

## 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>AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION.....</b>	<b>6</b>
<b>REPORT OF THE TRUSTEE TO THE UNIT HOLDERS .....</b>	<b>7</b>
<b>INTERIM CONDENSED STATEMENT OF ASSETS AND LIABILITIES.....</b>	<b>8</b>
<b>INTERIM CONDENSED INCOME STATEMENT.....</b>	<b>9</b>
<b>INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>10</b>
<b>INTERIM CONDENSED DISTRIBUTION STATEMENT .....</b>	<b>11</b>
<b>INTERIM CONDENSED CASH FLOW STATEMENT .....</b>	<b>12</b>
<b>INTERIM CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND.....</b>	<b>13</b>
<b>NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION.....</b>	<b>14</b>



## **MISSION STATEMENT**

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

## **VISION STATEMENT**

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

## **REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY**

The Board of Directors of BMA Asset Management Company Limited, the Management Company of BMA Chundrigar Road Savings Fund (BCSF), is pleased to present its report and financial statements of the Fund for the period ended September 30, 2014.

### **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 of the same year. The BCSF seeks to provide its investors with an attractive rate of return by investing in all fixed income and money market instruments of medium 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.

### **FUND'S FINANCIAL PERFORMANCE**

During the period ended September 30, 2014, the Fund earned Rs. 5.23 million from income on investments, bank balances, term deposits and Margin Trading System. The fund also realized a loss of Rs. 0.16 million on investments and had an unrealized loss of Rs. 0.03 million. Thus the total income earned came to Rs. 5.03 million.

Total expenses for the period came to Rs. 1.56 million. This included remunerations to the trustee of the fund, fee to the SECP, and remuneration to the management company of Rs. 0.10 million, Rs. 0.04 million and Rs. 0.71 million, respectively. In addition, the fund booked an element of income and capital gains from the issue and redemption of units which totaled Rs. 0.59 million.

As a result the net income for the period was Rs. 4.07 million.

### **Financial highlights**

**September 30, 2014**

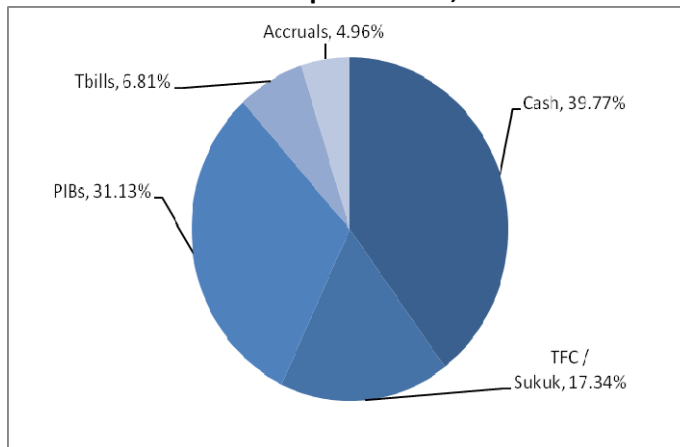
	<b>Rupees</b>
Mark up/interest income	5,226,743
Gain / (Loss) on investments (NET)	(164,143)
Unrealized Gain / (Loss) on investments	(29,042)
<b>Total Income</b>	<b>5,033,558</b>
Expenses	(1,558,092)
Element of Income / (Loss)	594,295
<b>Net Income</b>	<b>4,069,761</b>
Net Asset Value per unit (Rupees)	8.24

