CONTENTS

Our Mission

"To provide higher risk adjusted returns to investors at large by investing into a diversified range of investment assets on consistent basis."

Our Vision

"ASKARI SOVEREIGN YIELD ENHANCER FUND aims to provide diversified portfolio and return that is risk adjusted to suit investors at large, on a consistent basis."

FUND INFORMATION

Management Company
Pak Oman Asset Management Company Limited.
1st Floor Tower A ,
Finance and trade Centre (FTC),
Karachi
Phone : +92 - 21 - 38696275-79
Fax : +92 - 21 - 38696274
Web site : www.pakomanfunds.com

Board of Director of The Management Company

H.E. Yahya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Humayun Murad	Director
Mr. Sulaiman Hamad Al Harthy	Director
Mr. Saif Said Salim Al Yazidi	Director
Mr. Jehangir Shah	Director
Mr. Habib ur Rehman	Director
Ms. Sadaf Kazmi	CEO

Audit Committee

Mr. Humayun Murad	Chairman
Mr. Bahauddin Khan	Director
Mr. Sulaiman Hamad Al Harthy	Member
Mr. Habib ur Rehman	Member

Human Resource & Remuneration Committee

Mr. Humayun Murad	Chairman
Mr. Bahauddin Khan	Director
Mr. Sulaiman Hamad Al Harthy	Member
Mr. Habib ur Rehman	Member

Human Resource & Remuneration Committee

Mr.Bahauddin Khan	Chairman
Mr. Saif Said Salim Al Yazidi	Member
Mr. Humayun Murad	Member
Ms. Sadaf Kazmi	Member

Chief Financial Officer / Company Secretary
Muhammad Farrukh

Asset Manager Rating
AM3 + (Stable outlook)

Trustee
Central Depository Comany of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S,
Main Shahrah-e-Faisal, Karachi.

Auditors
Earnst & Young Ford Rhodes Sidat Hyder
Progressive Plaza, Beamont Road,
P.O. Box No.15541, Karachi

Bankers to The Fund
Askari Bank Limited
Bank Alfalah Limited
Bruj Bank Limited
Habib Metro Bank
Habib Bank Limited (Islamic Bankimg)
Silk Bank Limited (Islamic Bankimg)

Legal Advisor
Mohsin Tayyab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5,Clifton, Karachi.

Transfer Agent
ITMINDS Limited - A Subsidiary of CDC.
CDC House, 99-B, S.M.C.H.S
Main Shahra-e-Faisal, Karachi-74400, Pakistan.
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Fax : +92 - 21 - 34326040
Web site : www.itminds.biz

DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Oman Asset Management Company Limited ("the Management Company" or "POAMCL" or "the Company") is pleased to present the annual report of the Askari Sovereign Yield Enhancer (ASYE) for the Year ended 30th June 2019.

Economy Review
In FY19 turned out to be tough year for financial sector. After the settlement of newly formed government, Ministry of Finance's efforts, to curtail inflationary pressures and reduce widening macroeconomic imbalances experienced the brunt of the stabilization measures implemented by them. However, SBP's estimates show that economic growth, which slowed down in FY19 will start to rise modestly in FY20. This slowdown was mostly due to lower growth in agriculture and industry. Going forward, some gradual recovery in economic activity is expected on the back of improved market sentiment in the context of the IMF supported program, a rebound in the agriculture sector and government incentives for export oriented industries.

During the Financial Year 2018-2019, there have been two notable developments. First, the government of Pakistan reached a staff-level agreement with the International Monetary Fund for 39-month long Extended Fund Facility of around US$ 6.0 billion. The program is designed to restore macroeconomic stability and support sustainable economic growth, and is expected to unlock considerable additional external financing. Second, trends in government borrowing reflect a widening fiscal deficit during the first nine months of FY19 when compared to the same period in FY18. In addition, a greater reliance on central bank financing of the deficit has acted to dilute the impact of previous monetary tightening.

In FY19, headline inflation averaged at 7.34% as compared to 3.92% in FY18. Major reason behind higher inflation remained food head led by increase in prices of both non-perishable and perishable food items. This was coupled with higher Housing and fuel prices due to which topline inflation has rose sharply in current financial year as compared to previous financial year. In FY19, SPI averaged at 5.15% as compared to 0.88% in FY18 while WPI averaged at 11.97% in comparison to 3.47% FY18.

In consideration to persistent inflationary pressures ahead, elevated fiscal deficit and although improved but still high current account deficit, SBP in its Monetary Policies announced during the period, cumulatively raised discount rate by 575bps to 12.25%. The decisions were taken in the backdrop of higher headline and core inflation, exchange rate depreciation, an elevated fiscal deficit and its increased monetization, and adjustments in utility tariffs.

On the external front, CAD significantly contracted by 31.71% to $13,587 million in FY19 against $19,897 million in FY18. CAD contracted due to 11.33% decline in trade deficit, 29.71% decline in services trade deficit and 9.68% increase in overseas workers remittances. Trade deficit contracted by 29.71% due to decline in imports by 7.34%. This was led by 13.67% decline in import of food items, 22.98% decline in machinery imports and 27.81% decline in import of vehicles and cars. On the other hands, exports during the period, remained sluggish and failed to register signs of recovery. Going forward, materialization of deferred oil facility and measures taken by government to control demand side pressures might show recovery on external front. On the other hand, rupee devaluation and relief to exporters might help lifting up textile industry, resulting in higher exports.

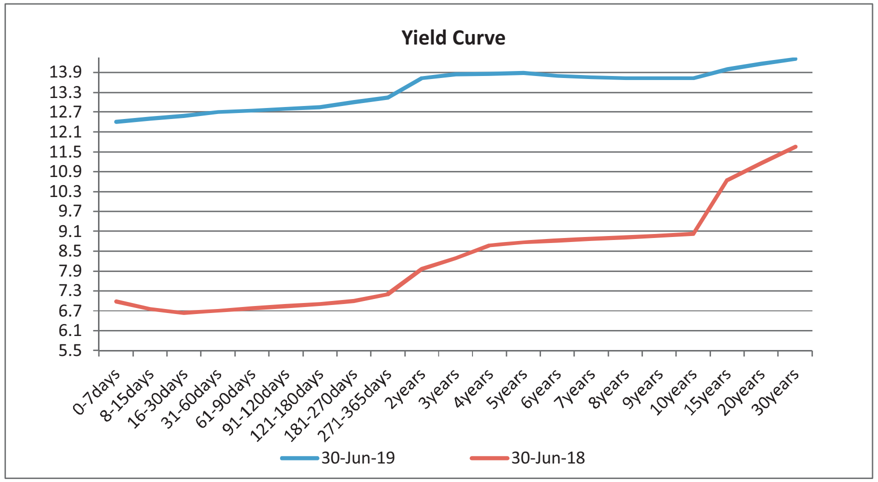
Reflecting the impact of stabilization measures taken by MoF, private sector credit growth has started to slow down. PSC expanded 11.4% during FY19 as compared to 14.8% FY18. The deceleration in credit was more pronounced in real terms as the increase in private sector credit was largely driven by higher input prices, which in turn increased the working capital needs of the businesses. This, together with higher budgetary borrowing led to a sharp increase in the net domestic assets (NDA) of the banking system. In aggregate, broad money supply (M2) grew by 12.2% in FY19 as compared to approximately 10% growth during the comparable period last year. Going forward, the composition of money supply is expected to change as NFA of the banking system is projected to improve, while the growth in NDA is likely to show substantial moderation. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

Fixed Income Review

In FY19 secondary market yields across all tenors headed north, after incorporating the impact of hefty increase in benchmark policy rate. Yields across short term papers increased by 598bps, 602bps and 606bps and closed the period at 12.75%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. Yields across long term papers rose by 671bps, 744bps and 852bps and stood at 13.85%, 13.88% and 13.72% for 3yr, 5yr and 10yr paper respectively. Mostly, interest was witnessed in short term papers while proportioned interest was shifted towards longer tenor bonds in 3QFY19 and 4QFY19. Overall during the period, lesser activity of witnessed across the board in Money Market and participants remained cautious in the wake of continuous increase in discount rate.

In consideration to persistent inflationary pressures ahead, elevated fiscal deficit and although improved but still high current account deficit, SBP in its Monetary Policies announced during the period, cumulatively raised discount rate by 575bps to 12.25%. The decisions were taken in the backdrop of higher headline and core inflation, exchange rate depreciation, an elevated fiscal deficit and its increased monetization, and adjustments in utility tariffs.

In the treasury Bills auction conducted during the quarter, SBP raised a total of PKR 19,523 billion with last cut-off yields settling at 13.7381%, 12.6958% and 13.1500% for 3m, 6m and 12m paper respectively by June-19 end. In the PIB auction conducted for fixed rated PIBs during the period, SBP raised PKR 800 billion cumulatively with last cut-off yield settling at 13.6999%, 13.7687 and 13.6820% for 3yr, 5yr and 10yr bond respectively.



ASYE

In FY19, unit prices of ASYE appreciated by 6.16% as compared to its benchmark return of 10.02%. The assets under management of the fund closed the year at PKR 167 million as compared to PKR 177 million in start of financial year.

