



QUARTER REPORT
30 September 2007

BMA CHUNDRIGAR ROAD SAVINGS FUND

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FUND'S INFORMATION

Management Company

BMA Asset Management Company Limited

801 Unitower. I.I. Chundrigar Road,
Karachi-74000

Board of Directors of the Management Company

Mr. Arif Masood Naqvi	Chairman
Mr. Muddassar Malik	Chief Executive
Mr. Waqar Hassan Siddique	Director
Mr. Mustafa Abdel Wadood	Director
Mr. Thomas James Speechley	Director
Mr. Farrukh Hussain Khan	Director
Mr. Moazzam Malik	Director
Mr. Muhammad Iqbal	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Amir Iqbal

Audit Committee of the Management Company

Mr. Farrukh Hussain Khan	Chairman
Mr. Moazzam Malik	
Mr. Muhammad Iqbal	

Trustee

Muslim Commercial Financial Services (Private) 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

Distributors

Standard Chartered Bank Pakistan Limited
BMA Capital Management Limited

Auditors

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

Legal Adviser

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

Registrar

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

Management Quality Rating

AM3- by JCR VIS Credit Rating Company Limited

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 of BMA Chundrigar Road Savings Fund (BCSF) is pleased to present its report and un-audited financial statements of the Fund for the quarter ended September 30, 2007.

Profile

The announcement of the BMA Chundrigar Road Savings Fund was made on 14 August, 2007, Pakistan's 60th year of independence and 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 will aim to maintain a rupee-weighted average maturity for the investment portfolio of not more than 365 days. The benchmark for our return is one month KIBOR and all investment returns obtained from the Fund will be exempt from capital gains, withholding and income tax until assessment year 2008.

Fund's Financial Performance

In 38 days of operation (Aug 23 – Sep 30) the Fund earned a total income of PKR 14 million, PKR 9.83 million of which was earned through profit on Bank deposits. Expenditure for the said period was PKR 2.23 million, which means that net income of PKR 11.77 million was realized for this quarter, earned at an annualized return of 8.87%.

As of 30 September the total assets of the Fund were PKR 1.20 billion, of which PKR 672 million (56%) were in Bank deposits, PKR 243 million (20.25%) in the Continuous Funding System and PKR 270 million (22.5%) were invested in Term Finance Certificates, Equity Futures, Government Securities, Certificates of Investment and Commercial Paper.

After conducting thorough credit analyses of the corporate debt proposals and their respective issuers, the Fund took exposure in the Banking, Electronic and Cement sectors. The weighted return on the TFC portfolio of PKR 181 million was equal to 11.56% p.a., while the COI being held to maturity is earning interest equal to 11.61%. The portfolio duration as of 30 September was 63 days, which is consistent with the Fund's investment philosophy of remaining liquid, and allows us to adjust portfolio holdings in line with market conditions, as well as meet redemption requests without incurring losses.

Strategy

The outlook for short term rates has been mixed during the period July – September 2007 and this pattern is likely to be repeated in the coming quarter. BCSF's strategy in light of this is likely to focus on the following;

- a. Shift away from low yielding bank deposits
- b. Take advantage of opportunistic trades in money market, CFS and ready-future arbitrage
- c. Increase exposure to high yield corporate debt

Shift Away From Low Yielding Bank Deposits

This quarter has seen inflation climb to high levels with YoY CPI for September at 8.4%. This inflation is a function not only of double digit food inflation, but a result of the expansion of the money supply. Net foreign assets have increased due to the net flow of portfolio investment (US\$ 25 million) and remittances totalling US\$ 1501 million (22% increase YoY). This has forced the SBP to adopt a tight monetary policy with the discount rate set to 10% and conduct

repeated OMOs and PIB/T-Bill auctions in an effort to mop up excess liquidity. Despite these efforts this quarter has seen yields on T-Bills and PIBs rise by 18 bps and 21 bps respectively, while TDR rates on 3 month and 1 year deposits have decreased on average by 50 bps – 100 bps during the same period. Moreover 6 month KIBOR after increasing to 10.26% following the discount rate hike in July has receded to 9.97% at the end of September. Similarly 1 month KIBOR reached a peak of 9.76% in August, and has since then decreased by 18 bps to 9.58% at the end of the quarter.

