

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

## FUND'S INFORMATION

### Management Company

BMA Asset Management Company Limited  
801 Unitower. I.I. Chundrigar  
Road, Karachi-74000

### Board of Directors of the Management Company

Mr. Waqar Hassan Siddique	Chairman
Mr. Muddassar Malik	Chief Executive
Mr. Abdullah Shahin	Director
Mr. Omer Syed	Director
Mr. Thomas James Speechley	Director
Mr. Tashfin I. Huq	Director
Mr. Zahid Qasim Noorani	Director
Mr. Muhammad Iqbal	Director

### Company Secretary & CFO of the Management Company

Mr. 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  
3<sup>rd</sup> 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 March 31, 2013.

**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. JCR – VIS has assigned Fund Stability Rating of BECF as AA+ (f).

**FUND'S FINANCIAL PERFORMANCE**

For the period ended March 31, 2013 the Fund earned Rs. 60.62 mn from income on investments, bank balances and term deposits, had unrealized loss of Rs. -0.27 mn on investments and realized gains of Rs. 0.74 mn. In addition the fund booked element of loss from the issue and redemption of units which totalled Rs. 3.10 mn. Total income thus came to Rs. 57.98mn.

Expenses for the period totalled Rs. 7.79 mn and consisted of Rs. 1.00mn remuneration to the trustee of the fund, Rs. 0.44 mn fee to the SECP and Rs. 4.42 mn remuneration to the management company. As a result net income for the period was Rs. 50.20 mn.

<b>Financial highlights</b>	<b>March 31, 2013</b>
	<b>Rupees</b>
Mark up/interest income	60,618,292
Gain on sale of investments	739,191
Unrealized loss on investments	(271,669)
Element of loss	(3,102,119)
<b>Total Income</b>	<b>57,983,695</b>
Expenses	7,785,073
<b>Net Income</b>	<b>50,198,622</b>
Net Asset Value per unit	10.17

**INVESTMENT STRATEGY**

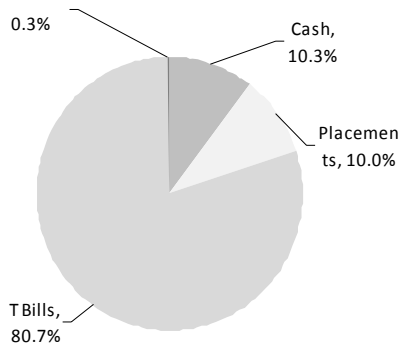
During this period the fund aimed to maintain majority exposure in T bills while selectively deploying assets in high yielding placements. This enabled the fund to generate a competitive rate of return while retaining liquidity and the ability to respond quickly in an uncertain macroeconomic environment. 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;

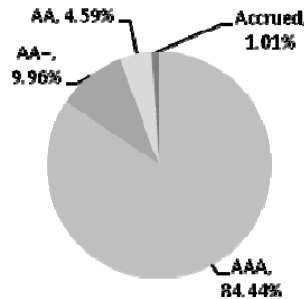
- I. **July 2010 to November 2010:** Portfolio duration was decreased from over 80 days to under 20 days as the SBP increased the discount rate from 12.50% to 14.00%
- II. **November 2010 to October 2011:** Portfolio duration was increased from under 20 days to almost 90 days as the SBP reduced the discount 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 March 2012 the net assets of the Fund were Rs. 640.01mn, of which 10.33% was held as cash, 9.96% was invested in money market placements with AA/AA+ rated financial institutions and 80.69% was allocated to sovereign rated Treasury Bills. In line with this asset allocation the credit quality of the fund remained high with 80.69% allocated to sovereign rated debt, 9.96% to AA+ and 10.33% to AA.

**Asset Allocation: 31 March 2013**



**Credit Quality: 31 March 2013**



**RETURN & FUND UPDATE**

During the 3QFY13 the fund generated a net return of 7.66% for investors. This was against the benchmark average of 7.20% during the period. The Fund continued to declare dividends on a regular basis and has announced a cumulative distribution of Rs. 0.70/unit for 3QFY13 which was equal to 6.95% of the opening NAV. For the period ended 31 March 2013 the Fund generated an annualized return of 9.23%.

