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BMA CHUNDRIGAR ROAD SAVINGS FUND

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	Meezan Bank Limited
Bank Islami Pakistan Limited	Finca Micro Finance Bank Limited
JS Bank Limited	U Micro Finance Bank Limited
Bank Al-Habib Limited	Tameer Micro Finance Bank Limited
Faysal Bank Limited	Dubai Islamic Bank Pakistan Limited
MCB Bank Limited	
Bank Alfalah Limited	
Silk Bank Limited	
Habib Bank Limited	
Askari Bank Limited	
Zarai Taraqiati Bank Limited	

Distributors

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

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

The 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 portfolio 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 quarter ended September 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 1st quarter FY19, BCSF earned an income of Rs. 4.67 million from its investments and bank balances. The Fund also incorporated a valuation loss of Rs. 0.075 million during the quarter.
Total expenses of the period stood at Rs. 1.45 million comprising Trustee fee (Rs. 0.15 million), SECP fee (Rs. 0.046 million) and remuneration to the management company (Rs. 0.722 million). During the period, the Fund also created a liability of Rs. 0.12 million for Sindh Sales tax on Management Company's remuneration.

Financial highlights	**Sep 30, 2018**
	Rupees
Mark up/interest income	4,665,958
Unrealized Loss on investments	(75,219)
Total Income	**4,590,739**
Expenses	(1,454,357)
Net Income	**3,136,382**
Net Asset Value per unit (Rupees)	8.35

INVESTMENT STRATEGY

During the 1st quarter FY19, the Fund remained invested mostly in high yield bank deposits and floating rate TFCs. Higher allocation in bank deposits helped in reducing Fund's NAV volatility. The Fund manager expects that in the light of higher interest rate environment, the present allocation of the Fund will be able to minimize value erosion.

At the end of the quarter the major exposure stood at 88.96% cash, 7.50% TFCs and 0.08% PIBs and 3.46% other of the total assets. The weighted average maturity of the BCSF stood at 129days as on 30th Sep, 18. At the end of the 1st quarter 19, the net assets of the Fund were Rs. 126.48 million.

RETURN DURING THE PERIOD FOR INVESTORS

During 1st quarter FY19, the Fund generated an annualized return of 5.05%p.a. against the benchmark of 8.41%p.a., net of all expenses.

MACROECONOMIC OUTLOOK

The economy is now showing traces of slowdown in growth, as observed by the visiting IMF delegation during the 1st quarter, FY19. According to their estimates, Pakistan's economic growth will witness GDP growth below 3% for FY19 due to ongoing stabilization measures taken by the new government, increase in input costs and rising interest rates. Finally the govt. has decided to approach the IMF in order to get a much needed loan facility required to increase Pakistan's ever falling foreign reserves and meet its external payments. During the quarter, the SBP continued to increase its policy rate, which rose by 200bps to 8.50% from 6.50% at the end of last quarter. 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.

CPI for Sep-18 increased by 5.1% YoY compared to 3.8% YoY in June-18. Core inflation rose by 8.00% YoY, from 5.03%YoY increase at the end of June-18. Sequential 3 months FY18 CPI increased by 5.6% compared to 3.39% SPLY. The main reason for this price hike is primarily due to currency devaluation coupled with the increase in international commodity prices. The target for current year is around 8.0% by the government; however IMF is projecting it around 14% for FY19, which is likely to weigh on a hawkish monetary policy. The liquid foreign exchange reserves of the country were USD 14.81 billion at the end of the quarter compared to USD16.4 billion at the end of June-18. 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 Pakistani Rupee has further depreciated by 1.5% during the quarter, after 15.98% in FY18 against USD amid uncertainty pertaining to government's strategy to resolve this matter. Going forward, we expect the GDP to grow by 4.4% in FY19. We revise our earlier inflation rate projection from 8.4% to 12% for FY19, which in turn will push the key interest rates to double digits. The alarming trade deficit is expected to be the matter of concern for the market, however any inflows from foreign agencies is expected to give some relief to the market.

