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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

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

Bankers

Standard Chartered Bank Pakistan Limited
Allied Bank Limited
Faysal Bank Limited
MCB Bank Limited
Bank Alfalah Limited

Distributors

BMA Financial Services Limited

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Adviser

KMS Law Associates

Registrar

Technology Trade (Pvt.) Limited

Fund Stability Rating

AA+ (f)

Management Quality Rating

AM2- by JCR VIS Credit Rating Company Limited

MISSION STATEMENT

The BMA Empress Cash Fund aims to minimize risk, maximize liquidity and generate a competitive rate of return with Portfolio allocation concentrated in AA rated banks and short duration sovereign rated securities, which will enable the fund to earn consistent risk adjusted returns and beat its benchmark (three month deposit rate offered by AA rated banks) while maintaining adequate liquidity and supreme credit quality.

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of BMA Asset Management Company Limited, the Investment Adviser to BMA Empress Cash Fund (BECF) is pleased to present its report and un-audited financial statements of the Fund for the period ended December 31, 2009.

PROFILE

The BMA Empress Cash Fund is a professionally managed cash fund, which aims to minimize risk, maximize liquidity and generate a competitive rate of return. Portfolio allocation will be concentrated in AA rated banks and short duration sovereign rated securities, which will enable the fund to earn consistent risk adjusted returns. The Fund was launched on 12 November 2009 and aims to consistently beat its benchmark (3M deposit rate offered by AA rated banks) while maintaining adequate liquidity and superior credit quality. All investment returns obtained from the Fund are exempt for capital gains, withholding and income tax.

FUND’S FINANCIAL PERFORMANCE

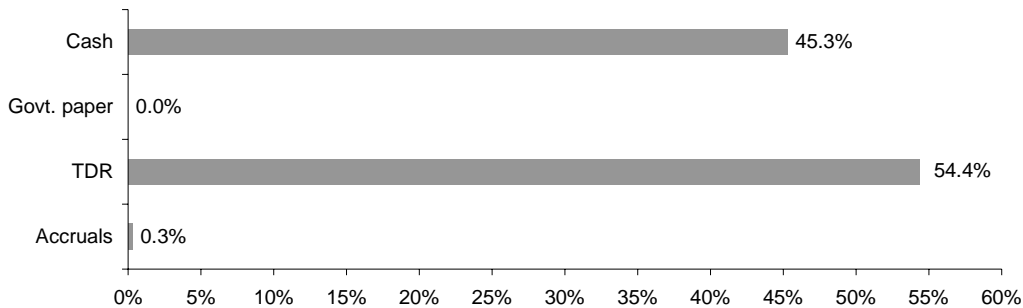
During 49 days of operation (Nov09-Dec09) the Fund earned PKR10.3 mn from income on investments, bank balances and term deposits. In addition the fund booked element of income from the issue and redemption of units which totalled PKR3.5 mn. Total income thus came to PKR13.8 mn

Expenses for the period totalled PKR1.2 mn and consisted of PKR0.1 mn remuneration to the trustee of the fund, PKR0.04 mn fee to the SECP and PKR0.8 mn remuneration to the management company. As a result net income for the period was PKR12.6 mn.

Financial highlights	December 31, 2009
	Rupees
Mark up/interest income	10,343,225
Element of income	3,450,175
Total Income	13,793,400
Expenses	1,235,525
Net Income for the half	12,557,875
Net Asset Value per unit (Rupees)	10.1292

As of 31 December the total assets of the Fund were PKR643.3 mn, of which 45.3% was held as cash, while 54.5% was placed in Term Deposits with AA rated banks. The portfolio duration as of 31 December was 43 days, which is consistent with the Fund’s stated investment strategy of maintaining duration under 90 days.

Asset Allocation [31.12.09]



RETURN DURING THE PERIOD FOR INVESTORS

During 49 days of operation (till 31 Dec 2009) the fund generated a net annualized return of 9.82% for investors. However by taking advantage of year end rates offered by commercial banks the fund has managed to push its inception to date return to 10.44% as of 19 Feb 2010.

MACROECONOMIC OUTLOOK

As per our projections the SBP chose to cut the discount rate by 50bps in Nov09 to 12.5%. Expectations regarding the extent of monetary easing have become increasingly conservative as the year has progressed. In our last report we identified four factors that would enable us to project future monetary policy and the discount rate. These were inflation, private sector credit, government borrowing and external assistance.

