

CONTENTS

FUND'S INFORMATION	1
MISSION STATEMENT	2
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY.....	3
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES.....	6
CONDENSED INTERIM INCOME STATEMENT.....	7
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	8
CONDENSED INTERIM DISTRIBUTION STATEMENT	9
CONDENSED INTERIM CASH FLOW STATEMENT	10
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND.....	11
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION.....	12

FUND'S INFORMATION**Management Company**

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

CFO & Company Secretary of the Management Company

Mr. Faisal Ali Khan

Audit Committee of the Management Company

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

Trustee

MCB Financial Services Limited
Trustee Office 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
Faysal Bank Limited
MCB Bank Limited
Bank Alfalah Limited
Silk Bank Limited
Habib Bank Limited
Askari Bank Limited

Distributors

BMA Financial Services Limited

Auditors

A.F.Ferguson & Co., Chartered Accountants
State Life Building No. 1-C, I.I. Chundrigar 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

A+(f)

Management Quality Rating

Rating under Process

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 to BMA Chundrigar Road Savings Fund (BCSF) is pleased to present the report of the Fund for the period ended March 31, 2013.

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. The Fund Stability Rating of BCSF has also been upgraded by PACRA to A + (f).

FUND’S FINANCIAL PERFORMANCE

For the period ended March 31, 2013, the Fund earned Rs. 34.57 mn from income on investments, bank balances and term deposits. Gain on sale of investments was Rs. 2.79 mn while the unrealized loss stood at Rs. -1.95 mn. Reversal of impairment generated another Rs. 7.25 mn. Other income generated from additional units of MLCF Sukuk and Kohat cement amounted to Rs. 4.86 mn. Element of income from issue/redemption of units was Rs. 0.47 mn. Total income thus came to Rs. 47.99 mn.

Expenses for the period totalled Rs. 7.39 mn and consisted of Rs. 0.58 mn remuneration to the trustee of the fund, Rs. 0.24 mn fee to the SECP and Rs. 4.89 mn remuneration to the management company. As a result net income for the period was Rs. 40.60mn.

Financial highlights	March 31, 2013
	Rupees
Mark up/interest income	34,567,209
Gain on sale of investments	2,795,824
Unrealized loss on investments	(1,952,005)
Provision reversal	7,250,000
Other Income	4,857,716
Element of income	417,336
Total Income	47,990,080
Expenses	7,390,993
Net Income	40,599,086
Net Asset Value per unit	8.03

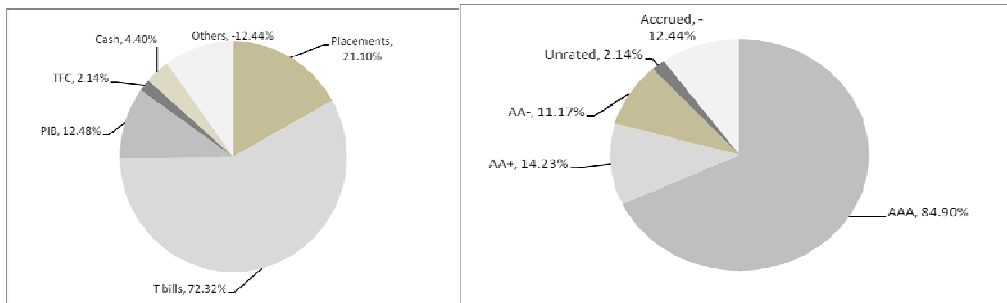
INVESTMENT STRATEGY

During this period the fund aimed to maintain majority exposure in government rated debt while selectively deploying assets in high yielding placements. This enabled the fund to generate a competitive rate of return while retaining liquidity and the ability to respond quickly in an uncertain macroeconomic environment. It also allowed management to pay out dividends on a monthly basis. During the outgoing quarter the portfolio duration of the fund was decreased from 97 days (December 2012) to the 93 days (March 2013). This was done so that the fund could derive the greatest benefit from the decline in yields.

As of 31 March 2013 the net assets of the Fund were Rs. 402.84 mn, of which 4.40% was held as cash, TFCs comprised 2.14% while exposure to PIBs, T bills and placements was built up to 12.48%, 72.32% and 21.10% respectively. In line with this asset allocation the credit quality of the fund remained high with 84.90% allocated to sovereign rated debt, 14.23% to AA+, 11.17% to AA- and 1.14% to unrated instruments.

