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FUND'S INFORMATION

BMA Asset Management Company Limited
801 Unitower. I.I. Chundrigar
Road, Karachi-74000

Board of Directors of the Management Company

Mr. Waqar Hassan Siddique	Chairman
Mr. Muddassar Malik	Chief Executive
Mr. Abdullah Shahin	Director
Mr. Omer Syed	Director
Mr. Thomas James Speechley	Director
Mr. Tashfin I. Huq	Director
Mr. Zahid Qasim Noorani	Director
Mr. Muhammad Iqbal	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Amir Iqbal

Audit Committee of the Management Company

Mr. Muhammad Iqbal	Chairman
Mr. Tashfin I. Huq	
Mr. Zahid Qasim Noorani	

Trustee

MCB Financial Services Limited
3rd Floor Adamjee House I.I. Chundrigar Road Karachi

Bankers

Standard Chartered Bank Pakistan Limited
KASB Bank Limited
JS Bank Limited
Bank Al-Habib Limited
The Bank of Khyber
Faysal Bank Limited
MCB Bank Limited
Bank Alfalah Limited
Silk Bank Limited

Distributors

Standard Chartered Bank Pakistan Limited
BMA Financial Services Limited

Auditors

Ernst & Young Ford Rhodes Sidat Hyder & Co. Chartered Accountants
Progressive Plaza, Beaumont Road, Karachi

Legal Adviser

KMS Law Associates
207, Beaumont Plaza behind PIDC House, Karachi

Registrar

Technology Trade (Pvt.) Limited
Dagia House, 241C, Block 2, PECHS Karachi

Fund Stability Rating

BB+ (f)

Management Quality Rating

AM2- by JCR VIS Credit Rating Company Limited

MISSION STATEMENT

The BMA Chundrigar Road Savings Fund seeks to provide its investors attractive income with concern for preservation of capital by investing in all fixed income and money market instruments of low risk and short duration to generate attractive rates of return. The Fund will seek to maintain a rupee-weighted average maturity of the investment portfolio of not more than 365 days. The benchmark shall be average one month Kibor rate prevailing within the particular time period.

VISION STATEMENT

BMA Asset Management seeks to establish itself as a leader within the asset management industry of Pakistan by following the principles of prudent investment practice and keeping our fiduciary responsibility towards our investors as the core belief to our investment philosophy.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of BMA Asset Management Company Limited, the Management Company of BMA Chundrigar Road Savings Fund (BCSF) is pleased to present its report and unaudited financial statements for the period ended March 31, 2011.

PROFILE

The launch announcement of the BMA Chundrigar Road Savings Fund (“BCSF”) was made on 14 August, 2007, Pakistan’s 60th year of independence and BCSF was formally launched on 23rd August. The BCSF seeks to provide its investors with an attractive rate of return by investing in all fixed income and money market instruments of low risk and short duration. The fund’s aim is to maintain a rupee-weighted average maturity for the investment portfolio of not more than 5 years. The benchmark for our return is one month KIBOR and all investment returns obtained from the Fund are exempt from capital gains, withholding and income tax.

FUND’S FINANCIAL PERFORMANCE

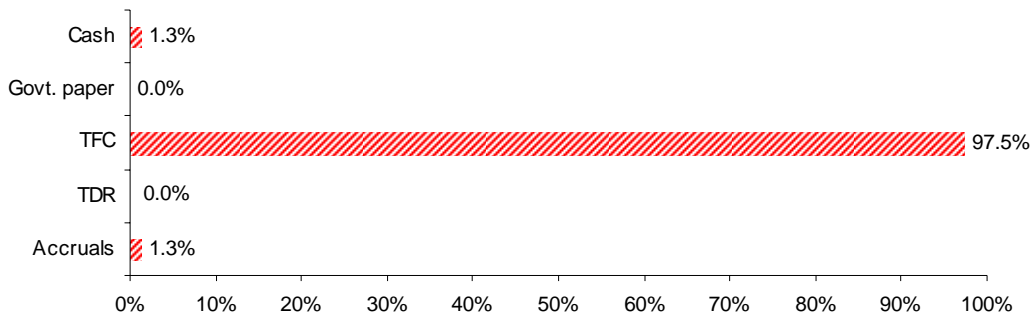
During 9MFY11 (Jul10-Mar11) the Fund earned Rs. 13.7 mn from income on investments, bank balances and term deposits. Due to unfavourable movement in TFC prices the fund had realized losses of Rs. 42.2 mn, while unrealized gains stood at Rs. 37.6 mn. With Rs. 66.8 mn in provisioning reversals against non performing assets total income came to Rs. 8.2 mn

Expenses for the period totalled Rs. 4.4 mn and consisted of Rs. 0.4 mn remuneration to the trustee of the fund, Rs. 0.1 mn fee to the SECP and Rs. 2.4 mn remuneration to the management company. As a result net income for the year was Rs. 3.8 mn.