STRATEGY

In light of the above macroeconomic developments and Fund's classification, BCSF's strategy is expected to focus on the following:

Search for opportunities to invest in high quality liquid asset classes.
Take exposure in high yielding investments with minimum effect of asset quality.
Keep the overall duration of the fund at the manageable levels to absorb adverse knocks due to interest rate reversal and take advantage of new interest rate band, once the interest rate cycle stabilizes.

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
BMA Asset Management Company Limited

Director **Chief Executive Officer**

Date: October 25, 2018
Place: Karachi

BMA CHUNDRIGAR ROAD SAVINGS FUND

زرمبادلہ کے ذخائر میں کمی کی بنیادی وجہ رواں کھاتے کی بگڑتی ہوئی صورتحال کے ساتھ بیرونی ترسیلات میں کمی تھی۔ مالیاتی سال2018 میں حکومت کی معاملہ کوحل کرنے کی حکمت عملی سے متعلق غیر یقینی صورتحال کی وجہ سے15.98 فیصد کمی کے بعد بیرونی کھاتے کی دشوار گزار صورتحال کی وجہ سے سہ ماہی کے دوران پاکستانی روپے میں مزید1.5 فیصد کی کمی ہوئی۔

مستقبل کی جانب دیکھیں تو توقع ہے کہ مالیاتی سال2019 میں جی ڈی پی میں نمو4.4 فیصد رہے گی۔ ہم نے مالیاتی سال2019 میں افراط زر کے امکان تخمینے کو8.4 فیصد سے تبدیل کر کے 12 فیصد کردیا ہے جس کے نتیجے میں بنیادی شرح سود دہرے ہندسے میں آجائے گی۔ تجارتی خسارے کی تشویشناک صورتحال مارکیٹ میں خدشات کا باعث ہوگی، تاہم بیرونی اداروں کی جانب سے سرمائے کے اندرونی بہاؤ سے توقع ہے کہ مارکیٹ کو کچھ ریلیف ملے گا۔

حکمت عملی

مندرجہ بالا اقتصادی پیشقدمیوں اور فنڈ کی درجہ بندی کے پیش نظر BCSF کی حکمت عملی مندرجہ ذیل پر مرکوز ہوگی:

- اعلی معیاری روانیت کے حامل اثاثوں میں سرمایہ کاری کے مواقع تلاش کرنا
- اثاثوں کے معیار پر کم سے کم اثر ڈالتے ہوئے اعلیٰ منفعت کی حامل مصنوعات میں سرمایہ کاری کرنا

فنڈ کی مجموعی مدت کو قابل انتظام سطح پر رکھنا تا کہ شرح سود کی معکوسی کے نامواق جھٹکوں کو بچا جا سکے اور جیسے ہی شرح سود کا چکر مستحکم ہو جائے تو شرح سود کی نئی لہر سے فائدہ اٹھانا۔

اعتراف

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

برائے ومنجانب بورڈ
بے ایم اے ایسیٹ مینجمنٹ کمپنی لمیٹڈ

ڈائریکٹر چیف ایگزیکٹو آفیسر

مورخہ: 25 اکتوبر2018
بمقام: کراچی

منتظم کمپنی کے ڈائریکٹران 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 ستمبر 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 کہ ہے 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

مالیاتی سال 2019 کی پہلی سہ ماہی کے دوران فنڈ کو سرمایہ کاریوں اور بینک میں جمع شدہ رقومات پر 4.67 ملین روپے کی آمدنی ہوئی۔ مدت کو دوران فنڈ نے تشخیص مالیت پر 0.075 ملین روپے کا خسارہ شامل کیا۔

سہ ماہی کے اخراجات تقریباً 1.45 ملین روپے رہے، جس میں فنڈ کے متولیان کا مشاہرہ (0.15 ملین روپے)، SECP کی فیس (0.046 ملین روپے) اور منتظم کمپنی کا معاوضہ (0.722 ملین روپے) شامل تھا۔ اس مدت کے دوران فنڈ نے منتظم کمپنی کے معاوضہ پر سندھ سیلز ٹیکس کے 0.12 ملین روپے کے واجبات پیدا کئے۔