Asset Allocation: 31 March 2013

Credit Quality: 31 March 2013



RETURN DURING THE PERIOD FOR INVESTORS

During 3QFY13 the Fund generated an annualized return of 7.55% and was the amongst the top performing aggressive income funds in the industry. For the period ended 31 March 2013 the Fund generated an annualized return of 13.46%.

RECENT DEVELOPMENTS

Following the restructuring of the fund in October 2011 the fund has seen significant improvements in returns, credit quality and liquidity profile. Since October 17th 2011 the fund has generated an absolute return of 34.33% till December 31 2012. Moreover over 95% of net assets are now rated AA and above. With a major allocation to T bills the ability of the fund to meet redemptions and remain flexible in an uncertain macroeconomic environment has improved tremendously. As a result on January 08th 2013 PACRA awarded BCSF a fund stability rating of “A+(f)” which denotes a strong capacity to manage relative stability in returns and low exposure to risks. .

MACROECONOMIC OUTLOOK

In Mar'13 CPI inflation stood at +6.57% against +7.38% in Feb'13. This decline in the inflation number is mainly due to a seasonal decline of 6.0% in food inflation (arrival of wheat crop and bumper sugarcane crop) and moderate increase in housing and utilities. This CPI number further strengthens our view that the discount rate will remain unchanged in the upcoming MPS due in April'13.

SBP has increased OMO size slightly over the month which is contradictory to its initial plan. This is evident by excess govt. borrowing from the banking system. As a result, relatively tighter inter-bank liquidity has led to 6M KIBOR inching up further by 11bp MoM to an average of 9.57% in Feb'13.

Trade deficit eased to USD 1.55bn in Feb-13 vs USD 1.74bn helped by 10% MoM decline in imports to USD 3.38bn, while exports declined by -9% to USD 1.84bn. FYTD, the trade deficit is down -10% YoY, where exports grew +5% YoY to USD 15.9bn and the import bill managed to recede -2% to USD 29.1bn.

Current Account deficit has expanded to USD 596mn in Feb'13 compared to USD 315mn in Jan'13, on the back of a continued decline in remittances of -7.5% YoY at USD 9.2bn in 8MFY13 which is cushioned by CSF receipts of USD 1.8bn during the period.

Fiscal deficit in 8MFY13 touched PKR 943bn (4.1% of GDP) on provisional data. Compared to 1H deficit at 2.6% of GDP, this indicates an increase of +1.3% of GDP in Jan-Feb, likely due to increased expenditure by outgoing govt.

FUTURE STRATEGY

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

- Build exposure in high quality and liquid instruments keeping in mind an appropriate risk/reward ratio
- Use a portion of the portfolio to actively trade PIBs/ TFCs for yield enhancement
- Continue to improve credit quality and liquidity profile
- Maintain duration with the intention of trading in order to take advantage of falling yields

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 meticulous management of the Fund.

**For and on behalf of the
Board**

**Karachi
April 30, 2013**

**Muddassar Malik
Chief Executive Officer**

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT March 31, 2013

	Note	March 31, 2013 Rupees (Un-Audited)	June 30, 2012 Rupees (Audited)
ASSETS			
Balances with banks	4	17,713,326	21,464,952
Money market placements	5	85,000,000	70,000,000
Investments	6	350,230,636	282,766,103
Mark-up / interest receivable	7	9,247,077	8,308,486
Preliminary expenses and floatation costs	8	-	147,795
Deposits, prepayments and other receivables		3,148,353	3,121,845
Total assets		465,339,392	385,809,181
LIABILITIES			
Payable to the management company	9	714,799	1,580,988
Payable to the trustee	10	71,875	60,332
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	244,367	148,801
Dividend Payable		3,781	-
Payable to unit holders against redemption of units		60,428,857	-
Accrued expenses and other liabilities	12	1,031,372	791,939
Total liabilities		62,495,050	2,582,060
CONTINGENCY AND COMMITMENTS	13		
NET ASSETS		402,844,342	383,227,121
Unit Holders' Fund (as per statement attached)		402,844,342	383,227,121
Number of units in issue		50,145,798	48,499,460
Net asset value per unit – Rupees		8.03	7.90