Financial highlights	March 31, 2011
	Rupees
Mark up/interest income	13,712,015
Unrealized and Realized Loss	(79,831,774)
Provisioning Reversals	66,764,911
Total Income	8,197,254
Expenses	4,443,006
Net Income	3,754,248
Net Asset Value per unit (Rupees)	8.6865

As of 31 March the net assets of the Fund were Rs. 110.7 mn, of which 1.3% was held as cash while TFCs comprised the major investment with 97.5%. The weighted average time to maturity of the portfolio as of 31 March was 7.1 years.

Asset Allocation [31.03.11]



RETURN DURING THE PERIOD FOR INVESTORS

During the 3M period ended 31 March the Fund had generated an annualized return of -50.05% while 9MFY11 returns were -9.89%.

RECENT DEVELOPMENTS

The fund size has continued to decrease, while returns have experienced high volatility due to TFC price volatility. Current TFC holdings while adhering to their payment schedules are not liquid. Recovery against provisioned assets is underway.

MACROECONOMIC OUTLOOK

After increasing the discount rate three times during 1HFY11, the SBP chose to keep it stable at 14.0% during its January and March Policy Reviews. The decision not to raise interest rates further was premised on a number of factors which included; easing inflation, retirement of government borrowing from the SBP, stable external accounts and PKR strength against the USD.

Inflationary pressures subsided as headline inflation dropped from 15.5% in Dec10 to 13.2% in Mar11. The government's decision to delay the pass through of international oil prices to domestic consumers played a significant part in this. In addition food inflation has dropped from over 20.0% to under 18.0%. With CPI under 14.0%, real interest rates are now positive.

In addition the government has in a surprising show of fiscal discipline adhered to and even bettered the limits on central bank borrowing agreed upon with the SBP. Since Dec10 the government has retired over Rs. 300 billion in borrowing from the SBP. The monetization of the fiscal deficit was one of the primary concerns of the SBP during 1HFY11 and they have for the time being been effectively addressed.

More good news came in the form of the current account deficit which dropped to just \$98 mn for the period Jul10-Feb11 against \$3.0 billion during the corresponding period last year. This improvement came on the back of booming exports which have grown by over 20.0% and higher worker remittances which have jumped 22.4% to \$8.0 billion during 9MFY11.

As a result of these strong dollar inflows, the PKR has strengthened by 1.75% against the USD during CY11. With FX reserves at record levels of \$17.6 billion, the country has adequate import cover of six months. In conjunction with a balance of payments surplus the PKR has enjoyed a rare period of strength.

However there are some risks to the improving macroeconomic scenario. Chief amongst them are higher commodity prices. With crude oil above \$115/barrel (Arab Light), the pass through in petroleum and electricity prices will become essential if the government does not wish to spend scarce resources on subsidizing consumption. The pass through to domestic consumers and inflationary effect along the value chain is expected to keep CPI above 12.0% in the coming months.

Though successfully shifting the burden of deficit financing from the SBP to domestic scheduled banks will have beneficial effects on demand led inflation it will and has led to tighter liquidity, private sector crowding out and higher short to medium term yields. This raises concerns on economic growth as access to cheap credit is essential to generate momentum from the recessionary effect of the 2008 supply side shocks.

High oil prices also threaten the stability of the external accounts. If prices rise further or maintain their current levels, an expansion in the current account deficit is the most probable outcome. With \$3 billion in principal and interest payments due over the next 12 months, a drawdown in FX reserves combined with a widening deficit could put the PKR under pressure against the USD.

