



For the month of

July-17

NAV

10.1765

Fund Returns	BECF	BM
Annualized Return (July-17)	4.42%	5.19%
Annual. Return (FY18)	4.42%	5.19%
Annual. Return (365 days)	4.63%	5.29%
Annual. Return (Last 3 Years)	5.98%	6.33%
Annual. Return (Last 5 Years)	7.86%	7.32%
Annual. Return (Inception to Date)	8.01%	8.38%
FY 2017	4.58%	5.29%
FY 2016	4.61%	5.82%
FY 2015	8.15%	8.20%
FY 2014	8.47%	8.90%
FY2013	9.14%	8.90%

Portfolio Characteristics	
Net Assets in PKR MLN (31-July-17)	100.3323
NAV/unit in PKR (31-July-17)	10.1765
Portfolio Weighted Average Maturity (in Days)	10
Portfolio Standard Deviation	0.02%

Asset Allocation	Jul-17	Jun-17
Cash	91.59%	92.28%
Commercial Paper	9.76%	9.72%
Accruals/Others	-1.36%	-1.57%
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*	2.19%

*This includes 0.17% 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 4.42% during July'17 as against the benchmark of 5.19%, underperformed by 77bps. This performance is net of management fee and all other expenses. Standard deviation of portfolio was 0.02%, reflecting the stable nature of the fund's income. Portfolio duration was at 10 days while the weighted average maturity was also at 10 days. We have maintained investment in daily products & shorter tenor instruments and will continue so to avoid interest rate risk.

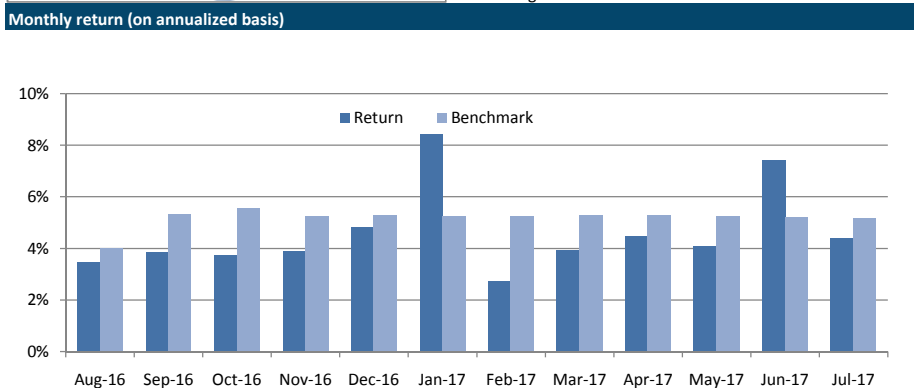
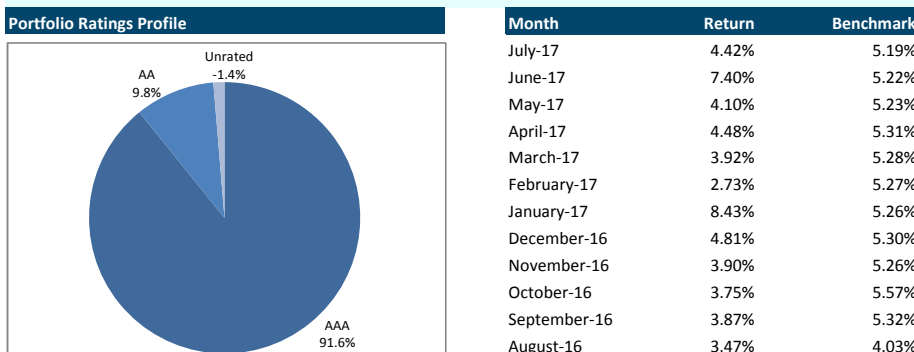
Economic Outlook
 CPI inflation in July'17 increased by 2.9%YoY/0.3%MoM as compared to 3.9%YoY/-0.4%MoM in June'17. The current level of inflation is primarily driven by lower food inflation (0.7%YoY) which has the largest weight (35%) in the CPI basket. We are expecting CPI inflation to remain soft till 3QFY18 and according to our estimates it will be 4.1%-4.3% in FY18 and this estimate is sensitive to following factors i) rebasing of the CPI which is due in 2018 ii) boost in public and private expenditures in light of upcoming elections iii) expected currency devaluation.

State Bank of Pakistan in its MPS of July'17 has kept the policy rate unchanged at 5.75%. The Monetary Policy Statement (MPS) highlighted benign inflation outlook and strengthening aggregate demand as two key positives while mentioned deteriorating external account position in the shape of widening current account deficit as a critical balance of payments challenge.

As per latest data, Current Account Deficit (CAD) showed little respite in Jun'17, recording USD1.43bn (vs USD1.65bn in May'17). As a result, CAD in FY17 came in at highest level in eight years at USD12.1bn (4.0% of GDP) vs USD4.9bn (1.7% of GDP) last year. CAD increase is primarily led by (i) 17.5% YoY jump in imports to USD48.5bn (where ~40% of the increase is due to rise in machinery imports – positive for fixed investment and growth), and (ii) lackluster performance of exports (down 1.4% YoY at USD21.7bn) and remittances (down 3% YoY at USD19.3bn).

Country's total foreign reserves stood at USD 20.28bn as of July 28, 2017. We believe the debt repayment ahead and the widening CAD to put the forex reserves under pressure, which have already dropped from peak level of 24bn. Rupee devalued 3.1% in a single day during the first week of the month, however recovered immediately after the intervention from the ministry of finance.

In the PIB auction held during the month; Central bank raised Rs. 54.45bn. The cut-off yield for 3 years, 5 years and 10 years tenor remained unchanged at 6.41%, 6.90% and 7.94% respectively, while no bids were accepted in 20 year tenor. The government also raised PKR1,646bn in T-bills auctions during the month.



Disclosure: The scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the amount of Rs.88,500. If the same were not made the NAV per unit of the fund would have been higher by Rs. 0.009/0.09%.

MUFAP Recommended Format

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