

CONTENTS

FUND'S INFORMATION	1
MISSION STATEMENT	2
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY.....	3
REPORT OF THE FUND MANAGER.....	7
KEY FINANCIAL DATA.....	8
REPORT OF THE TRUSTEE TO THE UNIT HOLDERS.....	9
STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE.....	10
REVIEW REPORT TO THE UNIT HOLDERS.....	12
INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS.....	13
STATEMENT OF ASSETS AND LIABILITIES.....	14
INCOME STATEMENT.....	15
STATEMENT OF COMPREHENSIVE INCOME.....	16
DISTRIBUTION STATEMENT	17
CASH FLOW STATEMENT	18
STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND.....	19
NOTES TO THE FINANCIAL STATEMENTS.....	20
PATTERN OF UNIT HOLDING AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE	39

FUND'S INFORMATION

Management Company

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

Board of Directors of the Management Company

Mr. Muhammad Iqbal	Chairman
Mr. Muddassar Malik	Director
Mr. Salim Khan	Director
Mr. Zouhair Khaliq	Director
Mr. Adeel Ahmad Khan	Chief Executive Officer

Audit Committee of the Management Company

Mr. Salim Khan	Chairman
Mr. Muhammad Iqbal	Member
Mr. Muddassar Malik	Member

Human Resource and Remuneration Committee

Mr. Salim Khan	Chairman
Mr. Muhammad Iqbal	Member
Mr. Adeel Ahmad Khan	Director

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 3rd Floor Adamjee House I.I. Chundrigar Road Karachi

Bankers

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

Distributors

BMA Financial Services Limited
Rabia Fida
Elixir Securities (Pvt) Limited

Auditors

A.F.Ferguson & Co., Chartered Accountants
State Life Building No. 1-C, I.I. Chundrigar Road Karachi

Legal Adviser

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

Registrar

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

Fund Stability Rating

A+(f)

Management Quality Rating

AM3

MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of BMA Asset Management Company Limited, the Management Company 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, 2015.

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 medium risk and short duration. The fund's aim is to maintain a rupee-weighted average maturity for the investment portfolio of not more than 5 years. The benchmark for our return is six month KIBOR.

FUND'S FINANCIAL PERFORMANCE

During FY15, the Fund earned Rs. 47.60 million from income on investments, bank balances, term deposits and Margin Trading System. The fund also realized a loss of Rs. 8.81 million on investments and had an unrealized loss of Rs. 1.13 million. Thus the total income earned came to Rs. 37.65 million.

Total expenses for the period came to Rs. 12.52 million. This included remunerations to the trustee of the fund, fee to the SECP, and remuneration to the management company of Rs. 0.74 million, Rs. 0.37 million and Rs. 7.41 million, respectively. In addition, the fund booked an element of net loss from the issue and redemption of units which totaled Rs. 19.9 million.

As a result the net income for the year was Rs. 5.14 million.

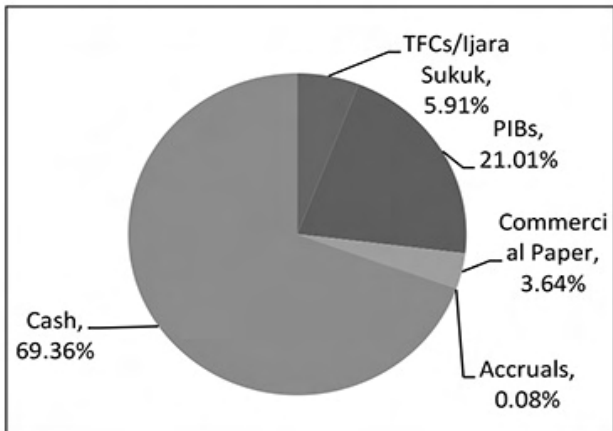
Financial highlights	June 30, 2015
	Rupees
Mark up/interest income	47,602,344
(Loss) on investments (NET)	(8,810,073)
Unrealized (Loss) on investments	(1,135,170)
Total Income	37,656,801
Expenses	(12,526,217)
Element of (Loss)	(19,888,111)
Provision for WWF	(104,849)
Net Income	5,137,624
Net Asset Value per unit (Rupees)	8.12

INVESTMENT STRATEGY

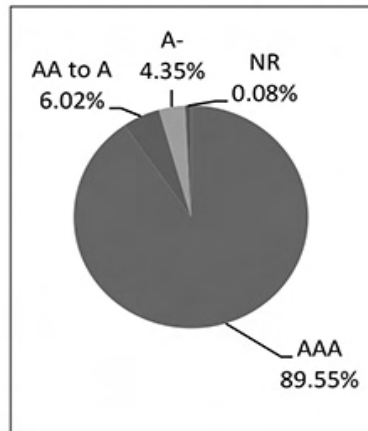
During the year, the fund aimed to maintain major exposure in medium to longer tenor sovereign bonds to capitalize declining interest rate scenario effectively, while selectively deploying assets in high yielding instruments. This enabled the fund to generate a competitive rate of return while retaining both liquidity and its ability to respond quickly in an uncertain macroeconomic environment. It also allowed management to pay out redemption and payment of dividend as due. As at 30th June, the portfolio duration of the fund was 272 days. This was in order to optimize benefit from the prevailing adjustments in yield curve.

As at June 30th, 2015, the net assets of the fund were Rs. 272.99 million, 69.36% of these assets were held in cash, 5.91% in TFCs and Sukuks, 21.01% in PIBs, 3.64% in commercial paper and 0.08% in accruals. In line with this asset allocation, the credit quality of the fund remained high with 89.55% allocated to AAA, 6.02% to AA to A, 4.35% to A- and 0.08% in accruals.

Asset Allocation as on June 30, 2015



Credit Quality: June 30, 2015



RETURN DURING THE PERIOD FOR INVESTORS

During FY15 the Fund generated an annualized return of 12.26% against the benchmark of 9.08%. Hence, the fund significantly outperformed the benchmark by 3.18%. This performance is net of all expenses.

RECENT DEVELOPMENTS

Due to expectation of decline in interest rate, exposure of BCSF in fixed income instruments was increased, and as a result the fund managed to provide robust and maintain its position in the top quartile among aggressive fixed income fund category. Moreover, the credit quality and liquidity profile of the fund remained high with 90% of net assets invested in AAA rated securities and bank deposits, with a major allocation in longer term government papers and corporate bonds. Because of this, the fund’s ability to meet redemptions and remain flexible in an uncertain macroeconomic environment remained intact.

MACROECONOMIC OUTLOOK

Over the last two fiscal years (FY2014 and FY2015) Pakistan’s economic performance improved substantially, though some indicators fell well short of the ambitious target set out in the corresponding budgets. With underlying economic indicators depicting strength, we expect that FY16 would be a year of economic growth. However, we still believe that, there is a need to focus on structural weaknesses, which have been constraining the performance of various sectors.

A substantial reduction in the global oil prices and its impact on Pakistan’s external and fiscal position has materially impacted the domestic inflation. The CPI inflation for FY15 showed decelerating trend and recorded an average CPI of 4.53%YoY as compared to 8.62%YoY recorded in FY14. Soft inflation reading was supported by a decline in food prices, lower transport Index, stable exchange rate and high base effect. We expect moderation in inflation to remain continue in FY16 taking full year average to below 5%YoY. During the FY15, the State Bank of Pakistan lowered the discount rate by 300bps to 7%, the lowest level witnessed in the economy over the past 42 years, core reasons behind the monetary easing were soft inflation readings, stable exchange rate and favorable trend in global commodity prices. We believe that positive trend would remain continue in FY16 and expect easing cycle to sustain till IHFY16.

