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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. Faisal Ali Khan

Audit Committee of the Management Company

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

Trustee

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

Bankers

Standard Chartered Bank Pakistan Limited
Allied Bank Limited
Faysal Bank Limited
MCB Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
JS Bank Limited
Habib Bank Limited
Askari Bank Limited

Distributors

BMA Financial Services Limited

Auditors

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

Legal Adviser

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

Registrar

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

Fund Stability Rating

AA+ (f)

Management Quality Rating

Rating Under Process

MISSION STATEMENT

The BMA Empress Cash Fund aims to minimize risk, maximize liquidity and generate a competitive rate of return with Portfolio allocation concentrated in AA rated banks and short duration sovereign rated securities, which will enable the fund to earn consistent risk adjusted returns and beat its benchmark (three month deposit rate offered by AA rated banks) while maintaining adequate liquidity and supreme credit quality.

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 Empress Cash Fund (BECF) is pleased to present its report and financial statements of the Fund for the period ended December 31, 2012.

PROFILE

The BMA Empress Cash Fund is a professionally managed cash fund, which aims to minimize risk, maximize liquidity and generate a competitive rate of return. Portfolio allocation will be concentrated in AA rated banks and short duration sovereign rated securities, which will enable the fund to earn consistent risk adjusted returns. The Fund was launched on 12 November 2009 and aims to consistently beat its benchmark (3M deposit rate offered by AA rated banks) while maintaining adequate liquidity and superior credit quality.

FUND'S FINANCIAL PERFORMANCE

For the period ended December 31, 2012 the Fund earned Rs. 45.69 mn from income on investments, bank balances and term deposits, had unrealized gains of Rs. 0.25 mn on investments and realized gains of Rs. 0.81 mn. In addition the fund booked element of loss from the issue and redemption of units which totalled Rs. 1.86 mn. Total income thus came to Rs. 44.89 mn.

Expenses for the period totalled Rs. 5.62 mn and consisted of Rs. 0.71 mn remuneration to the trustee of the fund, Rs. 0.32 mn fee to the SECP and Rs. 3.2 mn remuneration to the management company. As a result net income for the period was Rs. 39.27 mn.

Financial highlights	December 31, 2012
	Rupees
Mark up/interest income	45,691,105
Gain on sale of investments	814,813
Unrealized gain on investments	253,448
Element of income	(1,859,696)
Total Income	44,899,670
Expenses	5,622,254
Net Income	39,277,416
Net Asset Value per unit	10.14

INVESTMENT STRATEGY

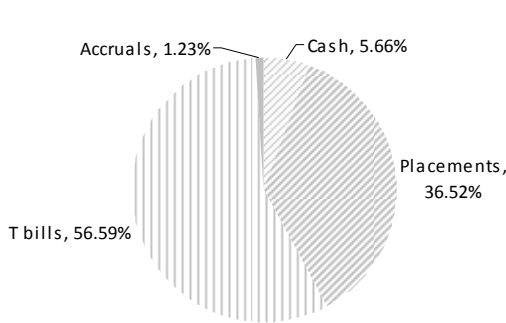
During this period the fund aimed to maintain majority exposure in T bills while selectively deploying assets in high yielding placements. This enabled the fund to generate a competitive rate of return while retaining liquidity and the ability to respond quickly in an uncertain macroeconomic environment. It also allowed management to minimize cash drag on the fund's returns and pay out dividends on a monthly basis.

During the outgoing quarter the portfolio duration of the fund was below the upper limit of 60 days so that the fund could derive maximum benefit from the decline in yields. The graph below shows that the fund aims to maximize returns for unit holders by adjusting portfolio duration through yield curve placement. For example;

