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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. Muhammad Amir Iqbal

Audit Committee of the Management Company

Mr. Muhammad Iqbal	Chairman
Mr. Tashfin I. Iqbal	
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

Distributors

BMA Financial Services Limited

Auditors

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

Legal Adviser

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

Registrar

Technology Trade (Pvt.) Limited
Dagia House, 241C, Block 2, P.E.C.H.S Karachi

Fund Stability Rating

AA+ (f)

Management Quality Rating

AM2- by JCR VIS Credit Rating Company Limited

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 to BMA Empress Cash Fund (BECF) is pleased to present its report and unaudited financial statements of the Fund for the period ended March 31, 2011.

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. All investment returns obtained from the Fund are exempt for capital gains, withholding and income tax.

FUND'S FINANCIAL PERFORMANCE

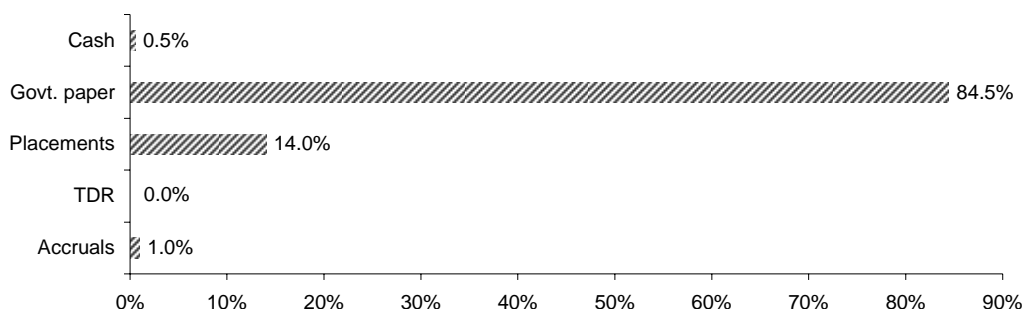
For the period ended March 31, 2011 the Fund earned Rs. 111.0 mn from income on investments, bank balances and term deposits. In addition the fund booked element of loss from the issue and redemption of units which totalled Rs. 10.8 mn. Total income thus came to Rs. 99.2 mn.

Expenses for the period totalled Rs. 16.5 mn and consisted of Rs. 1.2 mn remuneration to the trustee of the fund, Rs. 0.7 mn fee to the SECP and Rs. 13.2 mn remuneration to the management company. As a result net income for the period was Rs. 82.8 mn.

Financial highlights	March 31, 2011
	Rupees
Mark up/interest income	110,987,796
Element of income	(10,854,753)
Total Income	99,218,050
Expenses	16,459,848
Net Income	82,758,201
Net Asset Value per unit (Rupees)	10.46

As of 31 March the net assets of the Fund were Rs. 891.4 mn, of which 0.5% was held as cash, 14.0% was in money market placements with AA+ rated financial institutions and 84.5% was allocated to sovereign rated Treasury Bills. The portfolio duration as of 31 March was 61 days, which is in line with the Fund's investment strategy of making placements across tenors.

Asset Allocation [31.03.11]



RETURN & FUND UPDATE

During the 9 month period ended 31 March 2011, the fund generated an annualized net return of 11.13% for investors, while inception to date and quarter returns were 10.82% and 11.91% respectively. This was against the benchmark average of 7.46% during 9MFY11 (Jul10-Mar11).

The Fund also declared a dividend of Rs. 0.2/unit for the quarter ended 31 March 2011. This brings total dividend payments during FY11 and since inception to Rs. 0.6/unit and Rs. 1.2/unit respectively.

MACROECONOMIC OUTLOOK

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

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

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

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

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

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

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

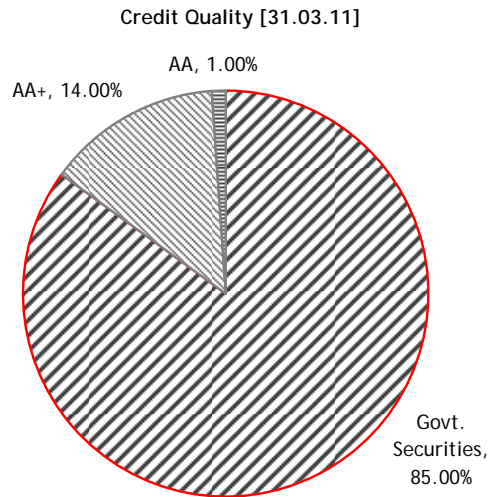
High oil prices also threaten the stability of the external accounts. If prices rise further or maintain their current levels, an expansion in the current account deficit is the most probable outcome. With \$3 billion in principal and interest payments due over the next 12 months, a drawdown in FX reserves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

