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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 ASSET ALLOCATION 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 Orion Asset Management Company Limited,
1st Floor-Tower A.,
Finance and Trade Centre (FTC),
Karachi
Phone: +92 - 21 - 38696275-79
Fax: +92 - 21 - 38696274
Website: www.pakorionfunds.com

Board of Director of The Management Company

H.E. Yohya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Muneer	Director
Mr. Salim Hussain Al-Harthi	Director
Mr. Saif/Said Salim Al-Yaradi	Director
Mr. Jaleel Shah	Director
Mr. Saif/Karim	CEO

Audit Committee

Mr. Hanayun Muneer	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim Hussain Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Hanayun Muneer	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim Hussain Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif/Said Salim Al-Yaradi	Member
Mr. Hanayun Muneer	Member
Mr. Saif/Karim	Member

Chief Financial Officer / Company Secretary

Muhammad Farooq

Asset Manager Rating

AH3+ (Stable outlook)

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.I.I.S,
Main Shalimar-Park, Karachi.

Auditors

Earnst & Young Ford Rhodes Salim Hyder
Progressive Plaza, Durrani Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Askari Bank Limited
Bank Al-Jahid Limited
Baq Bank Limited
Habib Money Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/C/3/1st, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.I.I.S,
Main Shalimar-Park, Karachi-74400, Pakistan
Phone: +92 - 21 - 111 - 111 - 800
Fax: +92 - 21 - 34326040
Web site: www.itmindz.biz



DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Orion Asset Management Company Limited ("the Management Company" or "POMCL" or "the Company") is pleased to present the quarter report of the Askari Asset Allocation Fund (AAAF) for the Quarter Ended 30 September 2019.

Economic Review 1QFY20

Recent developments in the on the economic front in 1QFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In 1QFY20, headline inflation averaged at 10.89% as compared to 6.48% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In 1QFY20, SPI averaged at 11.38% as compared to 2.49% in same period last year while WPI averaged at 14.41% in comparison to 15.89% in 1QFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to tilt rates were driven by 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 \$4.67% to \$1,292 million in 2-months of 1QFY20 against \$2,580 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to monetization of deferred oil bill, 30.73% decline in imported motor vehicles and 19.85% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2-Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief to exporters might help lifting up textile industry, resulting in higher exports.

In FY20 To date, broad money supply (M2) grew by 6.69%, NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.10%. The declaration 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. Credit to private sector declined by 6.74% in FY20 To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

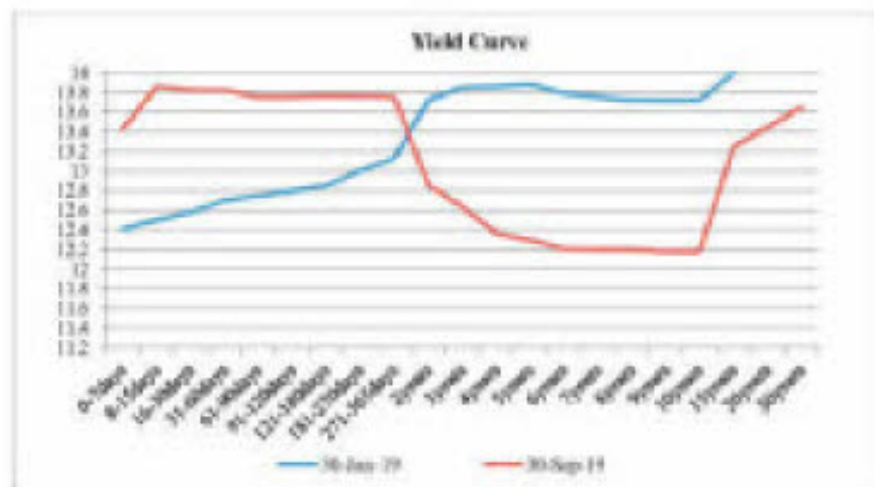
Fixed Income Review 1QFY20

In 1QFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 100bps, 180bps and 62bps and closed the quarter at 12.79%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 158bps and 154bps and stood at 12.64%, 12.30% and 12.18% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.



In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 12.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6,078 billion against the target of PKR 6,900 billion and auctioning amount of PKR 5,183 billion. The cut-off yields settled at 13.7300%, 13.8190% and 13.8499% for 1m, 6m and 12m paper respectively. Major participation was witnessed from 6-Month and 12-Month papers during the quarter as market remained inclined towards longer instruments. In the PIB auction for fixed rate bonds, SBP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SBP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SBP slashed margin to 60bps in the last auction held in the month of Sep-19.



Equity Review

KSE100 Index outperformed ranging by 3487pts (8.11%MoM) and closed at 32,879pts. The revival of some macroeconomic indicators (recovery in current account deficit, foreign exchange reserves and PKR against USD) despite increasing tensions on LoC over Kashmir with India supported the recovery in KSE100 Index. Moving forward, Pakistan listed among the top 20 improvers in doing business by World Bank would be positive for FDI. However, on local front, business community concerns over FBR policies continue to hinder business activities.

Trading activities charged as market average volume upled by 1.51%MoM to 114.5mn shares, whereas KEL, MLCT and WTL were the major volume leaders. The total market capitalization of All-Shares Index increased by 5.21%MoM to USD41bn, mainly due to the rise in Banks (2.9%), E&P (18.3%) and Fertilizer (3.7%) market capitalization.

During the last month of the quarter, E&P sector remained the major contributor added 894pts in the Index followed by Banking and Fertilizer sectors, extended Index by 421pts and 318pts respectively.



Going forward, we anticipate capital market to remain in a consolidation phase although attractive valuation encouraging long term investors to build their positions. The further soft recovery could return given positive development on Kashmir issue and on FATF.

AAAF

During 1QFY20, AAAF yielded a return of -0.99% against the benchmark return of 1.70%, underperforming by 2.50%.

The net assets of the fund stood at PKR 124Mn at the end of 1QFY20. During 1QFY20, equities remained the major asset class and average allocation in equities stood at 30%.

During the period under review, 29% of the fund size were invested in TFCs, Salaka and 39% of the fund size were kept in Cash.

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.

14th October 2019
Karachi - Pakistan.

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



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees in '000	
ASSETS			
Balance with Bank	4	49,908	31,308
Investments	5	63,280	63,525
Mark-up accrued and dividend receivable		2,999	1,898
Advances, deposits, prepayments and other receivables		14,481	15,375
Total assets		130,258	111,706
LIABILITIES			
Payable to Management Company	6	4,570	4,421
Payable to Trustee		23	68
Payable to the Securities and Exchange Commission of Pakistan		6	145
Dividend payable		4	4
Accrued expenses and other liabilities	7	1,386	1,427
Total liabilities		6,969	6,065
NET ASSETS		124,287	105,641
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		124,287	105,641
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		3,173,690	3,174,707
NET ASSET VALUE PER UNIT		39.1558	33.2688

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
Note	Rupees '000	
INCOME / (LOSS)		
Profit on bank balances	1,257	777
Dividend income	342	757
Income from debt securities	1,379	994
Income on HCCPL margin	15	-
Net capital gain / (loss) on sale of investments	(190)	214
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss	(2,401)	(3,080)
Total income / (loss)	99	(340)

EXPENSES

Remuneration of Asset Management Company	6.1	618	541
Sales Tax on Remuneration of the Management Company	6.2	36	109
Reimbursement of operational expenses to the Management Company	6.4	31	42
Selling and Marketing expenses	6.5	124	166
Remuneration of Central Depository Company of Pakistan Limited- Trustee		79	169
Annual fee to the Securities and Exchange Commission of Pakistan		6	40
Auditors' remuneration		177	75
Securities transaction cost		184	253
Printing and Stationary charges		-	4
Fee and Subscription		26	30
Settlement and Bank charges		5	7
Total expenses		1,331	1,614

Net loss for the period before taxation (732) (2,160)

Taxation 12 - -

Net loss for the period after taxation (732) (2,160)

Allocation of Net loss for the period:

- Net loss for the period after taxation	(732)	(2,160)
- Income already paid on units redeemed	-	-
	(732)	(2,160)

Accounting income available for distribution:

- Relating to capital gains	-	-
- Excluding capital gains	(732)	(2,160)
	(732)	(2,160)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
 (Management Company)

Chief Executive Officer

Chief Financial Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	Rupees in '000	
Net loss for the period after taxation	(732)	(2,160)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the period	(732)	(2,160)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
 (Management Company)

Chief Executive Officer

Chief Financial Officer

Director



ASKARI ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019			30 September 2018		
	Capital Reserve	Unit Holder's Fund	Net Assets	Capital Reserve	Unit Holder's Fund	Net Assets
	Rupees in '000					
Net assets at the beginning of the period (Unit outstanding: 1,574,287 (2018: 1,707,309))	401,446	(275,419)	126,027	401,327	(261,543)	139,784
Issue of 100 (2019: 508,985) units	-	-	-	20,000	-	20,000
Redemption of 140 (2019: 11,260) units	(25)	-	(25)	(155)	-	(155)
Total change in net assets for the period	-	(732)	(732)	-	(2,193)	(2,193)
Net assets at the end of the period (Unit outstanding: 1,574,287 (2018: 1,707,309))	401,446	(276,151)	125,295	401,172	(263,736)	137,436
Unallocated loss brought forward (carrying at):						
Accrued		(38,712)			(38,712)	
Unrealised		7,715			(6,453)	
Accordingly loss available for distribution		(31,000)			(45,165)	
Reversal of losses given including realisation		(127,135)			(2,193)	
Unallocated loss carried forward - net		(166,827)			(188,728)	

	Rupees	
Net asset value at the beginning of the period	31,000	41,000
Net asset value at the end of the period	31,000	41,000

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director


ASKARI ASSET ALLOCATION FUND

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019		2018	
	Note	Rupees in '000		
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period after taxation		(732)		(2,193)
Adjustments:				
Net capital (gain)/ loss on sale of investments		992		(274)
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss		2,481		3,086
		2,481		2,812
Decrease in assets				
Investments - net		16,652		(5,293)
Receivables from sale of investments		-		22,732
Mark-up accrued and dividend receivable		(793)		(1,267)
Advances, deposits, prepayments and other receivables		895		1,035
		16,654		14,207
(Decrease)/ increase in liabilities				
Payable to Asset Management Company		549		(314)
Payable to the Central Depository Company of Pakistan Limited - Trustee		(42)		-
Payable to the Securities and Exchange Commission of Pakistan		(133)		(121)
Dividend payable		-		-
Accrued expenses and other liabilities		(73)		(1,121)
		(108)		(1,556)
Net cash generated from operating activities		16,546		12,651
CASH FLOWS FROM FINANCING ACTIVITIES				
Net receipts from issue of units		-		20,000
Cash dividend		-		-
Net payments against redemption of units		(23)		(670)
Net cash generated from / (used in) financing activities		(23)		19,330
Net increase in cash and cash equivalents		16,523		21,981
Cash and cash equivalents at the beginning of the period		31,326		20,130
Cash and cash equivalents at the end of the period	4	47,849		42,111

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari Asset Allocation Fund was established under a Trust deed executed between Askari Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee on 09 December 2011. The Fund was registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2006 (the NBFC Regulations) in 25 June 2009.

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 "Equity 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 holder.

The objective of the Fund is to provide the investors with a high level of liquidity along with extremely low credit and price volatility. The Fund primarily invests in government securities and other authorized investments enabling the investors to manage their liquidity efficiently.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3+" to the Management and JCR-VIS has assigned a rating of "2-Star" to the Fund.

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

2 BASIS OF PREPARATION

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 VIIA 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, 2006 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIA 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 VIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

		30 September 2019 Un-audited	30 June 2019 Audited
		Rupees in '000	
4	CASH AND BANK BALANCES	Note	
	Balances with banks:		
	- in saving accounts	4.1	
		49,936	31,329
		49,936	31,329

4.1 The rate of return on these accounts ranges between 10.25% and 12.00% (30 June 2019: 3.75% and 10.25%) per annum.

5 INVESTMENTS

At fair value through profit or loss - held for trading

Listed equity securities	5.1	26,992	27,491
Sukuk certificates	5.2	14,537	14,693
Term finance certificates	5.3	22,691	40,941
		37,196	65,034
		63,280	82,525

5.1 Listed equity securities

At fair value through profit or loss - equity securities

Shares of listed companies, fully paid ordinary shares with a face value of Rs. 10 each unless stated otherwise

Investor/Company	Number of Shares				Rupees in '000				Percentage	
	No. of Shares	Particulars during the period	Dividend received during the period	Net change during the period	No. of Shares	Particulars during the period	Dividend received during the period	Net change during the period	Net value as a percentage of total equity	Net value as a percentage of total equity
FINANCIAL INSTITUTIONS										
Investment Bank Limited	10,000	-	-	-	10,000	100	0.01	0.01%	0.01%	0.01%
Investment Bank Limited	10,000	-	-	-	10,000	100	0.01	0.01%	0.01%	0.01%
Investment Bank Limited	10,000	-	-	-	10,000	100	0.01	0.01%	0.01%	0.01%
GOVERNMENT										
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
PRIVATE COMPANIES										
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
GOVERNMENT										
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
GOVERNMENT										
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
GOVERNMENT										
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%
Government of Sindh	1,000	-	-	-	1,000	1,000	0.01	0.01%	0.01%	0.01%

[illegible]

5.1.1 Investments include shares with market value of Rs. 4.5 million (30 June 2019: Rs. 4.7 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trade in accordance with circular no. 14 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

8.2 Module Configuration

Name of the information category	Number of complaints				Status of the complaint as of September 30, 2015	Percentage of complaints of		
	As of July 2015	Processed during the year	Still not resolved during the year	As of 30 September 2015		Not resolved	Resolved within 15 working days	Not resolved
International level of interest (October 2015)	1.96	1	1	1.96	100%	0.00%	20.00%	80.00%
Complaints received as of 30 September 2015				1.96				
Complaints resolved as of 30 June 2015				0.00				

5.2.1 Other particulars of Sukuk Certificates outstanding as at 30 September 2019 are as follows:

Name of the institution/company	Name of the	Health expenditure (per annum)	Filing	Loss of data	Validity of data
Department of Health and Social Services	1000000	£100,000 (10%)	20	For 2000-01	For 2000-01

5.2.2 These subordinated certificates are secured by hypothecation charge over the assets of the issuer and pledge of shares of the issuer.

5.3 Terms known as certification – a failed

Name of the issuer company	Number of certificates				Market value of all certificates (INR)	Financial performance of		
	As on 31-Mar-2015	Forecasted during the year	NPV computed during the year	As on 31-December-2015		Net Income	Market value of the investments	Income tax
(B) Investment certificates for a duration of 10-1,000 as follows:- 1. FPI Corporation Limited (FPI Co Ltd) 2. State Bank of India (SBI) 3. State of India (SBI)								
1. FPI Corporation Limited (FPI Co Ltd)	1.00	-	-	100	1.00	4.00%	10.00%	1.00%
2. State Bank of India (SBI)	1.00	25	-	1.00	1.00	10.00%	21.00%	0.00%
3. State of India (SBI)	1.00	-	100	-	-	10.00%	10.00%	0.00%
	2.00	25	100	100	2.00	14.00%	31.00%	1.00%

Continued on page 48

Name of Issuer/Issuer company	Face value	Market capitalisation amount	Rating	Issued date	Expiry date
171 Capital Finance Limited (Guaranteed)	HK\$200m	10 months 100% shareholder sale + 12.5%	AA	19 Dec-11	19 Dec-11
21 Bank Limited (Guaranteed)	HK\$200m	10 months 100% shareholder sale + 11.4%	AA	25 Dec-11	25 Dec-11
176 Bank Limited (Guaranteed)	HK\$200m	10 months 100% shareholder sale + 12.0%	AA	23 Dec-11	23 Dec-11

20 September 2019 Unaudited	20 June 2019 Audited
_____ Financial Year	

8. PAYABLE TO MANAGEMENT COMPANY

Remuneration of the Management Company	6.1	262	207
Sinch sales tax payable on remuneration of the Management Company	6.2	481	452
Federal Excise Duty payable on remuneration of the Management Company	6.3	2,830	2,830
Reimbursement of operational expenses to the Management Company	6.4	393	322
Marketing and advertising fee payable	6.5	734	810
		<u>4,579</u>	<u>4,421</u>



ASKARI ASSET ALLOCATION FUND

- 6.1** The Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.
- 6.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 2,830 million (30 June 2019: Rs. 2,830 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 0.8916 (30 June 2019: Rs. 0.8914) per unit.