**MACROECONOMIC OUTLOOK**

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

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

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

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

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

#### **FUTURE STRATEGY**

In light of the above macroeconomic scenario, 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
- Taking exposure in shorter tenors
- 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  
April 30, 2013**

**Muddassar Malik  
Chief Executive Officer**

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

	Note	March 31, 2013 Rupees (Un-Audited)	June 30, 2012 Rupees (Audited)
<b>ASSETS</b>			
Balances with banks	4	66,104,317	46,290,603
Money market placements	5	60,000,000	125,000,000
Investments	6	516,451,759	615,018,014
Mark-up / interest receivable	7	1,018,274	2,441,399
Preliminary expenses and floatation costs	8	975,320	1,429,033
Deposits, prepayments and other receivables		155,175	52,544
<b>Total assets</b>		<b>644,704,844</b>	<b>790,231,593</b>
<b>LIABILITIES</b>			
Payable to the management company	9	472,529	575,577
Payable to the trustee	10	99,149	112,180
Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	441,876	535,650
Payable to unit holders against redemption of units		1,242,938	-
Dividend Payable		11,167	867,862
Accrued expenses and other liabilities	12	2,423,083	2,590,031
<b>Total liabilities</b>		<b>4,690,742</b>	<b>4,681,300</b>
<b>CONTINGENCY AND COMMITMENTS</b>	13		
<b>NET ASSETS</b>		<b>640,014,102</b>	<b>785,550,293</b>
<b>Unit Holders' Fund</b> (as per statement attached)		<b>640,014,102</b>	<b>785,550,293</b>
<b>Number of units in issue</b>		<b>62,913,467</b>	<b>78,080,867</b>
<b>Net asset value per unit – Rupees</b>		<b>10.17</b>	<b>10.06</b>

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2013  
(UN-AUDITED)

Note	Nine Months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees -----				
<b>INCOME</b>				
14	60,618,292	66,819,751	14,927,187	18,669,164
	739,191	(171,632)	(75,622)	(59,512)
	(271,669)	(167,445)	(525,117)	(83,084)
	<b>61,085,814</b>	<b>66,480,674</b>	<b>14,326,448</b>	<b>18,526,568</b>
<b>EXPENSES</b>				
	4,418,764	6,210,155	1,195,789	1,165,222
	707,000	993,673	191,325	186,434
	1,007,276	925,319	289,956	285,688
	441,876	390,556	119,579	116,522
	193,999	106,542	25,741	26,160
	453,714	455,370	149,030	150,686
	289,532	322,473	95,927	92,021
	69,702	22,602	27,715	7,479
	146,637	147,172	48,165	48,700
	47,692	70,422	13,161	28,390
	8,882	30,783	6,431	9,110
	<b>7,785,073</b>	<b>9,675,067</b>	<b>2,162,819</b>	<b>2,116,412</b>
	<b>53,300,741</b>	<b>56,805,607</b>	<b>12,163,629</b>	<b>16,410,156</b>
	(3,102,119)	(4,927,132)	(1,242,423)	(4,617,926)
	<b>50,198,622</b>	<b>51,878,475</b>	<b>10,921,206</b>	<b>11,792,230</b>
15	-	-	-	-
	<b>50,198,622</b>	<b>51,878,475</b>	<b>10,921,206</b>	<b>11,792,230</b>
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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2013  
(UN-AUDITED)

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March</u> <u>31, 2013</u>	<u>March</u> <u>31, 2012</u>	<u>March</u> <u>31, 2013</u>	<u>March</u> <u>31, 2012</u>
	----- Rupees -----			
<b>Net Income for the period</b>	<b>50,198,622</b>	51,878,475	<b>10,921,206</b>	11,792,230
Other comprehensive income	-	-	-	-
<b>Total comprehensive Income for the period</b>	<b>50,198,622</b>	51,878,475	<b>10,921,206</b>	11,792,230

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 DISTRIBUTION STATEMENT  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013  
(UN-AUDITED)