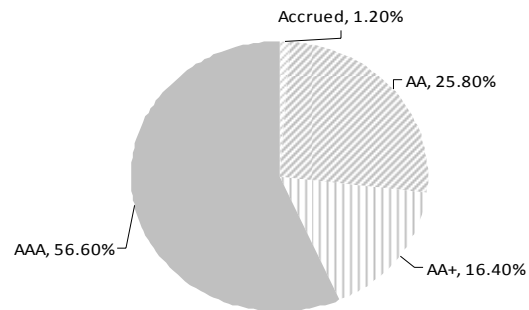
- I. **July 2010 to November 2010:** Portfolio duration was decreased from over 80 days to under 20 days as the SBP increased the discount rate from 12.50% to 14.00%
- II. **November 2010 to October 2011:** Portfolio duration was increased from under 20 days to almost 90 days as the SBP reduced the discount rate from 14.00% to 12.00%
- III. **June 2012 to September 2012:** Portfolio duration was increased from 28 days to 60 days as the SBP reduced the discount rate from 12.00% to 10.50%
- IV. **October 2012 to December 2012:** Portfolio duration was decreased from 60 days to 46 days as the SBP reduced the discount rate from 10.50% to 9.50%

As of 31 December 2012 the net assets of the Fund were Rs. 725.70 mn, of which 5.79% was held as cash, 36.52% was invested in money market placements with AA/AA+ rated financial institutions and 57.80% was allocated to sovereign rated Treasury Bills. In line with this asset allocation the credit quality of the fund remained high with 57.80% allocated to sovereign rated debt, 16.4% to AA+ and 25.8% to AA.

Asset Allocation: 31 December 2012



Credit Quality: 31 December 2012



RETURN & FUND UPDATE

During the first half of fiscal year 2013 the fund generated a net return of 9.85% for investors. This was against the benchmark average of 7.00% during the period. The Fund continued to declare dividends on a regular basis and has announced a cumulative distribution of Rs. 0.41/unit for 1HFY13 which was equal to 4.07% of the opening NAV. Since the company’s decision to reduce the management fee to 0.75% per annum of net assets in December 2011, BECF has been amongst the top performing money market funds and has outperformed the industry average by a considerable margin. For the year ended 31 December 2012 the Fund generated an annualized return of 10.57% against the industry average of 10.31%, an out performance of 0.26%

MACROECONOMIC OUTLOOK

SBP is likely to hold discount rate (DR) at 9.5% in upcoming MPS announcement in Feb-13 as; the goal of single digit DR has already achieved, up tick in CPI to 7.9% in Dec-12, from a 5-yr low of 6.9% in Nov-12 as high base effect faded away is already visible in numbers and upfront reforms stressed upon by the IMF team based on recent press reports tie up with potential reversal in DR from 2Q13E. We expect full year inflation for FY13 to be below 9%.

Trade deficit remained relatively stable at US\$1.7bn in Dec-12, helped by 4% growth in exports to US\$2.0bn and slower 2% growth in imports. Cumulatively in 1HFY13, trade deficit contracted by 10% YoY to US\$8.2bn where exports improved by 8% to US\$12.1bn, while import bill was down by 3% to US\$21.9bn. Current account posted positive reading for Dec-12 (US\$697mn) taking 1HFY13 C/A to a surplus of US\$250mn, driven by US\$1.8bn received as coalition support fund during the period. In addition to decline in trade deficit, remittances clocked in a healthy 12.5% YoY growth to US\$7.1bn in 1HFY13. Consolidated fiscal deficit reportedly stands at 2.4% of GDP in 1HFY13, which was surprisingly low despite slow run-rate of tax collection (+8.5% YoY).

PKR depreciated by -4.3% against the USD since July-12. FX reserves held by the central bank have fallen -27% since June-12, a slippage of more than USD 3.1bn. CSF funds helped to partly cushion the revenue shortfall and slow expenditure on behalf of the provinces has led to provincial govt's budget to stand at a surplus of PKR 293bn (1.1% of GDP). IMF comments on Pakistan highlighted need for structural and fiscal reforms.

FUTURE STRATEGY

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

- Maintain duration in order to take advantage of falling yields
- Use a portion of the portfolio to actively trade T bills for yield enhancement
- Realize gains from longer tenors at the bottom of the interest rate cycle
- Allocate at least 50% of the portfolio to Treasury Bills
- Limit AA exposures to 30% of net assets to maintain credit quality of portfolio

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
February 26, 2013**

**Muddassar Malik
Chief Executive Officer**

AUDITORS' REPORT TO THE UNITHOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **BMA Empress Cash Fund** as at December 31, 2012, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2012. The Management Company (BMA Asset Management Company Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 13 to the condensed interim financial information which refers to an uncertainty relating to the future outcome of the litigation regarding contribution to the Workers' Welfare Fund which is currently pending adjudication at the Honorable High Court of Sindh. Our conclusion is not qualified in respect of this matter.