- 6.4** This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(a) 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 up to 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.
- 6.5** SECP vide Circular No. 49 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 till 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.



ASKARI ASSET ALLOCATION FUND

	30 September 2019		30 June 2019	
	Un-audited		Audited	
	Note	Rs. in '000		Rs. in '000
7 ACCRUED EXPENSES AND OTHER LIABILITIES				
Brokerage and settlement charges payable		100		33
Payable against purchase of investment		-		28.1
Printing charges payable		12		3.8
Auditors remuneration payable		630		36.5
Withholding and capital gain tax payable		5		5
Provision for Sindh Workers' Welfare Fund		878		575
		1,395		1,407

- 7.1** There is no change in the status of the SWWF as reported in note 13 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 4.38% which includes 0.44% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

10 TAXATION

The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

11 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

- 11.1** Details of transaction with related parties during the period are as follows:

	For the Quarter Ended 30 September 2019		2018	
	Un-audited		Un-audited	
	Rs. in '000		Rs. in '000	
Pak Oman Asset Management Company Limited (Management Company)				
Remuneration of the Management Company		618		941
Sindh Sales tax on Remuneration of Management Company		80		100
Reimbursement of operational expenses to the Management Company		31		42
Selling and Marketing expense		124		169
Central Depository Company of Pakistan Limited (Trustee)				
Remuneration of the Trustee		70		100



11.2 Details of balances with related parties as at the period / year end are as follows:

	30 September 2019 Un-audited	30 June 2019 Audited
	Rupees in '000	
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration payable to the management company	202	207
Sindh Sales tax payable on remuneration of the Management Company	451	452
Federal Excise Duty payable on remuneration of the Management Company	2,830	2,830
Reimbursement of operational expenses to the Management Company	353	322
Marketing and advertising fee payable	734	815
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	23	65
Security deposit	100	100
Askari Bank Limited*		
Outstanding 2,500,000 (30 June 2019: 2,500,000) units	97,890	95,408
Balances with bank	575	17,385
Profit receivable on bank deposit	12	66
National Logistic Corp		
Outstanding 409,751 (30 June 2019: 409,751) units	19,500	95,408

12 GENERAL

Figures have been rounded off to the nearest thousand rupee.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director



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Our Mission

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

Our Vision

"ASKARI CASH 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 Orion Asset Management Company Limited,
1st Floor Tower A,
Finance and Trade Centre (FTC),
Karachi
Phone: +92-21-38696275-79
Fax: +92-21-38696274
Website: www.pakorionfunds.com

Board of Director of The Management Company

H.E. Nadeem Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hamayun Muneer	Director
Mr. Salim Hussain Al-Harthi	Director
Mr. Saif Saad Salim Al-Yaradi	Director
Mr. Arshad Shah	Director
Mr. Saif Kazmi	CEO

Audit Committee

Mr. Hamayun Muneer	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim Hussain Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Hamayun Muneer	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim Hussain Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al-Yaradi	Member
Mr. Hamayun Muneer	Member
Mr. Saif Kazmi	Member

Chief Financial Officer / Company Secretary

Mahmood Farukh

Asset Manager Rating

A13+ (Stable outlook)

Trustee

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

Auditors

Earnst & Young Ford Rhodes Sialkot Hyder
Progressive Plaza, Beasant Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Adic Bank Limited
Bank Al-Jahid Limited
Brij Bank Limited
Habib Metro Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/13/10, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shaheen-e-Faisal, Karachi-74400, Pakistan.
Phone: +92-21-111-111-500
Fax: +92-21-34326040
Web site: www.itmindshq.com



DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Orion Asset Management Company Limited ("the Management Company" or "POMCL" or "the Company") is pleased to present the quarterly report of the Askari Cash Fund (ACF) for the Quarter Ended 30 September 2019.

Economic Review IQFY20

Recent developments in the on the economic front in IQFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In IQFY20, headline inflation averaged at 14.88% as compared to 6.88% in FY19. Major reasons behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In IQFY20, CPI averaged at 11.58% as compared to 2.49% in same period last year while WPI averaged at 14.41% in comparison to 13.89% in IQFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to hike rates were driven by 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 34.87% to \$0.292 million in 2-months of IQFY20 against \$2.380 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility. 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2-Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief to exporters might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 8.89%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 13.10%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

Fixed Income Review IQFY20

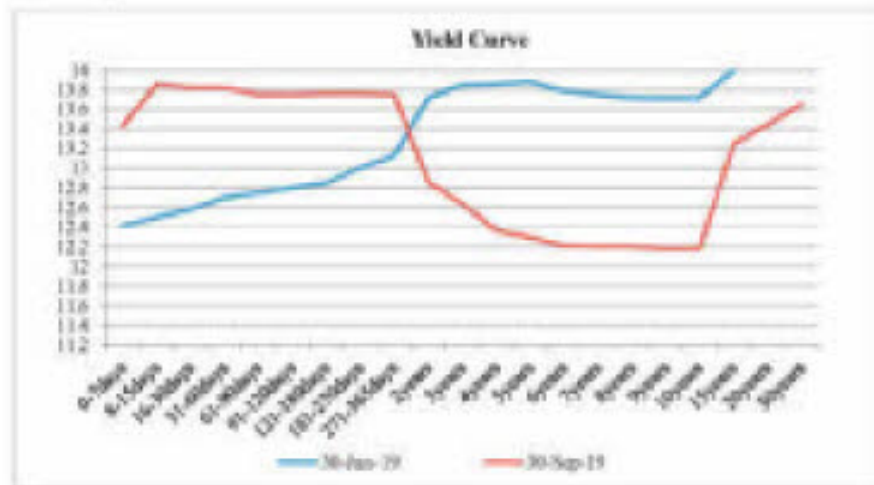
In IQFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 100bps, 150bps and 62bps and closed the quarter at 12.75%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 154bps and 154bps and stood at 12.64%, 12.30% and 12.38% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.

In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6.878 billion against the target of PKR 6,900 billion and raising amount of PKR 5,183 billion. The cut-off yields varied at 13.700%, 13.839% and 13.848% for 3m, 6m and 12m paper respectively. Major participation was witnessed from 6-Month and 12-Month paper during the quarter as market remained inclined towards longer instruments. In the PBR auction



for fixed rated bonds, SDB raised PKR 911 billion. Cut-off yields stood at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SDB realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SDB slashed margin to 65bps in the last auction held in the month of Sep-19.



ASCF

In 2QFY20, unit prices of ASCF appreciated by 12.66% as compared to benchmark return of 12.61%. The Assets under management showed significant improvement and stood at PKR 1,508 Million by the end of Sep-19 as compared to PKR 796 million at the start of the financial year. Treasury Bills remained major asset class throughout the period and exposure was kept against shorter term treasury instruments to avoid volatility. However, approaching to the end of quarter, funds were invested in cash with banks as commercial banks tend to offer attractive deposit rates due to their quarter end. By end of Sep-19, cash exposure stood at 65.10% while 34.90% of the funds were invested against T-Bills. During the quarter, exposure in T-Bill averaged at 73% as compared to 72.97% in 1QFY19 while exposure against cash and cash equivalents stood at 25.97% as compared to 27.93% in reportable period last year.

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.

24th October 2019
Karachi - Pakistan.

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



ASCF

In 2QFY20, unit prices of ASCF appreciated by 12.66% as compared to benchmark return of 12.61%. The Assets under management showed significant improvement and stood at PKR 1,508 Million by the end of Sep-19 as compared to PKR 796 million at the start of the financial year. Treasury Bills remained major asset class throughout the period and exposure was kept against shorter term treasury instruments to avoid volatility. However, approaching to the end of quarter, funds were invested in cash with banks as commercial banks tend to offer attractive deposit rates due to their quarter end. By end of Sep-19, cash exposure stood at 65.10% while 34.90% of the funds were invested against T-Bills. During the quarter, exposure in T-Bill averaged at 73% as compared to 72.97% in 1QFY19 while exposure against cash and cash equivalents stood at 25.97% as compared to 27.93% in reportable period last year.

شماره

میں تمام سرمایہ کاروں کو شکریہ ادا کرتے ہیں جنہوں نے اس فنڈ میں اپنا سرمایہ لگا دیا ہے۔ میں اس فنڈ کے مینجمنٹ کو بھی شکریہ ادا کرتا ہوں جنہوں نے اس فنڈ کو بروقت اور شفاف طریقے پر چلایا ہے۔

24 ستمبر 2019

 سید سجاد کاظمی
 چیف ایگزیکٹو آفیسر
 24 ستمبر 2019
 کراچی - پاکستان



چند منسلقہ ذکا اکر یکڑاوی کر پورٹ

آکر منسلقہ ذکا اکر یکڑاوی کر پورٹ 30 ستمبر 2019 تک (ASCF) کی سالانہ رپورٹ 2019 کے لیے جاری کی گئی ہے۔

چند منسلقہ ذکا اکر یکڑاوی کر پورٹ

آکر منسلقہ ذکا اکر یکڑاوی کر پورٹ 30 ستمبر 2019 تک (ASCF) کی سالانہ رپورٹ 2019 کے لیے جاری کی گئی ہے۔

آکر منسلقہ ذکا اکر یکڑاوی کر پورٹ 30 ستمبر 2019 تک (ASCF) کی سالانہ رپورٹ 2019 کے لیے جاری کی گئی ہے۔

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
Note		Rupees in (000)	
Assets			
Balances with bank	4	983,229	518,143
Investments	5	537,158	293,938
Profit receivable on bank balances		3,277	4,850
Advances, prepayment and other receivables		13,584	8,271
Total assets		1,538,238	825,202
Liabilities			
Payable to Asset Management Company	6	24,305	24,547
Payable to Central Depository Company of Pakistan Limited - Trustee		07	121
Payable to the Securities & Exchange Commission of Pakistan		65	1,378
Accrued expenses and other liabilities	7	3,854	3,291
Total liabilities		28,231	29,337
NET ASSETS		1,509,996	795,865
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,509,996	795,865
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		14,455,398	7,794,115
NET ASSET VALUE PER UNIT		104.8577	100.8408

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



ASKARI CASH FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

		30 September 2019	2018
Note		Rs. in ('000)	
Income			
Return / mark-up on:			
- government securities		35,342	9,859
- bank balances		8,972	4,163
Net gain on sale of investments		398	32
Net unrealised loss on measurement of investments at fair value through profit or loss		(53)	(1)
Total Income		44,259	14,043
Expenses			
Remuneration of Askari Management Company	6.1	1,177	880
South Sales Tax on Remuneration of the Management Company	6.2	183	154
Reimbursement of operational expenses to the Management Company	6.4	327	136
Remuneration of Central Depository Company of Pakistan Limited - Trustee		240	298
Annual fees to the Securities & Exchange Commission of Pakistan		65	132
Auditors' remuneration		190	192
Fees and subscription		76	83
Securities transaction cost		43	18
Bank charges		29	7
Provision for Sindh Workers' Welfare Fund		340	244
Total Expenses		3,998	2,034
Net income for the period before taxation		40,261	11,971
Taxation	10	-	-
Net income for the period after taxation		40,261	11,971
Allocation of Net Income for the year			
- Net income for the period after taxation		40,261	11,971
- income already paid on units redeemed		(7,239)	(2,376)
		33,022	9,597
Accounting income available for distribution			
- relating to capital gains		343	83
- excluding capital gains		33,067	9,514
		33,412	9,597

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director


ASKARI CASH FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019	2018
	Rs. in ('000)	
Net income for the period after taxation	41,161	9,597
Other comprehensive income	-	-
Total comprehensive income for the period	41,161	9,597

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari Cash Fund (formerly, Askari Sovereign Cash Fund) (the Fund) was established under a Trust deed executed between Askari Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee on 09 December 2011. The Fund was registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in 25 June 2009.

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 "Money Market 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 Management Company has obtained approval of SECP pursuant to which the name of the Fund has been changed from Askari Sovereign Cash Fund to Askari Cash Fund with effect from 29 July 2017.

The objective of the Fund is to provide the investors with a high level of liquidity along with extremely low credit and price volatility. The Fund primarily invests in government securities and other authorized investments enabling the investors to manage their liquidity efficiently.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "Aa1" to the Management Company. Furthermore, JCR-VIS has assigned a rating of "Aa1" to the Fund.

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

2. BASIS OF PREPARATION

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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	—(Rupees in '000)—	
4. BALANCE WITH BANKS			
-Savings accounts	4.1	983,220	518,143
-Current accounts		-	-
		<u>983,220</u>	<u>518,143</u>

- 4.1 These savings accounts carry mark-up at the rates ranging from 10.20% to 14.20% (30 June 2019: 4.50% to 13.10%) per annum.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	—(Rupees in '000)—	
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities	5.1	537,155	210,938
Term deposit receipt / Placement		-	80,000
		<u>537,155</u>	<u>290,938</u>



5.1 Government securities

Issue Date	Term	Face value				Market value as at 30 September 2019	Market value as a percentage of	
		As at 01 July 2019	Purchased during the period	Sold / matured during the period	As at 30 September 2019		Net assets	Market value of total investments
				Rupees in '000		Rs in '000	Taka	
Marked Treasury bills								
31-May-2019	1 month	55,000	275,000	265,000	-	-	100%	1.0%
15-Jun-2019	1 month	90,000	25,000	95,000	-	-	100%	1.0%
18-Jul-2019	1 month	-	1,285,000	85,000	440,000	438,337	20.0%	81.6%
01-Aug-2019	1 month	-	250,000	250,000	-	-	100%	1.0%
16-Aug-2019	1 month	-	440,000	38,000	100,000	96,110	4.9%	19.3%
31-Aug-2019	1 month	-	550,000	55,000	-	-	100%	1.0%
		211,000	2,775,000	2,398,000	540,000	534,447	25.7%	88.9%

Carrying value before market to market as at 30 September 2019

534,447

5.2 The effective yield on market treasury bills is 13.70 % (30 June 2019: 12.70%) per annum.

6. PAYABLE TO THE MANAGEMENT COMPANY

		30 September 2019 Un-audited	30 June 2019 Audited
Note		Rupees in '000	
Remuneration of the Management Company	6.1	462	356
Sindh Sales Tax on remuneration of the Management Company	6.2	2,891	2,787
Federal Excise Duty on remuneration of the Management Company	6.3	17,757	17,757
Reimbursement of operational expenses to the Management Company	6.4	3,971	3,644
Sales Load Payable		4	5
		<u>24,985</u>	<u>24,547</u>

6.1 The Management Company has charged its remuneration at the rate of 0.35% (30 June 2019: 0.50%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (30 June 2019: 12%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.



6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2006 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 17,757 million (30 June 2017: 17,757 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 1,2384 million (30 June 2019: Rs. 2,2783 million) per unit.

6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(ii) 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 up to 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.

