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FUND'S INFORMATION

Management Company

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

Board of Directors of the Management Company

Mr. Muhammad Iqbal	Chairman
Mr. Muddassar Malik	Chief Executive
Mr. Tashfin I. Huq	Director
Mr. Zahid Qasim Norani	Director

Audit Committee of the Management Company

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

Human Resource and Remuneration Committee

Mr. Tashfin I. Huq	Chairman
Mr. Muhammad Iqbal	Member
Mr. Muddassar Malik	Member

CFO & Company Secretary of the Management Company

Mr. Faisal Ali Khan

Trustee

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

Bankers

Standard Chartered Bank (Pakistan) Limited
KASB Bank Limited
JS Bank Limited
Bank Al-Habib Limited
Faysal Bank Limited
MCB Bank Limited
Bank Alfalah Limited
Silk Bank Limited
Habib Bank Limited
Askari Bank Limited

Distributors

BMA Financial Services Limited
Pyramid Financial Consultants (Pvt) Limited
Topline Securities Limited
Elixir Securities (Pvt) 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

A+(f)

Management Quality Rating

AM3+

MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of BMA Asset Management Company Limited, the Management Company to BMA Chundrigar Road Savings Fund (BCSF) is pleased to present its report and financial statements of the Fund for the year ended June 30, 2013.

PROFILE

The launch announcement of the BMA Chundrigar Road Savings Fund (“BCSF”) was made on 14 August, 2007, Pakistan’s 60th year of independence and BCSF was formally launched on 23rd August. The BCSF seeks to provide its investors with an attractive rate of return by investing in all fixed income and money market instruments of low risk and short duration. The fund’s aim is to maintain a rupee-weighted average maturity for the investment portfolio of not more than 5 years. The benchmark for our return is one month KIBOR.

FUND’S FINANCIAL PERFORMANCE

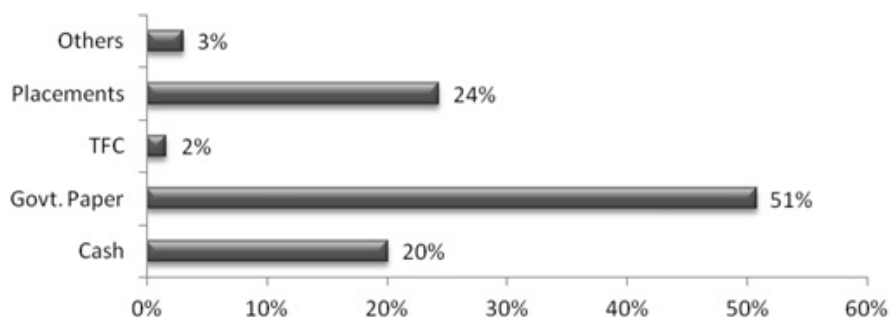
During FY13 the Fund earned Rs. 42.5 mn from income on investments, bank balances and term deposits. The fund registered a gain on investments of Rs. 4.6 mn. The reversal of provision further generated another gain of Rs. 7.3 mn. In addition the fund booked an element of income from the issue/redemption of units which totaled Rs. -261,505. Thus the total income earned came to Rs. 58.92 mn.

Total expenses for the period came to Rs. 9.4 mn. This included remunerations to the trustee of the fund, fee to the SECP and remuneration to the management company of Rs. 0.7 mn, Rs.0.3 mn and Rs.6.1 mn, respectively. As a result the net income for the year was Rs. 49.5 mn.

Financial highlights	June 30, 2013
	Rupees
Mark up/interest income	47,340,592
Gain on investments (Net)	4,592,756
Provision reversal	7,250,000
Element of income	(261,505)
Total Income	58,921,843
Expenses	(9,399,017)
Net Income	49,522,826
Net Asset Value per unit (Rupees)	8.02

As of 30 June the net assets of the Fund were Rs. 349.5 mn. Of which 20% was held as cash, TFCs comprised of 1.6%, while exposure to T bills and placements were built up to 50.8% and 24.3% respectively. The portfolio duration as of 30 June was 92 days.

Asset Allocation (30.06.13)



RETURN DURING THE PERIOD FOR INVESTORS

During FY13 the Fund generated an annualized return of 13.38%. This was against the benchmark average of 9.8% during the year thus outperformed by 3.4%.

RECENT DEVELOPMENTS

The fund has been assigned in the Aggressive Income Fund category, there after fund has maintained position in top quartile on the back of high credit quality and liquidity profile. Since inception the fund has generated an absolute return of 7.98% till June 30, 2013. Moreover over 80% of net assets are now rated AA and above as of June 2013. With a major allocation to short term government papers, the funds ability to meet redemptions and remain flexible in an uncertain macroeconomic environment has improved tremendously.

MACROECONOMIC OUTLOOK

FY13 proved to be an unprecedented year in terms of control over inflation. Pakistan experienced a cycle of monetary easing along with inflation staying under double digits in every period. The yearly CPI average for FY13 was 7.4%, consisting of food inflation and non-food inflation of 7.4% and 7.1%, respectively. This was a much needed ease on price levels as FY12 CPI figures were 11.0% YoY. Moving forward, however power and gas tariff hikes along with Rupee weakness are likely to increase inflationary pressures. Added to this, tax hikes, particularly in the GST, will result in FY14 inflation target of 10.4% by the 30 June, 2014.

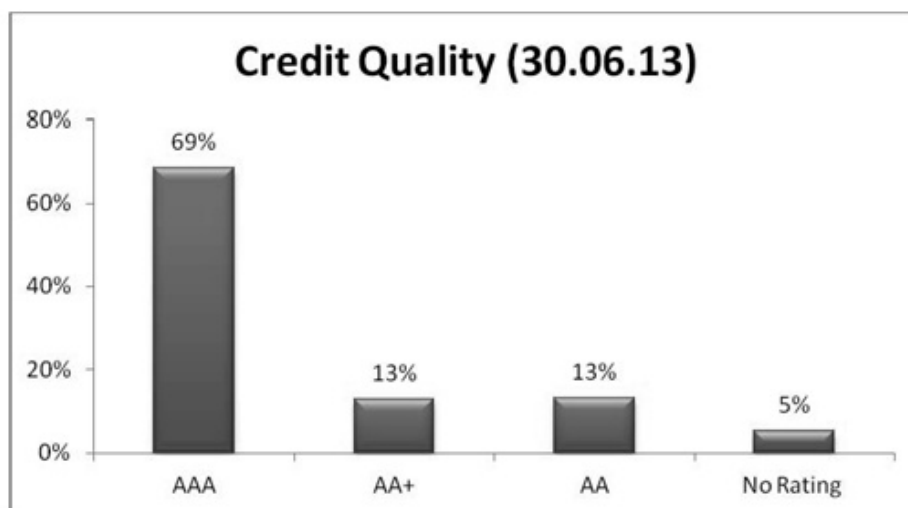
With discount rates in single digits for the first time in more than 5 years at 9.0%, the SBP took the economic stance of fueling investment led growth and to provide sufficient return on Rupee denominated assets. In FY13, GDP growth was 3.6% YoY, compared to 4.4% in FY12. As at 30 June, 2013, FX Reserves were to USD 10.4 billion, down 4.2% from 30 June, 2012. Net inflows of foreign private investment showed a healthy jump with foreign portfolio investments rounding up to USD 119.5 mn and foreign direct investment rising by a massive 76.3% in FY13 to 1.4 billion. Home remittances increased by 5.6% YoY to USD 13,921.6 mn during FY13. The current account deficit for the year decreased to USD 2.3 billion in FY 13. This can be explained by exports growing by 0.2% YoY and imports decreasing by 1.6%, reducing the current account deficit in FY13 by approximately 50%.

The Pakistani Rupee depreciated by 5.8% during FY13, which has reduced the relative return of PKR denominated assets and triggered speculative buying of the USD. Though, weakness in the country's external account, with import cover of 3-months, was the primary reason, a shift in global economic trend has also played its role. The impact on the currency market will be a key consideration for the central bank the greenback gained against all the major Asian currencies. Re-entry into the IMF program has led to power reforms, thereby raising inflationary expectations. The federal budget also indicated a cut in the subsidies and tax hikes that will affect all sectors of the economy. In the recent Monetary Policy announcement dated September 13, 2013, the SBP announced a 50 basis point hike. Given expectations for a higher inflation rate, movement in the policy rate is expected to be a total of 100 bps by 30 June, 2014.