مالیاتی جھلکیاں

	30 ستمبر 2018
	روپے
مارک اپ/سودی آمدنی	4,665,958
سرمایہ کاریوں پر غیر تسلیم شدہ خسارہ	(75,219)
کل آمدنی	4,590,739
اخراجات	(1,454,357)
خالص آمدنی	3,136,382
خالص اثاثوں کی مالیت فی یونٹ (روپے)	8.35

سرمایہ کاری کی حکمت عملی

جائزہ مدت کے دوران فنڈ کی زیادہ تر سرمایہ کاری اعلیٰ منفعت کے حامل بینک میں جمع رقومات اور متزلزل نرخ کی حامل ٹی ایف سیز میں رہی۔ بینک میں جمع رقومات کے بلند اختصاص کی وجہ سے فنڈ NAV کی نازک صورتحال سے محفوظ رہا۔ فنڈ کے منتظم کو توقع ہے کہ بلند شرح سود کے ماحول میں فنڈ کے موجودہ اختصاص سے مالیت کی فرسودگی کے خطرات کم ہو جائیں گے۔

سہ ماہی کے اختتام پر سرمایہ کاری کا بڑا حصہ 88.96 فیصد بطور نقد رہا جبکہ کل اثاثوں کا 7.50 فیصد ٹی ایف سیز اور 0.08 فیصد پی آئی بیز اور 3.46 دیگر مصنوعات میں رہا۔

2019 کی پہلی سہ ماہی کے اختتام پر فنڈ کے خالص اثاثے 126.48 ملین روپے تھے۔

مدت کے دوران سرمایہ کاروں کے لئے منفعت

مالیاتی سال 2019 کی پہلی سہ ماہی کے دوران فنڈ نے بینچ مارک کے 8.41 فیصد سالانہ منفعت کے مقابلے میں 5.05 فیصد سالانہ منفعت فراہم کی جو کہ تمام اخراجات نکالنے کے بعد تھی۔

اقتصادی جائزہ

مالیاتی سال 2019 کی پہلی سہ ماہی میں آئی ایم ایف کے وفد کے مشاہدے کے مطابق نمو اس وقت سست روی کا شکار ہے۔ ان کے تخمینوں کے مطابق مالیاتی سال 2019 میں پاکستانی کی معاشی ترقی یعنی GDP میں نمو 3 فیصد سے کم رہے گی جس کی وجہ نئی حکومت کے جاری اقدامات، اندرونی لاگتوں میں اضافہ اور بڑھتی ہوئی شرح سود ہے۔ بالآخر حکومت نے آئی ایم ایف سے رجوع کرنے کا فیصلہ کر لیا ہے تاکہ انتہائی ضروری قرضہ کی سہولت حاصل کر کے ہمیشہ کی طرح گرتے ہوئے زرمبادلہ کے ذخائر کو سنبھالا دیا جا سکے اور اپنی بیرونی ادائیگیوں کی ضروریات کو پورا کیا جا سکے۔

سہ ماہی کے دوران، ایس بی پی نے اپنے پالیسی نرخ میں اضافہ جاری رکھا جو کہ 200 بی ایس اضافہ کے ساتھ 6.50 فیصد سے بڑھ کر سہ ماہی کے اختتام تک 8.50 فیصد ہو گیا۔ اس اضافے کی اہم وجہ بنیادی افراط زر (NFNE) میں تیز ترین اضافہ، قرضوں کی بلند سطح اور زرمبادلہ کے ذخائر میں تشویشناک کمی تھی۔

ستمبر 2018 میں سی پی آئی بڑھ کر 5.1 فیصد ہو گیا جو کہ جون 2018 میں 3.8 فیصد تھا۔ بنیادی افراط زر میں اضافہ ہو کر 8.00 فیصد ہو گیا جبکہ جون 2018 کے اختتام پر 5.03 فیصد تھا۔ مالیاتی سال 2018 کے مسلسل تین ماہ میں سی پی آئی افراط زر 5.6 فیصد پر رہا جبکہ گزشتہ سال اسی مدت میں 3.39 فیصد تھا۔ قیمتوں میں اضافے کی بنیادی وجہ کرنسی کی قدر میں کمی کے ساتھ ساتھ اشیائے صرف کی عالمی قیمتوں میں اضافہ تھا۔ حکومت نے اس سال کے لئے ہدف تقریباً 8.0 فیصد مقرر کیا ہے تاہم آئی ایم ایف اسے 14 فیصد پر دیکھ رہی ہے، جس کی وجہ سے انتہائی محتاط مالیاتی پالیسی پر زور رہے گا۔