7. ACCRUED EXPENSES AND OTHER LIABILITIES

		30 September 2019 Un-audited	30 June 2019 Audited
Note		Rupees in '000	
Auditors' remuneration payable		465	356
Printing charges payable		123	-
Withholding tax payable		6	8
Capital Gain Tax payable		1,359	710
Provision for Sindh Workers' Welfare Fund	7.1	5,368	4,528
Legal and professional charges payable		161	161
Others		2,382	2,306
		<u>9,864</u>	<u>8,269</u>



ASKARI CASH FUND

7.1 There is no change in the status of the SWWF as reported in note 12 to the annual financial statements of the Fund for the year ended 30 June 2019.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 0.70% which includes 0.00% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, a annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

10. TAXATION

10.1 The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

	For the Quarter Ended	
	30 September	
	2019	2018
11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS	Un-audited	
11.1 Transactions for the period:	Rupees in ('000)	
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration of the Management Company	1,177	880
Sindh Sales Tax on Remuneration of Management Company	153	114
Reimbursement of operational expenses to the Management Company	327	176
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	240	298
Fauji Fertilizer Bin Qasim Limited		
Issue of 60 (2018: 6,175,581) units	-	600,642
Key Management Personnel		
Issue of 25,528 (2018: 16) units	2,654	-
Redemption of 13,623 (2018: 28,872) units	(1,398)	3,623
Holding 10% or Above		
Issue of 7,075,468 (2018: 16) units	728,371	-
Redemption of 1,581,389 (2018: 16) units	(198,300)	-



ASKARI CASH FUND

30 September 2019	30 June 2019
Un-audited	Audited
Rupees in ('000)	

11.2 Investments / outstanding balances as at period / year end

Pak Oman Asset Management Company Limited (Management Company)

Remuneration of the Management Company	462	308
Sindh Sales Tax on remuneration of the Management Company	2,061	2,757
Federal Excise Duty on remuneration of the Management Company	17,757	17,757
Reimbursement of operational expenses to the Management Company	3,971	3,944
Sales Load Payable	4	3

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	86	107
Sindh Sales Tax on Remuneration of the Trustee	11	14

Pak Oman Asset Management Company Limited (Employees Provident Fund)

Outstanding 3,084 (30 June 2019: 3,084) units - at net asset value	321	311
--	-----	-----

Key Management Personnel

Outstanding 33,482 (30 June 2019: 22,275) units - at net asset value	3,484	2,946
--	-------	-------

Holding 10% or Above

Outstanding 7,112,346 (30 June 2019: 1,584,292) units - at net asset value	74,085	101,108
--	--------	---------

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



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Our Mission

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

Our Vision

"ASKARI EQUITY 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 Orion 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.pakorionafund.com

Board of Director of The Management Company

H.E. Yohys Bin Saud Bin Abdullah Al Jabri	Chairman
Mr. Bahaudin Khan	Director
Mr. Hanayya Mansur	Director
Mr. Saleem Hamid Al Harthy	Director
Mr. Saif Saif Salem Al Yousfi	Director
Mr. Jehangir Shah	Director
Ms. Sadi Karri	CEO

Audit Committee

Mr. Hanayya Mansur	Chairman
Mr. Bahaudin Khan	Director
Mr. Saleem Hamid Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Hanayya Mansur	Chairman
Mr. Bahaudin Khan	Director
Mr. Saleem Hamid Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Bahaudin Khan	Chairman
Mr. Saif Saif Salem Al Yousfi	Member
Mr. Hanayya Mansur	Member
Ms. Sadi Karri	Member

Chief Financial Officer / Company Secretary

Mahmood Farukh

Asset Manager Rating

AM3 - (Stable outlook)

Treasurer

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

Auditors

Earnst & Young Ford Rhodes Nidar Hyder
Progressive Plaza, Beaumont Road,
P.O. Box No.15541, Karachi.

Bankers to The Fund

Askari Bank Limited
Bank Al-Jahil Limited
Baq Bank Limited
Habib Metro Bank
Habib Bank Limited (Islamic Banking)
Sif Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Tariq Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/C/5/5, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shalimar-e-Faisal, Karachi-74400, Pakistan.
Phone: +92 - 21 - 111 - 111 - 500
Fax: +92 - 21 - 34326040
Web site: www.itmindsltd.com



DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Orion Asset Management Company Limited ("the Management Company" or "POMCL" or "the Company") is pleased to present the quarter report of the Askari Equity Fund (AEF) for the Quarter Ended 30 September 2019.

Economic Review 1QFY20

Recent developments in the on the economic front in 1QFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In 1QFY20, headline inflation averaged at 10.89% as compared to 6.98% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In 1QFY20, SPI averaged at 11.88% as compared to 2.49% in same period last year while WPI averaged at 14.47% in comparison to 15.89% in 1QFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to lift rates were driven by 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 \$6.87% to \$1,292 million in 2-months of 1QFY20 against \$2,380 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2 Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief to exporters might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 6.69%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.03%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

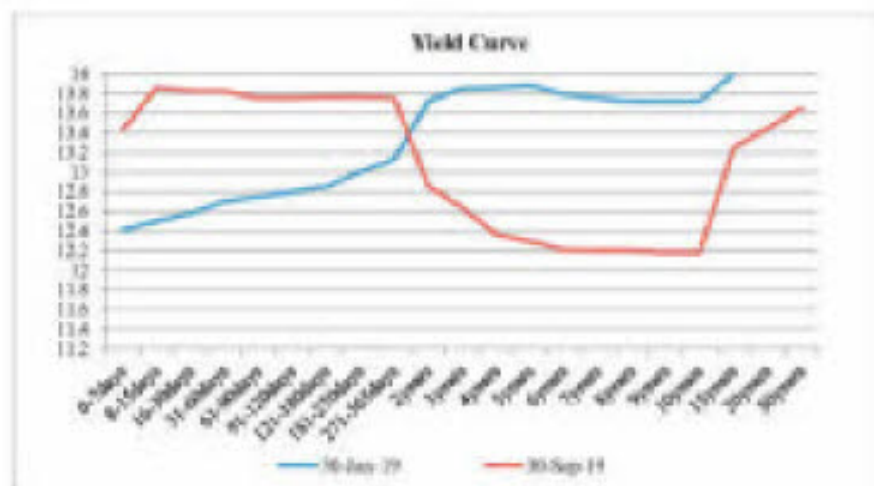
Fixed Income Review 1QFY20

In 1QFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 106bps, 380bps and 62bps and closed the quarter at 12.79%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 153bps and 154bps and stood at 12.64%, 12.30% and 12.18% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.



In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 17.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6,075 billion against the target of PKR 6,900 billion and issuing amount of PKR 5,100 billion. The cut-off yields settled at 13.7300%, 13.8190% and 13.8495% for 3m, 6m and 12m paper respectively. Major participation was witnessed from 6-Month and 12-Month papers during the quarter as market remained inclined towards longer instruments. In the PIB section for fixed rated bonds, SBP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SBP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SBP slashed margin to 60bps in the last auction held in the month of Sep-19.



Equity Review

KSE100 Index outperformed sagging by 2487pts (8.11%MoM) and closed at 32,879pts. The revival of some macroeconomic indicators (recovery in current account deficit, foreign exchange reserves and PKR against USD) despite increasing tensions on LoC over Kashmir with India supported the recovery in KSE100 Index. Moving forward, Pakistan listed among the top 20 improvers in doing business by World Bank would be positive for FDI. However, on local front, business community concerns over FBR policies continue to hinder business activities.

Trading activities charged as market average volume up by 1.3%MoM to 114.5mn shares, whereas KEL, MLCF and WTL were the major volume leaders. The total market capitalization of All-Share Index increased by 5.3%MoM to USD41bn, mainly due to the rise in Banks (2.9%), ERP (1.5%) and Fertilizer (1.7%) market capitalization.

During the last month of the quarter, ERP sector remained the major contributor added 304pts to the Index followed by Banking and Fertilizer sectors, extended Index by 421pts and 314pts respectively.



Going forward, we anticipate capital market to remain in consolidation phase although attractive valuation encouraging long term investors to build their positions. The further soft recovery could witness given positive development on Kashmir issue and on FATF.

AIF

In the 1QFY20, AIF delivered return of -7.87% against the benchmark return of -3.31%, underperforming by 1.56%.

The assets under management of the fund stood at PKR 3Mn at the end of 1QFY20. Equities remained the major asset class with average exposure standing at 35% of the net assets of the fund.

During the period under review, apart from equities, 55% of the funds remained in cash.

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.

14th October 2019
Karachi - Pakistan.

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



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
Assets			
Balances with bank	4	2,755,249	14,064,107
Investments	5	3,982,196	67,744,834
Advances, dividends and other receivables		1,379,435	1,790,177
Security deposits		2,960,009	2,800,000
Total assets		10,216,841	76,779,118
Liabilities			
Payable to Asset Management Company	6	3,245,529	3,341,138
Payable to Central Depository Company of Pakistan Limited - Trustee		687	65,013
Payable to the Securities & Exchange Commission of Pakistan		924	95,462
Accrued expenses and other liabilities	7	3,744,909	3,885,966
Total liabilities		6,991,029	7,192,569
NET ASSETS		3,244,921	65,985,959
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,244,921	65,985,959
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		46,473	513,229
NET ASSET VALUE PER UNIT		69.8179	75.1322

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



ASKARI EQUITY FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

		30 September 2019	2018
	Note	Rs.	Rs.
INCOME / (LOSS)			
Profit on bank balances		280,547	473,001
Dividend income		40,815	1,325,125
Net capital loss on sale of investments		(4,244,384)	(298,422)
Net unrealised distribution on re-measurement of investments classified as financial assets at fair value through profit or loss		(423,983)	(4,013,705)
Total revenues		(4,387,005)	(2,589,001)
EXPENSES			
Remuneration of Asset Management Company	6.1	87,380	620,907
South State Tax on Remuneration of the Management Company	6.2	12,482	80,735
Reimbursement of operational expenses to the Management Company	6.4	4,871	31,045
Selling and Marketing expense	6.5	19,480	121,440
Remuneration of Central Depository Company of Pakistan Limited - Trustee		11,806	212,386
Annual fee to the Securities and Exchange Commission of Pakistan		974	29,483
Auditor's remuneration		76,449	55,821
Securities transaction cost		82,263	135,785
Printing and stationery charges		30,247	30,247
Legal and professional charges		39,420	39,766
Fee and Subscription		33,196	39,625
Settlement and Bank charges		199,996	87,130
Total expenses		519,623	1,522,562
Net loss for the period before taxation		(4,896,628)	(4,089,363)
Taxation	10	-	-
Net loss for the period after taxation		(4,896,628)	(4,089,363)
Allocation of Net loss for the period:			
- Net loss for the period after taxation		(4,896,628)	(4,089,363)
- Income already paid on units redeemed		(4,799,696)	(72,090)
		(9,596,324)	(4,161,453)
Accounting income available for distribution:			
- Holding to capital gains		-	-
- Excluding capital gains		(9,596,324)	(4,161,453)
		(9,596,324)	(4,161,453)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director


ASKARI EQUITY FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019	2018
	Rs.	Rs.
Net loss for the period after taxation	(4,896,628)	(4,089,363)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the period	(4,896,628)	(4,089,363)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director



ASKARI EQUITY FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	September 2019			September 2018		
	Capital Value	Undistributed Income	Net Assets	Capital Value	Undistributed Income	Net Assets
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Net assets at the beginning of the period (Units outstanding: 7,63,275 (2019: 1,301,902))	100,000,000	(25,250,701)	74,749,299	100,000,000	(25,250,701)	74,749,299
Issue of 4,000,000 (2018: 200,000) units	170,000	(20,000)	150,000	1,275,000	-	1,275,000
Redemption of 10,000 (2018: 15,570) units	(6,000,000)	4,000,000	(2,000,000)	(1,800,000)	(20,000)	(1,820,000)
Total comprehensive loss for the period	-	(21,250,701)	(21,250,701)	-	(4,000,000)	(4,000,000)
Net assets at the end of the period (Units outstanding: 40,400,000 (2018: 1,311,332))	164,000,000	(46,500,701)	117,499,299	98,200,000	(29,250,701)	68,949,299
Undistributed income brought forward comprising of:						
- retained		21,250,701	21,250,701		(29,250,701)	(29,250,701)
- utilised		(21,250,701)	-		(29,250,701)	(29,250,701)
Accounting income available for distribution:						
- adding to capital gains		-	-		-	-
- including capital losses		(21,250,701)	(21,250,701)		(29,250,701)	(29,250,701)
Undistributed income carried forward - net		-	-		-	-

Net asset value at the beginning of the period	75.932	Rs.000	51.932
Net asset value at the end of the period	80.874	Rs.000	51.932

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director


ASKARI EQUITY FUND

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	Rs.000	Rs.000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period after taxation	(4,886,998)	(4,289,363)
Adjustments:		
Net capital (loss) on sale of investments	4,344,394	299,422
Net unrealised (depreciation) on re-measurement of investments classified as "financial assets at fair value through profit or loss"	433,930	4,013,715
Decrease in assets:		
Investments - net	46,575,271	14,420,064
Receivable from sale of investments	-	(90,584)
Deposits, prepayment and other receivables	413,740	(1,451,721)
(Decrease) / Increase in liabilities:		
Payable to Asset Management Company	(95,896)	(344,257)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(64,446)	13,020
Payable to the Securities and Exchange Commission of Pakistan	(97,558)	(90,587)
Accrued expenses and other liabilities	69,934	198,310
	(188,966)	(202,474)
Net cash generated from operating activities	46,548,743	12,870,079
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue of units	299,684	6,275,264
Net payments against redemption of units	(81,187,314)	(1,821,162)
Net cash generated from / (used in) financing activities	(80,887,630)	6,454,102
Net increase in cash and cash equivalents	(11,288,887)	19,324,181
Cash and cash equivalents at the beginning of the period	14,644,507	11,924,040
Cash and cash equivalents at the end of the period	3,355,620	31,254,221

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari Equity Fund (the Fund) was established under a Trust deed executed between Pak Oran Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC). The trust deed was approved on 17 November 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2000 (The NBFC Rules) and was executed on 18 March 2011.

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 "Equity 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 provide equity investors a vehicle for their long term investment needs, capable of locking in capital appreciation and securing reasonable dividends from listed equity securities.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "A00r" to the Management Company as at 28 August 2018, and a '2 Star' rating to the Fund as of 28 February 2019.

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

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984;



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

Where provisions of and directives issued under the Companies Act, 2017, part VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2018.

		30 September 2019 Un-audited	30 June 2018 Audited
	Note	----- Rupees -----	
4 CASH AND BANK BALANCES			
Balances with banks:			
- in saving accounts	4.1	<u>2,755,348</u>	<u>14,044,107</u>
		<u>2,755,348</u>	<u>14,044,107</u>

- 4.1 The rate of return on these accounts ranges between 10.25% and 11.30% (30 June 2019: 3.75% and 10.70%) per annum.

5 INVESTMENTS

At fair value through profit or loss -
held for trading
- Investment in listed equity securities

5.1 3,582,166 57,744,804

5.1 Listed equity securities

At fair value through profit or loss - equity securities

Shares of listed companies- fully paid ordinary shares with a face value of Rs 10 each unless stated otherwise

[illegible]**ASKARI EQUITY FUND**

Name of Issuer/Company	Number of Shares				Buyers		Percentage			
	As at 30 July 2019	Purchase during the period	Open Rights shares issued during the period	Share Acquired on 30 Sept 2019	As at 30 September 2019	Company's total as at 30 September 2019	Market value as at 30 September 2019	Market share as percentage of total purchase	Market share as percentage of total issued	Part as capital of issuer company
PHARMACEUTICALS										
GlaxoSmithKline Consumer Limited	1,900	--	--	4,000	5,900	59,000	8,360	1.5%	1.9%	0.0001
Exigo Corporation Limited (UK)	60,000	--	--	4,000	64,000	391,470	28,190	0.0%	0.0%	0.0002
Exigo Pharma Limited	5,000	--	--	5,000	10,000	10,000	9,140	0.0%	1.0%	0.0000
Pharmaceuticals Group Limited	20,000	--	--	20,000	--	--	--	0.0%	0.0%	0.0000
Pharmaceuticals Company Limited	1,000	--	--	5,000	6,000	11,000	45,100	0.0%	1.0%	0.0000
Pharmaceuticals Company Limited	5,000	--	--	54,000	59,000	400,000	44,340	0.0%	0.0%	--
PHARMACEUTICALS										
Pharmaceuticals (Private) Limited	1,000	--	--	5,000	6,000	30,000	31,000	0.0%	0.0%	0.0000
Pharmaceuticals (Private) Limited	5,000	--	--	5,000	--	--	--	0.0%	0.0%	0.0000
The Pharm Company Limited	50	--	--	50	100	4,000	1,100	0.0%	1.0%	0.0000
Pharmaceuticals Company Limited	5,000	--	--	5,000	10,000	10,000	11,100	0.0%	0.0%	--
PHARMACEUTICALS										
Pharmaceuticals Company Limited	1,000	--	--	1,000	2,000	20,000	21,000	0.0%	0.0%	0.0000
Pharmaceuticals Company Limited	2,000	--	--	1,000	3,000	30,000	31,000	0.0%	0.0%	--
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PHARMACEUTICALS										
Pharmaceuticals Company Limited	1,000	--	--	1,000	2,000	20,000	21,000	0.0%	0.0%	0.0000</

Printed on 10 November 2014

150.0%	150.0%	100%	50%
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12

The above commitments include following shares which have been pledged with National Clearing Company of Pakistan Limited for maintenance settlement of the Fund's trades in accordance with circular no. 11 dated 23 October 2007 issued by the SEC.

