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FUND'S INFORMATION**Management Company**

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

Board of Directors of the Management Company

Mr. Arif Masood Naqvi	Chairman
Mr. Muddassar Malik	Chief Executive
Mr. Waqar Hassan Siddique	Director
Mr. Mustafa Abdel Wadood	Director
Mr. Thomas James Speechley	Director
Mr. Farrukh Hussain Khan	Director
Mr. Moazzam Malik	Director
Mr. Muhammad Iqbal	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Amir Iqbal

Audit Committee of the Management Company

Mr. Farrukh Hussain Khan	Chairman
Mr. Moazzam Malik	
Mr. Muhammad Iqbal	

Trustee

Muslim Commercial Financial Services (Private) Limited
Trustee Office 3rd Floor Adamjee House I.I. Chundrigar Road Karachi

Bankers

Standard Chartered Bank Pakistan Limited
KASB Bank Limited
JS Bank Limited
Bank Al-Habib Limited
Tameer Micro Finance Bank Limited
Atlas Bank Limited
Allied Bank of Pakistan Limited
Saudi Pak Commercial Bank Limited
My Bank Limited
The Bank of Khyber

Distributors

Standard Chartered Bank Pakistan Limited
BMA Capital Management Limited

Auditors

Ford Rhodes Sidat Hyder & Co. Chartered Accountants
Progressive Plaza, Beaumont 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

Management Quality Rating

AM2- by JCR VIS Credit Rating Company Limited

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 to BMA Chundrigar Road Savings Fund (BCSF) is pleased to present its report and audited financial statements of the Fund for the period ended June 30th, 2008.

PROFILE

The announcement of the BMA Chundrigar Road Savings Fund was made on 14 August, 2007, Pakistan's 60th year of independence and was formally launched on 23rd August. The BCSF seeks to provide its investors with an attractive rate of return by investing in all fixed income and money market instruments of low risk and short duration while providing daily liquidity to investors. The fund maintains a rupee-weighted average maturity for the investment portfolio of not more than 365 days. The benchmark for our return is one month KIBOR and all investment returns obtained from the Fund will be exempt from capital gains, withholding and income tax until assessment year 2008. BCSF aims to provide investors with returns competitive with deposit rates, while its tax-exempt status makes post-tax net returns more attractive.

Financial highlights	June 30, 2008
	Rupees
Mark up/interest income	244,965,849
Capital gain	4,471,703
Dividend Income	3,705,000
Total Income	293,787,150
Net profit for the year	250,595,941
Net Asset Value per unit (Rupees)	10.79

FUND'S FINANCIAL PERFORMANCE

In 312 days of operation (Aug 23 – Jun 30) the Fund earned a total income of PkR 293.79 mn. Of this, the two largest contributors to income included bank deposits which earned PKR 113.71 mn and TFCs and Sukuk's which earned PkR 86.74 mn. Expenditure for the said period was PkR 43.19 mn. This brings net income of PkR 250.60 mn for this period or an annualized net return of 9.28% for investors.

As of 30th June the net assets of the Fund were PkR 3,430.25 mn, of which PkR 1,508.73 mn (43.98%) were in bank deposits, PkR 1,519.05 mn (44.28%) were invested in Term Finance Certificates and PkR 23.36 mn (0.68%) in government securities.

The weighted return on the TFC portfolio of PkR 1,519.05 mn was equal to 12.62% p.a. The COI portfolio of PkR 290 mn which is being held to maturity is earning interest equal to 11.95%. The portfolio duration as of 30 June was 91 days, which is consistent with the Fund's investment philosophy of remaining liquid, and will allow us to earn higher returns in an increasingly tight monetary environment.



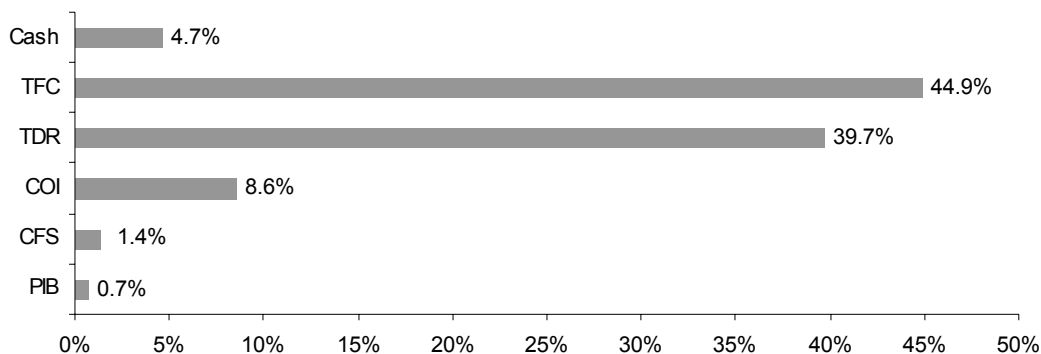
Bonus Dividend

A dividend distribution of Rs.0.77 per unit (7.7% of the par value of Rs.10/-) for BCSF out of its distributable income for the period ended June 30, 2008 was recommended by the Board of Directors. Net asset value per unit of the fund after distribution of bonus stood at Rs.10.0182.

ASSET ALLOCATION

Given an environment where equity markets went into a tail spin followed by regulatory intervention, BCSF made a conscious decision to minimize investments in CFS and ready-spread transactions. The team has implemented a thorough investment process with the primary goal of ensuring high credit quality, especially with regards to BCSF's corporate debt portfolio. As at the end of June, asset allocation was as follows; PIBs (0.70%), CFS (1.40%), COIs (8.60%), TDRs (39.72%), TFCs (44.89%) and 4.69% in cash and equivalents. Portfolio duration for the fund was a very liquid 91 days, which indicates that the majority of investments had limited interest rate exposure and were at the short end of the yield curve. Credit quality was among the best in the industry with AA- and above rated instruments forming over 40% of the portfolio.

Asset Allocation [30.06.08]



MACROECONOMIC OUTLOOK

Since the heady highs of 15,676 the KSE 100 index has dropped by nearly 40%, while in the same period the PkR has depreciated by 19.75%. This has not only caused the outflow of foreign portfolio investment of US\$ 178 mn in FY09 but is symptomatic of macroeconomic indicators which have nosedived over the current calendar year.

While CPI for June was 21.53%, it increased to 24.33% in July and is expected to peak near or above 30% as the effects of rising energy/POL and food prices wreck havoc with the public's purchasing power. Average inflation for FY08 was 12% and projections for FY09 are in the range of 18%-20%. While increasing food prices are the driving force behind runaway inflation, the government has made an equal if not greater contribution by deficit spending. The GoP borrowed PkR 690 bn from the SBP in FY08, which increased the total stock of MRTBs to over PkR 1 trillion. As a result M2 increased by 15.3% (despite an outflow of over PkR 300 bn in NFAs) and 95% of this increase can be attributed to government borrowing.

