FUNDS

ANNUAL REPORT
2018

BMA CHUNDRIGAR ROAD SAVINGS FUND
AGGRESSIVE FIXED INCOME SCHEME

BMA ASSET MANAGEMENT COMPANY LIMITED

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FUND'S INFORMATION

Management Company
BMA Asset Management Company Limited
801 Unitower. 1.1. Chundrigar Road,
Karachi-74000

Board of Directors of the Management Company

Mr. Salim Khan	Chairman
Mr. Sohail Hasan	Director
Mr. Shakeib Ali Arshad	Director
Mr. Danial Hashmi	Director
Mr. Khaldoon Bin Latif	Chief Executive Officer

Audit Committee of the Management Company

Mr. Shakeib Ali Arshad	Chairman
Mr. Sohail Hasan	Member
Mr. Salim Khan	Member

Human Resource and Remuneration Committee

Mr. Shakeib Ali Arshad	Chairman
Mr. Salim Khan	Member
Mr. Khaldoon Bin Latif	Member

Management Team of the Management Company

Mr. Farrukh Hussain	Chief Investment Officer
Mr. Faisal Ali Khan	CFO & Company Secretary

Trustee
MCB Financial Services Limited
Trustee Office 4th Floor, Pardasi House, M.T Khan Road, Karachi

Bankers
Summit Bank Limited
Bank Islami Pakistan 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
Zarai Taraqiati Bank Limited
Meezan Bank Limited
Finca Micro Finance Bank Limited
U Micro Finance Bank Limited
Tameer Micro Finance Bank Limited
Dubai Islamic Bank Pakistan Limited

Distributors
BMA Capital Management Limited
Pyramid Financial Consultants (Pvt) Limited
Topline Securities Limited
Icon Securities (Pvt) Ltd.
Rabia Fida

Auditors
EY Ford Rhodes Chartered Accountants
Progressive Plaza, Beaumont Road, P.O. Box 15541, Karachi 75530 Pakistan

Legal Adviser
KMS Law Associates
207, Beaumont Plaza behind PIDC House, Karachi

Registrar
BMA Asset Management Company Limited
801 Unitower. 1.1. Chundrigar Road, Karachi-74000

Fund Stability Rating
A+(f)

Management Quality Rating
AM3

MISSION STATEMENT

BMA Chundrigar Road Savings Fund seeks to provide its investors attractive risk adjusted income through investments in fixed income instruments having moderate level of risk profile. The benchmark of the Fund is an average of one year KIBOR rate prevailing within the particular time period. The Fund will seek to maintain a rupee-weighted average maturity of investment port folio of not more than 5 years.

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 financial statements of the Fund for the year ended June 30, 2018.

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 of the same year. 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 medium term 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 of BCSF is one year KIBOR rate prevailing within the particular time period.

FUND'S FINANCIAL PERFORMANCE

During FY18, the Fund earned Rs. 15.11 million from income on investments, bank balances, term deposits and profit on Commercial Papers. The fund also realized a loss of Rs. 0.33million on investments and had an unrealized gain of Rs. 0.08 million. Thus the total income earned came to Rs. 14.88 million.

Total expenses for the period came to Rs. 4.56 million. This included remunerations to the trustee of the fund, fee to the SECP, and remuneration to the management comp any of Rs. 0.47 million, Rs. 0.15 million and Rs. 2.01 million, respectively. During the year the fund also created a liability of amounting Rs 0.21mn for Sindh W orkers' Welfare Fund. As a result the net income for the year was Rs. 10.31 million.

Financial highlights	**June 30, 2018** **Rupees**
Mark up/interest income	15,120,260
Loss on investments (NET)	(333,936)
Unrealized gain on investments	88,915
Total Income	14,875,239
Expenses	(4,564,611)
Net Income	10,310,628
Net Asset Value per unit	8.67

INVESTMENT STRATEGY

During the year under review, the fund aimed to maintain major exposure in high yield deposits and medium to longer tenor sovereign bonds to capitalize declining interest rate scenario effectively while selectively deploying assets in high yielding floating rate instruments. This enabled the fund to generate a competitive rate of return while retaining both liquidity and its ability to respond quickly in any uncertain macroeconomic environment. During the 2H of FY18, major exposure was maintained in high yield deposits to avoid interest rate volatility emanating from Policy Rate hikes.

As of 30th June, the weighted average maturity of BCSF portfolio was 38 days. This was in order to evade negative of the prevailing upward adjustments in yield curve.

As at June 30th, 2018, the net assets of the fund were Rs. 497.04million, 96.74% of these assets were held in cash after accounting for liabilities, 2.05% in Term Finance Certificate and 1.21% in others. In-line with this asset allocation, the credit quality of the fund was 77.2% allocated to A, 2% to AA and 19.7% to AA-.

RETURN DURING THE PERIOD FOR INVESTORS

During FY18 the Fund generated an annualized return of 5.16% against the benchmark of 6.70%. This performance is net of all expenses. The Fund announced a dividend of Rs. 0.42 per unit for FY18.

MACROECONOMIC OUTLOOK

After a period of sustained growth momentum on the back of accommodative monetary policy, the economy is now entering a restrictive period of growth cycle. This shift is driven by the rising concerns on external account along with growing inflationary pressures stemming from increasing international oil prices and growing aggregate demand. However, the economic prospects based on CPEC related projects are still intact but the broader contractionary phase is likely to curb aggregate demand in the economy and thus growth.

During the year under review, the State Bank of Pakistan increased the policy rate by 0.75bps to 6.50% from 5.75%. Another 100bps hike in Policy rate was witnessed in July-18 which took the Policy Rate to 7.50%. The main reason for this hike is attributed to sharp rise in Core (NFNE) inflation, high credit off take and alarming Foreign Exchange reserve depletion.

Economy of Pakistan has continued the growth momentum as the GDP growth reached to 5.8% in 2017-18 which is the highest in 12 years, on the back of growth in agriculture which registered at 3.8% against 2.1% last year , manufacturing sector witnessed the growth of 6.2% against 5.8% last year , commodity producing sector posted growth of 4.8% against 3.8% last year, while Services sector posted a growth of 6.4% growth as compared to 6.5% last year.

The fiscal year 2018 started with inflation at 2.9% in July 2017. It reached to 4.6% in December 2017 and then slows down to 3.2%% in June 2018. On average during FY 2018, it recorded at 3.8% compared to 4% in FY2017. Food inflation remained 2% while non-food inflation remained 5.03% for FY 2018 compared to their respective values of 3.8% and 4.16% respectively. The uptick in general inflation is primarily due to currency devaluation coupled with the increase in international commodity prices, we expect economy continue to experience inflationary pressures. The target for current year is 6.0%; in light of the recent macroeconomic dynamics it is expected to surpass this target.

The liquid foreign exchange reserves of the country declined to USD16.4 billion during FY18 as compared to its value of USD 21.4 billion at the start of the fiscal year. This decrease in reserves came primarily on back of the deteriorating current account position coupled with the decreasing support from remittances. On account of challenging external account position the Pakistan Rupee has depreciated by 15.98% against USD while the pressure of BoP continues to keep PKR volatile.

Going forward, we expect GDP to grow by 4.4% in the FY19 along with the inflation rate of 8.4% which may push the policy rate to higher single digit range. While CPEC related projects are still intact, but the increasing pressures on external accounts is likely to limit the ability of the new government to add any additional impetus.

STRATEGY

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

- Build exposure in high quality, short term instruments, keeping in mind an appropriate risk/reward ratio.
- Transform portfolio allocation largely towards floating rate instruments to avoid interest rate risk.
- Keeping the overall duration low with the intention to avoid negative price knocks emanating from rising interest rate cycle & increasing the duration once the interest rate stabilizes.

Appointment of Auditors

The Board of Directors of BMA Asset Management Company Limited (the Management Company) have appointed EY Ford Rhodes Chartered Accountants, as the Fund's auditor for the year 2018-19 as recommended by the Audit Committee.

Acknowledgement

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund, MCB Financial Services 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.

