

**CONTENTS**

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

**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        |

**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  
3<sup>rd</sup> 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**

Ernest & 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 to BMA Chundrigar Road Savings Fund (BCSF) is pleased to present the period end report of the Fund for the period ended September 30, 2010.

**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**

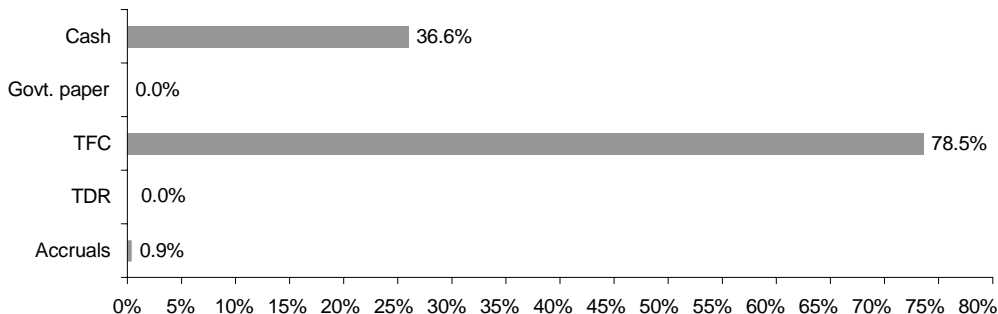
During 1QFY11 (Jun10-Sep10) the Fund earned PKR11.1 mn from income on investments, bank balances and term deposits. In addition the fund booked reversals of PKR61.2mn against non performing assets as the issue in question was successfully restructured. Due to unfavourable movement in TFC prices the fund had unrealized losses of PKR37.1mn, while realized losses on investments were PKR14.5mn. Total income thus came to PKR21.9mn

Expenses for the year totalled PKR1.9mn and consisted of PKR0.1mn remuneration to the trustee of the fund, PKR0.06mn fee to the SECP and PKR1.2mn remuneration to the management company. As a result net income for the year was PKR19.9 mn.

| <b>Financial highlights</b>       | <b>September 30, 2010</b> |
|-----------------------------------|---------------------------|
|                                   | <b>Rupees</b>             |
| Mark up/interest income           | 11,126,856                |
| Reversal of provision against NPA | 61,193,468                |
| <b>Total Income</b>               | <b>21,841,588</b>         |
| Expenses                          | 1,909,744                 |
| <b>Net Income</b>                 | <b>19,931,844</b>         |
| Net Asset Value per unit (Rupees) | 9.98                      |

As of 30 September the net assets of the Fund were PKR250.8mn, of which 36.6% was held as cash while TFCs comprised the major investment with 78.5%. The weighted average time to maturity of the portfolio as of 30 September was 4.42 years.

**Asset Allocation [30.09.10]**



## RETURN DURING THE PERIOD FOR INVESTORS

During the 9M period ended 30 September the Fund had generated an annualized return of 7.82% while 1QFY11 returns were higher at 27.06%.

## RECENT DEVELOPMENTS

The issues of Maple Leaf Cement Factory (MLCF) and Kohat Cement Company Limited (KCCL) continued to make timely payments in line with the terms agreed upon restructuring. In addition MLCF was reclassified as a performing security by the Mutual Funds Association of Pakistan though it has yet to regain secondary market liquidity. Accordingly a provisioning reversal was booked against MLCF in line with SECP regulations. Insurance payments from the defaulted New Allied Electronics PPTFC is under process with two tranches amounting to almost 50% of the due amount being released.

## MACROECONOMIC OUTLOOK

After its pre-emptive strike against fiscal indiscipline and resurgent inflation, the SBP chose to further tighten the monetary environment by raising the discount rate by another 50bps to 13.5% in Sep10. However in an effort to dilute the effect of a higher policy rate it has allowed local money markets to remain flush with liquidity, which has put downward pressure on shorter tenor rates. The inflow of liquidity can be attributed to the increase in remittances which include both an increased flow from abroad as well as a switch from unofficial to official channels.

Inflation in Sep10 continued to increase with CPI rising to 15.71% even as core inflation fell to 9.40%. The jump in the general price level can be attributed mainly to food inflation which was 21.24%, with perishable food prices rising by 53.86% over the last year. Going forward, the government has pledged to eliminate the subsidy on power and reduce the circular debt (under the currently suspended IMF program). Analysts estimate that a 40% increase in tariffs will be required to prevent further build up of the circular debt which has reportedly grown to over PKR500bn. As a result full year inflationary expectations for FY11 have been revised upwards from around 10.0% to between 14.0%-15.0%.