ملک کے رواں زرمبادلہ کے ذخائر سہ ماہی کے اختتام پر 14.81 بلین یو ایس ڈالر رہ گئے جو کہ جون 2018 کے اختتام پر 16.4 بلین یو ایس ڈالر تھے۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2018

	Note	Sepetmber 30, 2018 (Un-Audited)	June 30, 2018 (Audited)
		------ Rupees ------	
ASSETS			
Bank balances	4	118,834,944	499,674,421
Investments	5	10,128,519	10,203,736
Profit receivable	6	1,175,666	2,641,747
Security deposits	7	2,700,000	2,700,000
Prepayment and other receivables	8	742,995	638,753
Total assets		133,582,123	515,858,657
LIABILITIES			
Payable to the Management Company	9	5,484,962	4,645,329
Payable to the Trustee	10	37,150	67,044
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	45,826	151,350
Redemption payable		-	12,071,357
Accrued and other liabilities	12	1,531,310	1,880,391
Dividend payable		-	-
Total liabilities		7,099,248	18,815,471
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		126,482,875	497,043,186
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		126,482,875	497,043,186
CONTINGENCIES AND COMMITMENTS	13		
		Number of units	
NUMBER OF UNITS IN ISSUE		15,142,238	57,349,669
		Rupees	
NET ASSET VALUE PER UNIT		8.35	8.6669

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

For BMA Asset Management Company Limited
(Management Company)

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

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2018

	Note	Quarter ended September 30, 2018	September 30, 2017
		------ Rupees ------	
INCOME			
Profit / mark-up on:			
'At fair value through profit or loss' - held-for-trading			
- Mark-up on Government securities and commercial paper		2,662	354,357
- Mark-up on term finance certificates and sukuk certificates		191,392	199,889
Mark-up on bank balances		4,471,903	3,346,393
Unrealised (loss) on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net	5.3	(75,219)	(1,155,285)
Total income		4,590,739	2,745,355
EXPENSES			
Remuneration of the Management Company - net	9	722,245	297,501
Sindh Sales Tax on remuneration of the Management Company		117,388	92,547
Remuneration of the Trustee		151,171	133,150
Annual fee to the Securities and Exchange Commission of Pakistan	11	45,826	36,129
Auditors' remuneration		124,547	149,848
Other expenses		293,181	204,503
Total expenses		1,454,357	913,678
Net income for the year before element of loss and capital losses included in prices of units issued less those in units redeemed – net		3,136,382	1,831,677
Net income for the year before taxation		3,136,382	1,831,677
Taxation	15	-	-
Net income for the year after taxation		3,136,382	1,831,677
Allocation of Net Income for the period:			
Net Income for the period after taxation		3,136,382	1,831,677
Income already paid on units redeemed		(79,549)	(236,666)
		3,056,833	1,595,011
Accounting income avaiable for distribution:			
Relating to Capital loss		(75,219)	(1,155,285)
Excluding Capital Gain		3,132,051	2,750,296
		3,056,833	1,595,011

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

For BMA Asset Management Company Limited
(Management Company)

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2018

	Quarter ended	
	September 30, 2018	September 30, 2017
	---------- Rupees ----------	
Net income for the year after taxation	3,136,382	1,831,677
Other comprehensive income for the year	-	-
Total comprehensive income for the year	3,136,382	1,831,677

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

For BMA Asset Management Company Limited
(Management Company)