On behalf of the Board of
BMA Asset Management Company Limited

Director	**Chief Executive Officer**

Dated: September 26, 2018
Place: Karachi

منتظم کمپنی کے بورڈ آف ڈائریکٹرز کی رپورٹ

بی ایم اے چندریگر روڈ سیونگز فنڈ کی منتظم کمپنی بی ایم اے ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنی رپورٹ اور فنڈ کے مالیاتی گوشورے برائے مختتمہ مدت 30 جون 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

تعارف

بی ایم اے چندریگر روڈ سیونگز فنڈ (BCSF) کا آغاز 14 اگست 2007 کو پاکستان کی آزادی کی 60 ویں سالگرہ پر ہوا اور اس کا باضابطہ آغاز اسی سال 23 اگست کو ہوا۔ BCSF اس بات کے لئے کوشاں ہے کہ مخصوص آمدنی اور بازار زر کی کم خطرات اور وسط مدتی مصنوعات میں سرمایہ کاری کر کے سرمایہ کاروں کو پرکشش منافع کے نرخ فراہم کرے۔ فنڈ کا عزم ہے کہ سرمایہ کاری کی مصنوعات کے لئے روپے کی اوزانی اوسط میچورٹی کی مدت 5 سال سے زیادہ نہ ہوں۔ BCSF کا بینچ مارک ایک سال کے KIBOR نرخ ہیں جو کسی خاص مدت میں رائج ہوتے ہیں۔

فنڈ کی مالیاتی کارکردگی

سال کے دوران فنڈ کو سرمایہ کاریوں اور بینک میں موجود رقومات، مدتی جمع شدہ رقومات اور تجارتی مصنوعات زر سے 15.11 ملین روپے کی آمدنی ہوئی۔ اثاثوں کی فروخت پر فنڈ کو 0.33 ملین روپے خسارہ ہوا اور اثاثوں کی قدر و قیمت کے تعین پر منافع 0.08 ملین روپے رہا۔ اس طرح کل آمدنی 14.88 ملین روپے رہ گئی۔

کل اخراجات تقریباً 4.56 ملین روپے رہے جس میں فنڈ کے متولیان کا مشاہرہ، ایس ای سی پی کی فیس اور منتظم کمپنی کا معاوضہ بالترتیب 0.47 ملین روپے، 0.15 ملین روپے اور 2.01 ملین روپے شامل تھے۔ سال کے دوران فنڈ نے سندھ ورکرز ویلفیئر فنڈ کی مد میں 0.21 ملین روپے کے واجبات ریکارڈ کئے۔ جس کے نتیجے میں خالص آمدنی 10.31 ملین روپے رہ گئی۔

مالیاتی جھلکیاں	**30 جون 2018**
	روپے
مارک اپ/سودی آمدنی	15,120,260
سرمایہ کاریوں پر خسارہ (NET)	(333,936)
سرمایہ کاری اثاثوں کی قیمت کے تعین پر منافع	88,915
کل آمدنی	14,875,239
کل اخراجات	(4,564,611)
خالص آمدنی	10,310,628
خالص اثاثوں کی مالیت فی یونٹ	8.67

سرمایہ کاری کی حکمت عملی

جائزہ سال کے دوران فنڈ نے زیادہ تر سرمایہ کاری قلیل مدتی اعلیٰ منفعت کی حامل جمع شدہ رقومات اور وسط سے طویل مدتی سرکاری تمسکات میں رہی تاکہ گرتی ہوئی شرح سود سے موثر انداز میں فائدہ اٹھایا جاسکے اس طرح اثاثوں کی تخصیص اعلیٰ منفعت کی تغیر پذیر زرخوں کی حامل منتخب مصنوعات زر میں رہی۔جس کے نتیجے میں فنڈ مسابقتی منفعت فراہم کے ساتھ روانیت اور اور غیر یقینی اقتصادی صورتحال میں فوری طور پر جوابی اقدامات کی صلاحیت برقرار رکھنے کے قابل ہوگیا۔مالیاتی سال 2018 کی دوسری ششماہی میں بیشتر سرمایہ کاری اعلیٰ منفعت کی حامل جمع شدہ رقومات پر کی گئی تاکہ پالیسی نرخوں میں اضافے کی وجہ سے شرح سود کی نازک صورتحال سے بچا جاسکے۔

30 جون کو BCSF کے پورٹ فولیو کی اوازانی اوسط میچورٹی 38 دن رہی۔یہ اس لئے کیا گیا تاکہ منفعت کے خم کے موجودہ اوپری رجحان کے منفی اثرات سے بچا جاسکے۔30 جون 2018 کو فنڈ کے خالص اثاثے 497.04 ملین روپے تھے۔جس میں سے 96.74 فیصد اثاثے نقد کی صورت میں، 2.03 فیصد ٹرم فنانس سرٹیفکیٹس میں اور 1.23 فیصد دیگر میں موجود تھے۔ اثاثوں کے اختصاص میں فنڈ کا قرضہ جاتی معیار بلند رہا یعنی 77.2 فیصد A میں، 2 فیصد AA میں اور 19.7 فیصد -AA میں مختص کئے گئے۔

منفعت اور فنڈ کے بارے میں حالیہ معلومات

مالیاتی سال 2018 کے دوران فنڈ نے بینچ مارک کے 6.70 فیصد کے مقابلے میں 5.16 فیصد سالانہ منفعت فراہم کی۔فنڈ نے مالیاتی سال 2018 کے لئے 0.42 روپے فی یونٹ کے حساب سے منافع منقسمہ کا اعلان کیا ہے۔

اقتصادی جائزہ

لچکدار مالیاتی پالیسی کے نتیجے میں ہونے والی پائیدار نمو کے بعد معیشت اصلاحی عمل کے دور میں داخل ہو رہی ہے۔اس تبدیلی کی وجوہات میں بیرونی کھاتے میں بڑھتی ہوئی تشویش کے ساتھ تیل کی عالمی قیمتوں اور مجموعی طلب میں اضافہ کی وجہ سے افراط زر پر دباؤ شامل ہے۔تاہم سی پی ای سی کے پروجیکٹس سے متعلق معاشی امکانات ابھی تک قائم و دائم ہیں لیکن وسیع پیمانے پر اختصاری مرحلے کی وجہ سے معیشت کی مجموعی طلب اور اس کی نمو پر قدغن لگ جائے گی۔

جائزہ مدت کے دوران اسٹیٹ بینک آف پاکستان نے اپنے پالیسی نرخوں میں 0.75 بی پی ایس اضافہ کر کے 5.75 فیصد سے بڑھا کر 6.50 فیصد کردیئے۔پالیسی نرخوں میں جولائی 2018 میں مزید 100 بی پی ایس کا اضافہ دیکھا گیا جس سے پالیسی نرخ 7.50 فیصد ہوگئے۔ اضافہ کی وجوہات میں بنیادی افراط زر (NFNE) میں تیزی ترین اضافہ،قرضوں میں اضافہ اور زرمبادلہ کے ذخائر میں تشویشناک کمی شامل ہے۔

مسلسل نمو کی وجہ سے پاکستانی معیشت کو تقویت ملی اور 18-2017 کے دوران GDP میں اضافہ 5.8 فیصد تک پہنچ گیا جو کہ 12 سالوں میں سب سے زیادہ بلند ترین تھا،جس کے نتیجے میں گزشتہ سال کے 2.1 فیصد کے مقابلے اس سال زراعت میں 3.8 فیصد نمو،صنعتی پیداوار کے شعبے میں پچھلے سال کی 5.8 فیصد کی بہ نسبت 6.2 فیصد نمو،اشیائے صرف کی پیداواری شعبے میں گزشتہ سال کے 3.8 فیصد کے مقابلے میں 4.8 فیصد نمو، خدمات کے شعبہ میں گزشتہ سال کے 6.5 فیصد کے مقابلے میں 6.4 فیصد نمو دیکھی گئی۔

مالیاتی سال کے آغاز یعنی جولائی 2017 میں افراط زر 2.9 فیصد رہا جبکہ دسمبر 2017 میں 4.6 فیصد تک پہنچ گیا اور پھر کم ہوتے ہوئے جون

2018 میں 3.2 فیصد رہ گیا۔ مالیاتی سال 2018 میں اوسطاً 3.8 فیصد رہا جبکہ مالیاتی سال 2017 میں 4 فیصد تھا۔ مالیاتی سال 2018 میں غذائی افراط زر 2 فیصد رہا جبکہ غیر غذائی افراط زر 5.03 فیصد رہی جبکہ گزشتہ سال بالترتیب 3.8 فیصد اور 4.16 فیصد تھی۔ کرنسی کی فرسودگی کے ساتھ اشیائے صرف کی عالمی قیمتوں میں اضافہ کے نتیجے ہمیں توقع ہے کہ افراط زر پر مسلسل دباؤ برقرار رہے گا۔ موجودہ سال کے لئے طے کردہ ہدف 6.0 فیصد ہے جو کہ موجودہ اقتصادی منظرنامے میں توقع ہے کہ ہدف کو پار کر جائے گا۔