Other matter

The financial statements of the Fund for the year ended June 30, 2012 and the condensed interim financial information for the half year ended December 31, 2011 were audited and reviewed respectively by another firm of chartered accountants whose reports dated September 13, 2012 and February 23, 2012 expressed unqualified opinion / conclusion on those financial statements / information.

A.F.Ferguson & Co. Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: February 26, 2013

Karachi

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

BMA EMPRESS CASH FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

BMA Empress Cash Fund, an open-end Scheme established under a Trust Deed dated June 18, 2009 executed between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Fund offered its units for public subscription Scheme from November 10, 2009 to November 11, 2009.

1. BMA Asset Management Company Limited, the Management Company of BMA Empress Cash Fund, has in all material respects, managed BMA Empress Cash Fund during the period ended 31st December 2012 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

For the purpose of information, the attention of unit holders is drawn towards auditor's report and note 13 to the condensed interim financial information which refers to an uncertainty relating to the future outcome of the litigation regarding contribution to the Worker's Welfare Fund which is currently pending adjudication at the Honorable High Court of Sindh.

Karachi: February 20, 2013

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2012

	Note	December 31, 2012 Rupees (Un-Audited)	June 30, 2012 Rupees (Audited)
ASSETS			
Balances with banks	4	42,053,091	46,290,603
Term deposits and money market placements	5	265,000,000	125,000,000
Investments	6	419,427,194	615,018,014
Mark-up / interest receivable	7	1,820,547	2,441,399
Preliminary expenses and floatation costs	8	1,124,350	1,429,033
Deposits, prepayments and other receivables		182,890	52,544
Total assets		729,608,072	790,231,593
LIABILITIES			
Payable to the management company	9	643,467	575,577
Payable to the trustee	10	122,727	112,180
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	322,297	535,650
Dividend Payable		602,586	867,862
Accrued expenses and other liabilities	12	2,220,483	2,590,031
Total liabilities		3,911,560	4,681,300
CONTINGENCY AND COMMITMENTS	13		
NET ASSETS		725,696,512	785,550,293
Unit Holders' Fund (as per statement attached)		725,696,512	785,550,293
Number of units in issue		71,553,834	78,080,867
Net asset value per unit – Rupees		10.14	10.06

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

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM INCOME STATEMENT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012
(UN-AUDITED)

Note	Half-year ended		Quarter ended		
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	
----- Rupees -----					
INCOME					
Mark up / interest income	14	45,691,105	48,150,587	21,870,846	22,567,877
Capital gain / (Loss) on sale of investments - net Unrealised appreciation / (diminution) on re- measurement of investments classified as 'at fair value through profit and loss' - net		814,813	(112,120)	729,249	(2,692)
Total income		46,759,366	47,954,105	22,102,103	22,408,483
EXPENSES					
Remuneration to the management company		3,222,975	5,044,976	1,669,500	2,217,656
Sales tax on remuneration of the management company		515,675	807,196	267,119	354,825
Remuneration to the trustee		717,320	639,631	367,942	312,899
Annual fee to the Securities and Exchange Commission of Pakistan		322,297	274,034	166,950	132,668
Brokerage		168,258	80,382	132,976	33,944
Amortisation of preliminary expenses and floatation costs		304,684	304,684	152,342	152,342
Auditors' remuneration		193,605	230,452	98,059	106,945
Listing fee		41,987	15,123	28,330	7,561
Rating fee		98,471	98,471	49,236	49,236
Printing and stationery		34,531	42,032	13,453	23,884
Bank Charges		2,451	21,673	-	6,285
Total expenses		5,622,254	7,558,655	2,945,907	3,398,246
Net Income		41,137,112	40,395,450	19,156,196	19,010,237
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed – net		(1,859,696)	(309,207)	(1,572,778)	1,558,046
Net income for the period before taxation		39,277,416	40,866,243	17,583,418	20,568,283
Taxation	15	-	-	-	-
Net income for the period after taxation		39,277,416	40,866,243	17,583,418	20,568,283
Earnings per unit	16	-	-	-	-

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

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012
(UN-AUDITED)