Firstly, inflationary pressures have reemerged in the wake of the government's phasing out of subsidies on electricity and gas. The increase in tariffs has affected prices along the whole value chain and headline inflation has jumped from a two year low of 8.87% in Oct09 to 13.68% in Jan10. We expect that CPI will average close to 11.5% for FY10, which is a considerable drop from the FY09 average of 21.0%.

Since Sep09 the private sector has borrowed PKR207.1bn, which has increased the stock of outstanding credit by 3.9%. While this indicates a semblance of economic recovery and the demand for working capital, it is important to realize that lending rates from the banking sector have come off by 50bps over the last year, while the policy rate has been cut by 250bps. The downward resistance in lending rates is being driven by a lack of liquidity and the banking sector's heightened risk perception with regards to private sector default. As a consequence, banks have been restructuring their balance sheets away from advances towards investments, with a particular focus on risk free sovereign debt. Government borrowing from scheduled banks is up by PKR188.2bn during 7MFY10 as compared to only PKR12.5bn during 7MFY09.

Unfortunately external assistance from the Friends of Democratic Pakistan has not been forthcoming. The government had budgeted for USD2.2bn in FY10 and it is highly unlikely that any such amount will be received during 1HCY10. IMF conditionalities stipulate that if less than USD1.4bn in assistance is received from the FODP then the government will have to rationalize expenditure and reduce the 4.9% planned fiscal deficit. In such a scenario (which is looking increasingly likely) the government will have to reduce development spending and slash PSDP by up to 50%. This will adversely affect economic recovery and the continued absence of social safety nets will create further hardship for those hit hardest by the increase in utility tariffs.

Given that FX reserves have increased to USD14.5bn, the balance of payments has accumulated a surplus of USD1.4bn during 1HFY10 and core inflation adjusted interest rates are hovering in excess of 3.0%, we believe that the SBP will make one further cut in FY10. While the size of the rate cut will crucially depend on the stability in headline inflation, we are projecting the discount rate at 11.5% by end Jun10.

STRATEGY

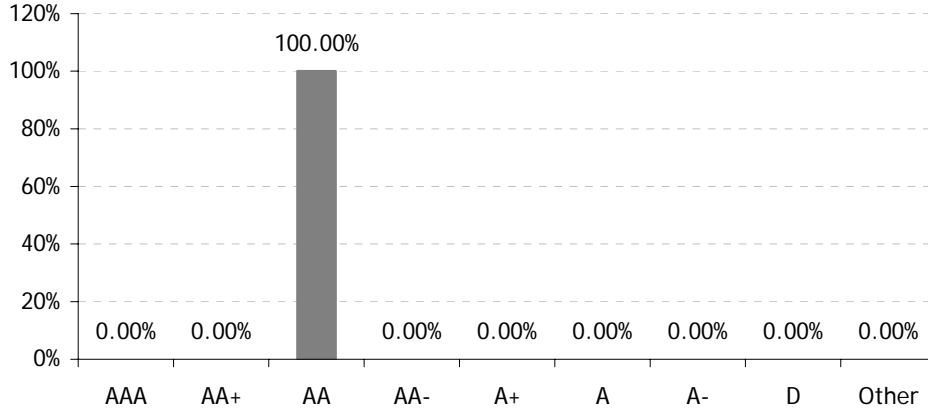
In light of the above macroeconomic scenario, BECF's strategy is likely to focus on the following;

The fund will be looking to concentrate exposure in high quality depository institutions at opportune times such as year end/ quarter end and take advantage of attractive rates offered by banks during these periods. These deposits will mostly be made for a tenor of 3M and 6M to ensure that adequate liquidity and regulatory compliance is maintained.

In light of restrained inter-bank liquidity and revision in expectations of monetary easing, exposure will also be maintained in government issued Treasury bills. While offering the fund and its unit holders a risk free rate of return, these instruments are also highly liquid and can be liquidated to meet the operational or redemption requirements of the fund. However to ensure that NAV volatility remains at minimal levels, T bill exposure will be carefully monitored to prevent mark to market changes affecting consistency of returns.

