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## FUND'S INFORMATION

### Management Company

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

### Board of Directors of the Management Company

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

### Audit Committee of the Management Company

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

### Human Resource and Remuneration Committee

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

### Management Team of the Management Company

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

### Trustee

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

### Bankers

Allied Bank Limited  
Faysal Bank Limited  
MCB Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Summit Bank Limited  
Meezan Bank Limited  
JS Bank Limited  
Habib Bank Limited  
Askari Bank Limited  
NIB Bank Limited  
Zarai Taraqati Bank Limited

### Distributors

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

### Auditors

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

### Legal Adviser

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

### Registrar

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

### Fund Stability Rating

AA+(f)

### Management Quality Rating

AM3

### MISSION STATEMENT

BMA Empress Cash Fund aims to minimize risk, maximize liquidity and generate a competitive rate of return with Portfolio allocation concentrated in AA rated banks and short duration sovereign rated securities, which will enable the fund to earn consistent risk adjusted returns and beat its benchmark (70% three month PKRV and 30% three month bank deposit rate offered by AA rated banks) while maintaining adequate liquidity and supreme credit quality.

### VISION STATEMENT

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

### REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of BMA Asset Management Company Limited, the Management Company of BMA Empress Cash Fund (BECF), is pleased to present its report and financial statements of the Fund for the period ended September 30, 2018.

#### PROFILE

The BMA Empress Cash Fund is a professionally managed cash fund, which aims to minimize risk, maximize liquidity and generate a competitive rate of return. Portfolio allocation will be concentrated in Short term Government Securities and placements in financial institutions with a minimum rating of AA. This will enable the fund to earn consistent risk adjusted returns. The Fund was launched on November 12, 2009 and aims to consistently beat its benchmark (70% 3M PKRV and 30% Bank Deposit rate of AA rated banks) while maintaining adequate liquidity and superior credit quality.

#### FUND'S FINANCIAL PERFORMANCE

During 1st quarter FY19, the Fund generated an annualized return of 6.78%p.a. compared to its benchmark of 6.59%p.a. The unit price of the Fund was Rs. 10.31 on September 30, 2018. The performance of the Fund is net of management fee and all other expenses.

During the 1st quarter FY19, the fund earned a total income of Rs. 14.31 million from investments and bank balances. During the period, the Fund incorporated a valuation loss of Rs. 0.28 million and booked a capital loss of 0.33 million on sale of Investments.

Expenses for the quarter were approximately Rs. 1.03 million, which included Rs. 0.38 million remuneration to the Trustee of the fund and Rs. 0.14 million fees to the SECP. The net income for the period was Rs. 12.95 million.

#### Financial highlights

	Sep 30, 2018
	Rupees
Mark up/interest income	14,305,031
Unrealized Loss on investments	(276,266)
Loss on Sale of Investments	(53,043)
Total Income	13,976,723
Expenses	(1,026,467)
Net Income	12,950,467
Net Asset Value per unit (Rupees)	10.31

#### INVESTMENT STRATEGY

During the period under review, the fund was mostly invested in short term liquid govt. securities that offer better returns compared to other venues. High liquidity enabled the fund to maintain a competitive rate of return while retaining both credit quality and liquidity.

During the period, the average portfolio duration of the fund was under 60 days. This is in order to derive maximum benefit from the decline in yields and remain liquid to meet redemption requests.

As of September 30th, 2018, the net assets of the Fund were Rs. 905.38 million. Out of the total assets, 98.72% was held in government securities, 1.23% was held in cash and 0.05% in others. In line with this asset allocation, the credit quality of the fund remained attractive and secured with AAA rated instruments and products. The portfolio's weighted average maturity as of September 30, 2018 was just 17 days.

#### Macroeconomic Outlook

The economy is now showing traces of slowdown in growth, as observed by the visiting IMF delegation during the 1st quarter, FY19. According to their estimates, Pakistan's economic growth will witness GDP growth below 3% for FY19 due to ongoing stabilization measures taken by the new government, increase in input costs and rising interest rates. Finally the govt. has decided to approach the IMF in order to get a much needed loan

facility required to increase Pakistan's ever falling foreign reserves and meet its external payments.

During the quarter, the SBP continued to increase its policy rate, which rose by 200bps to 8.50% from 6.50% at the end of last quarter. The main reason for this hike is attributed to sharp rise in Core (NFNE) inflation, high credit off take and alarming Foreign Exchange reserve depletion.

