



For the month of

January-17

NAV

10.4029

Fund Returns	BECF	BM
Annualized Return (Jan-17)	8.43%	5.26%
Annual. Return (FY17 YTD)	4.50%	5.32%
Annual. Return (365 days)	4.42%	5.40%
Annual. Return (Last 3 Years)	6.71%	7.05%
Annual. Return (Last 5 Years)	8.69%	7.95%
Annual. Return (Inception to Date)	8.46%	8.78%
FY 2016	4.61%	5.85%
FY 2015	8.15%	8.20%
FY 2014	8.47%	8.90%
FY2013	9.14%	8.90%
FY2012	11.32%	11.02%

Portfolio Characteristics	
Net Assets in PKR MLN (31-Jan-17)	55.8744
NAV/unit in PKR (31-Jan-17)	10.4029
Portfolio Duration (in Days)	Nil
Portfolio Weighted Average Maturity (in Days)	Nil
Portfolio Standard Deviation	0.30%

Asset Allocation	Jan-17	Dec-16
Cash	101.96%	101.73%
T Bills	0.00%	0.00%
Accruals	-1.96%	-1.73%
Leverage	None	None

Fund Details	
Fund Type	Open End
Category	Money Market Fund
Benchmark	70% 3M PKRV + 30% 3M Bank Rate
Inception Date	12-Nov-09
Dealing Days	Monday – Friday
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fee**	0.00%
Front end Load	Upto 1%
Back end Load	Nil
Fund Stability Rating	AA+(F) (JCR)
Risk Profile	Low Risk
Listing	PSX
Trustee	MCBFSL
Auditor	A. F.ergusons & Co.
Transfer Agent	Technology Trade
Legal Advisors	KMS Law Associates
Management Quality Rating	AM3
Expense Ratio*	1.94%

\*This includes 0.25% of SECP Fee & Govt. Levy  
 \*\*Management fee is reduced to 0% from 18 November 2016 for a period of six month

Investment Committee	
Khaldoon Bin Latif	Chief Executive Officer
Farrukh Hussain	Chief Investment Officer
Faisal Ali Khan	Chief Financial Officer
Syed Qamar Abbas	Fund Manager
Sandeep Kumar	Risk Manager
Talha Siddiqui	Head of Research

\*Benchmark revised in line with the SECP Direction no. 27 of 2016; previously 3M BANK RATES

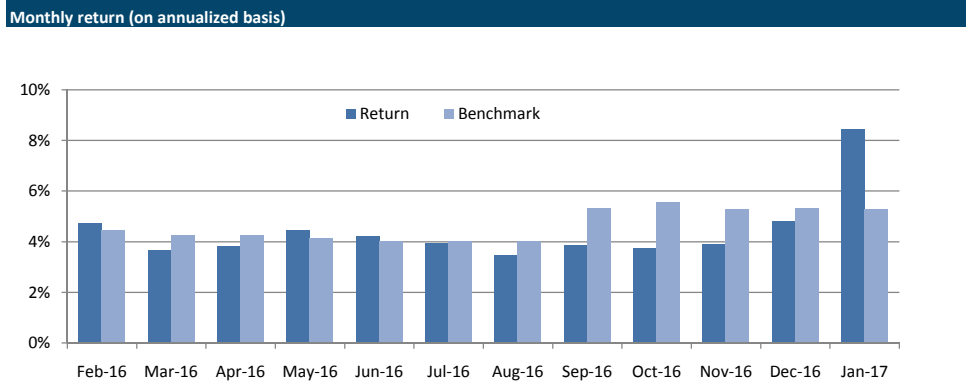
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**Fund Objective**  
 The BMA Empress Cash Fund is a professionally managed cash fund, which aims to minimize risk, maximize liquidity and generate a competitive rate of return. This will be achieved by concentrating portfolio allocation in AA rated banks and short duration sovereign rated securities.

**Fund Commentary**  
 The fund earned an annualized return of 8.43% during Jan'17 as against the benchmark of 5.26%, outperforming the benchmark significantly by 317bps mainly on account of reversal of Workers' Welfare Fund's (WWF) provisioning. The 7MFY17 return of the fund stood at 4.50% p.a. against the benchmark of 5.32%. Standard deviation of returns was 0.30%, reflecting the stable nature of the fund's income. Going forward, we will maintain investment in shorter tenor instruments to avoid interest rate risk.

**Economic Outlook**  
 CPI for Jan'17 clocked in at 3.66% YoY against the CPI of 3.70% YoY for Dec'16, taking the 7MFY17 to 3.85% YoY against 2.26% YoY for the same period last year. The CPI witnessed a meager uptick of 0.18% MoM in Jan'17 as dip in food prices countered the quarterly rise in house rent inflation and increase in drug prices. Core inflation measured by non-food non-energy CPI (Core NFNE) increased by 5.4% YoY in Jan'17 as compared to increase of 5.2% YoY in the previous month. We expect the inflation to remain in range of 3.8%-4.2% for FY17. In our view increasing oil prices pose an upside risk to the CPI figures.  
 The State Bank of Pakistan (SBP) kept the policy rate unchanged at 5.75% in its Jan'17 Monetary Policy for the next two months. Citing benign inflation outlook as a core reason for maintaining the status quo. However in its MPS, SBP highlighted the looming risks on external account and the need of financial inflows as major concerns going forward.  
 During Dec'16 dismal trend in current account continued as country reported a deficit of USD1.08bn compared to a deficit of USD828mn in the Nov'16. Resultantly CAD during 1HFY17 has stood at USD3.6bn (2.2% of GDP). The dismal trend in current account can primarily be attributed to 7%YoY growth in imports to USD21.3bn, 3%YoY decline in exports to USD10.5bn and 2.4% YoY decline in Workers' Remittances to USD9.4bn. The overall BOP position was supported by a rise in FDI on the back of proceeds from Engro Foods transaction (USD462mn) and 48%YoY jump in long term FC loans, and a SUKUK auction of USD1.0bn. Consequently, the BOP position reported a slight surplus of USD225mn during 1HFY17.  
 Country's total foreign reserves stood at USD 22.43bn as of January 27, 2017. The drop in reserves was primarily due to external debt servicing during the month including loan repayment to State Administration of Foreign Exchange (SAFE), China. During the month Rupee traded in a narrow band against the US dollar. However we believe the need for devaluation continues to grow stronger, as the country runs large current account deficit.  
 In the PIB auction held during the month; Central bank raised Rs. 39.4bn against the target of Rs. 50bn after rejection of three previous auctions. The cut-off yield for 3 years, 5 years and 10 years tenor arrived at 6.41%, 6.90% and 7.94% respectively, while no bids were accepted in 20 year tenor.

Portfolio Ratings Profile	Month	Return	Benchmark
	January-17	8.43%	5.26%
	December-16	4.81%	5.30%
	November-16	3.90%	5.26%
	October-16	3.75%	5.57%
	September-16	3.87%	5.32%
	August-16	3.47%	4.03%
	July-16	3.92%	4.03%
	June-16	4.21%	4.03%
	May-16	4.47%	4.12%
	April-16	3.83%	4.25%
	March-16	3.64%	4.25%
	February-16	4.73%	4.45%



Disclosure: The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the amount of Rs. 96,504. If the same were not made the NAV per unit of the fund would have been higher by Rs. 0.018/0.17%.

**MUFAP Recommended Format**

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