Name of Investee Company	Quantity		Market value	
	30 September	30 June	30 September	30 June
	2015			
	Un-audited —Number of Shares—	Audited	Un-audited —Rupees—	Audited
Engro Corporation Limited	1,139	3,508	298,917	828,680
Engro Fertilisers Limited	588	4,808	14,118	383,820
Wahab Bank Limited	588	11,808	58,685	1,245,680
Hub Power Co. Ltd	310	14,808	32,189	1,702,580
Hydrat Mills Limited	-	1,808	-	69,240
Oil & Gas Development Company Limited	2,789	7,508	232,181	668,175
Pakistan Petroleum Limited	1,425	19,478	793,845	2,808,585
	6,569	62,423	548,827	7,598,340



ASKARI EQUITY FUND

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees	
6 PAYABLE TO MANAGEMENT COMPANY			
Remuneration of the Management Company	6.1	5,819	110,397
Sindh sales tax payable on remuneration of the Management Company	6.2	336,342	340,897
Federal Excise Duty payable on remuneration of the Management Company	6.3	2,219,811	2,210,211
Reimbursement of operational expenses to the Management Company	6.4	262,771	257,901
Marketing and advertising fee payable	6.5	432,889	419,425
Profit and Loss Payable		8,487	8,487
		3,245,229	3,347,138

6.1 The Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant portion) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 2,2100



ASKARI EQUITY FUND

million (30 June 2019: Rs. 2,2100 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 47,5456 (30 June 2019: Rs. 2,4088) per unit.

6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the NMFRC 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 up to 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.

6.5 SECP vide Circular No. 40 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 till 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		236,829	160,380
Printing charges payable		373,574	341,482
Settlement charges payable		30,000	20,000
Transaction charges payable		1,475	7,572
Withholding tax		93,369	90,340
Capital gains tax payable		534	80,779
Provision for Sindh Workers' Welfare Fund	7.1	459,506	459,506
Other Payable		2,549,673	2,522,807
		3,744,900	3,682,886

7.1 There is no change in the status of the SSWWF as reported in note 11.1 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 11.23% which includes 0.34% representing government levies on the Fund such as provision for Sindh Workers' Welfare



Fund, sales taxes, annual fee to the SECP, etc. This ratio exceeds the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

10 TAXATION

The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

11 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

		For the Quarter Ended 30 September	
		2019	2018
		Un-audited	Audited
		Rupees	
11.1	Details of transaction with related parties during the period are as follows:		
	Pak Orion Asset Management Company Limited (Management Company)		
	Remuneration of the Management Company	87,399	829,937
	With-Sales Tax on Remuneration of Management Company	12,882	88,718
	Reimbursement of operational expenses to the Management Company	4,871	31,045
	Selling and Marketing expense	15,480	121,449
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	11,084	212,386
	Key Management Personnel		
	Redemption of Rs (2018: 1,184) units	-	-

	30 September 2019 Un-audited	30 June 2018 Audited
	Rupees	
11.2 Details of liabilities with related parties as at the period / year end are as follows:		
Pak Orion Asset Management Company Limited (Management Company)		
Remuneration payable to the management company	5,899	110,397
With-Sales Tax payable on remuneration of the Management Company	126,342	348,932
Federal Excise Duty payable on remuneration of the Management Company	2,218,011	2,218,011
Reimbursement of operational expenses to the Management Company	282,071	297,901
Marketing and advertising fee payable	432,899	411,439
Profit/End-load Payable	5,487	8,587
Central Depository Company of Pakistan Limited (Trustee)		
Trustee fee payable	987	68,013
Security deposit	100,000	100,000
Holdings with 10% or more		
Outstanding Units: 23,323 (30-June 2018: 23,323)	1,621,260	1,744,736



12 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

13 GENERAL

Figures have been rounded off to the nearest Rupee otherwise stated.

For Pak Orion Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



CONTENTS

Mission & Vision Statement	01
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Our Mission

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

Our Vision

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



FUND INFORMATION

Management Company

Pak Orion Asset Management Company Limited,
1st Floor Tower A,
Finance and Trade Centre (FTC),
Karachi
Phone: +92 - 21 - 38696275-79
Fax: +92 - 21 - 38696274
Website: www.pakorionfunds.com

Board of Director of The Management Company

H.E. Nadeem Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Marad	Director
Mr. Salimun Elmasud Al Harthy	Director
Mr. Saif Saad Salim Al Yaqubi	Director
Mr. Arshad Shah	Director
Mr. Saif Kazmi	CEO

Anti-Corruption

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al Yaqubi	Member
Mr. Hanayun Marad	Member
Mr. Saif Kazmi	Member

Chief Financial Officer / Company Secretary

Mahmood Farukh

Asset Manager Rating

A13+ (Stable outlook)

Trustee

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

Auditors

Earnst & Young Ford Rhodes Salim Hyder
Progressive Plaza, Beaufort Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Askari Bank Limited
Bank Al-Jahid Limited
Brij Bank Limited
Habib Maano Bank
Habib Bank Limited (Islamic Banking)
Safa Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/C/38th, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shaheen-e-Faisal, Karachi-74400, Pakistan.
Phone: +92 - 21 - 111 - 111 - 900
Fax: +92 - 21 - 34326040
Web site: www.itmindshq



DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Orion Asset Management Company Limited ("the Management Company" or "POAMCL" or "the Company") is pleased to present the quarter report of the Askari High Yield Scheme (AHYS) for the Quarter Ended 30 September 2019.

Economic Review 1QFY20

Recent developments in the on the economic front in 1QFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In 1QFY20, headline inflation averaged at 10.89% as compared to 6.98% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In 1QFY20, SPI averaged at 11.88% as compared to 2.49% in same period last year while WPI averaged at 14.47% in comparison to 15.89% in 1QFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to lift rates were driven by 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 \$6.87% to \$1,292 million in 2-months of 1QFY20 against \$2,380 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2 Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief in export taxes might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 6.69%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.03%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

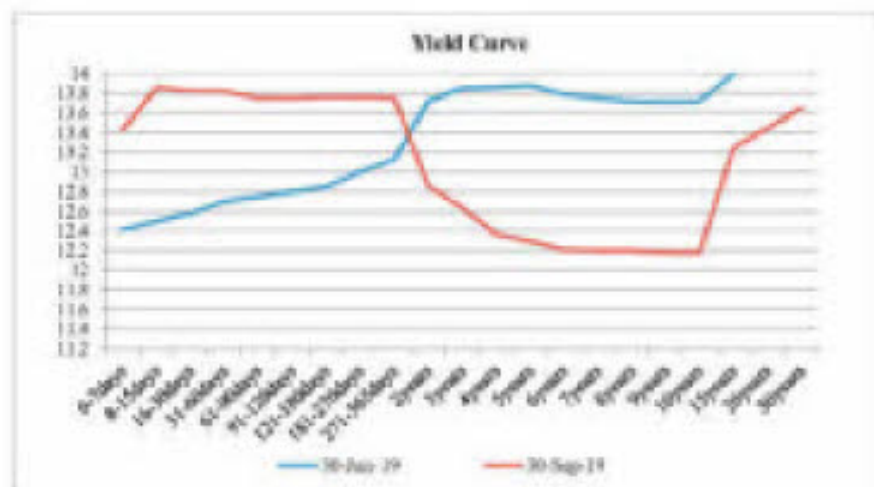
Fixed Income Review 1QFY20

In 1QFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 106bps, 380bps and 62bps and closed the quarter at 12.79%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 153bps and 154bps and stood at 12.64%, 12.30% and 12.18% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.



In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6,075 billion against the target of PKR 6,900 billion and issuing amount of PKR 5,180 billion. The cut-off yields settled at 13.7300%, 13.8190% and 13.8499% for 3m, 6m and 12m paper respectively. Major participation was witnessed seen in 6-Month and 12-Month papers during the quarter as market remained inclined towards longer instruments. In the PIB section for fixed rated bonds, SBP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SBP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SBP slashed margin to 60bps in the last auction held in the month of Sep-19.



AHYS

In 1QFY20, AHYS delivered return of 10.99% as compared to its benchmark return of 14.38%. Asset under management of the fund closed the quarter at PKR 125 million as compared to PKR 125 million in start of financial year.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to hike rates were driven by higher headline and core inflation, exchange rate depreciation, an elevated fiscal deficit and its increased monetization, and adjustments in utility tariffs.

By the end of Sep-2019, exposure against TFC(s) stood at 65.27% of the fund size and exposure against this asset class averaged at 69.71% as compared to 68.28% in 1QFY19. Exposure against this asset class was reduced in absolute terms during the period however increase in percentage terms is reflection of contraction in fund size. Exposure against T-Bills averaged at 18.87% while proportionated exposure was taken during the



period in PIBs to capitalize on trading opportunities. Remaining funds were invested in cash with A and above rated banks. Average cash exposure of the fund during the July-19 to Sep-19 stood at 11.43%.

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.

28th October 2019
Karachi - Pakistan

For and on behalf of the Board
Safat Kazmi
Chief Executive Officer



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
Assets			
Balances with bank	4	32,676,857	306,565,348
Investments	6	743,294,055	857,037,188
Accrued profit, advances, prepayment and other receivables		23,617,306	30,362,797
Security deposits		2,850,000	3,850,990
Non-current assets classified as 'held-for-sale'		39,030,000	39,030,000
Total assets		841,467,920	1,236,893,393
Liabilities			
Payable to Asset Management Company	7	63,233,526	62,426,584
Payable to Trustees		54,741	104,352
Payable to the Securities & Exchange Commission of Pakistan		45,854	1,458,381
Dividend payable		155,359	9,562,907
Accrued expenses and other liabilities	8	25,414,011	22,452,935
Total liabilities		88,906,243	96,065,959
NET ASSETS		752,561,677	1,230,827,344
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		752,561,677	1,230,827,344
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		7,197,182	12,070,296
NET ASSET VALUE PER UNIT		104.5834	101.9708

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



ASKARI HIGH YIELD SCHEME FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

		30 September	
	Note	2019	2018
Rupees			
Income			
Profit on saving and term deposits		4,375,076	17,224,220
Income from government securities		3,990,152	791,066
Mark-up on term finance and sukuka certificates		25,994,705	38,415,652
Income on Cash Deposits at NCCF		12,612	-
Net gain on sale of investments		1,280,389	1,822,120
Net unrealised loss on remeasurement of investments at fair value through profit or loss		(896,565)	(12,277,433)
Total Income		34,948,339	46,066,324
Expenses			
Remuneration of Asset Management Company	7.1	1,653,330	10,560,445
Sindh Sales Tax on Remuneration of the Management Company	7.2	474,960	1,372,966
Reimbursement of operational expenses to the Management Company	7.4	240,569	704,087
Advertisement & Selling Expense	7.5	974,277	2,816,340
Remuneration of Central Depository Company of Pakistan Limited - Trustee		226,425	818,484
Annual fees to the Securities & Exchange Commission of Pakistan		48,714	528,084
Bank and settlement charges		134,087	72,110
Fees & subscription		6,913	6,001
Security transaction cost		75,741	398,162
Auditors' remuneration		298,509	287,982
Printing and stationery charges		41,885	52,366
Legal and professional charges		32,670	38,765
Provision against Non performing TFC		3,821,871	-
Provision for Sindh Workers' Welfare Fund		500,404	578,044
Total Expenses		16,429,564	18,387,387
Net income for the period before taxation		24,518,775	28,373,137
Taxation	10	-	-
Net income for the period after taxation		24,518,775	28,373,137
Allocation of Net Income for the year:			
- Net income for the period after taxation		24,518,775	28,373,137
- Income already paid on units redeemed		(6,908,236)	(7,702,582)
		17,610,539	20,670,555
Accounting income available for distribution			
- Relating to capital gains		386,733	-
- Excluding capital gains		17,224,806	20,670,555
		17,611,539	20,670,555

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director

Un-Audited Financial Statements for the Quarter Ended 30 September 2019



ASKARI HIGH YIELD SCHEME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	Rupees	
Net income for the period after taxation	24,518,775	28,373,137
Unrealised diminution on remeasurement of investments classified as "available for sale" - net	-	-
Total comprehensive income for the period	24,518,775	28,373,137

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director

Un-Audited Financial Statements for the Quarter Ended 30 September 2019



ASKARI HIGH YIELD SCHEME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019			30 September 2018		
	Capital Value	Undistributed Income	Net Assets	Capital Value	Undistributed Income	Net Assets
	Rupees					
Net assets at the beginning of the period (plus outstanding 1:100 share split in March 2019)	126,716.53	18,201.70	144,918.24	102,549.96	5,508.86	108,058.82
Less: 100:40 split (2018: 70:30 split)	(6,294.35)	1,181.76	(5,112.59)	7,663.30	-	7,663.30
Redemption of 170,000 (2018: 10,000) units	(81,572.20)	(8,304.28)	(89,876.48)	(1,353,804.46)	(7,732.92)	(1,361,537.38)
Total comprehensive income for the period	-	26,511.70	26,511.70	-	2,557.67	2,557.67
Net assets at the end of the period (plus outstanding 1:100 share split in March 2019)	<u>38,850.08</u>	<u>12,779.28</u>	<u>51,629.36</u>	<u>1,035,077.79</u>	<u>7,733.61</u>	<u>1,042,811.40</u>
Undistributed income brought forward (comprising of:						
Dividend	181.32	-	181.32	4,138.35	-	4,138.35
Unrealised	<u>18,029.78</u>	-	<u>18,029.78</u>	<u>6,594.55</u>	-	<u>6,594.55</u>
Accounting income available for distribution:						
Dividend: capital gain	384.70	-	384.70	-	-	-
Dividend: capital loss	<u>18,029.78</u>	-	<u>18,029.78</u>	<u>6,594.55</u>	-	<u>6,594.55</u>
Undistributed income carried forward - net	<u>18,029.78</u>	-	<u>18,029.78</u>	<u>6,594.55</u>	-	<u>6,594.55</u>
Net asset value at the beginning of the period		18.8704			18.868	
Net asset value at the end of the period		18.8804			18.876	

The above statement has been audited by PricewaterhouseCoopers Chartered Accountants.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Un-Audited Financial Statements for the Quarter Ended 30 September 2019

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ASKARI HIGH YIELD SCHEME FUND

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	30 September 2019	30 September 2018
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		26,511.70	2,557.67
Adjustments for:			
Net gain on sale of investments		(1,202,588)	(1,022,120)
Net unrealised loss on remeasurement of investments classified as "financial assets at fair value through profit or loss"		808,858	12,277,430
Unrealised appreciation on remeasurement of investments classified as "available for sale" - net		-	-
Provision for Sindh Workers Welfare Fund		(50,404)	(579,044)
		<u>113,371</u>	<u>1,726,363</u>
Decrease in assets:			
Investments - Net		114,128,080	807,029,774
Receivable against sale of investments		-	201,884,725
Receivable against sale of units		-	(4,070,080)
Accrued profit, deposits, advances, prepayment and other receivables		7,708,509	8,079,071
Non-current assets classified as "held-for-sale"		-	-
		<u>121,836,425</u>	<u>1,012,864,118</u>
Decrease in liabilities:			
Payable to Asset Management Company		604,344	(1,342,124)
Payable to Trustee		(108,841)	(57,488)
Payable to the Securities & Exchange Commission of Pakistan		(1,408,717)	(2,174,388)
Dividend payable		(9,437,208)	(80,488,176)
Accrued expenses and other liabilities		2,491,502	2,089,381
		<u>(7,859,126)</u>	<u>(82,583,195)</u>
Net cash generated from / (used in) operating activities		<u>121,836,425</u>	<u>912,282,413</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		65,424,027	71,040,380
Dividend paid		-	-
Payments against redemption of units		(188,309,458)	(1,543,080,030)
Net cash used in financing activities		<u>(122,885,431)</u>	<u>(871,839,650)</u>
Net decrease in cash and cash equivalents		<u>(1,049,006)</u>	<u>(2,247,823)</u>
Cash and cash equivalents at the beginning of the period		286,933,348	498,915,578
Cash and cash equivalents at the end of the period	4	<u>285,884,342</u>	<u>496,667,755</u>

The annexed notes form 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

Un-Audited Financial Statements for the Quarter Ended 30 September 2019

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ASKARI HIGH YIELD SCHEME FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari High Yield (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee on 05 December 2005. The Fund was registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on 19 February 2008.