Inflationary pressures from excess demand can be seen not only in the fiscal deficit (7% of GDP) but in the trade and current account deficit of US\$ 20.7 bn and US\$ 14 bn respectively. Though pressure on the external accounts is expected to ease as oil prices have dropped off their record highs, the country will require significant inflows of foreign exchange if a further depletion of FOREX reserves (↓42% to US\$ 9.6 bn) and depreciation of the PkR is to be avoided. Instrumental in preserving the solvency of the country will be the Saudi oil facility and an end to the political uncertainty that has plagued capital markets in the last year and prevented the formulation of an effective policy to address macroeconomic imbalances.

Money market rates are reflecting inflationary expectations and the SBP’s monetary response to it. The yield on 10 year PIBs has increased from 11.35% in March to 14.32%, while six month KIBOR has increased from 10.32% to 13.72% in the same period. The SBP has already increased the discount rate twice (May and July) to 13% and with neither inflation nor government borrowing showing any signs of slowing down, further rate hikes are fully expected over the course of this fiscal year.

Gross advances of the banking sector increased by almost 19% over FY08 and indicate that economic activity though slowing down from previous years is still robust. However in a high inflation and interest rate environment both the operating and financial costs of corporates and individuals are increasing. This is causing undesirable delinquency rates which can be seen in the record provisioning being done by banks against bad debt.

STRATEGY

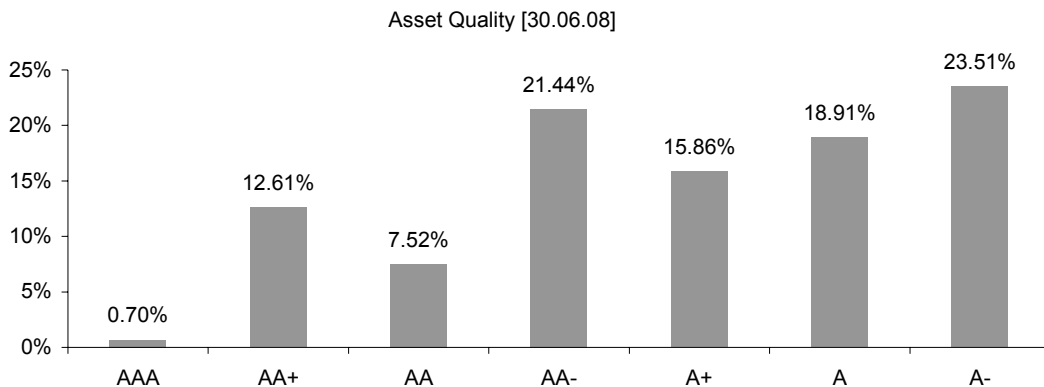
In light of the above macroeconomic scenario, BCSF’s strategy going forward is likely to focus on the following;

- a. Maintain and improve credit quality of investment portfolio**
- b. Maintain liquidity in anticipation of higher interest rates**

Maintain and improve credit quality of investment portfolio

Investment in TFCs is limited to 50% of net assets of the fund, which at current levels allows a further 6% investment in corporate debt. Before any further accumulation is made, the investment team is carrying out a rebalancing exercise in which the TFC portfolio will be analysed in detail to determine if the risk on any debt instrument has increased to undesirable levels. Though debt issuing corporates are thoroughly reviewed before purchase, the investment team considers it prudent to carry out this exercise on a regular basis in a deteriorating macroeconomic environment.

Cognizant of the fact that the SBP is determined to fight inflation by raising interest rates, the investment team has made credit quality the top priority of the fund. Though every effort is made to earn the highest available returns, no compromise is allowed with regards to credit risk. Any decisions for investment or divestment will be done keeping this in mind.



Maintain liquidity in anticipation of higher interest rates

With inflation and currency depreciation dominating the headlines, further monetary tightening over FY09 can be reasonably expected. Money market and sovereign debt yields are on the rise and for this reason BCSF is making a concerted effort to keep a healthy cash position which can be deployed at higher rates. Moreover any deployments that are made will be short term in nature, so that the fund is not locked in

when market rates are climbing. In keeping with this strategy of making liquid investments the TFC portfolio has floater coupon rates, which enables the fund to keep pace with increasing rates.

Other Disclosures under NBFC Regulations 2007

The Fund Manager hereby makes the following disclosures as required under the NBFC Regulations 2007;

- a. The Management Company or any of its delegates did not receive any soft commission (goods & services) from any of its brokers / dealers by virtue of transactions conducted by the Fund.
- b. There was no unit split undertaken during the year.
- c. The Fund Manager is not aware of any circumstances that can materially affect any interests of the Unit holders other than those already disclosed in this report.

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 financial statements, prepared by the management of the listed company, present fairly its state of affairs of the fund, the result of its operations, cash flows and changes in equity. Proper books of accounts of the fund have been maintained during the year. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements. The system of internal control is sound in design and has been effectively implemented and monitored. There is no doubt upon the Fund's ability to continue as a going concern. There has been no material departure from the best practices of Corporate Governance, as detailed in listing regulations. Key financial data, in summarised form, is included in this Annual Report. The statement as to the value of investments of provident fund is not applicable in the case of the fund as such expenses are borne by the Management Company. The number of board meetings held during the year and attendance by each director is disclosed. The detailed pattern of certificate holding, as required by the Code of Corporate Governance is enclosed.

Attendance of Board Meetings

The detail of attendance of directors and number of board meetings held during the year is disclosed in Annexure I to the Financial Statements.

Transactions with Connected Persons

In management's opinion, such consideration is an arms length price along with appropriate explanation in case of an exception to arm's length price. The fund has fully complied with the best practices on transfer pricing as contained in the Listing Regulations No.38 of Karachi Stock Exchange.

Appointment of Auditors

The Board of Directors of BMA Asset Management Company Limited (the Management Company) have reappointed Ford Rhodes Sidat Hyder & Co. Chartered Accountants, as the Fund's auditor for the year 2008-2009 as recommended by the Audit Committee.

For and on behalf of the
Board

Muddassar Malik
Chief Executive Officer

September 03, 2008

KEY FINANCIAL DATA**PERFORMANCE TABLE**

	2008 Rupees
Net Assets	3,430,251,475
Net asset value per unit	10.79
Dividend Distribution	0.77
Selling price for units	10.90
Repurchase price for units	10.79
Highest Offer price per unit	10.89
Lowest Offer price per unit	10.00
Highest Redemption price unit	10.79
Lowest Redemption price unit	10.00
Annual return (%)	9.28
Weighted average portfolio duration	91 days

* The Fund was launched on August 23, 2007.