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

Strategy

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

- Keep portfolio duration around 60 days
- Continue investing in short to medium duration Treasury Bills with an upper limit of 180 days
- Allocate at least 70% of the portfolio to Treasury Bills as they are currently providing the best risk adjusted return
- Maintain adequate cash levels for flexibility
- Go long once the interest rate cycle has peaked



Acknowledgement

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

**For and on behalf of the
Board**

**Karachi
April 27, 2011**

**Muddassar Malik
Chief Executive Officer**

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

	Note	March 31, 2011 Rupees (Un-Audited)	June 30, 2010 Rupees (Audited)
ASSETS			
Bank balances	5	5,822,089	230,710,569
Investments	6	888,598,987	614,727,940
Mark-up / interest receivable	7	860,568	4,378,539
Preliminary expenses and floatation costs	8	2,185,776	2,639,489
Prepayments and other receivables	9	714,494	57,173
Total assets		898,181,914	852,513,710
LIABILITIES			
Remuneration payable to Management company		1,316,399	1,250,544
Remuneration payable to Trustee		127,521	125,503
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		661,177	326,690
Payable to unit holders against redemption of units		1,052,258	6,198,892
Accrued expenses and other liabilities	10	3,592,655	3,736,672
Total liabilities		6,750,010	11,638,301
CONTINGENCY	11	-	-
NET ASSETS		891,431,904	840,875,409
Unit Holders' Funds (as per statement attached)		891,431,904	840,875,409
Number of units in issue		85,191,904	78,979,867
Net asset value per unit – Rupees		10.46	10.65

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director

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

	Note	Nine months ended March 31, 2011	Period from August 7, 2009 to March 31, 2010	Quarter ended March 31, 2011	Quarter ended March 31, 2010
----- Rupees -----					
INCOME					
Mark up / interest income on investments, bank balance and term deposits	12	110,987,796	27,708,996	39,114,611	17,365,770
Net loss on investments designated 'at fair value through profit and loss'					
(Loss)/ Gain on sale of investments designated at fair value through profit and loss upon initial recognition – net		(661,943)	-	24,213	-
Unrealised loss on Investments designated at fair value through profit and loss upon initial recognition– net		(253,049)	(78,124)	(95,860)	(78,124)
		(914,993)	(78,124)	(71,648)	(78,124)
Element of (loss) / income and capital (loss) / gains included in prices of units issued less those in units redeemed		(10,854,753)	7,997,308	(14,814,002)	4,547,132
Total income		99,218,050	35,628,180	24,228,961	21,834,779
EXPENSES					
Remuneration to the Management company		13,223,529	2,956,873	4,459,974	2,122,491
Remuneration payable to the Trustee		1,198,405	394,100	400,247	268,041
Annual Fee – SECP		661,176	147,844	222,999	106,125
Brokerage		210,418	26,100	96,970	18,474
Amortisation of preliminary expenses and floatation costs		453,714	231,825	149,030	149,030
Auditors' remuneration		398,582	226,453	116,556	150,696
Listing Fee		75,072	59,091	22,181	37,987
Mutual fund rating fee		146,637	74,924	48,165	48,165
Printing and stationery		66,326	42,864	16,648	25,115
Bank Charges		25,990	1,825	14,601	250
Total expenses		16,459,849	4,161,899	5,547,371	2,926,373
NET INCOME		82,758,201	31,466,281	18,681,590	18,908,405
Earnings per unit	13	-	-	-	-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director

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

	Nine months ended March 31, 2011	Period from August 7, 2009 to March 31, 2010	Quarter ended	
			March 31, 2011	March 31, 2010
----- Rupees -----				
Net income for the period	82,758,201	31,466,281	18,681,590	18,908,405
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	82,758,201	31,466,281	18,681,590	18,908,405