While there are major concerns regarding the fiscal account, the external deficits seem to be under control. The government has been able to build up FX reserves close to USD17.0bn which provides the country with adequate import cover. However it is important to note that being an oil importing country, Pakistan remains vulnerable to the vagrancies of international markets and an increase in oil prices towards USD90/barrel and above would have deleterious effects for the fragile macroeconomic balance. In the current equilibrium the current account deficit is projected at a manageable 3.5% of GDP, while the PKR is expected to depreciate by 7%-9%.

More worrying for policy makers has been the exponential increase in budgetary borrowing from the SBP which was PKR200.6bn during 1QFY11 as compared to a net retirement of PKR89.5bn during 1QFY10. External aid will be critical in determining how heavy a burden the government becomes on the domestic money markets. Private sector crowding out is evidenced by the 1.6% decline in outstanding credit during CY10. To create growth momentum the supply of credit at reasonable rates has to be available. To prevent continued deficit monetization and inflationary increases in the monetary base, the SBP has had to increase the policy rate and may continue to do so during FY11. This puts the economy in an unfortunate conundrum which closely resembles stagflation.

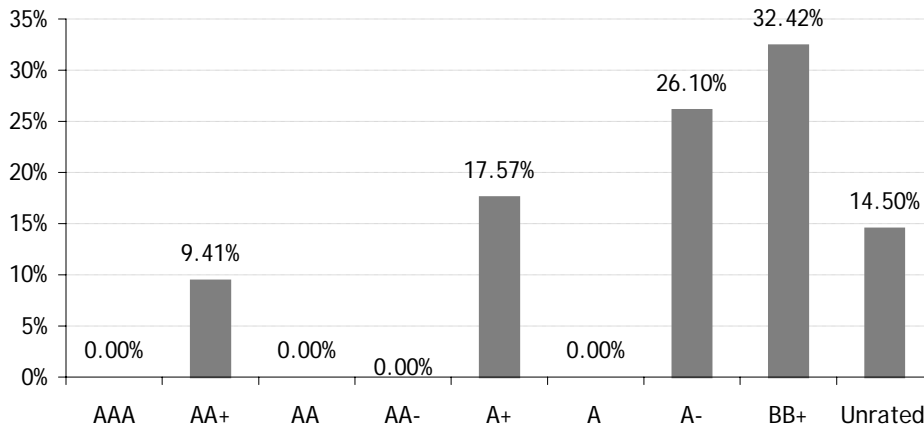
## STRATEGY

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

- f Allocation to TFCs will continue to be reduced so that NAV volatility can be minimized in the coming months.
- f After raising cash from its corporate debt holdings the fund will concentrate exposure in sovereign rated T bills and high quality term deposits.

- f Portfolio duration will be shortened to take advantage of the expected increase in interest rates.
- f Adequate liquidity will be maintained in the form of cash and near equivalents, so that placements at attractive rates can be made at opportune times.

Credit Quality [30.09.10]



**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  
October 25, 2010**

**Muddassar Malik  
Chief Executive Officer**

INTERIM CONDENSED STATEMENT OF ASSETS AND LIABILITIES  
AS AT 30 SEPTEMBER 2010

|   | <i>Note</i> | <b>September 30<br/>2010<br/>(Un-Audited)<br/>(Rupees)</b> | <b>June 30,<br/>2010<br/>(Audited)<br/>(Rupees)</b> |
|---|-------------|--|---|
| <b>Assets</b>   |             |  |   |
| Bank balances   | 5           | 91,816,096   | 34,457,434  |
| Investments   | 6           | 196,990,017  | 312,022,127   |
| Mark-up / interest receivable   | 7           | 2,475,656  | 9,633,092   |
| Preliminary expenses and floatation cost                                | 8           | 1,896,560  | 2,148,338   |
| Deposits and other receivables  | 9           | <u>3,190,522</u>   | <u>3,158,681</u>                                    |
| <b>Total assets</b>   |             | <b>296,368,851</b>   | <b>361,419,671</b>                                  |
| <b>Liabilities</b>  |             |  |   |
| Remuneration payable to the Management company                          | 10          | 365,067  | 452,963   |
| Remuneration payable to the Trustee                                     | 11          | 46,781   | 55,571  |
| Annual fee payable to Securities and Exchange<br>Commission of Pakistan | 12          | 58,438   | 692,371   |
| Payable against redemption of units                                     |             | 42,251,779   | 413,161   |
| Accrued expenses and other liabilities                                  | 13          | <u>2,832,561</u>   | <u>3,790,123</u>                                    |
| <b>Total liabilities</b>  |             | <b>45,554,626</b>  | <b>5,404,189</b>                                    |
| <b>NET ASSETS</b>   |             | <u><b>250,814,225</b></u>                                  | <u><b>356,015,483</b></u>                           |
| <b>Unit Holders' Fund</b> (as per statement attached)                   |             | <u><b>250,814,225</b></u>                                  | <u><b>356,015,483</b></u>                           |
| <b>Number of units in issue</b>   |             | <u><b>25,138,402</b></u>                                   | <u><b>33,853,364</b></u>                            |
| <b>Net asset value per unit – Rupees</b>                                |             | <u><b>9.98</b></u>   | <u><b>10.52</b></u>                                 |
| <b>Commitments</b>  |             | -  | -   |