Disclaimer

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS**Report of the Trustee Pursuant to Regulation 58(f) and Clause 9 of Schedule IV of the Non-Banking Finance Companies and Notified Entities Regulations, 2007**

BMA Chundrigar Road Savings Fund, an Open-end Scheme established under a Trust Deed dated April 19, 2007 executed between BMA Asset Management Company Limited, as the Management Company and Muslim Commercial Financial Services (Private) Limited, as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (SECP) 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 period from July 25, 2007 to June 30, 2008 in accordance with the provisions of the following:

(i) limitations imposed on the investment powers of the Management Company under the Constitutive Documents;

(ii) the valuation and pricing of units are carried out in accordance with the requirements of the Trust Deed and the Offering Document;

(iii) the creation and cancellation of units are carried out in accordance with the requirements of the Trust Deed and the Offering Document;

(iv) the Non-Banking Finance Companies (Established and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2007; and the constitutive documents.

2. We are not aware of any material shortcoming that may have impact on the decision of the existing or the potential Unit Holders remaining or investing in the Fund.

Karachi: September 08, 2008

**Chief Executive Officer
Muslim Commercial Financial Services
(Private) Limited**

**STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE
GOVERNANCE
FOR THE PERIOD ENDED 30 JUNE 2008**

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.37 Chapter XI of 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 has seven non-executive directors, however none of them represent minority shareholders.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, (including this Fund).
3. All the resident directors of the Management Company are registered 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, have been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year ended June 30, 2008.
5. The business of the Management Company is conducted in accordance with the "Statement of Ethics and Business Practices" signed by all the directors and employees.
6. The Board has developed a vision / mission statement 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. The Directors are conversant of the relevant laws applicable to the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. The Company has also carried out orientation courses for the Directors.
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 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 directors, CEO and executives of the Management Company do not hold any interest in the certificates of the Fund other than that disclosed in the pattern of certificate holding.
13. The Chief Executive Officer and CFO duly endorsed the financial statements of the Fund before approval of the Board.
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.

16. The meetings of the Audit Committee were held in every quarter prior to approval of interim and final results and as required by the Code. The Terms of Reference of the Committee have been formed and advised to the committee for compliance.
17. The Management Company has outsourced the internal audit function to M/s Yousuf Adil Saleem & Co. Chartered Accountants (Delloite) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
18. The statutory auditors of the Fund confirmed that they have been given a satisfactory rating under 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 certificates 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 Institute of Chartered Accountants of Pakistan .
19. 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.
20. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

KARACHI: September 03, 2008

Muddassar Malik
Chief Executive Officer

**REVIEW REPORT TO THE UNIT HOLDERS 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 (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of the Management Company of the BMA Chundrigar Road Savings Fund (the Fund) to comply with the Listing Regulation No. 37 (Chapter XI) of the Karachi Stock Exchange (Guarantee) Limited, where the Fund is listed.

The responsibility for compliance with the Code 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 reflects the status of the Management Company's compliance with the provisions of the Code in respect of the Fund and report if it does not. 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 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement does not appropriately reflect the status of the Management Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Fund for the period ended June 30, 2008.

KARACHI: September 03, 2008

Ford Rhodes Sidat Hyder & Co.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of **BMA Chundrigar Road Savings Fund (the Fund)**, which comprise the statement of assets and liabilities as at 30 June 2008, and the related income statement, distribution statement, cash flow statement and statement of movement in unit holders' fund for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management'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 the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2007 and approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Fund's affairs as at 30 June 2008 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

KARACHI: September 03, 2008

Ford Rhodes Sidat Hyder & Co.
CHARTERED ACCOUNTANTS

**STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2008**

	<i>Note</i>	June 30, 2008 (Rupees)
Assets		
Bank balances	7	1,508,726,858
Investments	8	1,832,408,487
Receivable against continuous funding system	9	47,627,343
Mark-up / interest receivable	10	88,312,532
Preliminary expenses and floatation costs	11	4,143,407
Deposits and other receivables	12	3,636,800
Total assets		3,484,855,427
Liabilities		
Remuneration payable to the management company	13	4,203,906
Remuneration payable to the trustee	14	239,863
Annual fee payable to Securities and Exchange Commission of Pakistan	15	2,289,856
Payable against purchase of investments		176,562
Payable to unit-holders against redemption of units		39,751,320
Accrued expenses and other liabilities	16	7,942,445
Total liabilities		54,603,952
NET ASSETS		<u>3,430,251,475</u>
Unit Holders' Fund		<u>3,430,251,475</u>
Number of units in issue	17	<u>317,965,553</u>
Net asset value per unit - Rupees		<u>10.79</u>
Commitments		-

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

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

**INCOME STATEMENT
FOR THE PERIOD FROM JULY 25, 2007 TO JUNE 30, 2008**

	<i>Note</i>	June 30, 2008 (Rupees)
Income		
Mark up/ interest income on investments, bank balances and term deposits	18	244,965,849
Dividend income		3,705,000
Loss on sale of investments – net	19	(3,162,861)
Unrealized gain on investments at fair value through profit and loss – net		4,471,703
Element of income and capital gains included in prices of units issued less those in units redeemed – net		43,807,459
Total Income		293,787,150
Expenses		
Remuneration of the management company	13	34,376,418
Remuneration of the trustee	14	2,073,652
Annual fee to Securities and Exchange Commission of Pakistan	15	2,289,856
Custody and settlement charges		340,959
Amortization of preliminary expenses and floatation costs		856,593
Brokerage		2,220,736
Auditor’s remuneration	20	356,128
Bank charges		111,619
Printing and stationery		356,000
Mutual fund rating fee		124,999
Mutual fund stability fee		75,200
Other expenses		9,049
Total expenses		43,191,209
Net income		<u>250,595,941</u>

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

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

**DISTRIBUTION STATEMENT
FOR THE PERIOD FROM JULY 25, 2007 TO JUNE 30, 2008**

	June 30, 2008 (Rupees)
Net income for the period	250,595,941
Undistributed income carried forward	<u><u>250,595,941</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)**