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director

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

	Nine months ended March 31, 2011	Period from August 7, 2009 to March 31, 2010	Quarter ended	
			March 31, 2011	March 31, 2010
----- Rupees -----				
Undistributed income brought forward	51,076,765	-	67,765,457	8,277,086
Net Income for the period	82,758,201	31,466,281	18,681,590	18,908,405
Final distribution at the rate of Rs.0.6 per unit for the year ended June 30, 2010 approved on 07 July 2010	(47,387,920)	-	-	-
First interim distribution at the rate of Rs. 0.4 per unit approved on 07 Jan 2011 (2009: distribution of 428,079 bonus units on 11 November 2009)	(46,932,981)	(4,280,790)	(46,932,981)	-
Undistributed income carried forward	<u>39,514,065</u>	<u>27,185,491</u>	<u>39,514,065</u>	<u>27,185,491</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director

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

	Nine months ended March 31, 2011	Period from August 7, 2009 to March 31, 2010
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	82,758,201	31,466,281
Adjustments for:		
Mark up / interest income on investments, bank balances and term deposit	(110,987,796)	(27,708,996)
Unrealised loss on Investments designated at fair value through profit and loss upon initial recognition – net	253,049	78,124
(Loss)/ Gain on sale of Investments designated at fair value through profit & loss- net	661,943	
Element of income and capital gains included in prices of units issued less those in units redeemed – net	10,854,753	(7,997,308)
Amortization of preliminary expenses and floatation cost	453,714	231,825
	(16,006,134)	(3,930,074)
Working capital changes		
(Increase)/decrease in assets		
Preliminary expenses and floatation costs	453,714	(2,790,175)
Prepayments and other receivables	(657,321)	(1,025,181)
	(203,607)	(3,815,356)
Increase / (decrease) in liabilities		
Remuneration payable to the management company	65,855	806,833
Remuneration payable to the trustee	2,018	98,514
Annual fee payable to Securities and Exchange Commission of Pakistan	334,487	147,844
Payable to unit holders against redemption of units	(5,146,634)	146,178,010
Accrued expenses and other liabilities	(144,017)	3,525,390
	(4,888,291)	150,756,591
Proceed from sale of securities	4,277,894,312	350,000,000
Markup / interest income received	114,505,765	21,690,325
Purchase of Securities	(4,553,134,065)	(817,206,159)
Net cash (used in) / generated from operating activities	(181,832,020)	(302,504,673)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	1,553,653,957	1,535,004,742
Payments for redemption of units	(1,596,710,417)	(826,323,057)
Net cash generated from financing activities	(43,056,460)	708,681,685
Net increase in cash and cash equivalents	(224,888,480)	406,177,012
Cash and cash equivalents at beginning of the period	230,710,569	-
Cash and cash equivalents at the end of the period	5,822,089	406,177,012

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For BMA Asset Management Company Limited
(Management Company)

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director

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

	Nine Months ended March 31, 2011	Period from August 7, 2009 to March 31, 2010
-----Rupees-----		
Net assets at the beginning of the period	840,875,409	-
Cash received on issue of units*	1,553,653,957	1,535,004,742
Less: Cash paid / payable on redemption of units**	(1,596,710,417)	(826,323,057)
	(43,056,460)	708,681,684
	797,818,949	708,681,685
Element of Income / (loss) and capital gain /(loss) Included in prices of units issued less those in units Redeemed - net	10,854,753	(7,997,308)
Net income for the period	82,758,201	31,466,281
Other comprehensive income for the period	-	-
Total comprehensive income for the period	82,758,201	31,466,281
Net assets at the end of the period	891,431,904	732,150,658
Number of units		
*Number of units issued including bonus units	160,697,265	151,343,269
**Number of units redeemed	154,485,229	81,274,831

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I Huq
Director**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2011
(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 registered office of the Management Company is situated at Unitower, I.I Chundrigar Road Karachi.
- 1.2 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.
- 1.3 The Fund is structured 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.
- 1.4 Title to the assets of the Fund is held in the name of MCB Financial Services Limited as trustee of the Fund.

2. BASIS OF PREPARATION

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

3. ACCOUNTING POLICIES

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

4. ESTIMATES

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

	Note	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
5. BANK BALANCES			
Current account		511	-
PLS savings accounts	5.1	5,821,578	135,710,569
Term deposit accounts		-	95,000,000
		<u>5,822,089</u>	<u>230,710,569</u>

- 5.1 Profit rates on savings accounts range between 4.89% to 11.65% per annum (June 30, 2010: 4.89%p.a to 11.35% p.a.).