	Nine Months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
----- Rupees -----				
<b>Accumulated loss brought forward</b>	<b>4,739,280</b>	35,452,863	<b>10,552,030</b>	<b>8,702,451</b>
Net Income / (loss) for the period	<b>50,198,622</b>	51,878,475	<b>10,921,206</b>	<b>11,792,230</b>
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)	-	(13,050,034)	-	(13,050,034)
Second interim distribution at the rate of Rs. 0.08 per unit on August 30, 2012 (2011: Nil)	<b>(6,580,222)</b>	-	-	-
Third interim distribution at the rate of Rs. 0.05 per unit on September 27, 2012 (2011: Nil)	<b>(6,021,467)</b>	-	-	-
Fourth interim distribution at the rate of Rs. 0.08 per unit on October 31, 2012 (2011: Nil)	<b>(4,117,259)</b>	-	-	-
Fifth interim distribution at the rate of Rs. 0.06 per unit on November 29, 2012 (2011: Nil)	<b>(7,059,134)</b>	-	-	-
Sixth interim distribution at the rate of Rs. 0.06 per unit on December 28, 2012 (2011: Nil)	<b>(5,415,078)</b>	-	-	-
Seventh interim distribution at the rate of Rs. 0.06 per unit on January 30, 2013 (2012: Nil)	<b>(3,736,073)</b>	-	<b>(3,736,073)</b>	-
Eighth interim distribution at the rate of Rs. 0.05 per unit on February 26, 2013 (2012: Nil)	<b>(2,992,586)</b>	-	<b>(2,992,586)</b>	-
Ninth interim distribution at the rate of Rs. 0.05 per unit on March 28, 2013 (2012: Nil)	<b>(2,946,816)</b>	-	<b>(2,946,816)</b>	-
<b>Accumulated loss carried forward</b>	<b>11,797,762</b>	7,444,648	<b>11,797,762</b>	7,444,648

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 NINE MONTHS ENDED MARCH 31, 2013  
(UN-AUDITED)

	Nine Months ended	
	March 31, 2013	March 31, 2012
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the period	50,198,622	51,878,475
<b>Adjustments for:</b>		
Mark up / interest income	(60,618,292)	(66,819,751)
Capital (gain) / loss on sale of investments – net	(739,191)	171,632
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit and loss'	271,669	167,445
Element of loss / (income) and capital loss / (gain) included in prices of units issued less those in units redeemed – net	3,102,119	4,927,132
Amortisation of preliminary expenses and floatation cost	453,714	455,370
	(57,529,982)	(9,219,697)
<b>Working capital changes</b>		
<b>(Increase) / decrease in assets</b>		
Preliminary expense and floatation costs	-	455,370
Deposit, prepayments and other receivables	(102,631)	(65,603)
	(102,631)	389,767
<b>Increase / (decrease) in liabilities</b>		
Payable to the management company	(103,048)	(559,755)
Payable to the trustee	(13,031)	(20,393)
Payable to Securities and Exchange Commission of Pakistan	(93,774)	(430,569)
Payable to unit holders against redemption of units	-	1,146,065
Dividend payable	(256,276)	2,193,070
Accrued expenses and other liabilities	(166,948)	(498,425)
	(642,077)	1,829,993
Investments – net	210,441,913	(33,342,404)
Interest received	16,284,802	64,908,198
<b>Net cash generated from) operating activities</b>	218,6550,647	24,565,857
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	1,344,200,037	650,817,411
Payments on redemption of units	(1,543,036,970)	(824,891,506)
<b>Net cash (used in) from financing activities</b>	(198,836,933)	(174,074,095)
Net decrease in cash and cash equivalents	19,813,714	(149,508,238)
Cash and cash equivalents at beginning of the period	46,290,603	160,323,581
<b>Cash and cash equivalents at the end of the period</b>	66,104,317	10,815,343

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 NINE MONTHS ENDED MARCH 31, 2013  
(UN-AUDITED)