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

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018			September 30, 2017		
		Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
		---- Rupees ----			---- Rupees ----		
Capital Value		582,733,218	-	582,733,218	197,752,714	-	197,752,714
Undistributed gain brought forward							
- Realised		-	(85,778,979)	(85,778,979)		(88,929,181)	(88,929,181)
- Unrealised		-	88,915	88,915		(239,047)	(239,047)
Net assets at beginning of the period Rs. 8.67 per unit [June 30, 2017 Rs. 8.24 per unit]		582,733,218	(85,690,064)	497,043,154	197,752,714	(89,168,228)	108,584,486
Amount received on Issuance of 13,656,976 units							
(2017: 28,198,664 units)							
- Capital value (at net asset value per unit at the beginning of the year)		121,250,318	-	121,250,318	232,495,166	-	232,495,166
- Element of income		(4,932,107)	-	(4,932,107)	1,273,387	-	1,273,387
Total proceeds on issuance of units		116,318,211	-	116,318,211	233,768,553	-	233,768,553
Amount paid on Redemption of 58,728,673 units							
(2017: 16,729,513 units)				5			
- Capital value (at net asset value per unit at the beginning of the year)		(508,995,540)	-	(508,995,540)	(137,933,162)		(137,933,162)
- Element of income		22,441,362	(79,549)	22,361,813	(800,055)	(236,666)	(1,036,720)
Total payments on redemption of units		(486,554,178)	(79,549)	(486,633,727)	(138,733,217)	(236,666)	(138,969,882)
Total comprehensive income for the period		-	3,136,382	3,136,382	-	-	-
Distribution during the period from the profit of the year ended June 30, 2018.		-	(3,381,144)	(3,381,144)			
Net assets at end of the period		212,497,251	(86,014,375)	126,482,875	292,788,050	(89,404,894)	203,383,157
Rs. 8.35 per unit (September 30, 2017: Rs. 8.33 per unit)							

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

For BMA Asset Management Company Limited
(Management Company)

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

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Note	Quarter ended September 30, 2018	September 30, 2017
		---------- Rupees ----------	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year before taxation		3,136,382	1,831,677
Adjustments for:			
Unrealised loss on investments classified as 'at fair value 'at fair value through profit or loss' - held-for-trading - net	5.3	75,219	1,155,285
Provision against Workers' Welfare Funds (WWF)		64,008	149,848
Other expenses		-	
Element of income (loss) included in prices of units issued less those in units redeemed – net		-	-
		139,226	1,305,133
Decrease / (increase) in assets			
Investments - net		-	(191,923)
Profit receivable		1,466,049	(1,349,082)
Cash Dividend paid		(3,381,144)	-
Prepayment and other receivables		(104,242)	8,779
		(2,019,337)	(1,532,226)
Increase / (decrease) in liabilities			
Payable to the Management Company		839,632	239,591
Payable to the Trustee		(29,894)	17,505
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(105,524)	(200,591)
Dividend payable		-	(48,445)
Redemption payable		(12,071,357)	-
Accrued and other liabilities		(413,089)	(749,271)
		(11,780,231)	(741,211)
Net cash generated from operating activities		(10,523,960)	863,373
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		116,318,211	233,768,553
Amount paid against redemption of units		(486,633,727)	(138,969,882)
Net cash generated from / (used in) financing activities		(370,315,517)	94,798,671
Net increase / (decrease) in cash and cash equivalents during the year		(380,839,477)	95,662,044
Cash and cash equivalents at beginning of the year		499,674,421	72,262,557
Cash and cash equivalents at end of the year	4	118,834,944	167,924,601

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

For BMA Asset Management Company Limited
(Management Company)

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Un-Audited)

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 Comp anies (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 it s investors attractive income with concern for preservation of capit al by investing in all fixed income and money market instrument s 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 September 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 Comp anies 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 Comp anies Act, 2017, part VIIIA of the repealed Comp anies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The disclosures made in this condensed interim financial Statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statement of the Fund for the year ended June 30, 2018.

In compliance with schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.

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:

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.