In consideration to persistent inflationary pressures ahead, elevated fiscal deficit and although improved but still high current account deficit, SBP in its Monetary Policies announced during the period, cumulatively raised discount rate by 575bps to 12.25%. The decisions were taken in the backdrop of higher headline and

core inflation, exchange rate depreciation, an elevated fiscal deficit and its increased monetization, and adjustments in utility tariffs.

During the period, exposure against Banking sector TFC(s) w at 9.45%, reflecting no change from previous year. It was strategized to keep minimal exposure against this asset class to avoid valuation knock-off. Exposure against Treasury Bills averaged at 52.41% as compared to 72.88% in FY18. Towards the end of 3QFY19, exposure against PIBs was taken to increase fund's recurring return. During the period, investment against PIBs averaged at 22.45%. Remaining funds were invested as cash with A above rated banks. Average cash exposure of the fund during the July-18 to June-19 stood at 14.90%.

Director Holding in Fund(s)

Director Name	Fund Name	July 1, 2019	Investment	Redemption	June 30, 2019
Jehangir Shah	Askari Cash Fund	1.510,625.23	114,810.19	-	1,625,671.93

Acknowledgment

We thank all our investors who have placed their confidence in us. We also offer our sincere gratitude to the Securities and Exchange Commission of Pakistan, the Trustee of the Fund and the management of the Pakistan Stock Exchange. We also wish to place on record our appreciation for the employees of the Management Company.

For and on behalf of the Board
Sadaf kazmi
Chief Executive Officer

31st August 2019
Karachi - Pakistan.

منفی کارکردگی کی اہم وجوہات میں شامل ہیں:

1۔ میکرو معاشی خدشات جن میں دوہرے خسارے کی زیادتی، فاریکس ذخائر میں کمی، گرین بیک کے مقابلے میں پاکستانی روپیہ کی قدر میں کمی، افراط زر کے دباؤ میں اضافہ، مانیٹری سختی اور جی ڈی پی نمو رفتار میں سست روی۔

2۔ بنیادی طور پر مذکورہ بالا معاشی خدشات کی وجہ سے کارپوریٹ منافع کی کمی (7MFY19 میں 4.3 فیصد سالانہ)۔

3۔ آئی ایم ایف سے بیل آوٹ پیکیج حاصل کرنے کے بارے میں غیر یقینی صورتحال نے سرمایہ کاری کے ماحول کے ڈیمپنگ میں اہم کردار ادا کیا۔

4۔ اہم غیر ملکی فنڈز کا آوٹ فلو (مالی سال 19 کے دوران 356 ملین امریکی ڈالر) مسلسل چوتھے سال بھی جاری رہا جس کی وجہ ہم مقامی کرنسی کی کمزوری قرار دیتے ہیں۔

ASYE

مالی سال 19 میں، ASYE کے یونٹ کی قیمت میں بینچ مارک کے 10.02 فیصد کے مقابلے میں 6.16 فیصد اضافہ ہوا۔ زیر انتظام فنڈ کے اثاثے مالی سال کے آغاز میں 177 ملین روپے کے مقابلے میں سال کے اختتام پر 167 ملین روپے پر بند ہوئے۔

افراطِ زر کا مستقل دباؤ آگے بڑھنے کے پیش نظر، مالی خسارے میں اضافہ ہوا اور حالانکہ اس کے باوجود موجودہ کرنٹ اکاؤنٹ خسارے میں بہتری واقع ہوئی ہے، اس مدت کے دوران اپنی مانیٹری پالیسیوں میں ایس بی پی نے مجموعی طور پر ڈسکاؤنٹ کی شرح 575bb سے بڑھا کر 12.25 فیصد کردی ہے۔ یہ فیصلے بلند ہیڈ لائن اور بنیادی افراط زر، زر مبادلہ کی شرح گراوٹ، بلند مالی خسارہ اور اضافی مونیٹائزیشن اور یوٹیلیٹی ٹیرف میں ایڈجسٹمنٹ کے پس منظر میں کیئے گئے۔

اس مدت کے دوران، بینکنگ سیکٹر ٹی ایف سی (ایس) کا سائز 9.45 فیصد رہا، جو پچھلے سال سے کوئی تبدیلی ظاہر نہیں کرتا ہے۔ ان اثاثوں کی کم سے کم نمائش رکھنے کے لئے حکمت عملی طے کی گئی تھی تاکہ قیمتوں کا تبادلہ روکا جاسکے۔ ٹریژری بلوں کا سائز اوسطاً 52.41 فیصد رہا جبکہ مالی سال 18 میں یہ 72.88 فیصد تھا۔ 3QFY19 کے اختتام تک، فنڈ کی منفعت بڑھانے کے لئے PIBs کی نمائش کی گئی۔ اس عرصے کے دوران PIBs میں سرمایہ کاری اوسطاً 22.45 فیصد رہی۔ بقیہ فنڈز A سے اوپر درجہ بندی کے بینکوں کے ہاں بطور نقد سرمایہ کاری کی گئی۔ جولائی 18 سے جون 19 کے دوران فنڈ کا نقد اوسطاً 14.90 فیصد رہا۔

فنڈز میں ڈائریکٹر ہولڈنگ

ڈائریکٹر کا نام	فنڈ کا نام	یکم جولائی 2019ء	سرمایہ کاری	واپس وصولی	30 جون 2019ء
جہانگیر شاہ	عسکری کیش فنڈ	1.510,625.23	114,810.19	-	1,625,671.93

اظہار تشکر

ہم ان تمام سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، فنڈ کے متولیان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ مخلصانہ کوششوں پر ان کے مشکور ہیں۔ منتظم کمپنی کے ملازمین کے لئے ہم اپنی ستائش ریکارڈ پر لانا چاہتے ہیں۔

برائے ومنجانب بورڈ

صدف کاظمی
چیف ایگزیکٹو آفیسر
31 اگست 2019ء
کراچی۔ پاکستان

میں بہتری متوقع ہے، جبکہ این ڈی اے میں ہونے والی نمو میں کافی حد تک اعتدال نظر آنے کا امکان ہے۔ حکومت کے لئے اب بھی سب سے بڑا چیلنج کرنسی کی قدر میں کمی، آئندہ قرضوں کی ادائیگیوں اور کاروباری زیادہ اخراجات ہوگی۔

مخصوص آمدنی کا جائزہ

مالی سال 19 میں بینچ مارک پالیسی کی شرح میں بھاری اضافے کے اثرات کو شامل کرنے کے بعد، تمام مدت میں ثانوی مارکیٹ کی پیداوار میں اضافہ ہوا۔ مختصر مدتی پیپرز کی حاصلات میں 598 بی پی ایس، 602 بی پی ایس اور 606 بی پی ایس کا اضافہ ہوا اور 3 ماہ، 6 ماہ اور 12 ماہ مدت کے پیپرز میں بالترتیب 12.75 فیصد، 12.85 فیصد اور 13.13 فیصد پر بند ہوئیں۔ طویل مدتی پیپرز کی حاصلات میں 671 بی پی ایس، 744 بی پی ایس اور 852 بی پی ایس اضافہ ہوا اور 3 سالہ، 5 سالہ اور 10 سالہ پیپرز کے لئے بالترتیب 13.85 فیصد، 13.88 فیصد اور 13.72 فیصد تک بڑھ گئیں۔ زیادہ تر، انٹریسٹ مختصر مدت کے پیپرز میں دیکھا گیا ہے جبکہ متناسب انٹریسٹ 3QFY19 اور 4QFY19 میں طویل مدت کے بانڈز کی طرف منتقل ہوگیا۔ مجموعی طور پر اس عرصے کے دوران منی مارکیٹ میں بورڈ کی سرگرمیاں کم دیکھنے میں آئیں اور ڈسکاؤنٹ شرح میں مسلسل اضافے کے پیش نظر شرکاء محتاط رہے۔

افراطِ زر کا مستقل دباؤ آگے بڑھنے کے پیش نظر، مالی خسارے میں اضافہ ہوا اور حالانکہ اس کے باوجود موجودہ کرنٹ اکاؤنٹ خسارے میں بہتری واقع ہوئی ہے، اس مدت کے دوران اپنی مانیٹری پالیسیوں میں ایس بی پی نے مجموعی طور پر ڈسکاؤنٹ کی شرح 575bb سے بڑھا کر 12.25 فیصد کردی ہے۔ یہ فیصلے اعلی ہیڈ لائن اور بنیادی افراط زر، زر مبادلہ کی شرح گراوٹ، بلند مالی خسارہ اور اضافی مونیٹائزیشن اور یوٹیلیٹی ٹیرف میں ایڈجسٹمنٹ کے پس منظر میں کیئے گئے۔

سہ ماہی کے دوران منعقدہ ٹریژری بلوں کی نیلامی میں، اسٹیٹ بینک نے جون 19 کے اختتام تک 3 ماہ، 6 ماہ اور 12 ماہ کے لئے بالترتیب 13.7381 فیصد، 12.6958 فیصد اور 13.1500 فیصد پر لاسٹ کٹ آف پیداواری ہدف کے ساتھ مجموعی طور پر 19,523 بلین روپے اکٹھے کیئے۔ اس عرصے کے دوران فکسڈ ریٹیڈ پی آئی بیز کے لئے منعقدہ پی آئی بی نیلامی میں، اسٹیٹ بینک نے 3 سالہ، 5 سالہ اور 10 سالہ بانڈ کے لئے بالترتیب 13.6999 فیصد، 13.7687 فیصد اور 13.6820 فیصد پر لاسٹ کٹ آف پیداواری ہدف کے ساتھ مجموعی طور پر 800 بلین روپے اکٹھے کیئے۔

