

FUND MANAGER'S REPORT

BMA EMPRESS CASH FUND

January 2022



Market Outlook

The main highlights of the outgoing month are; (i) CPI for Jan-22 increased to 13.0% YoY (ii) Foreign Exchange reserves decreased to USD 22.48 Billion (iii) Trade deficit swelled to USD 28.80 Billion in 7 months FY22 (iv) FBR collected Rs.3,352 Billion in July-Jan '22 (v) LSM increased 3.26% YoY in 5 months FY22 and (vi) SBP kept its benchmark Policy Rate unchanged to 9.75% in its scheduled MPS in Jan-22.

The National CPI increased to 23 months high to 13.0% YoY on the back of spike in energy charges and higher food prices in Jan-22 compared to 12.28% YoY in Dec-21. The CPI recorded an increase of 0.4% MoM compared to 2-3% between September and November 2021. Urban Core-Inflation (non-food, non-energy) clocked in at 0.8%/8.2% on MoM/YoY basis whereas Rural Core Inflation clocked in at 1.2%/9.0% on MoM/YoY basis.

As per latest SBP data, the foreign reserves decreased by USD 1.76 Billion at the end of Jan-22 to USD 22.482 Billion compared to USD 24.27 Billion at the end of Dec-21. The reserves with SBP were USD 16.19 Billion whereas banks held USD 6.292 Billion. Roshan Digital Accounts have attracted more than USD 2.92 Billion by the end of Jan-22.

The trade deficit for the month of Jan-22 stood at USD 3.362 Billion compared to USD 4.816 Billion in Dec-21 on the back of increase in oil and commodities prices in addition to Pak Rupee depreciation. The 7 months' FY22 deficit touched USD 28.80 Billion against the deficit of USD 15.02 Billion recorded for the SPLY, depicting an increase of more than 91.97%.

According to provisional data, the FBR collected tax of Rs. 3,352 Billion in the 7 months' FY22 against its target of Rs.3,090 Billion. The revenue collection in Jan rose by 17.2% to Rs.430 Billion from last year's Rs.367 Billion for the same month. The collection for 7 months' FY22 is 30.4% higher than the same period last year

The Large scale manufacturing (LSM) witnessed a growth of 3.26% YoY in the 5 months' FY22. However LSM witnessed a growth of 0.30% YoY in Nov-21 compared to Nov-20. Fall in the Non Metallic Mineral Products, Fertilizers, Electronics & Rubber Products are the major contributors for LSM. Overall in 5MFY22, LSM growth increased at 3.26% where Textile, Food, Beverages & Tobacco, Coke & Petroleum Products were among the lead contributors. Government is targeting LSM growth of 6% in FY22.

To counter both inflationary pressures and ensuring sustainable growth, the SBP keep its Policy Rate unchanged to 9.75% in Jan-22. SBP also indicated that the Monetary Policy settings are likely to remain unchanged in the near term. The next MPC is scheduled in Mar-22.

The SBP conducted three Treasury bill auctions in Jan-22 and sold a total of Rs. 2,130.41 Billion worth of short term papers. The cut-off rate of 3, 6 and 12 months paper in the last auction were 10.29%, 10.69% and 10.92% respectively. In its monthly PIB auction, the SBP sold PIBs worth 124.908 Billion. The cut-off rates for 3 years' bond was 10.79%, 5 years' 10.85% and 10 years' 10.97%. SBP rejected all bids for 20 years PIB whereas it did not receive bids for 15 & 30 years papers.

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

BECF earned an annualized return of 1.95% in January 2022 against the benchmark of 9.36%, underperformed by 741bps. 97.76% of the fund was deployed in bank deposits. The standard deviation of the portfolio was 0.84%. The total portfolio maturity was 1 day for the month ended 7 January 2022.

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Fund Returns	BECF	BM
Annualized Return (Jan-22)**	1.95%	9.36%
Annual Return (FY22TD)	5.45%	7.54%
Annualized Return (365 days)	5.82%	7.20%
Annualized Return (Last 3 years)	8.92%	9.05%
Annualized Return (Last 5 years)	8.20%	7.80%
Annualized Return (Inception to Date)	7.97%	8.48%
FY 2021	5.78%	6.70%
FY 2020	11.47%	11.70%
FY 2019	8.84%	8.71%
FY 2018	4.45%	5.35%
FY 2017	4.58%	5.30%