	Nine months ended	
	March 31, 2013	March 31, 2012
	----- Rupees -----	
<b>Net assets at the beginning of the period</b>	<b>785,550,293</b>	675,992,149
Issue of 136,746,864 units including bonus 4,264,105 units (2012: 71,540,780 units including bonus 1,288,739 units)	<b>1,344,200,037</b>	650,817,411
Redemption of 151,914,194 units (2012: 80,466,802 units)	<b>(1,543,036,970)</b>	(824,891,506)
	<b>(198,836,933)</b>	(174,074,095)
	<b>586,713,360</b>	501,918,054
Element of loss / (income) and capital losses (gains) included in prices of units issued less those in units redeemed – net	<b>3,102,119</b>	4,927,132
Capital gain / (loss) on sale of investments – Net	<b>739,191</b>	(171,632)
Net unrealized (diminution) on re-measurement of Investments classified as 'financial assets at fair value through profit or loss'	<b>(271,669)</b>	(167,445)
Other net income for the period	<b>49,731,100</b>	52,217,552
<b>Total Income for the period</b>	<b>50,198,622</b>	51,878,475
<b>Net assets at the end of the period</b>	<b>640,014,102</b>	558,723,661

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2013  
(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 March 31, 2013.

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

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on 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 0.921 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.

	<b>Note</b>	<b>March 31, 2013 (Rupees) (Un-Audited)</b>	<b>June 30, 2012 (Rupees) (Audited)</b>
<b>4. BALANCES WITH BANKS</b>			
Balances in			
– savings accounts	4.1	<b>66,103,484</b>	46,289,770
– current accounts		<b>833</b>	833
		<b>66,104,317</b>	<b>46,290,603</b>
<b>4.1</b>	These carry profit at rates ranging from 6% to 8.40% per annum (June 30, 2012: 4.89% to 11.35%).		
	<b>Note</b>	<b>March 31, 2013 (Rupees) (Un-Audited)</b>	<b>June 30, 2012 (Rupees) (Audited)</b>
<b>5. MONEY MARKET PLACEMENTS</b>			
Certificates of investment	5.1	<b>60,000,000</b>	125,000,000
		<b>60,000,000</b>	<b>125,000,000</b>
<b>5.1</b>	This carries markup of 9.65% (June 30, 2012: 12% to 12.30%) per annum having maturity upto July 04, 2013.		



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	March 31, 2013 (Un-Audited) (Rupees)	June 30, 2012 (Audited) (Rupees)
Auditor's remuneration	319,908	330,041
Brokerage Payable	145,709	25,371
Printing and Stationery cost payable	68,498	41,146
Sales Load payable	5,200	5,200
Preliminary expenses and floatation costs payable	1,429,033	2,035,089
Other payable	454,736	153,184
	<b>2,423,083</b>	<b>2,590,031</b>

#### 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 5.54 million as at March 31, 2013. Had the provision been recognised, the Net Asset Value of the Fund would have been lower by Rs 0.088 per unit.

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

#### 14. MARK-UP / INTEREST INCOME

	Nine Months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	-----Rupees-----			
	----- (Unaudited) -----			
On:				
- Balance with banks	5,051,150	2,621,375	1,105,494	1,240,080
- Term deposit accounts	2,232,986	5,728,768	1,651,397	1,908,493
- Certificates of investment / letter of placement	7,577,541	10,088,984	2,036,048	4,191,718
- Government securities	45,756,616	48,380,624	10,134,247	11,328,873
	<b>60,618,292</b>	<b>66,819,751</b>	<b>14,927,187</b>	<b>18,669,164</b>



## 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 Asset Management Company Limited Staff Provident Fund, BMA Capital Management Limited (the holding company of the Management Company), BMA Capital Management Limited Staff Provident Fund, BMA Financial Services Limited, MCB Financial Services Limited (the Trustee) and persons holding ten percent or more shareholding of the Fund. Transactions with connected persons can be summarised as follows:

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	-----Rupees-----			
	------(Unaudited)-----			
<b>Transaction with connected person / related parties</b>				
<b>BMA Asset Management Company Limited (the Management Company)</b>				
- Issue of units including bonus units during nine months: nil and quarter; nil	-	36,751,597	-	234,194
- Redemption of units during nine months; 347,536 units and quarter; nil	<b>3,500,000</b>	175,600,000	-	128,550,000
<b>BMA Capital Management Ltd (the holding company of the Management Company)</b>				
- Issue of units including bonus units during nine months: 34,351,629 units and quarter; 9,922,578 units	<b>345,488,403</b>	11,551,707	<b>100,362,714</b>	10,760,082
- Redemption of units during nine months; 27,699,248 units and quarter; 8,165,435 units	<b>281,075,588</b>	-	<b>83,028,821</b>	-
<b>BMA Capital Management Limited – Staff Provident Fund</b>				
- Issue of units including bonus units during nine months: nil and quarter; nil	-	-	-	-
- Redemption of units during nine months; 5,293,355 units and quarter; nil	53,308,845	-	-	-
<b>Directors and executives of the Management Company</b>				
- Issue of units including bonus units during nine months: 47,508 units and quarter; 2,168 units	<b>439,500</b>	3,371,120	<b>21,500</b>	163,872
- Redemption of units during nine months; 78,914 units and quarter; 20,802 units	<b>799,629</b>	3,728,251	<b>211,383</b>	968,943
<b>Units holders and with holding of 10% and above</b>				
<b>Habib Metropolitan Bank limited</b>				
- Issue of units including bonus units during nine months: 5,324,905 units and quarter; 5,001,652 units	<b>50,000,000</b>	9,633,479	<b>50,000,000</b>	1,414,424
- Redemption of units during nine months; 6,930,693 units and quarter; 6,930,693 units	<b>70,648,691</b>	49,419,299	<b>70,648,691</b>	9,414,424

**Emirates Shipping Agency Pakistan (Pvt) Limited**

- Issue of units including bonus units during nine months: 8,581,348 units and quarter; 18,629 units	84,776,820	12,000,000	-	12,000,000
- Redemption of units during nine months; 16,577,024 units and quarter; 1,276,992 units	168,244,600	8,977	13,000,000	8,977

**National Bank of Pakistan**

- Issue of units including bonus units during nine months: 5,066,625 units and quarter; 154,744 units	50,000,000	-	-	-
- Redemption of units during nine months; 164,870 units and quarter; 164,870 units	1,679,203	-	1,679,203	-

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

- Remuneration to the Management Company	4,418,764	6,210,155	1,195,789	1,165,222
- Sindh Sales tax on remuneration of the Management Company	707,000	993,673	191,325	186,434

**MCB Financial Services Limited-the Trustee**

- Trustee fee	1,007,276	925,319	289,956	285,688
---------------	-----------	---------	---------	---------

March 31, 2013 -----Units----- (Un-Audited)	June 30, 2012 -----Units----- (Audited)	March 31, 2013 -----Rupees----- (Un-Audited)	June 30, 2012 -----Rupees----- (Audited)
--	--	---	---

**Balance with connected persons / related parties**
**Directors and executives of the Management Company**

Mr. Adeel Ahmad Khan	-	7,560	-	76,055
Mr. Mustafa O Pasha	-	24,887	-	250,378
Mr. Lawrence A. Lobo	-	1,009	-	10,155
Mr. Stephen Joseph	2,050	-	20,856	-

**Associated Companies**

BMA Asset Management Company Limited	482	347,992	4,908	3,501,043
BMA Capital Management Limited	6,652,382	-	67,674,018	-
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	6,229,463	7,835,250	63,371,700	78,828,101
- Emirates Shipping Agency Pakistan (Pvt) Limited	406,556	8,402,231	4,135,849	84,532,330
- National Bank of Pakistan	9,809,634	4,907,879	99,792,427	49,376,699

**BMA Asset Management Company Limited**

- Remuneration payable			407,353	496,187
- Sindh sales tax on remuneration payable			65,176	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			99,149	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:

<b>Description</b>	<b>Reclassified from</b>	<b>Classified to</b>	<b>Amount Rupees</b>
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 April 30, 2013.

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

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**