ایکویٹی جائزہ

مالی سال 19 میں کے ایس ای 100 انڈیکس پاکستانی روپے پر مبنی 19 فیصد کمی ظاہر کرتے ہوئے مسلسل دوسرے سال منفی ریٹرن کے ساتھ بند ہوا۔ کے ایس ای 100 انڈیکس گذشتہ دو سالوں کے دوران سب سے زیادہ سالانہ نقصان برداشت کررہا ہے کیونکہ 2008 میں مالی بحران میں بھی ایسا ہی سلوک دیکھا گیا تھا۔

مالی سال 19 اسٹاک مارکیٹ کی تاریخ کا ایک انتہائی غیر یقینی صورتحال کے نشان تک پہنچ گیا، کئی سالوں میں معیشت کی کم ترین شرح نمو نہیں ہوئی، پاکستانی روپیہ کی امریکی ڈالر اور دیگر کرنسیوں کے مقابلے میں قدر کی کمی ہوئی، ایس بی پی کی طرف سے سود کی شرحوں میں اضافہ، ایف ایکس ذخائر کا بدترین سطح تک سکڑاؤ، موجودہ اور مالی خسارہ تاریخی اعلی سطح پر، ناموافق کارپوریٹ آمدنی، بے سود صارفین کے اخراجات، بجلی کی قیمتوں پر بھاری افراط زر اور پاکستانی روپیہ کی قدر میں کمی اور دیگر بہت ساری رکاوٹوں نے اسٹاک مارکیٹ کو نقصان پہنچایا۔

معاشی غیر یقینی صورتحال کے درمیان 4QFY19 کے دوران پاکستان کی مارکیٹ میں 12 فیصد (امریکی ڈالر کی شرائط میں 23 فیصد) کی اہم کمی دیکھنے میں آئی۔ جنوری سے جون 2019 کے دوران یہ 9 فیصد (21 فیصد امریکی ڈالر) کم ہوئی ہے۔ ختم ہونے والے مالی سال کے دوران، بینچ مارک پاکستان انڈیکس میں مسلسل دوسرے سال 19 فیصد (39%~ امریکی ڈالر) کی کمی واقع ہوئی۔ بنیادی طور پر خراب معاشی حالات اور پاکستانی روپیہ کی قدر میں کمی کی پشت پر پچھلے 2 مالی سالوں میں مارکیٹ کیپٹلائزیشن میں تیزی سے 53 فیصد کمی واقع ہوئی ہے جو بنیادی طور پر خراب معاشی حالات اور پاکستانی روپیہ کی قدر میں کمی کی وجہ سے مالی سال 19 میں 91 بلین امریکی ڈالر سے 43 بلین امریکی ڈالر رہ گئی ہے۔ مالی سال 19 کے دوران، مارکیٹ سرگرمی بھی ساکت رہی کیونکہ روزانہ کے دوران اوسط حجم 11 فیصد کی کمی سے 155mn رہ گیا، جبکہ پاکستانی روپیہ کی شرائط میں یومیہ قدر تقریباً 6.4 بلین روپے طے کی گئی، کیش مارکیٹ میں 22 فیصد کی کمی واقع ہوئی۔ مزید برآں، فیوچر مارکیٹ میں، روزانہ اوسط حجم 14 فیصد اضافے سے 69~ ملین شیئرز جبکہ روزانہ اوسط قیمت بالترتیب 19 فیصد کم ہوکر 2.7 ارب ڈالر ہوگئی۔

یونٹ ہولڈرز کو ڈائریکٹران کی رپورٹ

پاک اومان مینجمنٹ کمپنی لمیٹڈ ("منتظم کمپنی" یا "POAMCL" یا "کمپنی") کے بورڈ آف ڈائریکٹرز عسکری سوریجن ییلڈ انہینسر (ASYE) کی سالانہ رپورٹ برائے مختتمہ سال 30 جون 2019 پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں۔

اقتصادی جائزہ

مالی سال 19 مالیاتی شعبے کے لئے مشکل ترین سال رہا۔ نئی منتخب حکومت کی سیٹلمنٹ کے بعد، افراط زر کے دباؤ اور وسیع پیمانے پر معاشی عدم توازن کو کم کرنے کے لئے وزارت خزانہ کی کاوشوں کے ذریعہ استحکام کے اقدامات کے نفاذ کا سامنا کرنا پڑا۔ تاہم، اسٹیٹ بینک کے تخمینے سے پتہ چلتا ہے کہ مالی سال 19 میں کم معاشی نمو مالی سال 20 میں معمولی حد تک بڑھنا شروع ہو جائے گی۔ یہ سست روی زیادہ تر زراعت اور صنعت میں کم نمو کی وجہ سے تھی۔ آگے بڑھتے ہوئے، آئی ایم ایف کے حمایت یافتہ پروگرام، زراعت کے شعبے میں ایک بازگشت اور برآمدی صنعتوں کے لئے حکومتی مراعات کے تناظر میں، اقتصادی سرگرمیوں میں بتدریج بحالی کی توقع کی جا رہی ہے۔

مالی سال 2019-2018 کے دوران، دو قابل ذکر پیشرفت ہوئی ہیں۔ سب سے پہلے، حکومت پاکستان نے بین الاقوامی مالیاتی فنڈ کے ساتھ تقریباً 6.0 بلین امریکی ڈالر کی 39 ماہ کی طویل توسیعی فنڈ کی سہولت کا عملہ کی سطح پر معاہدہ کیا ہے۔ یہ پروگرام معاشی استحکام کی بحالی اور پائیدار معاشی نمو کی حمایت کے لئے تیار کیا گیا ہے، اور توقع کی جاتی ہے کہ اس میں خاطر خواہ اضافی بیرونی مالی اعانت کا اعلان کیا جائے گا۔ دوسرا، حکومت کے قرض لینے کے رجحانات مالی سال 18 کے اسی عرصے کے مقابلے میں مالی سال 19 کی پہلی نو ماہی کے دوران بڑھتے ہوئے مالی خسارے کی عکاسی کرتے ہیں۔ اس کے علاوہ، مرکزی بینک کی مالی اعانت پر خسارے کے زیادہ انحصار نے گزشتہ مانیٹری سختی کے اثرات کو کم کرنے کے لئے کام کیا ہے۔

مالی سال 19 میں، ہیڈ لائن اوسطاً افراط زر 7.34 فیصد رہا جو مالی سال 18 میں 3.92 فیصد تھا۔ افراطِ زر میں اضافے کی بڑی وجہ مہنگائی اور خراب نہ ہونے والی اشیائے خورد و نوش کی قیمتوں میں اضافہ رہی ہے۔ اس سے ہاؤسنگ اور ایندھن کی قیمتوں میں اضافہ ہوا جس کی وجہ سے پچھلے مالی سال کے مقابلہ میں موجودہ مالی سال میں افراط زر کی بالائی لائن تیزی سے اوپر کو بڑھ گئی۔ مالی سال 19 میں ایس پی آئی اوسطاً 5.15 فیصد رہا جو کہ مالی سال 18 میں یہ 0.88 فیصد تھا جبکہ ڈبلیو پی آئی اوسطاً 11.97 رہا جو کہ مالی سال 18 میں 3.47 فیصد تھا۔

افراطِ زر کا مستقل دباؤ آگے بڑھنے کے پیش نظر، مالی خسارے میں اضافہ ہوا اور حالانکہ اس کے باوجود موجودہ کرنٹ اکاؤنٹ خسارے میں بہتری واقع ہوئی ہے، اس مدت کے دوران اپنی مانیٹری پالیسیوں میں ایس بی پی نے مجموعی طور پر ڈسکاؤنٹ کی شرح 575bb سے بڑھا کر 12.25 فیصد کر دی ہے۔ یہ فیصلے اعلی ہیڈ لائن اور بنیادی افراط زر، زر مبادلہ کی شرح گراوٹ، بلند مالی خسارہ اور اضافی مونیٹائزیشن اور یوٹیلیٹی ٹیرف میں ایڈجسٹمنٹ کے پس منظر میں کئے گئے۔