## INVESTMENT STRATEGY

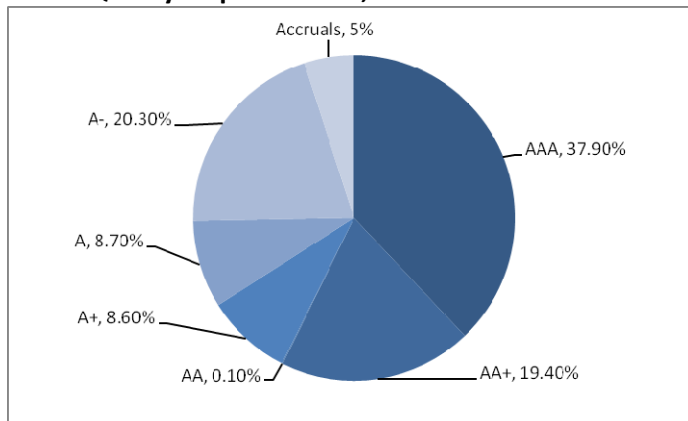
During the period, the fund aimed to maintain a majority of its exposure in shorter to medium term sovereign bonds, while selectively deploying assets in high yielding instruments. This enabled the fund to generate a competitive rate of return while retaining both liquidity and its ability to respond quickly in an uncertain macroeconomic environment. As of 30<sup>th</sup> September, the portfolio duration of the fund was 53 days. This was done so that fund could derive the greatest benefit from the prevailing adjustments in yield curve.

As of September 30<sup>th</sup>, 2014, the net assets of the fund were Rs. 218.87 million, 40.67% of these assets were held in cash, 30.92% in PIBs, 17.33% in TFCs and sukuks, 6.83% in T bills, and 4.25% in accruals. In line with this asset allocation, the credit quality of the fund remained high with 37.9% allocated to sovereign rated debt, 19.4% to AA+, 0.1% to AA, 8.6% to A+, 8.7% to A, 20.3% to A-, and 5% was held in accruals.

### Asset Allocation as on September 30, 2014



### Credit Quality: September 30, 2014



## RETURN DURING THE PERIOD FOR INVESTORS

During 1QFY15, the Fund generated an annualized return of 7.52%. This performance is net of all expenses.

## RECENT DEVELOPMENTS

The fund is assigned to the aggressive income fund category. Thereafter, the fund has maintained its position in the top quartile on the back of high credit quality and liquidity profile. Moreover, 37.9% of net assets are rated AAA, as of September 30<sup>th</sup>, 2014, with a major allocation in medium to short term government papers and corporate bonds. Because of this, the fund's ability to meet redemptions and remain flexible in an uncertain macroeconomic environment has improved tremendously.

## MACROECONOMIC OUTLOOK

The price behavior during the 1QFY15 was largely in-line as per market expectations. The CPI inflation for Sep'14 inched up slightly and recorded at 7.68% YoY as compared to 6.99% YoY registered in August'14. 1QFY15 inflation averaged at 7.52% YoY as compared 8.06% YoY recorded in same quarter last year. On month-on-month basis CPI increased by 0.35% and 0.33% during September and August respectively, where as we have seen major jump of 1.7% in July 2014 due to Ramadan effect. The major reasons behind the uptick in 1QFY15 CPI are higher food inflation driven by perishable food items, surge in house rent Index and in Transport Index. Owing to high base effect and drop in commodity prices, we expect CPI to stay within the range of 8%-8.5% over the next three months.

During the 1QFY15, Pak rupee was under-stress and depreciated by 3.75% against the US Dollar. In addition to this, the country's FX reserves continued their downward trend started from beginning of the quarter and dropped to US\$13.5bn. The major reasons behind the decline are hefty import bills, payment to international lenders and speculative buying in FX market. We believe that, softer oil prices, jump in exports and about US\$2.4bn prospective inflows from OGDC GDR, SUKUK bond and combined IMF tranches in 2QFY15 should boost FX reserves position in near term.