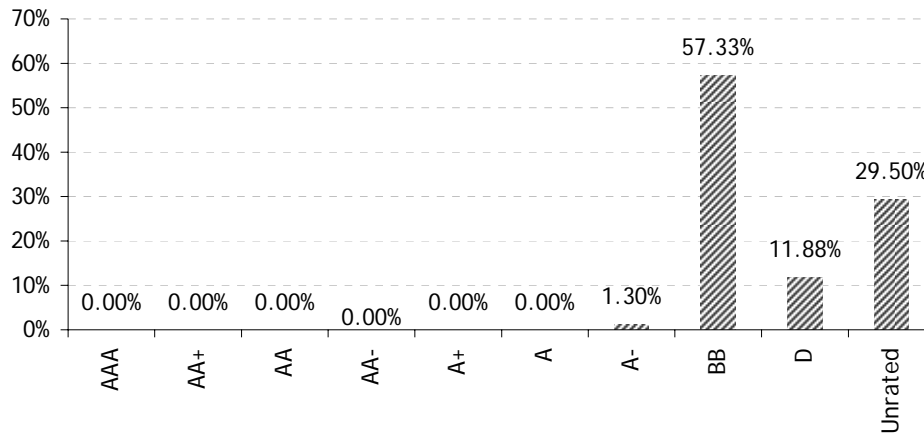
Thus while the macroeconomic environment has improved considerably and unexpectedly over the last quarter there remain red flags which threaten this recovery. While the SBP is not expected to further increase the discount rate over the next quarter, a rate cut would also be premature.

STRATEGY

In light of the above macroeconomic scenario, BCSF's strategy is likely to focus on the following;

- Allocation to TFCs will continue to be reduced so that NAV volatility can be minimized in the coming months.
- Continue to raise cash to ensure liquidity and ability to meet redemptions.

Credit Quality [31.03.11]

**Acknowledgement**

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the Trustees of the Fund, MCB Financial Services Limited and the Registrar, Technology Trade (Pvt) Limited. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the management of the Fund.

**For and on behalf of the
Board**

**Karachi
April 27, 2011**

**Muddassar Malik
Chief Executive Officer**

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2011

	Note	March 31, 2011 Rupees (Un-Audited)	June 30, 2010 Rupees (Audited)
ASSETS			
Bank balances	5	1,708,293	34,457,434
Investments	6	107,938,936	312,022,127
Mark-up / interest receivable		309,288	9,633,092
Deposits, prepayments and other receivables	7	3,148,915	3,158,681
Preliminary expenses and floatation costs	8	1,398,477	2,148,338
Total assets		114,503,909	361,419,672
LIABILITIES			
Remuneration payable to Management company		145,508	452,963
Remuneration payable to Trustee		33,973	55,571
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		122,406	692,371
Payable to unit holders against redemption of units		617,742	413,161
Accrued expenses and other liabilities	9	2,829,126	3,790,123
Total liabilities		3,748,755	5,404,189
CONTINGENCY	10	-	-
NET ASSETS		110,755,154	356,015,483
Unit Holders' Fund (As per statement attached)		110,755,154	356,015,483
Number of units in issue		12,750,254	33,853,364
Net asset value per unit - Rupees		8.69	10.52

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited
(Management Company)**

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011
(UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
----- Rupees -----					
INCOME					
Mark up / interest income on investments, bank balances and term deposits	11	13,712,015	120,229,824	914,134	27,699,718
Net (loss) / gain on investments 'designated at fair value through profit and loss upon initial recognition'					
(Loss) on sale of investments designated at fair value through Income statement – net Unrealised (loss) / Gain on investments designated at fair value through profit and loss upon initial recognition – net		(42,184,069)	(21,236,482)	(24,830,119)	(20,470,576)
		(37,647,705)	15,195,460	(1,090,331)	16,548,811
		(79,831,774)	(6,041,022)	(25,920,450)	(3,921,765)
Reversal of provision / (provision) against non- performing asset – net		66,764,911	12,692,537	-	(17,466,580)
Other Income		256,375	158,520	-	-
Element of income / (loss) and capital gains / (loss) included in prices of units issued less those in units redeemed		7,295,727	(47,778,415)	4,062,342	(35,296,360)
Total income		8,197,254	79,261,443	(20,943,974)	(28,984,987)
EXPENSES					
Remuneration to the Management Company		2,448,114	12,265,716	493,198	2,777,057
Remuneration payable to the Trustee		364,281	996,912	98,630	251,398
Annual Fee – SECP		122,406	613,286	24,660	138,853
Custody and settlement charges		34,024	101,348	8,257	42,724
Brokerage		89,769	167,908	17,486	95,522
Auditors' remuneration		363,858	454,880	119,190	96,584
Amortisation of preliminary expenses and floatation costs		749,861	749,861	246,305	246,305
Other expenses		270,693	324,046	54,864	91,419
Total expenses		4,443,006	15,673,956	1,062,590	3,739,860
NET INCOME / (LOSS)		3,754,248	63,587,487	(22,006,563)	(32,724,847)
Earnings per unit	12	-	-	-	-