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

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

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**

INTERIM CONDENSED INCOME STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010  
(UNAUDITED)

|  | <i>Note</i> | <b>Quarter ended<br/>September 30,<br/>2010<br/>(Rupees)</b> | <b>Quarter ended<br/>September 30,<br/>2009<br/>(Rupees)</b> |
|--|-------------|--|--|
| <b>Income</b>  |             |  |  |
| Mark-up/ interest income on investments, bank balances and term deposits-net                             |             | <b>11,126,856</b>  | 68,796,629   |
| Loss on sale of investments - net  |             | <b>(14,483,639)</b>  | (766,646)  |
| Unrealised Loss on Investments at fair value through profit or loss-net                                  |             | <b>(37,147,054)</b>  | (11,518,880)   |
| Reversal/(Provision) for impairment against investments  |             | <b>61,193,468</b>  | -  |
| Element of income and capital gains included in price of units issued less those in units redeemed – net |             | <b>1,151,957</b>   | 3,503,955  |
| <b>Total Income</b>  |             | <b>21,841,588</b>  | 60,015,058   |
| <b>Expenses</b>  |             |  |  |
| Remuneration of the Management company   |             | <b>1,168,741</b>   | 4,146,206  |
| Remuneration of the Trustee  |             | <b>148,381</b>   | 340,857  |
| Annual fee to Securities and Exchange Commission of Pakistan   |             | <b>58,437</b>  | 207,310  |
| Amortization of preliminary expenses and floatation cost   |             | <b>251,778</b>   | 251,778  |
| Auditors' remuneration   |             | <b>116,111</b>   | 169,008  |
| Other Expenses   |             | <b>166,296</b>   | 186,802  |
| <b>Total expenses</b>  |             | <b>1,909,744</b>   | 5,301,961  |
| <b>Net Income</b>  |             | <b>19,931,844</b>  | 54,713,097   |
| <b>Earning per unit</b>  | <b>14</b>   | <b>-</b>   | <b>-</b>   |

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

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

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**



INTERIM CONDENSED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010  
(UNAUDITED)

|   | <b>Quarter ended<br/>September 30,<br/>2010<br/>(Rupees)</b> | <b>Quarter ended<br/>September 30,<br/>2009<br/>(Rupees)</b> |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |  |
| Net income for the period   | 19,931,844   | 54,713,097   |
| <b>Adjustments for:</b>   |  |  |
| Mark-up/ interest income on investments, bank balances and term deposit                             | (11,126,856)   | (68,796,629)   |
| Unrealized Gain on Investments at fair value through profit and loss net                            | 37,147,054   | 11,518,880   |
| Loss on sale of Investments – net   | 14,483,639   | 766,646  |
| Element of income and capital included in prices of units issued less those in units redeemed – net | (1,151,957)  | (3,503,955)  |
| Amortization of preliminary expenses and floatation cost  | 251,778  | 251,778  |
|   | 59,535,502   | (5,050,183)  |
| <b>Working capital changes</b>  |  |  |
| <i>(Increase) / decrease in assets</i>  |  |  |
| Term deposits   | -  | (100,000,000)  |
| Deposits, prepayments and other receivables   | (31,841)   | 253,969  |
|   | (31,841)   | (99,746,031)   |
| <i>Increase / (Decrease) in liabilities</i>   |  |  |
| Remuneration payable to the Management company  | (87,896)   | 31,107   |
| Remuneration payable to the Trustee   | (8,790)  | 1,656  |
| Annual fee payable to Securities & Exchange Commission of Pakistan                                  | (633,933)  | (1,642,870)  |
| Payable against redemption of units   | 41,838,618   | 8,049,728  |
| Accrued expenses and other liabilities  | (957,562)  | (810,076)  |
|   | 40,150,437   | 5,629,545  |
| Proceed from sale of securities   | 104,638,163  | 320,531,493  |
| Markup / interest income received   | 18,284,292   | 78,135,676   |
| Purchase of Securities  | (41,236,746)   | (472,691,432)  |
| <b>Net cash inflow from operating activities</b>  | 181,339,807  | (173,190,932)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |  |  |
| Cash received on issue of units   | 15,700,000   | 446,911,423  |
| Cash paid / payable on redemption of units  | (139,681,145)  | (476,276,481)  |
| <b>Net cash (outflow) / inflow from financing activities</b>  | (123,981,145)  | (29,365,058)   |
| Net (decrease) / increase in cash and cash equivalents  | 57,358,662   | (202,555,990)  |
| Cash and cash equivalents at beginning of the period  | 34,457,434   | 277,366,153  |
| <b>Cash and cash equivalents at end of the period</b>   | 91,816,096   | 74,810,163   |