Overseas Pakistanis remitted US\$1.72 bn in the month of September, which is 29% higher than the amount (US\$1.32 bn) they remitted during second month of FY15, the uptick likely driven by the Eid season. This brings 1Q FY15 figure to US\$4.7bn as against US\$3.9bn in the same period last year. The current account deficit increased to US\$1.33 bn for the first quarter of FY15 to US\$1.27 bn in the same quarter of the last fiscal year. Due to slow down in export and strong jump in imports Pakistan's Trade deficit expanded by over 36% to US\$5.9bn in the 1Q of FY15 as against US\$4.3bn during the same period last year. However, Exports got a boost in September as against consistent slow down since April 2014. The ballooning trade deficit has played instrumental role in expanding the current account deficit. We are projecting US\$ 3.2bn (1.2% of GDP) current account deficit in FY15 as compared to US\$ 3bn in FY14.

Despite drastic improvement in key economic variables such as containment of fiscal deficit, reduction in inflation, stable rupee dollar parity and growing reserves, SBP adopted cautious monetary stance during 1QFY15. However, we believe that comfortable real interest rate of 230bps and 250bps over September'14 and 1QFY15 average inflation, settlement of ongoing political crisis and completion of IMF review on time will build a strong case for DR cut in the next monetary policy due in November 2014.

## STRATEGY

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

- Build exposure in high quality, medium to long term instruments, keeping in mind an appropriate risk/reward ratio.
- To transform portfolio allocation largely towards floating rate instruments to avoid interest rate risk.
- Increase duration with the intention of trading in fixed and floating rate instruments to take advantage of falling yields.
- Realize gains at the bottom of the interest rate cycle which we expect to occur during 1HFY15.

**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 27, 2014**

**Adeel Ahmad Khan  
Chief Executive Officer**

**BMA CHUNDRIGAR ROAD SAVINGS FUND  
INTERIM CONDENSED STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2014**

	September 30, 2014 (Un-Audited)	June 30, 2014 (Audited)
	------(Rupees)-----	
<b>ASSETS</b>		
Bank balances	4 89,009,764	65,184,304
Investments	5 120,536,127	87,664,240
Receivable against marginal trading system	-	29,501,468
Profit receivable	6 8,131,544	8,761,133
Security deposit	7 2,950,000	2,950,000
Prepayments and other receivables	528,928	448,836
<b>Total assets</b>	<b>221,156,362</b>	<b>194,509,981</b>
<b>LIABILITIES</b>		
Payable to the Management Company	8 1,379,074	944,024
Payable to MCB Financial Services Limited - Trustee	9 33,151	33,698
Payable to the Securities and Exchange Commission of Pakistan	10 35,442	193,713
Dividend Payable	-	8,822
Accrued expenses and other liabilities	11 843,246	534,115
<b>Total liabilities</b>	<b>2,290,912</b>	<b>1,714,372</b>
<b>NET ASSETS</b>	<b>218,865,450</b>	<b>192,795,609</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>	<b>218,865,450</b>	<b>192,795,609</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	
	<b>Number of units</b>	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>26,576,752</b>	<b>23,854,589</b>
	<b>Rupees</b>	
<b>NET ASSET VALUE PER UNIT</b>	<b>8.24</b>	<b>8.08</b>

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

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

**Chief Executive Officer**

**Director**



**BMA CHUNDRIGAR ROAD SAVINGS FUND  
CONDENSED INTERIM INCOME STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

	<b>Quarter ended September 30, 2014</b>	<b>Quarter ended September 30, 2013</b>
	----- <b>(Rupees)</b> -----	
<b>INCOME</b>		
Mark-up/ interest income on investments and bank balances	5,226,743	7,260,913
Capital (loss) on sale of investments - net	(164,143)	(1,852,751)
Net unrealised (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(29,042)	(123,315)
<b>Total income</b>	<b>5,033,558</b>	<b>5,284,847</b>
	<hr/>	<hr/>
	5,033,558	5,284,847
<b>EXPENSES</b>		
Remuneration of the Management Company	708,840	1,246,512
Sindh Sales Tax on Management Company's remuneration	123,338	199,442
Federal excise duty on remuneration of the Management Company	113,414	199,442
Remuneration of MCB Financial Services Limited - Trustee	101,096	156,158
Annual fee - Securities and Exchange Commission of Pakistan	35,442	62,321
Auditors' remuneration	66,921	117,201
Other expenses	409,042	178,775
<b>Total expenses</b>	<b>1,558,092</b>	<b>2,159,850</b>
	<hr/>	<hr/>
<b>Net Income from operating activities</b>	<b>3,475,465</b>	<b>3,124,997</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	594,295	(234,748)
	<hr/>	<hr/>
<b>Net income for the period before taxation</b>	<b>4,069,761</b>	<b>2,890,249</b>
Taxation	-	-
	<hr/>	<hr/>
<b>Net income for the period after taxation</b>	<b>4,069,761</b>	<b>2,890,249</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per unit</b>	3.1	-
	<hr/> <hr/>	<hr/> <hr/>