CPI for Sep-18 increased by 5.1% YoY compared to 3.8% YoY in June-18. Core inflation rose by 8.00% YoY, from 5.03%YoY increase at the end of June-18. Sequential 3 months FY18 CPI increased by 5.6% compared to 3.39% SPLY. The main reason for this price hike is primarily due to currency devaluation coupled with the increase in international commodity prices. The target for current year is around 8.0% by the government; however IMF is projecting it around 14% for FY19, which is likely to weigh on a hawkish monetary policy.

The liquid foreign exchange reserves of the country were USD 14.81 billion at the end of the quarter compared to USD16.4 billion at the end of June-18. This decrease in reserves came primarily on back of the deteriorating current account position coupled with the decreasing support from remittances. On account of challenging external account position the Pakistani Rupee has further depreciated by 1.5% during the quarter, after 15.98% in FY18 against USD amid uncertainty pertaining to government's strategy to resolve this matter.

Going forward, we expect the GDP to grow by 4.4% in FY19. We revise our earlier inflation rate projection from 8.4% to 12% for FY19, which in turn will push the key interest rates to double digits. The alarming trade deficit is expected to be the matter of concern for the market, however any inflows from foreign agencies is expected to give some relief to the market.

#### Strategy

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

- Short maturity government bonds & T-bills.
- Allocating funds to permissible venues such as government securities or high yield deposits with sound credit quality banks to avoid value erosion.

#### Acknowledgement

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

**On behalf of the Board**  
**BMA Asset Management Company Limited**

**Director**

**Chief Executive Officer**

**Date: October 25, 2018**  
**Place: Karachi**

ملک کے رواں زرمبادلہ کے ذخائر سہ ماہی کے اختتام پر 14.81 بلین یو ایس ڈالر رہ گئے جو کہ جون 2018 کے اختتام پر 16.4 بلین یو ایس ڈالر تھے۔ زرمبادلہ کے ذخائر میں کمی کی بنیادی وجہ رواں کھاتے کی بگڑتی ہوئی صورتحال کے ساتھ بیرونی ترسیلات میں کمی تھی۔ مالیاتی سال 2018 میں حکومت کی معاملہ کو حل کرنے کی حکمت عملی سے متعلق غیر یقینی صورتحال کی وجہ سے 15.98 فیصد کمی کے بعد بیرونی کھاتے کی دشوار گزار صورتحال کی وجہ سے سہ ماہی کے دوران پاکستانی روپے میں مزید 1.5 فیصد کمی ہوئی۔

مستقبل کی جانب دیکھیں تو توقع ہے کہ مالیاتی سال 2019 میں جی ڈی پی میں نمو 4.4 فیصد رہے گی۔ ہم نے مالیاتی سال 2019 میں افراط زر کے امکان تخمینے کو 8.4 فیصد سے تبدیل کر کے 12 فیصد کر دیا ہے جس کے نتیجے میں بنیادی شرح سود ہرے ہند سے میں آجائے گی۔ تجارتی خسارے کی تشویشناک صورتحال مارکیٹ میں خدشات کا باعث ہوگی، تاہم بیرونی اداروں کی جانب سے سرمائے کے اندرونی بہاؤ سے توقع ہے کہ مارکیٹ کو کچھ ریلیف ملے گا۔

#### حکمت عملی

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

- قلیل مدتی حکومتی بانڈز اور ڈیپوزٹری بلز
- پورٹ فولیو میں درست مصنوعات زرخیز حکومتی سرکات یا مستحکم قرضہ جاتی بینکوں میں اعلیٰ منفعت کی حامل جمع شدہ قومات شامل ہونگی تاکہ مالیت کی فرسودگی سے بچا جاسکے۔

#### اعتراف

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

برائے و مخائب بورڈ

بے ایم اے ایس ایٹ منجمنٹ کمپنی لمیٹڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