Portfolio duration will be gradually increased as we expect that interest rates will continue to come off. However adequate cash will be maintained to ensure liquidity. Credit quality as usual will be AA minimum as per regulatory requirements

Credit Quality [31.12.09]



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
February 26, 2010**

**Muddassar Malik
Chief Executive Officer**

**AUDITORS' REPORT TO THE UNITHOLDERS ON
REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **BMA EMPRESS CASH FUND** as at **31 December 2009**, and the related condensed interim statements of income, comprehensive income, distribution, cash flow and movement in unit holders' funds together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the period from 07 August 2009 to 31 December 2009. Management Company (BMA Asset Management Company Limited) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi: February 26, 2010

**Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants**

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

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

BMA Empress Cash Fund, an open-end Scheme established under a Trust Deed dated June 18, 2009 executed between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited (formerly: Muslim Commercial Financial Services Limited), as the Trustee . The Fund offered its units for public subscription Scheme from November 10, 2009 to November 11, 2009.

1. BMA Asset Management Company Limited, the Management Company of BMA Empress Cash Fund, has in all material respects, managed BMA Empress Cash Fund during the period from August 07, 2009 to December 31, 2009 in accordance with the provisions of the following:
 - (i) limitations imposed on the investment powers of the Management Company under the Constitutive Documents;
 - (ii) the valuation and pricing of Units are carried out in accordance with the requirements of the Trust Deed and the Offering Document;
 - (iii) the creation and cancellation of Units are carried out in accordance the requirements of the Trust Deed and the Offering Document;
 - (iv) the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008; and the constitutive documents.

Karachi: February 22, 2010

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited (formerly: Muslim
Commercial Financial Services Limited)

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2009
(UN-AUDITED)

	Note	December 31, 2009 Rupees
ASSETS		
Bank balances	4	749,556,222
Mark-up / interest receivable	6	2,161,804
Preliminary expenses and floatation costs	7	2,939,205
Deposits, prepayments and other receivables	8	171,799
TOTAL ASSETS		754,829,030
LIABILITIES		
Remuneration payable to management company	9	677,281
Remuneration payable to trustee	10	89,621
Annual fee payable to Securities and Exchange Commission of Pakistan	11	41,719
Payable to unit holders against redemption of units	12	101,758,387
Accrued expenses and other liabilities	12	3,340,120
TOTAL LIABILITIES		105,907,128
CONTINGENCY	13	
NET ASSETS		648,921,902
Unit holder's funds (as per statement attached)		648,921,902
Number of units in issue		64,064,482
Net Asset Value per unit		10.13

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

CONDENSED INTERIM INCOME STATEMENT
FOR THE PERIOD FROM AUGUST 07, 2009 TO DECEMBER 31, 2009
(UN-AUDITED)

	Note	Period from August 7, 2009 to December 31, 2009 Rupees	Quarter ended December 31, 2009 Rupees
INCOME			
Mark up / interest income on investments, bank balances and term deposits	14	10,343,225	9,468,714
Element of income and capital gains included in prices of units issued less those in units redeemed - net		3,450,175	3,450,175
TOTAL INCOME		13,793,400	12,918,889
EXPENSES			
Remuneration of the management company		834,382	834,382
Remuneration of the trustee		126,060	126,060
Annual fee to Securities and Exchange Commission of Pakistan		41,719	41,719
Brokerage		7,625	7,625
Amortisation of preliminary expenses and floatation costs		82,795	82,795
Auditor's remuneration		75,758	75,758
Listing fee		21,104	21,104
Mutual fund rating fee		26,758	26,758
Bank charges		1,575	1,575
Printing and stationary		17,749	17,749
TOTAL EXPENSES		1,235,525	1,235,525
NET INCOME		12,557,875	11,683,364

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM AUGUST 07, 2009 TO DECEMBER 31, 2009
(UN-AUDITED)

	Period from August 7, 2009 to December 31, 2009 Rupees	Quarter ended December 31, 2009 Rupees
Net income for the period	12,557,875	11,683,364
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>12,557,875</u>	<u>11,683,364</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE PERIOD FROM AUGUST 7, 2009 TO DECEMBER 31, 2009
(UN-AUDITED)