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

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

**Chief Executive Officer**

**Director**

**BMA CHUNDRIGAR ROAD SAVINGS FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

	<b>Quarter ended September 30, 2014</b>	<b>Quarter ended September 30, 2013</b>
	----- <b>(Rupees)</b> -----	
Net income for the period after taxation	4,069,761	2,890,249
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>4,069,761</u>	<u>2,890,249</u>

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

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

**Chief Executive Officer**

**Director**

**BMA CHUNDRIGAR ROAD SAVINGS FUND  
INTERIM CONDENSED DISTRIBUTION STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

	<b>Quarter Ended September 30, 2014</b>	Quarter Ended September 30, 2013
	----- <b>(Rupees)</b> -----	
Accumulated loss brought forward	(95,059,984)	(96,578,094)
Net income for the period after taxation	4,069,761	2,890,249
2014: Nil (2013: Rs. 0.05 per unit on August 29, 2013)	-	(810,097)
2014: Nil (2013: Rs. 0.35 per unit on September 30, 2013)	-	(1,187,891)
Accumulated loss carried forward	<u>(90,990,223)</u>	<u>(95,685,833)</u>

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

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

**Chief Executive Officer**

**Director**

**BMA CHUNDRIGAR ROAD SAVINGS FUND  
CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

Note	Quarter ended September 30, 2014	Quarter ended September 30, 2013
	------(Rupees)-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period	4,069,761	2,890,249
<b>Adjustments for:</b>		
Mark-up/ interest income on investments and bank balances	(5,226,743)	(7,260,913)
Capital loss on sale of investments - net	164,143	1,852,751
Net unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	29,042	123,315
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(594,295)	234,748
	(5,627,853)	(5,050,099)
<b>Working capital changes</b>		
<b>(Increase) in assets</b>		
Investments- Net	(3,563,604)	43,571,973
Profit receivable	5,856,332	8,918,101
Deposit, prepayments and other receivables	(80,092)	(297,160)
	2,212,636	52,192,914
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	435,050	128,451
Payable to MCB Financial Services Limited - Trustee	(547)	(4,958)
Payable to the Securities and Exchange Commission of Pakistan	(158,271)	(244,691)
Dividend payable	(8,822)	(5,671)
Accrued expenses and other liabilities	309,131	202,062
	576,540	75,193
<b>Net cash generated from operating activities</b>	<u>1,231,084</u>	<u>50,108,257</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	53,822,564	5,421,535
Payments on redemption of units	(31,228,189)	(83,785,245)
<b>Net cash (used in) financing activities</b>	22,594,376	(78,363,710)
<b>Net increase in cash and cash equivalents</b>	<u>23,825,460</u>	<u>(28,255,453)</u>
Cash and cash equivalents at beginning of the period	65,184,304	70,200,566
<b>Cash and cash equivalents at end of the period</b>	4 <u><u>89,009,764</u></u>	<u><u>41,945,113</u></u>