مورخہ: 25 اکتوبر 2018

بمقام: کراچی

خالص آمدنی 12,950,467  
خالص اثاثوں کی مالیت نی پونٹ (روپے) 10.31

### سرمایہ کاری کی حکمت عملی

جائزہ مدت کے دوران فنڈ کی زیادہ تر سرمایہ کاری قلیل المعیار درواں حکومتی تسمکات میں رہی جس میں دیگر کے مقابلے میں بہتر منفعت کی پیشکش کی گئی۔ اعلیٰ روانیت کی وجہ سے فنڈ مسابقتی شرح منفعت فراہم کرنے کے ساتھ ساتھ قرضہ جاتی معیار اور روانیت برقرار رکھنے کے قابل ہو گیا۔

جائزہ مدت کے دوران فنڈ کے پورٹ فولیو کی اوسط مدت 60 دن کی اوپری حد سے کم رہی۔ یہ اس لئے کیا گیا کہ منفعت میں گراؤ کا زیادہ سے زیادہ فائدہ اٹھایا جائے اور خلاصی کی درخواستوں کو پورا کرنے میں روانیت کو برقرار رکھا جاسکے۔

30 ستمبر 2018 کو فنڈ کے خالص اثاثے 905.38 ملین روپے رہے۔ کل اثاثوں میں سے 98.72 فیصد حکومتی تسمکات میں، 1.23 فیصد بطور نقد اور 0.05 فیصد دیگر میں موجود تھے۔ اثاثوں کے اس اختصاص کی وجہ سے فنڈ کا قرضہ جاتی معیار پرکشش رہا اور AAA درجہ کی حامل مصنوعات زراور تسمکات میں محفوظ رہا۔ 30 ستمبر 2018 کو پورٹ فولیو کی اوسط آوازانی میچورٹی صرف 17 دن رہی۔

### اقتصادی جائزہ

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

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

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

## منتظم کمپنی کے ڈائریکٹران کی رپورٹ

بی ایم اے ایمپریس کیش فنڈ (BECF) کی منتظم کمپنی بی ایم اے ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنی رپورٹ اور فنڈ کے مالیاتی گوشورے برائے تختہ مدت 30 ستمبر 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

### تعارف

بی ایم اے کیش فنڈ پیشہ ورانہ انداز میں ایک منتظم شدہ کیش فنڈ ہے جس کا عزم ہے کہ خطرات کو کم کیا جائے، روانی میں اضافہ کیا جائے اور منافع کے مسابقتی نرخ فراہم کئے جائیں۔ مصنوعات کی تخصیص کا مرکز قلیل المعیار حکومتی تسمکات اور کم از کم AA درجہ بندی کے حامل مالیاتی اداروں کی مصنوعات زرا پر رہا۔ اس کے ذریعے فنڈ اس قابل ہو جائے گا کہ تسلسل کے ساتھ خطرات کا مقابلہ کرتے ہوئے زیادہ منفعت فراہم کرے۔ فنڈ کا آغاز 12 نومبر 2009 کو اس مقصد کے ساتھ کیا گیا کہ مقرر کئے گئے ہدف (3M PKRV) 70% اور 30 فیصد AA درجہ بندی کے حامل بینکوں میں جمع شدہ رقم سے زیادہ منافع کمایا جائے جبکہ مناسب روانیت اور اعلیٰ قرضہ جاتی معیار کو برقرار رکھا جائے۔

### فنڈ کی مالیاتی کارکردگی

مالیاتی سال 2019 کی پہلی سہ ماہی کے دوران فنڈ نے بیچ مارک منفعت 6.59 فیصد سالانہ منفعت کے مقابلے میں 6.78 فیصد سالانہ منفعت فراہم کی۔ 30 ستمبر 2018 کو فنڈ کے پونٹ کی قیمت 10.31 روپے تھی۔ فنڈ کی یہ کارکردگی انتظامی معاوضہ اور دیگر تمام اخراجات نکالنے کے بعد ہے۔

مالیاتی سال 2019 کی پہلی سہ ماہی کے دوران فنڈ کو سرمایہ کاریوں اور بینک میں جمع شدہ قومات پر کل 14.31 ملین روپے کی آمدنی ہوئی۔ مدت کو دوران فنڈ نے تشخیص مالیت پر 0.28 ملین روپے کا خسارہ شامل کیا اور سرمایہ کاریوں کی فروخت پر سرمایہ جاتی خسارہ 0.33 ملین روپے بک کیا۔

سہ ماہی کے اخراجات تقریباً 1.03 ملین روپے رہے، جس میں سے 0.38 ملین روپے فنڈ کے متولیان کا مشاہرہ اور 0.14 ملین روپے SECP کی فیس شامل تھی۔ اس مدت کی خالص آمدنی 12.95 ملین روپے رہی۔