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 collective investment Scheme categorised as an "Aggressive Fixed 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 provide the investors an opportunity to make competitive returns from fixed income securities while targeting a portfolio duration of six months.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3" to the Management Company and a stability rating of A(1) to the fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.

2 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 VIII 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 VIII 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 VIII of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.



ASKARI HIGH YIELD SCHEME FUND

4 BALANCES WITH BANKS

Note	30 September 2019 Un-audited	30 June 2019 Un-audited
	Rupees	

In savings accounts	4.1	32,676,657	106,593,348
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- 4.1 The rate of return on these accounts ranges between 10.25% and 12.50% (30 June 2019: 3.75% and 11.50%) per annum.

5 TERM DEPOSIT RECEIPTS

Non - Performing

Trust Investment Bank Limited	5.1.1	129,111,798	129,111,798
Saudi Pak Leasing Company Limited	5.1.1	13,500,000	13,500,000
		142,611,798	142,611,798

Provision held at the beginning of the year		(142,611,798)	(142,611,798)
		-	-

- 5.1.1 The facilities have been classified as non performing and have been fully provided in accordance with the Fund's provisioning policy.

30 September 2019 Un-audited	30 June 2019 Audited
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6 INVESTMENTS

Note	Rupees	
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At fair value through profit or loss - held for trading

Government securities

- Market treasury bills	6.1	194,533,595	-
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Debt securities

- Term finance certificates - listed	6.1.2.1	197,881,140	198,020,760
- Term finance certificates - unlisted	6.1.2.2	231,250,815	507,256,481
- Sukuk certificates - listed	6.1.2.3	83,136,585	114,687,037
- Sukuk certificates - unlisted	6.1.2.4	36,382,728	37,072,910

		743,294,855	857,837,188
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ASKARI HIGH YIELD SCHEME FUND

6.1.2 Significant terms and conditions of debt securities outstanding as at 30 September 2019

	Number of Certificates	Subordinate Face value	Mark-up rate per annum	Maturity date	Secured / Unsecured	Rating
Term Finance Certificates - Issued						
Bank A Trust Limited (31-Jan-2019)	1,000	4,000	480K	31 January 2021	Unsecured	AA
MCB Bank Limited (5-Jun-19)	1,100	4,400	480K	15 June 2021	Secured	AAA
Banker Bank Limited (8-Jul-2019)	9,200	4,094	480K	8 July 2021	Secured	AA
First Investment Bank Limited (24-Jul-19)	9,000	1,254	480K	4 July 2021	Unsecured	N/A
Al-Salam Limited (15-Feb-19)	1,000	99,000	480K	15 December 2020	Unsecured	AA
Term Finance Certificates - Unissued						
Al-Salam Limited (31-Mar-17) **	2,000	4,000	Fixed	31 January 2019	Secured	N/A
Al-Salam Limited (24-Nov-17) **	2,000	4,000	480K	24 November 2019	Secured	N/A
Al-Salam Limited (31-Mar-17) **	1,000	5,000	Fixed	31 March 2017	Secured	N/A
New Asia Financial Industries Private Limited (19-May-17) **	1,000	1,254	480K	19 May 2021	Secured	N/A
Al-Salam Limited (14-Dec-2018) **	1,000	1,254	480K	4 December 2020	Secured	AA
Plaza and Power Development Authority (21-Dec-2019)	5,400	4,000	480K	7 September 2020	Secured	Govt. Ref
The Bank of Punjab (25-Dec-2019) *	2,100	99,000	480K	25 December 2020	Unsecured	AA
TR Corporation Limited (18-Dec-17)	1,000	100,000	480K	18 December 2020	Secured	AA
Al-Salam Finance Bank Limited (26-Jun-2017)	12,000	4,000	480K	30 June 2021	Unsecured	A-
Arango-Solano & Company Limited (16-Jul-2017)	3,000	5,000	480K	16 July 2021	Secured	AA
Sumit Bank Limited (25-Oct-19)	5,000	4,000	480K	25 October 2019	Secured	A-
Bank Certificates - Issued						
International Bank Limited (16-Nov-17)	2,000	100,000	480K	16 November 2020	Secured	AA
Securit Finance Corporation Limited (16-Nov-17)	400	100,000	480K	16 November 2020	Secured	AA
Securit Finance Corporation Limited (1-Mar-19)	2,100	100,000	480K	1 March 2021	Secured	AA
TR Corporation Limited (16-Apr-19)	20	1,000,000	480K	17 June 2021	Secured	AA
Bank Certificates - Unissued						
Security Lending Company Limited (16-Dec-17)	1,000	1,000	480K	16 September 2020	Secured	N/A
Bank Of Pakistan Limited (28-Apr-17)	1,100	100,000	480K	16 January 2021	Secured	AAA



ASKARI HIGH YIELD SCHEME FUND

The term finance certificate and sukuk certificate held by the Fund are generally secured against hypothecation of stocks and receivable and mortgage /pledge of fixed assets of the issuers.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rs.	Rs.
7 PROXIMO TO PAK OMAN ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)			
Remuneration of the Management Company	7.1	998,852	1,334,252
Sindh sales tax payable on remuneration of the Management Company	7.2	5,040,600	5,094,302
Federal Excise Duty payable on remuneration of the Management Company	7.3	33,368,337	33,368,337
Reimbursement of operational expenses to the Management Company	7.4	10,446,476	10,202,907
Selling and Marketing expenses	7.5	12,182,048	12,208,771
Sales lead payable		220,015	220,015
		63,230,628	62,428,584

7.1 The Management Company has charged its remuneration at the rate of 1.0% (30 June 2019: 1.5%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

7.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 and amounting to Rs. 33,368,337 million (30 June 2019: Rs. 33,368,337 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 4,6363 (30 June 2019: Rs. 2,7645) per unit.



ASKARI HIGH YIELD SCHEME FUND

7.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(a) of the NBFC Regulations, fee and expenses pertaining to registrar services, account opening, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 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.

7.5 SECP vide Circular No. 40 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 to 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.

		30 September 2019	30 June 2019
	Note	Un-audited	Audited
		-----Rupees-----	
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		908,603	670,324
Printing charges payable		267,221	220,836
Withholding tax and capital gain tax		2,211,746	301,799
Provision for Sindh Workers' Welfare Fund	8.1	15,010,995	15,010,991
Transaction Charges Payable		76,823	41,654
Others payable		6,450,381	6,206,901
		25,414,671	22,452,105

8.1 There is no change in the status of the SWWF as reported in note 13.1 to the annual financial statements of the Fund for the year ended 30 June 2019.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 2.57% which includes 0.28% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This also exceeds the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

11 TAXATION

The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.



ASKARI HIGH YIELD SCHEME FUND

15	TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS	For the Quarter Ended 30 September	
		2019	2018
		Un-audited	Audited
		-----Rupees-----	

15.1 Transactions for the period:**Pak Oman Asset Management Company Limited (Management Company)**

Remuneration of the Management Company	3,653,539	18,506,445
Sindh Sales tax on Remuneration of Management Company	424,980	1,372,986
Reimbursement of operational expenses to the Management Company	243,589	704,087
Advertisement & Selling Expense	924,277	2,818,340

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	266,435	918,484
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Pak Oman Micro Finance Bank Limited

Issue of Nil (2018: 28,036) units	-	2,938,772
Redemption of Nil (2018: 661,056) units	-	68,000,000

Sindh Province Pension Fund

Dividend Reinvestment of 37,153 (2018: Nil) units	8,924,233	-
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The Bank Of Punjab Employees Gratuity Fund

Dividend Reinvestment of 75,301 (2018: Nil) units	8,120,231	-
---	-----------	---

	30 September 2019	30 June 2019
	Un-audited	Audited
	-----Rupees-----	

15.2 Investments / outstanding balances as at period / year end**Pak Oman Asset Management Company Limited (Management Company)**

Remuneration payable to the management company	980,852	1,334,252
Sindh Sales tax payable on remuneration of the Management Company	5,046,808	5,894,302
Federal Excise Duty payable on Remuneration of the Management Company	23,585,237	23,568,237
Reimbursement of operational expenses to the Management Company	10,446,478	10,202,907
Marketing and advertising fee payable	13,183,948	12,208,771
Front End Load Payable	220,815	228,915

Central Depository Company of Pakistan Limited (Trustee)

Remuneration payable	54,741	164,362
Security deposit	180,300	108,900

Holding 10% & Above

Outstanding 4,061,246 (30 June 2018: 3,684,735) units	423,672,361	386,105,701
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12. GENERAL

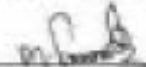
Figures have been rounded off to the nearest Rupee.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Ocean Asset Management Company Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director



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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 ISLAMIC ASSET ALLOCATION 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: +92-21-38896275-79
Fax: +92-21-38696274
Website: www.pakomanfund.com

Board of Director of The Management Company

H.E. Yohya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Muneed	Director
Mr. Salim Hussain Al-Harthi	Director
Mr. Saif Saad Salim Al-Yaradi	Director
Mr. Adnan Shah	Director
Mr. Saad Karim	CEO

Audit Committee

Mr. Hanayun Muneed	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim Hussain Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Hanayun Muneed	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim Hussain Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al-Yaradi	Member
Mr. Hanayun Muneed	Member
Mr. Saad Karim	Member

Chief Financial Officer / Company Secretary

Muhammad Farooq

Asset Manager Rating

AH3+ (Stable outlook)

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.I.I.S,
Main Shalimar Park, Karachi.

Auditors

Earnst & Young Ford Rhodes Salim Hyder
Progressive Plaza, Dammam Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Adani Bank Limited
Bank Al-Jahil Limited
Baq Bank Limited
Habib Money Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Tayyab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/C/3/1st, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.I.I.S,
Main Shalimar Park, Karachi-74400, Pakistan
Phone: +92-21-111-111-800
Fax: +92-21-54326040
Web site: www.itmindz.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 quarter report of the Askari Islamic Asset Allocation Fund (IAAF) for the Quarter Ended 30 September 2019.

Economic Review 1QFY20

Recent developments in the on the economic front in 1QFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilisation of currency and domestic and external debt profiling.

In 1QFY20, headline inflation averaged at 1.68% as compared to 1.68% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In 1QFY20, CPI averaged at 11.38% as compared to 1.49% in same period last year while WPI averaged at 14.41% in comparison to 15.89% in 1QFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to lift rates were driven by 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 54.87% to \$0.292 million in 2-months of 1QFY20 against \$2.580 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2-Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief to exporters might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 6.89%, NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.30%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

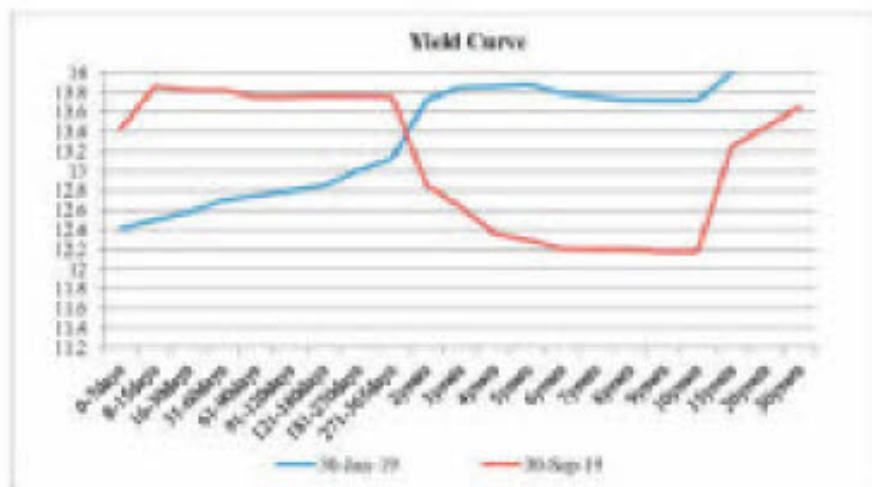
Fixed Income Review 1QFY20

In 1QFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 100bps, 180bps and 62bps and closed the quarter at 12.73%, 12.83% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 120bps, 150bps and 154bps and stood at 12.64%, 12.30% and 12.08% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.



In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 12.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6,078 billion against the target of PKR 6,900 billion and auctioning amount of PKR 5,183 billion. The cut-off yields settled at 13.7300%, 13.8190% and 13.8499% for 1m, 6m and 12m paper respectively. Major participation was witnessed from 6-Month and 12-Month papers during the quarter as market remained inclined towards longer instruments. In the PIB auction for fixed rate bonds, SBP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2480% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SBP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SBP slashed margin to 60bps in the last auction held in the month of Sep-19.



Equity Review

KSE100 Index outperformed rising by 3487pts (8.11%MoM) and closed at 32,879pts. The revival of some macroeconomic indicators (recovery in current account deficit, foreign exchange reserves and PKR against USD) despite increasing tensions on LoC over Kashmir with India supported the recovery in KSE100 Index. Moving forward, Pakistan listed among the top 20 improvers in doing business by World Bank would be positive for FDI. However, on local front, business community concerns over FBR policies continue to hinder business activities.

Trading activities charged as market average volume upled by 1.5%MoM to 114.5mn shares, whereas KEL, MLCT and WTL were the major volume leaders. The total market capitalization of All-Shares Index increased by 5.2%MoM to USD41bn, mainly due to the rise in Banks (2.9%), E&P (18.3%) and Fertilizer (3.7%) market capitalization.

During the last month of the quarter, E&P sector remained the major contributor added 804pts in the Index followed by Banking and Fertilizer sectors, extended Index by 421pts and 318pts respectively.



Going forward, we anticipate capital market to remain in a consolidation phase although attractive valuation encouraging long term investors to build their positions. The further soft recovery could return given positive development on Kashmir issue and on FATF.

AIAAF

During 1QFY20, AIAAF yielded a return of -9.41% against the benchmark return of -4.03%, underperforming by 5.38%.

The net assets of the fund stood at PKR 17Mn at the end of 1QFY20. During 1QFY20, equities remained the major asset class and average allocation in equities stood at 6%.

During the period under review, exposure in TFCs was around 45% of the fund size, however, 13% of the fund remained invested as cash with Islamic banks/ Islamic banking windows of conventional banks.

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.

14th October 2019
Karachi - Pakistan.