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

**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, 2013
(UN-AUDITED)

Note	Nine Months ended		Quarter ended		
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	
----- Rupees -----					
INCOME					
Mark up / interest income	14	34,567,209	8,265,889	11,878,929	6,443,466
Capital gain / (Loss) on sale of investments - net Unrealised (diminution) / appreciation on re- measurement of investments classified as 'at fair value through profit and loss' - net		2,795,824	(29,097,882)	345,818	(4,975)
		(1,952,005)	10,468,150	(2,082,947)	6,162,217
		843,819	(18,629,732)	(1,737,129)	6,157,239
Reversal of provision held for impairment against investments		7,250,000	20,500,000	-	7,250,000
Provision against non-performing asset		-	(13,434,200)	-	-
Other income		4,857,716	489,451	2,082,086	161,630
Total income / (loss)		47,518,744	(2,808,592)	12,223,886	20,012,335
EXPENSES					
Remuneration to the management company		4,887,323	1,587,446	1,903,537	750,119
Sales tax on remuneration of the management company		781,975	253,163	304,566	120,019
Remuneration to the trustee		578,021	293,864	217,314	115,172
Annual fee to the Securities and Exchange Commission of Pakistan		244,366	79,372	95,177	37,506
Amortisation of preliminary expenses and floatation costs		147,795	752,598	-	249,042
Auditors' remuneration		349,054	411,318	114,653	115,927
Legal and professional charges		-	530,000	-	-
Custody and Settlement Charges		5,821	21,546	5,821	-
Brokerage		81,292	62,846	15,965	4,611
Other expenses		315,346	287,155	104,353	60,894
Total expenses		7,390,993	4,279,308	2,761,385	1,453,290
Net Income / (Loss)		40,127,750	(7,087,900)	9,462,501	18,559,045
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed – net		471,336	(86,866,811)	(1,905,093)	(65,101,946)
Net income / (loss) for the period before taxation		40,599,086	(93,954,711)	7,557,408	(46,542,901)
Taxation	15	-	-	-	-
Net income / (loss) for the period after taxation		40,599,086	(93,954,711)	7,557,408	(46,542,901)
Earnings per unit	16	-	-	-	-

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

**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, 2013
(UN-AUDITED)

	<u>Nine Months ended</u>		<u>Quarter ended</u>	
	<u>March</u> <u>31, 2013</u>	<u>March</u> <u>31, 2012</u>	<u>March</u> <u>31, 2013</u>	<u>March</u> <u>31, 2012</u>
	----- Rupees -----			
Net Income / (loss) for the period	40,599,086	(93,954,711)	7,557,408	(46,542,901)
Other comprehensive income	-	-	-	-
Total comprehensive Income /(loss) for the period	40,599,086	(93,954,711)	7,557,408	(46,542,901)

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

**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, 2013
(UN-AUDITED)

	Nine Months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees -----			
Accumulated loss brought forward	(101,666,411)	(5,916,986)	(94,460,564)	(53,328,796)
Net Income / (loss) for the period	40,599,086	(93,954,711)	7,557,408	(46,542,901)
First interim distribution at the rate of Rs. 0.05 per unit on July 30, 2012 (2011: Nil)	(2,425,952)	-	-	-
Second interim distribution at the rate of Rs. 0.05 per unit on August 30, 2012 (2011: Nil)	(3,268,562)	-	-	-
Third interim distribution at the rate of Rs. 0.2 per unit on September 27, 2012 (2011: Nil)	(9,177,625)	-	-	-
Fourth interim distribution at the rate of Rs. 0.07 per unit on October 31, 2012 (2011: Nil)	(3,093,118)	-	-	-
Fifth interim distribution at the rate of Rs. 0.05 per unit on November 29, 2012 (2011: Nil)	(2,239,722)	-	-	-
Sixth interim distribution at the rate of Rs. 0.09 per unit on December 28, 2012 (2011: Nil)	(5,630,852)	-	-	-
Seventh interim distribution at the rate of Rs. 0.07 per unit on January 30, 2013 (2012: Nil)	(4,465,576)	-	(4,465,576)	-
Eighth interim distribution at the rate of Rs. 0.03 per unit on February 26, 2013 (2012: Nil)	(1,971,172)	-	(1,971,172)	-
Ninth interim distribution at the rate of Rs. 0.03 per unit on March 28, 2013 (2012: Nil)	(1,718,131)	-	(1,718,131)	-
Accumulated loss carried forward	<u>(95,058,035)</u>	<u>(99,871,697)</u>	<u>(95,058,035)</u>	<u>(99,871,697)</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