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 cost s 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 se curity 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 av ailable 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 st atement 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 i mpairment. 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 amount s 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. 17.430 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 period 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	September 30, 2018	June 30, 2018
BANK BALANCES		---------------- Rupees	----------------
In savings accounts	4.1	118,834,944	499,674,421

4.1 Profit rates on these accounts ranges between 3.75% to 8.15% per annum (June 30, 2018: 3.75% to 7.75% per annum).

	Note	September 30, 2018	June 30, 2018
INVESTMENTS		---------------- Rupees	----------------
'At fair value through profit or loss' - held-for-trading			
Term finance certificates and sukuk certificates	5.1	10,024,110	10,095,830
Pakistan investment bonds	5.2	104,408	107,906
		10,128,519	10,203,735
Loans and receivables			
Commercial paper		-	-
Term deposit receipts		-	-
		-	-
		10,128,519	10,203,735

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) As at July 1, 2018	Purchased during the period	Sold during the period	As at September 30, 2018	Carrying value as at September 30, 2018	Market value as at September 30, 2018	Unrealised gain	Market value as a percentage of total investments	Market value as a percentage of net assets
	(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	10,095,830	10,024,110	(71,720)	98.97%	7.93%
New Allied Electronics (Private) Limited - Term Finance Certificates May 15, 2007 (Note 5.1.2)	-	-	-	-	-	-	-	-	-
Sukuk Certificates - unlisted									
New Allied Electronics (Private) Limited - Sukuk Certificates - July 27, 2007 (Note 5.1.2)	-	-	-	-	-	-	-	-	-
Total as at Septemeber 30, 2018					10,095,830	10,024,110	(71,720)	98.97%	7.93%
Total as at June 30, 2018					10,000,000	10,095,830	95,830	98.94%	2.03%

5.1.1 Significant terms and conditions of term finance certificates and sukuk certificates outstanding at the period 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:

	September 30, 2018			June 30, 2018		
	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: As at July 1, 2018	Purchased during the period	Sold during the period	As at September 30, 2018	Balance as at June 30, 2018: Carrying value	Market value	Unrealised (loss) / gain	Market value as a percentage of total investments	Market value as a percentage of net assets
			(Rupees)							(Percentage)	
March 26, 2015	9.27%	05 years	50,000	-	-	50,000	51,180	49,858	(1,321)	0.49%	0.04%
July 17, 2014	12.00%	10 years	50,000	-	-	50,000	56,726	54,550	(2,177)	0.54%	0.04%
Total as at September 30, 2018						100,000	107,906	104,408	(3,498)	1.03%	0.08%
Total as at June 30, 2018						100,000	114,821	107,906	(6,915)	1.06%	0.02%

5.3 Unrealized (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - held for trading - net	**Note**	**September 30, 2018**	**June 30, 2018**
		Rupees	
Market value of investments	5.1 & 5.2	10,128,518	10,203,736
Less: carrying value of investments	5.1 & 5.2	(10,203,736)	(10,114,821)
		(75,219)	88,915

6 PROFIT RECEIVABLE

Profit on savings accounts	729,956	2,390,091
Profit on sukuk and term finance certificates	435,729	244,337
Profit on Pakistan Investment Bonds	9,981	7,319
Profit on term deposit receipts	-	-
	1,175,666	2,641,747

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	636,752	636,752
Prepaid Rating fee	84,201	-
Others	22,046	2,001
	742,999	638,753

9 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration of the Management Company	9.1 & 9.1.1	2,645,823	1,923,579
Sindh Sales Tax on Management Company's remuneration	9.2	436,123	318,735
Federal Excise Duty on Management Company's remuneration	9.3	2,403,015	2,403,015
		5,484,962	4,645,329

9.1.1 Remuneration payable to Management Company - net	**Note**	**September 30, 2018**	**June 30, 2018**
		Rupees	
Remuneration payable to Management Company		4,099,876	3,196,894
Less: re-imbursement from the Management Company	14	(1,454,052)	(1,273,315)
Remuneration payable to Management Company - net		2,645,823	1,923,579

9.2 During the year, Sindh Sales Tax on management remuneration has been charged at 13% (June 30, 2018: 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 st atements of the Fund, the net asset value of the Fund as at September 30, 2018 would have been higher by Re 0.16 per unit (June 30, 2018: Re 0.04 per unit).