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

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

**Chief Executive Officer**

**Director**

**BMA CHUNDRIGAR ROAD SAVINGS FUND  
INTERIM CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

Notes	Quarter Ended September 30, 2014 ------(Rupees)-----	Quarter Ended September 30, 2013
<b>Net assets at the beginning of the period {Rs. 8.08 per unit (June 30, 2013: Rs. 8.02 per unit)}</b>	192,795,609	349,456,851
Issue of 6,542,410 units(2013: 677,789 units) including bonus Nil units (2013: 248,930 units)	53,822,564	5,421,535
Redemption of 3,820,247 units (2013: 10,421,253 units)	(31,228,189)	(83,785,245)
	22,594,376	(78,363,710)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(594,295)	234,748
Net unrealised (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(29,042)	(123,315)
Capital gain on sale of investments	(164,143)	(1,852,751)
Other income	4,262,946	4,866,315
	4,069,761	2,890,249
<b>Net assets at the end of the period {Rs. 8.24 per unit (September 30, 2013: Rs. 8.04 per unit)}</b>	<u>218,865,450</u>	<u>274,218,138</u>
	<b>Number of units</b>	
<b>NUMBER OF UNITS IN ISSUE</b>	<u>26,576,752</u>	<u>34,087,156</u>
	----- (Rupees)-----	
<b>NET ASSET VALUE PER UNIT</b>	<u>8.24</u>	<u>8.04</u>

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

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

**Chief Executive Officer**

**Director**

**BMA CHUNDRIGAR ROAD SAVINGS FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

BMA Chundrigar Road Savings Fund (the Fund) was established in Pakistan under a Trust Deed executed 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 Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended money market 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) and AM3+ to the Fund and the Management Company respectively.

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

**2 STATEMENT OF COMPLIANCE**

**2.1 Statement of Compliance**

This condensed interim financial Statements 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 Statements 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 statement of the Fund for the year ended June 30, 2014.

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 September 30, 2014.

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

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or do not have any significant effect on the Funds operations and are therefore not detailed in these financial statements.

### 2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or do not have any significant effect on the Funds operations and are therefore not detailed in these financial statements.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2014.

The preparation of this condensed interim financial statements 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, 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the period ended June 30, 2014.

#### 3.1 Earning Per unit

Earning per unit (EPU) for the period ended September 30, 2014 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

	Note	September 30, 2014	June 30, 2014
<b>4 BANK BALANCES</b>			
		------(Rupees)-----	
Savings accounts	4.1	<u>89,009,764</u>	<u>65,184,304</u>
4.1	These accounts carry a rate of return ranging from 6.00% to 9.50 % per annum (2014: 6.00% to 9.50% per annum).		

	Note	September 30, 2014	June 30, 2014
<b>5 INVESTMENTS</b>			
		------(Rupees)-----	
<b>Financial assets 'at fair value through profit or loss'</b>			
Term finance certificates and sukuk	5.1	37,935,409	5,684,007
Investment in government securities	5.2	82,600,718	177,431,199
		120,536,127	183,115,206
<b>Loans and receivables</b>			
Certificates of Investment		-	85,000,000
		<u>120,536,127</u>	<u>268,115,206</u>

## 5.1 Listed and Unlisted term finance certificates and sukuku

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

Name of Security	(Number of Certificates)				Carrying value as at September 30, 2014	Market value as at September 30, 2014	Unrealised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2014	Purchased during the period	Sold during the period	As at September 30, 2014					
------(Rupees)-----									
<b>Listed term finance certificates</b>									
Pace Pakistan Limited - February 15, 2008	4,000	-	-	4,000	-	-	-		
Tameer Mircro Finance Bank Limited- December 28, 2012	3,800	-	-	3,800	18,935,409	18,935,409	-	15.71%	8.65%
<b>Un-listed term finance certificates and sukuk</b>									
Kohat Cement Company Limited									
Al Baraka Invertment Company Sukuk Certificates - September 26, 2014	-	19	-	19	19,000,000	19,000,000	-	15.76%	8.68%
<b>Cable and Electronics</b>									
New Allied Electronics (Private) Limited - May 15, 2007	10,000	-	-	10,000	-	-	-		
New Allied Electronics (Private) Limited - Sukuk Certificate - July 27, 2007	16,000	-	-	16,000	-	-	-		
<b>Total as at September 30, 2014</b>					<b>37,935,409</b>	<b>37,935,409</b>	<b>-</b>	<b>31.47%</b>	<b>17.33%</b>