STRATEGY

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

- Build exposure in high quality and liquid instruments keeping in mind an appropriate risk/reward ratio
- To transform portfolio largely towards floating rate instruments
- Increase duration with the intention of trading in floating rate instruments to take advantage of rising yield scenario.
- Realize gains at the bottom of the interest rate cycle.

**Corporate and Financial Reporting Framework**

The Fund being listed on the Karachi Stock Exchange, the Management Company is committed to observe the Code of Corporate Governance prescribed for listed companies.

The Board of Directors of the Management Company state that:

1. The financial statements, prepared by the Management Company, present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holders' fund.
2. Proper books of accounts of the Fund have been maintained during the year.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting standards, as applicable in Pakistan, provision of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, Non-Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations, 2008), requirements of the trust deed and directives issued by the Securities and Exchange Commission of Pakistan have been followed in the preparation of the financial statements and any departures there from has been disclosed and explained.
5. The system of internal controls is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in listing regulations.

8. Key financial data, in summarized form, is included in this Annual Report.
9. The statement as to the value of investment in provident fund is not applicable in the case of the fund as such expenses are borne by the Management Company.
10. The number of board meetings held during the year and attendance by each director is disclosed.
11. The detailed pattern of unit holding, as required by the Code of Corporate Governance is enclosed.

During the year, no trades in the units of the Fund were carried out by the Directors, CEO and their spouses and minor children. Trades of CFO of the Management Company are as under:

	No of Units
Investment	89,547
Redemption	29,136

Appointment of Auditors

The Board of Directors of BMA Asset Management Company Limited (the Management Company) have reappointed A.F.Ferguson & Co. Chartered Accountants, as the Fund's auditor for the year 2013-14 as recommended by the Audit Committee.

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
September 30, 2013**

**Muddassar Malik
Chief Executive**

REPORT OF THE FUND MANAGER

June-13

NAV

8.0200

Fund Returns

Annualized Return (Jun13)	7.49%
Annualized Return (CY13)	9.86%
Annualized Return (FY13TD)	13.38%
Portfolio Standard Deviation	0.22%
1M KIBOR Yield (Jun13)	9.33%
1M KIBOR standard deviation	2.90%

Portfolio Characteristics

Net Assets in PKR MLN (30.06.13)	349.46
NAV/unit in PKR (30.06.13)	8.0200
Portfolio Duration	92 days

Asset Allocation

	Jun	May
Cash	19.53%	10.01%
Placements	24.32%	25.72%
TFCs	1.63%	2.17%
CFS	0.00%	0.00%
PIBs	0.00%	15.67%
T Bills	49.61%	43.38%
Accruals	4.91%	3.05%
Leverage	None	None

Monthly Performance

Month	Return	Benchmark
June-13	7.49%	9.33%
May-13	17.35%	9.41%
April-13	10.44%	9.59%
March-13	8.70%	9.59%
February-13	5.79%	9.33%
January-13	10.31%	9.42%
December-12	12.22%	9.19%
November-12	11.58%	9.51%
October-12	13.48%	9.54%
September-12	33.44%	10.45%
August-12	13.36%	10.51%
July-12	9.73%	12.01%
June-12	37.72%	12.14%

Investment Committee

Muddassar M. Malik	CEO
Farrukh Hussain	CIO
Syed Qamar Abbas	Fund Manager

0800 00262
 SMS your name and email to 2620
 info@bmafunds.com
 www.bmafunds.com

MUFAP Recommended Format

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.

Fund Objective

The BMA Chundrigar Road Savings Fund seeks to provide its investors with an attractive rate of return by investing in all fixed income and money market instruments of low risk and short duration. The fund will seek to maintain a rupee-weighted average maturity for the investment portfolio of not more than 5 years.

Fund Commentary

The Fund posted an annualized return of 17.35% during May 2013 as compared to the benchmark return of 9.41%, a massive outperformance of 7.94%. On a FY13TD basis BCSF was amongst one of the top performing aggressive income funds with an annualized return of 13.82%. Superior performance of the fund during the month was on account of gain on fixed income instrument and better allocation towards high yield instruments.

AUMs slightly increased to Rs. 340 mn. Portfolio and benchmark standard deviation were 0.24% and 1.24% respectively. Portfolio duration was at 65 days while weighted average maturity was 636 days. The allocation of the Fund is fairly diversified with significant exposure of around 59.05% in Government Securities and the rest of the fund is deployed in high credit quality instruments.

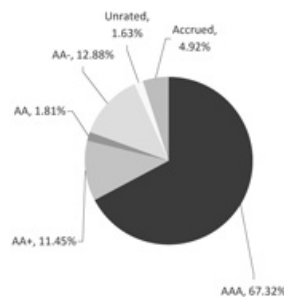
Provisioned Investments

Name	Cost	Provision Held	Carrying Value	% of Net Assets	Portfolio Ratings	%
New Allied PPTFC	21.47 mn	21.47 mn	0.0 mn	0.00%	AAA	67.32%
New Allied Sukuk	4.72 mn	4.72 mn	0.0 mn	0.00%	AA+	11.45%
PACE TFC	19.98 mn	19.98 mn	0.0 mn	0.00%	AA	1.81%
					AA-	12.88%
					Unrated	1.63%
					Accrued	4.91%

TFCs (as a % of Net Assets)

Kohat Cement Company	1.63%
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Portfolio Ratings Profile



Market Outlook

In May, the money market has taken a slight downward drift in yield on the back of major developments on the political front, expectation of soft CPI numbers, hope for ease in liquidity situation and stability on the external front (assistance from Saudi Arabia, CSF and Etisalat inflows). Based on the above mentioned factors as well as recent bidding pattern of T-bills and PIBs where considerable participation has been witnessed in longer tenors translating into a decline in secondary market yields of these instruments. However, due to tight liquidity position yield of short-term papers have increased slightly. May'13, CPI was recorded at 5.13% YoY, bringing the 11M FY13 CPI average to 7.5%, considerably lower YoY. Inflation in May'13 is largely in line with consensus expectation. At the same time, core inflation which is a significant barometer to track the SBP's inflation perspective, softened to 6.7% YoY in May'13 compared to 7.6% YoY in Apr'13, thereby bringing its 11MFY13 average to 9.2% YoY. We believe the SBP will cut the discount rate by 50 bps on the back of a delay in entry into an IMF program, low inflation in near term and positive real interest rate.

Disclosure: The Fund has not made provisions amounting to Rs. 2,364,307 against Workers' Welfare Fund liability, if the same were made on 30 June 2013 the NAV per unit/FY13TD return of the Fund would be lower by Rs. 0.054/5.71%. For details investors are advised to read note 14 of the fund's latest financial statements.

KEY FINANCIAL DATA

PERFORMANCE TABLE

	2013	2012	2011	2010	2009	2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Assets	349,456,851	383,227,121	119,152,494	356,015,482	1,154,725,161	3,430,251,475
Net asset value per unit	8.02	7.90	9.52	10.52	9.69	10.79
Dividend Distribution	0.89	-	-	1.12	-	0.77
Selling price for units	8.10	7.98	9.62	10.63	9.79	10.90
Repurchase price for units	8.02	7.90	9.52	10.52	9.69	10.79
Highest Offer price per unit	8.25	9.57	10.87	10.96	10.51	10.89
Lowest Offer price per unit	7.97	6.09	8.77	9.87	8.87	10.00
Highest Redemption price unit	8.17	9.48	10.76	10.85	10.41	10.79
Lowest Redemption price unit	7.89	6.03	8.68	9.77	8.78	10.00
Annual return (%)	13.38%	(16.94)	1.32	8.6	(3.17)	9.28
Weighted average portfolio duration	92 days	83 days	5.56 yrs	4.42 yrs	3.08 yrs	2.52 yrs

* The Fund was launched on August 23, 2007.