### مالیاتی جھلکیاں

30 ستمبر 2018

روپے

14,305,031

(276,266)

(53,043)

13,976,723

(1,026,467)

مارک اپ/سودی آمدنی

سرمایہ کاریوں پر غیر تسلیم شدہ خسارہ

سرمایہ کاریوں کی فروخت پر خسارہ

کل آمدنی

اخراجات

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

		<b>September 30, 2018</b>	<b>June 30, 2018</b>
	Note	<b>(Un-Audited)</b>	<b>(Audited)</b>
----- Rupees -----			
<b>ASSETS</b>			
Bank balances	4	11,154,860	24,600,676
Investments	5	896,686,624	79,128,503
Profit receivable		94,008	171,293
Security deposits		200,000	200,000
Prepayment and other receivables	6	143,014	198,643
<b>Total assets</b>		<b>908,278,506</b>	<b>104,299,115</b>
<b>LIABILITIES</b>			
Payable to the Management Company	7	1,424,176	1,424,176
Payable to the Trustee	8	139,610	65,013
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	140,564	74,262
Redemption payable		-	923,348
Accrued and other liabilities	10	1,196,807	758,855
<b>Total liabilities</b>		<b>2,901,158</b>	<b>3,245,654</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>905,377,349</b>	<b>101,053,461</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>905,377,349</b>	<b>101,053,461</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		
<b>Number of units</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>87,791,617</b>	<b>9,542,331</b>
<b>Rupees</b>			
<b>NET ASSET VALUE PER UNIT</b>		<b>10.31</b>	<b>10.59</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For BMA Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

		<b>Quarter ended</b>	
	Note	<b>September 30, 2018</b>	<b>September 30, 2017</b>
----- Rupees -----			
<b>INCOME</b>			
Profit / mark-up on:			
'At fair value through profit or loss' - held-for-trading			
- Mark-up on Commercial paper		-	191,892
- Mark-up on Government Securities		13,195,810	-
-Mark-up on bank balances		1,109,221	1,440,479
Loss on sale of investments - net		(53,043)	
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading - net		(275,266)	-
<b>Total income</b>		<b>13,976,723</b>	<b>1,632,371</b>
<b>EXPENSES</b>			
Remuneration of the Management Company - net	7	-	-
Sindh Sales Tax on remuneration of the Management Company		-	-
Remuneration of the Trustee		377,464	199,375
Annual fee to the Securities and Exchange Commission of Pakistan	9	140,564	19,216
Auditors' remuneration		114,906	141,797
Other expenses		393,322	136,576
<b>Total expenses</b>		<b>1,026,256</b>	<b>496,964</b>
<b>Net income for the year before element of loss and capital losses included in prices of units issued less those in units redeemed - net</b>		<b>12,950,467</b>	<b>1,135,407</b>
<b>Net income for the year before taxation</b>		<b>12,950,467</b>	<b>1,135,407</b>
Taxation	13	-	-
<b>Net income for the year after taxation</b>		<b>12,950,467</b>	<b>1,135,407</b>
<b>Allocation of Net Income for the period:</b>			
Net Income for the period after taxation		12,950,467	1,135,407
Income already paid on units redeemed		(621,809)	(8,066)
		<b>12,328,657</b>	<b>1,143,473</b>
<b>Accounting income available for distribution:</b>			
Relating to Capital loss		(328,309)	-
Excluding Capital Gain		12,656,966	1,143,473
		<b>12,328,657</b>	<b>1,143,473</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For BMA Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	<b>Quarter ended</b>	
	<b>September 30, 2018</b>	<b>September 30, 2017</b>
	<b>----- Rupees -----</b>	
Net income for the year after taxation	12,950,467	1,135,407
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>12,950,467</u>	<u>1,135,407</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For BMA Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	September 30, 2018		September 30, 2017	
	Capital Value	Undistributed Income	Capital Value	Undistributed Income
Capital Value	86,475,134	-	86,475,134	-
Undistributed gain brought forward	-	14,575,588	88,328,046	-
- Realised	-	2,739	-	-
- Unrealised	-	-	-	11,229,515
Net assets at beginning of the period Rs. 10.59 per unit (June 30, 2017 Rs. 10.14 per unit)	86,475,134	14,578,327	86,475,134	11,229,515
Amount received on Issuance of 100,664,141 units (2017: 740,375 units)	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year)	1,066,830,286	-	1,088,830,286	-
- Element of income	(40,309,506)	-	(40,309,506)	-
Total proceeds on Issuance of units	1,026,520,781	-	1,028,520,781	-
Amount paid on Redemption of 22,785,462 units (2017: 758,105 units)	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the year)	(241,298,041)	-	(241,298,041)	-
- Element of income	8,109,940	(621,809)	(433,255)	(974,668)
Total payments on redemption of units	(233,188,101)	(621,809)	(47,815,402)	(974,668)
Total comprehensive income for the period Distribution during the period from the profit of the year ended June 30, 2018.	-	12,950,467	-	4,323,480
- Element of income	-	(3,337,449)	-	-
Net assets at end of the period Rs. 10.31 per unit (September 30, 2017: Rs. 10.25 per unit)	881,607,814	23,569,535	86,475,134	14,578,327