بیرونی محاذ پر، مالی سال 19 میں سی اے ڈی نمایاں طور پر 31.71 فیصد کمی سے 13,587 ملین ڈالر ہو گیا جو مالی سال 18 میں 19,897 ملین ڈالر تھا۔ کرنٹ اکاؤنٹ خسارہ میں یہ کمی تجارتی خسارے میں 11.33 فیصد کمی، خدمات میں 29.71 فیصد کمی اور بیرون ملک مقیم مزدوروں کی ترسیلات زر میں 9.68 فیصد اضافے کی وجہ سے ہوئی۔ درآمدات میں 7.34 فیصد کمی کی وجہ سے تجارتی خسارہ 29.71 فیصد کم ہوا۔ اشیائے خورد و نوش کی درآمد میں 13.67 فیصد کمی، مشینری کی درآمد میں 22.98 فیصد کمی اور گاڑیوں اور کاروں کی درآمد میں 27.81 فیصد کمی کی وجہ سے کرنٹ اکاؤنٹ خسارہ میں کمی واقع ہوئی۔ دوسری طرف، اس عرصے کے دوران برآمدات، سست رہیں اور بازیابی کے آثار درج کرنے میں ناکام رہیں۔ آگے بڑھتے ہوئے، تیل کی ملتوی سہولیات کو عملی شکل دینے اور حکومت کی جانب سے طلب کے دباؤ کو کنٹرول کرنے کے اقدامات سے بیرونی محاذ پر بحالی کا امکان ظاہر ہو سکتا ہے۔ دوسری طرف، روپے کی قدر میں کمی اور برآمد کنندگان کو ریلیف ٹیکسٹائل کی صنعت کو سہارا دینے میں معاون ثابت ہو سکتا ہے، جس کے نتیجے میں برآمدات میں اضافہ ہو گا۔

ایم او ایف کی طرف سے اٹھائے گئے استحکام کے اقدامات کے اثرات کی عکاسی کرتے ہوئے، نجی شعبے میں قرضوں کی نمو سست ہونا شروع ہو گئی ہے۔ مالی سال 19 کے دوران پی ایس سی کی 11.4 فیصد توسیع ہوئی جو کہ مالی سال 18 میں 14.8 فیصد تھی۔ کریڈٹ میں کمی کو حقیقی معنوں میں زیادہ واضح کیا گیا کیونکہ نجی شعبے کے قرضوں میں اضافے کو زیادہ تر ان پٹ کی زیادہ قیمتوں سے اخذ کیا گیا تھا، جس کے نتیجے میں کاروباری ورکنگ سرمایہ کی ضروریات میں اضافہ ہوا تھا۔ اس کے ساتھ ساتھ اعلی بجٹری قرضے لینے سے بینکنگ سسٹم کے خالص ڈومیسٹک ایسٹ (این ڈی اے) میں تیزی سے اضافہ ہوا۔ مالی سال 19 میں مجموعی طور پر، براڈ منی سپلائی (M2) میں 12.2 فیصد کا اضافہ ہوا ہے جبکہ پچھلے سال کی اسی مدت کے دوران قریباً 10 فیصد اضافہ ہوا تھا۔ آگے بڑھتے ہوئے، رقم کی سپلائی کی ترکیب میں تبدیلی کی توقع کی جا رہی ہے کیونکہ بینکاری نظام کے این ایف اے

REPORT OF THE FUND MANAGER OF THE MANAGEMENT COMPANY

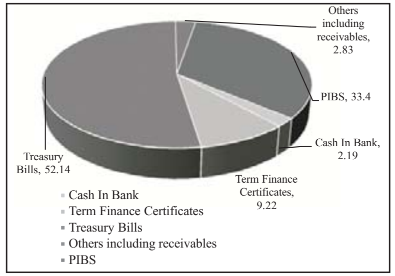
Pak Oman Asset Management Company, the Management Company of Askari Sovereign Yield Enhancer (the Fund) is pleased to present the Fund Manager's Report of the Fund for the year ended June 30, 2019.

INVESTMENT OBJECTIVE:

The objective of the Fund is to generate relatively higher yield than the conventional bank deposits, from a portfolio constituted of credit worthy sovereign instruments and banking sector fixed income instruments and deposits

Terms and Structure

Type of Scheme	Open – End Fund
Nature of Scheme	Income Scheme
Inception Date	May 7th, 2012
Face Value	PKR 100 per Unit
Fund Size	PKR 167.187mn
NAV (Jun 30, 2019)	PKR 109.0268per Unit
Benchmark	Average 6 Months KIBOR
Listing	Pakistan Stock Exchange
Trustee	Central Depository Company of Pakistan Limited
Auditor	Deloitte Yousuf Adil Chartered Accountants
Legal Advisor	Junaidy & Shoaib Co
Transfer Agent	IT Minds Pvt Limited
Management Fee	1.35% p.a.
Fund Stability Rating	A+ by JCR-VIS
AMC Rating	AM3+ (Stable outlook) by PACRA
Fund Manager	Mr. Summaira Shoukat
Investment Committee	Mr. Jamsheed Aziz Mr. Adeel Shahid



ASYE Performance

Return (FY'19)	6.16%
Benchmark (FY'19)	10.02%
Distributions FY'19 (PKR/Unit)	

Unit Holding Pattern

Units	# of Unit Holders
0 – 1,000	
1,001 – 50,000	
50,001 – 500,000	
500,001 – 1,000,000	
1000,001 - Above	

Asset Allocation (% of Assets)	2018	2019
Cash In Bank	5.23	2.19
Term Finance Certificates	5.98	9.22
PIBs	0.00	33.43
Treasury Bills	83.96	52.14
Others including receivables	0.00	2.83

Distribution

NAV before distribution (PKR.)	109.0268
Dividend (PKR.)	6.4057
0Ex NAV (PKR.)	102.1843

Returns History

Year	FY14	FY15	FY16	FY17	FY18
ASYE	8.33	10.74	9.21	4.83	4.53
Benchmark	8.90	8.33	5.31	6.10	6.21

As per the requirement of Regulation 38A (g) of the NBFC regulations 2008, AMC on behalf of CIS did not participate in shareholder's meeting during the year.

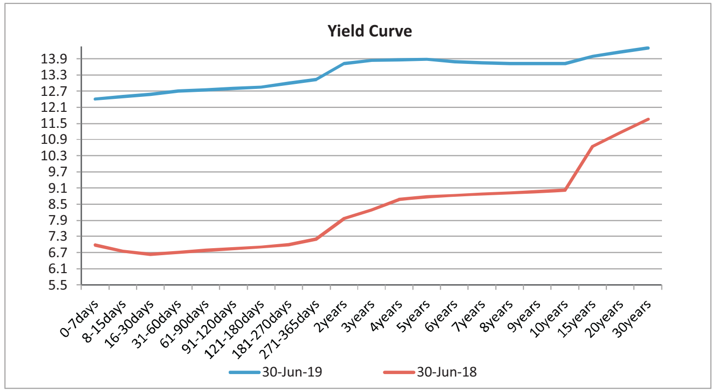
The proxy voting policy of the CIS is available on the website of the AMC and detailed information regarding actual proxies voted by the AMC in respect of the CIS is also available without charges, upon request, to all unit holders.

Fixed Income Review

In FY19 secondary market yields across all tenors headed north, after incorporating the impact of hefty increase in benchmark policy rate. Yields across short term papers increased by 598bps, 602bps and 606bps and closed the period at 12.75%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. Yields across long term papers rose by 671bps, 744bps and 852bps and stood at 13.85%, 13.88% and 13.72% for 3yr, 5yr and 10yr paper respectively. Mostly, interest was witnessed in short term papers while proportioned interest was shifted towards longer tenor bonds in 3QFY19 and 4QFY19. Overall during the period, lesser activity of witnessed across the board in Money Market and participants remained cautious in the wake of continuous increase in discount rate.

In consideration to persistent inflationary pressures ahead, elevated fiscal deficit and although improved but still high current account deficit, SBP in its Monetary Policies announced during the period, cumulatively raised discount rate by 575bps to 12.25%. The decisions were taken in the backdrop of higher headline and core inflation, exchange rate depreciation, an elevated fiscal deficit and its increased monetization, and adjustments in utility tariffs.

In the treasury Bills auction conducted during the quarter, SBP raised a total of PKR 19,523 billion with last cut-off yields settling at 13.7381%, 12.6958% and 13.1500% for 3m, 6m and 12m paper respectively by June-19 end. In the PIB auction conducted for fixed rated PIBs during the period, SBP raised PKR 800 billion cumulatively with last cut-off yield settling at 13.6999%, 13.7687 and 13.6820% for 3yr, 5yr and 10yr bond respectively.



Disclosure: Pak Oman Asset Management Company Limited (POAML), on behalf of the fund, did not participate in any proxy voting during the year due to insignificant holding.

September 20, 2019

Mr. Sumaira Shoukat
Fund Manager

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
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Karachi - 74400. Pakistan.
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TRUSTEE REPORT TO THE UNIT HOLDERS

ASKARI SOVEREIGN YIELD ENHANCER

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Askari Sovereign Yield Enhancer (the Fund) are of the opinion that Pak Oman Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 27, 2019

CENTRAL DEPOSITORY COMPANY

INDEPENDENT AUDITOR'S REPORT

To the unit holders of Askari Sovereign Yield Enhancer

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Askari Sovereign Yield Enhancer (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund and Management Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** Investments held at fair value through profit or loss are disclosed in note 6 to the financial statements and represent a significant portion of the net assets of the Fund.	We performed the following procedures during our audit of investments: • obtained understanding of relevant controls placed by the Management Company applicable to the balance;

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S. No.	Key audit matter	How the matter was addressed in our audit
	The Fund's primary activity is, inter alia, to invest in government securities, term finance certificates and short term placements which is the main driver of the Fund's performance. Considering the above factors, the valuation and existence of investments are significant areas during our audit due to which we have considered this as a key audit matter.	• independently verified existence of investments from the Investor Portfolio Services (IPS) and Central Depository Company (CDC) account statements; • performed test of details on sale and purchase of investments on a sample basis; • tested valuation of investments; and • any differences identified during our testing that were over our acceptable threshold were investigated further.

