



September 30, 2011

NAV 10.3438

FUND COMMENTARY

During Sep11 BECF generated an annualized return of 11.18%, while fiscal year to date and inception to date returns were 11.46% and 11.65% respectively. The fund has declared a dividend of Rs. 0.25/unit or 2.5% of face value for 1QFY12. AUMs stood at Rs. 690.41 mn a decrease of 8.8% over last month. Portfolio duration increased from 70 days last month to 80 days in September, while standard deviation was 0.01%, reflecting the low risk profile and stable nature of the fund's returns. The Fund continues to benefit from its exposure to longer tenor T bills with returns being driven by capital gains on falling yields. Allocation towards COIs and deposits was increased to 32.59%, exposure to T bills dropped to 61.05% and cash holdings were minimal at 4.90%. Please note that ALL returns are now calculated and reported using the simple annualized formula as opposed to the morning star methodology in previous reports.

FUND OBJECTIVE

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.

PORTFOLIO CHARACTERISTICS

Assets in PKR MLN [30.09.11]	690.41
NAV/unit in PKR [30.09.11]	10.3438
Portfolio Duration	80 days
Portfolio Standard Deviation	0.01%

FUND DETAILS

Fund Type	Open End
Category	Money Market Fund
Benchmark*	3M Bank Rate
Inception Date	12-Nov-09
Dealing Days	Monday – Friday
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fee	1.50%
Front end Load	Upto 1%
Back end Load	Nil
Fund Stability Rating (JCR-VIS)	AA+(f)
Management Quality Rating (JCR -VIS)	AM2-
Risk Profile	Low Risk
Listing	KSE
Trustee	MCBFSL
Auditor	Ford Rhodes
Transfer Agent	Technology Trade
Legal Advisors	KMS Law Associates

DISCLAIMER

This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any Fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

OUTLOOK

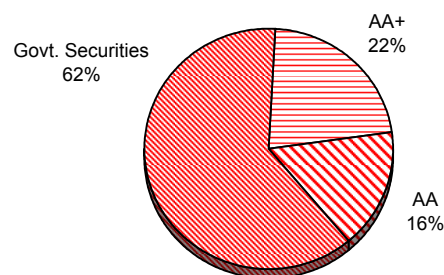
After altering the methodology of calculating inflation including changing the base year, reducing the weight of food in the CPI basket and making the House Rent Index survey based, CPI has dropped to 10.46% in Sep11 from 14.89% last year. As a result real interest rates are now positive by over 3.0% and the SBP can justify the continuation of monetary easing throughout FY12. Secondary market yields on the 10 year PIB have dropped to as low as 12.65% while rates on NSS instruments have recently been reduced by 50 - 96 bps. Indications are that a 100bps cut is on the cards in the upcoming Monetary Policy Review. The Fund has already positioned itself by increasing duration to 80 days which should yield benefits to unit holders in 2QFY12. Risks to the monetary cycle remain in the form of PKR depreciation and fiscal deficit financing from domestic sources.

FUND RETURNS

	BECF	BM*
Monthly Return (Sep) - Simple Annualized	11.18%	8.00%
FYTD Returns (FY12) - Simple Annualized	11.46%	8.05%
Since Inception - Simple Annualized	11.65%	7.96%

*Calculated from the average of 3M Term Deposit Rates offered by 3 different AA rated banks

PORTFOLIO RATINGS PROFILE



ASSET ALLOCATION

Asset	September	August
Cash	4.90%	0.56%
Placements with Banks & DFIs	32.59%	29.71%
T Bills	61.05%	68.39%
Accruals	1.46%	1.34%
Leverage	None	None

INVESTMENT COMMITTEE

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