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

**CASH FLOW STATEMENT
FOR THE PERIOD FROM JULY 25, 2007 TO JUNE 30, 2008**

	June 30, 2008 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the year	250,595,941
Adjustments for:	
Mark up/ interest income on investments, bank balances and term deposits	(244,965,849)
Unrealized gain on investments at fair value through profit and loss – net	(4,471,703)
Loss on sale of investments – net	3,162,861
Element of income and capital gains included in prices of units issued less those in units redeemed – net	(43,807,459)
Amortization of preliminary expenses and floatation costs	875,975
Net cash flows from operations before working capital changes	(289,206,175)
Working capital changes	
<i>(Increase) / decrease in assets</i>	
Term deposits	(1,340,000,000)
Preliminary expenses and floatation costs	(4,143,407)
Receivable against continuous funding system	(47,627,343)
Deposits and other receivables	(3,636,800)
	(1,395,407,550)
<i>Increase / (decrease) in liabilities</i>	
Remuneration payable to the management company	4,203,906
Remuneration payable to the trustee	239,863
Annual fee payable to Securities & Exchange Commission of Pakistan	2,289,856
Payable against purchase of equity securities	176,562
Payable to unit-holders against redemption of units	39,751,320
Accrued expenses and other liabilities	7,942,445
	54,603,952
Proceeds from sale of securities	4,697,971,533
Mark up/ interest income received	156,653,317
Purchase of securities	(6,529,947,153)
Net cash flows from operating activities	(3,054,736,135)
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash received on issue of units	7,426,873,965
Cash paid / payable on redemption of units	(4,203,410,972)
Net cash flows from financing activities	3,223,462,993
Net decrease in cash and cash equivalents	168,726,858
Cash and cash equivalents at end of the period	168,726,858

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

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

Muddassar Malik
Chief Executive Officer

Farrukh Hussain Khan
Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE PERIOD FROM JULY 25, 2007 TO JUNE 30, 2008**

	June 30, 2008 (Rupees)
Cash received on issue of units*	7,426,873,965
Cash paid / payable on redemption of units**	(4,203,410,972)
	3,223,462,993
Element of income and capital gains included in prices of units issued less those in units redeemed	(43,807,459)
Net income for the period	250,595,941
Net assets as at end of the period	<u>3,430,251,475</u>
	Number of units
* Number of units issued	<u>718,492,633</u>
** Number of units redeemed	<u>400,527,080</u>

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

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JULY 25, 2007 TO JUNE 30, 2008**

1. LEGAL STATUS AND NATURE OF BUSINESS

BMA Chundrigar Road Savings Fund (The Fund) was established in Pakistan under a Trust Deed executed on 19 April 2007 between BMA Asset Management Company Limited, as the Management Company and Muslim Commercial Financial Services (Private) Limited, as the Trustee and authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) by Securities and Exchange Commission of Pakistan (SECP) on 18 May 2007.

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules by the SECP. The registered office of the management company is situated at 801 Unitower, I.I. Chundrigar Road, Karachi.

The Fund is an open-ended mutual fund listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund except for the units issued to core investors which are not redeemable for a period of two years from the date of issue.

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.

Title to the assets of the Fund is held in the name of Muslim Commercial Financial Services (Private) Limited as a trustee of the Fund.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Trust Deed, the Non Banking Finance Companies and Notified Entities Regulations 2007, Non Banking Finance Companies Rules 2003 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, Non Banking Finance Companies and Notified Entities Regulations 2007, Non Banking Finance Companies Rules, 2003 or directives issued by the SECP differ with the requirements of these standards, the requirements of Trust Deed, Non Banking Finance Companies and Notified Entities Regulations 2007, Non Banking Finance Companies Rules, 2003 and the said directives take precedence.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for investments and derivatives which are accounted for as stated in notes 4.1 and 4.2 below.

These financial statements have been presented in Pakistan Rupees which is the reporting currency of the fund.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Investments

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

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

The Fund classifies investments in the following categories:

Investments at fair value through profit or loss

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

Held to maturity

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

Available for sale

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

Fair value of investments is determined as follows:

Listed shares

These are valued on the basis of closing market prices quoted on the respective stock exchange.

Mutual funds' units

These are valued by reference to the net asset values declared by the respective fund.

Debt securities

Debt securities, listed but not traded regularly on a stock exchange, are valued at the average rate notified by the Mutual Funds Association of Pakistan (MUFAP). Previously, investments in TFCs were valued at the average bid rates quoted by three brokerage houses.

Fair value of unlisted debt securities, other than government securities, is also determined by reference to the average rates notified by MUFAP and where such rates are not so notified, with reference to quotations obtained from brokerage houses.

Government securities

Fair value of government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

4.2 Derivatives

Derivative instruments held by the Fund generally comprise of future contracts in the capital markets. These are initially recognised at cost and are subsequently remeasured at their fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the future contract. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the statement of assets and liabilities. The resultant gains and losses are included in the income currently.

4.3 Securities under repurchase / resale agreements (including balance receivable against Continuous Funding System arrangement)

Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions / against Continuous Funding System. The difference between purchase and resale price is treated as income from reverse repurchase transactions / Continuous Funding System and accrued over the life of the reverse-repo agreement.

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

4.4 Preliminary expenses and flotation costs

Preliminary expenses and floatation costs represent expenditures incurred for the incorporation of the Fund and costs are being amortised over a period of five years commencing from 23 August 2007 in accordance with the Trust Deed. These expenses were paid by the management company.

4.5 Dividend and appropriation to reserves

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

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company, for the applications received by it. The offer price represents the net asset value per unit as of the close of the business day plus provision of duties and charges and provision of transaction costs, if applicable.

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

Redemption of units is recorded on acceptance of application of redemption.

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

An equalisation account called the "element of income / (loss) included in prices of units sold 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 Fund records the net element of accrued income / (loss) relating to units issued and redeemed during an accounting period in the income statement while the portion of the element of income / (loss) that relates to unrealised gains / (losses) relating to available for sale investment securities held by the Fund is recorded in a separate reserve account in the statement of assets and liabilities and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders.

4.8 Net asset value per unit

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year-end.

4.9 Taxation

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

4.10 Revenue recognition

Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

Dividend income is recognised when the right to receive the dividend is established.

Income on reverse repurchase and continuous funding system lending arrangements, certificates of investment, placements, bank deposits, commercial papers, federal government securities and investments in debt securities are recognised at rate of return implicit in the instrument on a time proportionate basis.