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited
(Management Company)**

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011
(UNAUDITED)

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	----- Rupees -----			
Net income / (loss) for the period	3,754,248	63,587,487	(22,006,563)	(32,724,847)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	3,754,248	63,587,487	(22,006,563)	(32,724,847)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited
(Management Company)**

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011
(UNAUDITED)

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	----- Rupees -----			
Undistributed income / (loss) brought forward	17,584,232	(36,625,633)	5,361,568	59,686,702
Final distribution at the rate of Rs.1.1220 per unit for the year ended 30 June 2010 approved on 07 July 2010	(37,983,475)	-	-	-
Net income/(loss) for the period	3,754,248	63,587,487	(22,006,563)	(32,724,847)
Undistributed (loss)/income carried forward	<u>(16,644,995)</u>	<u>26,961,855</u>	<u>(16,644,995)</u>	<u>26,961,855</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited
(Management Company)**

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2011
(UNAUDITED)

	Nine months ended	
	March 31, 2011	March 31, 2010
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	3,754,248	63,587,487
Adjustments for:		
Mark up / interest income on investments, bank balances and term deposit	(13,712,015)	(120,229,824)
Unrealised gain / (Loss) on Investments at fair value through income statement – net	37,647,705	(15,195,460)
Realized (Loss) on sale of investments held at fair value through income statement	42,184,069	21,236,482
Reversal of provision against non-performing assets	(66,764,911)	(12,692,537)
Element of (income)/loss and capital (gains)/loss included in prices of units issued less those in units redeemed – net	(7,295,727)	47,778,415
Amortisation of preliminary expenses and floatation cost	749,861	749,861
Other income	(256,375)	(158,520)
	(3,693,145)	(14,924,095)
(Increase) / Decrease in assets		
Term Deposits	-	100,000,000
Deposit, prepayments and other receivables	9,766	(1,061,128)
	9,766	98,938,872
Increase / (decrease) in liabilities		
Remuneration payable to the Management company	(307,455)	(605,951)
Remuneration payable to the Trustee	(21,598)	(44,854)
Annual fee payable to Securities and Exchange Commission of Pakistan	(569,965)	(1,236,894)
Payable to unit holders against redemption of units	204,581	3,197,342
Accrued expenses and other liabilities	(960,997)	(1,007,595)
	(1,655,434)	302,047
Investments	191,272,703	305,246,441
Markup / interest income received	23,035,819	143,365,899
	214,308,522	448,612,340
Net cash generated from operating activities	208,969,708	532,929,164
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	17,700,000	1,632,145,862
Payments for redemption of units	(259,418,850)	(2,409,527,257)
	(241,718,850)	(777,381,395)
Net cash used in financing activities		
Net decrease in cash and cash equivalents during the period	(32,749,141)	(244,452,230)
Cash and cash equivalents at beginning of the period	34,457,434	277,366,153
Cash and cash equivalents at the end of the period	1,708,293	32,913,923

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For BMA Asset Management Company Limited
(Management Company)

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND
FOR THE NINE MONTHS ENDED MARCH 31, 2011
(UNAUDITED)

	Nine Months ended	
	March 31, 2011	March 31, 2010
	Rupees	
Net assets at the beginning of the period	356,015,483	1,154,660,171
Cash received on issue of units*	17,700,000	1,632,145,862
Less: Cash paid / payable on redemption of units**	(259,418,850)	(2,409,527,257)
	(241,718,850)	(777,381,395)
	114,296,633	377,278,776
Element of (Loss) / Income and capital (loss) / gain Included in prices of units issued less those in units Redeemed - net	(7,295,727)	47,778,415
Net income for the period	3,754,248	63,587,487
Other comprehensive income for the period	-	-
Total comprehensive income for the period	3,754,248	63,587,487
Net assets at the end of the period	110,755,154	488,644,679
	Number of units	
*Number of units issued including bonus units	5,710,491	158,543,057
**Number of units redeemed	26,813,601	231,503,448