	Note	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
6. INVESTMENTS			
Designated at fair value through profit or loss upon initial recognition			
- Government securities	6.2	763,598,987	514,727,940
Held to maturity			
- Certificate of investment	6.3	100,000,000	100,000,000
- Letter of Placement	6.4	25,000,000	-
		<u>888,598,987</u>	<u>614,727,940</u>

- 6.1 Cost of investments amount to Rs. 877,917,798 (30 June 2010: Rs. 615,098,086)

6.2 Government securities

Type of Instrument	Issue date	Tenor (months)	Face Value	(Quantity)					Carrying Value as at March 31, 2011 (Rupees)	Percentage of total investments on the basis of carrying value	Percentage of net assets on the basis of carrying value
				As at July 01, 2010	Purchased during the period	Sold during the period	Matured during the period	As at March 31, 2011			
T-Bill	11-Mar-10	12	100	-	1,000,000	-	1,000,000	-	-	-	
T-Bill	25-Mar-10	6	100	1,750,000	-	1,000,000	750,000	-	-	-	
T-Bill	25-Mar-10	12	100	-	4,000,000	-	4,000,000	-	-	-	
T-Bill	08-Apr-10	6	100	500,000	-	500,000	-	-	-	-	
T-Bill	22-Apr-10	6	100	1,600,000	-	1,600,000	-	-	-	-	
T-Bill	06-May-10	6	100	-	1,000,000	-	1,000,000	-	-	-	
T-Bill	03-Jun-10	6	100	-	2,200,000	-	2,200,000	-	-	-	
T-Bill	17-Jun-10	6	100	1,500,000	1,000,000	2,500,000	-	-	-	-	
T-Bill	15-Jul-10	6	100	-	1,750,000	1,000,000	750,000	-	-	-	
T-Bill	29-Jul-10	6	100	-	500,000	500,000	-	-	-	-	
T-Bill	29-Jul-10	3	100	-	250,000	50,000	200,000	-	-	-	
T-Bill	13-Aug-10	3	100	-	2,700,000	-	2,700,000	-	-	-	
T-Bill	26-Aug-10	3	100	-	750,000	750,000	-	-	-	-	
T-Bill	09-Sept-10	3	100	-	4,150,000	-	4,150,000	-	-	-	
T-Bill	23-Sept-10	3	100	-	1,000,000	450,000	550,000	-	-	-	
T-Bill	07-Oct-10	3	100	-	2,950,000	340,000	2,610,000	-	-	-	
T-Bill	21-Oct-10	3	100	-	300,000	-	300,000	-	-	-	
T-Bill	21-Oct-10	3	100	-	200,000	-	200,000	-	-	-	
T-Bill	04-Nov-10	3	100	-	1,000,000	-	1,000,000	-	-	-	
T-Bill	04-Nov-10	3	100	-	225,000	-	225,000	-	-	-	
T-Bill	04-Nov-10	3	100	-	750,000	-	750,000	-	-	-	
T-Bill	04-Nov-10	3	100	-	1,500,000	-	1,500,000	-	-	-	
T-Bill	04-Nov-10	3	100	-	2,000,000	-	2,000,000	-	-	-	
T-Bill	16-nov-10	3	100	-	2,000,000	1,500,000	500,000	-	-	-	
T-Bill	02-Dec-10	3	100	-	500,000	-	500,000	-	-	-	
T-Bill	02-Dec-10	3	100	-	1,000,000	650,000	350,000	-	-	-	

T-Bill	02-Dec-10	3	100	-	2,500,000	-	2,500,000	-	-	-
T-Bill	13-Jan-11	3	100	-	1,500,000	-	-	1,500,000	149,668,417	16.8%
T-Bill	27-Jan-11	3	100	-	3,500,000	1,100,000	-	2,400,000	238,262,754	26.8%
T-Bill	10-Feb-11	3	100	-	770,000	570,000	-	200,000	19,755,599	2.2%
T-Bill	24-Feb-11	3	100	-	406,250	-	-	406,250	39,926,666	4.5%
T-Bill	24-Feb-11	3	100	-	500,000	450,000	-	50,000	4,914,212	0.6%
T-Bill	10-Mar-11	3	100	-	1,850,000	1,830,000	-	20,000	1,956,020	0.2%
T-Bill	10-Mar-11	3	100	-	1,000,000	-	-	1,000,000	97,795,607	11.0%
T-Bill	24-Mar-11	6	100	-	1,750,000	-	-	1,750,000	164,359,782	18.5%
T-Bill	24-Mar-11	6	100	-	500,000	-	-	500,000	46,959,930	5.3%
Total									<u>763,598,987</u>	<u>85.9%</u>
										<u>85.7%</u>