مالیاتی سال 2018 کے دوران ملک کے رواں زرمبادلہ کے ذخائر گھٹ کر 16.4 بلین یوایس ڈالر رہ گئے جو کہ گزشتہ مالیاتی سال میں 21.4 بلین یوایس ڈالر تھے۔ زرمبادلہ کے ذخائر میں کمی بنیادی طور پر رواں کھاتے کی بگڑی ہوئی صورتحال کے ساتھ ترسیلات میں کمی کی وجہ سے تھی۔ بیرونی کھاتے کی تباہ کن حالت زار کی وجہ سے یوایس ڈالر کے مقابلے میں پاکستان روپے کی قدر میں 15.98 فیصد فرسودگی ہوئی جبکہ BOP کے دباؤ کی وجہ سے پاکستانی روپے کی صورتحال نازک رہی۔

آگے کی جانب دیکھتے ہوئے، ہمیں توقع ہے کہ مالیاتی سال 2019 میں GDP میں 4.4 فیصد اضافہ کے ساتھ افراط زر کی شرح فیصد 8.4 رہے گی جس سے پالیسی نرخوں کی بلند سطح یعنی یک ہندسی تبدیلی ہوگی۔ جبکہ سی پی ای سی سے متعلق پروجیکٹس پر کام جاری رہے گا تاہم بیرونی کھاتے پر دباؤ کی وجہ سے حکومت کی اضافی قوت محرکہ کی صلاحیت محدود ہو جائے گی۔

حکمت عملی

مندرجہ بالا اقتصادی جائزے کے پیش نظر BCSF کی حکمت عملی مندرجہ ذیل پر مرکوز ہوگی:

- خطرات/منفعت کی مناسب شرح کو ذہن میں رکھتے ہوئے اعلیٰ معیار کی قلیل مدتی مصنوعات زر میں سرمایہ کاری
- بڑے پیمانے پر پورٹ فولیو کا رخ تغیر پذیر مصنوعات زر کی طرف کیا جائے تاکہ شرح سود کے خطرات سے بچا جاسکے
- مجموعی مدت کو اس ارادے کے ساتھ کم رکھنا تاکہ بڑھتی ہوئی شرح سود کے عمل کے منفی اثرات سے بچا جاسکے اور جیسے ہی شرح سود مستحکم ہو جائے تو مدت کو زیادہ کر دیا جائے

آڈیٹرز کی تقرری

منتظم کمپنی کے بورڈ نے آنے والے سال 30 جون 2019 کے لئے آڈٹ کمیٹی کی سفارش پر میسرز ای وائی فورڈ روڈز چارٹرڈ اکاؤنٹنٹس کی بحیثیت آڈیٹر تقرری کی ہے۔

اعتراف

بورڈ اپنے تمام سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے متولیان، ایم سی بی فنانشل سروسز لمیٹڈ کے شکر گزار ہیں۔ منتظم کمپنی کے ڈائریکٹران منتظم کمپنی کی پوری ٹیم کی کوششوں کا اعتراف کرتے ہیں کہ انہوں نے فنڈ کا بے انتہا باریک بینی سے انتظام چلایا۔

برائے ومنجانب بورڈ

ڈائریکٹر **چیف ایگزیکٹو آفیسر**

26 ستمبر 2018 کراچی۔

REPORT OF THE FUND MANAGER

For the year ended June-18 **NAV** 8.67

Fund Returns	BCSF	BM
Annualized Return (June-18)	4.92%	7.42%
Annual. Return (FY18TD)	5.16%	6.70%
Annualized Return (365 days)	10.91%	6.70%
Annualized Return (Last 3 years)	7.94%	6.64%
Annualized Return (Last 5 years)	9.94%	7.82%
Annualized Return (Inception to Date)	3.98%	10.38%
FY 2018	5.16%	6.70%
FY 2017	5.51%	5.95%
FY 2016	11.62%	6.40%
FY 2015	12.26%	8.83%
FY 2014	7.70%	9.60%

1 YR KIBOR & Standard Deviations*	
1YR KIBOR (June-18)	7.41%
1YR KIBOR Standard Deviation	1.01%
Portfolio Standard Deviation	0.03%

*Benchmark revised in line with the SECP Direction no. 27 of 2016; previously 6M KIBOR

Portfolio Characteristics	
Net Assets in PKR MLN (30-June-18)	497.0400
NAV/unit in PKR (30-June-18)	8.6669
Portfolio Weighted Average Maturity (in days)	38

Asset Allocation	May-18	Jun-18
Cash	96.95%	96.86%
PIBs	0.02%	0.02%
TDR	0.00%	0.00%
Commercial Paper	0.00%	0.00%
TFC	1.81%	1.96%
Others	1.23%	1.16%
Leverage	0.00%	0.00%

Monthly Performance

Month	Return	Benchmark
June-18	4.92%	7.42%
May-18	5.44%	7.05%
April-18	3.71%	6.91%
March-18	5.98%	6.86%
February-18	2.96%	6.74%
January-18	3.47%	6.58%
December-17	4.98%	6.49%
November-17	4.54%	6.47%
October-17	11.67%	6.47%
September-17	2.84%	6.47%
August-17	5.42%	6.46%
July-17	4.26%	5.98%

Portfolio Ratings	
AAA	0.12%
AA	1.96%
AA-	19.65%
A	77.16%
Others/Unrated	1.10%
Total	100.00%

Investment Committee	
Khaldoon Bin Latif	Chief Executive Officer
Farrukh Hussain	Chief Investment Officer
Faisal Ali Khan	Chief Financial Officer
Zafar Rehman	Fund Manager (Fixed Income)
Umair Ahmed Khan	Fund Manager (Equity)
Samee Hassan	Risk Manager

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www.bmafunds.com

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 medium 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

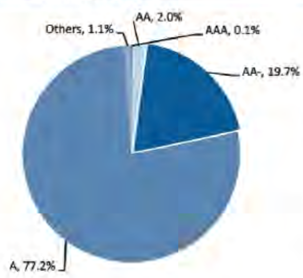
In June-18, the Fund posted an annualized return of 4.92% against benchmark of 7.42%, underperformed by 250bps. The fund was mainly invested in high yield bank deposits equivalent to 97% while exposure in TFCs was 1.96% at month's end. Standard deviation of the portfolio was 0.03%, reflecting the stable nature of the fund's income. In the wake of rising inflation, the SBP is expected to increase DR in the upcoming MPS in July-18. BCSF is insulated against value erosions since it has minimal exposure in long term fixed rate instruments with the total portfolio maturity of 38 days. The BCSF is invested in liquid assets which can be deployed in high yielding assets class once the interest rate cycle stabilizes.

Fund Details	
Fund Type	Open End
Category	Aggressive Income Fund
Inception Date	23-Aug-07
Benchmark	1YR KIBOR
Dealing Days	Monday – Friday
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fee	1.50%
Front end Load	Upto 1%
Back End Load	Nil
Fund Stability Rating	A+ (F) (PACRA)
Risk Profile	Moderate
Listing	PSX
Trustee	MCBFSL
Auditor	EY Ford Rhodes, Chartered Accountants
Legal Advisors	KMS Law Associates
Management Quality Rating	AM3
Expense Ratio*	2.37%

*This includes 0.40% of SECP Fee & Govt. Levy

Top 10 TFC Holdings (% of Total Assets)	
JSCL (6-March-18)	1.96%

Portfolio Ratings Profile



Annualized return is based as per MUFAP stated methodology.
Performance data does not include the cost incurred directly by an investor in the form of sales load etc.
Funds returns computed on NAV to NAV with the dividend reinvestment.

Economic Outlook

CPI for the month of June'18 rose by 5.2%YoY compared to 4.2%YoY last month. The increase is mainly attributed to seasonal commodity price increases in the wake of Ramadan which pushed the MoM inflation to increase by 0.6%. Hence, the overall CPI for FY18 stood at 3.92% compared to 4.12% in FY17. Also, core inflation increased to 7.1%YoY compared to 7.0% last month.

As per PBS data, trade deficit for May 18 was USD 3,670 million compared to USD 2,976 million in April 18, witnessing a MoM increase of 0.78%. During the month of May 18, exports were USD 2,144 million while imports were 5,844 million resulting in a deficit of USD 3.7 billion. Hence the 11 months FY18 trailing trade deficit was USD 33.87 billion compared to USD 29.88 billion SPLY.

Foreign exchange reserves in the last week of June 18 were reported at USD 16.24 billion compared to USD 16.41 billion at the end of the previous month, citing a decrease of 1.00%. During this period, SBP reserves fell by USD 371 million to USD 9,662.5 million while bank reserves increased by 208.4 million to USD 6,581.4 million.