	Period from August 7, 2009 to December 31, 2009 Rupees (Un-audited)
Net income for the period	12,557,875
Distribution of 428,079 - Bonus units	(4,280,790)
Undistributed income carried forward	<u><u>8,277,085</u></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD FROM AUGUST 07, 2009 TO DECEMBER 31, 2009
(UN-AUDITED)

	Note	Period from August 7, 2009 to December 31, 2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period		12,557,875
Adjustments for:		
Mark up / interest income on investments, bank balances and term deposits		(10,343,225)
Element of income and capital gains included in prices of units issued less those in units redeemed - net		(3,450,175)
Amortisation of preliminary expenses and floatation costs		82,795
		(13,710,605)
Working capital changes		
(Increase) / decrease in assets		
Preliminary expenses and floatation costs		(3,022,000)
Term Deposit Receipts		(75,000,000)
Deposits and other receivables		(171,799)
		(78,193,799)
Increase / (decrease) in liabilities		
Remuneration payable to management company		157,101
Remuneration payable to trustee company		36,438
Annual fee payable to Securities & Exchange Commission of Pakistan		-
Payable to unit holders against redemption of units		101,758,387
Accrued expenses and other liabilities		3,340,120
		105,292,046
Proceed from sale of securities		300,000,000
Markup / interest income received		8,181,421
Purchase of securities		(299,384,918)
Net cash generated from operating activities		34,742,020
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units		979,496,565
Payments for redemption of units		(339,682,363)
Net cash generated from financing activities		639,814,202
Net increase in cash and cash equivalents		674,556,222
Cash and cash equivalent at beginning of the period		-
Cash and cash equivalent at end of the period	16	674,556,222

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUNDS
FOR THE PERIOD FROM AUGUST 07, 2009 TO DECEMBER 31, 2009
(UN-AUDITED)

	Period from August 7, 2009 to December 31, 2009 Rupees (Unaudited)
Net assets at the beginning of the period	-
Cash received on issue of units*	979,496,565
Cash paid / payable on redemption of units**	(339,682,363)
	639,814,202
Element of income and capital gain included in prices of units issued less those in units redeemed	(3,450,175)
Net income for the period	12,557,875
Other comprehensive income for the period	-
Total comprehensive income for the period	12,557,875
Net assets at the end of the period	648,921,902
	Number of units
* Number of units issued including 428,079 bonus units	97,827,266
** Number of units redeemed	33,762,785

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM AUGUST 07, 2009 TO DECEMBER 31, 2009
(UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** BMA Empress Cash Fund (the Fund) was established in Pakistan under a Trust Deed executed between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Trust deed was executed and approved by Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on June 18, 2009. The Fund offered its unit for public subscription from November 10, 2009 to November 11, 2009.
- 1.2** The Fund is an open-ended mutual fund listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund except for the units issued to core investors which are not redeemable for a period of two years from the date of issue.
- 1.3** The Fund is structured to provide a competitive level of income that commensurate with enhanced liquidity and credit profile through investment primarily in short term deposits and money market instruments with an overall rupee-weighted average maturity of not more than 90 days.
- 1.4** These are the first financial statements of the Fund for the period commencing from the date on which proceeds of units issued to the Core Investors and other investors have been received and transferred to the Trustee i.e. August 07, 2009. Accordingly, there are no comparative figures to report.

2. BASIS OF PREPARATION

- 2.1** These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and do not include all the information and disclosures required in annual financial statements.
- 2.2** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors.

3. ACCOUNTING POLICIES

During the period, the Fund has adopted the following significant policies:

3.1 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through profit or loss, held to maturity investment or available for sale investment, as appropriate. All investments are initially measured at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs that are directly attributable to acquisition.

All regular way purchases and sales of investments are recognised on the trade date i.e. the date the Fund commits to purchase / sell the investment. Regular way purchases and sales of investments require delivery of securities within two days after the transaction date, as per stock exchange regulations.

The investments are classified in the following categories:

Investments at fair value through profit or loss

These include held for trading investments and such other investments that, upon initial recognition are designated under this category. Investments are classified as held for trading if they are required for the purpose of selling in the near term. After initial measurement, such investments are carried at fair value and the gains or losses on revaluation are recognised in the income statement in the period in which they arise.