**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, 2013
(UN-AUDITED)

	Nine Months Ended	
	March 31, 2013	March 31, 2012
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) for the period	40,599,086	(93,954,711)
Adjustments for:		
Mark up / interest income	(34,567,209)	(8,265,889)
Capital (gain) / loss on sale of investments – net	(2,795,824)	29,097,882
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit and loss' – net	1,952,005	(10,468,150)
Reversal of provision held for impairment against investments	(7,250,000)	(7,065,800)
Element of loss / (income) and capital loss / (gain) included in prices of units issued less those in units redeemed - Net	(471,336)	86,866,811
Other income	(4,857,716)	(489,451)
Amortisation of preliminary expenses and floatation cost	-	752,598
	(7,390,993)	(3,526,710)
Working capital changes		
Increase in assets		
Deposit and other receivables	147,795	(26,507)
Increase / (decrease) in liabilities		
Payable to the management company	(866,189)	284,142
Remuneration payable to the trustee	11,543	13,165
Annual fee payable to SECP	95,566	(63,586)
Dividend Payable	3,781	-
Payable to unit holders against redemption of units	60,428,857	-
Accrued expenses and other liabilities	239,433	(802,335)
	59,912,990	(568,613)
Investments - net	(45,387,354)	(197,175,324)
Interest income received	9,476,466	14,647,863
Net cash (used in) / generated from operating activities	16,758,904	(186,649,291)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	497,887,576	260,989,340
Payments on redemption of units	(518,398,105)	(67,578,675)
Net cash (used in) / generated from financing activities	(20,510,529)	193,410,665
Net (decrease) / increase in cash and cash equivalents	(3,751,626)	6,761,374
Cash and cash equivalents at beginning of the period	21,464,952	55,263
Cash and cash equivalents at the end of the period	17,713,326	6,816,637

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE NINE MONTHS ENDED MARCH 31, 2013
(UN-AUDITED)

	Nine months ended	
	March 31, 2013	March 31, 2012
	----- Rupees -----	
Net assets at the beginning of the period	383,227,121	119,152,494
Issue of 66,286,999 units including 4,259,959 bonus units (2012: 36,774,917 units)	497,887,576	260,989,340
Redemption of 64,640,466 units (2012: 8,747,315 units)	(518,398,105)	(67,578,675)
	(20,510,529)	193,410,665
	362,716,592	312,563,159
Element of loss / (income) and capital losses / (gain) included in prices of units issued less those in units redeemed - net	(471,336)	86,866,811
Capital gain / (loss) on sale of investments	2,795,824	(29,097,882)
Net unrealized (diminution) / appreciation on re-measurement of Investments classified as 'at fair value through profit or loss'	(1,952,005)	10,468,150
Other net income / (loss) for the period	39,755,267	(75,324,979)
Total Income for the period	40,599,086	(93,954,711)
Net assets at the end of the period	402,844,342	305,475,259

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013
(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. The Trust deed was executed and approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on May 18, 2007.

The Management Company of the Fund is licensed to carry out Asset Management Services as a Non-Banking Finance Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management company is situated at 801 Unitower, I.I. Chundrigar Road, Karachi.

The Fund is an open-ended aggressive fixed income mutual fund listed on the Karachi Stock Exchange. Units of the fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering these to the Fund. The Fund is categorized as an 'Aggressive Fixed Income Scheme' as per the criteria laid down by SECP for categorization of Collective Investment Scheme (CISs).

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.

Pakistan Credit Rating Agency Limited has assigned a rating of A+(f) to the Fund. The Management Company is in the process of obtaining asset manager rating for the Management Company.