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



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	-----Rupees-----	
ASSETS			
Balances with Bank	4	2,743,396	14,154,382
Investments	5	10,920,648	48,001,153
Advances, dividends and other receivables		5,536,598	5,727,900
Security Deposits		2,600,000	2,600,000
Total assets		21,800,642	70,513,435
LIABILITIES			
Payable to Management Company	6	3,106,436	3,065,678
Payable to Trustee		129,617	130,064
Payable to the Securities and Exchange Commission of Pakistan		2,926	93,415
Accrued expenses and other liabilities	7	1,068,677	938,973
Total liabilities		4,307,656	4,228,130
NET ASSETS		17,492,986	66,285,315
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		17,492,986	66,285,315
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		242,129	833,729
NET ASSET VALUE PER UNIT		72.2402	79.5046

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



ASKARI ISLAMIC ASSET ALLOCATION FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Note	30 September 2019	2018
		—Rupees—	
INCOME / (LOSS)			
Profit on bank balances		498,270	227,234
Profit on sukuk certificates		351,739	175,682
Dividend income		149,225	1,216,380
Net Capital loss on sale of investments		(4,960,780)	(577,902)
Net unrealised depreciation on re-measurement of investments classified as financial assets at fair value through profit or loss		(580,866)	(3,420,474)
		(4,502,612)	(3,379,160)

EXPENSES

Remuneration of Asset Management Company	6.1	295,072	571,226
Sindh Sales Tax on Remuneration of the Management Company	6.2	38,359	75,595
Reimbursement of operational expenses to the Management Company	6.4	14,754	29,075
Selling and Marketing expenses	6.5	59,015	114,112
Remuneration of MCB Financial Services Limited - Trustee		198,938	205,895
Annual fee to the Securities and Exchange Commission of Pakistan		2,951	27,621
Auditors' remuneration		104,260	136,994
Securities transaction cost		156,237	149,781
Printing and Stationary charges		-	30,247
Legal and professional charges		-	37,606
Fee and Subscription		35,713	37,862
Settlement and Bank charges		50	8,255
Total expenses		982,289	1,423,881

Net loss for the period before taxation **(5,439,901)** **(3,802,821)**

Taxation **-** **-**

Net loss for the period after taxation **(5,439,901)** **(3,802,821)**

Allocation of Net loss for the period:

- Net loss for the period after taxation	(5,439,901)	(3,802,821)
- Income already paid on units redeemed	(3,680,962)	-
	(9,120,863)	(3,802,821)

Accounting income available for distributions:

- Relating to capital gains	-	-
- Excluding capital gains	(9,120,863)	(3,802,821)
	(9,120,863)	(3,802,821)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Quran Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



ASKARI ISLAMIC ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019	2018
	—Rupees—	
Net loss for the period after taxation	(5,439,901)	(3,802,821)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the period	(5,439,901)	(3,802,821)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Quran Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



ASKARI ISLAMIC ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019			30 September 2018		
	Capital Value	Underlying Income	Net Assets	Capital Value	Underlying Income	Net Assets
Net assets at the beginning of the period (Underlying: 333,129 (2018: 1,237,388))	86,559,952	(2,746,737)	86,286,318	123,477,880	(8,302,842)	91,174,758
Issue of fee (2018: 7,524 units)	-	-	-	700,000	-	700,000
Redemption of 991,894 (2018: 5,248 units)	(97,352,795)	3,890,892	(94,394,226)	(740,793)	-	(740,793)
Total comprehensive income for the period	-	(5,439,901)	(5,439,901)	-	(3,802,821)	(3,802,821)
Net assets at the end of the period (Underlying: 342,135 (2018: 1,236,366))	86,559,952	(2,746,737)	86,286,318	123,477,880	(8,302,842)	91,174,758
Undistributed income brought forward comprising of:						
- Realised						2,802,965
- Unrealised						(9,105,807)
Accounting income available for distribution						(6,302,842)
- Asset split capital gains						
- Including capital gains						(3,802,821)
Undistributed income carried forward - net						(6,302,842)

Net asset value at the beginning of the period	75094	947194
Net asset value at the end of the period	71380	918825

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director


ASKARI ISLAMIC ASSET ALLOCATION FUND

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
Note	2019	2018
	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period after taxation	(5,439,901)	(3,802,821)
Adjustments:		
Net Capital loss on sale of investments	4,990,780	577,902
Net unrealised diminution on re-measurement of investments classified as Financial assets at fair value through profit or loss	580,066	3,420,474
	5,530,846	3,998,376
Decrease in assets		
Investments - Net	31,579,458	14,162,810
Receivable against sale of investments	-	(177,623)
Advances, dividends and other receivables	191,302	(1,445,721)
	31,770,760	12,544,466
(Decrease) / Increase in liabilities		
Payable to Asset Management Company	42,758	(332,730)
Payable to the MCB Financial Services Limited - Trustee	(437)	6,520
Payable to the Securities and Exchange Commission of Pakistan	(90,489)	(90,302)
Payable against purchase of investments	-	-
Accrued expenses and other liabilities	129,702	367,725
	81,594	(168,847)
Net cash generated from operating activities	31,843,259	12,661,174
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	-	700,000
Net payments against redemption of units	(43,354,225)	(743,793)
Net cash (used in) / generated from financing activities	(43,354,225)	(43,792)
Net increase in cash and cash equivalents	(11,410,966)	12,617,382
Cash and cash equivalents at the beginning of the period	14,154,382	5,021,176
Cash and cash equivalents at the end of the period	4 2,743,396	17,628,558

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Ocean Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari Islamic Asset Allocation Fund (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Limited as the Management Company and MCB Financial Services Limited (MCFSL). The trust deed was approved on 26 August 2006 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2002 (The NBFC Rules) and was executed on 18 March 2011.

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 categorised as an "Shariah Compliant Islamic Asset Allocation Scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a per value of Rs. 100 per unit. Thereafter, the units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

As per the offering document, the Fund shall invest in shariah compliant equities and debt securities and other shariah compliant instruments including shariah compliant securities available outside Pakistan as approved by the Shariah Advisor and SECP from time to time.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AMQ+" to the Management Company and a stability rating of A(f) to the Fund.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

2 STATEMENT OF COMPLIANCE

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

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



- Provisions of and directives issued under the Companies Act, 2017 along with part VIIA of the repealed Companies Ordinance, 1984;
- the NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIA 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 VIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees	Rupees
4 CASH AND BANK BALANCES			
Balances with banks:			
- in saving accounts	4.1	2,743,396	14,154,382
		<u>2,743,396</u>	<u>14,154,382</u>
4.1	The rate of return on these accounts ranges between 3.75% and 10.5% (30 June 2019: 3.75% and 10.5%) per annum.		
5 INVESTMENTS			
At fair value through profit or loss			
- Investment in listed equity securities	5.1	1,229,272	38,236,153
- Investments in Sukuk (Istisna)	5.2	9,691,576	9,795,000
		<u>10,920,848</u>	<u>48,031,153</u>

83	United States
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It has been demonstrated that the

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Name of Issuer Company	Number of Shares				Market			Percentage		Participate in Issuer Company
	As at 31 June 2019	Participate during the period	Shareholder interest during the period	Shareholding percentage	As at 31 September 2019	Company value as at 31 September 2019	Market value as at 31 September 2019	Market value as a percentage of 50% Investment	Market value as a percentage of total assets	
COMMONWEALTH BANK										
Commonwealth Bank Limited	2,300	-	-	22.00%	-	-	-	0.0%	-	0.00%
	2,300	-	-	22.00%	-	-	-	-	-	-
NETSOL COMPANY										
NetSol NPL Limited	1,000	-	-	1.00%	-	-	-	0.0%	0.0%	0.00%
	1,000	-	-	1.00%	-	-	-	0.0%	0.0%	0.00%
GENENT										
Genent Company Limited	1,300	-	-	0.00%	-	-	-	0.0%	0.0%	0.00%
Academy Genent Company Limited	1,000	-	-	0.00%	90	1.40	1.70	0.0%	0.0%	0.00%
Genent Company Limited	10,000	-	-	0.00%	10,000	-	-	0.0%	0.0%	0.00%
Genent Company Limited	10,000	-	-	0.00%	10,000	-	-	0.0%	0.0%	0.00%
Genent Company Limited	1,000	-	-	0.00%	90	1.40	1.70	0.0%	0.0%	0.00%
Genent Company Limited	1,000	-	-	0.00%	90	1.40	1.70	0.0%	0.0%	0.00%
Genent Company Limited	1,000	-	-	0.00%	90	1.40	1.70	0.0%	0.0%	0.00%
	41,000	-	-	41.00%	41,000	26.40	32.70	0.0%	0.4%	0.00%
POWER GENERATION AND DISTRIBUTION										
Power Generation and Distribution Limited	990,000	-	-	990.00%	-	-	-	0.0%	0.0%	0.00%
	990,000	-	-	990.00%	-	-	-	0.0%	0.0%	0.00%
Power Generation and Distribution Limited	990,000	-	-	990.00%	990,000	20,000	20,000	0.0%	0.0%	0.00%
	990,000	-	-	990.00%	990,000	20,000	20,000	0.0%	0.0%	0.00%
OL AND THE BANKING COMPANIES										
Ol and the Banking Companies Limited	1,000	-	-	0.00%	90	21.40	21.40	0.0%	0.4%	0.00%
Ol and the Banking Companies Limited	9,000	-	-	0.00%	9,000	-	-	0.0%	0.0%	0.00%
Ol and the Banking Companies Limited	9,000	-	-	0.00%	9,000	-	-	0.0%	0.0%	0.00%
	4,000	-	-	4.00%	4,000	47.00	47.00	0.0%	0.0%	0.00%
	4,000	-	-	4.00%	4,000	47.00	47.00	0.0%	0.0%	0.00%
OL AND THE UTILIZATION COMPANIES										
Ol and the Utilization Companies Limited	2,700	-	-	2.70%	70	12.10	12.10	0.0%	0.0%	0.00%
Ol and the Utilization Companies Limited	9,400	-	-	9.40%	9,400	-	-	0.0%	0.0%	0.00%
Ol and the Utilization Companies Limited	2,300	-	-	2.30%	90	20.00	20.00	0.0%	0.0%	0.00%
Ol and the Utilization Companies Limited	9,700	-	-	9.70%	9,700	-	-	0.0%	0.0%	0.00%
	4,200	-	-	4.20%	4,200	20.00	20.00	0.0%	0.0%	0.00%
EXCHANGES										
Exchange Limited	20,000	-	-	20.00%	-	-	-	0.0%	0.0%	0.00%
	20,000	-	-	20.00%	-	-	-	0.0%	0.0%	0.00%
AUTOMOBILE PARTS AND ACCESSORIES										
Automobile Parts and Accessories Limited	1,000	-	-	1.00%	10,000	10,000	10,000	0.0%	0.0%	0.00%
Automobile Parts and Accessories Limited	1,000	-	-	1.00%	10,000	10,000	10,000	0.0%	0.0%	0.00%
	4,000	-	-	4.00%	4,000	40,000	40,000	0.0%	0.0%	0.00%
TECHNOLOGY AND COMMUNICATION										
Technology and Communication Limited	1,000	-	-	1.00%	10,000	10,000	10,000	0.0%	0.0%	0.00%
	1,000	-	-	1.00%	10,000	10,000	10,000	0.0%	0.0%	0.00%
FINTECH										
FinTech Limited	4,000	-	-	4.00%	-	-	-	0.0%	0.0%	0.00%
FinTech Limited	4,000	-	-	4.00%	40	40.00	40.00	0.0%	0.0%	0.00%
FinTech Limited	4,000	-	-	4.00%	40	40.00	40.00	0.0%	0.0%	0.00%
	4,000	-	-	4.00%	40	40.00	40.00	0.0%	0.0%	0.00%

Name of Investor Company	Number of Shares				Prices		Percentage		
As at 31 July 2019	Number bought in period	From where shares bought	As at 31 July 2019	As at 31 September 2019	Company value as at 31 September 2019	Market value as at 31 September 2019	Market value as percentage of A/E book value	Market value as a percentage of net assets	Percentage of total shares
MURKINCEAS									
Marine Insurance of the Netherlands	2,300	-	2,300	30	1,607.39	129.18	0.02%	0.01%	0.01%
Wolffskloot International Limited	1,000	-	1,000	30	1,599	119.96	0.01%	0.01%	0.00%
ACF Group	9,000	-	9,000	-	-	-	0.07%	0.04%	0.00%
Coventry Water Pollution Control	150	-	85	-	-	-	0.00%	0.00%	0.00%
The South Company Limited	80	-	-	38	9,125	1,028	0.01%	0.01%	0.00%
	9,530	-	9,530	68	16,329	647.1	0.02%	0.06%	-
CHIEFAS									
Chief Patient & Care Ltd. (UK)	2,300	-	2,300	-	-	-	-	-	0.00%
	2,300	-	2,300	-	-	-	-	-	-
PAPER & BOARD									
Packaging Limited	1,300	-	1,300	-	-	-	0.01%	0.01%	0.00%
	9,530	-	9,530	-	-	-	0.01%	0.01%	-
FOOD AND PERSONAL CARE PRODUCTS									
Al Shahr Corporation Limited	9,300	-	9,300	1,25	10,710	1,897	0.17%	0.06%	0.00%
	9,300	-	9,300	1,25	10,710	1,897	0.17%	0.06%	-
GLASSLAND CRUMBS									
Glassland Industries Ltd (UK)	1,300	-	1,300	-	10,620	10,700	0.17%	0.01%	0.00%
	1,300	-	-	1,300	10,620	10,700	0.17%	0.01%	-
REAL ESTATE INVESTMENT TRUST									
Domus Group Ltd	6,300	-	6,300	-	-	-	0.01%	0.01%	0.00%
	9,530	-	9,530	-	-	-	0.01%	0.01%	-
RETAIL BANKING									
British Bank of the Middle East Limited	9,300	-	9,300	-	-	-	0.01%	0.01%	0.00%
Parsons Bank Ltd (UK) Limited	1,300	-	1,300	-	-	-	0.01%	0.01%	0.00%
De Post Bank Limited	9,300	-	9,300	-	-	-	0.01%	0.01%	-

Source: U.S. Census Bureau, *Marriage, Divorce, Remarriage in the 1990s*, p. 10.

1999	2000	2001	2002
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Received 10 May 1999

508/509

5.1.1 The above investments include following shares which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated 25-October-2007 issued by the SECP.

Name of Investee Company	Quantity		Market value	
	30 September	30 June	30 September	30 June
	Unaudited ---Number of Shares---	Audited	2014 Unaudited ---Rupees---	Audited
Q-Sikhan Cement Company Limited	-	7,880	-	295,768
Engro Corporation Limited	250	2,580	85,750	894,888
Lucky Cement Limited	50	-	17,300	-
Maz Petroleum Company Limited	12	-	18,788	-
Pakistan Oilfields Limited	50	-	38,000	-
Pakistan State Oil Company Limited	30	-	15,990	-
The HighPower Company Limited	339	20,880	24,095	1,575,885
Refined Mills Limited	-	1,580	-	140,878
Oil and Gas Development Company Limited	-	7,880	-	820,488
Pioneer Cement Limited	-	-	-	-
Pakistan Petroleum Limited	15	11,098	18,200	1,995,738
Engro Fertilizers Limited	500	30,580	34,000	1,851,885
	1,346	79,888	182,887	7,234,839



5) Investments in Sukuk

Name of Issuer Company	Sukuk Certificate				Balance at 30 September 2019			Interest as a percentage of net assets		Investment as a percentage of net assets
	Acquired July 2014	Period ending 30 June 2015	Interest received during period	Acquired September 2015	Carrying value	Market value	Agreed rate (per annum)	Revised as a percentage of net assets	Revised as a percentage of net assets	Investment as a percentage of net assets
Invested Sukuk 2014	10	-	-	10	1,12,78	109,571	0.020	5.4%	6.2%	5.0%
Invested Sukuk 2015										

5.2.1 The nominal value of these certificates is Rs. 5,000 each.

5.2.2 The certificates carry interest rate of 6.87% and will mature on 05 November 2021.

6 PAYABLE TO MANAGEMENT COMPANY

	Note	30 September 2019 Un-audited	30 June 2019 Audited
Remuneration of the Management Company	6.1	80,924	111,367
Sindh sales tax payable on remuneration of the Management Company	6.2	256,332	258,869
Federal Excise Duty payable on remuneration of the Management Company	6.3	1,612,059	1,612,069
Accounting and operational charges payable	6.4	287,281	252,527
Selling and Advertising Expense	6.5	452,340	389,325
Front End Load Payable		437,530	437,530
		3,116,436	3,063,671

6.1 The Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any



relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 1,612 million (30 June 2019: Rs. 1,612 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 6,6582 (30 June 2019: Rs. 1,536) per unit.

6.4 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 up to 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.