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

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

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**

INTERIM CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010  
(UNAUDITED)

|  | <b>Quarter ended<br/>September 30,<br/>2010<br/>(Rupees)</b> | <b>Quarter ended<br/>September 30,<br/>2009<br/>(Rupees)</b> |
|--|--|--|
| <b>Net assets at the beginning of the period</b>   | <b>356,015,483</b>   | 1,154,660,171  |
| Cash received on issuance of units*  | <b>15,700,000</b>  | 446,911,423  |
| Cash paid / payable on redemption of units**   | <b>(139,681,145)</b>   | (476,276,481)  |
|  | <b>(123,981,145)</b>   | (29,365,058)   |
| <br>   |  |  |
| Element of loss / (income) and capital loss / (gains) included in<br>prices of units issued less those in units redeemed | <b>(1,151,957)</b>   | (3,503,955)  |
| Loss on sale of Investments – net  | <b>(14,483,639)</b>  | (766,646)  |
| Unrealised Loss on Investments at fair value through profit or loss net  | <b>(37,147,054)</b>  | (11,518,880)   |
| Other income for the period  | <b>71,562,537</b>  | 66,998,623   |
| <br>   |  |  |
| <b>Net assets at the end of the period</b>   | <b>250,814,225</b>   | 1,176,504,255  |
|  | <b>Number of units</b>                                       |  |
| <br>   |  |  |
| Number of units in issue at beginning of the period  | <b>33,853,364</b>  | 119,138,917  |
| Add: Number of units issued  | <b>1,470,271</b>   | 44,583,187   |
| Add: Bonus units issued  | <b>4,043,893</b>   | -  |
|  | <b>39,367,528</b>  | 163,722,104  |
| Less Number of units redeemed  | <b>14,229,126</b>  | 47,870,088   |
| Number of units in issue at the end of the period  | <b>25,138,402</b>  | 115,852,016  |

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

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

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**

INTERIM CONDENSED DISTRIBUTION STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010  
(UNAUDITED)

|   | Quarter ended<br>September 30,<br>2010<br>(Rupees) | Quarter ended<br>September 30,<br>2009<br>(Rupees) |
|---|--|--|
| Undistributed income/ (loss) brought forward  | 17,584,232   | (42,388,947)                                       |
| Final distribution of bonus units for the year ended June 30, 2010<br>(Rs.1.12 per unit dated 07 July 2010) | (37,983,475)                                       | -  |
| Net Income for the period   | 19,931,844   | 54,713,097   |
| Undistributed (loss)/ income carried forward  | <u>(467,399)</u>                                   | <u>12,324,150</u>                                  |

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

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

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010  
(UNAUDITED)

|  | Quarter ended<br>September 30,<br>2010<br>(Rupees) | Quarter ended<br>September 30,<br>2009<br>(Rupees) |
|--|--|--|
| Net Income for the period                        | 19,931,844   | 54,713,097   |
| Other Comprehensive income                       | -  | -  |
| <b>Total Comprehensive income for the period</b> | <b>19,931,844</b>                                  | <b>54,713,097</b>                                  |

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

For BMA Asset Management Company Limited  
(Management Company)

Muddassar Malik  
Chief Executive Officer

Tashfin I Huq  
Director

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

**1. LEGAL STATUS AND NATURE OF BUSINESS**

BMA Chundrigar Road Savings Fund (The Fund) was established in Pakistan under a Trust Deed executed on 19 April 2007 between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee and authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) by Securities and Exchange Commission of Pakistan (SECP) on 18 May 2007.

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.

The Fund is an open-ended mutual fund listed on the Karachi Stock Exchange. 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.

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.

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

**2. STATEMENT OF COMPLIANCE**

These interim condensed financial statements have been prepared in accordance with the requirements of the NBFC Rules and the Non Banking Financial Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) as notified by Securities and Exchange Commission of Pakistan (SECP), directives issued by the SECP and the approved International Financial Reporting Standards (IFRS) as applicable in Pakistan. Approved IFRS comprise of such International Accounting Standards (IAS) and IFRS as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the NBFC Rules, the NBFC Regulations, or directives issued by the SECP differ with the requirements of these standards, the requirements of the NBFC Rules, the NBFC Regulations, and the said directives take precedence. The disclosures made in these interim condensed financial statements have, however, been limited based on the requirements of International Accounting Standard-34: Interim Financial Reporting.