Information other than the financial statements and auditor's report thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management Company and Those Charged with Governance for the financial statements

Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are responsible for overseeing the Fund's financial reporting process.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance of Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Naresh Kumar.

Chartered Accountants

Date:
Place: Karachi

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2019

	Note	2019	2018
		----------(Rupees in '000)----------	
ASSETS			
Banks balances	5	**4,771**	8,853
Investments	6	**178,587**	180,137
Mark-up accrued	7	**2,468**	1,954
Advance, deposit and prepayments	8	**1,464**	144
Total assets		**187,290**	191,088
LIABILITIES			
Payable to Pak Oman Asset Management Company Limited - Management Company	9	**9,719**	9,796
Payable to Central Depository Company of Pakistan Limited - Trustee	10	**27**	28
Payable to the Securities and Exchange Commission of Pakistan	11	**126**	183
Dividend payable		**7,049**	6,134
Accrued expenses and other liabilities	12	**3,182**	3,396
Total liabilities		**20,103**	19,537
NET ASSETS		**167,187**	171,551
UNIT HOLDERS' FUND (as per statement attached)		**167,187**	171,551
Contingencies and commitments	14		
		---------(Number of units)---------	
Number of units in issue	15	**1,636,138**	1,677,200
		----------------(Rupees)---------------	
Net asset value per unit	16	**102.1840**	102.2842

The annexed notes from 1 to 31 form an intergral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

INCOME	Note	2019	2018
		----------(Rupees in '000)----------	
Return / mark-up on:			
- government securities		**13,872**	11,396
- bank balances		**1,672**	1,176
- term finance certificates		**1,743**	1,684
- letter of placement		**145**	1,930
Net loss on sale of investments		**(1,006)**	(164)
Other income		**72**	488
Net unrealised loss on re-measurement of investments at fair value through profit or loss	6.3	**(1,787)**	(116)
Total income		**14,711**	16,394
EXPENSES			
Remuneration of Pak Oman Asset Management Company Limited - Management Company	9.1	**2,275**	3,291
Sindh Sales Tax on remuneration of the Management Company	9.2	**296**	428
Reimbursement of operational expenses to the Management Company	9.4	**169**	244
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	**286**	414
Sindh Sales Tax on remuneration of the Trustee	10.2	**37**	54
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	**126**	183
Auditors' remuneration	17	**579**	496
Fees and subscription		**227**	256
Legal and professional charges		**163**	81
Securities transaction cost		**24**	9
Bank, settlement and other charges		**377**	313
Printing and stationery expenses		**8**	58
Total expenses		**4,567**	5,827
Net income from operating activities		**10,144**	10,567
Provision for Sindh Workers' Welfare Fund	13	**(216)**	(211)
Net income for the year before taxation		**9,928**	10,356
Taxation	18	**-**	-
Net income for the year after taxation		**9,928**	10,356
Earnings per unit	19		
Allocation of net income for the year			
Net income for the year after taxation		**9,928**	10,356
Income already paid on redemption of units		**(501)**	(2,806)
		9,427	7,550
Accounting income available for distribution			
- Relating to capital gains		**-**	-
- Excluding capital gains		**9,427**	7,550
		9,427	7,550

The annexed notes from 1 to 31 form an intergral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	-------- (Rupees in '000) ---------	
Net income for the year after taxation	**9,928**	10,356
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**9,928**	10,356

The annexed notes from 1 to 31 form an intergral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED 30 JUNE 2019

	2019			2018		
	---- (Rupees in '000) ----					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the year	**156,809**	**14,742**	**171,551**	371,159	14,462	385,621
Issuance of 252,465 units (2018: 30,954 units)						
- Capital value	**25,823**	**-**	**25,823**	3,157	-	3,157
- Element of income	**1,158**	**-**	**1,158**	24	-	24
Total proceeds on issuance of units	**26,981**	**-**	**26,981**	3,181	-	3,181
Redemption of 293,527 units (2018: 2,134,329 units)						
- Capital value	**(30,023)**	**-**	**(30,023)**	(217,703)	-	(217,703)
- Element of (loss) / income	**(493)**	**(501)**	**(994)**	172	(2,806)	(2,634)
Total payments on redemption of units	**(30,516)**	**(501)**	**(31,017)**	(217,531)	(2,806)	(220,337)
Total comprehensive income for the year	**-**	**9,928**	**9,928**	-	10,356	10,356
Final distribution for the year ended June 30, 2019	**(619)**	**(9,637)**	**(10,256)**	-	-	-
(cash distribution @ Rs. 6.4057 per unit declared on June 27, 2019)						
Final distribution for the year ended June 30, 2018	**-**	**-**	**-**	-	(7,270)	(7,270)
(cash distribution @ Rs. 4.3 per unit declared on June 29, 2018)						
Net income for the year less distribution	**(619)**	**291**	**(328)**	-	3,086	3,086
Net assets at end of the year	**152,655**	**14,532**	**167,187**	156,809	14,742	171,551
Undistributed income brought forward comprising of:						
- Realised		**14,858**			13,674	
- Unrealised		**(116)**			788	
		14,742			14,462	
Accounting income available for distribution						
- Relating to capital gains		**-**			-	
- Excluding capital gains		**9,427**			7,550	
		9,427			7,550	
Distribution during the year		**(9,637)**			(7,270)	
Undistributed income carried forward		**14,532**			14,742	
Undistributed income carried forward comprising of:						
- Realised		**16,319**			14,858	
- Unrealised		**(1,787)**			(116)	
		14,532			14,742	
			----- (Rupees) ----			----- (Rupees) ----
Net assets value per unit at beginning of the year			**102.28**			102.00
Net assets value per unit at end of the year			**102.18**			102.28

The annexed notes from 1 to 31 form an intergral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		-------------(Rupees in '000)-------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**9,928**	10,356
Adjustments:			
Return / mark-up on:			
- government securities		**(13,872)**	(11,396)
- bank balances		**(1,672)**	(1,176)
- term finance certificates		**(1,743)**	(1,684)
- letter of placement		**(145)**	(1,930)
Net loss on sale of investment		**1,006**	164
Net unrealised loss on re-measurement of investments at fair value through profit or loss		**1,787**	116
Provision for Sindh Workers' Welfare Fund		**216**	211
		(4,495)	(5,339)
(Increase) / decrease in assets			
Investments - net		**(1,243)**	227,475
Advance, deposit and prepayments		**(1,320)**	231
		(2,563)	227,706
Increase / (decrease) in liabilities			
Payable to the Management Company		**(77)**	(254)
Payable to the Trustee		**(1)**	(63)
Payable to the Securities and Exchange Commission of Pakistan		**(57)**	(379)
Payable against purchase of investments		**-**	(19,631)
Accrued expenses and other liabilities		**(430)**	(175)
		(565)	(20,502)
Mark-up received on government securities		**11,489**	11,396
Mark-up received on bank balances		**1,687**	1,130
Mark-up received on term finance certificates		**2,347**	1,916
Mark-up received on letter of placement		**1,395**	680
Net cash generated from operating activities		**9,295**	216,987
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received on issuance of units		**26,981**	3,181
Amounts paid on redemption of units		**(31,017)**	(220,337)
Distributions paid		**(9,341)**	(13,446)
Net cash used in financing activities		**(13,377)**	(230,602)
Net decrease in cash and cash equivalents during the year		**(4,082)**	(13,615)
Cash and cash equivalents at the beginning of the year		**8,853**	22,468
Cash and cash equivalents at the end of the year	5	**4,771**	8,853

The annexed notes from 1 to 31 form an intergral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Askari Sovereign Yield Enhancer (the Fund) was established under a Trust deed executed between Askari Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee on December 09, 2011. The Fund was registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in December 23, 2011.

Pak Oman Asset Management Company Limited (POAMCL) has acquired 100% shares of Askari Investment Management Limited (AIML) from Askari Bank Limited on May 31, 2017 under share purchase agreement dated April 10, 2017. PAOMCL has filed amalgamation scheme, under Section 282 (L) of the Companies Ordinance 1984, which has been approved by SECP via its order dated October 12, 2017. The effective date of merger of POAMCL and AIML is October 30, 2017 as per the above mentioned order."

The Management Company is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. The registered office of the Management Company is situated at Finance and Trade Centre, First Floor, Tower A, Karachi, Pakistan.

The Fund is an open-ended mutual fund classified as an 'income scheme' by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

The objective of the Fund is to generate relatively higher yield than the conventional bank deposits, from a portfolio constituted of credit worthy sovereign instruments and banking sector fixed income instruments and deposits.

The Pakistan Credit Rating Agency Limited has assigned an asset manager rating of 'AM3+' to the Management Company as at and a stability rating of A+ to the Fund.

Title to the assets of the Fund is held in the name of CDC as a trustee of the Fund.

2. BASIS OF PREPRATION

2.1 Statement of compliance

"These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund. All amounts have been rounded off to the nearest of Rupee, unless otherwise indicated.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying Fund's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised; if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

(a) Classification of financial assets (Note 4.2.1 and 4.17.1)
(b) Impairment of financial assets (Notes 4.2.1 and 4.17.4)
(c) Provision (Notes 4.13)

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures except for the impact of IFRS 9 (refer note 4.2).