	Half-year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- Rupees -----			
Net Income for the period	39,277,416	40,086,243	17,583,418	20,568,283
Other comprehensive income	-	-	-	-
Total comprehensive Income for the period	39,277,416	40,086,243	17,583,418	20,568,283

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

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE HALF YEAR DECEMBER 31, 2012
(UN-AUDITED)

	Half-year ended	
	December 31, 2012	December 31, 2011
	----- Rupees -----	
Undistributed income brought forward	4,739,280	35,452,863
Net Income for the period	39,277,416	40,086,243
Final distribution of Rs. 0.5 per unit for the year ended June 30, 2011 approved on July 07, 2011	-	(32,026,844)
First interim distribution at the rate of Rs. 0.25 per unit approved on October 05, 2011	-	(16,686,592)
Second interim distribution at the rate of Rs. 0.25 per unit approved on December 29, 2011	-	(18,123,220)
First interim distribution at the rate of Rs. 0.08 per unit on July 28, 2012 (2011: Nil)	(6,580,222)	-
Second interim distribution at the rate of Rs. 0.08 per unit on August 30, 2012 (2011: Nil)	(6,021,467)	-
Third interim distribution at the rate of Rs. 0.05 per unit on September 27, 2012 (2011: Nil)	(4,117,259)	-
Fourth interim distribution at the rate of Rs. 0.08 per unit on October 31, 2012 (2011: Nil)	(7,059,134)	-
Fifth interim distribution at the rate of Rs. 0.06 per unit on November 29, 2012 (2011: Nil)	(5,415,078)	-
Sixth interim distribution at the rate of Rs. 0.06 per unit on December 28, 2012 (2011: Nil)	(4,271,506)	-
Undistributed income carried forward	10,552,030	8,702,450

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

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UN-AUDITED)

	December 31, 2012	December 31, 2011
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the period	39,277,416	40,086,243
Adjustments for:		
Mark up / interest income	(45,691,105)	(48,150,587)
Capital (gain) / loss on sale of investments – net	(814,813)	112,120
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'at fair value through profit and loss'	(253,448)	84,362
Element of loss / (income) and capital loss / (gain) included in prices of units issued less those in units redeemed – net	1,859,696	309,207
Amortisation of preliminary expenses and floatation cost	304,684	304,684
	(44,594,986)	(47,340,214)
Working capital changes		
(Increase) / decrease in assets		
Deposit, prepayments and other receivables	(130,346)	784
Increase / (decrease) in liabilities		
Payable to the management company	67,890	(459,585)
Payable to the trustee	10,547	(6,496)
Payable to Securities and Exchange Commission of Pakistan	(213,353)	(547,091)
Dividend payable	(265,276)	2,386,993
Accrued expenses and other liabilities	(369,548)	(182,011)
	(769,740)	1,191,810
Investments – net	92,281,449	(164,623,257)
Interest received	10,689,588	7,118,484
Net cash generated from / (used in) operating activities	96,753,381	(163,566,150)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,031,129,127	464,152,470
Payments on redemption of units	(1,132,120,020)	(431,385,698)
Net cash (used in) / generated from financing activities	(100,990,893)	32,766,772
Net decrease in cash and cash equivalents	(4,237,512)	(130,799,378)
Cash and cash equivalents at beginning of the period	46,290,603	160,323,581
Cash and cash equivalents at the end of the period	42,053,091	29,524,203

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

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UN-AUDITED)

	Half-year ended	
	December 31, 2012	December 31, 2011
	----- Rupees -----	
Net assets at the beginning of the period	785,550,293	675,992,149
Issue of 105,025,695 units including 3,311,148 bonus units (2011: 58,729,762 units including 6,632,604 bonus units)	1,031,129,127	464,152,470
Redemption of 111,552,728 units (2011: 42,101,693 units)	(1,132,120,020)	(431,343,698)
	(100,990,893)	32,808,772
	684,559,400	708,800,921
Element of loss / (income) and capital losses (gains) included in prices of units issued less those in units redeemed – net	1,859,696	309,207
Capital gain / (loss) on sale of investments – Net	814,813	(112,120)
Net unrealized appreciation / (diminution) on re-measurement of Investments classified as 'financial assets at fair value through profit or loss'	253,448	(84,362)
Other net income for the period	38,209,155	40,282,725
Total Income for the period	39,277,416	40,086,243
Net assets at the end of the period	725,696,512	748,887,164

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

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** BMA Empress Cash 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 Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on June 18, 2009.