SBP conducted its regular PIB auction in June 18 and sold PIBs worth Rs. 3.812.10 billion against the target of Rs. 50 billion. The cutoff rates of 3, 5 and 10 year instruments were slightly increased as expected in view of increase in Discount rate in May 18. SBP's 10 years' floating rate PIB auction received bids worth Rs. 122 billion at the premium of 35 to 97 bps over benchmark i.e. 6 months T-bill cutoff rate. However, SBP picked up only Rs. 13.825 billion at the cutoff of 50bps over benchmark rate, maintaining its previous month's cutoff rate. In addition, SBP sold T-bills worth Rs. 13,702 million in its auctions during the month.

At present, the market is awaiting the upcoming MPS, expected in the last week of July 18, whereby the SBP is expected to further increase the interest rates in view of brewing inflation, currency devaluation and deteriorating economic numbers.

Disclousure: The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the amount of Rs. 515,929. If the same were not made the NAV per unit of the fund would have been higher by Rs.0.009 or 1.00%.

MUFAP Recommended Format

Key Financial Data

PERFORMANCE TABLE

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Assets	497,043,186	108,540,388	316,787,288	272,996,316	192,795,609	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	8.67	8.24	8.24	8.08	8.08	8.02	7.9	9.52	10.52	9.69	10.79
Dividend Distribution	-	0.45	0.83	0.95	0.54	0.89	-	-	1.12	-	0.77
Selling price for units	8.75	8.32	8.32	8.20	8.16	8.1	7.98	9.62	10.63	9.79	10.9
Repurchase price for units	8.67	8.24	8.24	8.12	8.08	8.02	7.9	9.52	10.52	9.69	10.79
Highest Offer price per unit	8.75	8.77	9.11	9.29	8.23	8.25	9.57	10.87	10.96	10.51	10.89
Lowest Offer price per unit	8.33	8.32	8.16	8.15	7.91	7.97	6.09	8.77	9.87	8.87	10
Highest Redemption price unit	8.67	8.69	9.02	9.19	8.15	8.17	9.48	10.76	10.85	10.41	10.79
Lowest Redemption price unit	8.25	8.24	8.08	8.07	7.83	7.89	6.03	8.68	9.77	8.78	10
Annual return (%)	5.16%	5.51%	11.62%	12.26%	7.70%	13.38%	-16.94%	1.32%	8.60%	-3.17%	9.28%
Weighted average portfolio duration	38 Days	441 Days	226 Days	272 Days	43 Days	92 Days	83 Days	5.56 yrs	4.42 yrs	3.08 yrs	2.52 yrs
	One year	Two year	Three year	Four year	Five year						
Average Annual Return	5.16%	5.34%	7.43%	8.64%	8.45%						

* The Fund was launched on August 23, 2007.

Past performance is not necessarily indicative of future performance and unit prices and investment return 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, 2018 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

Anwar

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 14, 2018

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INDEPENDENT AUDITORS' REPORT

To the Unit holders of BMA Chundrigar Road Saving Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **BMA Chundrigar Road Saving Fund** (the Fund), which comprise the statement of financial position as at **June 30, 2018**, and the statement of income, comprehensive income, cash flows and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at June 30, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matter:

Key audit matter	How our audit addressed the key audit matter
1. Amendment to the NBFC Regulations, 2008	
As disclosed in note 3.9 to the accompanying financial statements of the Fund for the year ended 30 June 2018, the Securities and Exchange Commission of Pakistan through its SRO no. 756(I)/2017 dated 03 August 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations).	We assessed the appropriateness of the recognition, measurement and presentation of "element of income / loss" in accordance with the amended provisions of the NBFC Regulations. We also considered the guidelines issued by MUFAP in respect of the accounting for element of income / loss as per the revised Regulations and assessed its implementation by the Fund.

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Key audit matter	How our audit addressed the key audit matter
These amendments are considered significant to our audit because application of the said amendments resulted in change in accounting policy relating to presentation "element of income / loss" in the financial statements and certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' (the Statements).	We evaluated the adequacy of disclosures regarding the change in accounting policy with respect to element of income / loss in accordance with the requirements of the relevant financial reporting standards and the guidance issued by MUFAP in relation thereto.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Other matter

The financial statements of the Fund for the year ended 30 June 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 27 September 2017.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

EY Ford Rhodes

Chartered Accountants

Date: 26 September 2018

Karachi

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2018

	Note	2018	2017
		Rupees	
ASSETS			
Bank balances	4	499,674,421	72,262,557
Investments	5	10,203,736	36,734,970
Profit receivable	6	2,641,747	505,767
Security deposits	7	2,700,000	2,700,000
Prepayment and other receivables	8	638,753	789,997
Total assets		515,858,657	112,993,291
LIABILITIES			
Payable to the Management Company	9	4,645,329	2,490,977
Payable to the Trustee	10	67,044	31,571
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	151,350	236,720
Redemption payable	12	12,071,357	-
Accrued and other liabilities	13	1,880,391	1,601,092
Dividend payable		-	48,445
Total liabilities		18,815,471	4,408,805
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		497,043,186	108,584,486
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		497,043,186	108,584,486
CONTINGENCIES AND COMMITMENTS	14		
		Number of units	
NUMBER OF UNITS IN ISSUE	16	57,349,669	13,169,971
		Rupees	
NET ASSET VALUE PER UNIT		8.67	8.24

The annexed notes from 1 to 32 form an integral part of these financial statements.

For BMA Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		---------------- Rupees ----------------	
INCOME			
Profit / mark-up on:			
'At fair value through profit or loss' - held-for-trading			
- Mark-up on Government securities		474,188	3,049,836
- Mark-up on term finance certificates and sukuk certificates		511,639	393,985
Mark-up on commercial paper		269,065	885,132
Mark-up on term deposit receipt		712,697	5,823,689
Mark-up on bank balances		13,142,177	12,871,081
Income on spread transactions		-	1,533,989
Dividend income on spread transactions		- -	51,675
Loss on sale of investments - net		(333,936)	(902,888)
Unrealised gain/ (loss) on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	5.3	88,915	(239,047)
Reversal of provision against Workers' Welfare Fund (WWF)		-	142,575
Other Income		10,494	-
Total income		14,875,239	23,610,027
EXPENSES			
Remuneration of the Management Company - net	15	2,013,974	4,428,976
Sindh Sales Tax on remuneration of the Management Company		290,835	615,417
Remuneration of the Trustee		471,412	612,808
Sindh Sales Tax on remuneration of the Trustee		61,289	79,658
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	151,350	236,720
Auditors' remuneration	17	485,351	548,396
Brokerage expense		-	236,568
Securities transaction cost		310,332	246,250
Annual listing fee		83,276	129,201
Annual rating fee		338,491	243,517
Bank and settlement charges		15,961	59,077
Printing charges		79,200	84,701
Other charges		52,708	71,795
Provision against Sindh Workers' Welfare Fund (SWWF)	13.1	210,432	305,497
Total expenses		4,564,611	7,898,581
Net income for the year before element of loss and capital losses included in prices of units issued less those in units redeemed – net		10,310,628	15,711,446
Element of loss included in prices of units issued less those in units redeemed – net		-	(12,799,106)
Net income for the year before taxation		10,310,628	2,912,340
Taxation	19	-	-
Net income for the year after taxation		10,310,628	2,912,340
Allocation of Net Income for the period:			
Net Income for the period after taxation		10,310,628	
Income already paid on units redeemed		(6,832,464)	
		3,478,164	
Accounting income avaiable for distribution:			
Relating to Capital loss		-	
Excluding Capital Gain		3,478,164	
		3,478,164	

The annexed notes from 1 to 32 form an integral part of these financial statements.

For BMA Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	---------------- Rupees ----------------	
Net income for the year after taxation	10,310,628	2,912,340
Other comprehensive income for the year	-	-
Total comprehensive income for the year	10,310,628	2,912,340

The annexed notes from 1 to 32 form an integral part of these financial statements.