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For BMA Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	Quarter ended	
	September 30, 2018	September 30, 2017
	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	12,950,467	1,135,407
<b>Adjustments for:</b>		
Unrealised (gain) / loss on investments classified as 'at fair value 'at fair value through profit or loss' - held-for-trading - net	275,266	-
Provision against Workers' Welfare Funds (WWF)	264,295	23,171
Element of income (loss) included in prices of units issued less those in units redeemed - net	-	-
	539,561	23,171
<b>Decrease / (increase) in assets</b>		
Investments - net	(817,833,387)	(191,891)
Profit receivable	77,285	30,011
Dividend Paid	(3,337,449)	(53,125)
Prepayment and other receivables	55,629	(5,154)
	(821,037,923)	(220,159)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	-	-
Payable to the Trustee	74,597	-
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	66,302	(51,874)
Redemption payable	(923,348)	-
Accrued and other liabilities	173,657	(221,215)
	(608,791)	(273,089)
<b>Net cash generated from operating activities</b>	(808,156,687)	665,330
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	1,028,520,781	7,540,346
Amount paid against redemption of units	(233,809,910)	(7,728,169)
<b>Net cash generated from / (used in) financing activities</b>	794,710,871	(187,823)
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	(13,445,816)	477,507
Cash and cash equivalents at beginning of the year	24,600,676	92,499,639
<b>Cash and cash equivalents at end of the year</b>	<u>11,154,860</u>	<u>92,977,147</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For BMA Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Un-Audited)****1 LEGAL STATUS AND NATURE OF BUSINESS**

BMA Empress Cash Fund (the Fund) was established in Pakistan under a Trust Deed executed between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Trust deed was executed and approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on June 18, 2009.

The Management Company of the Fund is licensed to carry out Asset Management services as a Non Banking Finance Company under the NBFC Rules by the SECP on June 22, 2016. The registered office of the Management Company is situated at 801 Uni Tower I.I Chundrigar Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an open-end "Money Market Scheme" as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

The primary objective of the Fund is to provide a competitive level of income that commensurate with enhanced liquidity and credit profile through investment primarily in short term deposits and money market instruments with an overall rupee-weighted average maturity of not more than 90 days.

The Pakistan Credit Rating Agency Limited has assigned a rating of AM3 to the Management Company on September 30, 2018. The Fund has been assigned a rating of AA+(f) as of December 29, 2017 by JCR VIS.

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

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

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- the NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This

condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2018.

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

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

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

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

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

**2.3.1** There are certain new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

**2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

- Classification and valuation of investments (note 3.2 and 5)
- Impairment of financial assets (note 3.2.6)
- Taxation (note 3.6 and 16)
- Provision against Federal Excise Duty and Sindh Worker Welfare Fund ( note 7.2 and note 10.1)

**2.5 Accounting Convention**

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

**2.6 Functional and Presentation Currency**

Items included in these financial statements are measured using the currency of the primary economic

environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less.