Pakistan maintained a healthy balance of payment situation during FY15 because of strong remittance, successful issuance of sukuk bond and inflows from multilateral agencies. During the month of June, Pakistan’s Current Account (C/A) posted a deficit of US\$343mn as compared to deficit of US\$473mn registered in last month. The major reasons behind the improved number are strong remittances and lower oil prices. Overall FY15 C/A deficit stands at US\$2.3bn (0.8% of GDP) against FY14 deficit of US\$3.13bn (1.3% of GDP), depicting a decline of 27% or \$850 million. With exports faltering by 4%, trade deficit has risen by 3% cumulatively, but reduction in services deficit and strong YoY rise in remittances during FY15 have been instrumental in current account deficit attrition. During the FY15, Pak rupee depreciated by 3% against the US dollar and mostly traded within narrow band. Pakistan foreign exchange reserves also crossed the US\$18.7bn mark because of healthy CSF payments, privatization proceeds and release of IMF payments. Going forward, we expect current account shall maintain its positive trend due to strong remittances, issuance of Euro Bond, flows from privatization and CSF payments.

STRATEGY

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

- Build exposure in high quality, shorter to medium term instruments, keeping in mind an appropriate risk/reward ratio.
- To transform portfolio allocation largely towards floating rate instruments to avoid interest rate risk.
- Decrease duration with the intention of trading in fixed and floating rate instruments to take advantage of rebound in policy rate.
- Realize gains at the bottom of the interest rate cycle which we expect to occur during 1HFY16.

Corporate and Financial Reporting Framework

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

The Board of Directors of the Management Company state that:

1. The financial statements, prepared by the Management Company, present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holders' fund.
2. Proper books of accounts of the Fund have been maintained during the year.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting standards, as applicable in Pakistan, provision of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, Non-Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations, 2008), requirements of the trust deed and directives issued by the Securities and Exchange Commission of Pakistan have been followed in the preparation of the financial statements and any departures there from has been disclosed and explained.
5. The system of internal controls is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in listing regulations.
8. Key financial data, in summarized form, is included in this Annual Report.
9. The statement as to the value of investment in provident fund is not applicable in the case of the fund as such expenses are borne by the Management Company.
10. The number of board meetings held during the year and attendance by each director is disclosed.
11. The detailed pattern of unit holding, as required by the Code of Corporate Governance is enclosed.

During the year the following trades in the units of the Fund were carried out by the Directors, CEO, CFO and their spouses and minor children:

	No of Units
Investment	7,120,177
Redemption	7,094,132

Appointment of Auditors

The Board of Directors of BMA Asset Management Company Limited (the Management Company) have reappointed A.F.Ferguson & Co. Chartered Accountants, as the Fund's auditor for the year 2015-16 as recommended by the Audit Committee.

Acknowledgement

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the Trustees of the Fund, MCB Financial Services Limited and the Registrar, Technology Trade (Pvt) Limited. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the meticulous management of the Fund.

**For and on behalf of the
Board**

**Karachi
September 08, 2015**

**Adeel Ahmad Khan
Chief Executive Officer**

For the year ended **June-15** NAV **8.123**

Fund Returns	BCSF	BM
Annualized Return (Jun-15)	-12.60%	6.88%
Annualized Return (FY15)	12.26%	9.08%
Annualized Return (365 days)	12.26%	9.08%
Annualized Return (Last 3 years)	12.37%	9.62%
Annualized Return (Last 5 years)	3.05%	10.95%
Annualized Return (Inception to Date)	3.89%	11.41%
FY 2014	7.70%	9.98%
FY 2013	13.38%	9.82%
FY 2012	-16.94%	12.60%
FY 2011	-4.90%	13.21%

6 Month KIBOR & Standard Deviations	
6M KIBOR (Jun-15)	6.88%
6M KIBOR Standard Deviation	1.97%
Portfolio Standard Deviation	1.49%

Portfolio Characteristics	
Net Assets in PKR MLN (30-06-15)	273.00
NAV/unit in PKR (30-06-15)	8.1235
Portfolio Duration (in days)	272.00

Asset Allocation	Jun	May
Cash	69.16%	39.72%
TFCs / Sukuk	6.12%	1.26%
PIBs	22.09%	57.48%
T Bills	0.00%	0.00%
Accruals	-0.83%	0.83%
Placements	3.46%	0.71%
Leverage	None	None

Monthly Performance		
Month	Return	Benchmark
June-15	-12.60%	6.88%
May-15	-1.35%	7.04%
April-15	28.80%	7.88%
March-15	1.03%	8.28%
February-15	11.19%	8.59%
January-15	15.43%	9.47%
December-14	26.82%	9.86%
November-14	10.96%	9.93%
October-14	36.90%	10.29%
September-14	9.14%	10.30%
August-14	4.42%	10.25%
July-14	8.92%	10.20%

Investment Committee	
Adeel Ahmad Khan	Chief Executive Officer
Farrukh Hussain	Chief Investment Officer
Faisal Ali Khan	Chief Financial Officer
Syed Qamar Abbas	Fund Manager
Muneeb Sikandar	Risk Manager

0800 00262
 Info@bmafunds.com
 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 the Month of Jun-15, the fund posted an annualized return of -12.60% against the benchmark return of 6.88%. On YTD basis, the fund maintained its position in the top quartile by posting a return of 12.26%. Based on the developments in capital market and economic front, we have rebalanced portfolio of BCSF, the allocation of the fund are as follows: 22.09% invested in PIBs, 6.12% invested in TFC / Sukuk, 3.46% in Commercial Paper, whereas 69.16% and -0.83% was held as cash and accruals respectively. Portfolio and benchmark standard deviation were 1.49% and 1.97% respectively. Portfolio duration was at 272 days while the weighted average maturity was at 406 days. During the month, fund announced a dividend of PKR 0.70 per unit.

Fund Details

Fund Type	Open End
Category	Aggressive Income Fund
Inception Date	23-Aug-07
Benchmark	6M 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	KSE
Trustee	MCBFSL
Auditor	A. F. Ferguson & Co.
Transfer Agent	Technology Trade
Legal Advisors	KMS Law Associates
Management Quality Rating	AM3

Name	Cost	Provision Held	Carrying Value	% of Net Assets	Portfolio Ratings	%
New Allied PPTFC	21.47 mn	21.47 mn	0.0 mn	0.00%	AAA	90.63%
New Allied Sukuk	4.72 mn	4.72 mn	0.0 mn	0.00%	A-	6.12%
					Accruals	-0.83%
Commercial Paper (as a % of Net Assets)				3.46%		
Pak Elektron Commercial Paper				3.46%		
TFCs / Sukuks (as a % of Net Assets)				6.12%		
Al Baraka Bank (Sukuk)				6.12%		

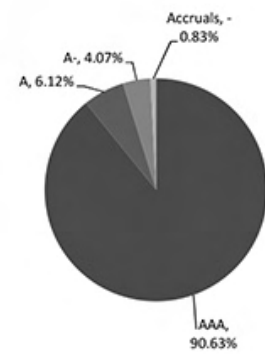
Portfolio Ratings Profile **Economic Outlook**

CPI reading for June-15 was recorded at 3.16% YoY which is almost at same level of previous month, on a month-on-month basis inflation increased by 0.6% as compared to 0.76% increase in last month. Despite the Ramadan factor notable decline in perishable food items have played a vital role to keep inflation in check. Consequently, average CPI inflation for FY15 registered to the decade low level of 4.53% as compared to 8.62% in FY14. The significant improvement in domestic inflationary environment can be attributed to global meltdown in crude oil price, soft commodity prices at local and global front, stable exchange rate due to lower import bills, inflows from multilateral agencies and strong remittances. Going forward, we expect inflation to remain subdued with CY15 average to round off at 4.5% YoY as compared to CY14 average of 7.2% YoY because of high base effect lingering till November'15. SBP shall announce its monetary policy for next two months in July'15, we expect that SBP shall maintain discount rate at 7%.