Disclaimer

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.



MCB FINANCIAL SERVICES LIMITED

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

BMA CHUNDRIGAR ROAD SAVINGS FUND

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

BMA Chundrigar Road Savings Fund, an open-end Scheme was established under a Trust Deed dated April 19, 2007 executed between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (Commission) on May 18, 2007.

1. BMA Asset Management Company Limited, the Management Company of BMA Chundrigar Road Savings Fund, has in all material respects, managed BMA Chundrigar Road Savings Fund during the year ended June 30, 2013 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 audit report and note 14 to the financial statements which refer 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.

Further, the attention of unit holders is also drawn towards note 6.31.1 to the financial statements which states that as per NBFC regulation clause 55(5), exposure to any debt issue of a company should not exceed ten percent of that issue and ten percent of Net Assets of the Fund, in total. As at June 30, 2013 investments in certificate of investments with Saudi Pak Investment Company Limited and Pak Oman Investment Company Limited is 11.45% and 12.88% respectively, which is in excess of the prescribed limit.

A handwritten signature in black ink, appearing to read 'Anwar', is written over a light grey circular stamp.

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 20, 2013

Statement of Compliance with the Code of Corporate Governance

This statement is being presented by the Board of Directors of BMA Asset Management Company Limited, the Management Company of BMA Chundrigar Road Savings Fund to comply with the Code of Corporate Governance contained in Regulation No.35, Chapter XI of listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. The Management Company has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. At present, the Board includes;

Category	Names
Independent/Non-Executive Directors	Muhammad Iqbal
	Tashfin I Huq
	Zahid Qasim Noorani
Executive Director	Muddassar Mazhar Malik

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Four casual vacancies occurred on the Board on May 16, 2013. None of the said vacancy has been filled to date while efforts are being made to fill the same.
5. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors are conversant of the relevant laws applicable to the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. No training programs were arranged during the year.
10. The Board has approved the appointment of CFO and Company Secretary while the internal audit function has been outsourced to a professional firm and a full time employee has been designated to act as coordinator between the firm and the Board. The remuneration and terms and conditions of the same have been approved by the board.

11. The Directors' Report of the Fund for the year ended June 30, 2013 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The Chief Executive Officer and CFO duly endorsed the financial statements of the Fund before approval of the Board.
13. The directors, CEO and executives of the Management Company do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.
14. The Management Company has complied with all the significant corporate and financial reporting requirements of the Code relevant to the Fund.
15. The Board has formed an Audit Committee comprising of three members all of whom are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held in every quarter prior to approval of interim and final results of the Fund as required by the Code. The Terms of Reference of the Committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee comprising of three members, two of whom are non-executive members and the chairman of the committee is an independent director.
18. The Management Company has outsourced the internal audit function to M/s M. Yousuf Adil Saleem & Co. Chartered Accountants (Deloitte) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The closed period prior to the announcement of interim/final results which may materially affect the market price of the Fund's units, was determined and intimated to the stock exchange, directors and employees.
22. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the
Board of Directors

Muddassar Malik
Chief Executive Officer

Karachi: September 30, 2013



A. F. FERGUSON & CO.

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **BMA Asset Management Company Limited**, the Management Company of **BMA Chundrigar Road Savings Fund**, to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Sub-Regulation (x) of Listing Regulations No. 35 as notified by the Karachi Stock Exchange (Guarantee) Limited on which the Fund is listed requires the Management Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2013.

We draw attention to the following matters which are highlighted in paragraphs 4 and 9 of the annexed statement:

- Four casual vacancies occurring on the Board during the year ended June 30, 2013 have not been filled within the time frame of 90 days, as required under clause (iii) of the Code.
- The Management Company did not arrange any training programs for its directors during the year, as required under clause (xi) of the Code.

Chartered Accountants

Karachi

Dated: September 30, 2013



A. F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **BMA Chundrigar Road Savings Fund (hereinafter referred to as 'the Fund')**, which comprise the statement of assets and liabilities as at June 30, 2013, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2013 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Emphasis of matter

We draw attention to note 14 to the financial statements 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 opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

OTHER MATTER

The financial statements of the Fund for the year ended June 30, 2012 were audited by another firm of Chartered Accountants who vide their report dated September 13, 2012 issued an unqualified opinion thereon.

Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: October 10, 2013

Karachi

**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2013**

ASSETS	Note	2013	2012
		------(Rupees)-----	
Bank balances	4	70,200,566	21,464,952
Investments	6	268,115,206	352,766,103
Profit receivable	7	9,545,110	8,308,486
Preliminary expenses and floatation costs	8	-	147,795
Security deposit	9	2,700,000	2,700,000
Prepayments and other receivables		431,057	421,845
Total assets		350,991,939	385,809,181
LIABILITIES			
Payable to the Management Company	10	606,988	1,850,884
Payable to MCB Financial Services Limited - Trustee	11	52,984	60,332
Payable to the Securities and Exchange Commission of Pakistan	12	307,011	148,801
Dividend Payable		10,082	-
Accrued expenses and other liabilities	13	558,023	522,043
Total liabilities		1,535,088	2,582,060
 NET ASSETS		 349,456,851	 383,227,121
 UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		 349,456,851	 383,227,121
 CONTINGENCIES AND COMMITMENTS	14		
		Number of units	
 NUMBER OF UNITS IN ISSUE	17	 43,581,690	 48,499,460
		Rupees	Rupees
 NET ASSET VALUE PER UNIT	3.8	 8.02	 7.90

The annexed notes 1 to 29 form an integral part of these financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I. Huq
Director

**INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	June 30, 2013	June 30, 2012
		------(Rupees)-----	
INCOME			
Profit on bank deposits and term receipts	15	4,916,936	2,867,140
Income from term finance certificates and sukus		3,518,051	3,312,959
Income from government securities		28,599,450	12,137,385
Income from letters of placement		1,461,829	-
Income from certificates of investment		3,986,610	1,841,681
Capital gain / (loss) on sale of investments - net		4,615,116	(18,076,194)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.4	(22,360)	1,126,061
Other income		4,857,716	489,451
Total income		51,933,348	3,698,483
Reversal of provision held against non-performing money market placements	5	7,250,000	27,750,000
Provision against term finance certificates		-	(13,434,200)
		7,250,000	14,315,800
		59,183,348	18,014,283
EXPENSES			
Remuneration of the Management Company		6,140,191	2,976,030
Sindh Sales Tax on Management Company's remuneration		982,430	475,336
Federal excise duty on remuneration of the Management Company		41,276	-
Remuneration of MCB Financial Services Limited - Trustee		734,472	463,802
Annual fee - Securities and Exchange Commission of Pakistan		307,010	148,801
Amortisation of preliminary expenses and floatation costs	8	147,795	1,001,640
Auditors' remuneration	16	464,981	527,245
Annual Listing fee		107,500	107,794
Rating fee		224,863	167,075
Printing charges		85,113	108,020
Brokerage expense		109,896	78,691
Professional charges		-	530,000
Settlement and bank charges		48,073	24,406
Other charges		5,417	-
Total expenses		9,399,017	6,608,840
Net Income from operating activities		49,784,331	11,405,443
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		(261,505)	(107,154,868)
Net income / (loss) for the year before taxation		49,522,826	(95,749,425)
Taxation		-	-
Net income / (loss) for the year after taxation		49,522,826	(95,749,425)
Earnings per unit	3.9	-	-

The annexed notes 1 to 29 form an integral part of these financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I. Huq
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013**

	June 30, 2013	June 30, 2012
	------(Rupees)-----	
Net income / (loss) for the year after taxation	49,522,826	(95,749,425)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>49,522,826</u>	<u>(95,749,425)</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