#### 3.2 Financial assets

##### 3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

##### a) Financial assets at fair value through profit or loss

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

##### b) Loans and receivables

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

##### c) Available-for-sale

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

##### 3.2.2 Derivatives

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

##### 3.2.3 Regular way contracts

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

#### 3.2.4 Initial recognition and measurement

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

#### 3.2.5 Subsequent measurement

##### a) Financial assets 'at fair value through profit or loss'

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

##### - Basis of valuation of debt securities

The investment of the Fund in debt securities (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures and sukus etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities vide its circular no. 33 of 2012 dated October 24, 2012 (which is essentially the same as contained in circular no. 1 of 2009 previously used). In determining the rates MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

##### - Basis of valuation of government securities

The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV/PKISR rate sheet on the MUFAP website.

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

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

##### b) Loans and receivables

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

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

#### 3.2.6 Impairment

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

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The

provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

### 3.2.7 Derecognition

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

### 3.3 Financial liabilities

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

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

### 3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.6 Taxation

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

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

### 3.7 Dividend distribution and appropriations

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

### 3.8 Issue and redemption of units

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

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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

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

- The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting year
- The revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund.
- The regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

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

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

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by 32.821 million. However, the change in accounting policy does not have any impact on the Cash Flow Statement, the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

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

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

### 3.10 Net asset value per unit

The net asset value per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the period end.

**3.11 Revenue recognition**

- Gain or loss on sale of investments is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as held for trading is included in the income statement in the period in which it arises.
- Dividend income is recognised when the Fund's right to receive the same is established.
- Profit / mark-up income on bank balances, term deposit receipts, commercial paper and government securities is recognised on an accrual basis using the effective interest method.

**3.12 Expenses**

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

**3.13 Earnings Per Unit**

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

	Note	September 30, 2018	June 30, 2018
----- (Rupees) -----			
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	11,154,860	24,600,676

4.1 These accounts carry profit at the rate of 3.75% to 6.80% per annum (2018: 3.75% to 5.90% per annum).

	Note	September 30, 2018	June 30, 2018
----- (Rupees) -----			
<b>5 INVESTMENTS</b>			
<b>'At fair value through profit or loss' - held-for-trading</b>			
Market Treasury Bills	5.1	896,686,624	79,128,503
		<u>896,686,624</u>	<u>79,128,503</u>

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

Issue Date	Tenor	Face Value				Carrying Value as at September 30, 2018	Market Value as at September 30, 2018	Unrealised gain	Market Value as a percentage of Net assets	Market Value as a percentage of total investments
		As at July 1, 2018	Purchased during the period	Sold / Matured during the period	As at September 30, 2018					
----- (Rupees) -----										
Market Treasury Bills										
June 7, 2018	3 Months	80,000,000	-	80,000,000	-	-	-	-	-	-
May 10, 2018	3 Months	-	100,000,000	100,000,000	-	-	-	-	-	-
July 19, 2018	3 Months	-	500,000,000	-	500,000,000	498,809,824	(153,666)	55.09%	55.63%	
August 2, 2018	3 Months	-	400,000,000	-	400,000,000	397,998,400	(21,600)	43.95%	44.37%	
<b>Total as at September 30, 2018</b>					<u>896,961,800</u>	<u>896,686,624</u>	<u>(275,266)</u>	<u>99.04%</u>	<u>100.00%</u>	
<b>Total as at June 30, 2018</b>					<u>79,125,764</u>	<u>79,128,503</u>	<u>2,739</u>	<u>78.30%</u>	<u>100%</u>	
P										

	Note	September 30, 2018	June 30, 2018
----- Rupees -----			
<b>6 PREPAYMENTS AND OTHER RECEIVABLES</b>			
Withholding Tax		124,527	124,527
Prepaid Rating fee		2,342	74,116
Other		16,146	-
		<u>143,014</u>	<u>198,643</u>
<b>7 PAYABLE TO THE MANAGEMENT COMPANY</b>			
Federal Excise Duty on Management Company's remuneration	7.2	1,424,176	1,424,176
		<u>1,424,176</u>	<u>1,424,176</u>

7.1 No management remuneration was charged to the Fund by the Management Company since November 18, 2016.

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

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 1,424,176 million (2017: Rs 1,424,176 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at September 30, 2018 would have been higher by Re 0.016 per unit (June 30, 2018: Re 0.15 per unit).

	Note	September 30, 2018	June 30, 2018
----- Rupees -----			
<b>8 PAYABLE TO THE TRUSTEE</b>			
Remuneration payable to the Trustee	8.1	123,549	57,535
Sindh Sales tax payable on trustee remuneration	8.2	16,061	7,478
		<u>139,610</u>	<u>65,013</u>

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets value of the Fund.