Title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial Information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

This condensed interim financial information is unaudited. However, a review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance.

In compliance with schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2013.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

2.4 Change in methodology of allocation of element

During the current period, the Fund has revised its methodology for recognition of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed represented by income earned during the period is recognised in the income statement. Previously, the whole amount of element income / (loss) was recognised in income statements.

The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology net income for the period would have been lower by Rs 3.455 million.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2012.

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended June 30, 2012.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2012.

	Note	March 31, 2013 (Rupees) (Un-Audited)	June 30, 2012 (Rupees) (Audited)
4. BALANCES WITH BANKS			
Balances in			
– savings accounts	4.1	17,713,094	21,464,720
– current accounts		232	232
		<u>17,713,326</u>	<u>21,464,952</u>

4.1 These carry profit at rates ranging from 6% to 8.40% per annum (June 30, 2012: 4.89% to 11.35%).

	Note	March 31, 2013 (Rupees) (Un-Audited)	June 30, 2012 (Rupees) (Audited)
5. MONEY MARKET PLACEMENTS			
Certificates of investment	5.1	<u>85,000,000</u>	70,000,000
		<u>85,000,000</u>	<u>70,000,000</u>

5.1 This includes placements with Saudi Pak Investment Company Limited and Pak Oman Investment Limited at a rate of 9.65% and 9.75% respectively having maturity on July 04, 2013 and July 02, 2013 respectively. This also included certificates of investment held with First Dawood Investment Bank Limited (FDIBL) amounting to Rs 35 million. FDIBL made a default in repayment on October 23, 2008. The Fund filed a suit for the recovery of its investment which was heard 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 was disposed on August 08, 2011 after the parties submitted a compromise application. A compromise was reached with FDIBL vide which FDIBL has agreed to pay Rs. 35 million in five installments till August 2012. The management had decided to reverse the provision gradually upon receipt of each installment under the said arrangement. During the period the Fund received the last instalment of Rs, 7,250,000 and no provision in this respect is held as at March 31, 2013.

	March 31, 2013 (Rupees) (Un-Audited)	June 30, 2012 (Rupees) (Audited)
Opening receivable	7,250,000	35,000,000
Payment received during the period / reversal of provision	<u>(7,250,00)</u>	<u>(27,750,000)</u>
	-	7,250,000
Provision held	<u>-</u>	<u>(7,250,000)</u>
	<u>-</u>	<u>-</u>

	Note	March 31, 2013 (Rupees) (Un-Audited)	June 30, 2012 (Rupees) (Audited)
6. INVESTMENTS			
At fair value through profit or loss			
- Listed term finance certificates	6.1	-	-
- Unlisted term finance certificate and sukus	6.1	8,606,551	11,324,919
- Government securities	6.4	341,624,085	271,441,184
		350,230,636	282,766,103

6.1 Term finance certificates and Sukus

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

Name of Security	As at 01 July 2012	Purchased during the period	Sold during the period	As at Mar 31, 2013	Carrying Value as at Mar 31, 2013	Market value as at Mar 31, 2013	Unrealised appreciation / (diminution)	Market value as a percentage of total Investments	Market value as a percentage of net assets
	-----Number of certificates -----				(Rupees)				
Listed term finance certificates									
Miscellaneous									
Pace Pakistan Limited (15-02-08)	4,000	-	-	4,000	-	-	-	-	-
Un-listed term finance certificates and sukuk									
Cement									
Kohat Cement Company Limited Sukuk – Dec 13, 2007	10,000	-	-	10,000	8,606,551	8,606,551	-	2.46%	2.14%
Cable and Electronics									
New Allied Electronics Private Ltd PPTFC – May 15, 2007	10,000	-	-	10,000	-	-	-	-	-
New Allied Electronics Private Ltd Sukuk- July 07, 2007	16,000	-	-	16,000	-	-	-	-	-
Commercial Banks									
Bank Al Habib Limited TFC – June 15, 2009	-	10,000	10,000	-	-	-	-	-	-
Total					8,606,551	8,606,551	-	2.46%	2.14%

6.2 Significant terms and conditions of term finance certificates and Sukuk bonds outstanding at the period end are as follows:

Name of security	Number of certificates	Face Value	Mark-up rate (Per annum)	Maturity	Secured / unsecured	Rating
Pace Pakistan Limited – February 15, 2008	4,000	4,993	6 months KIBOR + 2%	February 15, 2017	Secured	NPA Non Rated
Kohat Cement Company limited - December 13, 2007	10,000	1,148	3 months KIBOR + 1.8%	June 20, 2017	Secured	NPA
New Allied Electronics Private Limited – May 15, 2007	10,000	2,114	3 months KIBOR + 3%	May 15, 2011	Secured	NPA
New Allied Electronics Private Limited – July 07, 2007	16,000	293	3 months KIBOR + 2.6%	July 27, 2012	Secured	NPA

6.3 Securities listed below have been classified as non-performing in accordance with the SECP's Circular 1 of 2009 and the Fund's provisioning policy for non-performing exposures. Accordingly, the carrying values stated above have been arrived at after taking into account provisions as under:

	March 31, 2013			June 30, 2012		
	Carrying value	Provision held	Net carrying value	Carrying value	Provision held	Net carrying value
	-----Rupees-----					
Pace Pakistan Limited – February 15, 2008	13,434,200	13,434,200	-	13,434,200	13,434,200	-
New Allied Electronics Private Limited – May 15, 2007	21,472,757	21,472,757	-	21,472,757	21,472,757	-
New Allied Electronics Private Limited – July 07, 2007	4,721,001	4,721,001	-	4,721,001	4,721,001	-
	39,627,958	39,627,958	-	39,627,958	39,627,958	-

6.4 Government securities

6.4.1 Market Treasury Bills

Issue date	Tenor (months)	------(Face Value)-----					Balance at March 31, 2013			Market Value as a percentage of total investments	Market value as a percentage of net assets
		As at 01 July 2012	Purchases during the period	Sold during the period	Maturities during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised appreciation / (diminution)		
		-----Rupees-----									
Aug 25, 2011	12	30,000,000	-	-	30,000,000	-	-	-	-	-	-
Oct 06, 2011	12	17,000,000	-	-	17,000,000	-	-	-	-	-	-
Nov 03, 2011	12	1,200,000	10,000,000	1,000,000	10,200,000	-	-	-	-	-	-
Jan 26, 2012	6	111,000,000	25,500,000	-	136,500,000	-	-	-	-	-	-
Feb 09, 2012	12	-	100,000,000	-	100,000,000	-	-	-	-	-	-
Apr 19, 2012	3	55,000,000	-	-	55,000,000	-	-	-	-	-	-
May 03, 2012	3	-	15,000,000	-	15,000,000	-	-	-	-	-	-
May 17, 2012	3	35,000,000	-	-	35,000,000	-	-	-	-	-	-
May 31, 2012	3	-	50,000,000	-	50,000,000	-	-	-	-	-	-
June 14, 2012	3	50,000,000	-	16,200,000	33,800,000	-	-	-	-	-	-
June 28, 2012	3	-	12,700,000	-	12,700,000	-	-	-	-	-	-
July 12, 2012	3	-	280,000,000	125,000,000	155,000,000	-	-	-	-	-	-
July 26, 2012	6	-	147,600,000	86,600,000	61,000,000	-	-	-	-	-	-
Aug 23, 2012	3	-	65,000,000	65,000,000	-	-	-	-	-	-	-
Nov 03, 2012	12	10,900,000	-	-	10,900,000	-	-	-	-	-	-
Sept 20, 2012	12	-	5,900,000	-	-	5,900,000	5,650,270	5,650,022	(248)	1.61%	1.40%
Oct 04, 2012	12	-	306,000,000	218,000,000	-	88,000,000	55,476,241	55,348,249	(127,992)	15.80%	13.74%
Nov 01, 2012	12	-	12,000,000	1,600,000	-	10,400,000	9,885,546	9,856,243	(29,303)	2.81%	2.45%
Nov 15, 2012	12	-	75,500,000	19,800,000	-	55,700,000	53,240,553	53,102,254	(138,299)	15.16%	13.18%
Jan 24, 2013	6	-	100,000,000	-	-	100,000,000	97,253,900	97,120,526	(133,374)	27.73%	24.11%
Feb 7, 2013	3	-	150,000,000	88,650,000	-	61,350,000	60,896,000	60,867,539	(28,461)	17.38%	15.11%
Feb 21, 2013	3	-	65,000,000	55,500,000	-	9,500,000	9,400,264	9,395,650	(4,614)	2.68%	2.33%
Total						300,850,000	291,802,773	291,340,483	(462,290)	83.19%	72.32%