6.3 Certificate of investment

Certificate of Investment (COI)	As at July 01, 2010	Purchased during the period	Yield	Issue Date	Maturity Date	Maturity Amount	Carrying Value as at March 31, 2011	Percentage of total investments on the basis of carrying value
	Rupees	Rupees					Rupees	
Saudi Pak Industrial & Agricultural Investment Company Limited	100,000,000	-	12.26%	22-Feb-10	6-Aug-10	100,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	-	75,000,000	12.80%	16-Aug-10	16-Nov-10	75,000,000	-	-
Pak Oman Investment Company Limited	-	75,000,000	12.70%	6-Aug-10	8-Nov-10	75,000,000	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	-	100,000,000	13.55%	22-Mar-11	25-Apr-11	-	100,000,000	11.3%
Total							<u>100,000,000</u>	<u>11.3%</u>

6.4 Letter of Placement

Letter of Placement (LOP)	Placed during the period	Matured during the Period	Carrying Value as at March 31, 2011	Percentage of total investments on the basis of carrying value
	Rupees	Rupees		
Saudi Pak Industrial & Agricultural Investment Company Limited	1,541,000,000	1,541,000,000	-	-
Pak Oman Investment Company Limited	2,191,000,000	2,166,000,000	25,000,000	2.8%
Pak Kuwait Investment Co Ltd	130,000,000	130,000,000	-	-
Total			<u>25,000,000</u>	<u>2.8%</u>

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
-	-	-	-	-	-	-

7. MARK-UP / INTEREST RECEIVABLE On

	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
- Bank deposit accounts	480,260	13,018
- Term deposit accounts	-	32,535
- Certificate of Investment	371,233	4,332,986
- Letter of Placement	9,075	-
	<u>860,568</u>	<u>4,378,539</u>

	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
8. PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation costs incurred	2,639,489	3,022,000
Less: Amortization during the period	<u>(453,714)</u>	<u>(382,511)</u>
	<u>2,185,776</u>	<u>2,639,489</u>

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

	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
9. PREPAYMENTS AND OTHER RECEIVABLES		
Prepaid rating fee	84,739	51,376
KSE Listing fee	6,016	-
Advance tax	5,997	5,797
Receivable against sale of units	<u>617,742</u>	<u>-</u>
	<u>714,494</u>	<u>57,173</u>

	March 31, 2011 (Rupees) (Un-Audited)	June 30, 2010 (Rupees) (Audited)
10. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	236,115	250,000
Brokerage payable	95,339	24,302
Sales load payable	5,198	78,475
Preliminary expenses and floatation costs payable	2,639,489	3,022,000
CDC listing fee	118,589	67,500
MCBFSL participation fee	-	50,000
Printing and stationery cost payable	39,416	34,395
Rating fee	-	175,000
Withholding Tax payable	247,471	-
Surcharge payable	1,038	-
Others	<u>210,000</u>	<u>35,000</u>
	<u>3,592,655</u>	<u>3,736,672</u>

11. CONTINGENCY

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

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

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

The Management Company believes that there is no need to make provision on account of WWF contribution in the financial statements amounting to Rs. 2.76 million. Further, the Management Company also expects that the constitutional petition pending in the Honorable High Court of Sindh on the subject as referred above will be decided in favour of the mutual funds.

	Nine months ended March 31, 2011	Period from	Quarter ended	
		August 7, 2009 to March 31, 2010	March 31, 2011	March 31, 2010
12. MARK-UP / INTEREST INCOME				
On:				
		-----Rupees----- ------(Unaudited)-----		
- Bank balance	18,493,299	10,578,428	2,467,282	3,653,166
- Term deposit accounts	10,866,293	9,883,341	6,005,677	7,740,188
- Investments	81,628,204	7,247,227	30,641,652	5,972,417
	<u>110,987,796</u>	<u>27,708,996</u>	<u>39,114,611</u>	<u>17,365,770</u>

13. 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.