	Note	September 30, 2018	June 30, 2018
10 PAYABLE TO THE TRUSTEE		------------------------ Rupees ------------------------	
Remuneration payable to the Trustee	10.1	32,877	59,331
Sindh Sales tax payable on trustee remuneration	10.2	4,273	7,713
		37,150	67,044

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 September 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% (2018: 13%)

	Note	September 30, 2018	June 30, 2018
11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)		----------------------- Rupees -----------------------	
Annual fee	11.1	45,826	151,350

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

	Note	September 30, 2018	June 30, 2018
12 ACCRUED AND OTHER LIABILITIES		----------------------- Rupees ---------------------	
Provision against Sindh Workers' Welfare Fund (SWWF)	12.1	579,937	515,929
Auditors' remuneration payable		493,814	494,126
Printing expense payable		63,294	43,571
Withholding tax payable		14,769	371,456
Others		379,495	455,309
		1,531,310	1,880,391

12.1 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 p ay 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 asse t 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 applicabi lity 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 September 30, 2018 would have been higher by Re 0.04 per unit (June 30, 2018: Re 0.01 per unit).

13 CONTINGENCIES AND COMMITMENTS

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

14 TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended September 30, 2018 is 2.70 % (June 30, 2018: 2.99%) which includes 0.40% (June 30, 2018: 0.37%) representing Government levy, Workers' Welfare Fund and SECP fee. This excess amount charged has been adjusted against remuneration of Management Company (see note 9.1.) After the reimbursement this ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective invet sment scheme categorised as an aggressive income scheme.

15 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 1 13 (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.

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 comp any 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:

	For the Quarter ended 30-Sep-18		For the Quarter ended 30-Sep-17	
	(Units)	(Rupees)	(Units)	(Rupees)
16.1 Transactions during the year				
BMA Asset Management Company Limited - the Management Company				
Issue of units includes additional 212,790 units against refund of capital and cash distribution	10,179,553	82,945,732	181,864	1,500,000
Redemption of units			842,364	6,968,089
Remuneration of the Management Company		722,245		297,501
Sindh Sales Tax on remuneration of the Management Company		117,388		92,547
BMA Asset Management Company Limited Staff Provident Fund				
Issue of units	-	-	204,408	1,700,000
Redemption of units			-	-
BMA Funds Limited				
Issue of units	-	-	1,204,834	10,000,000
Redemption of units			1,204,837	10,010,032
MCB Financial Services Limited - the Trustee				
Remuneration payable to the Trustee		133,780		117,832
Sindh Sales tax payable on trustee remuneration		17,391		15,318
Key Management Personnel of the Management Company				
Units includes additional 3,381 units against refund of capital and cash distribution	3,381	-	-	-
Redemption of units	79,158	656,837	73,395	605,974
Unit Holders with 10% or more holding				
Units includes additional 2,391,235 units against refund of capital and cash distribution	2,391,235	-	-	-
Redemption of units	49,889,640	413,410,460	-	-

	September 30, 2018		June 30, 2018	
	(Units)	(Rupees)	(Units)	(Rupees)
16.2 Units Held by:				
BMA Asset Management Company Limited - the Management Company				
Outstanding units	9,966,763	83,252,373	4,179,657	36,224,660
Remuneration of the Management Company		2,645,823		1,923,579
Sindh Sales Tax on Management Company's remuneration		436,123		318,735
Federal Excise Duty on Management Company's remuneration		2,403,015		2,403,015
MCB Financial Services Limited - the Trustee				
Remuneration payable to the Trustee		32,877		59,331
Sindh Sales tax payable on trustee remuneration		4,273		7,713
Key Management Personnel of the Management Company				
Outstanding units	-	-	75,777	656,752
Unit Holders with 10% or more holding				
Outstanding units	-	-	47,498,405	411,663,930

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.

GENERAL

Figures have been rounded off to the nearest rupee.

DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 25, 2018.

For BMA Asset Management Company Limited
(Management Company)

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