### 5.1.1 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 (Issue date - February 15, 2008)	4,000	4,993	6 months KIBOR + 2%	February 15, 2017	Secured	NPA
New Allied Electronics (Private) Limited (Issue date - May 15, 2007)	10,000	2,114	3 month KIBOR +2.75%	May 15, 2011	Secured	NPA
New Allied Electronics (Private) Limited (Issue date - July 27, 2007)	16,000	293	3 month KIBOR +2.6%	July 25, 2012	Secured	NPA

### 5.1.2 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:

#### 5.1.3 Provision against term finance certificates and sukuk

	September 30, 2014			June 30, 2014		
	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 Sukuk - July 27, 2007	4,721,001	4,721,001	-	4,721,001	4,721,001	-
<b>Total as at September 30, 2013</b>	<b>39,627,958</b>	<b>39,627,958</b>	<b>-</b>	<b>39,627,958</b>	<b>39,627,958</b>	<b>-</b>



## 5.2 Investment in Government securities - 'at fair value through profit or loss'

### 5.2.1 Market Treasury Bills

Issue date	Tenor	Face Value					Balance as at September 30, 2014				
		As at July 1, 2014	Purchased during the period	Disposed / Matured during the period	As at September 30, 2014	Carrying Value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets	
-----Rupees in ----- %-----											
May 29, 2014	12 Months	20,000,000	-	20,000,000	-	-	-	-	-	-	
June 26, 2014	12 Months	22,000,000	-	22,000,000	-	-	-	-	-	-	
January 23, 2014	12 Months	7,000,000	-	7,000,000	-	-	-	-	-	-	
August 21, 2014	3 Months	-	30,000,000	30,000,000	-	-	-	-	-	-	
July 10, 2014	3 Months	-	31,500,000	31,500,000	-	-	-	-	-	-	
September 4, 2014	3 Months	-	31,000,000	31,000,000	-	-	-	-	-	-	
July 24, 2014	3 Months	-	15,000,000	-	15,000,000	14,940,549	14,937,624	(2,925)	12.39%	6.83%	
<b>Total as at Sep 30, 2014</b>					<b>15,000,000</b>	<b>14,940,549</b>	<b>14,937,624</b>	<b>(2,925)</b>	<b>12.39%</b>	<b>6.83%</b>	

### 5.2.2 Pakistan Investment Bonds

Issue date	Tenor	Face Value					Balance as at September 30, 2014				
		As at July 1, 2014	Purchased during the period	Sold during the period	Matured during the period	As at September 30, 2014	Carrying Value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
----- (Rupees) ----- % -----											
July 19, 2012	10 year	-	430,000	430,000	-	-	-	-	-	-	
July 18, 2013	5 years	21,250,000	640,000	21,890,000	-	-	-	-	-	-	
July 18, 2013	3 Years	-	110,000,000	110,000,000	-	-	-	-	-	-	
July 17, 2014	10 year	-	25,000,000	25,000,000	-	-	-	-	-	-	
July 17, 2014	5 years	-	75,000,000	54,900,000	-	20,100,000	19,039,510	19,121,154	81,644	15.86%	
July 17, 2014	3 Years	-	90,000,000	40,000,000	-	50,000,000	48,649,702	48,541,940	(107,762)	40.27%	
					<b>70,100,000</b>	<b>67,689,212</b>	<b>67,663,094</b>	<b>(26,118)</b>	<b>56.14%</b>	<b>30.92%</b>	