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

The Fund is an open-end 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 categorised as a 'money market scheme' as per the criteria laid down by SECP for categorisation of Collective Investment Schemes (CISs).

The primary objective of the Fund is to provide a competitive level of income that commensurate with enhanced liquidity and credit profile through investment primarily in short term deposits and money market instruments with an overall rupee-weighted average maturity of not more than 90 days.

JCR-VIS Credit Rating Company has assigned stability rating of 'AA+(f)' to the Fund. The Management Company is in the process of obtaining asset manager rating for the Management Company.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

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

In compliance with schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2012.

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

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

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

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

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

2.4 Change in methodology of allocation of element

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

The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology net income for the period would have been lower by Rs 0.396 million.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

	Note	December 31, 2012 (Rupees) (Un-Audited)	June 30, 2012 (Rupees) (Audited)
4. BALANCES WITH BANKS			
Balances in			
– savings accounts	4.1	42,052,258	46,289,770
– current accounts		833	833
		<u>42,053,091</u>	<u>46,290,603</u>

4.1 These carry profit at rates ranging from 6% to 8.25% per annum (June 30, 2012: 4.89% to 11.35%).

	Note	December 31, 2012 (Rupees) (Un-Audited)	June 30, 2012 (Rupees) (Audited)
5. TERM DEPOSITS AND MONEY MARKET PLACEMENTS			
Term deposit receipts	5.1	175,000,000	-
Certificates of investment	5.2	90,000,000	125,000,000
		<u>265,000,000</u>	<u>125,000,000</u>

5.1 These carry markup at ranging from 9.60% to 9.75% per annum with maturities upto February 13, 2013.

5.2 These carry markup of 9.75% (June 30, 2012: 12% to 12.30%) per annum having maturity upto March 11, 2013.

Note **December 31,**
2012
(Rupees)
(Un-Audited) **June 30,**
2012
(Rupees)
(Audited)

6. INVESTMENTS

At fair value through profit or loss

- Government securities 6.1 419,427,194 615,018,014

6.1 Government securities – Market Treasury Bills

Issue date	Tenor (months)	(Face Value)				Balance at December 31, 2012			Market Value as a percentage of total investments	Market value as a percentage of net assets	
		As at 01 July 2012	Purchases during the period	Sold during the period	Maturities during the period	As at December 31, 2012	Carrying value as at December 31, 2012	Market value as at December 31, 2012			Unrealised appreciation / (diminution)
Rupees											
Aug 11, 2011	12	-	25,000,000	-	25,000,000	-	-	-	-	-	
Aug 25, 2011	12	120,000,000	-	16,100,000	103,900,000	-	-	-	-	-	
Sept 08, 2011	12	-	200,000,000	15,900,000	184,100,000	-	-	-	-	-	
Oct 06, 2011	12	14,000,000	-	-	14,000,000	-	-	-	-	-	
Oct 20, 2011	12	-	150,000,000	-	150,000,000	-	-	-	-	-	
Nov 03, 2011	12	-	275,000,000	-	275,000,000	-	-	-	-	-	
Nov 17, 2011	12	-	260,000,000	9,500,000	250,500,000	-	-	-	-	-	
Dec 01, 2011	12	-	100,000,000	-	100,000,000	-	-	-	-	-	
Jan 26, 2012	6	103,300,000	178,700,000	98,700,000	183,300,000	-	-	-	-	-	
Apr 19, 2012	3	244,600,000	-	-	244,600,000	-	-	-	-	-	
May 03, 2012	3	125,000,000	255,000,000	200,000,000	180,000,000	-	-	-	-	-	
May 17, 2012	3	-	190,000,000	8,400,000	181,600,000	-	-	-	-	-	
May 31, 2012	3	-	75,000,000	-	75,000,000	-	-	-	-	-	
June 14, 2012	3	13,600,000	236,400,000	36,400,000	213,600,000	-	-	-	-	-	
June 28, 2012	3	-	165,000,000	47,000,000	118,000,000	-	-	-	-	-	
July 12, 2012	3	-	175,000,000	100,000,000	75,000,000	-	-	-	-	-	
July 26, 2012	6	-	450,000,000	273,000,000	-	177,000,000	175,912,629	176,010,675	98.046	42%	
Aug 09, 2012	6	-	150,000,000	150,000,000	-	-	-	-	-	-	
Aug 23, 2012	3	-	35,000,000	-	35,000,000	-	-	-	-	-	
Sept 06, 2012	6	-	300,000,000	250,000,000	-	50,000,000	49,137,238	49,202,648	65,410	12%	
Sept 20, 2012	6	-	159,500,000	150,000,000	-	9,500,000	9,304,817	9,316,503	11,686	2%	
Oct 04, 2012	6	-	595,000,000	509,100,000	-	85,900,000	83,878,455	83,949,249	70,764	20%	
Nov 01, 2012	6	-	250,000,000	250,000,000	-	-	-	-	-	-	
Nov 15, 2012	6	-	350,000,000	248,080,000	-	101,920,000	100,940,607	100,948,119	7,512	24%	
Total						<u>424,320,000</u>	<u>419,173,746</u>	<u>419,427,194</u>	<u>253,448</u>	<u>100%</u>	<u>57.80%</u>

