



The Pakistan Credit Rating Agency Limited

# STAR RANKING REPORT

## FIRST DAWOOD MUTUAL FUND

### [CATEGORY: BALANCED FUNDS]

	1-YEAR	3-YEAR	5-YEAR
<b>FUND RANKINGS</b>	★★★★	-	-
	4-Star	-	-
<b>REVIEW PERIOD – JUN'17</b>	12 Months	36 Months	60 Months

<b>Ranking Scale</b>	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	Superior Good Average Below Average Weak
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# STAR RANKING REPORT

Sep-17

## First Dawood Mutual Fund

### Fund Facts

<b>Fund</b>	First Dawood Mutual Fund
<b>Fund Category</b>	Balanced - Open End
<b>Launch Date</b>	22-Mar-05
<b>Trustee</b>	CDC
<b>Fund Size</b>	PKR 291 mln
<b>AMC</b>	786 Investments Ltd.
<b>AMC Rating</b>	N/A
<b>Fund Manager</b>	Muhammad Aslam
<b>Peer Universe</b>	All Eligible Balanced Funds

### History

	Jun-17	Dec-16
Fund Ranking 1Yr	4-Star	-
Fund Ranking 3Yrs	-	-
Fund Ranking 5Yrs	-	-
Fund Size (PKR mln)	291	269
Category Size (PKR mln)	5,976	6,001
Fund NAV (PKR)	23	17
Fund Dividend	1	-

### Asset Allocation

	Jun-17
<b>Equities</b>	62%
<b>Banks</b>	34%
<b>Govt. Securities</b>	0%
<b>Debt Instruments</b>	2%
<b>Others</b>	2%

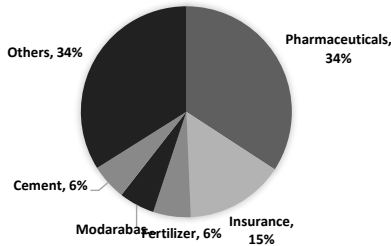
### Fund's Objective

The objective of the Fund is to provide investors an opportunity to invest in diversified portfolio of securities representing equity, fixed income securities and money market instruments.

### Asset Manager (Jun'17)

<b>Year of Incorporation</b>	2003
<b>Conventional Funds</b>	2
<b>Shariah-Compliant Funds</b>	1
<b>CEO</b>	Ms. Tara Uzra Dawood
<b>CIO</b>	Mr. Muhammad Aslam
<b>AUMs</b>	PKR 640mln (June-17)

### Sector-wise Portfolio (Jun'17)



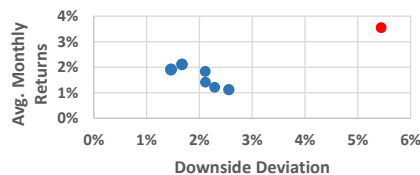
### Return Summary

	FY17	FDMF	Peer Avg.	Fund SD.*	Peer SD.*
<b>1Q</b>		-5.4%	4.3%	14.0%	5.0%
<b>2Q</b>		13.1%	11.8%	1.6%	3.8%
<b>3Q</b>		8.8%	3.9%	1.9%	1.8%
<b>4Q</b>		32.5%	4.1%	16.4%	7.1%

\* based on monthly returns

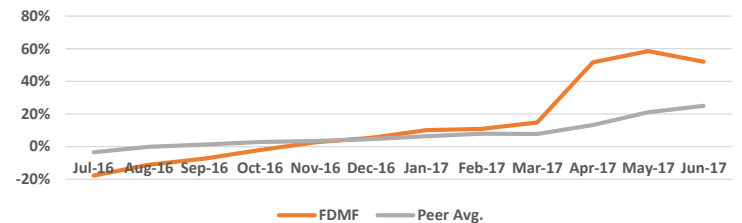
### Risk

#### Return - Downside Deviation Analysis - 1 Year



### Performance

#### FDMF|Peer Avg. | 1Yr| Jun-17 (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)**

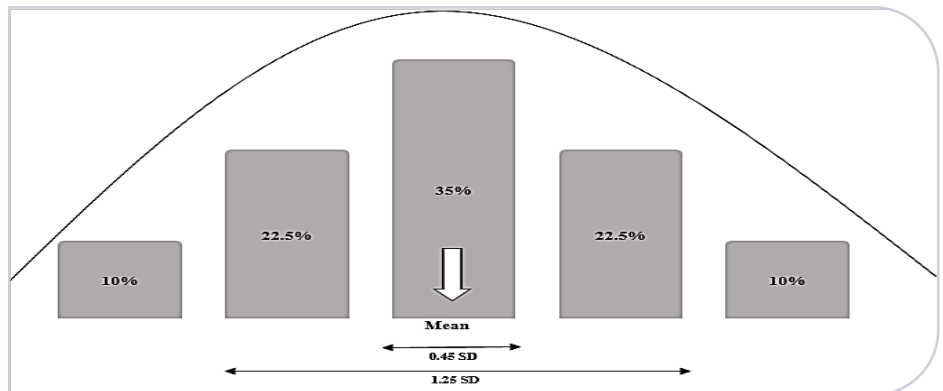
$$RAR = \frac{R_n}{DD(R_f)}$$

- 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	First Dawood Mutual Fund
Sector	Mutual Fund
Type of Relationship	Solicited
Purpose of the Rating	Performance Ranking
Applicable Criteria	Star Ranking Methodology - June'17
Related Research	Mutual Fund Viewpoint – Oct'16
Rating Analysts	Rai Umar Zafar   <a href="mailto:rai.umar@pacra.com">rai.umar@pacra.com</a>   042-35869504

## 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)

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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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(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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(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)

(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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