4.11 Financial instruments

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

4.12 Offsetting of financial assets and financial liabilities

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

4.13 Cash and cash equivalents

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

4.14 Impairment

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

4.15 Provision

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

4.16 Distribution to unit holders

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

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The Fund makes estimates and assumptions that effect the reported amount of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6. ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

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

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 1 - Presentation of Financial Statements (Revised)	1 January 2009
IAS 23 - Borrowings Costs (Revised)	1 January 2009

Standard or Interpretation	Effective date (accounting periods beginning on or after)
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IAS 27 - Consolidated and Separate Financial Statements (Revised)	1 January 2009
IFRS 3 - Business Combinations	1 January 2009
IFRS 7 - Financial Instruments: Disclosures	1 July 2008
IFRS 8 - Operating Segments	1 January 2009
IFRIC 4 - Determining whether an Arrangement contains a Lease	1 July 2009
IFRIC 12 - Service Concession Arrangements	1 January 2009
IFRIC 13 - Customer Loyalty Programs	1 July 2008
IFRIC 14 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interactions	1 January 2008

The Fund expects that the adoption of the above standards and interpretations will have no material impact on the Fund's financial statements in the period of initial application other than to the extent of certain changes on enhancement in the presentation and disclosure in the financial statements.

7. BANK BALANCES	Note	2008 (Rupees)
Deposit accounts	7.1	165,959,971
Current accounts		2,766,887
Term deposits accounts	7.2	1,340,000,000
		<u>1,508,726,858</u>

7.1 Profit rates on deposit accounts range between 2.5% to 11.5% per annum.

7.2 These accounts carry profit rates ranging between 9.85% and 17.00% per annum with maturities of 7 days to 1 year.

8. INVESTMENTS	Note	June 30, 2008 (Rupees)
At fair value through profit or loss		
Listed term finance certificates	8.2	896,656,217
Unlisted term finance certificates	8.3	622,396,095
Government securities	8.4	23,356,175
Listed Equity securities	8.5	-
		1,542,408,487
Held to maturity		
- Certificate of investment/Certificate of deposits	8.6	290,000,000
		<u>1,832,408,487</u>
8.1 Cost of investments as at 30 June 2008		<u>1,827,936,784</u>

8.2 Listed term finance certificates

All Term Finance Certificates have a face value of Rs. 5,000

Name of security	As at 25 July 2007	Purchased during the period	Sold during the period	As at 30 June 2008	Carrying Value as at 30 June 2008	Percentage of total investments on the basis of carrying value
	-----Number of certificates -----				(Rupees)	
Quoted						
Technology and Communication						
Pakistan Mobile Communications Limited	-	10,000	-	10,000	50,940,000	2.78%
WorldCall Communication Limited	-	14,000	-	14,000	70,833,000	3.87%
					121,773,000	6.65%
Leasing Companies						
Saudi Pak Leasing Company Limited	-	15,000	-	15,000	75,652,500	4.13%
Fertilizer						
Engro Chemical Pakistan Limited	-	2,281	-	2,281	11,528,174	0.63%
Pak Arab Fertiliser Limited	-	9,478	-	9,478	47,309,437	2.58%
					58,837,611	3.21%
Oil & Gas Exploration Companies						
Naimat Basal Oil & Gas Securitization Company Limited	-	9,913	-	9,913	19,867,040	1.08%
Commercial banks						
NIB Bank Limited	-	53,477	10,000	43,477	220,080,574	12.01%
United Bank Limited- IV	-	65,000	22,000	43,000	213,817,620	11.67%
					433,898,194	23.68%
Miscellaneous						
Pace Pakistan Limited	-	36,000	-	36,000	182,322,000	9.95%
Pakistan Services Limited	-	6,000	-	6,000	4,305,872	0.23%
					186,627,872	10.18%
Total quoted					896,656,217	48.93%

8.2.1 These include debt securities (TFCs) having an aggregate carrying value of Rs. 74.587 million pledged with National Clearing Company of Pakistan Limited (NCCPL) against the exposure of CFS, as allowed under National Clearing and Settlement System Regulations.

8.3 Un-listed term finance certificates
All Term Finance Certificates have a face value of Rs. 5,000

Name of security	As at 25 July 2007	Purchased during the period	Sold during the period	As at 30 June 2008	Carrying Value as at 30 June 2008 (Rupees)	Percentage of total investments on the basis of carrying value
Unquoted						
Associated Company:						
Sugar industry						
Al Abbas Sugar Mills (Private) Limited	-	9,000	-	9,000	45,243,000	2.47%
Others:						
Fertilizer						
Engro Chemicals Pakistan Limited	-	5,000	-	5,000	25,437,500	1.39%
Cement						
Kohat Cement – Sukuk Issue	-	10,000	-	10,000	48,411,090	2.64%
Maple Leaf Cement - Sukuk Issue	-	24,000	-	24,000	120,696,000	6.59%
					169,107,090	9.23%
Cable & electronics						
New Allied Electronics (Private) Limited	-	23,000	13,000	10,000	50,335,000	2.75%
New Allied Electronics (Private) Limited - Sukuk Issue	-	160,000	144,000	16,000	5,033,501	0.27%
Pak Electron Limited	-	19,000	-	19,000	96,111,500	5.25%
					151,480,001	8.27%
Leasing Companies						
Orix Leasing Pakistan Limited	-	900	-	900	90,153,000	4.92%
Technology and Communication						
Pakistan Mobile Communication Limited	-	10,000	-	10,000	49,790,000	2.72%
Investment Companies						
Jahangir Siddiqui Limited – V	-	18,000	10,000	8,000	40,415,824	2.21%
KASB Securities (Private) Limited	-	22,000	12,000	10,000	50,769,680	2.77%
					91,185,504	4.98%
Total unquoted debt securities					622,396,095	33.98%

8.4 Government securities

Issue date	Tenor (years)	Face Value	Profit Mark-up Rate %	(Quantity)					Fair Value as at June 30, 2008	Percentage of total investments on the basis of carrying value
				As at 25 July 2007	Purchases during the period	Sales during the period	Maturities during the period	As at June 30, 2008		
22-Aug-07	10 Years	100	9.60%	-	1,500,000	1,500,000	-	-	-	
22-Aug-07	05 Years	100	9.30%	-	250,000	250,000	-	-	-	
22-Aug-07	03 Years	100	9.10%	-	500,000	250,000	-	250,000	23,356,175	1.27%
Total									23,356,175	

8.4.1 These represent Pakistan Investment Bonds (PIBs) having a face value of Rs. 25 million carrying a coupon rate of 9.10 % per annum. These PIBs will mature on August 22, 2010.

8.5 Listed equity securities

Name of Investee Company	------(Number of Shares)-----				Market value as at June 30, 2008	Percentage of total investment on the basis of carrying value
	As at 25 July 2007	Purchases during the Period	Sales during the period	As at June 30, 2008		
	-					

All holdings are in shares of Rs. 10/- each as otherwise stated.