**3. BASIS OF MEASUREMENT**

These interim condensed financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The interim condensed 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.

These financial statements have been presented in Pakistan Rupees which is the reporting currency of the Fund.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed for the preparation of these interim condensed financial statements are the same as those applied in preparing the financial statements of the Fund for the year ended June 30, 2010.

|                         | Note | September 30,<br>2010<br>(Un-Audited)<br>(Rupees) | June 30,<br>2010<br>(Audited)<br>(Rupees) |
|-------------------------|------|---|---|
| <b>5. BANK BALANCES</b> |      |   |   |
| PLS Saving accounts     | 5.1  | <b>91,809,807</b>                                 | 34,450,866                                |
| Current accounts        |      | <b>6,289</b>                                      | 6,568                                     |
|                         |      | <b>91,816,096</b>                                 | <b>34,457,434</b>                         |

5.1 Profit rates on deposit accounts range between 4.89% to 12.25% per annum (June 30, 2010: 4.89% to 12.25% pa)

|   | Note | September 30,<br>2010<br>(Un-Audited)<br>(Rupees) | June 30,<br>2010<br>(Audited)<br>(Rupees) |
|---|------|---|---|
| <b>6. INVESTMENTS</b>                               |      |   |   |
| <b>At fair value through profit or loss</b>         |      |   |   |
| Listed term finance certificates                    | 6.1  | <b>67,639,774</b>                                 | 111,326,295                               |
| Unlisted term finance certificates and sukuks       | 6.2  | <b>129,350,263</b>                                | 128,831,257                               |
| Government securities                               | 6.3  | -   | 71,864,575                                |
|   |      | <b>196,990,037</b>                                | 312,022,127                               |
| <b>Held to maturity</b>                             |      |   |   |
| Certificate of investment / Certificate of deposits | 6.4  | -   | -   |
|   |      | <b>196,990,037</b>                                | <b>312,022,127</b>                        |
| Cost of investment                                  |      | <b>234,137,092</b>                                | 399,685,801                               |

### 6.1 Listed term finance certificates

All term finance certificates have a face value of Rs. 5,000 each

| Name of investee Company                                | Note  | As at 01<br>July<br>2010         | Purchased<br>during<br>the period | Sold<br>the during<br>the period | As at 30<br>Sep<br>2010 | Carrying<br>Value as at<br>September<br>2010 | Percentage of<br>total<br>investments<br>on the basis<br>of carrying<br>value | Percentage<br>of<br>investment in<br>relation to<br>net assets of<br>the fund | Percentage<br>of<br>investment<br>in relation to<br>the issued<br>capital of<br>the investee<br>company |
|---|-------|----------------------------------|-----------------------------------|----------------------------------|-------------------------|--|---|---|---|
|   |       | -----Number of certificates----- |                                   |                                  |                         | (Rupees)                                     |   |   |   |
| <b>Quoted</b>   |       |                                  |                                   |                                  |                         |  |   |   |   |
| <b>Banks</b>  |       |                                  |                                   |                                  |                         |  |   |   |   |
| United Bank Limited– IV<br>(14-02-08)                   |       | -                                | 5,000                             | -                                | 5,000                   | 23,751,225                                   | 12.06%  | 9.50%   | 0.40%   |
| <b>Miscellaneous</b>                                    |       |                                  |                                   |                                  |                         |  |   |   |   |
| Pakistan Mobile<br>Communications Limited<br>(28-10-08) |       | 5,500                            | -                                 | 5,500                            | -                       | -  |   |   |   |
| Pace Pakistan Limited (15-<br>02-08)                    | 6.2.1 | 18,000                           | -                                 | 5,250                            | 12,750                  | 43,888,549                                   | 22.28%  | 17.50%  | 2.93%   |
| <b>Total quoted</b>                                     |       |                                  |                                   |                                  |                         | <b>67,639,774</b>                            | <b>34.34%</b>   |   |   |