During the month, Pak rupee traded within a narrow band against the US dollar and appreciated by mere 0.13%. Pakistan's foreign exchange reserves jumped to a four-year high of US\$18.201 billion because of inflow of more than US\$756 million from World Bank and upswing in remittance. We believe that the upward trend in forex reserves will continue on the back of strong remittances, higher donor flows and expected privatization proceeds.

On the fixed income side, investors continued their focus towards shorter tenor instruments to avoid interest rate risk. During the month under review bond market reacted abnormally because of budgetary measures announced by GoP and its impact on macro indicators.

Disclosure: The scheme has maintained provisions against Workers' Welfare Fund (WWF) liability to the tune of Rs. 142,576 as of Jun 30, 2015. Had the provision not been made, the NAV per unit/FY15 return of the Fund would be higher by Rs. 0.004/0.05%. Details are specified at note 10.1 to the latest period ended report of March 2015. Performance Data does not include the cost incurred directly by an investor in the form of sales load etc.



MUFAP Recommended Format

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any Fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

Key Financial Data

PERFORMANCE TABLE

	2015	2014	2013	2012	2011	2010	2009	2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Assets	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	8.08	8.08	8.02	7.9	9.52	10.52	9.69	10.79
Dividend Distribution	0.95	0.54	0.89	-	-	1.12	-	0.77
Selling price for units	8.20	8.16	8.1	7.98	9.62	10.63	9.79	10.9
Repurchase price for units	8.12	8.08	8.02	7.9	9.52	10.52	9.69	10.79
Highest Offer price per unit	9.29	8.23	8.25	9.57	10.87	10.96	10.51	10.89
Lowest Offer price per unit	8.15	7.91	7.97	6.09	8.77	9.87	8.87	10
Highest Redemption price unit	9.19	8.15	8.17	9.48	10.76	10.85	10.41	10.79
Lowest Redemption price unit	8.07	7.83	7.89	6.03	8.68	9.77	8.78	10
Annual return (%)	12.26%	7.70%	13.38%	-16.94%	1.32%	8.60%	-3.17%	9.28%
Weighted average portfolio duration	272 Days	43 Days	92 Days	83 Days	5.56 yrs	4.42 yrs	3.08 yrs	2.52 yrs

* The Fund was launched on August 23, 2007.



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, 2015 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

A handwritten signature in black ink, appearing to read 'Anwar'.

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 3, 2015

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

1. The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes:

Category	Names
Independent Directors	Salim Khan
	Zouhair Abdul Khaliq
Non-executive directors	Muhammad Iqbal
	Muddassar Mazhar Malik
Executive Director	Adeel Ahmad Khan

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies (including this Fund).
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the Board in January 2015 was filled up by the directors in July 2015.
5. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. Out of the total of 5 directors, one director is exempt from the requirements of obtaining directors training. One of the directors obtained certification under the directors' training program during the year while the remaining three directors will obtain certification during the next year. The Directors are conversant with the relevant laws applicable to the Management Company, its policies and procedures and provisions of the memorandum and articles of association and are aware of their duties and responsibilities.
10. The Board has approved the appointment of CFO, Company Secretary and M/s Yousuf Adil Saleem & Co. Chartered Accountants (Deloitte) as internal auditors, including their remuneration and terms and conditions of employment, as determined by the Chief Executive Officer.
11. The Directors' Report of the Fund for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The Chief Executive Officer and CFO duly endorsed the financial statements of the Fund before approval of the Board.
13. The directors, CEO and executives of the Management Company do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.
14. The Management Company has complied with all the significant corporate and financial reporting requirements of the Code relevant to the Fund.
15. The Board has formed an Audit Committee comprising of three members all of whom are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held in every quarter prior to approval of interim and final results of the Fund as required by the Code except for the first quarter during the year in which no meeting of the Audit Committee was held. The Terms of Reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a HR and Remuneration Committee comprising of three members, two of whom are non-executive directors and the chairman of the committee is an independent director.
18. The Management Company has outsourced the internal audit function to M/s Yousuf Adil Saleem & Co. Chartered Accountants (Deloitte) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan .
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The closed period prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Fund's units, was determined and intimated to directors, employees and the stock exchange. A transaction of units was inadvertently made by a key management personnel of the Fund during the closed period.
22. Material/price sensitive information has been disseminated among all market participants at once through the stock exchange.
23. We confirm that all other material principles contained in the Code have been complied with except the following, towards which reasonable progress is being made by the Management Company to achieve compliance by the end of the next accounting year:
 - The Board of Directors have not put in place a mechanism for annual evaluation of the Board's own performance.

For and on behalf of the
Board of Directors

Adeel Ahmad Khan
Chief Executive Officer

Karachi: September 08, 2015



A. F. FERGUSON & CO

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of BMA Asset Management Company Limited, the Management Company of **BMA Chundrigar Road Savings Fund** (the Fund), for the year ended June 30, 2015 to comply with the requirements of clause 5.19 of the Karachi Stock Exchange Limited Regulations, where the Fund is listed.

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

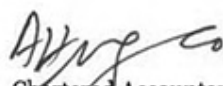
As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all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

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2015.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the statement of Compliance:

Paragraph reference	Description
4	One casual vacancy occurring on the Board during the year ended June 30, 2015 was not filled within the time frame of 90 days, as required under clause (iii) of the Code.
16	No Audit Committee meeting was held in the first quarter of the financial year.
21	A transaction of units was inadvertently made by a key management personnel during the closed period.
23	The Board of Directors have not put in place a mechanism for annual evaluation of the Board's own performance.


 Chartered Accountants
 Karachi
 Dated: September 8, 2015



INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **BMA Chundrigar Road Savings Fund** (hereinafter referred to as "**the Fund**"), which comprise the statement of assets and liabilities as at June 30, 2015, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT COMPANY'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2015 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: September 8, 2015

Karachi

**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2015**

	Note	2015	2014
Rupees			
ASSETS			
Bank balances	4	189,339,286	65,184,304
Investments	5	83,435,787	87,664,240
Receivable against marginal trading system		-	29,501,468
Profit receivable	6	6,450,945	8,761,133
Security deposit	7	2,950,000	2,950,000
Prepayments and other receivables		612,120	448,836
Total assets		282,788,138	194,509,981
LIABILITIES			
Payable to BMA Asset Management Company Limited - Management Company	8	3,050,476	944,024
Fee Payable to MCB Financial Services Limited - Trustee	9	89,699	33,698
Payable to the Securities and Exchange Commission of Pakistan	10	375,048	193,713
Dividend payable		3,741,132	8,822
Accrued expenses and other liabilities	11	2,535,467	534,115
Total liabilities		9,791,822	1,714,372
NET ASSETS		272,996,316	192,795,609
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		272,996,316	192,795,609
CONTINGENCIES AND COMMITMENTS	12		
Number of units			
NUMBER OF UNITS IN ISSUE	13	33,605,547	23,854,589
Rupees			
NET ASSET VALUE PER UNIT	3.10	8.12	8.08