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

**Muddassar Malik
Chief Executive Officer**

**Tashfin I. Huq
Director**

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	June 30, 2013	June 30, 2012
	----- (Rupees) -----	
Accumulated loss brought forward includes unrealised loss of Rs. 1,126,062 (June 30, 2011: unrealised loss of Rs. 57,951,944) realised loss of Rs. 244,477,284 (June 30, 2011: realised Rs. 226,401,090)	(101,666,411)	(5,916,986)
Net income / (loss) for the year after taxation	49,522,826	(95,749,425)
First interim distribution at the rate of Rs 0.05 per unit on July 30, 2012 (2011: Nil)	(2,425,952)	-
Second interim distribution at the rate of Rs 0.05 per unit on August 30, 2012 (2011: Nil)	(3,268,562)	-
Third interim distribution at the rate of Rs 0.2 per unit on September 27, 2012 (2011: Nil)	(9,177,625)	-
Fourth interim distribution at the rate of Rs 0.07 per unit on October 31, 2012 (2011: Nil)	(3,093,118)	-
Fifth interim distribution at the rate of Rs 0.05 per unit on November 29, 2012 (2011: Nil)	(2,239,722)	-
Six interim distribution at the rate of Rs 0.09 per unit on December 28, 2012 (2011: Nil)	(5,630,853)	-
Seventh interim distribution at the rate of Rs 0.07 per unit on January 30, 2013 (2012: Nil)	(4,465,576)	-
Eighth interim distribution at the rate of Rs 0.03 per unit on February 26, 2013 (2012: Nil)	(1,971,172)	-
Ninth interim distribution at the rate of Rs 0.03 per unit on March 28, 2013 (2012: Nil)	(1,718,131)	-
Tenth interim distribution at the rate of Rs 0.07 per unit on April 30, 2013 (2012: Nil)	(2,817,486)	-
Eleventh interim distribution at the rate of Rs 0.01 per unit on May 30, 2013 (2012: Nil)	(4,174,191)	-
Final distribution at the rate of Rs 0.08 per unit on June 28, 2013 (2012: Nil)	(3,452,121)	-
	(44,434,509)	-
Accumulated loss carried forward Includes unrealised loss on investments of Rs. 22,360 (June 30, 2012: unrealised loss Rs.1,126,062) realised loss of Rs. 239,862,168 (June 30, 2012: realised loss Rs.244,477,284)	(96,578,094)	(101,666,411)

The annexed notes 1 to 29 form an integral part of these financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I. Huq
Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	June 30, 2013	June 30, 2012
		------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income / (loss) for the year		49,522,826	(95,749,425)
Adjustments for:			
Interest income		(42,482,876)	(20,159,165)
Capital (gain) / loss on sale of investments - net		(4,615,116)	18,076,194
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss' - net		22,360	(1,126,061)
Provision against term finance certificates		-	13,434,200
Reversal of provision held for impairment against investments		(7,250,000)	(27,750,000)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		261,505	107,154,868
Other income		(4,857,716)	(489,451)
Amortisation of preliminary expenses and floatation cost		147,795	1,001,640
		(58,774,048)	90,142,225
Working capital changes			
(Increase) in assets			
Prepayments and other receivables		(9,212)	-
Increase / (decrease) in liabilities			
Payable to the Management Company		(1,243,896)	(336,884)
Payable to MCB Financial Services Limited - Trustee		(7,348)	26,359
Payable to the Securities and Exchange Commission of Pakistan		158,210	5,843
Dividend payable		10,082	-
Accrued expenses and other liabilities		35,980	(149,112)
		(1,046,972)	(453,794)
Investments - net		125,093,103	(238,060,562)
Interest income received		17,504,518	12,862,061
Net cash generated from / (used in) operating activities		<u>132,290,215</u>	<u>(231,259,495)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		615,757,804	378,369,800
Payments on redemption of units		(699,312,405)	(125,700,616)
Net cash (used in) / generated from financing activities		(83,554,601)	252,669,184
Net increase in cash and cash equivalents		48,735,614	21,409,689
Cash and cash equivalents at beginning of the year		21,464,952	55,263
Cash and cash equivalents at end of the year	4	<u><u>70,200,566</u></u>	<u><u>21,464,952</u></u>

The annexed notes 1 to 29 form an integral part of these financial statements.

For BMA Asset Management Company Limited
(Management Company)

Muddassar Malik
Chief Executive Officer

Tashfin I. Huq
Director

**STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	June 30, 2013	June 30, 2012
	------(Rupees)-----	
Net assets at the beginning of the year	383,227,121	119,152,494
Net Asset Value at the beginning of the year {Rs 7.90 per unit (June 30, 2011: Rs 9.52 per unit)}		
Issue of 82,175,004 units(2012: 52,180,771units) including 5,561,575 bonus units (2012: Nil units)	615,757,804	378,369,800
Redemption of 87,092,774 units (2012: 16,197,984 units)	(699,312,405)	(125,700,616)
	(83,554,601)	252,669,184
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	261,505	107,154,868
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	(22,360)	1,126,061
Capital gain / (loss) on sale of investments	4,615,116	(18,076,194)
Other income	44,930,070	(78,799,292)
	49,522,826	(95,749,425)
 Net Asset Value at the end of the year {Rs 8.02 per unit (June 30, 2012: Rs 7.90 per unit)}	349,456,851	383,227,121

The annexed notes 1 to 29 form an integral part of these financial statements.

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

Muddassar Malik
Chief Executive Officer

Tashfin I. Huq
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

1 LEGAL STATUS AND NATURE OF BUSINESS

BMA Chundrigar Road Savings Fund (the Fund) was established in Pakistan under a Trust Deed executed between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Trust deed was executed and approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on May 18, 2007.

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

The Fund is an open-ended money market mutual fund listed on the Karachi Stock Exchange. Units of the fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering these to the Fund. The Fund is categorized as an 'Aggressive Fixed Income Scheme' as per the criteria laid down by SECP for categorization of Collective Investment Scheme (CISs).

The Fund seeks to provide its investors attractive income with concern for preservation of capital by investing in all fixed income and money market instruments of low risk and short duration to generate attractive rates of returns.

Pakistan Credit Rating Agency Limited has assigned a rating of A+(f) and AM3+ to the Fund and the Management Company respectively.

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

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

The following standards and amendments to standards have been published and are mandatory for accounting periods beginning on or after July 1, 2012:

- IAS 1, 'Financial statement presentation'. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendments do not have any effect on the Fund's financial statements.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Funds operations and are therefore not detailed in these financial statements.

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

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

2.4 Change in methodology of allocation of element

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

The change did not have any impact on the net assets value (NAV) of the Fund. Had the management not revised its methodology, the net income for the year would have been lower by Rs 10.319 million.

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (note 3.2 and note 6).

2.6 Accounting Convention

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments Recognition and Measurement.'

2.7 Functional and Presentation Currency

The financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances in savings accounts and other deposits with banks having original maturities of three months or less.

3.2 Financial assets**3.2.1 Classification**

The Fund classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

These are financial assets acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short-term profit taking exists.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009, circular no.33 of 2012 dated October 24, 2012 and circular no. 35 of 2012 dated November 26, 2012. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The investment of the Fund in government securities is subsequently stated at fair value which is determined on the basis of rates obtained from the PKRV rate sheet on the Reuters page.

Net gains and losses arising from changes in fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are recognised as 'other comprehensive income' in the statement of comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised as 'other comprehensive income' is transferred to the income statement as capital gain / (loss).

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.2.5 Impairment

The carrying amounts of the Fund's assets are revalued at each reporting date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognised immediately as an expense in the income statement. If any impairment evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income is reclassified from other comprehensive income and recognised in the income statement.

a) Debt securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 1 of 2009 dated January 6, 2009, circular no.33 of 2012 dated October 24, 2012 and circular no. 35 of 2012 dated November 26, 2012, issued by the SECP.

As allowed under circular no. 33 of 2012 dated October 24, 2012, issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with a provisioning policy approved by the Board of Directors.

b) Loans and receivables

For financial assets classified as loans and receivables, a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by the SECP.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired, have been realised or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include payable to management company, payable to trustee and other liabilities.