6.4.2 Pakistan Investment Bonds

Issue date	Tenor	------(Face Value)-----					Balance at March 31, 2013			Market Value as a percentage of total investments	Market value as a percentage of net assets
		As at 01 July 2012	Purchases during the period	Sold during the period	Maturities during the period	As at March 31, 2013	Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised appreciation / (diminution)		
		-----Rupees-----									
July 19, 2012	05 Yr	-	50,000,000	50,000,000	-	-	-	-	-	-	-
July 19, 2012	10 Yr	-	200,000,000	150,000,000	-	50,000,000	51,806,875	50,283,603	(1,523,272)	14.36%	12.48%
Aug 18, 2012	10 yr	-	37,000,000	37,000,000	-	-	-	-	-	-	-
						50,000,000	51,806,875	50,283,603	(1,523,272)	14.36%	12.48%

		March 31, 2013 (Un-Audited) (Rupees)	June 30, 2012 (Audited) (Rupees)
7. MARK-UP/ INTEREST RECEIVABLE			
On			
- Balances with banks		625,153	121,823
Investments			
- Term finance certificate and Sukuk certificates		7,284,481	7,005,074
- Certificate of Investments		152,205	1,181,589
- Government securities		<u>1,185,237</u>	-
		<u>9,247,077</u>	<u>8,308,486</u>
	Note	March 31, 2013 (Un-Audited) (Rupees)	June 30, 2012 (Audited) (Rupees)
8. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation cost incurred		147,795	1,149,435
Less: Amortization during the period		<u>(147,795)</u>	<u>(1,001,640)</u>
		<u>-</u>	<u>147,795</u>
9. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration of the Management Company	9.1	616,206	500,851
Sindh Sales tax on remuneration of the Management company		98,593	80,137
Preliminary expenses and floatation costs		-	1,000,000
		<u>714,799</u>	<u>1,580,988</u>

9.1 The Management company is entitled to remuneration for services rendered to the Fund under Regulation 61 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 3% of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to 2% of such assets of the Fund. The rate used by the Management company (and the Fund) is 1.5 percent per annum of the average daily net assets of the Fund.

10. PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Any upward increase in the Trustee's remuneration would require SECP's approval and amendment in the Trust Deed. However, any downward shift in the trustee's remuneration will not require such approval.

11. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Fund is required to pay SECP an amount equal to 0.075% per annum of the average daily net assets

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2013 (Un-Audited) (Rupees)	June 30, 2012 (Audited) (Rupees)
Auditor's remuneration	404,638	380,749
Brokerage Payable	28,849	16,947
Printing and Stationery cost payable	31,536	43,374
Other payable	566,349	350,869
	<u>1,031,372</u>	<u>791,939</u>

13. CONTINGENCY AND COMMITMENTS

13.1 The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment, it may be construed that 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 to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. As the management is confident that the matter will eventually be settled in its favour and WWF will not be levied on the Fund, no provision has been made in respect of any WWF liability. The aggregate amount of unrecognised WWF liability amounts to Rs 2.185 million as at March 31, 2013. Had the provision been recognised, the Net Asset Value of the Fund would have been lower by Rs 0.04 per unit.

13.2 There were no other contingencies and commitments outstanding as at March 31, 2013.

14. MARK-UP / INTEREST INCOME

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	-----Rupees-----			
	------(Unaudited)-----			
On:				
- Balance with banks	2,964,459	2,288,669	787,978	642,197
- Term deposit accounts	998,137	-	756,452	-
- Investments				
Term Finance certificates and sukuk certificates	3,262,687	13,957,216	300,745	1,475,539
Certificates of investment / letter of placement	3,189,774	290,094	349,096	289,002
Government securities	24,152,152	4,144,867	9,684,659	4,036,728
Reversal of markup income on investments classified as non-performing	-	(12,414,957)	-	-
	<u>34,567,209</u>	<u>8,265,889</u>	<u>11,878,929</u>	<u>6,443,466</u>

15. TAXATION

The income of the Fund is exempt from Income Tax under Clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether (realised or unrealized), is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year as reduced by the capital gains (whether realized or unrealized) to its unit holders.