## 6.2 Un-listed term finance certificates and sukuk

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

| Name of investee Company  | Note  | As at 01 July 2010 | Purchased during the period | Sold during the period | As at 30 Sep 2010 | Carrying Value as at 30 September 2010 | Percentage of total investments 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 |
|---|-------|--------------------|-----------------------------|------------------------|-------------------|--|--|--|--|
| -----Number of certificates -----   |       |                    |                             |                        |                   | (Rupees)                               |  |  |  |
| <b>Unquoted</b>   |       |                    |                             |                        |                   |  |  |  |  |
| Connected person:   |       |                    |                             |                        |                   |  |  |  |  |
| Food Producers  |       |                    |                             |                        |                   |  |  |  |  |
| AI Abbas Sugar Mills (Private) Limited (21-11-07)   |       | 9,000              | -                           | 9,000                  | -                 | -                                      | -  | -  | -  |
| Others:   |       |                    |                             |                        |                   |  |  |  |  |
| Chemicals   |       |                    |                             |                        |                   |  |  |  |  |
| Engro Fertilizer Limited (18-03-08)   |       | 3,000              | -                           | 3,000                  | -                 | -                                      | -  | -  | -  |
| Construction and materials  |       |                    |                             |                        |                   |  |  |  |  |
| Kohat Cement Limited - sukuk Issue (20-12-07)   |       |                    |                             |                        |                   |  |  |  |  |
|   |       | 10,000             | -                           | -                      | 10,000            | 36,224,919                             | 18.39%   | 14.44%   | 14.49%   |
| Maple Leaf Cement - sukuk Issue (03-12-07)  |       |                    |                             |                        |                   |  |  |  |  |
|   |       | 24,000             | -                           | -                      | 24,000            | 89,942,625                             | 45.65%   | 35.86%   | 11.24%   |
| Maple Leaf Cement – Additional Sukuk Issue (31-03-10)   |       |                    |                             |                        |                   |  |  |  |  |
|   |       | -                  | 849                         | -                      | 849               | 3,182,719                              | 1.62%  | 1.27%  | 1.06%  |
| <b>Household goods</b>  |       |                    |                             |                        |                   |  |  |  |  |
| New Allied Electronics (Private) Limited- term finance certificates (15-05-07)                        |       |                    |                             |                        |                   |  |  |  |  |
|   |       | 10,000             | -                           | -                      | 10,000            | 23,946,178                             | 12.16%   | 9.55%  | -  |
| New Allied Electronics (Private) Limited- sukuk Issue (27-07-07)                                      |       |                    |                             |                        |                   |  |  |  |  |
|   |       | 16,000             | -                           | -                      | 16,000            | 4,721,021                              | 2.40%  | 1.88%  | -  |
| Provision against New Allied Electronics (Private) Limited- term finance certificates and sukuk Issue |       |                    |                             |                        |                   |  |  |  |  |
|   | 6.2.2 |                    |                             |                        |                   | (28,667,199)                           | 14.55%   | -11.43%  | -  |
| <b>Total unquoted debt securities</b>   |       |                    |                             |                        |                   | <b>129,350,263</b>                     | <b>65.66%</b>  |  |  |

- 6.2.1** The issue has been restructured during the quarter and the repayment period has been rescheduled from February 15, 2013 to February 15, 2017. Under the restructuring arrangement the markup rate has been revised from 6 months KIBOR plus 1.5% to 6 months KIBOR plus 2%.
- 6.2.2** This includes investment aggregating to Rs. 28.67 million against which the investee company had not made payments at the contractual dates. The principal due as of the period end has not yet been received. The overdue principal and mark-up receivable against these amounted to Rs. 22.71 million and Rs. 1.38 million, respectively. The Company currently is in the process of negotiating a restructuring proposal with its borrowers. As of the balance sheet 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. 28.67 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.

**6.3 Government securities**

| Type of instrument | Issue date | Tenor (years) | Face Value | Profit Mark-up Rate % | (Quantity)         |                             |                         |                              |                          | Fair Value as at 30 Sept 2010 | Percentage of total investments on the basis of carrying value |
|--------------------|------------|---------------|------------|-----------------------|--------------------|-----------------------------|-------------------------|------------------------------|--------------------------|-------------------------------|--|
|                    |            |               |            |                       | As at 01 July 2010 | Purchases during the period | Sales during the period | Maturities during the period | As at September 30, 2010 |                               |  |
| PIB                | 3-Sep-09   | 10 Years      | 100        | 12.00%                | 250,000            | -                           | 250,000                 | -                            | -                        | -                             | -  |
| PIB                | 30-Aug-08  | 10 Years      | 100        | 12.00%                | 500,000            | -                           | 500,000                 | -                            | -                        | -                             | -  |
| (Rupees)           |            |               |            |                       |                    |                             |                         |                              |                          |                               |  |

**6.4 Held to Maturity**
**Certificate of Investment (COI)**

First Dawood Investment Bank Limited

| Note | September 30,<br>2010<br>(Un-Audited)<br>(Rupees) | June 30, 2010<br>(Audited)<br>(Rupees) |
|------|---|--|
|------|---|--|

|       |              |              |
|-------|--------------|--------------|
| 6.4.1 | 35,000,000   | 35,000,000   |
|       | 35,000,000   | 35,000,000   |
|       | (35,000,000) | (35,000,000) |
|       | -            | -            |

Provision for impairment against investment classified as held to maturity

**6.4.1** First Dawood Investment Bank Limited (FDIBL) made a default in repayment against COI amounting to Rs. 35 million, on 23 October 2008. The Fund filed a suit for the recovery of its investment. The suit was heard in the Banking Court No.III at Karachi 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.