For BMA Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Capital Value	2018 Undistributed income / (loss)	2018 Total
		---- Rupees ----		
Capital Value		197,752,714	-	197,752,714
Undistributed (loss) brought forward				
- Realised		-	(88,929,181)	(88,929,181)
- Unrealised		-	(239,047)	(239,047)
Net assets at beginning of the year [Rs. 8.24 per unit]		197,752,714	(89,168,228)	108,584,486
Amount received on Issuance of 129,811,617 units (2017: 124,256,492 units)				
- Capital value (at net asset value per unit at the beginning of the year)		1,070,281,327	-	1,070,281,327
- Element of income		38,364,625	-	38,364,625
Total proceeds on issuance of units		1,108,645,952	-	1,108,645,952
Amount paid on Redemption of 85,631,619 units (2017: 149,540,218 units)				
- Capital value (at net asset value per unit at the beginning of the year)		(706,022,101)	-	(706,022,101)
- Element of income		(17,643,347)	(6,832,464)	(24,475,811)
Total payments on redemption of units		(723,665,448)	(6,832,464)	(730,497,912)
Total comprehensive income for the period		-	10,310,628	10,310,628
Distribution during the period	30	-	-	-
Net income for the period less distribution		-	10,310,628	10,310,628
Net assets at end of the period [Rs. 8.67 per unit]		582,733,218	(85,690,064)	497,043,154

	2017 Units	2017 Rupees
Net assets at the beginning of the year Rs 8.24 per unit (June 30, 2015: Rs 8.12 per unit)	38,453,697	316,787,288
Issuance of units	124,256,492	1,043,944,580
Redemption of units	(149,540,218)	(1,265,034,278)
	(25,283,726)	(221,089,698)
(Loss) / gain on sale of investments - net	-	(902,888)
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	-	(239,047)
Other income (net of expenses)	-	4,054,275
Total comprehensive income for the year	-	2,912,340
Distribution of cash dividend @ Nil (2016: Re.0.27 per unit, approved on September 8, 2015 for the year ended June 30, 2015)	-	-
Distribution of cash dividend @ Re.0.45 per unit (2016: Re. 0.8 per unit), approved on June 29, 2017 (2016: June 27, 2016)	-	(2,824,550)
	-	(2,824,550)
Element of gain / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed – net		12,799,106
Net assets at the end of the year Rs. 8.24 per unit (June 30, 2016: Rs. 8.24 per unit)	13,169,971	108,584,486

The annexed notes from 1 to 32 form an integral part of these financial statements.

For BMA Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		---------------- Rupees ----------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year before taxation		10,310,628	2,912,340
Adjustments for:			
Unrealised (gain) / loss on investments classified as 'at fair value 'at fair value through profit or loss' - held-for-trading - net	5.3	(88,915)	239,047
Reversal of provision against Workers' Welfare Funds (WWF)		-	(142,575)
Provision against Sindh Workers' Welfare Fund (SWWF)		210,432	305,497
Element of income (loss) included in prices of units issued less those in units redeemed – net		-	12,799,106
		121,517	13,201,075
Decrease / (increase) in assets			
Investments - net		26,620,148	38,520,781
Profit receivable		(2,135,980)	1,256,258
Prepayment and other receivables		151,244	(108,230)
		24,635,412	39,668,809
Increase / (decrease) in liabilities			
Payable to the Management Company		2,154,352	(268,232)
Payable to the Trustee		35,473	(14,923)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(85,370)	62,216
Redemption payable		12,071,357	-
Accrued and other liabilities		68,867	(2,234,658)
		14,244,679	(2,455,597)
Net cash generated from operating activities		49,312,236	53,326,627
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		1,108,645,984	1,043,944,580
Amount paid against redemption of units		(730,497,912)	(1,265,034,278)
Dividend paid		(48,444)	(2,866,846)
Net cash generated from / (used in) financing activities		378,099,628	(223,956,544)
Net increase / (decrease) in cash and cash equivalents during the year		427,411,864	(170,629,917)
Cash and cash equivalents at beginning of the year		72,262,557	242,892,474
Cash and cash equivalents at end of the year	4	499,674,421	72,262,557

The annexed notes from 1 to 32 form an integral part of these financial statements.

For BMA Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 (the 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 by the SECP on June 22, 2016. The registered office of the Management Company is situated at 801 Uni Tower, 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 mutual fund and is listed on the Pakistan Stock Exchange. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering these to the Fund. The Fund is categorised as an Open-End "Aggressive Income Fund" as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (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.

The Pakistan Credit Rating Agency Limited has assigned a rating of A+(f) and AM3 to the Fund and the Management Company respectively on June 30, 2018.

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 accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;

- the NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

  Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

The Fund has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
`
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

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

2.3.1 The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	**Effective date (annual periods beginning on or after)**
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	July 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application. However, the Fund is currently evaluating the requirements of IFRS-9 and potential impact on the financial statements of the Fund.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

2.3.2 Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards, Interpretations or Amendments	Effective date (annual periods beginning on or after)
- IFRS 14 – Regulatory Deferral Accounts	January 1, 2016
- IFRS 17 - Insurance Contracts	January 1, 2021

2.4 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 historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (note 3.2 and 5)
- Impairment of financial assets (note 3.2.6)
- Taxation (note 3.6 and 19)
- Provision for Sindh workers' welfare fund workers' welfare fund (note 12.1)

2.5 Accounting Convention

These financial statement have been prepared under the historical cost convention, except for certain investments which are stated at fair value.

2.6 Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except as described in note 2.2 and 3.9

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

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

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

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

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

3.2.3 Regular way contracts

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

3.2.4 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 out in the income statement.

3.2.5 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 (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures and sukuks etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In determining 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 fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV/PKISRV rate sheet on the MUFAP website.

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

Gains or losses arising from the changes in the fair value of available for sale financial assets are taken to 'other comprehensive income' until derecognised or impaired, when the cumulative gain or loss previously recognised in 'other comprehensive income' is included in the income statement.

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.

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.2.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. The carrying values of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.7 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.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 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.

3.5 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 to 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 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

3.8 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 date. 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 investment facilitators, distributors and the Management Company.

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 any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed

The SECP through its SRO no. 756(I)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations with respect to the accounting treatment and disclosure requirements as summarized below:

a) The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting year

(b) The revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund.

(c) The regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year was recognised in the Income Statement.

The above changes resulted in a change in accounting policy with respect to the presentation element of income / (loss) and capital gains / (loss). As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its SRO no. 756(I)/2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs. 13.889 million. However, the change in accounting policy does not have any impact on the Cash Flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

Additionally, the revised regulations required that for the purpose of maintaining the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

The income paid on redemption of units during the year will be considered as distribution of income during the year and therefore, will be deducted from the net income to arrive at the income available for distribution to the unit holders at the end of the year. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year which has been followed by the Fund.

3.10 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.

3.11 Revenue recognition

- Gain or loss on sale of investments is accounted for in the income statement in the period in which it arises.

- Unrealised gain / loss arising on revaluation of investments classified as held for trading is included in the income statement in the period in which it arises.

- Dividend income is recognised when the Fund's right to receive the same is established.

- Profit / mark-up income on bank balances, letter of placement, term deposit receipts, commercial paper, sukuk certificates, certificate of investment and government securities is recognised on an accrual basis using the effective interest method.

3.12 Expenses

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

3.13 Earnings Per Unit

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

		Note	2018	2017
4	**BANK BALANCES**		---------------- Rupees ----------------	
	In savings accounts	4.1	499,674,421	72,262,557

4.1 Profit rates on these accounts ranges between 3.75% to 7.75% per annum (2017: 3.75% to 8% per annum).

		Note	2018	2017
5	**INVESTMENTS**		---------------- Rupees ----------------	
	'At fair value through profit or loss' - held-for-trading			
	Term finance certificates and sukuk certificates	5.1	10,095,830	10,000,000
	Pakistan investment bonds	5.2	107,906	7,004,066
			10,203,736	17,004,066
	Loans and receivables			
	Commercial paper		-	9,730,904
	Term deposit receipts		-	10,000,000
			-	19,730,904
			10,203,736	36,734,970

5.1 Term finance certificates and sukuk certificates - listed and unlisted - 'at fair value through profit or loss' - held-for-trading

Name of Security	----(Number of Certificates)----				Carrying value as at June 30, 2018	Market value as at June 30, 2018	Unrealised gain	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2017	Purchased during the year	Sold during the year	As at June 30, 2018					
					----(Rupees)----			----(Percentage)---	
All term finance certificates and sukuk certificates have a face value of Rs 5,000 each.									
Term Finance Certificates - unlisted									
Jahangir Siddiqui Company Limited Term Finance Certificates - March 06, 2018	-	2,000	-	2,000	10,000,000	10,095,830	95,830	98.94%	2.03%
Silk Bank Limited Term Finance Certificates - August 10, 2017	2,000	-	2,000	-	-	-	-	-	-
New Allied Electronics (Private) Limited - Term Finance Certificates May 15, 2007 (Note 5.1.2)	10,000	-	-	10,000	-	-	-	-	-
Sukuk Certificates - unlisted									
New Allied Electronics (Private) Limited - Sukuk Certificates - July 27, 2007 (Note 5.1.2)	16,000	-	-	16,000	-	-	-	-	-
Total as at June 30, 2018					10,000,000	10,095,830	95,830	98.94%	2.03%
Total as at June 30, 2017					10,000,000	10,000,000	-	27.22%	9.21%