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

Average net asset value	Tariff per annum
Up to Rs. 500 million	Rs.0.7 million or 0.20% per annum of the Net Asset, whichever is higher
Exceeding Rs. 500 million to Rs.1,000 million	Rs.1.0 million plus 0.12% per annum of the amount exceeding Rs. 500 million
Exceeding Rs. 1,000 million to Rs. 2,000 million	Rs.1.45 million plus 0.08% per annum of the amount exceeding Rs. 1,000 million
Over Rs. 2,000 million	Rs.2.35 million plus 0.05% per annum of the amount exceeding Rs.2,000 million

- 8.2 During the year, Sindh Sales Tax on trustee remuneration has been charged at 13% (June 30, 2018: 13%)

	Note	September 30,	June 30,
		2018	2018
<b>9 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>		----- Rupees -----	
Annual fee	9.1	<u>140,564</u>	<u>74,262</u>

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

	Note	September 30,	June 30,
		2018	2018
<b>10 ACCRUED AND OTHER LIABILITIES</b>		----- Rupees -----	
Provision against Sindh Workers' Welfare Fund (SWWF)	10.1	433,361	169,066
Auditors' remuneration payable		453,903	462,075
Printing expense payable		58,438	41,796
Withholding tax payable		224,614	79,583
Others		<u>26,490</u>	<u>6,335</u>
		<u>1,196,807</u>	<u>758,856</u>

#### 10.1 Provision against Sindh Workers' Welfare Fund (SWWF)

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

pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision of Sindh WWF from the date of enactment of Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2018 would have been higher by Re 0.005 per unit (June 30, 2018 : 0.02 per unit).

#### 11 CONTINGENCIES AND COMMITMENTS

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

#### 12 TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended September 30, 2018 is 0.54% (June 30, 2018: 2.07%) which includes 0.24% (June 30, 2018: 0.30%) representing Government levy, Workers' Welfare Fund and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

#### 13 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 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund during the year ended 30 June 2018 subsequent thereto to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

#### 14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

14.1 Transactions during the year	For the Quarter ended 30-Sep-18		For the Quarter ended 30-Sep-17	
	(Units)	(Rupees)	(Units)	(Rupees)
<b>BMA Asset Management Company Limited - the Management Company</b>				
Issue of units includes additional 271,280 units against refund of capital and cash distribution	3,325,360	31,137,567	398,507	4,051,345
Redemption of units	8,991,391	92,365,000	240,033	2,460,000
Remuneration of the Management Company				
Sindh Sales Tax on remuneration of the Management Company		-		-
<b>BMA Funds Limited</b>				
Issue of units includes additional 2 units against refund of capital and cash distribution	2	-	-	-
Redemption of units	-	-	-	-
<b>MCB Financial Services Limited - the Trustee</b>				
Remuneration payable to the Trustee		334,039		176,438
Sindh Sales tax payable on trustee remuneration		43,425		22,937
<b>Key Management Personnel of the Management Company</b>				
Issue of units	34,249	351,019	-	-
Redemption of units	-	-	-	-
<b>Unit Holders with 10% or more holding</b>				
Issue of units	68,919,422	701,717,866	-	-
Redemption of units	-	-	-	-
	<b>30-Sep-18</b>	<b>30-Jun-18</b>		

#### 14.2 Balances outstanding as at year end

<b>BMA Asset Management Company Limited - the Management Company</b>				
Outstanding units	1,197,874	12,353,434	6,863,905	72,688,867
Federal Excise Duty on Management Company's remuneration		1,424,176		1,424,176
<b>BMA Funds Limited</b>				
Outstanding units	17	171	15	169
<b>MCB Financial Services Limited - the Trustee</b>				
Remuneration payable to the Trustee		123,549		57,535
Sindh Sales tax payable on trustee remuneration		16,061		7,478
<b>Key Management Personnel of the Management Company</b>				
Outstanding units	34,249	353,200	-	-
<b>Unit Holders with 10% or more holding</b>				
Outstanding units	68,919,422	710,752,219	-	-

## 15 CORRESPONDING FIGURES

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

## 16 GENERAL

Figures have been rounded off to the nearest rupee.

## 17 DATE OF AUTHORISATION FOR ISSUE

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

For BMA Asset Management Company Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director