Opportunistic Trades in Money Market, CFS and Ready-Future Arbitrage

Uncertainty on the political front spread to capital markets and saw the KSE shed over 2000 points. Consequently investment in CFS declined significantly and rates touched a low of 10.3% (down from 12.9% in July). However the continued flows of foreign investment allowed the KSE to rally and recoup its losses while the CFS rate recovered to 10.81%. This rate is expected to continue its upward movement and the fund will increase exposure in the CFS market. Similarly, by actively monitoring the Ready-Future market on a daily basis BCSF hopes to exploit any profitable opportunities that may arise. These investments will enhance yield while allowing the fund to maintain an acceptable level of liquidity.

Increase Exposure to High Yield Corporate Debt

The dichotomy between the SBP's tight monetary stance and consistent liquidity in the market has made secondary market borrowing for corporations relatively expensive. Owing to the high demand and over subscription of most bond issues, yields on corporate debt have been depressed. BCSF is therefore focussed on investing in the pre-IPO stage of debt issuance to avoid paying price premiums in a highly liquid market.

**For and on behalf of the
Board**

**Muddassar Malik
Chief Executive**

Karachi: 30 October, 2007

**INTERIM CONDENSED STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2007
(UN-AUDITED)**

	Note	September 30, 2007 Rupees
ASSETS		
Bank Balances	5	671,935,090
Receivable against Continuous Funding System		243,212,765
Investment	6	270,707,744
Security Deposits	7	1,100,000
Income receivable	8	10,709,480
Preliminary expenses and floatation costs	9	4,893,268
Total assets		<u>1,202,558,347</u>
LIABILITIES		
Payable against purchase of investment		1,157,092
Payable to BMA Asset Management Company Limited - Management Company	10	10,759,458
Payable to Securities and Exchange Commission of Pakistan		113,880
Payable to Muslim Commercial Financial Services (Private) Limited - Trustee		127,032
Accrued Expenses and Other Liabilities	11	85,410
Total liabilities		<u>12,242,872</u>
Commitments	13	
NET ASSETS		<u><u>1,190,315,475</u></u>
Unit Holder's Funds (as per statement attached)		<u><u>1,190,315,476</u></u>
		(Number of units)
Number of units in issue		117,913,455
		(Rupees)
Net Asset Value per unit		10.09

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

For BMA Asset Management Company Limited
(Management Company)

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

**INTERIM CONDENSED INCOME STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UN-AUDITED)**

	Note	For the period from 25 July, 2007 to September 30, 2007 Rupees
INCOME		
Income from Term Finance Certificates.		957,783
Income from COI's and Commercial Paper		943,566
Income from Government Securities		271,468
Profit on Bank Deposits.		9,832,152
Income from Continuous Funding System (CFS)		304,020
Unrealized appreciation on revaluation of Investments - Net	6.1.4	333,675
Unrealized Loss on Forward Contracts		<u>(6,795)</u>
		12,635,869
Element of income and capital gains included in prices of units issued less those in units redeemed		<u>1,366,201</u>
Total Income		<u>14,002,070</u>
 Expenses		
Remuneration of BMA Asset Management Company Limited - Management Company		1,736,390
Remuneration of Muslim Commercial Financial Services (Private) Limited - Trustee		127,032
Annual Fee - Securities and Exchange Commission of Pakistan		113,880
Settlement Charges		1,500
Transaction Costs		65,174
Amortization of Preliminary expenses and floatation costs		106,732
Auditor's Remuneration		44,374
Bank charges		10,725
Other Expenses		<u>32,741</u>
Total Expenses		2,238,548
 Net Income		 <u><u>11,763,522</u></u>
 Earnings per unit	 12	 <u><u>-</u></u>

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

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

**INTERIM CONDENSED DISTRIBUTION STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UN-AUDITED)**

	For the period from 25 July, 2007 to September 30, 2007 Rupees
Net income for the period	11,763,522
Undistributed income carried forward	<u><u>11,763,522</u></u>

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

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

**INTERIM CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUNDS
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UN-AUDITED)**

	For the period from 25 July, 2007 to September 30, 2007 Rupees
Issue of 148,381,095.3466 units	1,486,780,019
Redemption of 30,467,640.2832 units	(306,861,864)
	1,179,918,155
Element of income and capital gains included in prices of units issued less those in units redeemed	(1,366,201)
Unrealized appreciation on revaluation of Investments - Net	333,675
Unrealized Loss on Forward Contracts	(6,795)
Net income from operations	11,436,641
Net income for the period	11,763,522
Net Assets at the end of the period	1,190,315,476