Oil and Gas Exploration Companies

Pakistan Oilfields Limited	-	340,500	340,500	-	-	-
Pakistan Petroleum Limited	-	8,500	8,500	-	-	-
Pakistan State Oil	-	250,000	250,000	-	-	-

Commercial Banks

Bank of Punjab	-	1,006,500	1,006,500	-	-	-
Askari Commercial Bank Limited	-	66,000	66,000	-	-	-
Bank Al-Falah Limited	-	51,000	51,000	-	-	-
National Bank of Pakistan	-	575,500	575,500	-	-	-

Cement

DG Khan cement	-	140,000	140,000	-	-	-
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Fertilizers

Engro Chemical Pakistan Limited	-	10,000	10,000	-	-	-
Fauji Fertilizers Bin Qasim Limited	-	25,500	25,500	-	-	-

Investment Banks

Jahangir Siddiqui & Co.		17,000	17,000			
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Commercial Banks

Jahangir Siddiqui Bank Limited		30,000	30,000			
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Total		2,520,000	2,520,000	-	-	-
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Note June 30, 2008
(Rupees)

8.6 Held to Maturity
Certificate of Investment (COI)

Security Leasing Corporation Limited	8.6.1	50,000,000
IGI Investment Bank Limited	8.6.2	90,000,000
Saudi Pak Industrial & Agricultural Investment Company (Private) Limited	8.6.3	50,000,000
Saudi Pak Industrial & Agricultural Investment Company (Private) Limited	8.6.4	100,000,000
		290,000,000

8.6.1 This carries mark-up at the rate of 11.76% per annum and has a maturity date of August 25, 2008.

8.6.2 This carries mark-up at the rate of 10.30% per annum and has a maturity date of July 17, 2008.

8.6.3 This carries mark-up at the rate of 13.00% per annum and has a maturity date of September 05, 2008.

8.6.4 This carries mark-up at the rate of 13.00% per annum and has a maturity date of September 19, 2008.

8.7 Significant terms and conditions of debt securities held as at 30 June 2008 are as follows:

Name	Quoted / Unquoted	Markup Rate per annum	Maturity	Secured / Unsecured	Rating
<u>At fair value through profit and loss</u>					
Cable & electronics					
New Allied Electronic (Private) Limited	Unquoted	3 months KIBOR + 275 bps	15 May 2011	Secured	A-
New Allied Electronic (Private) Limited - Sukuk II	Unquoted	3 months KIBOR + 260 bps	25 July 2012	Secured	A
Pak Electron Limited	Unquoted	3 months KIBOR + 175 bps	28 September 2012	Secured	A+
Technology & communication					
Pakistan Mobile Communication Limited – PP	Unquoted	6 months KIBOR + 225 bps	01 October 2010	Unsecured	AA-
Pakistan Mobile Communication Limited	Quoted	6 months KIBOR + 165 bps	Not Listed	Secured	AA-
WorldCall Communication Limited	Quoted	6 months KIBOR + 160 bps	Not listed	Unsecured	AA-
Leasing companies					
Saudi Pak Leasing Company Limited	Quoted	6 months KIBOR + 150 bps	13 March 2013	Secured	AA+
Orix Leasing Pakistan Limited – PP	Unquoted	6 months KIBOR + 120 bps	15 January 2013	Secured	AA+
Cement					
Maple Leaf Cement - Sukuk Issue	Unquoted	6 months KIBOR + 170 bps	03 December 2013	Secured	A+
Kohat Cement Limited - Sukuk	Unquoted	6 months KIBOR + 180 bps	13 December 2012	Secured	A-
Fertilizer					
Engro Chemical Pakistan Limited - Sukuk	Unquoted	6 months KIBOR + 125 bps	18 March 2018	Secured	AA
Engro Chemical Pakistan Limited – I	Quoted	6 months KIBOR + 155 bps	30 November 2015	Secured	AA
Pak Arab Fertilizer Limited	Quoted	6 months KIBOR + 150 bps	28 February 2013	Secured	A+
Oil & Gas Exploration Companies					
Naimat Basal Oil & Gas Securitization Company Limited	Quoted	6 months KIBOR + 250 bps	12 April 2010	Secured	A+
Sugar Industries					
Al Abbas Sugar Mills Limited	Unquoted	6 months KIBOR + 175 bps	21 November 2013	Secured	A+
Miscellaneous					
Pace Pakistan Limited	Quoted	6 months KIBOR + 150 bps	15 February 2013	Secured	A-
Pakistan Services Limited	Quoted	6 months KIBOR + 225 bps	12 November 2008	Secured	A-
Commercial banks					
NIB Bank Limited	Quoted	6 months KIBOR + 115 bps	05 March 2013	Unsecured	AA
United Bank Limited – IV	Quoted	6 months KIBOR + 85 bps	14 February 2018	Unsecured	AA
Investment banks / companies					
Jahangir Siddiqui & Company Limited – V	Unquoted	6 months KIBOR + 170 bps	04 July 2013	Secured	AA+
KASB Securities Limited – PP	Unquoted	6 months KIBOR + 190 bps	27 June 2012	Secured	AA-

9. BALANCE RECEIVABLE AGAINST CONTINUOUS FUNDING SYSTEM

The rates of return on these transactions range between 10.5% to 18.2% per annum, with maturities ranging between overnight to 18 working days. Fair value of the collateral accepted against the above receivable balance amounted to Rs. 36.43 million.

10. INCOME RECEIVABLE
**June 30, 2008
(Rupees)**

On	
- Bank deposit accounts	6,785,350
- Term Deposits	27,997,079
- Continuous funding system	255,881
- Investments	
Term finance certificates and sukuk certificates	46,738,514
Certificate of investments/ deposits	5,726,623
Government securities	809,085
	88,312,532

11. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs incurred	5,000,000
Amortisation during the period	<u>(856,593)</u>
Balance as at June 30, 2008	<u><u>4,143,407</u></u>

11.1 The preliminary expenses and floatation costs represent initial listing fees, legal and professional charges, advertising and publicity and printing cost of trust deed and offering document and the authorization fee of the Fund. As noted in note 4.4 to these financial statements the above are being amortised over a period of five years, as per the trust deed of the Fund.

12. DEPOSIT AND OTHER RECEIVABLES **June 30, 2008**
(Rupees)

Security deposit with	
Central Depository Company of Pakistan	100,000
National Clearing Company of Pakistan Limited	3,500,000
Other receivables	<u>36,800</u>
	<u><u>3,636,800</u></u>

13. REMUNERATION PAYABLE TO THE MANAGEMENT COMPANY

The management company is entitled to remuneration for services rendered to the Fund under Regulation 70 of the Non-Banking Finance Companies and Notified Entities Regulations, 2007, of an amount not exceeding three percent of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent of such assets of the Fund. The rate used by the management company (and the Fund) is 1.5% per annum of the average daily net assets of the Fund as disclosed in the offering document.