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

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

**Chief Executive Officer
Adeel Ahmad Khan**

**Director
Muhammad Iqbal**

**INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015	2014
Rupees			
INCOME			
Capital (loss) / gain on sale of investments - net		(8,810,373)	352,940
Income from term finance certificates and sukus		2,648,911	1,334,213
Income from government securities		32,601,288	15,897,893
Income from commercial paper		488,133	-
Income from term deposit receipts		-	330,411
Income from letters of placement		-	188,407
Income from certificates of investment		-	777,142
Income from marginal trading system		381,730	1,221,749
Profit on bank deposits		10,858,446	3,917,728
Income from certificates of musharika		623,836	631,850
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.4	(1,135,170)	(27,787)
Total income		37,656,801	24,624,546
EXPENSES			
Remuneration of BMA Asset Management Company Limited - Management Company	8.1	7,411,078	3,874,369
Sindh Sales Tax on Management Company's remuneration	8.2	1,289,528	619,899
Federal excise duty on remuneration of the Management Company	8.3	1,185,772	619,899
Remuneration of MCB Financial Services Limited - Trustee	9.1	744,429	517,251
Annual fee - Securities and Exchange Commission of Pakistan	10.1	375,048	193,713
Auditors' remuneration	14	472,028	433,049
Annual Listing fee		107,500	107,500
Rating fee		198,415	225,475
Printing charges		80,621	100,537
Brokerage expense		142,193	62,469
Professional charges		-	12,497
Settlement and bank charges		173,090	32,308
Marginal trading system charges		285,083	270,000
Other charges		61,432	41,569
Total expenses		12,526,217	7,110,535
Net Income from operating activities		25,130,584	17,514,011
Element of loss and capital losses included in prices of units issued less those in units redeemed		(19,888,111)	(676,656)
Provision for Workers' Welfare Fund	11.1	(104,849)	(37,726)
Net income for the year before taxation		5,137,624	16,799,629
Taxation	15	-	-
Net income for the year after taxation		5,137,624	16,799,629
Earnings per unit	16	-	-

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

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

**Chief Executive Officer
Adeel Ahmad Khan**

**Director
Muhammad Iqbal**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014
	Rupees	
Net income for the year after taxation	5,137,624	16,799,629
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>5,137,624</u>	<u>16,799,629</u>

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

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

**Chief Executive Officer
Adeel Ahmad Khan**

**Director
Muhammad Iqbal**

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014
	Rupees	
Accumulated loss brought forward		
Realised loss	(95,031,755)	(96,555,734)
Unrealised loss	(27,787)	(22,360)
	<u>(95,059,542)</u>	<u>(96,578,094)</u>
Net income for the year after taxation	5,137,624	16,799,629
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.02 per unit on August 29, 2013)	-	(810,097)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.035 per unit on September 30, 2013)	-	(1,187,891)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.05 per unit on October 30, 2013)	-	(1,647,060)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.045 per unit on November 28, 2013)	-	(1,429,752)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.055 per unit on December 30, 2013)	-	(1,643,185)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.055 per unit on January 30, 2014)	-	(1,551,645)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.045 per unit on February 27, 2014)	-	(1,074,295)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.03 per unit on March 28, 2014)	-	(696,358)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.06 per unit on April 29, 2014)	-	(1,502,434)
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.07 per unit on May 29, 2014)	-	(2,082,838)
Distribution at the rate of Re 0.95 per unit on June 16, 2015 for the year ended June 30, 2015 (2014: Re. Nil per unit)	(3,741,132)	-
Distribution of Re Nil per unit for the year ended June 30, 2015 (2014: Re. 0.07 per unit on June 27, 2014)	-	(1,655,522)
	<u>(3,741,132)</u>	<u>(15,281,077)</u>
Accumulated loss carried forward	<u>(93,663,050)</u>	<u>(95,059,542)</u>
Accumulated loss comprising:		
- Realised loss	(92,527,880)	(95,031,755)
- Unrealised loss	(1,135,170)	(27,787)
	<u>(93,663,050)</u>	<u>(95,059,542)</u>

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

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

**Chief Executive Officer
Adeel Ahmad Khan**

**Director
Muhammad Iqbal**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015	2014
		Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year		5,137,624	16,799,629
Adjustments for:			
Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	5.4	1,135,170	27,787
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		19,888,111	676,656
Provision for Workers' Welfare Fund		104,849	37,726
		21,128,130	742,169
Decrease / (increase) in assets			
Prepayments and other receivables		(163,284)	(17,779)
Investments - net		3,093,283	180,423,179
Receivable against marginal trading system		29,501,468	(29,501,468)
Profit receivable		2,310,188	783,977
Security deposit		-	(250,000)
		34,741,655	151,437,909
Increase / (decrease) in liabilities			
Payable to BMA Asset Management Company Ltd - Management Company		2,106,452	337,036
Fee payable to MCB Financial Services Limited - Trustee		56,001	(19,286)
Payable to the Securities and Exchange Commission of Pakistan		181,335	(113,298)
Accrued expenses and other liabilities		1,896,503	(61,634)
		4,240,291	142,818
Net cash generated from operating activities		<u>65,247,700</u>	<u>169,122,525</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		2,553,072,401	120,296,071
Payments on redemption of units		(2,494,156,297)	(294,433,598)
Cash payout against distribution		(8,822)	(1,260)
Net cash generated from / (used in) financing activities		<u>58,907,282</u>	<u>(174,138,787)</u>
Net increase / (decrease) in cash and cash equivalents		<u>124,154,982</u>	<u>(5,016,262)</u>
Cash and cash equivalents at beginning of the year		65,184,304	70,200,566
Cash and cash equivalents at end of the year	4	<u><u>189,339,286</u></u>	<u><u>65,184,304</u></u>

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

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

**Chief Executive Officer
Adeel Ahmad Khan**

**Director
Muhammad Iqbal**

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	2015		2014	
	Units	Rupees	Units	Rupees
Net Asset Value at the beginning of the year				
Rs 8.08 per unit (June 30, 2013: Rs 8.02 per unit)	23,854,589	192,795,609	43,581,690	349,456,851
Issue of units	297,142,557	2,553,072,401	14,828,119	120,296,071
Redemption of units	(287,391,599)	(2,494,156,297)	(36,454,038)	(294,433,598)
	9,750,958	58,916,104	(21,625,919)	(174,137,527)
Net unrealized diminution on re-measurement of Investments classified as 'financial assets at fair value through profit or loss'	-	(1,135,170)	-	(27,787)
Net capital (loss) / gain on sale of investments	-	(8,810,373)	-	352,940
Other income (net of expenses)	-	15,083,167	-	16,474,476
Total comprehensive income for the year	-	5,137,624	-	16,799,629
Distributions for the year ended June 30, 2015				
- Issue of bonus units	-	-	1,898,818	-
- Cash payout against distributions - interim	-	(3,741,132)	-	-
	-	(3,741,132)	1,898,818	-
Element of loss and capital losses included in prices of units issued less those in units redeemed – net	-	19,888,111	-	676,656
Net assets at the end of the year				
Rs. 8.12 per unit (June 30, 2014: Rs. 8.08 per unit)	<u>33,605,547</u>	<u>272,996,316</u>	<u>23,854,589</u>	<u>192,795,609</u>

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

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

**Chief Executive Officer
Adeel Ahmad Khan**

**Director
Muhammad Iqbal**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015****1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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

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

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

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

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

2 BASIS OF PREPARATION**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

The following amendments to existing standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2014:

- Amendment to IAS 32, "Financial Instruments: Presentation" on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have significant effect on the financial statements of the Fund.
- IFRIC 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 "Provisions." The interpretation addresses the obligating event that gives rise to pay a levy and when a liability should be recognised. The Fund has incorporated the impact of this amendment in the financial statements.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or did not have any significant effect on the Fund's financial statements and are, therefore, not detailed in these financial statements.

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

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2015 but are considered not to be relevant or will not have any significant effect on the Fund's financial statements and are therefore not detailed in these financial statements.

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

Standards	IASB effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2017

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

The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies are as follows:

- (i) Classification and valuation of investments (note 3.2 and note 5) and
- (ii) Impairment of financial assets (note 3.2.5 and note 5)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value.

2.6 Functional and Presentation Currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated:

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories:

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

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

a) Financial assets at fair value through profit or loss

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

b) Loans and receivables

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

c) Available for sale

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

3.2.2 Regular way contracts

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

3.2.3 Initial recognition and measurement

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

3.2.4 Subsequent measurement

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

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

Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its various circulars issued from time to time. In the determination of the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The investment of the Fund in government securities is subsequently stated at fair value which is determined on the basis of rates announced by the Financial Markets Association of Pakistan in accordance with the requirements of the NBFC Regulations, 2008.