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

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

**INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2007
(UN-AUDITED)**

**For the period
from 25 July,
2007 to September
30, 2007
Rupees**

CASHFLOW FROM OPERATING ACTIVITIES

Net income for the period	11,763,522
Adjustments	
Unrealized appreciation on revaluation of Investments - Net	(333,675)
Unrealized Loss on Forward Contracts	6,795
Element of Income	(1,366,201)
Amortization of preliminary expenses and floatation cost	106,732
	10,177,173
(Increase)/Decrease in assets	
Receivable against Continuous Funding System	(243,212,765)
Investment	(270,380,865)
Security Deposits	(1,100,000)
Income receivable	(10,709,480)
	(525,403,110)
Increase/(Decrease) in liabilities	
Payable against purchase of investment	1,157,092
Payable to BMA Asset Management Company Limited - Management Company	10,759,458
Payable to Securities and Exchange Commission of Pakistan	113,880
Payable to Muslim Commercial Financial Services (Private) Limited - Trustee	127,032
Accrued Expenses and Other Liabilities	85,410
	12,242,872
Cash inflow/(outflow) from operating activities	(502,983,065)
CASHFLOW FROM FINANCING ACTIVITIES	
Net receipts from sale and repurchase of units	1,179,918,155
Preliminary expenses and floatation cost	(5,000,000)
Net increase/(decrease) in cash and cash equivalents during the period	671,935,090
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	671,935,090

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

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 25, 2007 TO SEPTEMBER 30, 2007

1 LEGAL STATUS AND NATURE OF BUSINESS

BMA Chundrigar Road Savings Fund has been established in Pakistan under a Trust Deed executed on 19 April 2007 between BMA Asset Management Company Limited, as the Management Company and Muslim Commercial Financial Services (Private) Limited, as the Trustee and authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) by Securities and Exchange Commission of Pakistan (SECP) on 18 May 2007.

The Management Company of the fund has been licensed to act as an asset management company under the NBFC Rules by the SECP. The registered office of the management company is situated in Karachi, Pakistan.

BMA Chundrigar Road Savings Fund is an open-ended mutual fund. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the fund, except for the units issued to core investors which are not redeemable for a period of two years from the date of issue.

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 returns

2 STATEMENT OF COMPLIANCE

These interim condensed financial statements are unaudited and have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Trust Deed and the NBFC Rules. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, or directives issued by the SECP differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules and the said directives take precedence. The disclosures made in these interim condensed financial statements have, however, been limited based on the requirements of International Accounting Standard-34 : Interim Financial Reporting.

3 BASIS OF PREPARATION

These interim condensed financial statements are presented in Rupees and rounded to the nearest Rupee. These have been prepared under the historical cost convention, except that certain financial assets have been included at fair value in accordance with the recognition criteria specified in the relevant IAS applicable to the assets and the requirements of NBFC Rules. The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if or in the period of the revision and future periods if the revision affects both current and future periods.

4 ACCOUNTING POLICIES

4.1 INVESTMENTS

All investments are initially recognized at cost, being the fair value of the consideration given including transaction cost associated with the investment, except in case of 'held for trading' investments, in which case the costs are charged off to income.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the Trade date. Trade date is the date on which the Fund commits to purchase or sale of assets.

The management determines the appropriate classification of the investment made by the fund in accordance with the requirement of International Accounting Standards (IAS) 39; 'Financial Instruments: Recognition and Measurement', at the time of purchase and re-evaluates this classification on a regular basis.

The fund classifies its investment in following categories:

AVAILABLE FOR SALE

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'. Subsequent to initial measurement, 'available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity as part of Unit Holders' Funds. However, any premium or discount on acquisition is amortised and taken to the Income Statement over the life of the investment using the effective interest rate method. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to the Income Statement.

HELD FOR TRADING

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'held for trading'. These investments are marked to market and are carried on the Statement of Assets and Liabilities at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the Income Statement.

BASIS OF VALUATION OF TERM FINANCE CERTIFICATES

Unlisted Term Finance Certificates are valued at the average of the bid-rates obtained from reputable brokerage houses.

BASIS OF VALUATION OF GOVERNMENT SECURITIES

The Fund values its investment in government securities using the average of the bid-rates obtained from reputable brokerage houses.

4.2 DERIVATIVES

These are measured at their fair values. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the statement of asset and liabilities. The resultant gains and losses are included in income statement. Derivative financial instruments entered into by the fund do not meet the hedging criteria as defined by International Accounting Standard - 39, Recognition and measurement of financial instruments (IAS-39), consequently hedge accounting is not used by the fund.

4.3 SECURITIES UNDER REPURCHASE/RESALE AGREEMENTS

Transactions of purchase under resale (reverse-repo) of marketable and government securities, including the securities purchased under Continuous Funding System, are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified futures date (reverse-repo) are not recognised in the statement of assets and liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions/against Continuous Funding System. The difference between purchase and resale price is treated as income from reverse repurchase transactions/Continuous Funding System and accrued over the life of the reverse-repo agreement.