14. REMUNERATION PAYABLE TO THE TRUSTEE

The Trustee is entitled to a monthly remuneration out of Fund's property based on actual custodial charges/expenses and an annual tariff based on the slab rates given in the Trust Deed. Any upward increase in the Trustee's remuneration would require SECP's approval and amendment in the Trust Deed. However, any downward shift in the Trustee's remuneration will not require such an approval.

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

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with rule 71 of the Non Banking Finance Companies and Notified Entities Regulations, 2007 whereby the Fund is required to pay SECP an amount equal to one tenth of 1% of the average daily net assets.

16. ACCRUED EXPENSES AND OTHER LIABILITIES **June 30, 2008**
(Rupees)

Auditor's remuneration	268,548
Rating Fees	124,999
Sales load	2,170,416
Preliminary expenses and floatation costs	5,000,000
Others	<u>378,482</u>
	<u><u>7,942,445</u></u>

17. NUMBER OF UNITS IN ISSUE

The units in issue as at 30 June 2008 were as follows:

	June 30, 2008	
	Units	Rupees
Class A	317,965,553	3,179,655,530

17.1 The par value of each unit is Rs 10. The management of the Fund has set a minimum investment size of Rs 5,000. All units carry equal rights and are entitled to dividends and share in net asset value on liquidation.

17.2 On the issuance of these units, front-end / sales load is charged at the rate of 1% of Net Asset Value but not greater than 2%.

17.3 On the redemption of these units, no back-end load is charged.

18. MARK UP/ INTEREST INCOME ON INVESTMENTS, BANK BALANCES AND TERM DEPOSITS

	June 30, 2008
	(Rupees)
On	
- PLS and term deposit accounts	113,705,081
- Continuous funding system	11,014,910
- Security deposit	17,391
- Investments	
Term finance certificates and sukkuk certificates	86,735,664
Certificate of investments/ deposits	19,114,177
Commercial papers	7,707,507
Federal government securities	6,671,119
	244,965,849

19. LOSS ON SALE OF INVESTMENTS - NET

Gain/ (loss) on sale of	
- Equity securities	(4,305,408)
- Derivative instruments	4,403,439
- Government securities	(6,333,600)
- Debt securities	
- Listed	1,294,846
- Unlisted	1,777,862
	3,072,708
	(3,162,861)

20. AUDITOR'S REMUNERATION

Annual audit	250,000
Half yearly review	75,000
Review of statement of compliance with the code of corporate governance	25,000
Out of pocket expenses	6,128
	356,128

21. TAXATION

No provision for taxation has been made in the financial statements in view of the exemption under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001.

22. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include BMA Asset Management Company Limited (the Management Company), BMA Capital Management Limited (the holding company of the Management Company), Muslim Commercial Financial Services (Private) Limited (the Trustee), Al Abbas Sugar Mills Limited (common directorship) and key management personnel of the Management Company, etc. (refer below for details)

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of Non Banking Finance Companies and Notified Entities Regulations, 2007 and the Trust Deed respectively. Details of transactions with related parties and balances with them at the year end are as follows:

The transactions with related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

	June 30, 2008	
	(Units)	(Rupees)
<u>Units sold to:</u>		
Related parties (other than associated company)		
- Directors and executives of the management company	48,648	510,000
An Associated Company		
BMA Asset Management Company	930,726	10,000,000
BMA Capital Management Limited	32,613,345	336,171,704
<u>Units redeemed by:</u>		
Related parties (other than associated company)		
- Directors and executives of the management company	7560	81,521
An Associated Company		
BMA Capital Management Limited	29,560,787	308,564,233
June 30, 2008		
(Rupees)		
<u>Transactions with Associated Company</u>		
Al Abbas Sugar Mills Limited		
- Income received on term finance certificate		3,288,310
BMA Asset Management Company		
- Remuneration to management company		34,376,418
- Sales Load Payable		184,998
<u>Transactions with other related parties</u>		
Trustee		
- Remuneration to trustee		2,073,652

	June 30, 2008 (Units)	(Rupees)
Units Held by:		
Other related parties		
- Directors and executives of the management company	41,088	443,264
An Associated Company		
- BMA Asset Management Company Limited	930,726	10,040,859
- BMA Capital Management Limited	3,052,559	32,931,615
- Al Abbas Sugar Mills Limited (9,000 TFC certificates)	-	45,000,000
		June 30, 2008 (Rupees)
BMA Asset Management Company		
- Remuneration payable to the management company		4,203,906
- Formation cost payable		5,000,000
Balances with other related parties – unsecured		
Trustee		
- Remuneration payable to the trustee		239,863
BMA Financial Services Limited		
- Sales load payable		103,955

23. MARK-UP / PROFIT RATE RISK EXPOSURE

The Fund's exposure to market rate of mark-up / profit rate risk based on contractual repricing and maturity dates, whichever is earlier is as follows:

	2008				Total
	Mark-up / profit (%)	Profit / Mark-up bearing		Non mark- up / profit bearing	
		Upto One Year	More than one year		
		------(Rupees)-----			
On-balance sheet financial instruments					
Financial Assets					
Bank balances	2.50-17.0	1,505,959,972	-	2,766,886	1,508,726,858
Investments	9.10-15.95	1,832,408,487	-	-	1,832,408,487
Balance receivable against continuous funding system	9.30-18.25	47,627,343	-	-	47,627,343

24. RISK MANAGEMENT

The Fund primarily invests in a diversified portfolio of government securities, rated corporate debts, continuous funding system, spread transactions and other money market instruments. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to:

24.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Fund manages market risk by monitoring exposure on securities by following the internal risk management policies and investment guidelines approved by its Board of Directors and regulations laid down by the SECP.

24.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties to financial instruments, to fulfill their obligations. The risk is generally limited to principal amounts and accrued interest thereon, if any.

24.3 Credit risk management

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. In addition, the risk is managed through assignment of credit limits, obtaining adequate collaterals and by following strict credit evaluation criteria laid down by the management. The Fund does not expect to incur material credit losses on its financial assets.

24.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Financial assets subject to credit risk as at 30 June 2008 amounted to Rs.3.477 million. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

24.5 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

24.6 Market rate of return (MROR) risk

MROR risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The Fund manages its investments portfolio in order to reduce the risk of loss in the market value of investments as a result of changes in market interest rates. In case the Fund expects economic uncertainty the portfolio will be restructured so as to comprise short term debt securities, money market instruments, short maturity repurchase transactions, etc.