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited
(Management Company)**

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011
(UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 BMA Chundrigar Road Savings Fund (the Fund) was established in Pakistan under a Trust Deed executed on April 19, 2007 between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee and authorised under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) by Securities and Exchange Commission of Pakistan (SECP) on May 18, 2007.
- 1.2 The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 801 Unitower, I.I. Chundrigar Road, Karachi.
- 1.3 The Fund is an open-ended mutual fund listed on the Karachi Stock Exchange (Guarantee) Limited. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund except for the units issued to core investors which are not redeemable for a period of two years from the date of issue.
- 1.4 The Fund seeks to provide its investors attractive income with concern for preservation of capital by investing in all fixed income and money market instruments of low risk and short duration to generate attractive rates of returns.
- 1.5 Title to the assets of the Fund is held in the name of MCB Financial Services Limited as a trustee of the Fund.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2010.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the financial statements of the fund for the year ended June 30, 2010.

4. ESTIMATES

The preparation of condensed interim financial statements 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 expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimating uncertainty are the same as those that applied to the financial statements as at and for the year ended June 30, 2010.

	Note	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
5. BANK BALANCES			
Current accounts		5,843	6,568
PLS savings account	5.1	1,702,450	34,450,866
		<u>1,708,293</u>	<u>34,457,434</u>

5.1 These carry mark-up rates ranging from 4.89% to 12.25% per annum (June 30, 2010: 4.89% to 12.35%).

	Note	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
6. INVESTMENTS			
Designated at fair value through profit or loss upon initial recognition			
- Listed term finance certificates	6.2	12,989,720	111,326,295
- Unlisted term finance certificates and sukus	6.3	94,949,216	128,831,257
- Government securities	6.4	-	71,864,575
		<u>107,938,936</u>	<u>312,022,127</u>
Held to maturity			
- Certificate of investment / Certificate of deposits	6.5	-	-
		<u>107,938,936</u>	<u>312,022,127</u>

6.1 Cost of investments amount to Rs. 145,586,641 (30 June 2010: Rs.298,934,226)

6.2 Listed term finance certificates

All term finance certificates have a face value of Rs.5,000 unless stated otherwise.

Name of Security	As at July 01, 2010	Purchased during the period	Sold During the period	As at March 31, 2011	Carrying Value as at March 31, 2011	Percentage of total investment on the basis of carrying value	Percentage of investment in relation to net assets of the fund	Percentage of investment in relation to the issued capital of the investee company
Quoted								
Technology and communication								
Pakistan Mobile Communication Limited (28-10-08)	5,500	-	5,500	-	-	-	-	-
Banks								
United Bank Limited-IV (14-02-08)	-	15,650	15,650	-	-	-	-	-
Soneri Bank Limited (05-05-05)	-	474	474	-	-	-	-	-
Miscellaneous								
Pace Pakistan Limited (15-02-08)	18,000	-	14,000	4,000	12,989,720	12.03%	11.73%	0.87%
Total					<u>12,989,720</u>	<u>12.03%</u>	<u>11.73%</u>	<u>0.87%</u>

6.3 Un-listed term finance certificates and sukuk

Name of Security	Note	As at July 01, 2010	Purchased / Issued during the period	Sold during the period	As at March 31, 2011	Carrying value as at March 31, 2011	Percentage of total investment on the basis of carrying value	Percentage of investment in relation to net assets of the Fund	Percentage of investment in relation to the issued capital of the investee company
Unquoted									
Connected person:									
Sugar industry									
Al Abbas Sugar Mills (Private) Limited (21-11-07)		9,000	-	9,000	-	-	-	-	-
Others:									
Fertilizer									
Engro Chemical Pakistan Limited (18-03-07)		3,000	-	3,000	-	-	-	-	-
Cement									
Maple Leaf Cement - Sukuk Issue (03-12-07)		24,000	-	5,000	19,000	59,515,472	55.14%	53.74%	0.74%
Maple Leaf Cement – Sukuk Issue (31-03-10)		-	900	-	900	3,168,266	2.94%	2.86%	1.06%
Kohat Cement Limited - Sukuk Issue (20-12-07)		10,000	-	-	10,000	32,265,478	29.89%	29.13%	1.34%
Cable & electronics									
New Allied Electronics (Private) Limited- term finance certificates (15-05-07)	6.3.1	10,000	-	-	10,000	21,472,757	-	-	-
New Allied Electronics (Private) Limited – Sukuk Issue (22-07-07)		16,000	-	-	16,000	4,721,001	-	-	-
Provision against New Allied Electronics (Private) Limited- Term Finance Certificates and sukuk Issue						(26,193,758)	-	-	-
Investment Companies									
KASB Securities (Private) Limited (27-06-07)		-	2,000	2,000	-	-	-	-	-
Total						94,949,216	87.97%	85.73%	3.14%