	Effective from accounting period beginning on or after:
- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 01, 2018
- IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 01, 2018
- IFRS 9 'Financial Instruments' - This standard superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date. (Refer note 4.2)	July 01, 2018
- IFRS 15 'Revenue from Contracts with Customers' - This standard will superseded IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
- Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business.	January 01, 2020
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019

	Effective from accounting period beginning on or after:
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
- IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
- Amendments to References to the Conceptual Framework in IFRS Standards.	January 01, 2020
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material.	January 01, 2020
- Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years' financial statements except for the change in accounting policies as explained in note 4.2.

4.1 Cash and cash equivalents

Cash comprises current and saving accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Adoption of IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2014. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Fund. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

Details of these new requirements as well as their impact on the Fund's financial statements are described below except the General Hedge Accounting which the Fund does not apply. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

4.2.1 Classification and measurement

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost (“AC”),
- Fair value through other comprehensive income (“FVTOCI”) and
- Fair value through profit or loss (“FVTPL”).

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss.

Business Model Assessment

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9:

1) Hold to collect business model
2) Hold to collect and sell business model
3) FVTPL business model

Considering above, the Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Original carrying value as per old framework	New carrying value as per IFRS 9
			------------ (Rupees in '000)	------------
Financial assets				
Bank balances	LR	AC	8,853	8,853
Letter of placement	LR	FVTPL	18,000	18,000
Government securities	HFT	FVTPL	144,520	144,520
Term finance certificates	HFT	FVTPL	17,617	17,617
Mark-up accrued	LR	AC	1,954	1,954
Deposit	LR	AC	100	100
Financial liabilities				
Payable to the Management Company	OFL	AC	9,796	9,796
Payable to the Trustee	OFL	AC	28	28
Accrued expenses and other liabilities	OFL	AC	946	946
Dividend payable	OFL	AC	6,134	6,134

- "LR" is loans and receivables
- "AC" is ammortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities

4.2.2 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKIRSV rates) which are based on the remaining tenor of the securities.

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

4.3 Impairment of non financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement. If in a subsequent period, the amount of an impairment loss recognised decreases, the impairment is reversed through the Income Statement.

As mentioned in note 4.2.1, the impairment requirement of IFRS – 9 for debt securities has been deferred. The Fund has been carrying policy for provision for non-performing debt securities and other exposures which are in accordance with the criteria specified in Circular No. 33 of 2012 dated October 24, 2012 issued by SECP.

4.4 Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

4.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

4.6 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.7 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.8 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.9 Net asset value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.10 Revenue recognition

- Gain / (loss) arising on sale of investments are included in the 'income statement' on the date at which the sale transaction takes place.

- Unrealised gain / (loss) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.

- Return / mark-up on bank balances, letter of placement, government securities and term finance certificates are recognised on time apportionment basis using the effective interest method.

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4.11 Expenses

All expenses including remuneration to fund manager and trustee, annual fee to the SECP and selling and marketing expense are recognised in the income statement on an accrual basis.

4.12 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus shares).

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.13 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

4.14 Distribution to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.15 Earnings per unit (EPU)

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

4.16 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

Element of income / (loss) represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period.

Further, the element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net assets value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

On redemption of units, element of income is paid on units redeemed from element of income contributed by unit holders on issue of units (i.e. return of capital) or the element of income is paid from the income earned by the fund or the element of income is partly paid out of element of income contributed by unit holders (i.e. return of capital) and partly from the income earned by the fund.

4.17 Transition to IFRS 9 Financial Instruments

Accounting policies applied to financial instruments prior to July 01, 2018.

Financial assets

4.17.1 Classification

The management of the Fund determines appropriate classification of investments at the time of purchase and classifies these investments at fair value through profit or loss, loans and receivables or available-for-sale.

a) Investments at fair value through profit or loss - held-for-trading

Financial assets that are acquired principally for the purpose of generating profit from short term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short term profit making exists.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (i) loans and receivables, (ii) held to maturity investments or (iii) financial assets at fair value through profit and loss.

4.17.2 Initial recognition and measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss-held for trading'. Financial assets carried 'at fair value through profit or loss - held for trading' are initially recognized at fair value and transaction costs are recognized in the 'income statement'.

4.17.3 Subsequent measurement

a) Financial assets as 'at fair value through profit or loss - held for trading'

1) Debt securities (other than government securities)

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Fund Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012. In the determination of valuation rates, the MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

2) Government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss - held for trading' are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

b) Loans and receivables

Subsequent to initial recognition, financial assets classified as 'loans and receivables' are carried at amortized cost using the effective interest method. Gains or losses are also recognized in the 'income statement and other comprehensive income' when financial assets carried at amortized cost are derecognised or impaired, and through the amortization process.

4.17.4 Impairment of financial assets

The carrying value of the Fund's financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

a) Debt Securities

Provision for non-performing debt securities is made on the basis of time based criteria as prescribed under circular no. 33 of 2012 dated October 24, 2012 issued by the SECP. Impairment losses recognized on debt securities can be reversed through the 'Income Statement'.

As allowed under circular no. 13 of 2009 dated May 3, 2009 issued by the SECP, the management may also make provision against debt securities over and above the minimum provision requirement prescribed in the aforesaid circular, in accordance with a provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

b) Loans and receivables

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the assets carrying value and present value of estimated future cash outflows, discounted at the original effective interest rate.

	Note	**2019**	2018
		--------------**(Rupees in '000)**--------------	
5. BANKS BALANCES			
Savings accounts	5.1	**4,771**	8,853

5.1 These saving accounts carry mark-up at the rates ranging from 3.75% to 8.00% (2018: 3.75% to 7.00%) per annum.

	Note	2019	2018
		------(Rupees in '000)-----	
6. INVESTMENTS			
At fair value through profit or loss			
Government securities	6.1	**161,275**	144,520
Term finance certificates	6.2	**17,312**	17,617
Loans and receivables			
Letter of placement		**-**	18,000
		178,587	180,137

6.1 Government securities

6.1.1 Market Treasury Bills

Issue Date	Tenor	Face value: As at July 1, 2018	Face value: Purchased during the year	Face value: Sold / matured during the year	Face value: As at June 30, 2019	Market value as at June 30, 2019	Investment as a percentage of: Net assets	Investment as a percentage of: Market value of total investments
		----Rupees in '000----					---- % ----	
26-Apr-2018	3 months	145,000	-	145,000	-	-	-	-
03-Jan-2019	3 months	-	150,000	150,000	-	-	-	-
19-Jul-2018	3 months	-	145,000	145,000	-	-	-	-
11-Oct-2018	3 months		155,000	155,000	-	-	-	-
06-Dec-2018	3 months	-	253,000	253,000	-	-	-	-
14-Feb-2019	3 months	-	70,000	70,000	-	-	-	-
25-Apr-2019	3 months	-	30,000	-	30,000	29,826	17.84	16.70
09-May-2019	3 months	-	70,000	-	70,000	69,260	41.43	38.78
						99,086		
Carrying value before mark to market as at June 30, 2019						**99,202**		

6.1.1.1 The effective yield on market treasury bills is ranging from 6.22% to 11.04% per annum.

6.1.2 Pakistan Investment Bonds

Issue Date	Tenor	Face value: As at July 1, 2018	Face value: Purchased during the year	Face value: Sold / matured during the year	Face value: As at June 30, 2019	Market value as at June 30, 2019	Investment as a: Net assets	Investment as a: Market value of total investments
		----Rupees in '000----					---- % ----	
12-Jul-18	3 years	-	240,000	170,000	70,000	62,189	37.20	34.82
						62,189		
Carrying value before mark to market as at June 30, 2019						**63,563**		

6.1.2.1 The effective yield on Pakistan Investment Bonds is 7.31% per annum.

6.2 Term finance certificates

Name of the investee company	Number of certificates: As at July 01, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019	Market value as at June 30, 2019	Investment as a percentage of: Net assets	Market value of total investments	Issue Size
					Rupees in '000'	---- % ----		
Bank of Punjab (6.2.1)	175	-	-	175	17,312	10.35	9.69	0.70
					17,312			
Carrying value before mark to market as at June 30, 2019					**17,609**			

6.2.1 Other particulars of term finance certificates outstanding as at June 30, 2019 are as follows:

Name of the investee company	Total Face value	Face value (unredeemed)	Mark-up rate per annum	Rating	Issue date	Maturity date
Bank of Punjab	100,000	99,900	6 Month KIBOR ask rate plus 1.00%	AA-	23-Dec-16	23-Dec-26

	2019	2018
	----- (Rupees in '000) ----	
6.3 Net unrealised loss on re-measurement of investments at fair value through profit or loss		
Market value of investments	**178,587**	162,137
Less: carrying value of investments before mark to market	**(180,374)**	(162,253)
	(1,787)	(116)
7. MARK-UP ACCRUED		
Mark-up accrued on term finance certificate	**54**	658
Mark-up accrued on government securities	**2,383**	-
Mark-up accrued on banks balance	**31**	46
Mark-up accrued on letter of placement	**-**	1,250
	2,468	1,954
8. ADVANCE, DEPOSIT AND PREPAYMENTS		
Prepayments	**133**	-
Advance tax	**1,231**	44
Security deposit with Central Depository Company of Pakistan Limited - Trustee	**100**	100
	1,464	144

	Note	2019	2018
		---- (Rupees in '000) ----	

9. PAYABLE TO PAK OMAN ASSET MANAGEMENT COMPANY LIMITED - COMPANY LIMITED

	Note	2019	2018
Remuneration of the Management Company	9.1	**194**	196
Sindh Sales Tax on remuneration of the Management Company	9.2	**1,138**	1,138
Federal Excise Duty on remuneration of the Management Company	9.3	**7,469**	7,469
Reimbursement of operational expenses to the Management Company	9.4	**918**	993
		9,719	9,796

9.1 The Management Company has charged its remuneration at the rate of 1.1% (2018:1.1%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2018: 13%) on Management Company`s remuneration through Sindh Sales Tax on Services Act, 2011 effective from July 1, 2011. This also includes Rs. 0.099 million (2018: Rs. 0.099 million) accrued on Federal Excise Duty (FED) on the remuneration of the Management Company as fully explained in note 9.3.