3.4 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years commencing from 23 August 2007 in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 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 ninety 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 is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company of the Fund for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours on that day. The redemption price represents the net asset value per unit as of the close of the business day, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Net asset value per unit

The net asset value per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.9 Earnings per unit

Earnings per unit (EPU) for the year ended June 30, 2013 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.10 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised capital gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Discount on purchase of Market Treasury Bills is amortised to income statement using the straight line method.
- Income from investments in Pakistan Investment Bonds is recognised on an accrual basis.
- Income from investments in term finance certificates is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account.
- Profit on bank deposits, certificate of investment and letter of placement is recognised on an accrual basis.

	Note	June 30, 2013	June 30, 2012
		------(Rupees)-----	
4 BANK BALANCES			
Savings accounts	4.1	70,200,566	21,464,720
Current accounts		-	232
		<u>70,200,566</u>	<u>21,464,952</u>

4.1 These accounts carry a rate of return ranging from 6.00% to 8.40 % per annum (2012: 4.89% to 11.35% per annum).

	June 30, 2013	June 30, 2012
	------(Rupees)-----	
5 PLACEMENTS WITH BANKS AND FINANCIAL INSTITUTIONS		
First Dawood Investment Bank Limited		
Opening receivable	7,250,000	35,000,000
Payment received during the year	<u>(7,250,000)</u>	<u>(27,750,000)</u>
	-	7,250,000
Provision held	<u>-</u>	<u>(7,250,000)</u>
	<u>-</u>	<u>-</u>

The Fund held investment with the First Dawood Investment Bank Limited (FDIBL) in the form of certificate of investment (COI) amounting to Rs 35 million. FDIBL defaulted in repayment of COI held by the Fund on October 23, 2008. The Fund filed a suit for the recovery of its investment and a decree was issued in favor of the Fund on May 07, 2010. FDIBL appealed against the decree obtained by the Fund in the High Court of Sindh, Karachi, which was disposed on August 08, 2011 after the parties submitted compromise application. Compromise was reached with FDIBL in which FDIBL agreed to pay Rs. 35 million in five installments till August 2012. The management decided to reverse the provision gradually upon receipt of each installment under the said arrangement. During the year the Fund received the last instalment amounting to Rs. 7,250,000 and hence no provision is held as at June 30, 2013.

6	INVESTMENTS	Note	June 30,	June 30,
			2013	2012
			------(Rupees)-----	
Financial assets 'at fair value through profit or loss'				
	Term finance certificates and sukus	6.1	5,684,007	11,324,919
	Investment in government securities	6.2	177,431,199	271,441,184
			183,115,206	282,766,103
Loans and receivables				
	Certificates of Investment	6.3	85,000,000	70,000,000
			<u>268,115,206</u>	<u>352,766,103</u>

6.1 Listed and Unlisted term finance certificates and sukus

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

Name of Security	(Number of Certificates)				Carrying value as at June 30, 2013	Market value as at June 30, 2013	Unrealised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2012	Purchased during the year	Sold during the year	As at June 30, 2013					
------(Rupees)-----									
Listed term finance certificates									
Pace Pakistan Limited - February 15, 2008	4,000	-	-	4,000	-	-	-	-	-
Un-listed term finance certificates and sukuk									
Kohat Cement Company Limited									
Sukuk Certificates - December 20, 2007	10,000	-	-	10,000	5,684,007	5,684,007	-	2.12%	1.63%
Cable and Electronics									
New Allied Electronics (Private) Limited - May 15, 2007									
New Allied Electronics (Private) Limited - Sukuk Certificate - July 27, 2007	10,000	-	-	10,000	-	-	-	-	-
New Allied Electronics (Private) Limited - Sukuk Certificate - July 27, 2007									
16,000	-	-	16,000	-	-	-	-	-	-
Commercial banks									
Bank Al Habib Limited - Term Finance Certificates - June 15, 2009									
-	10,000	10,000	-	-	-	-	-	-	-
Total as at June 30, 2013					<u>5,684,007</u>	<u>5,684,007</u>	<u>-</u>	<u>2.12%</u>	<u>1.63%</u>

6.1.1 Significant terms and conditions of term finance certificates and sukuk bonds outstanding at the year end are as follows:

Name of security	Number of certificates	Face Value	Mark-up rate (Per annum)	Maturity	Secured / unsecured	Rating
Pace Pakistan Limited (Issue date - February 15, 2008)	4,000	4,993	6 months KIBOR + 2%	February 15, 2017	Secured	NPA
Kohat Cement Company Limited (Issue date - December 20, 2007)	10,000	758	3 month KIBOR + 1.5%	September 20, 2016	Secured	Non-rated
New Allied Electronics (Private) Limited (Issue date - May 15, 2007)	10,000	2,114	3 month KIBOR + 2.75%	May 15, 2011	Secured	NPA
New Allied Electronics (Private) Limited (Issue date - July 27, 2007)	16,000	293	3 month KIBOR + 2.6%	July 25, 2012	Secured	NPA

6.1.2 Securities listed below have been classified as non-performing in accordance with the SECP's Circular 1 of 2009 and the Fund's provisioning policy for non-performing exposures. Accordingly, the carrying values stated above have been arrived at after taking into account provisions as under:

6.1.3 Provision against term finance certificates and sukuk

	June 30, 2013			June 30, 2012		
	Carrying value	Provision held	Net carrying value	Carrying value	Provision held	Net carrying value
------(Rupees)-----						
Pace Pakistan Limited - February 15, 2008	13,434,200	13,434,200	-	13,434,200	13,434,200	-
New Allied Electronics (Private) Limited - May 15, 2007	21,472,757	21,472,757	-	21,472,757	21,472,757	-
New Allied Electronics (Private) Limited Sukuk - July 27, 2007	4,721,001	4,721,001	-	4,721,001	4,721,001	-
Total as at June 30, 2013						
	<u>39,627,958</u>	<u>39,627,958</u>	<u>-</u>	<u>39,627,958</u>	<u>39,627,958</u>	<u>-</u>

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

6.2.1 Market Treasury Bills

Issue date	Tenor	Face Value				Balance as at June 30, 2013				Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2012	Purchased during the year	Sold during the year	Matured during the year	As at June 30, 2013	Carrying value	Market value	Unrealised appreciation / (diminution)		
---(Rupees)---											
April 19, 2012	3 Months	55,000,000	-	-	55,000,000	-	-	-	-	-	-
May 3, 2012	3 Months	-	15,000,000	-	15,000,000	-	-	-	-	-	-
May 17, 2012	3 Months	-	35,000,000	-	35,000,000	-	-	-	-	-	-
May 31, 2012	3 Months	-	50,000,000	-	50,000,000	-	-	-	-	-	-
June 14, 2012	3 Months	50,000,000	-	16,200,000	33,800,000	-	-	-	-	-	-
June 28, 2012	3 Months	-	12,700,000	-	12,700,000	-	-	-	-	-	-
July 12, 2012	3 Months	-	280,000,000	125,000,000	155,000,000	-	-	-	-	-	-
August 23, 2012	3 Months	-	65,000,000	65,000,000	-	-	-	-	-	-	-
February 7, 2013	3 Months	-	150,000,000	148,650,000	1,350,000	-	-	-	-	-	-
February 21, 2013	3 Months	-	65,000,000	55,500,000	9,500,000	-	-	-	-	-	-
April 4, 2013	3 Months	-	80,000,000	-	80,000,000	-	-	-	-	-	-
January 26, 2012	6 Months	111,000,000	25,500,000	-	136,500,000	-	-	-	-	-	-
July 26, 2012	6 Months	-	147,600,000	86,600,000	61,000,000	-	-	-	-	-	-
November 29, 2012	6 Months	-	30,000,000	-	30,000,000	-	-	-	-	-	-
January 24, 2013	6 Months	-	100,000,000	100,000,000	-	-	-	-	-	-	-
August 25, 2011	12 Months	30,000,000	-	-	30,000,000	-	-	-	-	-	-
October 6, 2011	12 Months	17,000,000	-	-	17,000,000	-	-	-	-	-	-
November 3, 2011	12 Months	12,100,000	10,000,000	1,000,000	21,100,000	-	-	-	-	-	-
February 9, 2012	12 Months	-	100,000,000	-	100,000,000	-	-	-	-	-	-
July 26, 2012	12 Months	-	63,000,000	16,700,000	-	46,300,000	46,021,490	46,024,789	3,299	17.17%	13.17%
September 20, 2012	12 Months	-	5,900,000	-	-	5,900,000	5,783,948	5,786,172	2,224	2.16%	1.66%
October 4, 2012	12 Months	-	306,000,000	248,000,000	-	58,000,000	56,730,352	56,697,522	(32,830)	21.15%	16.22%
November 1, 2012	12 Months	-	12,000,000	12,000,000	-	-	-	-	-	-	-
November 15, 2012	12 Months	-	75,500,000	75,500,000	-	-	-	-	-	-	-
May 30, 2013	12 Months	-	30,000,000	30,000,000	-	-	-	-	-	-	-
June 27, 2013	12 Months	-	75,000,000	-	-	75,000,000	68,917,769	68,922,716	4,947	25.71%	19.72%
Total as at June 30, 2013						185,200,000	177,453,559	177,431,199	(22,360)	66.19%	50.77%

