilities		-	5,115
Zakat payable and withholding tax		<b>11,620</b>	<b>11,620</b>
		<b><u>7,062,309</u></b>	<b><u>7,187,839</u></b>

**12.1** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax levied by Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified. On September 04, 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative collective investment schemes.

The SHC while disposing the Constitutional Petition relating to levy of FED on mutual funds has declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011 ( i.e. the date on which Sindh Sales Tax on Services Act, 2011 came into force). In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honorable Supreme Court of Pakistan (SCP). Thereafter, during the pendency of the present civil petition, SCP has suspended the operation of the impugned judgement of the SHC. The matter is still pending adjudication. With effect from July 01 2016, FED on services provided or rendered on non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision made for FED for the period from June 13, 2013 till June 30, 2016 aggregating to Rupees. 6.51 million (June 30, 2023: Rupees. 6.51 million) is being retained in the financial statements of the Fund as the matter is pending before the SCP. Had the said provision of FED not been recorded in the financial statements of the Fund, the net asset value per unit of the Fund as at March 31, 2024 would have been higher by Rs. 0.83 (June 30, 2023: Rs. 0.74) per unit.

	<i>March 31,</i> <b>2024</b>	<i>June 30,</i> <b>2023</b>
<b>12.2 Accrued expenses</b>	<i>----- Rupees -----</i>	
Auditors' remuneration payable	259,343	357,327
PSX fee payable	48,219	55,000
Printing and related expenditure payable	27,013	17,848
Shariah and tax advisors fee payable	202,435	227,250
	<b>537,010</b>	<b>657,425</b>

**13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at March 31, 2024.

	<i>March 31,</i> <b>2024</b>	<i>June 30,</i> <b>2023</b>
<b>14 NUMBER OF UNITS IN ISSUE</b>	<i>----- Number of Units -----</i>	
Total outstanding as of July 01	8,750,090	7,212,002
Issued during the period	21,533,107	22,840,520
Redemption during the period	(22,477,177)	(21,302,432)
Closing units	<b>7,806,020</b>	<b>8,750,090</b>

	<i>Nine Months Period Ended</i> <i>March 31,</i>	
	<b>2024</b>	<b>2023</b>
<b>15 INCOME FROM INVESTMENTS AND BALANCES WITH BANKS</b>	<i>----- Rupees -----</i>	
<b>Income from:</b>		
- Sukuk certificates	121,815,169	29,274,910
- Profit and loss sharing (PLS) account	74,808,184	58,242,181
- Commercial Paper	-	9,455,464
	<b>196,623,353</b>	<b>96,972,555</b>

**16 TOTAL EXPENSE RATIO**

The total expense ratio (TER) of the Fund for the period ending on March 31, 2024, is 2.15%, which includes 0.29% representing government levies on the Fund, such as federal excise duties and sales taxes, as well as the annual fee payable to the SECP, among other expenses. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as an 'Islamic Income Scheme'

**17 TRANSACTIONS WITH RELATED PARTIES/CONNECTED PERSONS**

Related party/connected person include 786 Investments Limited being the Management Company, other collective investment schemes managed by the Management company, Digital Custodian Company Limited formerly (MCB Financial Services Limited) being the Trustee of the Fund, Directors and Officers of the Management Company, other associated undertakings and unit holder's holding more than 10% units in the Fund or any other connected person.

Remuneration payable to the Management Company and 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 and at contracted rates and terms determined in accordance with market rates.

Aggregate transactions and balances with related parties, associated undertakings and connected person which are not disclosed elsewhere in the notes are as follows:

	Note	<i>Nine Months Period Ended</i>	
		<i>2024</i>	<i>2023</i>
		<i>----- Rupees -----</i>	
<b>17.1 Transactions during the Period Ended</b>			
<b><i>786 Investments Limited - Management Company</i></b>			
Remuneration of the management company	9.1	<u>14,017,780</u>	<u>9,398,194</u>
Sales tax on remuneration to the management company	9.2	<u>1,822,306</u>	<u>1,221,763</u>
Accounting and operational charges	9.3	<u>934,282</u>	<u>626,545</u>
Issue of units: 32,848 (2023: Nil)		<u>3,000,000</u>	<u>-</u>
Redemption of 253,270 units: (2023: 51,042)		<u>22,500,000</u>	<u>4,500,000</u>
<b><i>Digital Custodian Company Limited</i></b>			
<b><i>(formerly MCB Financial Services Limited) - Trustee</i></b>			
Remuneration of the Trustee	10.1	<u>1,401,787</u>	<u>939,818</u>
Sales tax on Trustee fee	10.2	<u>182,236</u>	<u>122,184</u>
<b><i>Dawood Family Takaful Limited</i></b>			
<b><i>(Associate of Management Company)</i></b>			
Issue of units: 17,141,647 (2023: 9,620,785)		<u>1,490,000,000</u>	<u>820,000,000</u>
Redemption of 17,141,647 units: (2023: 9,733,792)		<u>1,559,609,898</u>	<u>856,562,423</u>
<b><i>First Dawood Investment Bank Limited-Employees Contributory</i></b>			
<b><i>Provident Fund - Employee Benefit Fund of Asset Management</i></b>			
<b><i>Company</i></b>			
Issue of units: 298,969 (2023: Nil)		<u>25,000,000</u>	<u>-</u>
Redemption of 15,710 units: (2023: 20,001)		<u>1,500,000</u>	<u>1,700,000</u>
<b><i>First Dawood Properties Limited</i></b>			
<b><i>(formerly First Dawood Investment Bank Limited) -</i></b>			
<b><i>Associate of Management Company</i></b>			
Issue of units: 59,616 (2023: Nil)		<u>5,000,000</u>	<u>-</u>
Redemption of 59,616 units: (2023: Nil)		<u>5,674,787</u>	<u>-</u>
<b><i>LADIESFUND Energy (Pvt) Limited</i></b>			
Redemption of 16,244 units: (2023: Nil)		<u>1,500,000</u>	<u>-</u>
<b><i>Directors and key management personnel</i></b>			
<b><i>of the Management Company</i></b>			
Issue of units: 240,660 (2023: Nil)		<u>21,400,000</u>	<u>-</u>

		<i>March 31,</i> <i>2024</i>	June 30, 2023
<i>17.2 Balance as at period ended</i>	<i>Note</i>	<i>----- Rupees -----</i>	
<b><i>786 Investments Limited - Management Company</i></b>			
Remuneration payable to the management company	9	<u>1,707,790</u>	<u>1,212,282</u>
Sales tax payable on management company's remuneration	9	<u>242,497</u>	<u>178,081</u>
Accounting and operational charges	9	<u>934,273</u>	<u>883,552</u>
FED payable on management company's remuneration		<u>6,513,679</u>	<u>6,513,679</u>
Units held: 2,274,994 (June 2023: 2,495,416)		<u>218,795,971</u>	<u>205,640,238</u>
<b><i>Digital Custodian Company Limited</i></b> <b><i>(formerly MCB Financial Services Limited) - Trustee</i></b>			
Remuneration payable to the Trustee	10	<u>170,779</u>	<u>121,228</u>
Sales tax payable on Trustee fee	10	<u>22,202</u>	<u>15,760</u>
<b><i>Dawood Family Takaful Limited</i></b> <b><i>(Associate of Management Company)</i></b>			
Payable against Redemption of Units		<u>500,000,000</u>	<u>-</u>
<b><i>BRR Guardian Limited (formerly BBR Guardian Modaraba)</i></b> <b><i>(Associate of Management Company)</i></b>			
Units held: 436,920 (June 2023: 436,920)		<u>42,020,474</u>	<u>36,005,353</u>
<b><i>First Dawood Properties Limited</i></b> <b><i>(formerly First Dawood Investment Bank Limited) -</i></b> <b><i>Employees Contributory Provident Fund- Employee Benefit</i></b> <b><i>Fund of Group Company</i></b>			
Units held: 593,754 (June 2023: 310,495)		<u>57,103,884</u>	<u>25,587,055</u>
<b><i>LADIESFUND Energy (Private) Limited</i></b> <b><i>(Connected Person due to Management Company)</i></b>			
Units held: 756,388 (June 2023: 772,632)		<u>72,745,126</u>	<u>63,670,447</u>
<b><i>Directors and key management personnel</i></b> <b><i>of the Management Company</i></b>			
Units held: 1,459,978 (June 2023: 1,219,318)		<u>140,412,335</u>	<u>100,480,554</u>

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



**18 GENERAL**

Figures have been rounded off to the nearest rupee.

**19 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue by the board of directors of the Management Company on April 29, 2024.

**For 786 Investments Limited  
(Management Company)**

\_\_\_\_SD\_\_\_\_  
\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_SD\_\_\_\_  
\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_SD\_\_\_\_  
\_\_\_\_\_  
**Director**



**BOOK POST**



If undelivered, please return to:

**786 SMART FUND**  
**G-3, B.R.R. Tower,**  
**Hassan Ali Street,**  
**Off I.I. Chundrigar Road,**  
**Karachi - 74000 Pakistan**



**Managed By:**  
**786 Investments Limited**  
**Trustee: Digital Custodian Company**

**G-3, B.R.R. Tower, Hassan Ali Street,**  
**Off I.I. Chundrigar Road, Karachi - 74000 Pakistan**  
**Tel: (92-21) 32603751-54**  
**Email: [info@786investments.com](mailto:info@786investments.com)**  
**Website: [www.786investments.com](http://www.786investments.com)**