Held to maturity

Investment with fixed maturities and fixed or determinable payments are classified as held to maturity investments when management has both the intent and ability to hold to maturity. After initial measurement, such investment are carried at amortised cost less any provision for impairment except for in case of debt securities (listed but not regularly traded on a stock exchange) and government securities, which are carried at fair value in accordance with the requirements of the NBFC Regulations and directives issued by SECP.

Available for sale

Investments which are not classified in above category are classified as available for sale investments. After initial measurement, such investments are measured at fair value with unrealised gains or losses recognised directly in the statement of comprehensive income until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously recognised in statement of comprehensive income is taken to the income statement. However, unquoted equity investments are carried at the lower of investment price or break up value in accordance with the requirements of the NBFC Regulations.

3.2 Preliminary expenses and flotation costs

Preliminary expenses and floatation costs represent expenditures incurred for the incorporation of the Fund and costs are being amortised over a period of five years. These expenses were paid by the Management Company and will be reimbursed to them in five years.

3.3 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

3.4 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company, for the applications received by it. The offer price represents the net asset value per unit as of the close of the business day plus provision of duties and charges and provision of transaction costs and allowable sales load. The sales load is payable to the distribution company as processing fee.

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

3.5 Element of income/(loss) included in prices of units sold less those in units redeemed

An equalisation 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 reserve 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.

3.6 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year-end. Net assets are defined in clause 66 of the NBFC regulations 2008.

3.7 Revenue recognition

Return on bank balances is recognised on accrual basis.

Gain or loss on sale of investments is accounted for in the period in which the sales occur.

Interest in government securities is recognised using the effective interest rate method.

3.8 Cash and cash equivalents

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

3.9 Taxation

The Fund is exempt from taxation on income under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income excluding realised and unrealised capital gain for the year is distributed amongst the unit holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these financial statements.

3.10 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cashflows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

3.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.12 Impairment

The carrying amount of the assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognised immediately in the financial statements.

3.13 Provision

A provision is recognised in the statement of assets and liabilities when the Fund has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.14 Distribution to unit holders

Distribution to unit holders is recognised upon declaration and approval by the Board of Directors of the management company.

	Note	December 31, 2009 (Rupees) (Unaudited)
4. BANK BALANCES		
In current accounts		71,498
In PLS savings account	4.1	197,311,608
In term deposit accounts	4.2	552,173,116
		<u>749,556,222</u>

4.1 These carry mark-up rates ranging from 4.89% to 12.15% per annum.

4.2 These carry rates of return ranging between 12.80% to 12.95% per annum and will mature by June 2010.

	Note	December 31, 2009 Rupees
5. INVESTMENTS		
At fair value through profit or loss		
- Government Securities	5.1	<u>-</u>

5.1 Government Securities - T-Bills

Type of Instrument	Issue date	Tenor (months)	Face Value	(Quantity)					Fair Value as at 31 December 2009
				As at 07 August 2009	Purchases during the period	Sales during the period	Maturities during the period	As at 31 December 2009	
T-Bill	26-Sep-09	3	100	-	300,000	-	300,000	-	-
T-Bill	26-Sep-09	3	100	-	2,200,000	-	2,200,000	-	-
T-Bill	8-Oct-09	3	100	-	500,000	-	500,000	-	-

	Note	December 31, 2009 (Rupees) (Unaudited)
6. MARK-UP / INTEREST RECEIVABLE		
On		
- Bank deposit accounts		18,650
- Term deposit		2,143,154
		<u>2,161,804</u>

7. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs incurred	3,022,000
Amortisation during the period	<u>(82,795)</u>
	<u>2,939,205</u>

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

December 31,
2009
(Rupees)
(Unaudited)

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Prepaid rating fee	148,242
Listing fee	23,507
Other receivable	50
	171,799

9. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY

According to the Trust deed of the Fund, the Management Company is entitled to remuneration for services rendered to the Fund. The rate used by the management company is 1.5 percent per annum of the average daily net assets of the Fund in accordance with the offering document of the Fund.