6.2.2 Pakistan Investment Bonds

Issue date	Tenor	Face Value				Balance as at June 30, 2013				Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2012	Purchased during the year	Sold during the year	Matured during the year	As at June 30, 2013	Carrying value	Market value	Unrealised appreciation / (diminution)		
---(Rupees)---											
July 19, 2012	5 Year	-	50,000,000	50,000,000	-	-	-	-	-	-	-
July 19, 2012	10 year	-	200,000,000	200,000,000	-	-	-	-	-	-	-
August 18, 2012	10 year	-	37,000,000	37,000,000	-	-	-	-	-	-	-
						-	-	-	-	-	-

6.3 Certificates of Investment

Name of issuer	Maturity date	Rate	As at June 30, 2013
---(Rupees)---			
Saudi Pak Investment Company Limited	July 4, 2013	9.65%	40,000,000
Pak Oman Investment Company Limited	July 2, 2013	9.75%	45,000,000
			85,000,000

6.3.1 Non-compliant investments

As per NBFC regulation 55(5), exposure to any debt issue of a company should not exceed ten percent of that issue and ten percent of Net Assets of the Fund, in total. As at June 30, 2013 investments in Certificate of Investments with Saudi Pak Investment Company Limited and Pak Oman Investment Company Limited is 11.45% and 12.88% respectively, which is in excess of the prescribed limit.

	Note	June 30, 2013	June 30, 2012
------(Rupees)-----			
6.4 Net unrealised appreciation / (diminution) in fair value of investments classified as at 'fair value through profit or loss'			
Market value of investments	6.1 and 6.2	183,115,206	282,766,103
Less : carrying value of investments	6.1 and 6.2	(183,137,566)	(281,640,042)
		<u>(22,360)</u>	<u>1,126,061</u>
7 PROFIT RECEIVABLE			
Profit receivable on bank deposits		374,423	121,823
Profit receivable on sukuk certificate		6,967,866	7,005,074
Profit receivable on certificate of investment		2,202,821	1,181,589
		<u>9,545,110</u>	<u>8,308,486</u>
8 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Balance as at July 1	8.1	147,795	1,149,435
Less: amortisation during the year		(147,795)	(1,001,640)
Balance as at June 30		<u>-</u>	<u>147,795</u>

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from August 23, 2007 as per the requirements set out in the Trust Deed.

	Note	June 30, 2013	June 30, 2012
------(Rupees)-----			
9 SECURITY DEPOSIT			
Security deposit with:			
- Central Depository Company of Pakistan Limited		200,000	200,000
- National Clearing Company of Pakistan Limited		2,500,000	2,500,000
		<u>2,700,000</u>	<u>2,700,000</u>
10 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration of the Management Company	10.1	427,097	500,851
Sindh Sales Tax on Management Company's remuneration		68,333	80,137
Federal Excise Duty on Management Company's remuneration	10.2	41,276	-
Sales load payable to the Management Company		64,865	269,896
Preliminary expenses and floatation costs		-	1,000,000
Other payable		5,417	-
		<u>606,988</u>	<u>1,850,884</u>

10.1 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 3 percent of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to 2 percent of such assets of the Fund. The rate used by the Management company (and the Fund) is 1.5 percent per annum of the average daily net assets of the Fund as disclosed in the offering document.

10.2 During the current year, the Federal Board of Revenue levied Federal Excise Duty at the rate of 16% on the remuneration of the Management Company through Finance Act 2013 effective from June 13, 2013.

	Note	June 30, 2013	June 30, 2012
------(Rupees)-----			
11 FEE PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE	11.1	52,984	60,332

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

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2013 is as follows:

Amount of funds under management (average NAV)	Tariff per annum
Up to Rs. 250 million to Rs. 500 million	Rs.0.5 million plus 0.15% per annum of the Net Assets exceeding Rs. 250 million

Up to Rs. 500 million to Rs. 1,000 million	Rs.0.875 million plus 0.08% per annum of the Net Assets exceeding Rs. 500 million
Up to Rs. 1,000 million to Rs. 2,000 million	Rs.1.275 million plus 0.08% per annum of the Net Assets exceeding Rs. 2,000 million

	Note	June 30, 2013	June 30, 2012
------(Rupees)-----			
12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee	12.1	307,011	148,801

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

	June 30, 2013	June 30, 2012
------(Rupees)-----		
13 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	408,533	380,749
Brokerage	21,245	18,621
Printing charges	29,471	43,374
Others	98,774	79,299
	<u>558,023</u>	<u>522,043</u>

14 CONTINGENCIES AND COMMITMENTS

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

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

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

In view of the aforementioned developments during the year, the Management company believes that there is no compelling reason to make provision on account of WWF contribution in the financial statements. Further, the Management company also expects that the constitutional petition pending in the Honourable High Court of Sindh on the subject as referred to above will be decided in favour of the mutual funds. Accordingly, no provision has been made in respect of WWF liability. The aggregate amount of unrecognised WWF liability amounts to Rs 2.36 million (including Rs 0.99 million for the current year) as at June 30, 2013. Had the provision been recognised, the Net Asset Value of the Fund would have been lower by Rs 0.054 per unit.

There were no other contingencies and commitments outstanding as at June 30, 2013.

	June 30, 2013	June 30, 2012		
15 PROFIT ON BANK DEPOSITS AND TERM DEPOSIT RECEIPTS	------(Rupees)-----			
Profit on savings deposits	3,918,799	2,836,743		
Profit on term deposits receipts	998,137	30,397		
	<u>4,916,936</u>	<u>2,867,140</u>		
16 AUDITORS' REMUNERATION				
Audit fee - annual	275,000	275,000		
Half yearly review fee	100,000	100,000		
Fee for review of statement of compliance with the code of corporate governance	25,000	25,000		
Certification in respect of CDC Regulations	20,000	40,000		
Out of pocket expenses	44,981	87,245		
	<u>464,981</u>	<u>527,245</u>		
	June 30, 2013	June 30, 2012		
17 NUMBER OF UNITS IN ISSUE	Number of units			
Total units in issue at the beginning of the year	48,499,460	12,517,187		
Add: units issued during the year	76,613,429	52,180,771		
Add: bonus units issued during the year	5,561,575	-		
Less: units redeemed during the year	<u>87,092,774</u>	<u>16,198,498</u>		
Total units in issue at the end of the year	<u>43,581,690</u>	<u>48,499,460</u>		
18 TRANSACTIONS WITH CONNECTED PERSONS				
18.1 Related parties / Connected persons include BMA Asset Management Company Limited (the Management Company), BMA Asset Management Company Limited Staff Provident, Fund BMA Empress Cash Fund, BMA Capital Management Limited (the holding company of the Management Company), BMA Funds Limited, BMA Financial Services Limited and the Trustee, MCB Financial Services Limited. Transactions with connected persons can be summarised follows:				
18.2 Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.				
18.3 Details of the transactions with connected persons are as follows:				
	June 30, 2013		June 30, 2012	
Units issued (including bonus) to:	(Units)	(Rupees)	(Units)	(Rupees)
Directors and executives of the Management company				
Mr. Bilal Khan	64	511	546	4,315
Mr. Adeel Ahmad Khan	1,567,785	12,552,030	250,687	1,860,000
Mr. Lawrence A. Lobo	66,505	535,299	136,342	998,961
Mr. Faisal Ali Khan	89,547	719,216	54,837	375,531
Mr. Harold Makil Charles	45,811	369,149	57,984	402,170
Associated Companies				
BMA Asset Management Company Limited	7,619,084	61,347,929	22,524,408	156,534,000
BMA Capital Management Limited	3,025,401	24,144,977	-	-
BMA Asset Management Company Limited Staff Provident Fund	48,035	383,179	686,342	5,392,728
BMA Funds Limited	1,656,959	13,223,687	1,119,006	9,999,997
Unitholders with holding of 10% and above				
Habib Metropolitan Bank Limited	4,887,604	39,362,902	4,664,013	35,000,000
Units redeemed by:				
Directors and executives of the Management company				
Mr. Adeel Ahmad Khan	1,604,033	12,888,365	214,438	1,618,023
Mr. Lawrence A. Lobo	191,516	1,539,571	9,814	70,000
Mr. Faisal Ali Khan	29,136	235,000	54,837	378,542
Mr. Harold Makil Charles	45,811	370,233	57,984	426,024