6.3.1 Provision against non-performing debt securities

This includes investment aggregating to Rs. 26.19 million against which the investee company had not made payments at the contractual dates. The overdue principal and mark-up receivable against these amounted to Rs. 23.97 million and Rs. 1.38 million, respectively. As of the statement of assets and liabilities date, the above term finance certificates / sukuk are classified by MUFAP as non-performing debt securities and accordingly the management is carrying the provision of Rs. 26.19 million against the investment in accordance with the requirements of Circular No.01 dated 06 January 2009, issued by the SECP and the provisioning policy approved by the Board.

6.4 Government securities

Type of Instrument	Issue date	Tenor (years)	Face Value	Profit Mark-up Rate %	----- (Quantity) -----					Carrying Value as at March 31, 2011 (Rupees)
					As at July 01, 2010	Purchased during the period	Sold during the period	Matured during the period	As at March 31, 2011	
PIB	3-Sep-09	10 Years	100	12%	250,000	-	250,000	-	-	-
PIB	30-Aug-08	10 Years	100	12%	500,000	-	500,000	-	-	-

	Note	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
6.5 Held to Maturity			
Certificate of Investment (COI)			
First Dawood Investment Bank Limited		35,000,000	35,000,000
Provision for impairment against investment classified as held to maturity	6.5.1	<u>(35,000,000)</u>	<u>(35,000,000)</u>
		-	-

6.5.1 First Dawood Investment Bank Limited (FDIBL) made a default in repayment of principal against COI amounting to Rs.35 million due on October 23, 2008. The Fund filed a suit for the recovery of the investment. The fund filed a suit and a decree was issued in favor of the Fund on May 07, 2010. FDIBL has appealed against the decree obtained by the Fund in the High Court of Sindh, Karachi, which is pending adjudication. The Fund's legal counsel on the merits of the case is confident that the Fund will recover its investment from FDIBL. However, on the basis of prudence the management has made a provision against the said investment.

6.6 Details of Non-compliant investments with the investment criteria of assigned category and 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
		------(Rupees)-----				
Kohat Cement Limited - sukuk	Sukuk	32,265,478	-	32,265,478	29.13%	28.18%
Maple Leaf Cement Factory Limited – sukuk	Sukuk	62,683,738	-	62,683,738	56.60%	54.74%
Pace Pakistan Limited	TFC	12,989,720	-	12,989,720	11.73%	11.34%

	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposit with		
Central Depository Company of Pakistan Limited	200,000	200,000
National Clearing Company of Pakistan Limited	2,500,000	2,500,000
Advance Tax	421,811	421,811
Prepaid Rating Fees	-	36,870
Prepayments	27,104	-
	<u>3,148,915</u>	<u>3,158,681</u>

	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
8. PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation costs incurred	2,148,338	3,147,240
Less: Amortization during the period	<u>(749,861)</u>	<u>(998,902)</u>
	<u>1,398,477</u>	<u>2,148,338</u>

8.1 The preliminary expenses and floatation costs represent initial listing fee, legal and professional charges, advertising and publicity and printing cost of trust deed and offering document and the authorization fee of the Fund. The above are being amortized over a period of five years, as per the trust deed of the Fund.

	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
9. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	282,515	357,545
Sales load payable	47,928	47,928
Preliminary expenses and floatation costs payable	2,000,000	3,000,000
Others	498,683	384,650
	<u>2,829,126</u>	<u>3,790,123</u>

10. CONTINGENCY

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF ordinance). As a result of this amendment, the WWF Ordinance has become applicable to all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry.

On December 14, 2010, the Ministry filed its response to the constitutional petition pending in the Court on the subject of WWF applicability to the mutual funds. As per the legal counsel handling the case, there is a contradiction between the earlier clarification issued by the Ministry on the matter and the response filed by the Ministry in the Court recently.