9.3 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED aggregating to Rs. 7.469 million as at June 30, 2019.

Had the provision of FED not been made, the net asset value per unit as at June 30, 2019 would have been higher by Rs. 4.57 per unit (2018: Rs. 4.45 per unit).

9.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets being the lower amount to the Fund.

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	Note	2019	2018
		-------------(Rupees in '000)------------	

10. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2019	2018
Remuneration of the Trustee	10.1	**24**	25
Sindh Sales Tax on remuneration of the Trustee	10.2	**3**	3
		27	28

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the average annual net assets of the Fund. The remuneration is payable to the Trustee monthly in arrears.

Tariff structure applicable to the Fund as at June 30, 2019 is as follows:

Net asset value	**Tariff per annum**
Up to Rs. 1,000 million	Rs. 0.7 million or 0.15% per annum of net asset value, whichever is higher.
Exceeding Rs. 1,000 million	Rs. 1.5 million plus 0.075% per annum of net asset value, exceeding Rs. 1,000 million

10.2 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (2018: 13%) on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as 'Income Scheme' is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the Fund. The fee is paid annually in arrears.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2019	2018
		--------(Rupees in '000)---------	
Withholding tax		**44**	130
Capital gain tax		**-**	34
Auditors' remuneration		**418**	496
Legal and professional charges		**105**	307
Provision for Sindh Workers' Welfare Fund	13	**2,502**	2,286
Others		**113**	143
		3,182	3,396

13. SINDH WORKERS' WELFARE FUND

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

As at June 30, 2019, the provision in relation to SWWF amounted to Rs. 2.502 million (2018: Rs. 2.286 million). Had the provision not been made, the net assets value per unit as at June 30 2019 would have been higher by Rs. 1.53 per unit (June 30, 2018: Rs. 1.36 per unit).

14. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2019 and June 30, 2018.

15. NUMBER OF UNITS IN ISSUE

	2019	2018
	Number of units	
Total units in issue at the beginning of the year	**1,677,200**	3,780,575
Add: units issued during the year	**252,465**	30,954
Less: units redeemed during the year	**(293,527)**	(2,134,329)
Total units in issue at the end of the year	**1,636,138**	1,677,200

16. NET ASSET VALUE PER UNIT

The net asset value per unit as disclosed in the 'statement of assets and liabilities' is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

17. AUDITORS' REMUNERATION

	2019	2018
	(Rupees in '000)	
Annual audit fee	**330**	330
Half yearly review fee	**121**	121
Income certification	**40**	-
	491	451
Out of pocket expenses including government levies	**88**	45
	579	496

18. TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the Fund is required to distribute ninety percent of accounting income other than capital gains whether realised or unrealised to the unit holders. The Fund has distributed such accounting income for the year ended June 30, 2019 to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

19. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

20. TOTAL EXPENSE RATIO

In accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for year ended June 30, 2019 is X.XX% which includes X.XX% representing government levy i.e. Sindh Sales Tax, SECP fee and provision for Sindh Worker's Welfare Fund.

21. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

21.1 Connected persons and related parties include Pak Oman Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Pak Oman Investment Company Limited being the Parent of the Management Company. It also includes associated companies of Management Company due to common directorship, subsidiaries and associated companies of the Parent of the Management Company, other collective investment schemes managed by the Management Company, directors, key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

21.2 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

21.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

21.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

21.5 Details of the transactions with connected persons and related parties are as follows:

	2019	2018
	--------(Rupees in '000)-------	
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration of the Management Company	**2,275**	3,291
Sindh Sales Tax on remuneration of the Management Company	**296**	428
Reimbursement of operational expenses to the Management Company	**169**	244
Units redeemed: Nil units (2018: 515,820 units)	**-**	53,024
Cash dividend	**-**	10,224
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	**286**	414
Sindh Sales Tax on remuneration of the Trustee	**37**	54
CDS charges	**7**	7
Askari Bank Limited (Unit holder of 10% or more units of the fund)		
Profit on bank deposits	**17**	316
Bank charges	**1**	31

21.6 Amounts outstanding as at year end are as follows:

	2019	2018
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration of the Management Company	**194**	196
Sindh Sales Tax on remuneration of the Management Company	**1,138**	1,138
Federal Excise Duty on remuneration of the Management Company	**7,469**	7,469
Reimbursement of operational expenses to the Management Company	**918**	993
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	**24**	25
Sindh Sales Tax on remuneration of the Trustee	**3**	3
Security deposit	**100**	100
Askari Bank Limited (Unit holder of 10% or more units of the fund)		
Outstanding 1,000,000 units (2018: 1,000,000 units)	**102,184**	
Dividend payable	**6,406**	4,374
Balance with bank	**1,231**	723
Profit receivable on bank deposits	**-**	1

22. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No	Name	Designation	Qualification	Experience
1	Sadaf Kazmi	Chief Executive Officer	MPA	19 Year
2	Syed Adeel Shahid	Chief Financial Officer	CA - Finalist	18 years
3	Jamshed Aziz	CIO	ACCA	18 Year
4	Sumaira Shaukat	Manager - Fixed Income	ACCA	5.5 years

Ms. Sumaira Shoukat is the manager of the Fund. Other funds being managed by the Fund Manager are as follows:

- Pak Oman Government Securities Fund
- Askari Cash Fund

23. TRANSACTIONS WITH BROKERS / DEALERS

List of brokers by percentage of commission charged during the year:

S.No	Names	2019	2018
1	BMA Capital Limited	**43.08%**	49.24%
2	Currency Market Associate (Pvt) Ltd	**28.16%**	27.39%
3	Pearl Securities Limited	**15.45%**	11.07%
4	Paramount Capital (Pvt) Ltd	**13.31%**	4.27%
5	Next Capital Limited	**-**	4.27%
6	Invest Capital Market Limited	**-**	3.78%
		100%	100%

24. PATTERN OF UNIT HOLDING

Category	As at June 30, 2019		
	Number of unit holders	Net asset value of the amount invested (Rupees in '000)	Percentage of investment
Banks & DFIs	**1**	**102,184**	**61.12%**
Individuals	**111**	**11,964**	**7.16%**
Others	**14**	**41,206**	**24.65%**
Retirement funds	**2**	**11,833**	**7.08%**
	128	**167,187**	**100.00%**

Category	As at June 30, 2018 Number of unit holders	Net asset value of the amount invested (Rupees in '000)	Percentage of investment
Associated companies	1	102,284	59.62%
Individuals	126	25,574	14.91%
Others	8	25,472	14.85%
Retirement funds	8	18,221	10.62%
	143	171,551	100.00%

25. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 68th, 69th, 70th & 71st Board meetings were held on September 6, 2018, October 26, 2018, March 7, 2019 and May 7, 2019 respectively. Information in respect of attendance by directors in the meetings is given below:

Name of the Director	Number of meetings: Number of meetings held under directorship	Attended	Leave granted	Meetings not attended
H.E. Yahya Bin Said Bin Abdullah Al-Jabri	4	4	-	-
Mr. Bahauddin Khan	4	4	-	-
Mr. Sulaiman Hammad Al-Harthy	4	2	2	69th & 71st
Mr. Humayun Murad	4	4	-	-
Mr. Jehangir Shah	4	4	-	-
Mr. Habib Ur Rehman	4	3	1	68th
Mr. Saif Said Salim Al Yazidi	4	3	1	69th
Mr. Adeel Ahmed Khan	4	4	-	-

26. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019

	At amortised cost	At fair value through profit or loss	Total
Financial assets	----------------(Rupees in '000)----------------		
Bank balances	**4,771**	**-**	**4,771**
Investments	**-**	**178,587**	**178,587**
Mark-up accrued	**2,468**	**-**	**2,468**
Deposits	**100**	**-**	**100**
	7,339	**178,587**	**185,926**

As at June 30, 2019

	At amortised cost	At fair value through profit or loss	Total
Financial liabilities	----------------(Rupees in '000)----------------		
Payable to the Management Company	**9,719**	**-**	**9,719**
Payable to the Trustee	**27**	**-**	**27**
Dividend payable	**7,049**	**-**	**7,049**
Accrued expenses and other liabilities	**636**	**-**	**636**
Net assets attributable to redeemable units	**167,187**	**-**	**167,187**
	184,618	**-**	**184,618**