	June 30, 2013		June 30, 2012	
	(Units)	(Rupees)	(Units)	(Rupees)
Associated Companies				
BMA Asset Management Company Limited	7,912,698	63,900,000	-	-
BMA Capital Management Limited	3,021,583	24,400,125	-	-
BMA Funds Limited	3,289,797	26,263,721	-	-
BMA Asset Management Company Limited Staff Provident Fund	427,332	3,412,425	686,342	5,423,270
Unitholders with holding of 10% and above				
Habib Metropolitan Bank Limited	4,341,678	35,000,000	-	-
Units Held by:				
Directors and executives of the Management company				
Mr. Bilal Khan	610	4,892	546	4,315
Mr. Adeel Ahmad Khan	-	-	36,249	286,425
Mr. Lawrence A. Lobo	1,518	12,174	126,529	999,793
Mr. Faisal Ali Khan	60,411	484,401	-	-
Mr. Harold Makil Charles	-	-	-	-
Associated Companies				
BMA Asset Management Company Limited	22,230,794	178,255,397	22,524,408	177,981,112
BMA Capital Management Limited	3,818	30,614	-	-
BMA Funds Limited	2	19	1,632,841	12,902,220
BMA Asset Management Company Limited Staff Provident Fund	307,045	2,462,010	686,342	5,423,270
Unit holders with holding of 10% and above:				
Habib Metropolitan Bank Limited.	5,209,940	41,775,382	4,664,013	36,853,633
			June 30,	June 30,
			2013	2012
			------(Rupees)-----	
Transactions with Associated Company				
BMA Asset Management Company Limited				
Management Company's remuneration			6,140,191	2,976,030
Sindh Sales Tax on Management Company's remuneration			982,430	475,336
Federal Excise Duty on Management Company's remuneration			41,276	-
Amortisation of preliminary expenses and floatation costs			147,795	1,001,640
BMA Capital Management Limited				
Brokerage			8,794	-
Transactions with other related parties				
MCB Financial Services Limited - Trustee				
Remuneration for the year			734,472	463,802
Fee payable			52,984	60,332
Balances with related parties:				
BMA Asset Management Company				
Management Company's remuneration			427,097	500,851
Sindh Sales Tax on Management Company's remuneration			68,333	80,137
Federal Excise Duty on Management Company's remuneration			41,276	-
Sales load payable to the Management Company			64,865	269,896
Preliminary expenses and floatation costs			-	1,000,000
Other payable			5,417	-

19 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Mr. Muddassar Malik	Chairman Investment Committee / Chief Executive Officer	MBA Finance & Corporate Strategy	21
2	Mr. Farrukh Hussain	Chief Investment Officer	MBA and Post Graduate Diploma in Finance and Banking	21
3	Mr. Qamar Abbas	Fund Manager	MSc. in Finance	16

19.1 Mr. Qamar Abbas is also the fund manager of BMA Empress Cash Fund.

20 LIST OF BROKERS BY PERCENTAGE OF COMMISSION PAID	June 30, 2013
1 Invest Capital Market Limited	38.35%
2 Invest & Finance Securities Limited	14.83%
3 Global Securities Pakistan Limited	13.50%
4 JS Global Capital Limited	11.48%
5 BMA Capital Management Limited	8.00%
6 ICON Securities (Private) Limited	7.90%
7 Invest One Market Limited	3.42%
8 KASB Securities Limited	2.52%
	<u>100.00%</u>
	June 30, 2012
1 ICON Securities (Private) Limited	62.46%
2 Invest Capital Investment Bank Limited	17.85%
3 KASB Securities Limited	12.69%
4 Global Securities Pakistan Limited	7.00%
	<u>100.00%</u>

21 PATTERN OF UNIT HOLDING

Category	-----June 30, 2013-----		
	Number of unit holders	Investment amount	Percentage of total
	--(Rupees)--		
Individuals	146	98,158,751	28.09%
Associated companies / directors	4	180,748,040	51.72%
Banks / DFIs	1	41,775,382	11.95%
Retirement Funds	1	2,112,249	0.60%
Others	2	26,662,429	7.63%
	<u>154</u>	<u>349,456,851</u>	<u>100.00%</u>

Category	-----June 30, 2012-----		
	Number of unit holders	Investment amount	Percentage of total
	--(Rupees)--		
Individuals	150	111,707,208	29.15%
Associated companies / directors	1	177,980,619	46.44%
Banks / DFIs	1	36,853,531	9.62%
Retirement Funds	2	40,241,067	10.50%
Others	1	16,444,696	4.29%
	<u>155</u>	<u>383,227,121</u>	<u>100.00%</u>

22 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The Board meetings were held on September 13, 2012, October 31, 2012, February 26, 2013 and April 30, 2013 and May 16, 2013. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave/granted	
* Mr. Omer Syed	5	1	1	Meeting held on October 31, 2012 was not attended and leave was granted.
* Mr. Waqar Hassan Siddiqui	5	1	1	Meeting held on September 13, 2012 was not attended and leave was granted.
* Mr. Abdullah Shahin	5	1	1	Meeting held on October 31, 2012 was not attended and leave was granted.
* Mr. Thomas James Speechley	5	1	1	Meeting held on September 13, 2012 was not attended and leave was granted.
Mr. Tashfin I Huq	5	5	-	Not applicable
Mr. Zahid Qasim Noorani	5	4	1	Meeting held on September 13, 2012 was not attended and leave was granted.
Mr. Mohammed Iqbal	5	5	-	Not applicable
Mr. Muddassar Malik	5	5	-	Not applicable

* The office of these directors was vacated on May 16, 2013 after the passage of three consecutive meetings held on February 26, 2013, April 30, 2013 and May 16, 2013 without attendance.

23 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2013		
	Loans and receivables	Assets at fair value through profit or loss (Rupees)	Total
Financial assets			
Bank balances	70,200,566	-	70,200,566
Investments	85,000,000	183,115,206	268,115,206
Profit receivable	9,545,110	-	9,545,110
Security deposit	2,700,000	-	2,700,000
	<u>167,445,676</u>	<u>183,115,206</u>	<u>350,560,882</u>

	As at June 30, 2013		
	Liabilities at fair value through profit or loss	Other financial liabilities (Rupees)	Total
Financial liabilities			
Payable to the Management Company	-	606,988	606,988
Payable to MCB Financial Services Limited - Trustee	-	52,984	52,984
Dividend Payable	-	10,082	10,082
Accrued expenses and other liabilities	-	558,023	558,023
	<u>-</u>	<u>1,228,077</u>	<u>1,228,077</u>

	As at June 30, 2012		
	Loans and receivables	Assets at fair value through profit or loss (Rupees)	Total
Financial assets			
Bank balances	21,464,952	-	21,464,952
Investments	70,000,000	282,766,103	352,766,103
Profit receivable	8,308,486	-	8,308,486
Security deposit	2,700,000	-	2,700,000
	<u>102,473,438</u>	<u>282,766,103</u>	<u>385,239,541</u>

	As at June 30, 2012		
	Liabilities at fair value through profit or loss	Other financial liabilities (Rupees)	Total
Financial liabilities			
Payable to the Management Company	-	1,850,884	1,850,884
Payable to MCB Financial Services Limited - Trustee	-	60,332	60,332
Accrued expenses and other liabilities	-	522,043	522,043
	<u>-</u>	<u>2,433,259</u>	<u>2,433,259</u>

24 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

24.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the investment committee and regulations laid down by SECP.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing treasury bills and sukuk exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase in KIBOR on the last repricing date of these term finance certificates with all other variables held constant, the net assets of the Fund and net income for the year would have been lower by Rs 0.800 million and In case of 100 basis points decrease in KIBOR on the last repricing date of these term finance certificates with all other variables held constant, the net assets of the Fund and net income for the year would have been higher by Rs 0.812 million respectively.

b) Sensitivity analysis for fixed rate instruments

Fixed rate instruments comprise of certificate of investment and bank balances in savings deposits. The income from these financial assets are substantially independent of changes in market interest rates except for changes, if any, as a result of fluctuation in respective fair value.