6.5 SECP vide Circular No. 40 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 till 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	30 September 2019 Un-audited	30 June 2019 Audited
Auditors' remuneration payable		369,245	268,045
Printing charges payable		88,470	93,970
Accrued Rating Fee fee		-	929
With Holding Tax and Capital Gain Tax Payable		20,905	2,946
Legal and professional charges payable		136,741	136,741
Brokerage / Transaction charges payable		16,144	1,905
Provision for Sindh Workers' Welfare Fund	7.1	399,546	399,546
Settlement charges payable		31,248	30,513
Other Payable		1,378	1,378
		1,868,677	938,973



ASKARI ISLAMIC ASSET ALLOCATION FUND

7.1 There is no change in the status of the BWVF as reported in note 12 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 5.63% (30 June 2019: 4.94%) which includes 0.67% (30 June 2019: 0.54%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NSFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

10 TAXATION

10.1 The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

11.1 Details of transaction with related parties during the period are as follows:

	For the Quarter Ended 30 September	
	2019	2018
	Un-audited	
	Rupees	
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration for the period	295,872	571,226
Sindh Sales Tax on remuneration of the Management Company	38,359	75,585
Reimbursement of operational expenses to the Management Company	14,754	29,075
Selling and Marketing expense	59,915	114,112
MCB Financial Services Limited - Trustee		
Remuneration of the Trustee	198,938	255,885



ASKARI ISLAMIC ASSET ALLOCATION FUND

30 September 2019	30 June 2019
Un-audited	Audited
Rupees	

11.2 Details of balances with related parties as at the period / year end are as follows:

Pak Oman Asset Management Company Limited (Management Company)		
Remuneration payable to the management company	83,324	111,367
Sindh Sales tax payable on remuneration of the Management Company	255,332	258,899
Federal Excise Duty payable on remuneration of the Management Company	1,612,359	1,612,359
Accounting and operational charges payable	267,281	252,527
Selling and marketing expenses	452,343	383,335
MCB Financial Services Limited		
Trustee fee payable	129,917	130,354
Burj Bank Limited Employees Contribution Provident Fund		
Outstanding 195,519 (30 June 2019: 195,519) units	14,124,365	15,594,597
Key Management Personnel		
Units held Nil units (2019: Nil units)		

12 GENERAL

12.1 Figures have been rounded off to the nearest rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



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Our Mission

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

Our Vision

"ASKARI ISLAMIC INCOME 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 Ocean Asset Management Company Limited,
1st Floor Tower A,
Finance and Trade Centre (FTC),
Karachi
Phone : +92 - 21 - 38896275-79
Fax : +92 - 21 - 38896274
Website : www.pakomanad.com

Board of Director of The Management Company

H.E. Nabya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Marad	Director
Mr. Saleem Elmas Al Harthy	Director
Mr. Saif Saad Salem Al Yaqub	Director
Mr. Idrees Shih	Director
Mr. Saif Kazmi	CEO

Audit Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Saleem Elmas Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Saleem Elmas Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salem Al Yaqub	Member
Mr. Hanayun Marad	Member
Mr. Saif Kazmi	Member

Chief Financial Officer / Company Secretary

Muhammad Farooq

Asset Manager Rating

AH3+ (Stable outlook)

Trustee

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

Auditors

Earnst & Young Ford Rhodes Salaf Hyder
Progressive Plaza, Deccan Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Askari Bank Limited
Bank Al-Jahid Limited
Brj Bank Limited
Habib Maan Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 51/38th, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S,
Main Shaheen-e-Faisal, Karachi-74400, Pakistan.
Phone : +92 - 21 - 111 - 111 - 500
Fax : +92 - 21 - 34326040
Web site : www.itmindshq



DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Ocean Asset Management Company Limited ("the Management Company" or "POAMCL" or "the Company") is pleased to present the quarterly report of the Askari Islamic Income Fund (AIF) for the Quarter Ended 30 September 2019.

Economic Review IQFY20

Recent developments in the on the economic front in IQFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenge for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In IQFY20, headline inflation averaged at 14.88% as compared to 6.48% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In IQFY20, CPI averaged at 11.38% as compared to 2.49% in same period last year while WPI averaged at 14.40% in comparison to 15.89% in IQFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to hike rates were driven by 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 54.67% to \$0.292 billion in 2-months of IQFY20 against \$2.580 billion in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.55% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2-Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief to exporters might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 8.88%. NDA of the banking system slumped by 1.12% while NFA of the banking system improved by 18.00%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

Fixed Income Review IQFY20

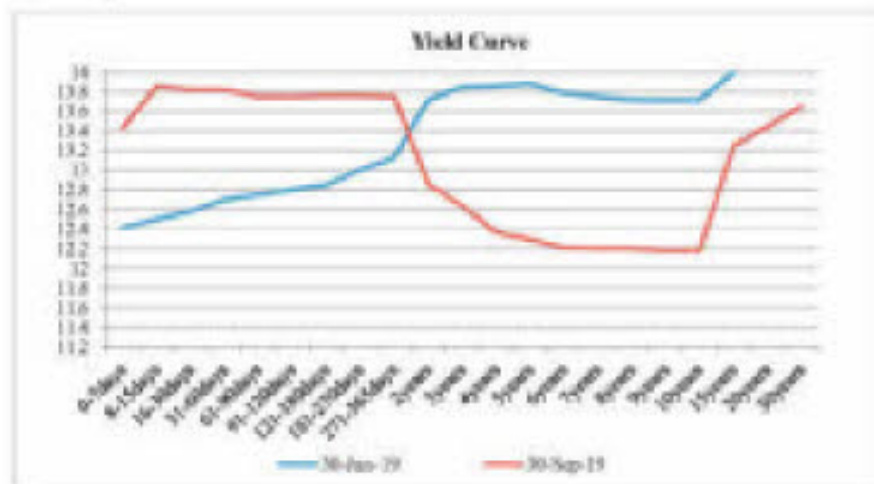
In IQFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 100bps, 180bps and 62bps and closed the quarter at 12.75%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 138bps and 154bps and stood at 12.64%, 12.30% and 12.08% for 3yr, 5yr and 10yr band respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, RSBF might initiate an interest rate reversal cycle by end of CY19.

In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, RSBF raised a total of PKR 6,078 billion against the target of PKR 6,900 billion and raising amount of PKR 5,185 billion. The cut-off yields settled at 13.7000%, 13.8399% and 13.8499% for 3m, 6m and 12m paper respectively. Major participation was witnessed once in 6-Month and 12-Month paper during the quarter as market remained inclined towards longer instruments. In the PRB auction

**ASKARI ISLAMIC INCOME FUND**

For fixed rate bonds, SGP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively; while no bids for 20-year tenor were received. In the PIB section for floating rate PIBs, SGP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the sections held in the month of July-19 and Aug-19 while SGP slashed margin to 65bps in the last section held in the month of Sep-19.



A113

In IQFY20, the unit price of AIF appreciated by 3.20% against its benchmark of 5.66%. The fund has underperformed its benchmark during the period due to realisation losses on investment in Sukuk Certificate. The assets under management of fund stood at PKR 49.55 million as against PKR 6.7 million at the start of the financial year. In IQFY20, exposure against corporate Sukuk averaged at 81.17% of the fund size as compared to 61.97% in same period last year. Exposure against this asset class was reduced in absolute terms during the period under review however changes in percentage terms reflects decline in fund size. Exposure against cash and equivalents averaged 18.83% in IQFY19 as compared to 13.30% in comparable period last year.

Antagonistic functions exist

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.

24th October 2019
Karachi - Pakistan

[Signature]

For and on behalf of the Board
Said Hassan
Chief Executive Officer

**ASKARI ISLAMIC INCOME FUND**

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[illegible]

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اسی طرح اگرچہ ان کے پاس ایک ہی کتاب تھی مگر ان کے پاس ایک ہی کتاب تھی۔

RESULTS

2019.07.24



ASKARI ISLAMIC INCOME FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

		30 September	
		2019	2018
Note		Rupees in ('000)	
Income			
Profit on saving and term deposits		309	1,721
Profit on sukuk certificates		1,776	3,188
Net gain on sale of investments		-	101
Net unrealised appreciation / (diminution) on re-measurement of investments at fair value through-profit or loss		(932)	512
Total Income		1,164	5,502
Expenses			
Remuneration of the Management Company	6.1	183	565
Sindh Sales Tax on remuneration of the Management Company	6.2	21	68
Reimbursement of the operational expenses to the Management Company	6.4	18	60
Selling and marketing expenses	6.5	59	242
Remuneration of SOB Financial Services Limited - Trustee		198	206
Annual fee to the Securities & Exchange Commission of Pakistan		3	45
Auditors' remuneration		101	138
Fees and subscription		50	64
Securities transaction cost and bank charges		36	712
Printing and stationary expenses		30	30
Legal and professional charges		-	13
Provision for Sindh Workers Welfare Fund		8	18
Total Expenses		744	1,756
Net income for the period before taxation		419	3,836
Taxation	10	-	-
Net income for the period after taxation		419	3,836
Allocation of Net income for the period:			
Net income for the period after taxation		419	3,836
Income already paid on units redeemed		(74)	507
		345	4,343
Accounting income available for distribution:			
Relating to capital gains		(932)	683
Excluding capital gains		1,329	2,648
		396	3,329

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Qasim Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director

ASKARI ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	Rupees in ('000)	
Net income for the period after taxation	419	3,836
Other comprehensive income	-	-
Total comprehensive income for the period	419	3,836

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Qasim Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



ASKARI ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September					
	2018		2019		2019	
	Capital Value	Undistributed Income	Capital Value	Undistributed Income	Capital Value	Undistributed Income
	Rupees in ('000)					
Net assets at the beginning of the period (Interim ending: 30/09/2018: 1,102,419)	67,332	076	67,463	23,126	1,286	29,174
Issue of 19,309,461,871 units	-	-	-	67,369	-	67,369
Redemption of 18,181,205,176,170 units	(18,285)	(76)	(18,313)	(73,178)	(185)	(73,173)
Total comprehensive income for the period	-	410	410	-	1,836	1,836
Net assets at the end of the period (Interim ending: 30/09/2019: 1,348,999)	49,047	37	49,560	23,412	418	29,181
Undistributed income brought forward comprising of:						
Realised		(1,362)		1,110		
Unrealised		1,362		18		
		076		1,128		
Accounting income available for distribution:						
Arising from capital gains		(523)		23		
Arising from income gains		1,362		2,966		
		839		2,989		
Undistributed income carried forward - Net		076		4,988		
				5,064		
Net asset value at the beginning of the period			10,181		10,181	
Net asset value at the end of the period			10,194		10,174	

The annexed notes form 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director


ASKARI ISLAMIC INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2018	2019
	Rupees in ('000)	
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	410	3,836
Adjustments for:		
Net gain on sale of investments	-	(151)
Net unrealised appreciation / (depreciation) on remeasurement of investments at fair value through profit or loss	603	(500)
Provision for Sindh Workers Welfare Fund	8	76
	611	(65)
Decrease / (increase) in assets:		
Investments - Net	-	65,102
Mark up accrued	95	2,816
Advances, prepayment and other receivables	(278)	(6,567)
	(183)	60,351
Decrease in liabilities:		
Payable to Asset Management Company	57	(251)
Payable to MCB Financial Services Limited - Trustee	(2)	(7)
Payable to the Securities and Exchange Commission of Pakistan	(127)	(272)
Dividend Payable	-	(3,583)
Accrued expenses and other liabilities	126	(486)
	56	(4,813)
Net cash generated from / (used in) operating activities	1,224	55,109
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	-	67,309
Net payments against redemption of units	(18,313)	(176,363)
Net cash (used in) / generated from financing activities	(18,313)	(1,12,404)
Net (decrease) / increase in cash and cash equivalents	(17,089)	(57,295)
Cash and cash equivalents at the beginning of the period	18,227	56,861
Cash and cash equivalents at the end of the period	4	1,138
	1,138	6,706

The annexed notes form 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari Islamic Income Fund (the Fund) was established under a Trust deed executed between Askari Investment Management Limited as the Management Company and the MCB Financial Services Limited as the Trustee on 26 August 2008. The Fund was registered by Securities and Exchange Commission of Pakistan (SECP) as a notified Entity in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on 25 June 2009.

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 transferrable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

As stated in the offering document, the Fund shall invest in shariah compliant income instruments such as debt securities, placements under Mudaraba, Musbaha and Musharaka arrangements, government securities and other shariah compliant instruments including shariah compliant securities available outside Pakistan as approved by the Shariah Advisor and the SECP from time to time.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AMQ" to the Management Company and JCR-VIS has assigned a rating of "A-([5])" to the Fund.

Title to the assets of the Fund is held in the name of MCB Financial Services Limited as a trustee of the Fund.

2 BASIS OF PREPARATION

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 VIIA 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 VIIA 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 VIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

		30 September 2019	30 June 2019
		Un-audited	Audited
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
4. BALANCE WITH BANKS			
- Saving accounts	4.1	1,138	18,227
		<u>1,138</u>	<u>18,227</u>

- 4.1 These savings accounts carry mark-up at the rates ranging from 5.2% to 10.00% (30 June 2019: 5.6% to 6.2%) per annum.

		30 September 2019	30 June 2019
		Un-audited	Audited
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
5. INVESTMENTS			
At fair value through profit or loss -			
held for trading			
Sukuk certificates		49,910	50,943
		<u>49,910</u>	<u>50,943</u>



5.1 Sales Certificate

Name of the investor company	Number of certificates				Net asset value as at 30 September 2019	Investment as a percentage of		
	Acquired July 2019	Purchased during the period	Sold/ redeemed during the period	Acquired September 2019		Market value as a percentage of net assets	Market value as a percentage of investment	Investment as a percentage of total fund size
	Rupees ('000)					%		
TL Capitalist Limited (Family TL Capitalist)	40	-	-	40	41,700	18.75%	50.00%	1.00%
	40	-	-	40	6,700	18.75%	18.81%	1.00%
Carrying value of net assets issued as at 30 September 2019					9,400			

5.2.1 Significant terms and conditions of sales certificates issued as at 30 September 2019 are as follows:

Name of the investor company	Issue Date	Maturity Date	Expected profit	Security structure	Investment rating	Redemption fee value
TL Capitalist Limited (Family TL Capitalist)	01-Apr-19	01-Apr-21	1 Month REOI + 10%	Secured	A+	1.0000%

6. PAYABLE TO THE MANAGEMENT COMPANY

		30 September 2019	30 June 2019
	Note	Un-audited	Audited
		—(Rupees in '000)—	
Remuneration of the Management Company	6.1	48	63
Sindh Sales Tax on remuneration of the Management Company	6.2	419	421
Federal Excise Duty on remuneration of the Management Company	6.3	2,742	2,742
Reimbursement of operational expenses to the Management Company	6.4	636	615
Selling and marketing expense	6.5	747	688
Sales Lead Payable		123	123
		4,795	4,652

6.1 The Management Company has charged its remuneration at the rate of 1.1% (30 June 2019: 1.1%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.



6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2006 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner (Inland Revenue) has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made as at 30 June 2016 amounting to Rs. 2,742 million (30 June 2019: 2,742 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 5.51 (30 June 2019: Rs. 4.04) per unit.

6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(e) 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 up to 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.

6.5 SECP vide Circular No. 40 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 till 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.



