



For the month of

May-17

NAV

10.5345

Fund Returns	BECF	BM
Annualized Return (May-17)	4.10%	5.23%
Annual. Return (FY17 YTD)	4.30%	5.31%
Annual. Return (365 days)	4.29%	5.31%
Annual. Return (Last 3 Years)	6.13%	6.55%
Annual. Return (Last 5 Years)	8.08%	7.51%
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-May-17)	100.1220
NAV/unit in PKR (31-May-17)	10.5345
Portfolio Duration (in Days)	15
Portfolio Weighted Average Maturity (in Days)	15
Portfolio Standard Deviation	0.03%

Asset Allocation	May-17	Apr-17
Cash	91.57%	100.82%
Commercial Paper	9.65%	-
Accruals/Others	-1.23%	-0.82%
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. Fergusons & Co.
Transfer Agent	Technology Trade
Legal Advisors	KMS Law Associates
Management Quality Rating	AM3
Expense Ratio*	1.96%
*This includes 0.21% of SECP Fee & Govt. Levy	
**Management fee is reduced to 0% from 18 November 2016	

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 Ahmad Khan	Fund Manager (Equity)
Sandeep Kumar	Risk Manager

*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 4.10% during May'17 as against the benchmark of 5.23%, underperformed by 113bps. The FY17 return of the fund stood at 4.30% against the benchmark of 5.31%. This performance is net of management fee and all other expenses. Standard deviation of portfolio was 0.03%, reflecting the stable nature of the fund's income. Portfolio duration was at 15 days while the weighted average maturity was also at 15 days. We have maintained investment in shorter tenor instruments and will continue so to avoid interest rate risk.

Economic Outlook

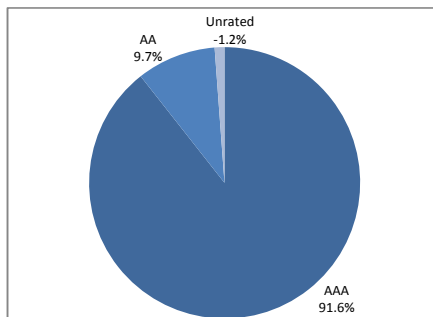
CPI for May'17 rose to its highest since Oct'14 as the CPI figures clocked in at 5.02%YoY/0.01%MoM against the CPI of 4.78%YoY/1.40%MoM in the preceding month. Resultantly, 11MFY17 inflation stood at 4.17%YoY against 2.83%YoY during the same period last year. Monthly inflation figures can be attributed to 10%MoM (-1.69 %points) drop in the food (perishable & Non-perishable) prices, which was countered by a slight increase of 1%MoM (+1.37 %points) by heavy weight head of House, water, electricity & gas. For June-17 we expect inflation to clock in between 5.0%-5.2%, due to slight increase in food index, taking our FY17 inflation expectation to 4.25% against the figure of 2.83% in FY16.

State bank of Pakistan (SBP) kept policy rate unchanged in its latest monetary policy announcement, ascribing its decision to growing domestic demand depicted by FY17 provisional real GDP growth of 5.3% and a stable inflationary environment. The SBP attributed private sector credit expansion (51%YoY growth in private sector credit) to low interest rates and expects similar demand for credit to continue in FY18. On the external side SBP highlighted the widening current account deficit, crediting it to the slowdown in exports & workers' remittances amid surge in import payments. However, going forward SBP expects official inflows to support foreign exchange reserves.

Current Account Deficit (CAD) was recorded at USD1.1bn in Apr'17, a 2.1x MoM increase to the last month. Resultantly 10MFY17 CAD has reached to the level of USD7.2bn compared to USD2.4bn in the same period last year. The increase is mainly attributable to 36%YoY increase in trade deficit. On the other hand, financial account surplus of USD623mn in Apr'17 managed to reduce the balance of payments deficit to USD 0.4bn (-34% MoM). Going forward the seasonal recovery in remittances and inflows under CSF can provide some relief to the widening CAD.

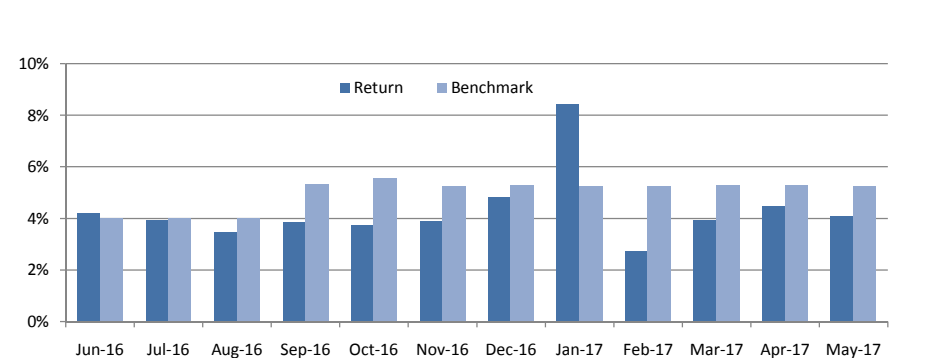
In the PIB auction conducted during the month, government raised Rs.40.66bn against the bids received of Rs.85.49bn. The cut-off yields remained unchanged at 6.41%, 6.90% and 7.94% for 3-yr, 5-yr and 10-yr tenors respectively, where the activity was more tilted towards 3-year tenor, whilst all bids for 20-yr PIBs were rejected by the SBP. The government also raised PKR.712bn in two T-bills auctions, where the cut-off Yield for 12-months T-bills went up by 2bps in second auction.

Portfolio Ratings Profile



Month	Return	Benchmark
May-17	4.10%	5.23%
April-17	4.48%	5.31%
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%

Monthly return (on annualized basis)



Disclosure: The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the amount of Rs.137,018. If the same were not made the NAV per unit of the fund would have been higher by Rs. 0.014/0.14%.

MUFAP Recommended Format

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