**6.5 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 |
|--|--------------------|--------------------------------------|-----------------------|-------------------------------------|-----------------|-------------------|
| Pace Pakistan Limited (15/02/08)                           | TFC                | 43,888,549                           | -                     | 43,888,549                          | 17.50%          | 14.81%            |
| Kohat Cement Limited - sukuk (13-12-07)                    | Sukuk              | 36,224,919                           | -                     | 36,224,919                          | 14.44%          | 12.22%            |
| Maple Leaf Cement Factory Limited – sukuk Issue (07/01/08) | Sukuk              | 89,942,625                           | -                     | 89,942,625                          | 35.85%          | 30.35%            |



| <b>7. MARK-UP/ INTEREST RECEIVABLE</b>               | <b>September 30,<br/>2010<br/>(Un-Audited)<br/>(Rupees)</b> | <b>June 30, 2010<br/>(Audited)<br/>(Rupees)</b> |
|--|---|---|
| On   |   |   |
| - Bank deposit accounts                              | 656,845   | -   |
| - Investments  |   |   |
| Term finance certificates and sukuk certificates-net | 1,818,811   | 6,643,502                                       |
| Government securities                                | -   | 2,989,590                                       |
|  | <u>2,475,656</u>  | <u>9,633,092</u>                                |

| <b>8. PRELIMINARY EXPENSES AND FLOATATION COSTS</b> | <b>September 30,<br/>2010<br/>(Un-Audited)<br/>(Rupees)</b> | <b>June 30, 2010<br/>(Audited)<br/>(Rupees)</b> |
|---|---|---|
| Preliminary expenses and floatation cost incurred   | 2,148,338   | 3,147,240                                       |
| Less: Amortization during the period                | <u>(251,778)</u>  | <u>(998,902)</u>                                |
|   | <u>1,896,560</u>  | <u>2,148,338</u>                                |

8.1 The preliminary expenses and floatation cost represent initial listing fees, legal and professional charges, advertising and publicity and printing cost of trust deed and offering document and the authorization fee of the Fund.

| <b>9. DEPOSITS AND OTHER RECEIVABLES</b>       | <b>September 30,<br/>2010<br/>(Un-Audited)<br/>(Rupees)</b> | <b>June 30, 2010<br/>(Audited)<br/>(Rupees)</b> |
|--|---|---|
| <b>Security deposit with</b>                   |   |   |
| 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                            | <u>68,711</u>   | <u>36,870</u>                                   |
|  | <u>3,190,522</u>  | <u>3,158,681</u>                                |

**10. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY**

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 as disclosed in the offering document.

**11. REMUNERATION PAYABLE TO THE TRUSTEE**

The Trustee is entitled to a monthly remuneration out of Fund's property based on actual custodial charges/expenses and an annual tariff based on the slab rates given in 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 an approval.

**12. 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% of the average daily net assets.

| <b>13. ACCRUED EXPENSES AND OTHER LIABILITIES</b> | <b>September 30,<br/>2010<br/>(Un-Audited)<br/>(Rupees)</b> | <b>June 30, 2010<br/>(Audited)<br/>(Rupees)</b> |
|---|---|---|
| Auditor's remuneration                            | 149,435   | 357,545   |
| Sales load payable                                | 47,928  | 47,928  |
| Preliminary expenses and floatation cost          | 2,000,000   | 3,000,000                                       |
| Others  | <u>635,198</u>  | <u>384,650</u>                                  |
|   | <u><b>2,832,561</b></u>                                     | <u><b>3,790,123</b></u>                         |

**14. 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.

**15. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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 Capital Management Limited – Staff Provident Fund, BMA Financial Services Limited, MCB Financial Services Limited (formerly Muslim Commercial Financial Services Limited) (the Trustee), Al Abbas Sugar Mills Limited (common directorship) and key management personnel of the Management Company.

Remuneration payable to the Management company and the trustee is determined in accordance with the provision of the NBFC Regulations, 2008 and the Trust Deed respectively. Details of transactions with related parties and balances with them at the period ended are as follows:

|  | <b>For the Quarter ended<br/>September 30, 2010<br/>(Units) (Rupees)</b> |           | <b>For the Quarter ended<br/>September 30, 2009<br/>(Units) (Rupees)</b> |            |
|--|--|-----------|--|------------|
| <b><u>Units sold to:</u></b>                             |  |           |  |            |
| Directors and executives of the management company       | 5,072  | 35,564    | -  | -          |
| BMA Capital Management Limited                           | -  | -         | 8,619,387  | 86,261,337 |
| <b><u>Unit holders with holding of 10% and above</u></b> |  |           |  |            |
| Trustees Adamjee Foundation                              | 385,449  | 3,620,442 | -  | -          |
| MCB Bank Limited Staff Provident Fund                    | 470,191  | 4,416,407 | -  | -          |
| Mrs. Zareen Gulgee                                       | 276,863  | 2,600,521 | -  | -          |
| Wellcome Pakistan Limited Provident Fund                 | 555,787  | 5,220,396 | -  | -          |