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

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

b) Loans and receivables

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

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

3.2.5 Impairment

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

a) Debt securities

Provision against non-performing debt securities is made in accordance with the provisioning criteria for non-performing debt securities specified by the SECP.

As allowed by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with a provisioning policy duly approved by the Board of Directors of the Management Company.

b) Loans and receivables

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

3.2.6 Derecognition

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

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

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 Preliminary expenses and floatation costs

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

3.6 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.

3.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders.

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

3.8 Issue and redemption of units

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

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

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

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

The 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is credited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net asset value and included in the sale proceeds of units. Upon redemption of units, the 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' account is debited with the amount representing net income / (loss) and capital gains / (losses) accounted for in the net asset value and included in the redemption price.

The 'element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed' during the year is transferred to the 'income statement'.

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

- Gains / (losses) arising on sale of investments are accounted for in the year in which they arise.
- Unrealised (diminution) / appreciation on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Discount on purchase of Market Treasury Bills is amortised to income statement using the straight line method.
- Discount on purchase of commercial paper is amortised to the income statement using effective interest rate basis at the rate of return implicit in the instrument.
- Income from investments in Pakistan Investment Bonds is recognised on an accrual basis.
- Income from investments in term finance certificates is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account.
- Profit on bank balances, term deposits, certificates of investment and letters of placement is recognised on an accrual basis.

	Note	2015	2014
		Rupees	
4 BANK BALANCES			
Savings accounts	4.1	<u>189,339,286</u>	<u>65,184,304</u>

4.1 Profit rates on these savings accounts range between 4.5% to 7% per annum (2014: 6% to 9.50% per annum).

	Note	2015	2014
		Rupees	
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Term finance certificates and sukuks	5.1	16,139,557	18,935,400
Investment in government securities			
- Market Treasury Bills	5.2.1	-	48,219,232
- Pakistan Investment Bonds	5.2.2	57,363,347	20,509,608
		73,502,904	87,664,240
Loans and receivables			
Comercial Paper	5.3	9,932,883	-
		<u>83,435,787</u>	<u>87,664,240</u>

5.1 Listed and Unlisted term finance certificates and sukus

Name of Security	(Number of Certificates)				Carrying value as at June 30, 2015	Market value as at June 30, 2015	Unrealised appreciation / (diminution)	Market value as a percentage of total investment	Market value as a percentage of net assets
	As at July 1, 2014	Purchased during the year	Sold / Matured during the year	As at June 30, 2015					

----- (Rupees) ----- ----- (Percentage) -----

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

Listed term finance certificates

Pace Pakistan Limited - February 15, 2008	4,000	4,000	8,000	-	-	-	-	-	-
Tameer Micro Finance Bank Limited - December 28, 2012	3,800	-	3,800	-	-	-	-	-	-

Un-listed term finance certificates and sukuk

Kohat Cement Company Limited Sukuk Certificates - December 20, 2007	10,000	-	10,000	-	-	-	-	-	-
Al Baraka Bank (Pakistan) Limited Sukuk Certificates - September 26, 2014	-	19	1	18	16,714,286	16,139,557	(574,729)	19.34%	5.91%
New Allied Electronics (Private) Limited - May 15, 2007	10,000	-	-	10,000	-	-	-	-	-
New Allied Electronics (Private) Limited - Sukuk Certificate - July 27, 2007	16,000	-	-	16,000	-	-	-	-	-
Total as at June 30, 2015					16,714,286	16,139,557	(574,729)	19.34%	5.91%
Total as at June 30, 2014					18,935,400	18,935,400	-	21.60%	9.82%

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

Name of security	Number of certificates	Face Value	Mark-up rate (Per annum)	Maturity	Secured / unsecured	Rating
Al Baraka Bank (Pakistan) Limited - (Issue date - September 26, 2014)	18	928,571	6 month KIBOR +1.25%	November 26, 2021	Secured	A
New Allied Electronics (Private) Limited (Issue date - May 15, 2007)	10,000	2,114	3 month KIBOR +2.75%	May 15, 2011	Secured	NPA
New Allied Electronics (Private) Limited (Issue date - July 27, 2007)	16,000	293	3 month KIBOR +2.6%	July 25, 2012	Secured	NPA

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:
5.1.3 Provision against term finance certificates and sukuk

	June 30, 2015			June 30, 2014		
	Carrying value	Provision held	Net carrying value	Carrying value	Provision held	Net carrying value

----- (Rupees) ----- ----- (Rupees) -----

Pace Pakistan Limited - February 15, 2008	-	-	-	13,434,200	13,434,200	-
New Allied Electronics (Private) Limited - May 15, 2007	21,472,757	21,472,757	-	21,472,757	21,472,757	-
New Allied Electronics (Private) Limited Sukuk - July 27, 2007	4,721,001	4,721,001	-	4,721,001	4,721,001	-
Total	26,193,758	26,193,758	-	39,627,958	39,627,958	-

5.2 Investment in Government securities - 'at fair value through profit or loss
5.2.1 Market Treasury Bills

Issue date	Tenor	Face Value				Balance as at June 30, 2015				Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2014	Purchased during the year	Sold during the year	Matured during the year	As at June 30, 2015	Carrying value	Market value	Unrealised appreciation / (diminution)		
------(Rupees)-----											
January 23, 2014	6 months	7,000,000	-	7,000,000	-	-	-	-	-	-	-
May 29, 2014	3 months	20,000,000	-	20,000,000	-	-	-	-	-	-	-
June 26, 2014	3 months	22,000,000	-	22,000,000	-	-	-	-	-	-	-
July 10, 2014	3 months	-	31,500,000	31,500,000	-	-	-	-	-	-	-
July 24, 2014	3 months	-	15,000,000	-	15,000,000	-	-	-	-	-	-
August 7, 2014	3 months	-	45,000,000	45,000,000	-	-	-	-	-	-	-
August 21, 2014	3 months	-	30,000,000	30,000,000	-	-	-	-	-	-	-
September 4, 2014	3 months	-	31,000,000	31,000,000	-	-	-	-	-	-	-
September 4, 2014	3 months	-	82,000,000	81,930,000	70,000	-	-	-	-	-	-
October 2, 2014	3 months	-	70,000,000	70,000,000	-	-	-	-	-	-	-
October 30, 2014	3 months	-	118,400,000	94,000,000	24,400,000	-	-	-	-	-	-
November 13, 2014	6 months	-	58,000,000	58,000,000	-	-	-	-	-	-	-
November 27, 2014	6 months	-	20,000,000	20,000,000	-	-	-	-	-	-	-
January 8, 2015	12 months	-	100,000,000	100,000,000	-	-	-	-	-	-	-
January 22, 2015	12 months	-	118,500,000	118,500,000	-	-	-	-	-	-	-
February 6, 2015	12 months	-	60,000,000	60,000,000	-	-	-	-	-	-	-
March 5, 2015	12 months	-	150,000,000	150,000,000	-	-	-	-	-	-	-
March 19, 2015	12 months	-	50,000,000	50,000,000	-	-	-	-	-	-	-
April 30, 2015	12 months	-	165,000,000	165,000,000	-	-	-	-	-	-	-
Total as at June 30, 2015							-	-	-	-	-
Total as at June 30, 2014							48,220,002	48,219,232	(770)	55.01%	25.01%