14. TRANSACTIONS WITH CONNECTED PERSON

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

	Nine months ended March 31, 2011	Period from	Quarter ended	
		August 7, 2009 to March 31, 2010	March 31, 2011	March 31, 2010
		-----Rupees----- ------(Unaudited)-----		
<u>Transaction with connected person / related parties</u>				
<u>Units Sold to:</u>				
- BMA Capital Management Ltd. Staff Provident Fund	-	15,000,000	-	-
- Directors and executives of the management company (Nine months 427,380 units) & (for Quarter 45,889 units)	4,433,825	750,000	470,655	250,000
<u>An Associated Company</u>				
- BMA Capital Management Limited (for Nine months 17,177,248 units) & (for quarter 4,031,699 units)	177,599,993	36,655,449	41,348,221	62,329,285
- BMA Asset Management Co. Ltd (for Nine months 4,252,120 units) and (for quarter 534,787 units)	43,277,201	260,356,654	5,442,793	138,500,000

Unit holders with holding of 10% and above

- BMA Asset Management Co. Ltd (for Nine months 4,252,120 units) and (for quarter 534,787 units)

43,277,201 260,356,654 5,442,793 138,500,000

- Indus Motor Company Limited (for Nine months 9,668,559 units) & (for quarter 534,787 units)

98,721,173 - 3,721,173 -

- Habib Metropolitan Bank limited (for Nine months 5,484,161 units) & (for quarter 393,417 units)

56,853,125 - 4,007,988 -

Transaction with Associated Company

BMA Asset Management Company Limited

- Remuneration to the Management Company

13,223,529 2,956,873 4,459,974 2,122,491

Trustee fee

- Remuneration to Trustee

1,198,405 394,100 400,247 268,041

Units Redeemed By:

- Directors and executives of the management company (for Nine months 525,126 units) & (for quarter 271,241 units)

5,444,158 50,715 2,803,200 50,715

An Associated Company

BMA Capital Management Company Ltd (for nine months 18,700,748 units) & (for quarter 10,147,527 units)

193,005,323 22,553,110 104,815,264 51,795,251

BMA Asset Management Co. Ltd (for nine months 3,123,083 units) & (for quarter Nil)

32,155,699 135,615,867 - 135,615,867

Unit holders with holding of 10% and above

- BMA Asset Management Company Ltd (for nine months 3,123,083 units) & (for quarter Nil)

32,155,699 135,615,867 - 135,615,867

- Habib Metropolitan Bank Limited (for Nine Months 658,507 units) & (for quarter 373,316 units)

6,664,916 - 3,819,779 -

March 31, June 30, March 31, June 30,
2011 2010 2011 2010

-----Units----- -----Rupees-----
(Un-Audited) (Audited) (Un-Audited) (Audited)

Balances with connected persons / related parties

Units Held by:

- Directors and executives of the management company (units)

99,203 196,949 1,038,045 2,096,861

Associated Companies

- BMA Asset Management Company Limited

14,141,770 13,012,733 147,976,655 138,542,661

- BMA Capital Management Limited

917,224 2,440,725 9,597,653 25,985,669

Unit holders with holding of 10% and above

- BMA Asset Management Company Limited

14,141,770 13,012,733 147,976,655 138,542,661

- Indus Motor Company Limited

9,668,559 - 101,169,871 -

- Habib Metropolitan Bank Limited

9,567,549 4,741,895 101,112,917 50,485,530

	March 31, 2011	June 30, 2010
	-----Rupees-----	
	(Un-Audited)	(Audited)
Other balances		
BMA Asset Management Company Limited		
- Remuneration payable to management company	<u>1,316,399</u>	<u>1,250,544</u>
- Preliminary expenses and floatation costs due to Management Company	<u>2,639,489</u>	<u>3,022,000</u>
- Sales Load Payable	<u>5,198</u>	<u>78,475</u>
MCB Financial Services Limited-the Trustee		
- Remuneration payable to Trustee	<u>127,521</u>	<u>125,503</u>

15. DATE OF AUTHORISATION

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

16. GENERAL

16.1 Figures have been rounded off to the nearest rupee.

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

Muddassar Malik
Chief Executive Officer

Tashfin I Huq
Director