24.7 Capital management

The fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund is of the view that the fair market value of the financial assets and liabilities are not significantly different from their carrying values as its assets and liabilities are essentially short term in nature and / or frequently repriced.

26. SUBSEQUENT EVENT – DISTRIBUTION TO UNIT HOLDERS

The Board of Directors of the Management Company have approved the distribution of bonus units of Rs. 0.77 per unit to the unit holders of the fund for the period ended June 30, 2008 amounting to Rs. 244.832 million.

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the management company on September 03, 2008.

28. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern, top ten brokers, members of the Investment Committee, fund manager, meetings of the Board of Directors of the management company and rating of the Fund and the management company has been disclosed in Annexure I to the financial statements.

29. GENERAL

29.1 Being the first accounting period of the Fund, there are no corresponding figures to report.

29.2 Figures have been rounded off to nearest rupee.

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

Annexure – I

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), (J) AND (K)
OF THE FOURTH SCHEDULE TO THE NBFC & NOTIFIED ENTITIES
REGULATIONS 2007**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	Number of Unit holders	Number of unit held	Amount (Rupees)	% of Total
Individuals	1,135	207,244,519	2,235,770,817	65.18%
Associated companies / companies with common directors	2	3,063,325	33,047,766	0.96%
Insurance companies	1	4,634,693	50,000,000	1.46%
Banks / DFIs	4	31,846,024	343,561,276	10.02%
NBFCs	-	-	-	-
Retirement funds	16	29,023,038	313,106,339	9.13%
Public limited companies	-	-	-	-
Others	27	42,153,954	454,765,277	13.25%
	1,185	317,965,553	3,430,251,475	100.00%

(ii) DETAILS OF UNIT HOLDERS/ INVESTORS WITH 5% OR MORE HOLDING

Sr. No.	Name	No. of unitholders/ investors	Unitholding/ Investment Amount	% of Total
1	Pakistan Human Development Fund	16,994,071	183,335,441	5.34%
2	Allied Bank of Pakistan	21,379,093	230,641,934	6.72%

(iii) LIST OF TOP TEN BROKERS BY PERCENT OF THE COMMISSION PAID

S. No.	Name of Broker	Percentage of commission paid
1	Aqeel Karim Dehdi Securities (Pvt.) Limited	3.37%
2	Al-Hoqani Securities & Inv. Corp. (Pvt) Ltd	6.02%
3	Dawood Capital Management Limited	0.34%
4	First Capital Equities Limited	0.30%
5	First Dawood Investment Bank Limited	1.25%
6	Global Securities Pakistan Limited	20.34%
7	Invest Capital and Securities (Pvt.) Limited	5.61%
8	IGI Finex Securities Limited	0.35%
9	JS Global Capital Limited	62.43%

(iv) PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Following are the members of the investment committee of the Fund:

Sr. No.	Name	Designation	Qualification	Experience
1	Mr. Mudassar Malik	Chair of IC & CEO	MBA, Finance & Corporate Strategy	16 years
2	Ms. Iffat Z. Mankani	Chief Investment Officer	MBA, Finance	8 years
3	Mr. Imran Iqbal	Director	MBA, Finance	16 years
4	Mr. Sharfyab Khan	SVP/ Fund Manager	ACMA	10 years
5	Mr. Mustafa Pasha	Investment Analyst	BA, Economics	1 year

Mr. Sharfyab Ali Khan is the manager of the fund.

(v) MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Following are the name of persons who attended the meeting of the board of directors during the along with the dates.

Name of Directors	Meetings held on					
	11 July 2007	06 September 2007	17 October 2007	30 October 2007	20 February 2008	28 April 2008
Mr. Arif Masood Naqvi	√	-	√	√	-	-
Mr. Waqar Hassan Siddiqui	-	√	-	-	√	√
Mr. Mustafa Abdul Wadood	√	√	√	√	√	-
Mr. Thomas James Speechley	√	-	√	-	-	√
Mr. Farrukh Hussain Khan	√	√	√	√	√	√
Mr. Moazzam Malik	√	√	√	-	√	√
Mr. Mohammed Iqbal	√	√	√	√	√	√
Mr. Mudassar Malik	√	√	√	√	√	√

(vi) RATING OF THE FUND AND MANAGEMENT COMPANY

JCR-VIS Credit Rating Company Limited (JCR-VIS) has not yet assigned a fund stability rating to the Fund.

JCR-VIS has assigned an 'AM2-' management quality rating to the management company.

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

**Muddassar Malik
Chief Executive Officer**

**Farrukh Hussain Khan
Director**

**PATTERN OF UNIT HOLDING AS PER REQUIREMENTS OF CODE OF
CORPORATE GOVERNANCE
AS AT 30 JUNE 2008**

PARTICULARS	UNIT HOLDING
INDIVIDUALS	207,255,286
MANAGEMENT COMPANY	
BMA Asset Management Co Ltd	930,726
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	
BMA Capital Management Limited	3,052,559
NIT AND ICP	-
CHIEF EXECUTIVE	
Mr. Muddassar Malik	9,998
DIRECTORS	
Mr. Farrukh H. Khan	-
Mr. Moazzam Malik	-
Muhammad Iqbal	-
Mr. Mustafa Abdel Wadood	-
Mr. Thomas James Speechly	-
Mr. Arif Masood Naqvi	-
Mr. Waqar Hassan Siddique	-
EXECUTIVES	31,090
PUBLIC SECTOR COMPANIES AND CORPORATIONS	-
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS	35,549,991
SHAREHOLDING 10% OR MORE VOTING INTEREST	-
OTHERS	71,135,903
	317,965,553

**STATEMENT OF INCOME AND EXPENDITURE IN RELATION TO THE FUND
FOR THE PERIOD ENDED JUNE 30, 2008**

	Rupees
Revenue	
Investment advisory fee from BCSF	34,356,718
Operating Expenses	
Salaries and benefits	5,280,000
Company's contributions to provident fund	518,369
Bonus	1,000,000
Fees, subscription and periodicals	1,241,847
Entertainment expense	91,151
Printing and stationery	140,583
Legal and professional charges	245,717
Depreciation	576,575
Amortization	646,183
Traveling and conveyance	465,465
Vehicle maintenance	83,526
Utilities	642,386
Marketing and advertisement	1,164,907
Consultancy	3,500,000
Distribution fee	13,518,179
Miscellaneous expenses	245,792
	<u>29,360,679</u>
 Net Income / (Loss) for the period	 <u><u>4,996,039</u></u>