5.2.2 Pakistan Investment Bonds

Issue date	Tenor	Face Value				Balance as at June 30, 2015				Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2014	Purchased during the year	Sold during the year	Matured during the year	As at June 30, 2015	Carrying value	Market value	Unrealised appreciation / (diminution)		
------(Rupees)-----											
July 19, 2012	10 years	-	430,000	430,000	-	-	-	-	-	-	-
July 18, 2013	5 years	21,250,000	16,040,000	27,990,000	-	9,300,000	10,062,352	9,996,391	(65,961)	11.98%	3.66%
July 18, 2013	3 years	-	118,000,000	114,000,000	-	4,000,000	4,167,155	4,160,246	(6,909)	4.99%	1.52%
July 17, 2014	10 years	-	809,600,000	809,600,000	-	-	-	-	-	-	-
July 17, 2014	5 years	-	139,000,000	139,000,000	-	-	-	-	-	-	-
July 17, 2014	3 years	-	162,000,000	162,000,000	-	-	-	-	-	-	-
July 19, 2014	3 years	-	25,000,000	25,000,000	-	-	-	-	-	-	-
March 26, 2015	3 years	-	150,000,000	125,000,000	-	25,000,000	25,755,066	25,485,121	(269,945)	30.54%	9.34%
March 26, 2015	5 years	-	142,500,000	125,000,000	-	17,500,000	17,939,215	17,721,589	(217,626)	21.24%	6.49%
March 26, 2015	10 years	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-	-
Total as at June 30, 2015							57,923,788	57,363,347	(560,441)	68.75%	21.01%
Total as at June 30, 2014							20,536,625	20,509,608	(27,017)	23.40%	10.64%

5.3

This commercial paper has been purchased during the year carrying yield of 11.79% per annum maturing on July 23, 2015.

5.4	Net unrealised diminution on remeasurement of investments classified as financial assets at 'fair value through profit or loss'	Note	2015	2014
		Rupees		
	Market value of investments	5.1 and 5.2	73,502,904	87,664,240
	Less: carrying value of investments	5.1 and 5.2	(74,638,074)	(87,692,027)
			<u>(1,135,170)</u>	<u>(27,787)</u>
6	PROFIT RECEIVABLE			
	Profit on bank deposits		3,021,198	352,363
	Profit on sukuk and term finance certificates		1,716,593	7,173,776
	Profit on Pakistan investment bonds		1,713,154	1,081,159
	Profit on marginal trading system		-	153,835
			<u>6,450,945</u>	<u>8,761,133</u>
7	SECURITY DEPOSIT			
	Security deposit with:			
	- Central Depository Company of Pakistan Limited		200,000	200,000
	- National Clearing Company of Pakistan Limited		2,750,000	2,750,000
			<u>2,950,000</u>	<u>2,950,000</u>
8	PAYABLE TO THE BMA ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
	Remuneration of the Management Company	8.1	1,020,126	243,839
	Sindh Sales Tax on Management Company's remuneration	8.2	177,502	39,010
	Federal Excise Duty on Management Company's remuneration	8.3	1,852,848	661,175
			<u>3,050,476</u>	<u>944,024</u>

8.1 The Management company is entitled to remuneration for services rendered to the Fund under Regulation 61 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 3 percent of the average daily net assets of the Fund during the first five years of the Fund's existence and thereafter of an amount equal to 2 percent of such assets of the Fund. The rate used by the Management company (and the Fund) is 1.5 % (2014: 1.5%) per annum of the average daily net assets of the Fund as disclosed in the offering document.

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (2014: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8.3 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED.

9	FEE PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE	Note	2015	2014
		Rupees		
		9.1	<u>89,699</u>	<u>33,698</u>

9.1 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, 2015 is as follows:

Net Assets	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

Net Assets	Tariff per annum
Exceeding Rs. 200 million to Rs. 250 million	Rs. 0.5 million or 0.2% 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 Net Assets exceeding Rs. 250 million
Exceeding Rs. 500 million to Rs. 1,000 million	Rs.0.875 million plus 0.08% per annum of the Net Assets exceeding Rs. 500 million
Exceeding Rs. 1,000 million to Rs. 2,000 million	Rs.1.275 million plus 0.08% per annum of the Net Assets exceeding Rs. 2,000 million

	Note	2015	2014
	Rupees		
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	10.1	<u>375,048</u>	<u>193,713</u>

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

	Note	2015	2014
	Rupees		
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		350,875	336,475
Brokerage expense payable		88,312	16,092
Printing expense payable		29,121	44,750
Provision for Workers' Welfare Fund	11.1	142,575	37,726
Withholding tax payable		1,633,907	14,798
Other payables		<u>290,677</u>	<u>84,274</u>
		<u>2,535,467</u>	<u>534,115</u>

11.1 Provision for Workers' Welfare Fund

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

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional Petition requesting the Court to dismiss the same. This response was contradictory to the earlier clarification issued by the Ministry. Show cause notices were then issued by the Federal Board of Revenue (FBR) to several Mutual Funds (CISs) / Pension Funds for the collection of WWF. In respect of such show cause notices, certain Mutual Funds (CISs) / Pension Funds have been granted stay by the Honorable SHC on the basis of the pending Constitutional Petition as referred to above.

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

In a judgment of May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. For CISs and Pension Funds the issue of chargeability or otherwise of WWF levy to the CISs pension schemes, is currently, pending before the Honorable SHC.

The Management Company believes that the decision of the Honorable Lahore High Court will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh. Further, based on the opinion from the legal counsel of Mutual Funds Association of Pakistan (MUFAP), there are good chances for the Constitutional Petition to be decided in favor of the mutual funds. However, considering the open ended nature of the Fund, the Board of Directors (BoD) of the Management Company through the resolution by circulation dated July 15, 2014, have decided that accumulated unrecorded WWF provision from the date of its application till May 07, 2014 will be borne by the Management Company subject to the decision of the court. The BoD further resolved that with effect from May 08, 2014, the Fund will make provision on account of WWF at the rate of 2% of net accounting income under the WWF Ordinance, 1971.

The Finance Act, 2015, introduced an amendment to the Workers' Welfare Fund Ordinance, 1971, under which the provisions of the Workers' Welfare Fund are not applicable on mutual funds / collective investment schemes. This amendment, however, is applicable prospectively i.e. from tax year 2016.

Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF. The accumulated provision for WWF, which will be borne by the Management Company till May 07, 2014 amounted to Rs. 2.66 million in case of an unfavorable decision on the constitutional petition before the High Court of Sindh. A provision amounting to Rs. 0.143 million relating to the period after May 07, 2014 has been recorded by the Fund. Had the provision not been made, the net assets value of the Fund would have been higher by Rs. 0.004 per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at June 30, 2015 and June 30, 2014.

13 NUMBER OF UNITS IN ISSUE

	2015	2014
	Number of units	
Total units in issue at the beginning of the year	23,854,589	43,581,690
Add: units issued during the year	297,142,557	14,828,119
Add: bonus units issued during the year	-	1,898,818
Less: units redeemed during the year	287,391,599	36,454,038
Total units in issue at the end of the year	<u>33,605,547</u>	<u>23,854,589</u>

14 AUDITORS' REMUNERATION

	2015	2014
	Rupees	
Annual audit fee	275,000	275,000
Fee for review of half yearly financial statements	100,000	100,000
Fee for review of compliance with the requirements of the code of corporate governance	25,000	25,000
Sindh sales tax on services	20,000	-
Out of pocket expenses	52,028	33,049
	<u>472,028</u>	<u>433,049</u>

15 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the 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. The management intends to distribute at least 90% of the net accounting income earned by the Fund to the unit holders. Accordingly, no provision for current and deferred tax has been made in these financial statements.

16 EARNINGS PER UNIT

Earnings per unit (EPU) for the year ended June 30, 2015 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

17.1 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 Financial Services Limited, BMA Funds Limited, MCB Financial Services Limited (Trustee), BMA Asset Management Company Limited - Staff Provident Fund, BMA Capital Management Limited - Staff Provident Fund, entities having 10% or more of the unit holding of the Fund and key management personnel of the Management Company.