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2013 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

Effective interest rate %	Total	As at June 30, 2013 Exposed to Yield / Interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
------(Rupees)-----					
On-balance sheet financial instruments					
Financial assets					
Bank balances	6.00 - 8.40	70,200,566	70,200,566	-	-
Investments	8.96 - 10.99	268,115,206	85,000,000	177,431,199	5,684,007
Profit receivable		9,545,110	-	-	9,545,110
Security deposit		2,700,000	-	-	2,700,000
		350,560,882	155,200,566	177,431,199	5,684,007
					12,245,110
Financial liabilities					
Payable to the Management Company		606,988	-	-	-
Payable to MCB Financial Services Limited - Trustee		52,984	-	-	-
Dividend Payable		10,082	-	-	-
Accrued expenses and other liabilities		558,023	-	-	-
		1,228,077	-	-	-
					1,228,077
On-balance sheet gap		349,332,805	155,200,566	177,431,199	5,684,007
					11,017,033
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap					
		-	-	-	-
Total interest rate sensitivity gap		349,332,805	155,200,566	177,431,199	5,684,007
					11,017,033

Effective interest rate %	Total	As at June 30, 2012 Exposed to Yield / Interest rate risk			Not exposed to yield / interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
(Rupees in '000)					
On-balance sheet financial instruments					
Financial assets					
Bank balances	4.89% to 11.35%	21,464,952	21,464,952	-	-
Investments		352,766,103	313,321,968	28,119,216	11,324,919
Profit receivable		8,308,486	-	-	8,308,486
Security deposit		2,700,000	-	-	2,700,000
		385,239,541	334,786,920	28,119,216	11,324,919
					11,008,486
Financial liabilities					
Payable to the Management Company		1,850,884	-	-	-
Payable to MCB Financial Services Limited - Trustee		60,332	-	-	-
Accrued expenses and other liabilities		522,043	-	-	-
		2,433,259	-	-	-
					2,433,259
On-balance sheet gap		382,806,282	334,786,920	28,119,216	11,324,919
					8,575,227
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap					
		-	-	-	-
Total interest rate sensitivity gap		382,806,282	334,786,920	28,119,216	11,324,919
					8,575,227

24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Fund does not hold any security which exposes the Fund to price risk.

24.2 Credit risk

Credit risk arising from the inability of the counterparties to fulfil their obligations in respect of financial instrument contracts is generally limited to the principal amount and accrued income thereon. The Fund's credit risk is primarily attributable to balances with banks, its investment in term finance certificates and sukus, receivable against sale of investments and profit receivable on balances with banks. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial instrument contracts by following internal guidelines such as approving counterparties, approving credit, obtaining adequate collateral and transacting through approved brokers.

The analysis below summarises the credit quality of the Fund's financial assets :

Bank Balances by rating category	2013
Short term	
A1+ / A-1+	100%
Long term	
AA+	88%
AA	12%
Loans and Receivables by rating category	
Short term	
A1+ / A-1+	100%
Long term	
AA+	53%
AA	47%
Term finance certificates and sukuk by rating category	
Non - rated	100%

24.2.1 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's policy is to maintain a diversified portfolio of financial assets and to enter into transactions with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The table below analyses the Funds concentration of credit risk by industrial distribution:

Sector	Exposure on the basis of net investment			
	June 30, 2013		June 30, 2012	
	Rupees	Percentage	Rupees	Percentage
Construction and materials	5,684,007	2.12%	11,324,919	3.21%
	5,684,007	2.12%	11,324,919	3.21%

24.2.2 Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

24.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in government securities that can be readily disposed and are considered readily realisable. In addition when funds are placed in banks, it is ensured that such placements are made with banks having strong risk ratings.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2013			
	Total	Upto three months	Over three months and upto one year	Over one year
(Rupees)				
Financial liabilities				
Payable to the Management Company	606,988	606,988	-	-
Payable to MCB Financial Services Limited - Trustee	52,984	52,984	-	-
Dividend Payable	10,082	10,082	-	-
Accrued expenses and other liabilities	558,023	558,023	-	-
	<u>1,228,077</u>	<u>1,228,077</u>	<u>-</u>	<u>-</u>
	As at June 30, 2012			
	Total	Upto three months	Over three months and upto one year	Over one year
(Rupees)				
Financial liabilities				
Payable to the Management Company	1,850,884	1,850,884	-	-
Payable to MCB Financial Services Limited - Trustee	60,332	60,332	-	-
Accrued expenses and other liabilities	522,043	522,043	-	-
	<u>2,433,259</u>	<u>2,433,259</u>	<u>-</u>	<u>-</u>

25 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the Statement of Movement in Unit Holders' Fund.

The Fund has no restrictions on the subscription and redemption of units. As required under NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under

In accordance with the risk management policies stated in note 24, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, which would be augmented by short-term borrowings or disposal of investments where necessary.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from carrying values as the items are either short term in nature or are periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments : Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, whether directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

ASSETS	June 30, 2013			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss'				
Investment in term finance certificates and sukuku	-	5,684,007	-	5,684,007
Investment in government securities	-	177,431,199	-	177,431,199
	<u>-</u>	<u>183,115,206</u>	<u>-</u>	<u>183,115,206</u>

ASSETS	June 30, 2012			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss'				
Investment in term finance certificates and sukuku	-	11,324,919	-	11,324,919
Investment in government securities	-	271,441,184	-	271,441,184
	<u>-</u>	<u>282,766,103</u>	<u>-</u>	<u>282,766,103</u>

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 30 September 2013.

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purposes of comparison and better presentation. The following has been reclassified and disclosed in the notes to the financial statements:

Description	Reclassified from	Classified to	Amount Rupees
Certificates of investment held by the Fund as at June 30, 2012 have been reclassified from held to maturity investments to loans and receivables.	Investments - Held to Maturity	Investments - Loans and Receivables	70,000,000

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

29 GENERAL

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**

**PATTERN OF UNIT HOLDER AS PER REQUIREMENTS OF CODE OF
CORPORATE GOVERNANCE
AS AT 30 JUNE 2013**

PARTICULARS	UNIT HOLDING
INDIVIDUALS	12,179,049
MANAGEMENT COMPANY	
BMA Asset Management Co Ltd	22,230,794
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	
BMA Capital Management Limited	3,818
BMA Capital Management Limited Staff Provident Fund	-
BMA Asset Management Company Limited- Staff Provident Fund	307,045
BMA Funds Limited	2
NIT AND ICP	-
CHIEF EXECUTIVE	
Mr. Muddassar Malik	-
DIRECTORS	
Mr. Zahid Qasim Noorani	-
Mr. Tashfin I. Huq	-
Mr. Muhammad Iqbal	-
EXECUTIVES	62,539
PUBLIC SECTOR COMPANIES AND CORPORATIONS	3,325,080
BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS	-
SHAREHOLDING 10% OR MORE	
Habib Metropolitan Bank Limited	5,209,940
OTHERS	263,426
	43,581,690