As at June 30, 2018

	Loans and receivables	At fair value through profit or loss - held for trading	Total
	------------------(Rupees in '000)----------------		
Financial assets			
Bank balances	8,853	-	8,853
Investments	18,000	162,137	180,137
Mark-up accrued	1,954	-	1,954
Deposits	100	-	100
	28,907	162,137	191,044

As at June 30, 2018

	At fair value through profit or loss	Other financial liabilities	Total
	-----------------(Rupees in '000)-----------------		
Financial liabilities			
Payable to the Management Company	-	9,796	9,796
Payable to the Trustee	-	28	28
Dividend payable	-	6,134	6,134
Accrued expenses and other liabilities	-	946	946
Net assets attributable to redeemable units	-	171,551	171,551
	-	188,455	188,455

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount			Fair value			
June 30, 2019	At amortised cost	At fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial assets measured at fair value							
Government securities	-	161,275	161,275	-	161,275	-	161,275
Term finance certificates	-	17,312	17,312	-	17,312	-	17,312
	-	178,587	178,587	-	178,587	-	178,587
Financial assets not measured at fair value							
Bank balances	4,771	-	4,771	-	-	-	-
Mark-up accrued	2,468	-	2,468	-	-	-	-
Deposit	100	-	100	-	-	-	-
	7,339	-	7,339	-	-	-	-

	Carrying amount			Fair value			
June 30, 2019	At amortised cost	At fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
Financial liabilities not measured at fair value							
Payable to the Management Company	9,719	-	9,719	-	-	-	-
Payable to the Trustee	27	-	27	-	-	-	-
Dividend payable	7,049	-	7,049	-	-	-	-
Accrued expenses and other liabilities	636	-	636	-	-	-	-
Net assets attributable to redeemable units	167,187	-	167,187	-	-	-	-
	184,618	-	184,618	-	-	-	-

	Carrying amount				Fair value			
June 30, 2018	At fair value through profit or loss - held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Government securities	144,520	-	-	-	-	144,520	-	144,520
Term finance certificates	17,617	-	-	-	-	17,617	-	17,617
	162,137	-	-	-	-	162,137	-	162,137
Financial assets not measured at fair value								
Bank balances	-	8,853	-	8,853	-	-	-	-
Letter of placement	-	18,000	-	18,000	-	-	-	-
Mark-up accrued	-	1,954	-	1,954	-	-	-	-
Deposit and other receivable	-	100	-	100	-	-	-	-
	-	28,907	-	28,907	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company	-	-	9,796	9,796	-	-	-	-
Payable to the Trustee	-	-	28	28	-	-	-	-
Dividend payable	-	-	6,134	6,134	-	-	-	-
Accrued expenses and other liabilities	-	-	946	946	-	-	-	-
Net assets attributable to redeemable units	-	-	171,551	171,551	-	-	-	-
	-	-	188,455	188,455	-	-	-	-

27.1 The Fund has not disclosed the fair values for these financial assets (other than investment) and for financial liabilities, as these are either short term in nature or are repriced periodically. Therefore, their carrying amounts are reasonable approximation of their fair values.

28. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risks to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

The management of these risks is carried out by the Management Company under policies approved by its Board of Directors.

The Fund invests primarily in a portfolio of government securities and term finance certificates. The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

28.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

28.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

28.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

As at June 30, 2019, the Fund holds KIBOR based interest bearing interest bearing term finance certificates and balance in saving accounts exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on the last repricing data of these market treasury bills, term finance certificates and balances with banks, with all other variables held constant, the net income and net assets would have been higher / lower by Rs. 1.83 million (2018: Rs. 1.71 million)

b) Sensitivity analysis for fixed rate instruments

The Fund holds Pakistan Investment Bonds and Market Treasury Bills that expose the Fund to fair value interest rate risk as at June 30, 2019. In case of 100 basis points increase in coupon rate on June 30, 2019, with all other variables held constant, the net assets of the Fund for the year would have been higher by Rs. 1.105 million. In case of 100 basis points decrease in KIBOR on 30 June 2019, with all other variables held constant, the net assets of the Fund for the year would have been lower by Rs. 1.131 million and net income for the year would have been lower by Rs. 1.131 million.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

As at June 30, 2019

	Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments	%	Rupees in '000				
Financial assets						
Banks balances	3.75 - 8.00	4,771	4,771	-	-	-
Investments	6.22 - 14.06	178,587	99,086	17,312	62,189	-
Mark-up accrued		2,468	-	-	-	2,468
Deposit		100	-	-	-	100
		185,926	103,857	17,312	-	2,568
Financial liabilities						
Payable to the Management Company		9,719	-	-	-	9,719
Payable to the Trustee		27	-	-	-	27
Dividend payable		7,049	-	-	-	7,049
Accrued expenses and other liabilities		636	-	-	-	636
Net assets attributable to redeemable units		167,187	-	-	-	167,187
		184,618	-	-	-	184,618
On-balance sheet gap		1,308	103,857	17,312	-	(182,050)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-

As at June 30, 2018

	Yield / Interest rate	Total	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk
			Upto three months	More than three months and upto one year	More than one year	
On-balance sheet financial instruments	%	Rupees in '000				
Financial assets						
Balance with banks	3.75 - 7.00	8,853	8,853	-	-	-
Investments	5.85 - 8.02	180,137	162,520	17,617	-	-
Mark-up accrued		1,954	-	-	-	1,954
Deposits and prepayments		100	-	-	-	100
		191,044	171,373	17,617	-	2,054
Financial liabilities						
Payable to the Management Company		9,796	-	-	-	9,796
Payable to the Trustee		28	-	-	-	28
Dividend payable		6,134	-	-	-	6,134
Accrued expenses and other liabilities		946	-	-	-	946
Net assets attributable to redeemable units		171,551	-	-	-	171,551
		188,455	-	-	-	188,455
On-balance sheet gap		2,589	171,373	17,617	-	(186,401)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-

28.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. As at June 30, 2019, the Fund does not hold any instrument that expose the Fund to price risk.

28.2 Credit risk

Credit risk represents the risk of a loss if counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in debt securities. The Fund is also exposed to counter party credit risks on balances with banks, mark-up accrued, deposits and prepayments.

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules and the regulations and the guidelines given by the SECP from time to time.

The maximum exposure to credit risk before considering any collateral as at June 30, 2019 is the carrying amount of the financial assets. None of these assets are 'impaired' nor 'past due but not impaired'.

The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is as follows :

	June 30, 2019		June 30, 2018	
	Amount of financial assets	**Maximum exposure**	Amount of financial assets	Maximum exposure
	-----------------------------Rupees in '000 -----------------			
Banks balances	**4,771**	**4,771**	8,853	8,853
Investments	**178,587**	**17,312**	180,137	35,617
Mark-up accrued	**2,468**	**2,468**	1,954	1,954
Deposit	**100**	**100**	100	100
	185,926	**24,651**	191,044	46,524

The analysis below summarises the credit quality of the balances in deposit accounts with Banks with which the Fund has kept such balances as at June 30, 2019:

ASKARI SOVEREIGN YIELD ENHANCER FUND

Bank balances by rating category	**Rating agency**	**2019**	
		(Rs. In '000)	**(%)**
AAA	JCR-VIS, PACRA	**352**	**7.38%**
AA+	JCR-VIS, PACRA	**1,267**	**26.56%**
AA-	JCR-VIS, PACRA	**3,099**	**64.95%**
A+	JCR-VIS, PACRA	**23**	**0.48%**
A	JCR-VIS, PACRA	**10**	**0.21%**
A-	JCR-VIS, PACRA	**20**	**0.42%**
		4,771	**100%**

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

28.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

For the purpose of making redemptions, the Fund has the ability to borrow in the short term. However, such need did not arise during the year. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The following table analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

June 30, 2019	**Total**	**Upto three months**	**Over three months and upto one year**	**Over one year**
	-----------------------Rupees in '000------------------------			
Financial liabilities				
Payable to the Management Company	**9,719**	**9,719**	**-**	**-**
Payable to the Trustee	**27**	**27**	**-**	**-**
Dividend payable	**7,049**	**7,049**	**-**	**-**
Accrued expenses and other liabilities	**636**	**636**	**-**	**-**
Net assets attributable to redeemable units	**167,187**	**167,187**	**-**	**-**
	184,618	**184,618**	**-**	**-**

June 30, 2018	Total	Upto three months	Over three months and upto one year	Over one year
	-----------------------Rupees in '000------------------------			
Financial liabilities				
Payable to the Management Company	9,796	9,796	-	-
Payable to the Trustee	28	28	-	-
Dividend payable	6,134	6,134	-	-
Accrued expenses and other liabilities	946	946	-	-
Net assets attributable to redeemable units	171,551	171,551	-	-
	188,455	188,455	-	-

29. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the statement of movement in unit holders' fund.

The Fund has no restrictions on the issuance and redemption of units. There is no specific capital requirement which is applicable on the Fund. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 28, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests which would be augmented by short-term borrowings or disposal of investments where necessary.

30. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Management Company on August 31, 2019.

31. GENERAL

31. Figures have been rounded off to the nearest thousand rupees.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director