September 30, 2014      June 30, 2014  
----- (Rupees) -----

## 6 PROFIT RECEIVABLE

Profit on bank deposits	699,440	352,363
Profit on sukuk certificate	5,780,324	7,173,776
Profit on Pakistan investment bonds	1,651,780	1,081,159
Profit receivable on certificate of investment	-	153,835
	<u>8,131,544</u>	<u>8,761,133</u>

	September 30, 2014	June 30, 2014
	------(Rupees)-----	
<b>7 SECURITY DEPOSIT</b>		
Security deposit with:		
- National Clearing Company of Pakistan Limited for MTS	250,000	250,000
- Central Depository Company of Pakistan Limited	200,000	200,000
- National Clearing Company of Pakistan Limited	<u>2,500,000</u>	<u>2,500,000</u>
	<u>2,950,000</u>	<u>2,950,000</u>

#### 8 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 percent 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 percent 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.

	September 30, 2014	June 30, 2014
Remuneration of the Management Company	218,233	243,839
Sindh Sales Tax on Management Company's remuneration	37,973	39,010
Federal Excise Duty on Management Company	780,932	661,175
Sales Load Payable	334,936	-
Other payable	<u>7,000</u>	<u>-</u>
	<u>1,379,074</u>	<u>944,024</u>

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 percent 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 percent of such assets of the Fund. The rate used by the Management company (and the Fund) is 1.5 % (2013: 1.5%) per annum of the average daily net assets of the Fund as disclosed in the offering document.

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED.

	Note	September 30, 2014	June 30, 2014
		------(Rupees)-----	
<b>9 FEE PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE</b>	9.1	<u>33,151</u>	<u>33,698</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at September 30, 2014 is as follows:

Amount of funds under management (average NAV)	Tariff per annum
Up to Rs. 250 million to Rs. 500 million	Rs.0.5 million plus 0.15% per annum of the Net Assets exceeding Rs. 250 million
Up to Rs. 500 million to Rs. 1,000 million	Rs.0.875 million plus 0.08% per annum of the Net Assets exceeding Rs. 500 million
Up to Rs. 1,000 million to Rs. 2,000 million	Rs.1.275 million plus 0.08% per annum of the Net Assets exceeding Rs. 2,000 million

	Note	September 30, 2014	June 30, 2014
		----- (Rupees) -----	
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>		
	Annual fee	10.1	35,442
			193,713

- 10.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as 'Aggressive Fixed Income Scheme' is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the scheme. The Fund has been classified as an Aggressive Fixed Income Scheme by the Management Company.

		September 30, 2014	June 30, 2014
		----- (Rupees) -----	
<b>11</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Auditors' remuneration payable		403,396
	Brokerage expense payable		25,649
	Printing expense payable		60,314
	Provision for Worker's Welfare Fund	11.1	120,783
	Other payable		233,104
			843,246
			534,115

**11.1 Provision for Workers' Welfare Fund**

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 (CISs) / Pension Funds 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 (SHC), challenging the applicability of WWF to the CISs / pension funds, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 15, 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several mutual funds (CISs) / pension funds for the collection of WWF. In respect of such show cause notices, certain mutual funds (CISs) / pension funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred to above.

In March 2013, a three member bench of the Sindh High Court in its judgment on various Constitutional Petitions challenging the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, held that WWF is a tax and consequently, the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through the Finance Act, 2006 and 2008 respectively (Money Bills) do not suffer from any constitutional or legal infirmity. This judgment was in contrast to the July 2011 single member bench decision of the Honorable Lahore High Court which had held such amendments as unlawful and unconstitutional for the reason that they were made through the money bills.

In a recent judgment of May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For CISs and Pension Funds the issue of chargeability or otherwise of WWF levy to the CISs / Pension schemes, is currently, pending before the Honorable SHC.