5.1.1 Significant terms and conditions of term finance certificates and sukuk certificates 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
Jahangir Siddiqui Company Limited (March 06, 2018)	2,000	5,000	6 month KIBOR +1.40%	March 6, 2023	Secured	AA+
New Allied Electronics (Private) Limited (May 15, 2007)	10,000	2,114	3 month KIBOR +2.75%	May 15, 2011	Secured	NPA
New Allied Electronics (Private) Limited (July 27, 2007)	16,000	293	3 month KIBOR +2.6%	July 25, 2012	Secured	NPA

5.1.2 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:

	June 30, 2018			June 30, 2017		
	Carrying value	Provision held	Net carrying value	Carrying value	Provision held	Net carrying value
	(Rupees)			(Rupees)		
New Allied Electronics (Private) Limited Term Finance Securities - May 15, 2007	21,472,757	21,472,757	-	21,472,757	21,472,757	-
New Allied Electronics (Private) Limited Sukuk Certificates - July 27, 2007	4,721,001	4,721,001	-	4,721,001	4,721,001	-
	26,193,758	26,193,758	-	26,193,758	26,193,758	-

5.2 Pakistan investment bonds - 'at fair value through profit or loss' - held for trading

Issue date	Yield	Tenor	Face Value				Balance as at June 30, 2018			Market value as a percentage of total investments	Market value as a percentage of net assets
			As at July 1, 2017	Purchased during the year	Sold during the year	As at June 30, 2018	Carrying value	Market value	Unrealised (loss) / gain		
			(Rupees)							(Percentage)	
March 26, 2015	9.27%	05 years	3,050,000	-	3,000,000	50,000	61,325	51,180	(10,145)	0.50%	0.01%
July 17, 2014	12.00%	10 years	3,050,000	-	3,000,000	50,000	53,496	56,726	3,230	0.56%	0.01%
Total as at June 30, 2018						100,000	114,821	107,906	(6,915)	1.06%	0.02%
Total as at June 30, 2017						6,100,000	7,243,113	7,004,066	(239,047)	19.07%	6.45%

	Note	2018	2017
5.3 Unrealized (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - held for trading - net		Rupees	
Market value of investments	5.1 & 5.2	10,203,736	17,004,066
Less: carrying value of investments	5.1 & 5.2	(10,114,821)	(17,243,113)
		88,915	(239,047)
6 PROFIT RECEIVABLE		-	
Profit on savings accounts		2,390,091	178,525
Profit on sukuk and term finance certificates		244,337	2,171
Profit on Pakistan Investment Bonds		7,319	244,934
Profit on term deposit receipts		-	80,137
		2,641,747	505,767
7 SECURITY DEPOSITS			
Central Depository Company of Pakistan Limited (CDC)		200,000	200,000
National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
		2,700,000	2,700,000
8 PREPAYMENTS AND OTHER RECEIVABLES			
Advance Tax		421,811	421,811
Withholding Tax		214,941	214,938
Prepaid Rating fee		-	153,248
Others		2,001	-
		638,753	789,997
9 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration of the Management Company	9.1 & 9.1.1	1,923,579	42,753
Sindh Sales Tax on Management Company's remuneration	9.2	318,735	45,209
Federal Excise Duty on Management Company's remuneration	9.3	2,403,015	2,403,015
		4,645,329	2,490,977

9.1 The Management Company has charged remuneration at the rate of 1.50% (2017: 1.50%) of average annual net assets of the Fund.

	Note	2018	2017
9.1.1 Remuneration payable to Management Company - net		--------------- Rupees ---------------	
Remuneration payable to Management Company		3,196,894	347,756
Less: re-imbursement from the Management Company	18	(1,273,315)	(305,003)
Remuneration payable to Management Company - net		1,923,579	42,753

9.2 During the year, Sindh Sales Tax on management remuneration has been charged at 13% (2017: 13%).

9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2018 amounting to Rs 2.403 million (2017: Rs 2.403 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.04 per unit (2017: Re 0.18 per unit).

	Note	2018	2017
10 PAYABLE TO THE TRUSTEE		-------------------- Rupees -------------------	
Remuneration payable to the Trustee	10.1	59,331	27,946
Sindh Sales tax payable on trustee remuneration	10.2	7,713	3,625
		67,044	31,571

10.1 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 value of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2018 is as follows:

Average net asset value	**Tariff per annum**
Up to Rs. 100 million	Rs. 0.2 million or 0.20% per annum of the Net Assets, whichever is higher

Exceeding Rs. 100 million to Rs. 200 million	Rs. 0.4 million or 0.20% per annum of the Net Assets, whichever is higher
Exceeding Rs. 200 million to Rs. 250 million	Rs. 0.5 million or 0.20% per annum of the Net Assets, whichever is higher
Exceeding Rs. 250 million to Rs. 500 million	Rs. 0.5 million plus 0.15% per annum of the amount exceeding Rs. 250 million
Exceeding Rs. 500 million to Rs. 1,000 million	Rs. 0.875 million plus 0.08% per annum of the amount exceeding Rs. 500 million
Exceeding Rs. 1,000 million to Rs. 2,000 million	Rs. 1.275 million plus 0.08% per annum of the amount exceeding Rs. 2,000 million

10.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at 13% (2017: 13%)

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2018	2017
		Rupees	
Annual fee	11.1	151,350	236,720

11.1 Under the provisions of the NBFC Regulations, 2008, a collective investment scheme categorised as 'Aggressive Fixed Income Scheme' is required to pay an annual fee to the SECP, an amount equal to 0.075% (2017: 0.075%) of the average annual net assets of the Fund. The fee is payable to the SECP within three months of the close of the financial year.

12 REDEMPTION PAYABLE

This mainly includes payable against units redeemed to the unitholders on 30 June 2018 based on their requests for redemption for which the amounts were paid subsequent to 30 June 2018.

13 ACCRUED AND OTHER LIABILITIES	Note	2018	2017
		Rupees	
Provision against Sindh Workers' Welfare Fund (SWWF)	13.1	515,929	305,497
Auditors' remuneration payable		494,126	370,324
Printing expense payable		43,571	42,751
Withholding tax payable		371,456	591,134
Others		455,309	291,386
		1,880,391	1,601,092

13.1 Provision against Sindh Workers' Welfare Fund (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision of Sindh WWF from the date of enactment of Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.01 per unit (2017: Re 0.02 per unit).

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2018 and as at June 30, 2017.

	Note	2018	2017
15 REMUNERATION OF THE MANAGEMENT COMPANY - NET		--------------- Rupees ---------------	
Remuneration of the Management Company	9.1	2,982,286	4,733,979
Less: re-imbursement from the Management Company	18	(968,312)	(305,003)
		2,013,974	4,428,976

	2018	2017
16 NUMBER OF UNITS IN ISSUE	--------- Number of units ---------	
Total units in issue at beginning of the year	13,169,671	38,453,397
Add: units issued during the year	129,811,617	124,256,492
Less: units redeemed during the year	(85,631,619)	(149,540,218)
Total units in issue at end of the year	57,349,669	13,169,671

	2018	2017
17 AUDITORS' REMUNERATION	--------------- Rupees ---------------	
Annual audit fee	288,750	288,750
Half yearly review fee	105,000	105,000
Fee for review of Statement of compliance with the requirements of the code of corporate governance	25,000	25,000
Tax Services	-	50,000
Sindh Sales tax on services	33,500	37,500
Out of pocket expenses	33,101	42,146
	485,351	548,396

18 TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2018 is 2.99 % (2017: 2.46%) which includes 0.37% (2017: 0.40%) representing Government levy, Workers' Welfare Fund and SECP fee. This excess amount charged has been adjusted against remuneration of Management Company (see note 15.) After the reimbursement this ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective invetsment scheme categorised as an aggressive income scheme.

19 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 to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to 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. Since the Management Company has distributed the income earned by the Fund in the manner explained above, as disclosed in Note 30 in these financial statements, hence, no provision for taxation has been made in these financial statements.