December 31,
2012
(Un-Audited)
(Rupees) **June 30, 2012**
(Audited)
(Rupees)

7. MARK-UP/ INTEREST RECEIVABLE

On

- Balances with banks 710,054 302,112
- Term deposit receipts 581,589 -

- Investments

Certificate of Investments 528,904 2,139,287
1,820,547 2,441,399

Note **December 31,**
2012
(Un-Audited)
(Rupees) **June 30, 2012**
(Audited)
(Rupees)

8. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation cost incurred 1,429,033 2,035,089
Less: Amortization during the period (304,683) (606,056)
1,124,350 1,429,033

9. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration of the Management Company 9.1 554,713 496,187
Sindh Sales tax on remuneration of the Management company 88,754 79,390
643,467 575,577

9.1 The management company is entitled to remuneration for services rendered to the Fund under Regulation 61 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding three percent of the average daily net assets of the Fund during the first five years of the Fund's existence and thereafter an amount equal to two percent of such assets of the Fund. The rate used by the management company (and the Fund) is 0.75 percent per annum of the average daily net assets of the Fund.

10. PAYABLE TO THE TRUSTEE

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

11. 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 of the Fund.

12. ACCRUED EXPENSES AND OTHER LIABILITIES	December 31,	June 30, 2012
	2012 (Un-Audited) (Rupees)	(Audited) (Rupees)
Auditor's remuneration	223,981	330,041
Brokerage Payable	119,968	25,371
Printing and Stationery cost payable	75,677	41,146
Sales Load payable	5,200	5,200
Preliminary expenses and floatation costs payable	1,429,033	2,035,089
Other payable	366,624	153,184
	<u>2,220,483</u>	<u>2,590,031</u>

13. CONTINGENCY AND COMMITMENTS

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

Subsequent to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC. As the management is confident that the matter will eventually be settled in its favour and WWF will not be levied on the Fund, no provision has been made in respect of any WWF liability. The aggregate amount of unrecognised WWF liability amounts to Rs 5.32 million (including Rs 0.786 million for the current period) as at December 31, 2012. Had the provision been recognised, the Net Asset Value of the Fund would have been lower by Rs 0.07 per unit.

13.2 There were no other contingencies and commitments outstanding as at December 31, 2012.

14. MARK-UP / INTEREST INCOME	Half-year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	-----Rupees----- ----- (Unaudited) -----			
On:				
- Balance with banks	3,945,655	1,381,295	1,663,974	674,113
- Term deposit accounts	581,589	3,820,274	581,589	2,939,178
- Certificates of investment / letter of placement	5,541,492	5,897,266	3,074,336	2,136,980
- Government securities	35,622,369	37,051,752	16,550,947	16,817,606
	45,691,105	48,150,587	21,870,846	22,567,877

15. TAXATION

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

16. EARNINGS PER UNIT

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

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include BMA Asset Management Company Limited (the Management Company), other funds managed by the Management Company, BMA Capital Management Limited (the holding company of the Management Company), BMA Capital Management Limited Staff Provident Fund, MCB Financial Services Limited (the Trustee) and persons holding ten percent or more shareholding of the Fund. Transactions with connected persons can be summarised as follows:

	Half-year ended		Half-year ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	-----Units-----		-----Rupees-----	
----- (Unaudited) -----				
Transaction with connected person / related parties				
BMA Asset Management Company Limited (the Management Company)				
- Issue of units (including bonus units)	19	3,614,537	190	36,517,403
- Redemption of units	347,536	4,591,681	3,500,000	47,050,000
BMA Capital Management Ltd (the holding company of the Management Company)				
- Issue of units (including bonus units)	24,429,050	78,560	247,445,681	791,625
- Redemption of units	19,533,812	-	198,046,767	-
BMA Capital Management Limited – Staff Provident Fund				
- Issue of units (including bonus units)	-	-	-	-
- Redemption of units	5,293,355	-	53,308,845	-
Directors and executives of the Management Company				
- Issue of units (including bonus units)	45,394	305,638	460,869	3,117,667
- Redemption of units	58,112	227,668	588,246	2,329,990
Units holders and with holding of 10% and above				
Habib Metropolitan Bank limited				
- Issue of units (including bonus units)	323,254	815,575	3,266,984	8,219,056
- Redemption of units	-	3,960,304	-	40,004,876

Emirates Shipping Agency Pakistan (Pvt) Limited				
- Issue of units (including bonus units)	8,562,717	-	86,619,009	-
- Redemption of units	15,300,030	-	155,244,600	-
National Bank of Pakistan				
- Issue of units (including bonus units)	5,140,072	-	52,306,943	-
- Redemption of units	228,191	-	2,306,943	-
		Half-year ended		
		December 31,	December 31,	
		2012	2011	
		-----Rupees-----		
		------(Unaudited)-----		
BMA Asset Management Company Limited (the Management Company)				
- Remuneration to the Management Company		3,222,975	5,044,976	
- Sindh Sales tax on remuneration of the Management Company		515,675	807,196	
MCB Financial Services Limited-the Trustee		717,320	639,631	
- Trustee fee				
		December 31, 2012	June 30, 2012	December 31, 2012
		June 30, 2012	December 31, 2012	June 30, 2012
		-----Units-----		-----Rupees-----
		(Un-Audited)	(Audited)	(Un-Audited)
		(Un-Audited)	(Audited)	(Audited)
Balance with connected persons / related parties				
Directors and executives of the Management Company				
Mr. Adeel Ahmad Khan	2,298	7,560	23,303	76,055
Mr. Mustafa O Pasha	329	24,887	3,335	250,378
Mr. Lawrence A. Lobo	10,646	1,009	107,971	10,155
Ms. Ayesha Mohammad	1,370	1,316	13,894	13,236
Mr. Stephen Joseph	7,411	-	75,167	-
Associated Companies				
BMA Asset Management Company Limited	475	347,992	4,817	3,501,043
BMA Capital Management Limited	4,895,238	-	49,647,500	-
BMA Capital Management Limited Staff Provident Fund	-	5,293,355	-	53,254,852
Units holders with holding of 10% and above				
- Habib Metropolitan Bank Limited	8,158,504	7,835,250	82,743,546	78,828,101
- Emirates Shipping Agency Pakistan (Pvt) Limited	1,664,918	8,402,231	16,885,598	84,532,330
- National Bank of Pakistan	9,819,760	4,907,879	99,592,006	49,376,699
BMA Asset Management Company Limited				
- Remuneration payable			554,713	496,187
- Sindh sales tax on remuneration payable			88,754	79,390
- Sales load payable			5,200	5,200
- Formation cost payable			1,429,033	2,035,089
MCB Financial Services Limited – the Trustee				
Remuneration payable			122,727	112,180

18. GENERAL

18.1 Figures have been rounded off to the nearest rupee.

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

Description	Reclassified from	Classified to	Amount Rupees
Certificates of investment held by the Fund Investments – Held to Maturity as at June 30, 2012 have been reclassified from held to maturity investments to loans and receivables under term deposits and money market placements		Term deposits and money market placements	125,000,000

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

19. DATE OF AUTHORISATION

These condensed interim financial information has been authorised for issue by the Board of Directors of the Management Company on February 26, 2013.

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**