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

17.3 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:

	2015	2014
	Rupees	
17.4 Transactions during the year		
BMA Asset Management Company Limited - Management Company		
Issue of 19,417,384 units (2014: 6,297,832 units)	159,378,842	41,150,000
Redemption of 20,155,625 units (2014: 9,221,927 units)	180,418,710	74,450,000
Remuneration for the year	7,411,078	3,874,369
Sindh Sales Tax on Management Company's remuneration	1,289,528	619,899
Federal Excise Duty on Management Company's remuneration	1,185,772	619,899
BMA Capital Management Limited - holding company of Management Company		
Redemption of Nil units (2014: 3,818 units)	-	30,573
Brokerage expense for the year	15,899	-
MCB Financial Services Limited - Trustee		
Remuneration for the year	744,429	517,251
Directors and Key Executives		
Issue of 7,325,330 units (2014: 42,348 units)	64,091,190	76,000
Redemption of 7,220,920 units (2014: 120,749 units)	63,982,143	968,073
<u>Unit Holders with 10% or more holding</u>		
Mr. Shaikh Muhammad Saeed		
Issue of 11,467,787 units (2014: Nil units)	99,353,597	-
Redemption of 5,433,897 units (2014: Nil units)	49,340,868	-
17.5 Amounts / balances outstanding as at year end		
BMA Asset Management Company Limited - Management Company		
Outstanding 18,568,458 units (2014: 19,306,699 units)	150,840,866	156,036,738
Management remuneration payable	1,020,126	243,839
Sindh Sales Tax payable on Management Company's remuneration	177,502	39,010
Federal Excise Duty on Management Company's remuneration	1,852,848	661,175
BMA Funds Limited		
Outstanding 2 units (2014: 2 units)	20	20
MCB Financial Services Limited - Trustee		
Trustee Fee payable	89,699	33,698
Directors and Key Executives		
Outstanding 618,927 units (2014: 514,517 units)	5,027,880	4,158,327
<u>Unit Holders with 10% or more holding</u>		
Mr. Shaikh Muhammad Saeed		
Outstanding 6,033,890 units (2014: Nil units)	49,016,312	-

18 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. Adeel Ahmad Khan	Chief Executive Officer	MA Economics	15
2	Mr. Farrukh Hussain	Chief Investment Officer	MBA and Post Graduate Diplon in Banking and Finance	23
3	Mr. Qamar Abbas	Fund Manager	MSc Finance & MSc Physics	14
4	Mr. Faisal Ali Khan	Chief Financial Officer	ACA	11
5	Mr. Muneeb Sikandar	Risk Manager	ACCA	4

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

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

	2015 (Percentage)
1 Global Securities Pakistan Limited	12.04%
2 Icon Securities (Private) Limited	21.03%
3 Invest One Market Limited	33.81%
4 Vector Capital (Private) Limited	0.44%
5 BMA Capital Management Limited	11.18%
6 Arif Habib Limited	0.70%
7 Invest Capital Markets Limited	11.90%
8 JS Global Capital Limited	2.43%
9 Invest & Finance Securities Limited	6.47%
	100.00%
	2014 (Percentage)
1 Invest Capital Markets Limited	50.69%
2 Elixir Securities Pakistan (Private) Limited	18.92%
3 Invest One Market Limited	9.60%
4 Invest & Finance Securities Limited	5.51%
5 Icon Securities (Private) Limited	5.24%
6 Vector Capital (Private) Limited	4.32%
7 Global Securities Pakistan Limited	3.04%
8 JS Global Capital Limited	2.12%
9 Arif Habib Limited	0.56%
	100.00%

20 DETAILS OF PATTERN OF UNIT HOLDING

-----June 30, 2015-----				
Category	Number of unit holders	No. of units held	Investment amount	Percentage of total
			---(Rupees)---	
Individuals	116	14,411,962	117,076,282	42.89%
Associated companies / directors	3	18,651,192	151,513,875	55.50%
Retirement Funds	1	542,393	4,406,159	1.61%
	120	33,605,547	272,996,316	100.00%

-----June 30, 2014-----				
Category	Number of unit holders	No. of units held	Investment amount	Percentage of total
			---(Rupees)---	
Individuals	115	4,158,201	33,606,993	17.43%
Associated companies / directors	2	19,306,701	156,036,758	80.93%
Others	1	389,687	3,151,858	1.64%
	118	23,854,589	192,795,609	100.00%

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

The Board meetings were held on September 25, 2014, October 21, 2014, October 31, 2014, February 26, 2015 and April 30, 2015. Information in respect of attendance by directors in the meetings is given below:

Name of Director	Meetings held on				
	September 25, 2014	October 21, 2014	October 31, 2014	February 26, 2015	April 30, 2015
Mr. Adeel Ahmed Khan	P	P	P	P	P
Mr. Tashfin I Huq	P	P	P	N/A	N/A
Mr. Salim Khan	P	P	P	P	P
Mr. Mohammed Iqbal	P	P	P	P	P
Mr. Muddassar Malik	P	P	P	P	P

P Present
L Leave of absence
L* Without Leave of absence
N/A Not serving as director on the date of meeting

22 FINANCIAL INSTRUMENTS BY CATEGORY

	-----As at June 30, 2015-----		
	Loans and receivables	At fair value through profit or loss	Total
	------(Rupees)-----		
Financial assets			
Bank balances	189,339,286	-	189,339,286
Investments	9,932,883	73,502,904	83,435,787
Receivable against marginal trading system	-	-	-
Profit receivable	6,450,945	-	6,450,945
Security deposit	2,950,000	-	2,950,000
	<u>208,673,114</u>	<u>73,502,904</u>	<u>282,176,018</u>

	-----As at June 30, 2015-----		
	At fair value through profit or loss	Other financial liabilities	Total
	------(Rupees)-----		
Financial liabilities			
Payable to BMA Asset Management Company Limited - Management Company	-	3,050,476	3,050,476
Fee Payable to MCB Financial Services Limited - Trustee	-	89,699	89,699
Dividend payable	-	3,741,132	3,741,132
Accrued expenses and other liabilities	-	758,985	758,985
	<u>-</u>	<u>7,640,292</u>	<u>7,640,292</u>

	-----As at June 30, 2014-----		
	Loans and receivables	At fair value through profit or loss	Total
	------(Rupees)-----		
Financial assets			
Bank balances	65,184,304	-	65,184,304
Investments	-	87,664,240	87,664,240
Receivable against marginal trading system	29,501,468	-	29,501,468
Profit receivable	8,761,133	-	8,761,133
Security deposit	2,950,000	-	2,950,000
	<u>106,396,905</u>	<u>87,664,240</u>	<u>194,061,145</u>

	-----As at June 30, 2014-----		
	At fair value through profit or loss	Other financial liabilities	Total
	------(Rupees)-----		
Financial liabilities			
Payable to BMA Asset Management Company Limited - Management Company	-	944,024	944,024
Fee Payable to MCB Financial Services Limited - Trustee	-	33,698	33,698
Dividend Payable	-	8,822	8,822
Accrued expenses and other liabilities	-	481,591	481,591
	-	<u>1,468,135</u>	<u>1,468,135</u>

23 FINANCIAL RISK MANAGEMENT

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

23.1 Market risk

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

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

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

23.1.1 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.

Presently, the fund is not exposed to currency risk as all transactions are carried out in Pak Rupees.

23.1.2 Yield / Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at June 30, 2015, the Fund did not hold any variable rate instruments and is not exposed to cash flow interest rate risk.

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at June 30, 2015 comprise of Pakistan investment bonds and sukuk certificates. The Fund's income from these securities 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, 2015, the Fund holds, Pakistan investment bonds and sukuk certificates which are classified as financial assets at fair value through profit or loss 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 and 100 basis points increase in effective interest rate of sukuk certificates on June 30, 2015 with all other variables held constant, the net income for the year and net assets of the Fund would have been lower by Rs 902,047 (2014: Rs 727,196). 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 960,349 (2014: Rs 727,196).