20 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons comprise of BMA Asset Management Company Limited (the Management Company), BMA Empress Cash Fund, BMA Capital Management Limited (the holding company of the

Management Company), BMA Capital Management Limited Staff Provident Fund, BMA Gratuity Fund, BMA Funds Limited, BMA Financial Services Limited, BMA Asset Management Company Limited - Staff Provident Fund, MCB Financial Services Limited (the Trustee), any person directly or indirectly holding 10% or more of the unit holding of the Fund and Key management personnel of the Management Company. The transactions with connected persons are in the normal course of business and at contractual rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions carried out by the Fund with related parties / connected persons during the year and balances with them as at year end are as follows:

20.1 Transactions during the year

	2018	2017
	Rupees	
BMA Asset Management Company Limited - the Management Company		
Issue of 5,665,921 units (2017: 14,423,729 units)	48,862,400	123,172,129
Redemption of 3,912,614 units (2017: 24,136,750 units)	33,087,383	206,823,716
Remuneration of the Management Company	2,013,974	4,428,976
Sindh Sales Tax on remuneration of the Management Company	290,835	615,417
BMA Asset Management Company Limited Staff Provident Fund		
Issue of 204,408 units (2017: Nil units)	1,700,000	-
Redemption of 204,408 units (2017: Nil units)	1,770,643	-
BMA Capital Management Limited - holding company of the Management Company		
Issue of Nil units (2017: 24,122,252 units)	-	200,000,000
Redemption of Nil units (2017: 24,122,252)	-	201,186,815
Brokerage expense	-	11,300
BMA Capital Management Limited Staff Provident Fund		
Issue of nil units (2017: 2,369,929 units)	-	20,015,363
Redemption of 1,215,368 units (2017: 1,154,561 units)	10,527,883	10,004,503
BMA Gratuity Fund		
Issue of nil units (2017: 5,215,771 units)	-	44,041,941
Redemption of 2,674,798 units (2017: 2,540,973 units)	23,169,904	22,018,041

	2018	2017
	Rupees	
BMA Funds Limited		
Issue of 1,204,834 units (2017: Nil units)	10,000,000	-
Redemption of 1,204,834 units (2017: Nil units)	10,010,023	-
Cash Distribution	-	
MCB Financial Services Limited - the Trustee		
Remuneration payable to the Trustee	471,412	612,808
Sindh Sales tax payable on trustee remuneration	61,289	79,658
Key Management Personnel of the Management Company		
Issue of Nil units (2017: 195,959 units)	-	1,533,161
Redemption of 30,590 units (2017: 982,133 units)	260,000	8,252,349
Cash Distribution	-	132,899
<u>Unit Holders with 10% or more holding</u>		
Hum Network Limited		
Issue of 28,912,096 units (2017: Nil units)	250,000,000	-
Ghandhara Nissan Limited		
Issue of 11,645,239 units (2017: Nil units)	100,000,000	-
PNSC Employees Gratuity Fund Trust		
Issue of 6,941,070 units (2017: Nil units)	60,000,000	-

20.2 Balances outstanding as at year end

BMA Asset Management Company Limited - the Management Company		
Outstanding 4,179,657 units (2017: 2,426,350 units)	36,224,660	19,996,762
Remuneration of the Management Company	1,923,579	42,753
Sindh Sales Tax on Management Company's remuneration	318,735	45,209
Federal Excise Duty on Management Company's remuneration	2,403,015	2,403,015
BMA Capital Management Limited Staff Provident Fund		
Outstanding Nil units (2017: 1,215,368 units)	-	10,016,456
BMA Gratuity Fund		
Outstanding Nil units (2017: 2,674,798 units)	-	22,044,349
BMA Funds Limited		
Outstanding Nil units (2017: 2 units)	-	23
MCB Financial Services Limited - the Trustee		
Remuneration payable to the Trustee	59,331	27,946
Sindh Sales tax payable on trustee remuneration	7,713	3,625
Key Management Personnel of the Management Company		
Outstanding 75,777 units (2017: 371,012 units)	656,752	3,057,704
Unit Holders with 10% or more holding		
Hum Network Limited		
Outstanding 28,912,096 units (2017: Nil units)	250,578,242	-
Ghandhara Nissan Limited		
Outstanding 11,645,239 units (2017: Nil units)	100,928,126	-
PNSC Employees Gratuity Fund Trust		
Outstanding 6,941,070 units (2017: Nil units)	60,157,562	-

21 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. Khaldoon Bin Latif	Chief Executive Officer	Bachelors of Science	14
2	Mr. Farrukh Hussain	Chief Investment Officer	MBA and Post Graduate Diploma in Banking and Finance	26
3	Mr. Faisal Ali Khan	Chief Financial Officer	ACA	14
4	Mr. Zafar Rehman	Fund Manager (Fixed income)	MBA Finance	26
5	Mr. Umair Ahmed Khan	Fund Manager (Equity)	CFA	9
6	Mr. Samee Hassan	Risk Manager	Masters Economics and Finance, Certificate in Accounting and Finance	6
7	Mr. Syed Masroor Zaidi	Analyst	MS in Economic & CFA Level 2 Candidate	1

21.1 Mr. Zafar Rehman is also fund manager of BMA Empress Cash Fund.

22 TRANSACTIONS WITH TOP TEN BROKERS/ DEALERS BY PERCENTAGE OF COMMISSION EXPENSED

The Fund did not enter into any transaction involving brokers/dealers during the year.

23 DETAILS OF PATTERN OF UNIT HOLDING

Category	June 30, 2018			
	Number of unit holders	No. of units held	Investment amount	Percentage of total
			---(Rupees)---	
Individuals	113	4,251,664	36,848,694	7.41%
Associated companies and directors	1	4,179,656	36,224,612	7.29%
Retirement funds	4	8,361,014	72,463,980	14.58%
Other Corporate	2	40,557,335	351,505,901	70.72%
	120	57,349,669	497,043,187	100%

Category	June 30, 2017			
	Number of unit holders	No. of units held	Investment amount	Percentage of total
			---(Rupees)---	
Individuals	116	4,284,298	35,323,411	32.53%
Associated companies and directors	3	2,438,301	20,103,435	18.51%
Retirement funds	5	6,447,372	53,157,640	48.96%
	124	13,169,971	108,584,486	100.00%

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The Board meetings were held on August 3, 2017, September 22, 2017, October 31, 2017, February 27, 2018, April 24, 2018 and June 21, 2018. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Meetings held on					
	August 3, 2017	September 22, 2017	October 31, 2017	February 27, 2018	April 24, 2018	June 21, 2018
Mr. Khaldoon Bin Latif	P	P	P	P	P	P
Mr. Muhammad Iqbal Usman	P	P	P	N/A	N/A	N/A
Mr. Mudassar Mazhar Malik	P	P	P	N/A	N/A	N/A
Mr. Salim Khan	P	P	P	P	P	P
Mr. Zohair Abdul Khaliq	P	A	P	N/A	N/A	N/A
Mr. Danial Hashmi	N/A	N/A	N/A	P	P	P
Mr. Shakeib Ali Arshad	N/A	N/A	N/A	P	P	P
Mr.Sohail Hasan	N/A	N/A	N/A	P	P	P

P Present
A Absent
N/A Not Applicable

Mr. Muhammad Iqbal Usman, Mr. Mudassar Mazhar Malik and Mr. Zuhair Khaliq retired as directors of the Management Company during the year.

Mr. Danial Hashmi, Mr. Shakeib Ali Arshad and Mr.Sohail Hasan were elected as directors of the Management Company during the year.

25 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2018		
	Loans and receivables	At fair value through profit or	Total
	(Rupees)		
Financial assets			
Bank balances	499,674,421	-	499,674,421
Investments	-	10,203,736	10,203,736
Profit receivable	2,641,747	-	2,641,747
Security deposits	2,700,000	-	2,700,000
	505,016,168	10,203,736	515,219,904

	As at June 30, 2018		
	At fair value through profit or	Other financial liabilities	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	1,923,579	1,923,579
Payable to the Trustee	-	59,331	59,331
Accrued and other liabilities	-	959,506	959,506
Redemption payable	-	12,071,357	12,071,357
	-	15,013,773	15,013,773

	As at June 30, 2017		
	Loans and receivables	At fair value through profit or	Total
	(Rupees)		
Financial assets			
Bank balances	72,262,557	-	72,262,557
Investments	19,730,904	17,004,066	36,734,970
Profit receivable	505,767	-	505,767
Security deposits	2,700,000	-	2,700,000
	95,199,228	17,004,066	112,203,294

	As at June 30, 2017		
	At fair value through profit or	Other financial liabilities	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	42,753	42,753
Payable to the Trustee	-	27,946	27,946
Accrued and other liabilities	-	666,961	666,961
Dividend payable	-	48,445	48,445
	-	786,105	786,105

26 FINANCIAL RISK MANAGEMENT

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

26.1 Market risk

Market risk is the risk that the fair value or 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.

26.1.1 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.