The Management Company believes that the decision of the Honorable Lahore High Court will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh. Further, based on the opinion from the legal counsel of Mutual Funds Association of Pakistan (MUFAP), there are good chances for the Constitutional Petition to be decided in favor of the mutual funds. However, considering the open ended nature of the Fund, the Board of Directors (BoD) of the Management Company through the resolution by circulation dated July 15, 2014 have decided that accumulated unrecorded WWF provision from the date of its application till May 07, 2014 will be borne by the Management Company subject to the decision of the court. The BoD further resolved that with effect from May 08, 2014, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971.

The accumulated provision for WWF, which will be borne by the Management Company till May 07, 2014 amounted to Rs. 2.66 million. A provision amounting to Rs.0.12 million relating to the period after May 07, 2014 has been recorded by the Fund. Had the provision not been made, the net assets value of the Fund would have been higher by Rs 0.005 per unit.

**12 CONTINGENCIES AND COMMITMENTS**

There were no other contingencies and commitments outstanding as at September 30, 2014 and June 30, 2014.

### 13 TRANSACTIONS WITH CONNECTED PERSONS

13.1 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 Financial Services Limited and the Trustee, MCB Financial Services Limited. Transactions with connected persons can be summarised as follows:

13.2 Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

13.3 Details of the transactions with connected persons are as follows:

<u>Units issued (including bonus) to:</u>	For the Quarter ended 30-Sep-14		For the Quarter ended 30-Sep-13	
	(Units)	(Rupees)	(Units)	(Rupees)
<b>Directors and executives of the Management company</b>	1,239,483	10,152,000	140	1,123
<b>Associated Companies</b>				
BMA Asset Management Company Limited	-	-	142,253	1,141,794
BMA Funds Limited	-	-	0.02	0.13
<b>Unitholders with holding of 10% and above</b>				
Habib Metropolitan Bank Limited	-	-	26,195	210,250
<u>Units redeemed by:</u>				
<b>Directors and executives of the Management company</b>	1,170,211	9,588,601	144,653	1,159,889
<b>Associated Companies</b>				
BMA Asset Management Company Limited	2,639,117	21,550,000	1,616,880	13,000,000
BMA Funds Limited	-	-	-	-
<b>Unitholders with holding of 10% and above</b>				
Habib Metropolitan Bank Limited	-	-	1,619,532	13,000,000
<b>Transactions with Associated Company</b>				
<b>BMA Asset Management Company Limited</b>				
Management Company's remuneration		708,840		1,246,512
Sindh Sales Tax on Management Company's remuneration		123,338		199,442
Federal Excise Duty on Management Company's remuneration		113,414		199,442
<b>Transactions with trustee- other related parties</b>				
<b>MCB Financial Services Limited - Trustee</b>				
Remuneration for the period		101,096		156,158
	<b>September 30, 2014</b>		<b>June 30, 2014</b>	
	(Units)	(Rupees)	(Units)	(Rupees)
<u>Units Held by:</u>				
<b>Directors and executives of the Management company</b>	86,707	714,047	514,517	4,158,327
<b>Associated Companies</b>				
BMA Asset Management Company Limited	16,667,582	137,260,872	19,306,699	156,036,738
BMA Funds Limited	2	20	2	20
<b>Balances with related parties</b>			<b>September 30, 2014</b>	<b>June 30, 2014</b>
			----- (Rupees) -----	
<b>BMA Asset Management Company Limited</b>				
Management Company's remuneration			218,233	427,097
Sindh Sales Tax on Management Company's remuneration			37,973	68,333
Federal Excise Duty on Management Company's remuneration			780,932	41,276
Sales Load payable to the management company			334,936	64,865
Other Payable			5,417	5,417
<b>Balances with other related parties- Trustee</b>				
<b>MCB Financial Services Limited - Trustee</b>				
Remuneration payable			33,151	33,698

**14 DATE OF AUTHORISATION FOR ISSUE**

These condensed financial statements were authorised for issue by the Board of Directors of the Management Company on 31 October 2014 .

**15 GENERAL**

Figures have been rounded off to the nearest rupee.

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

**Chief Executive Officer**

**Director**