Transactions of sale under repurchase (repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of repo agreement.

4.4 ISSUE AND REDEMPTION OF UNITS

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

Units redeemed are recorded at the redemption price, applicable on 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 less any back-end load, any duties, taxes and charges on redemption.

4.5 ELEMENT OF INCOME/(LOSS) AND CAPITAL GAINS/(LOSSES) INCLUDED IN PRICES OF UNITS SOLD LESS THOSE IN UNITS REPURCHASED

An equalization account called the 'element of income/(loss) and capital gain/(losses) included in prices of units sold less those in units repurchased' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The fund records the net element of accrued income/(loss) and realised capital gain/(losses) relating to units issued and redeemed during an accounting period in the income statement while the portion of the element of income/(loss) and capital gains/(losses) that relate to unrealised capital gains/(losses) held by the fund in equity is recorded in a separate reverse account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to unit holders.

4.6 NET ASSET VALUE PER UNIT

The Net asset value per unit disclosed in the Statement of asset and liabilities is calculated by dividing the net assets of the fund by the number of units at the period end.

4.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of bank balances including term deposits.

4.8 TAXATION

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any.

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 of that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the Fund's unit holders.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax assets on unutilized tax losses to the extent that this will be available for set off against future taxable profits. However, the Fund intends to continue availing the tax exemption by distributing atleast ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability and deferred tax has been recognised in these financial statements.

4.9 REVENUE RECOGNITION

Gains/(losses) arising on sale of investments are included in the Income statement on the date at which the transaction takes place.

Unrealized capital gain/(losses) arising on mark to market of investment classified as 'held for trading' are included in the income statement in the period in which they arise.

Income on reverse repurchase transactions, Continuous funding system transactions and bank deposit is recognized on time proportionate basis.

Income on held to maturity investments is recognised on accrual basis using the effective interest rate method.

Gain/(Losses) arising on the revaluation of derivatives to the fair value are taken to the income statement.

Dividend income is recognised when the right to receive the dividend is established

4.10 EXPENSES

All expenses including management fee and trustee fee are recognised in the income statement on an accrual basis.

4.11 IMPAIRMENT

The carrying amount of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceed its recoverable amount. Impairment losses are recognised in the income statement.

4.12 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.

4.13 PRELIMINARY EXPENSES AND FLOATATION COST

Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of fund. These costs are being amortized over a period of five years commencing from August 23, 2007

4.14 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is reported in the statement of asset and liabilities when there is 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.

	Note	September 30, 2007 (Rupees) (Un-Audited)
5 BANK BALANCES		
Saving Accounts		471,925,150
Current Accounts		9,940
Term Deposit		200,000,000
		<u>671,935,090</u>
6 INVESTMENTS		
Held for trading	6.1	182,295,750
Held to maturity	6.2	88,411,994
		<u>270,707,744</u>
6.1 Held for trading		
- Term Finance Certificates	6.1.1	181,212,500
- Equity Securities	6.1.2	1,083,250
		<u>182,295,750</u>

6.1.1 Term Finance Certificates - Unlisted

Name of Investee Company	Profit Mark-up Rate %	(Number of Certificates)				Market value as at 30 September 2007	Percentage of investment in relation to net assets of the fund
		As at 1-Jul 2007	Purchases during the quarter	Sales during the quarter	As at 30 September 2007		
KASB Securities Limited	11.89%		6,000	2,000	4,000	20,650,000	1.73
New Allied Electronic Industries (Pvt) Ltd	12.57%		13,000	3,000	10,000	50,250,000	4.22
Maple Leaf Cement	10.97%		20,000		20,000	100,000,000	8.40
Jahangir Siddiqui & Co. Ltd	11.71%		4,000	2,000	2,000	10,312,500	0.87
Total			43,000	7,000	36,000	181,212,500	15.22

Cost of Investment as at 30 September 2007

180,885,000

All Term Finance Certificates have a face value of Rs. 5,000 each.

6.1.2 EQUITY SECURITIES

Name of Investee Company	Profit Mark-up Rate %	(Number of Certificates)				Market value as at 30 September 2007	Percentage of investment in relation to net assets of the fund
		As at 1-Jul 2007	Purchases during the quarter	Sales during the quarter	As at 30 September 2007		
Oil and Gas Exploration Companies							
Pakistan Oilfields Limited			4,500	1,000	3,500	1,083,250	0.09
Total			4,500	1,000	3,500	1,083,250	0.09

Cost of Investment as at 30 September 2007.