10. REMUNERATION PAYABLE TO THE TRUSTEE

According to the provision of the Trust deed of the Fund the Trustee is entitled to a monthly remuneration for services rendered as follows:

On net assets:

Up to Rs. 500 million	Rs.0.7 million or 0.20% per annum of the Net Asset, whichever is higher
Exceeding Rs. 500 million to Rs.1000 million	Rs.1.0 million plus 0.12% per annum of the amount exceeding 500 million
Exceeding Rs. 1000 million to Rs. 2000 million	Rs.1.45 million plus 0.08% per annum of the amount exceeding Rs. 1000 million
Over Rs.2000 million	Rs.2.35 million plus 0.05% p.a. of the amount exceeding Rs.2000 million

Any upward increase in Trustee remuneration would require SECP approval. However, any downward revision in the Trustee remuneration will not require such approval or amendment.

11. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Fund is required to pay an annual fee to the SECP of an amount equal to 0.075 percent of the average annual net assets of the Fund.

December 31,
2009
(Rupees)
(Unaudited)

12. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' Remuneration	75,758
CDC Listing fee	14,611
Preliminary expenses and floatation costs payable	3,022,000
Others	227,751
	3,340,120

13. CONTINGENCY

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. Management Company of the Fund, based on a legal advice obtained through Mutual Funds Association of Pakistan (MUFAP), is of a firm view that Collective Investment Schemes are not establishments and therefore, the WWF Ordinance is not applicable to such schemes and hence, no provision on account of WWF contribution is required in the financial statements. However, in an unlikely event, if the Collective Investment Schemes are considered as industrial establishments, the impact on the net asset value will be Rs.0.25 million as of 31 December 2009.

Further, MUFAP, of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh praying it to declare that the Collective Investment Schemes are not establishments and as a result are not liable to pay contribution to the WWF. The legal proceedings in respect of the aforementioned petition are currently in progress.

**December 31,
2009
(Rupees)
(Unaudited)**

14. MARK UP/ INTEREST INCOME

On	
- bank balances	6,925,261
- term deposits	2,143,154
- Investments	1,274,810
	10,343,225

15. TAXATION

Based on the expectation of distribution of 90% or more income to the unit holders excluding unrealised / realised gains on investments to enable the Fund to claim exemption allowed by clause 99 of the part I of the second schedule to the Income Tax Ordinance, 2001, no provision for tax has been made in these condensed interim financial statements.

**December 31,
2009
(Rupees)
(Unaudited)**

16. CASH AND CASH EQUIVALENTS

In current accounts	71,498
In PLS savings account	197,311,608
In term deposit accounts – 3 months maturity	477,173,116
	674,556,222

17. 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), BMA Capital Management Limited Staff Provident Fund and MCB Financial Services Limited. Transactions with connected persons can be summarised as follows:

	From August 07, 2009 to December 31, 2009	
	(Units)	(Rupees)
	(Unaudited)	
<u>Transactions for the period</u>		
<u>Units Sold to:</u>		
<i>Related parties (other than associated company)</i>		
- BMA Capital Management Ltd. Staff Provident Fund	1,487,800	15,000,000
- Directors and executives of the management company	88,352	891,501
<i>An Associated Company</i>		
BMA Capital Management Limited	1,155,916	11,655,449
BMA Asset Management Co. Ltd.	12,096,553	121,856,654
		Period ended December 31, 2009 (Rupees) (Unaudited)
<u>Transactions with Associated Company</u>		
BMA Asset Management Company Limited		
- Remuneration to Management Company		834,382
<u>Transactions with other related parties</u>		
Trustee fee		
- Remuneration to Trustee		126,060
		Period ended December 31, 2009 (Units) (Rupees) (Unaudited)
<u>Balances at the period end</u>		
<u>Units Held by:</u>		
<u>Other related parties</u>		
- BMA Capital Management Ltd. Staff Provident Fund	1,487,800	15,070,224
- Directors and executives of the management company	88,352	894,935
<u>An Associated Company</u>		
- BMA Capital Management Limited	1,155,916	11,708,505
- BMA Asset Management Company Limited	12,096,553	122,528,400
<u>BMA Asset Management Company Limited</u>		
- Remuneration payable to management company	-	677,281
- Formation cost payable	-	3,022,000
<u>Balances with other parties - unsecured</u>		
Trustee		
- Remuneration Payable to Trustee	-	89,621

18. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Management Company on February 26, 2010.

19. GENERAL

19.1 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2009 have not been subjected to limited scope review by the auditors.

19.2 Figures have been rounded off to nearest rupee.

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**