



For the month of

March-17

NAV

10.4594

Fund Returns	BECF	BM
Annualized Return (Mar-17)	3.92%	5.28%
Annual. Return (FY17 YTD)	4.27%	5.31%
Annual. Return (365 days)	4.27%	5.36%
Annual. Return (Last 3 Years)	6.39%	6.77%
Annual. Return (Last 5 Years)	8.38%	7.70%
Annual. Return (Inception to Date)	8.43%	8.79%
FY 2016	4.61%	5.82%
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-Mar-17)	100.3103
NAV/unit in PKR (31-Mar-17)	10.4594
Portfolio Duration (in Days)	60
Portfolio Weighted Average Maturity (in Days)	60
Portfolio Standard Deviation	0.01%

Asset Allocation	Mar-17	Feb-17
Cash	12.42%	101.25%
T Bills*	88.74%	0.00%
Accruals	-1.16%	-1.25%
Leverage	None	None

\*Government backed securities

### 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. Fergusons & Co.
Transfer Agent	Technology Trade
Legal Advisors	KMS Law Associates
Management Quality Rating	AM3
Expense Ratio*	2.05%

\*This includes 0.23% of SECP Fee & Govt. Levy

\*\*Management fee is reduced to 0% from 18 November 2016 for the period of 6 months

### 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

### 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 3.92% during Mar'17 as against the benchmark of 5.28%, underperformed by 136 bps. The FY17 return of the fund stood at 4.27% against the benchmark of 5.31%. This performance is net of management fee and all other expenses. Standard deviation of portfolio was 0.01%, reflecting the stable nature of the fund's income. Portfolio duration was at 60 days while the weighted average maturity was also at 60 days. We have maintained investment in shorter tenor instruments and will continue so to avoid interest rate risk.

### Economic Outlook

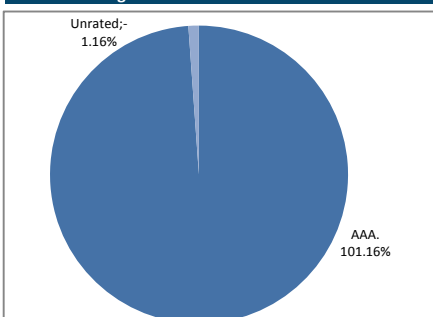
CPI for Mar'17 clocked in at 4.94% YoY/0.84% MoM against the CPI of 4.22% YoY/ 0.28% MoM for Feb'16. Resultantly, 9MFY17 inflation stood at 4.01% YoY against 2.64% YoY during the same period last year. Yearly inflation can be attributed to 16.1% YoY hike in the prices of perishable food items, followed by 13.8% YoY increase in health cost and 10.9% YoY increase in Education head. We expect inflation to remain in manageable range of 4.1%-4.4% during FY17, however, continued recovery in commodity prices and expected rupee devaluation can put some inflationary pressure during FY18.

The State Bank of Pakistan (SBP) kept the policy rate unchanged for the 5th consecutive time at 5.75% in its Mar'17 Monetary Policy for the next two months. According to MPS, real economic activity is gathering pace at the back of better agricultural output, increase in key LSM sectors, and a healthy uptick in the credit to private sector but drop in exports has widened the current account deficit (CAD). Therefore, SBP has maintained the status quo, which is in line with the market expectations. We believe manageable inflation outlook in near future has waved off any chances of hike in policy rate till July'17.

Current account deficit for Feb'17 clocked in at hefty USD 744mn compared to USD1.2bn in Jan'17 owing to coalition support fund receipts and 6% MoM drop in imports. Resultantly, 8MFY17 has mounted to USD 5.47bn (1.7% of GDP), mainly attributed to 11% YoY surge in imports, which has been exacerbated with weak exports (-2% YoY in 8MFY17) and tepid remittance flows (-2.5% YoY). Going forward hike in import bill due to increase in oil prices and declining exports will prompt further weakness in CAD, though contained somewhat by CSF inflows and seasonal recovery in remittance during 4QFY17.

In the PIB auction conducted during the month, government raised Rs. 28.56bn against the bids received of Rs. 70.84bn. The cut-off yields remained unchanged at 6.41%, 6.90% and 7.94% for 3-yr, 5-yr and 10-yr tenors respectively, where the activity was more tilted towards 3-year tenor, whilst all bids for 20-yr PIBs were rejected by the SBP. During second t-bills auction of the month, the cut-off Yield for 3-months t-bills went up by 4bps.

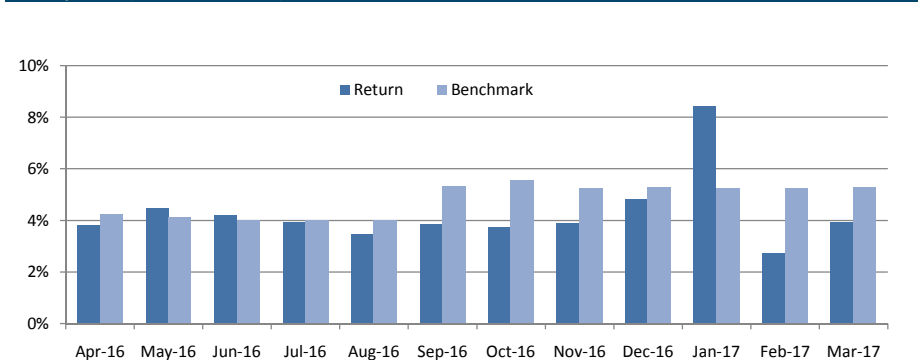
### Portfolio Ratings Profile



### Month Return Benchmark

Month	Return	Benchmark
March-17	3.92%	5.28%
February-17	2.73%	5.27%
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%

### Monthly return (on annualized basis)



Disclosure: The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the amount of Rs.129,737. If the same were not made the NAV per unit of the fund would have been higher by Rs. 0.0135/0.13%.

0800 00262  
 info@bmafunds.com  
 www.bmafunds.com

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