16. 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.

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	-----Units-----		-----Rupees-----	
	------(Unaudited)-----			
<u>Transaction with connected person / related parties</u>				
BMA Asset Management Company Limited (the Management Company)				
- Issue of units including bonus units during nine months: 1,845,816 units and quarter : 3,770,129 units.	-	156,534,000	-	126,534,000
- Redemption of units during nine months: 1,702,732 units and quarter: 1,121,442 units.	13,700,000	-	9,000,000	-
BMA Asset Management Company Limited Staff Provident Fund				
- Issue of units including bonus units during nine months: 38,665 units and quarter : 4,781 units	-	-	-	-
- Redemption of units during nine months: 427,332 units and quarter: nil.	3,412,425	-	-	-
BMA Capital Management Ltd				
- Issue of units including bonus units during nine months: 2,347,834 units and quarter : 24 units	23,991,816	-	-	-
- Redemption of units during nine months: 3,021,583 units and quarter: nil.	24,400,125	-	-	-
Directors and executives of the Management Company				
- Issue of units including bonus units during nine months: 2,118,559 units and quarter : 1,326,541 units	16,682,088	2,524,235	10,557,088	2,249,743
- Redemption of units during nine months: 2,255,445 units and quarter: 2,065,510 units.	18,117,751	1,444,251	16,583,047	1,278,046
BMA Asset Management Company Limited (the Management Company)				
Remuneration to the Management Company	4,887,323	1,587,446	1,903,537	750,119
Sindh Sales tax on remuneration of the Management Company	781,975	253,163	304,566	120,019
MCB Financial Services Limited – The Trustee				
Trustee Fee	578,021	293,864	217,314	115,172

	March 31, 2013	June 30, 2012	March 31, 2013	June 30, 2012
	-----Units-----		-----Rupees-----	
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
Balance at the period end				
Associated Companies				
BMA Asset Management Company Limited				
Units held	22,667,491	22,524,408	182,099,293	177,981,112
Remuneration payable			616,206	500,851
Sindh sales tax on remuneration payable			98,593	80,137
Preliminary expense and floatation costs payable			-	1,000,000
BMA Capital Management Limited				
Units held	3,701	-	29,735	-
BMA Asset Management Company Limited – Staff Provident Fund				
Units Held	297,675	686,342	2,391,371	5,423,270
MCB Financial Services Limited – the Trustee				
Remuneration payable			71,875	60,332
Directors and executives of the Management Company				
Mr. Bilal Khan	591	546	4,751	4,315
Mr. Adeel Ahmad Khan	-	36,249	-	286,425
Mr. Lawrence A. Lobo	2,516	126,529	20,209	999,793
Mr. Mustafa O Pasha	-	83,665	-	661,098
Mr. Faisal Ali Khan	87,574	-	703,528	-
Ms Sana Safdar	23,260	22,305	186,857	176,244
Mr. Harold Makil Charles	9,791	-	78,659	-
Mr. Hassan Bin Nasir	31,814	13,786	255,574	108,932
Mr. Stephen Joseph	39,413	48,766	316,623	385,331

18. GENERAL

18.1 Figures have been rounded off to the nearest rupee.

18.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. The following has been reclassified and disclosed in the notes to the condensed interim financial information:

Description	Reclassified from	Classified to	Amount Rupees
Certificates of investment held by the Fund as at June 30, 2012 have been reclassified from held to maturity investments to loans and receivables under term deposits and money market placements	Investments – Held to Maturity	Term deposits and money market placements	70,000,000

There was no impact on the balance sheet for the year ended June 30, 2011 as the Fund did not hold any such investment.

19. DATE OF AUTHORISATION

This condensed interim statement of financial information has been authorised for issue by the Board of Directors of the Management Company on April 30, 2013.

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**