The Management Company believes that there is no need to make provision on account of WWF contribution in the financial statements amounting to Rs. 1.16 million. Further, the Management Company also expects that the constitutional petition pending in the Honorable High Court of Sindh on the subject as referred above will be decided in favour of the mutual funds.

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
11. MARK-UP / INTEREST INCOME				
	-----Rupees-----			
	----- (Unaudited) -----			
- Bank balance and term deposit accounts	3,353,404	29,240,949	240,735	6,696,903
- Investments				
Term Finance certificates and sukuk certificates	9,585,942	75,696,356	673,399	18,789,507
Certificates of Investment	-	1,662,593	-	2,794
Government securities	772,670	13,629,926	-	2,210,514
	<u>13,712,015</u>	<u>120,229,824</u>	<u>914,134</u>	<u>27,699,718</u>

12. EARNINGS PER UNIT

Earnings per unit (EPU) for the period has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

13. TRANSACTIONS WITH CONNECTED PERSON

Related parties / Connected persons include BMA Asset Management Company Limited (the Management Company), BMA Empress Cash Fund, BMA Capital Management Limited (the holding company of the Management Company), BMA Financial Services Limited, BMA Capital Management Limited Staff Provident Fund and MCB Financial Services Limited (the Trustee). Transactions with connected persons can be summarised as follows:

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2011</u>	<u>March 31, 2010</u>	<u>March 31, 2011</u>	<u>March 31, 2010</u>
	-----Rupees-----			
	------(Unaudited)-----			
<u>Transaction with connected person / related parties</u>				
BMA Asset Management Company Limited (the Management Company)				
- Remuneration to the Management Company	2,448,114	12,265,716	493,198	277,057
- Issue of units (Nil)	-	85,000,000	-	-
- Redemption of units (Nil)	-	201,724,047	-	-
BMA Capital Management Limited (the holding company of the Management Company)				
- Issue of units (Nil)	-	158,315,315	-	-
- Redemption of units (Nil)	-	214,238,247	-	49,064,466
BMA Capital Management Limited - Staff Provident Fund				
- Issue of units (Nil)	-	-	-	-
- Redemptions of units (Nil)	-	16,638,510	-	-
BMA Financial Services Limited				
- Issue of units (Nil)	-	98,867,425	-	-
- Redemption of units (Nil)	-	98,886,624	-	-
Directors and executives of the Management Company				
- Issue of Units (for nine months 5,072 units) & (nil for quarter)	47,644	-	-	-
- Redemption of Units (for nine months 12,599 units) & (Nil for quarter)	110,809	-	-	-
Unit holders with holding of 10% and above				
MCB Bank Limited Staff Provident Fund				
- Issue of units (for Nine months 470,191 units) & (nil for quarter)	4,416,407	-	-	-
- Redemption of units (Nil)	-	15,000,000	-	-
MCB Financial Services Limited –The Trustee				
Trustee Fee	364,281	996,912	98,630	251,398
AI Abbas Sugar Mills Ltd- (Common Directorship)				
TFC Income	1,473,573	4,324,251	-	1,292,097
Redemption in TFCs	-	4,500,000	-	-

	March 31, 2011	June 30, 2010	March 31, 2011	June 30, 2010
	-----Units----- (Un-Audited)	(Audited)	-----Rupees----- (Un-Audited)	(Audited)
Units Held by:				
- Directors and executives of the Management Company	<u>34,937</u>	<u>41,976</u>	<u>303,482</u>	<u>441,365</u>
Units holders with holding of 10% and above				
- MCB Capital Management Limited	<u>4,406,382</u>	<u>3,936,191</u>	<u>38,276,036</u>	<u>41,394,558</u>
Balances with connected persons / related parties				
MCB Financial Services Limited-the Trustee				
- Remuneration payable to Trustee			<u>33,973</u>	<u>55,571</u>
BMA Asset Management Company Limited				
- Remuneration payable to Management company			<u>145,508</u>	<u>452,963</u>
- Preliminary expenses and floatation costs due to Management Company			<u>2,000,000</u>	<u>3,000,000</u>
Investment in related party				
- Al Abbas Sugar Mills Limited (TFC Certificates)			<u>-</u>	<u>30,489,374</u>

14. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 27, 2011.

15. GENERAL

15.1 Figures have been rounded off to the nearest rupee.

**For BMA Asset Management Company Limited
(Management Company)**

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**