1,077,075

6.1.3 INVESTMENT IN GOVERNMENT SECURITIES

Pakistan Investment Bonds

Issue date	Face Value	Tenor (years)	Coupon Rate %	(Quantity)				Balance as at 30 September 2007	
				As at 1-Jul 2007	Purchases during the quarter	Sales during the quarter	Maturities during the quarter	As at 30 September 2007	Fair Value
22-08-2007	100	10	9.60%	-	250,000	250,000	-		

6.1.4 Net unrealised appreciation in the value of investments classified as 'At fair value through profit or loss'

Market value of investments at fair value through profit or loss

182,295,750

Less: Cost of investments at fair value through profit or loss

181,962,075

333,675

6.2 Held to maturity

- COI's
- Commercial Paper

50,000,000

38,411,994

88,411,994

These are Commercial Papers of Dewan Cement Limited having face value of Rs. 40 million and mature on 23-01-2008.

These are COI's of security leasing having interest rate of 11.61%.

	September 30, 2007 (Rupees) (Un-Audited)
7 Security Deposits	
Deposit with National Clearing Company of Pakistan Limited	1,000,000
Deposit with Central Depository Company of Pakistan Limited	100,000
	<u>1,100,000</u>
8 Income receivable	
Income accrued on Continuous Funding System	260,647
Income accrued on bank balances	8,055,287
Income accrued on Term Finance Certificates	1,805,093
Income accrued on held to maturity investments	588,452
	<u>10,709,480</u>
9 Preliminary expenses and floatation costs	
Preliminary expenses and floatation costs incurred	5,000,000
Less: Amortization during the period	(106,732)
	<u>4,893,268</u>
10 Payable to BMA Asset Management Company Limited - Management Company	
Management Fee	1,736,390
Sales Load	2,908,068
Preliminary expenses and floatation costs	5,000,000
Others	1,115,000
	<u>10,759,458</u>
11 Accrued Expenses and Other Liabilities	
Auditor's Remuneration	44,374
Rating fee	32,741
CDC charges	1,500
Unrealised diminution in fair value of future contracts	6,795
	<u>85,410</u>
12 EARNINGS PER UNIT	
Earnings per unit (EPU) for the period ended September 30, 2007 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.	
13 COMMITMENTS	
Continuous Funding System(including transactions to be rolled over) entered into by the fund in respect of which the Purchase/(Sell) transactions have not been settled as at period end.	<u>226,162,600</u>
Spread transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at period end.	<u>1,077,280</u>
Purchase of TFC- Pakistan Mobile Communication Limited	<u>50,000,000</u>
13.1 These transactions have been settled subsequent to the period end.	
14 TRANSACTIONS WITH CONNECTED PERSON	
Connected persons include BMA Asset Management Company Limited (the Management Company), BMA Capital Management Limited (the holding company of the Management Company) and director's of the Management Company.	
Transactions with connected persons can be summarised as follows:	

	September 30, 2007 (Rupees) (Un-Audited)
<u>Transactions</u>	
BMA Asset Management Company Limited Remuneration - Investment Advisor	<u>1,736,390</u>
BMA Capital Management Limited Investmer (10,992,668.7225 units)	<u>110,205,252</u>
Redemption from the Fund (4,996,462.5579 units)	<u>50,271,565</u>
Muddassar Malik- Chief Executive Investmer (9,998.0004 units)	<u>100,000</u>
<u>Balances</u>	
BMA Asset Management Company Limited Payable to Management Company	<u>10,666,846</u>
BMA Capital Management Limited Units held (5,996,206.1646 Units)	<u>60,472,339</u>
Muddassar Malik- Chief Executive Units held (9,998.0004 Units)	<u>100,831</u>

15 DATE OF AUTHORIZATION

These financial statements have been authorised for issue by the Board of Directors of the Management Company on 30 October 2007

16 GENERAL

16.1 Figures have been rounded off to nearest rupee.

16.2 Since the first Accounting Period of the Fund began on 25 July 2007, corresponding figures for comparative periods are not available.

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

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

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

Trustee:
Muslim Commercial Financial Services (Pvt.) Limited
3rd Floor, Adamjee House, I.I. Chundrigar Road
Karachi, Pakistan

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

Auditors:
Ford Rhodes Sidat Hyer & Co. Chartered Accountants
Progressive Plaza, Beaumont Road, P.O. Box 15541
Karachi 75530, Pakistan

Legal Advisors:
KMS Law Associates
207, Beaumont Plaza, Behind PIDC House
Karachi, Pakistan



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