BMA CHUNDRIGAR ROAD SAVINGS FUND

For the month of **September-17** **NAV 8.3288**

Fund Returns	BCSF	BM
Annualized Return (September-17)	2.84%	6.47%
Annualized Return (FY18)	4.20%	6.46%
Annualized Return (365 days)	5.29%	6.43%
Annualized Return (Last 3 years)	10.09%	7.15%
Annualized Return (Last 5 years)	11.13%	8.30%
Annualized Return (Inception to Date)	3.90%	10.36%
FY 2017	5.51%	5.95%
FY 2016	11.62%	6.40%
FY 2015	12.26%	8.83%
FY 2014	7.70%	9.60%
FY 2013	13.38%	9.73%

1 YR KIBOR & Standard Deviations*	
1YR KIBOR (September-17)	6.46%
1YR KIBOR Standard Deviation	0.41%
Portfolio Standard Deviation	0.70%

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

Portfolio Characteristics	
Net Assets in PKR MLN (30-Septmeber)	205.2147
NAV/unit in PKR (30-September-17)	8.3288
Portfolio Weighted Average Maturity (in days)	183

Asset Allocation	Sep-17	Aug-17
Cash	80.39%	82.29%
PIBs*	3.31%	2.66%
TDR	4.79%	7.65%
Commercial Paper	4.75%	3.77%
TFC	4.28%	3.83%
Others	2.48%	-0.19%

*Governament backed securities

Monthly Performance

Month	Return	Benchmark
September-17	2.84%	6.47%
August-17	5.42%	6.46%
July-17	4.26%	5.98%
June-17	6.78%	6.46%
May-17	4.76%	6.45%
April-17	5.17%	6.47%
March-17	7.74%	6.41%
February-17	5.50%	6.41%
January-17	4.51%	6.41%
December-16	5.49%	6.43%
November-16	5.58%	6.40%
October-16	3.94%	6.35%
September-16	4.74%	6.35%

Investment Committee	
Khaldoon Bin Latif	Chief Executive Officer
Farrukh Hussain	Chief Investment Officer
Faisal Ali Khan	Chief Financial Officer
Syed Qamar Abbas	Fund Manager (Fixed Income)
Umair Ahmed Khan	Fund Manager (Equity)
Sandeep Kumar	Risk Manager

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Fund Objective

The BMA Chundrigar Road Savings Fund seeks to provide its investors with an attractive rate of return by investing in all fixed income and money market instruments of medium risk and short duration. The fund will seek to maintain a rupee weighted average maturity for the investment portfolio of not more than 5 years.

Fund Commentary

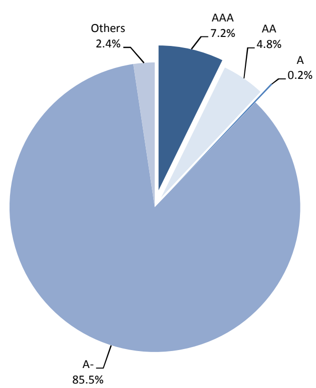
During September'17, the fund posted a return of 2.48% against the benchmark return of 6.47%, underperformed by 363bps. The current allocation of the fund is as follows: 80.39% invested in Cash, 3.31% invested in PIBs, 4.79% placed with a Bank as TDR, 4.28% in TFC and 4.75% in commercial paper. Portfolio's standard deviation was 0.7% . Portfolio weighted average maturity was at 183 days. Based on recent developments at macro front, we believe that current allocation is quite attractive. However, we will rebalance the same incase of any uncertain event. The fund's protfolio is more inclined towards daily products, short tenor investments and floating rate instruments.

Fund Details	
Fund Type	Open End
Category	Aggressive Income Fund
Inception Date	23-Aug-07
Benchmark	1YR KIBOR
Dealing Days	Monday – Friday
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fee	1.50%
Front end Load	Upto 1%
Back End Load	Nil
Fund Stability Rating	A+ (F) (PACRA)
Risk Profile	Moderate
Listing	PSX
Trustee	MCBFSL
Auditor	A. F. Fergusons & Co.
Transfer Agent	Technology Trade
Legal Advisors	KMS Law Associates
Management Quality Rating	AM3
Expense Ratio*	2.38%

*This includes 0.38% of SECP Fee & Govt. Levy

Portfolio Ratings	
AAA	7.22%
AA	4.76%
A	0.16%
A-	85.47%
Others/Unrated	2.40%
Total	**100.00%**

Portfolio Ratings Profile



Economic Outlook

CPI for the month of Sep'17 rose by 3.86% YoY as compared to increase of 3.41% YoY recorded in Aug'17. On a MoM basis, headline inflation arrived at 0.6% for Sep'17 versus 0.2% registered in the previous month. The modest rise in inflation can primarily be attributed to increase in Food & Non-alcoholic Beverages Group (+3.5%YoY), a heavy weight CPI constituent. Core inflation incremented 5.4% YoY during Sep'17 versus a similar reading of 5.5% YoY depicted in the preceding month. On a MoM basis, it registered a meager rise of 0.1% during Sep'17 against an identical reading of 0.1% recorded in the previous month. Food inflation incremented 2.4%YoY during the month as compared to rise of 1.3%YoY registered in Aug'17, primarily on the back of considerable surge in prices of several items such as onions, tomatoes, rice, tea, potatoes, meat etc. For 1QFY18, average headline inflation arrived at 3.4% as against 3.9% recorded in 1QFY17. Going forward, we expect gradual increase in commodity and food prices where the prices of several food items (onions, tomatoes etc.) are already on the up as demand outweighs supply (demand-pull inflation).

In terms of monetary policy outlook, SBP decided to keep the key policy rate unchanged at 5.75% in its Sep'17 meeting. With no imminent surge expected in inflation, we expect the central bank to keep interest rates unchanged in the near term. Primary risk factors continue to be on the economic front as deteriorating macros (rising import bill, debt servicing & depleting reserves) have the potential to drastically alter prevailing economic scenario. We expect dovish monetary policy to continue in near term due to weaker inflationary pressures, however, we anticipate interest rate liftoff to begin from Mar-18 with 3 hikes of 25bps in 2018.

As per the latest data available, current account deficit has widened by 102% in the first two months of FY18, to stand at $2.6 billion compared to $1.29 billion in the same period of the previous fiscal year. The country has already posted a much higher-than-expected deficit of $12.1 billion (4% of gross domestic product – GDP) in the previous fiscal year ended June 30, 2017. Exported goods worth $3.93 billion compared to exports valuing $3.34 billion in the same period of last year, reflecting a reasonable year-on-year increase of 18%. However, imports jumped much faster to $8.98 billion as opposed to $7.02 billion in the corresponding period of last year, up 28%. Balance of trade in both goods and services in the first two months of FY18 was negative $6.03 billion compared with a deficit of $4.35 billion in the same period of previous year.Worker remittances amounted to $3.5 billion in the first two months of fiscal year 2018, up 13.2% from the same period of previous year, when they totaled $3.09 billion. Despite the increasing pressure on currency due to widening current account deficit the PKR remained stable during the month.

State Bank of Pakistan (SBP) in its auction of Tbills on September 28, 2017 raised 480 billion while no bids were accepted in its auction of PIBs which held on September 21, 2017.

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

Disclousure: The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the amount of Rs. 342,887. If the same were not made the NAV per unit of the fund would have been higher by Rs.0.01/0.17%.

MUFAP Recommended Format