26.1.2 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. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing term finance certificates exposing the Fund to cash flow risk. In case of 100 basis points increase / decrease in KIBOR on the last repricing date of these term finance certificates, with all variable held constant, the net assets of the Fund and the net income for the year would have been lower / higher by Rs.32,055 (2017: Rs. 50,137). In addition to term finance certificates, the fund has balance in certain savings accounts, the interest rate of which ranges from 3.75% to 7.75% (2017: 3.75% to 8.00%)

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at June 30, 2018 comprise of Pakistan investment bonds. The Fund's income from Pakistan Investment Bonds is substantially independent of changes in market interest rates, except for changes, if any, as a result of fluctuation in respective fair values.

As at June 30, 2018, the Fund holds Pakistan investment bonds which are classified as 'at fair value through profit or loss' and expose the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Markets Association of Pakistan for Pakistan Investment Bonds with all other variables held constant, the net income for the year and net assets of the Fund would have been lower by Rs. 3,252 (2017: Rs. 258,109). In case of 100 basis points decrease in those rates, the net income for the year and net assets of the Fund would have been higher by Rs. 3,411 (2017: Rs. 272,523).

The composition of the aforementioned Fund's investment portfolio and rates announced by the Financial Market Association are expected to change over time. Therefore, the sensitivity analysis is not necessarily indicative of the effect on the Fund's net assets due to 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.

	As at June 30, 2018					
	Effective interest rate %	Exposed to Interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments		(Rupees)				
Financial assets						
Bank balances	3.75 to 7.75	499,674,421	-	-	-	499,674,421
Investments	7.87 to 12.00	-	-	10,095,830	107,906	10,203,736
Profit receivable		-	-	-	2,641,747	2,641,747
Security deposits		-	-	-	2,700,000	2,700,000
		499,674,421	-	10,095,830	5,449,653	515,219,904
Financial liabilities						
Payable to the Management Company		-	-	-	1,923,579	1,923,579
Payable to the Trustee		-	-	-	59,331	59,331
Accrued and other liabilities		-	-	-	959,506	959,506
Redemption payable		-	-	-	12,071,357	12,071,357
		-	-	-	15,013,773	15,013,773
On-balance sheet gap (a)		499,674,421	-	10,095,830	(9,564,120)	500,206,131
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		499,674,421	-	10,095,830		
Cumulative interest rate sensitivity gap		499,674,421	499,674,421	509,770,250		

	As at June 30, 2017					
	Effective interest rate %	Exposed to Interest rate risk			Not exposed to yield/ interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments		(Rupees)				
Financial assets						
Bank balances	3.75 to 8.00	72,262,557	-	-	-	72,262,557
Investments	7.91 to 12.00	-	-	10,000,000	26,734,970	36,734,970
Profit receivable		-	-	-	505,767	505,767
Security deposits		-	-	-	2,700,000	2,700,000
		72,262,557	-	10,000,000	29,940,737	112,203,294
Financial liabilities						
Payable to the Management Company		-	-	-	42,753	42,753
Payable to the Trustee		-	-	-	27,946	27,946
Accrued and other liabilities		-	-	-	666,961	666,961
Dividend payable		-	-	-	48,445	48,445
					786,105	786,105
On-balance sheet gap (a)		72,262,557	-	10,000,000	29,154,632	111,417,189
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		72,262,557	-	10,000,000		
Cumulative interest rate sensitivity gap		72,262,557	72,262,557	82,262,557		

26.1.3 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 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.

26.2 Credit risk

Credit risk arising from the inability of the counterp arties to fulfil their obligations in respect of financial instrument contracts is generally limited to the principal amount and accrued income thereon.

The Fund's policy is to enter into financial instrument contract s 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	**Rating Agency**	**2018**	**2017**
		--------- Percentage	**---------**
Short term			
A1+ / A-1+	PACRA / JCR- VIS	20.29%	11.32%
A1 / A-1	PACRA / JCR- VIS	0.01%	0.02%
A-2	JCR- VIS	79.70%	88.66%
		100.00%	100.00%
Long term			
A	PACRA / JCR - VIS	79.71%	0.01%
A-	JCR - VIS	0.00%	88.66%
AA	PACRA / JCR - VIS	0.00%	0.02%
AA-	PACRA	20.28%	0.01%
A+	PACRA / JCR - VIS	0.00%	0.01%
AA+	PACRA / JCR - VIS	0.01%	0.15%
AAA	PACRA / JCR - VIS	0.00%	11.14%
		100.00%	100.00%

Term finance certificates and sukuk by rating category			
A-	JCR- VIS	-	100%
AA+	JCR- VIS	100%	-
Loans and Receivables by rating category			
Short term			
A2	PACRA	-	100%
Long term			
A-	PACRA	-	100%

26.2.1 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund’s total credit exposure. The Fund’s portfolio of financial instruments is mainly held with various banks and securities issued by the State Bank of Pakistan on behalf of Government of Pakistan.

26.2.2 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.

26.3 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 to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders based on the Fund's net assets value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP. 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 redemption 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, 2018			
	Total	Upto three months	Over three months and upto one year	Over one year
	(Rupees)			
Financial liabilities				
Payable to the Trustee	59,331	59,331	-	-
Accrued and other liabilities	959,506	959,506	-	-
Redemption payable	12,071,357	12,071,357	-	-
	13,090,194	13,090,194	-	-

	As at June 30, 2017			
	Total	Upto three months	Over three months and upto one year	Over one year
	(Rupees)			
Financial liabilities			-	-
Payable to the Trustee	27,946	27,946	-	-
Accrued and other liabilities	666,961	666,961	-	-
Dividend Payable	48,445	48,445	-	-
	743,352	743,352	-	-

27 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.

Fair value of investments is determined as per the policy disclosed in note 3.2.5 to these financial statements.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

- Level 3: Inputs for the asset or liability that are not based on observable market dat a (i.e. unobservable inputs).

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees)			
Financial assets classified as 'at fair value through profit or loss'				
Investment in term finance certificates and sukuk certificates	-	10,095,830	-	10,095,830
Investment in Government securities - Pakistan Investment Bonds	-	107,906	-	107,906
	-	10,203,736	-	10,203,736

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
ASSETS	'(Rupees)			
Financial assets classified as 'at fair value through profit or loss'				
Investment in term finance certificates and sukuk certificates	-	10,000,000	-	10,000,000
Investment in Government securities - Pakistan Investment Bonds	-	7,004,066	-	7,004,066
	-	17,004,066	-	17,004,066

The Fund's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

27.1 Financial instruments in level 1
Currently, no financial instruments are classified through level 1.

27.2 Financial instruments in level 2

Financial instruments classified through level 2 consist of Term Finance Certificates, Sukuk Certificates and Pakistan Investment Bonds.

The fair value of investments in TFCs and Sukuks are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In determining the rates MUF AP 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.

The fair value of investment s in PIBs is determined by reference to the quot ations obtained from the PKRV/PKISRV rate sheet on the MUFAP website.

27.3 Financial instruments in level 3
Currently, no financial instruments are classified through level 3.

28 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable unit s. 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 the 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 except between 27th January to 27th February 2018 and 28th March and 24th April 2018.

The Fund's objectives when managing unit holders' fund are to sa feguard its ability to continue as a going concern so that it can continue to provide returns to unit holde rs and to maintain a strong base of asset s under management.

In accordance with the risk management policies st ated in note 25, 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.

29 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

30 NON - ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Chief Executive officer of the Management Company on behalf of the Board of Directors approved the interim distribution of Rs. 0.42 (2017: 0.45) per unit on the face value of Rs. 10 each (i.e. 4.2 %) amounting to Rs. 3,381,144 (2017: 2,824,550) The financial statements of the Fund for the year ended 30 June 2018 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending 30 June 2019.

31 GENERAL

Figures have been rounded off to the nearest rupee.

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 26, 2018.

For BMA Asset Management Company Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

PATTERN OF UNIT HOLDING
AS AT 30 JUNE 2018

PARTICULARS	UNIT HOLDING
INDIVIDUALS	4,251,664
MANAGEMENT COMPANY	
BMA Asset Management Company	4,179,656
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	-
NIT AND ICP	-
DIRECTORS and CHIEF EXECUTIVE	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS	-
BANKS, DEVELOPMENT FINANCE INSTITUTIONS,NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES,MODARABAS AND MUTUAL FUNDS	-
SHAREHOLDING 10% OR MORE HOLDING	47,498,405
OTHERS	1,419,945
Total	**57,349,669**

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

Trustee:
MCB Financial Services Limited
4th Floor, Pardesi House, 2/1, R-V-16,
Old Queens Road, Karachi.

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

Auditors:
E Y Ford Rhodes
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

BMA FUNDS

BMA Asset Management Co. Ltd.
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