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, 2015 -----

Effective interest rate %	Exposed to Yield / 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			
------(Rupees)-----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	4.5 to 7	189,339,286	-	-	189,339,286	
Investments	8.75 to 11.79	9,932,883	-	73,502,904	83,435,787	
Receivable against marginal trading system	-	-	-	-	-	
Profit receivable	-	-	-	6,450,945	6,450,945	
Security deposit	-	-	-	2,950,000	2,950,000	
		199,272,169	-	73,502,904	9,400,945	282,176,018
Financial liabilities						
Payable BMA Asset Management Company Limited						
- Management Company		-	-	-	3,050,476	3,050,476
Fee Payable to MCB Financial Services Limited - Trustee		-	-	-	89,699	89,699
Dividend payable		-	-	-	3,741,132	3,741,132
Accrued expenses and other liabilities		-	-	-	758,985	758,985
		-	-	-	7,640,292	7,640,292
On-balance sheet gap (a)		199,272,169	-	73,502,904	1,760,653	274,535,726
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		199,272,169	-	73,502,904		
Cumulative interest rate sensitivity gap		199,272,169	199,272,169	272,775,073		

----- As at June 30, 2014 -----

Effective interest rate %	Exposed to Yield / 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			
------(Rupees)-----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.00 to 9.50	65,184,304	-	-	65,184,304	
Investments	9.95 to 12.50	48,219,232	18,935,400	20,509,608	87,664,240	
Receivable against marginal trading system	12.00 to 18.00	29,501,468	-	-	29,501,468	
Profit receivable	-	-	-	8,761,133	8,761,133	
Security deposit	-	-	-	2,950,000	2,950,000	
		142,905,004	18,935,400	20,509,608	11,711,133	194,061,145
Financial liabilities						
Payable BMA Asset Management Company Limited						
- Management Company		-	-	-	944,024	944,024
Fee Payable to MCB Financial Services Limited - Trustee		-	-	-	33,698	33,698
Dividend Payable		-	-	-	8,822	8,822
Accrued expenses and other liabilities		-	-	-	481,591	481,591
		-	-	-	1,468,135	1,468,135
On-balance sheet gap (a)		142,905,004	18,935,400	20,509,608	10,242,998	192,593,010
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		142,905,004	18,935,400	20,509,608		
Cumulative interest rate sensitivity gap		142,905,004	161,840,404	182,350,012		

23.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Presently, the Fund does not hold any security which exposes the Fund to price risk.

23.2 Credit risk

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

The Fund's policy is to enter into financial instrument contracts by following internal guidelines such as approving counterparties, approving credit, obtaining adequate collateral and transacting through approved brokers.

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

Bank balances by rating category		Rating Agency	2015	2014
			Percentage	
Short term				
A1+ / A-1+		PACRA / JCR- VIS	98.96%	4.15%
A1 / A-1		PACRA / JCR- VIS	0.01%	0.01%
A-2		PACRA / JCR- VIS	1.03%	0.00%
A-3		JCR- VIS	-	95.84%
Long term				
A-		JCR - VIS	1.03%	95.84%
AA		PACRA / JCR - VIS	0.01%	0.20%
A+		PACRA	-	0.01%
AA+		PACRA	0.14%	3.92%
AAA		PACRA / JCR - VIS	98.82%	0.03%
Loans and Receivables by rating category				
Short term				
A2		PACRA	100%	-
Long term				
A-		PACRA	100%	-
Term finance certificates and sukuk by rating category				
A		PACRA	100%	-
A+ (SO)		JCR- VIS	-	100%

23.2.1 Concentration of credit risk

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

Sector	Exposure on the basis of net investment			
	June 30, 2015		June 30, 2014	
	Rupees	Percentage	Rupees	Percentage
Banks	16,139,557	19.34%	18,935,400	21.60%
Engineering	9,932,883	11.90%	-	-
	<u>26,072,440</u>	<u>31.24%</u>	<u>18,935,400</u>	<u>21.60%</u>

23.2.2 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.

23.3 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 significant redemptions during the year.

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

	----- As at June 30, 2015 -----			
	Total	Upto three months	Over three months and upto one year	Over one year
	----- (Rupees) -----			
Financial liabilities				
Payable to the BMA Asset Management Company Limited - Management Company	3,050,476	3,050,476	-	-
Fee Payable to MCB Financial Services Limited - Trustee	89,699	89,699	-	-
Dividend Payable	3,741,132	3,741,132	-	-
Accrued expenses and other liabilities	758,985	758,985	-	-
	<u>7,640,292</u>	<u>7,640,292</u>	<u>-</u>	<u>-</u>
	----- As at June 30, 2014 -----			
	Total	Upto three months	Over three months and upto one year	Over one year
	----- (Rupees) -----			
Financial liabilities				
Payable to the BMA Asset Management Company Limited - Management Company	944,024	944,024	-	-
Fee Payable to MCB Financial Services Limited - Trustee	33,698	33,698	-	-
Dividend Payable	8,822	8,822	-	-
Accrued expenses and other liabilities	481,591	481,591	-	-
	<u>1,468,135</u>	<u>1,468,135</u>	<u>-</u>	<u>-</u>

24 UNIT HOLDERS' FUND RISK MANAGEMENT

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

The Fund has no restrictions on the subscription and redemption of units. As required under 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 on 15th, 16th, 17th and 18th June, 2015.

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

In accordance with the risk management policies stated in note 23, 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.

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosure), the Fund shall classify fair value instruments using a fair value hierarchy that reflects the significance of inputs in making the measurements. The fair value hierarchy has the following level:

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

	----- June 30, 2015 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
ASSETS				
Financial assets classified as 'at fair value through profit or loss'				
Investment in term finance certificates and sukuk	-	16,139,557	-	16,139,557
Investment in government securities	-	57,363,347	-	57,363,347
Loans and receivables				
Commercial Paper	-	9,932,883	-	9,932,883
	<u>-</u>	<u>83,435,787</u>	<u>-</u>	<u>83,435,787</u>
	----- June 30, 2014 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
ASSETS				
Financial assets classified as 'at fair value through profit or loss'				
Investment in term finance certificates and sukuk	-	18,935,400	-	18,935,400
Investment in government securities	-	68,728,840	-	68,728,840
Loans and receivables				
Commercial Paper	-	-	-	-
	<u>-</u>	<u>87,664,240</u>	<u>-</u>	<u>87,664,240</u>

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 08th Sept 2015 .

27 NON-ADJUSTING EVENT

The Board of Directors of the Management Company in their meeting held on 08th Sept 2015 have declared a Final Cash Dividend of 0.027 per unit for the year ended June 30, 2015. The financial statements of the Fund for the year ended June 30, 2015 do not include the effect of the Final Cash Dividend which will be accounted for in the financial statements of the Fund for the year ending June 30, 2016.

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purposes of comparison and better presentation. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

29 GENERAL

Figures have been rounded off to the nearest rupee.

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

**Chief Executive Officer
Adeel Ahmad Khan**

**Director
Muhammad Iqbal**

**PATTERN OF UNIT HOLDING AS PER REQUIREMENTS OF CODE OF
CORPORATE GOVERNANCE
AS AT 30 JUNE 2015**

PARTICULARS	UNIT HOLDING
INDIVIDUALS	7,841,877
Management Company BMA Asset Management Co. Ltd	18,568,458
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	
- BMA Funds Limited	2
NIT AND ICP	
CHIEF EXECUTIVE	
Adeel Ahmad Khan	-
DIRECTORS	
Mr. Muddassar Malik	82,732
Mr. Muhammad Iqbal	-
Mr. Saleem Khan	-
EXECUTIVES	536,195
PUBLIC SECTOR COMPANIES AND CORPORATIONS	
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS	-
SHAREHOLDING 10% OR MORE HOLDING	
Mr. Shaikh Muhammad Saeed	6,033,890
OTHERS	542,393
Total	<u><u>33,605,547</u></u>