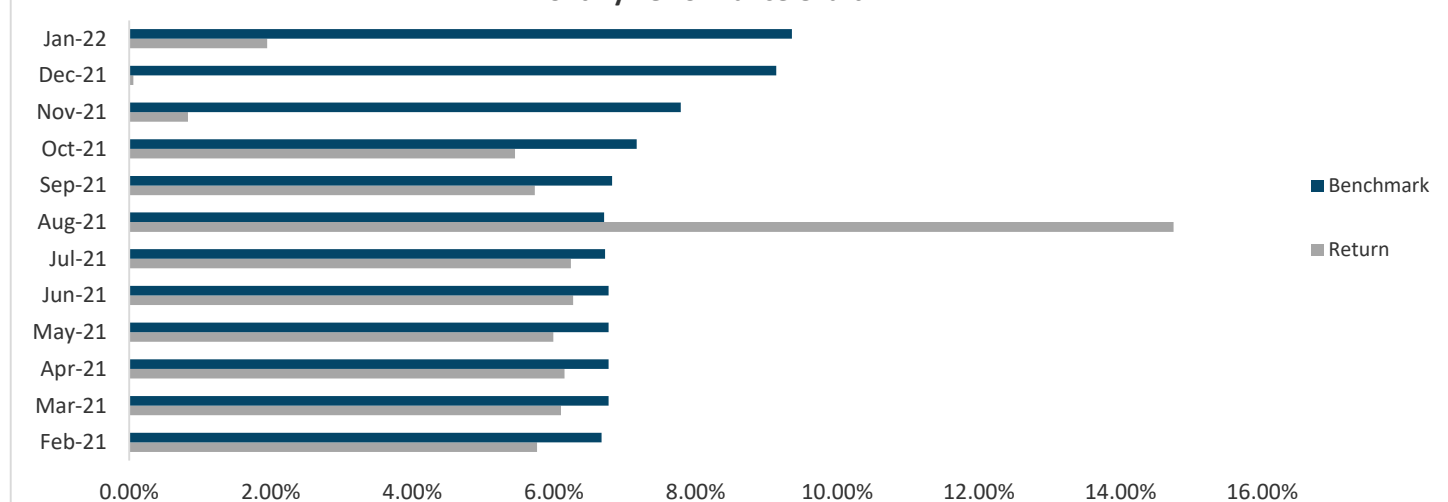
Monthly Performance	BECF	BM
January-22**	1.95%	9.36%
December-21	0.06%	9.14%
November-21	0.83%	7.79%
October-21	5.45%	7.17%
September-21	5.73%	6.82%
August-21	14.75%	6.71%
July-21	6.24%	6.72%
June-21	6.27%	6.77%
May-21	5.99%	6.77%
April-21	6.15%	6.77%
March-21	6.10%	6.77%
February-21	5.76%	6.67%

**For the month ended 7 Jan 2022

Fund Details	
Fund Type	Open End
Category	Money Market Fund
Inception Date	12-Nov-09
Benchmark	70% 3M PKRV + 30% 3M Bank Rate
Dealing Days	Monday – Friday
Cut-off time	4:00 PM
Pricing Mechanism	Forward
Management Fee	0.35%
Front end Load	Upto 1%
Back End Load	Nil
Fund Stability Rating	AA+ (F) (JCR)
Risk Profile	Low Risk
Listing	PSX
Trustee	MCBFSL
Auditor	Reanda Haroon Zakaria & Company, Chartered Accountants
Legal Advisors	KMS Law Associates
Management Quality Rating	AM4++
Expense Ratio*	1.17%

*This includes 0.13% of SECP Fee & Govt. Levy

Monthly Performance Chart



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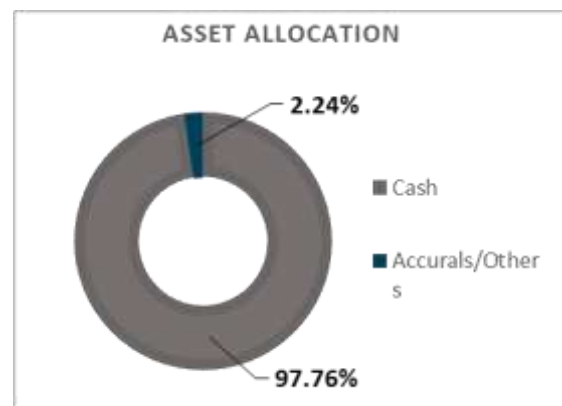
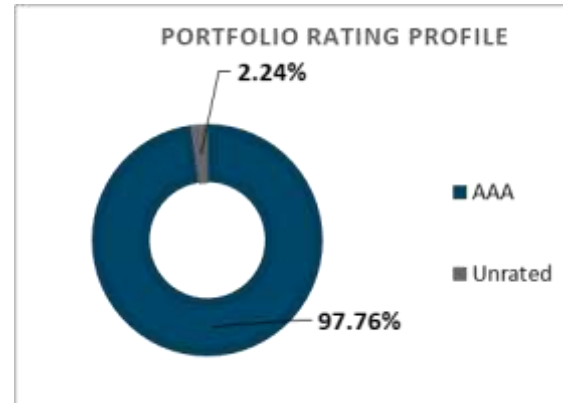
January 2022



Asset Allocation	December-2021	January-2022
Cash	92.03%	97.76%
T-Bills	0.00%	0.00%
Accruals/Others	7.97%	2.24%

Portfolio Ratings	
AAA	97.76%
AA+	0.00%
Unrated	2.24%
Total	100%

Portfolio Characteristics	
Net Assets in PKR MLN (7-January-22)	12.43
NAV/unit in PKR (7-January-22)	10.4244
Portfolio Weighted Average Maturity (in days)	1
Portfolio Standard Deviation	0.84%



Investment Committee	
Muhammad Zafar Rehman	Fixed Income Fund Manager
Faizan Elahi, CFA	Fund Manager-Equities
Amyna Bardai	Chief Financial Officer
Taleya Fatima	Team Lead, Investment Analyst
Chandni Kumari	Junior Investment Analyst
Nuzrat Jamil Khatri	Junior Investment Analyst

Note:

*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.

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MUFAP Recommended Format

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