|   | For the Quarter ended<br>September 30, 2010 |            | For the Quarter ended<br>September 30, 2009 |             |
|---|---|------------|---|-------------|
|   | (Units)                                     | (Rupees)   | (Units)                                     | (Rupees)    |
| <b>Units redeemed to:</b>                           |   |            |   |             |
| Directors and executives of the management company  | 12,053                                      | 110,261    | -   | -           |
| BMA Capital Management Limited                      | -   | -          | 7,083,090                                   | 71,046,630  |
| BMA Capital Management Limited Staff Provident Fund | -   | -          | 64,577                                      | 641,312     |
| BMA Asset Management Company Limited                | -   | -          | 10,235,834                                  | 100,000,000 |
| <b>Unit holders with holding of 10% and above</b>   |   |            |   |             |
| Trustees Adamjee Foundation                         | 3,612,224                                   | 33,945,87  | -   | -           |
| MCB Bank Limited Staff Provident Fund               | -   | -          | 1,490,283                                   | 15,000,000  |
| Mrs. Zareen Gulgee                                  | -   | -          | -   | -           |
| Wellcome Pakistan Limited Provident Fund            | 2,760,792                                   | 27,220,396 | 4,652,760                                   | 48,930,278  |

|   | Sep 30,<br>2010 |  | Sep 30,<br>2009 |           |
|---|-----------------|--|-----------------|-----------|
|   | (Un-Audited)    |  |                 |           |
|   | (Rupees)        |  | (Rupees)        |           |
| <b>Transactions with related parties</b>      |                 |  |                 |           |
| <b>Al Abbas Sugar Mills Limited</b>           |                 |  |                 |           |
| - Income received on term finance certificate |                 |  | 1,473,573       | 2,272,656 |
| <b>BMA Asset Management Company</b>           |                 |  |                 |           |
| - Sales Load                                  |                 |  | -               | -         |
| - Remuneration to management company          |                 |  | 1,168,741       | 4,146,206 |
| <b>Trustee</b>                                |                 |  |                 |           |
| - Remuneration of the trustee                 |                 |  | 148,381         | 340,857   |

|  | September 30, 2010 |            | June 30, 2010 |            |
|--|--------------------|------------|---------------|------------|
|  | (Units)            | (Rupees)   | (Units)       | (Rupees)   |
| <b>Units Held by:</b>                                  |                    |            |               |            |
| - Directors and executives of the management company   | 35,483             | 354,027    | 42,463        | 441,365    |
| - BMA Asset Management Company Limited                 | -                  | -          | -             | -          |
| - BMA Capital Management Limited                       | -                  | -          | -             | -          |
| - BMA Capital Management Limited- Staff Provident Fund | -                  | -          | -             | -          |
| <b>Unit holders with holding of 10% and above</b>      |                    |            |               |            |
| Trustees Adamjee Foundation                            | -                  | -          | 3,226,776     | 33,934,060 |
| MCB Bank Limited Staff Provident Fund                  | 4,406,382          | 25,887,288 | 3,936,191     | 41,394,558 |
| Mrs. Zareen Gulgee                                     | 2,594,619          | 25,887,288 | 2,317,755     | 24,374,439 |
| Wellcome Pakistan Limited Provident Fund               | 2,447,754          | 24,421,980 | 4,652,760     | 48,930,278 |
| <b>Investment in related party</b>                     |                    |            |               |            |
| - Al Abbas Sugar Mills Limited (TFC certificates)      | -                  | -          | 9,000         | 30,489,374 |

|  | September 30,<br>2010 |  | June 30, 2010 |           |
|--|-----------------------|--|---------------|-----------|
|  | (Rupees)              |  |               |           |
| <b>Balances with related parties:</b>            |                       |  |               |           |
| <b>BMA Asset Management Company</b>              |                       |  |               |           |
| - Remuneration payable to the management company |                       |  | 365,067       | 452,963   |
| - Formation cost payable                         |                       |  | 2,000,000     | 3,000,000 |
| <b>Trustee</b>                                   |                       |  |               |           |
| - Remuneration payable to the trustee            |                       |  | 46,781        | 55,571    |

**16. DATE OF AUTHORISATION FOR ISSUE**

These interim condensed financial statements were authorised for issue by the Board of Directors of the management company on October 25, 2010.

**17. GENERAL**

**17.1** Figures have been rounded off to nearest rupee.

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

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**