ASKARI ISLAMIC INCOME FUND

	Note	30 September 2019 Un-audited	30 June 2019 Audited
		Rupees in ('000)	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		357	299
Pricing charges payable		229	-
Withholding Tax and Capital Gain Tax payable		5	6
Provision for Sindh Workers' Welfare Fund	7.1	1,483	1,474
Fund Rating Fee Payable		44	-
Settlement charges		34	-
Legal and professional charges payable		367	367
Others		-	229
		2,518	2,374

7.1 There is no change in the status of the SWWF, as reported in note 12 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 5.08% (June 30, 2019 is 3.82%) which includes 0.46% (June 30, 2019 is 0.42%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This rate exceeds the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

10 TAXATION

10.1 The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.



ASKARI ISLAMIC INCOME FUND

		For the Quarter Ended 30 September	
		2019 Un-audited	2019 Un-audited
		Rupees in '000	
11	TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS		
11.1	Transactions for the period:		
	Pak Oman Asset Management Company Limited (Management Company)		
	Remuneration for the period	163	890
	Sindh Sales tax on remuneration of the Management Company	21	88
	Reimbursement of operational expenses to the Management Company	15	80
	Selling and marketing expense	93	342
	MCB Financial Services Limited- Trustee		
	Remuneration of the Trustee	198	396
1	TCS Pvt Limited- Employees Provident Fund		
	Issue of 3,878 (2019: Nil) units	385	-
	Harvard Laboratories (Waqf) Pakistan		
	Issue of 18,973 (2019: 18,973) units	-	1,819
	Syed Muhammad Mansar		
	Issue of 297,788 (2019: 297,788) units	-	30,225
		30 September 2019 Un-audited	30 June 2019 Audited
11.2	Investments / outstanding balances as at period / year end	Rupees in '000	
	Pak Oman Asset Management Company Limited (Management Company)		
	Remuneration payable to the Management Company	48	63
	Sindh Sales Tax payable on Remuneration of the Management Company	419	421
	Federal Excise Duty payable on Remuneration of the Management Comp	2,742	2,742
	Reimbursement of operational expenses	638	619
	Selling and marketing expense	347	688
	Sales tax payable	123	123
	MCB Financial Services Limited (Trustee)		
	Remuneration payable to the Trustee	63	66
	Holdings with 10% or more		
	Outstanding units: 251,987 (30 June 2019: 338,788)	25,268	24,988

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



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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

"PAK OMAN ISLAMIC ASSET ALLOCATION FUND aims to provide diversified portfolio and return that is risk adjusted to our 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
Website: www.pakomanfund.com

Board of Director of The Management Company

H.E. Nabya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Marad	Director
Mr. Salimun Elmasud Al Harthy	Director
Mr. Saif Saad Salim Al Yaqubi	Director
Mr. Arshad Shah	Director
Mr. Saif Kazmi	CEO

Audit Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al Yaqubi	Member
Mr. Hanayun Marad	Member
Mr. Saif Kazmi	Member

Chief Financial Officer / Company Secretary

Mahmood Farukh

Asset Manager Rating

A13+ (Stable outlook)

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S.
Main Shalimar-Faisal, Karachi.

Auditors

Earnst & Young Ford Rhodes Salim Hyder
Progressive Plaza, Beasant Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Adic Bank Limited
Bank Al-Jahid Limited
Baq Bank Limited
Habib Maan Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/C/38th, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shalimar-Faisal, Karachi-74400, Pakistan.
Phone: +92 - 21 - 111 - 111 - 900
Fax: +92 - 21 - 34326040
Web site: www.itmindshq



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 Pak Oman Islamic Asset Allocation Fund (POIAAF) for the Quarter Ended 30 September 2019.

Economic Review 1QFY20

Recent developments in the on the economic front in 1QFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In 1QFY20, headline inflation averaged at 10.89% as compared to 6.98% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In 1QFY20, SPI averaged at 11.88% as compared to 2.49% in same period last year while WPI averaged at 14.47% in comparison to 15.89% in 1QFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to lift rates were driven by 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 \$6.87% to \$1,292 million in 2-months of 1QFY20 against \$2,380 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2 Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief in export taxes might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 6.69%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.03%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

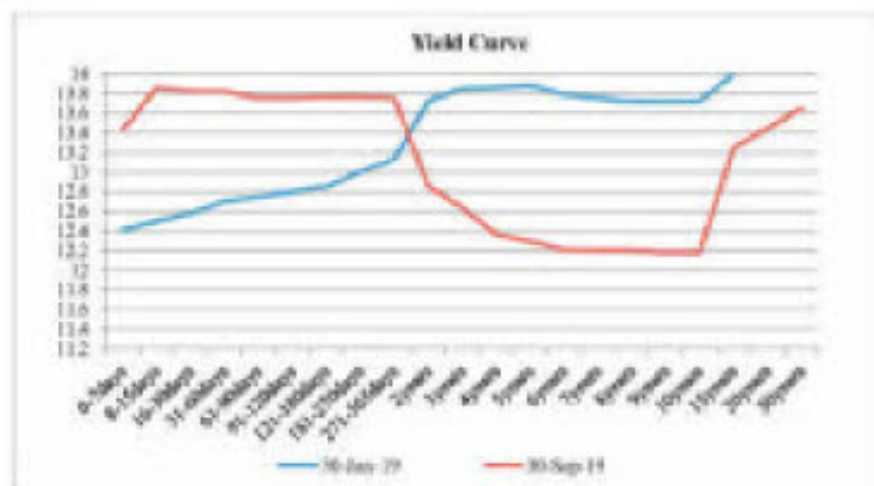
Fixed Income Review 1QFY20

In 1QFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 106bps, 380bps and 62bps and closed the quarter at 12.79%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 153bps and 154bps and stood at 12.64%, 12.50% and 12.38% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.



In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 17.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6,075 billion against the target of PKR 6,900 billion and raising amount of PKR 5,180 billion. The cut-off yields settled at 13.7300%, 13.8190% and 13.8499% for 3m, 6m and 12m paper respectively. Major participation was witnessed seen in 6-Month and 12-Month papers during the quarter as market remained inclined towards longer instruments. In the PIB section for fixed rated bonds, SBP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SBP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SBP slashed margin to 60bps in the last auction held in the month of Sep-19.



Equity Review

KSE100 Index outperformed rising by 1487pts (8.11%MoM) and closed at 32,879pts. The revival of some macroeconomic indicators (recovery in current account deficit, foreign exchange reserves and PKR against USD) despite increasing tensions on LoC over Kashmir with India supported the recovery in KSE100 Index. Moving forward, Pakistan listed among the top 20 improvers in doing business by World Bank would be positive for FDI. However, on local front, business community concerns over FBR policies continue to hinder business activities.

Trading activities charged as market average volume upled by 1.5%MoM to 114.5mn shares, whereas KEL, MLCT and WTL were the major volume leaders. The total market capitalization of All-Shares Index increased by 1.2%MoM to USD41bn, mainly due to the rise in Banks (2.9%), E&P (18.3%) and Fertilizer (3.7%) market capitalization.

During the last month of the quarter, E&P sector remained the major contributor added 804pts in the Index followed by Banking and Fertilizer sectors, extended Index by 421pts and 318pts respectively.



Going forward, we anticipate capital market to remain in consolidation phase although attractive valuation encouraging long term investors to build their positions. The further soft recovery could witness given positive development on Kashmir issue and on FATF.

FOFAAF

In the 1QFY20, FOFAAF delivered return of -3.98% against the benchmark return of -1.04%, underperforming by 0.97%.

The assets under management of the fund stood at PKR 225Mn at the end of 1QFY20. Equities remained the major asset class with average exposure standing at 29% of the net assets of the fund.

During the period under review, apart from equities, 27% of the funds remained invested in debt securities.

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.

14th October 2019
Karachi - Pakistan.

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



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees in '000	
ASSETS			
Balances with Bank	4	96,914	20,094
Investments	5	120,672	152,186
Dividend and profit receivable		4,403	3,764
Advances, deposits, prepayments and other receivables		2,979	2,904
Total assets		223,058	184,978
LIABILITIES			
Payable to Management Company	6	4,029	3,743
Payable to Trustees		45	45
Payable to the Securities and Exchange Commission of Pakistan		9	254
Accrued expenses and other liabilities	7	3,102	2,830
Total liabilities		7,184	6,872
NET ASSETS		225,874	178,106
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		225,874	178,106
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		5,211,432	3,545,650
NET ASSET VALUE PER UNIT		43.3419	45.1384

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



PAK OMAN ISLAMIC ASSET ALLOCATION FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019	2018
	Rupees in '000	
INCOME / (LOSS)		
Profit on bank balances	1,288	1,280
Dividend income	821	2,582
Profit on bank certificates	2,272	1,083
Net capital gain / (loss) on sale of investments	(1,241)	989
Net unrealised appreciation on re-measurement of investments classified as Financial assets at fair value through profit or loss	(8,099)	(5,581)
Total Income	(4,949)	(215)

EXPENSES

Remuneration of Asset Management Company	6.1	908	1,472
Sindh Sales Tax on Remuneration of the Management Company	6.2	119	181
Reimbursement of operational expenses to the Management Company	6.4	45	80
Selling and Marketing expense	6.5	181	285
Remuneration of MCB Financial Services Limited - Trustee		81	99
Annual fee to the Securities and Exchange Commission of Pakistan		9	20
Charity / Donation		-	252
Auditors' remuneration		146	91
Statutory Advisory Fee		144	552
Securities transaction cost		108	386
Printing and Stationery charges		9	23
Legal and professional charges		16	50
Fee and Subscription		84	47
Settlement and Bank charges		1	5
Total Expenses		1,798	3,622

Net loss for the period before taxation **(6,747)** **(3,653)**

Taxation 10 - -

Net loss for the period after taxation **(6,747)** **(3,653)**

Allocation of Net loss for the period:

- Net loss for the period after taxation	(6,747)	(3,653)
- Income already paid on units redeemed	(3)	(1,153)
	(6,750)	(4,806)

Accumulating income available for distribution:

- Ending to capital gains	-	-
- Ending capital gains	(6,750)	(4,806)
	(6,750)	(4,806)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK OMAN ISLAMIC ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019	2018
	Rupees in '000	
Net loss for the period after taxation	(6,747)	(3,653)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the period	(6,747)	(3,653)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Islamic Advantage Asset Allocation Fund (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL). The trust deed was approved on 15 May 2015 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (The NBFC Rules) and was executed on 18 March 2011.

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 Shariah compliant open-ended mutual fund 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 Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3" to the Management Company and a stability rating of 2 Star to the Fund.

2 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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.



		30 September 2019 Unaudited	30 June 2019 Audited
	Note	Rupees	Rupees
4 CASH AND BANK BALANCES			
Balances with banks:			
- in saving accounts	4.1	56,914	26,094
		<u>56,914</u>	<u>26,094</u>
4.1	The rate of return on these accounts ranges between 4.5% and 12.75% (30 June 2019: 4.5% and 10%) per annum.		
5 INVESTMENTS			
- At fair value through profit or loss - held for trading			
- Sukuk certificates		61,175	64,130
- Investment in listed equity securities	5.1	67,493	69,050
		<u>128,672</u>	<u>133,180</u>

5.1 Investment portfolio

At the reporting date, the investment portfolio consists of:

(See also notes 15 and 16 relating to the investment portfolio and the fair value measurements)

Investment Category	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019
	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019	As at 30 Sept. 2019
COMMODITY INVESTMENTS										
Wheat (US\$)	4,25	-	-	-	4,25	100	100	4.2%	1.9%	1.9%
	4,25	-	-	-	4,25	100	100	4.2%	1.9%	
TOTAL COMMODITY INVESTMENTS										
Wheat (US\$)	4,25	-	-	-	4,25	100	100	4.2%	1.9%	1.9%
	4,25	-	-	-	4,25	100	100	4.2%	1.9%	
Real Estate										
Apartment (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Apartment (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Apartment (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Apartment (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Government Securities										
Treasury Bill (US\$)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
	1,00	-	-	-	1,00	100	100	1.0%	0.0%	
Other										
Other (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Other (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Other (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Other (Pakistan)	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
Total										
	1,00	-	-	-	1,00	100	100	1.0%	0.0%	0.0%
	1,00	-	-	-	1,00	100	100	1.0%	0.0%	



PAK OMAN ISLAMIC ASSET ALLOCATION FUND

Name of Issuer/Company	As at July 31, 2019	Portfolio Holdings per year	Share Right Issued	Share Holdings per year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Market Value as a Percentage of Total Assets	Market Value as a Percentage of Net Assets	Percentage of Portfolio Capital of Issuer/Company
----- (Rupee Lakhs) -----					----- Rupees -----					

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	1470	-	-	-	1470	125	125	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	840	-	-	100	840	100	100	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	10	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%



PAK OMAN ISLAMIC ASSET ALLOCATION FUND

Name of Issuer/Company	As at July 31, 2019	Portfolio Holdings per	Share	Share Holdings per	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Market Value as a Percentage of Total Assets	Market Value as a Percentage of Net Assets	Percentage of Portfolio Capital of Issuer/Company
----- (Rupee Lakhs) -----					----- Rupees -----					

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	1470	-	-	-	1470	125	125	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	840	-	-	100	840	100	100	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	10	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%

GL WIGACONSTRUCTION

GL WIGACONSTRUCTION	100	-	-	-	100	10	10	0.05%	0.05%	0.05%
GL WIGACONSTRUCTION	100	-	-	100	100	100	100	0.05%	0.05%	0.05%



		30 September 2019	30 June 2019
	Note	Un-audited	Audited
		—Rupees in '000—	
6 PAYABLE TO MANAGEMENT COMPANY			
Remuneration of the Management Company	6.1	308	297
Sindh sales tax payable on remuneration of the Management Company	6.2	46	39
Federal Excise Duty payable on remuneration of the Management Company	6.3	718	718
Payable Against Selling and Marketing Expense		1,254	1,073
Payable Against Shariah Advisory Fee		98	912
Payable Against Accounting and Operational Charges		74	704
		4,028	3,743

6.1 The Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 10% (30 June 2019: 10%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 0.718 million (30 June 2019: Rs. 0.718 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 0.14 (30 June 2019: Rs. 0.18) per unit.



6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 6D(2)(a) 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 up to 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.

6.5 SECP vide Circular No. 40 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 till 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.

		30 September 2019	30 June 2019
	Note	Un-audited	Audited
		—Rupees in '000—	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		486	340
Printing charges payable		143	-
Withholding tax and capital gains tax payable		113	-
Provision for Sindh Workers' Welfare Fund	7.1	1,662	1,661
Transaction charges payable		49	10
Fund Rating Fee Payable		48	-
Other Payable		603	819
		3,102	2,830

7.1 There is no change in the status of the SWWF as reported in note 11.1 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 4.04% (30 June 2019: 3.90%) which includes 0.41% (30 June 2019: 0.40%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

10 TAXATION

The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividends, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.



11 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

		For the Quarter Ended 30 September	
		2019	2018
		Un-audited	Un-audited
		Rupees in '000	
11.1	Details of transaction with related parties during the period are as follows:		
	Pak Qatar Asset Management Company Limited (Management Company)		
	Remuneration of the Management Company	906	1,672
	Brith Sales tax on Remuneration of Management Company	119	191
	Reimbursement of operational expenses to the Management Company	45	36
	Selling and Marketing expense	131	295
	Gul Ahmed Textile Mills Limited - Employee Provident Fund		
	Associated Entity of the Fund		
	Issue of 70 (2017: 225,098) units	-	-
	MOB Financial Services Limited - Trustee of the Fund		
	Remuneration of the Trustee	91	90
	Pak Qatar Investment Account		
	Issue of 575,784 (2017: 76) units	28,813	28,810
	Redemption of 481,326 (2017: 14) units	25,060	25,060
	Akshat Bank Limited		
	Issue of 982,189 (2018: 76) units	42,737,366	-

11.2 Details of balances with related parties as at the period / year end are as follows:

Details of balances with related parties as at the period / year end are as follows:		
	30 September 2019	30 June 2018
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration payable to the management company	308	297
Brith Sales tax payable on remuneration of the Management Company	40	36
Federal Excise Duty payable on remuneration of the Management Company	718	718
Payable Against Selling and Marketing Expense	1,254	1,070
Payable Against Branch Advisory Fee	990	910
Payable Against Accounting and Operational Charges	740	704
MOB Financial Services Limited the Trustee		
Trustee fee payable	45	45
Pak Oman Investment Company Limited - holding company of the Management Company		
Outstanding 1000000 (30 June 2018: 2,300,000) units	66,660	96,279
Sul Southern Gas Non Executive Staff Gratuity Fund		
Outstanding 654,168 (30 June 2019: 656,186) units	28,439	28,630
Sul Southern Gas Non Executive Staff Provident Fund		
Outstanding 811,407 (30 June 2019: 810,407) units	28,485	27,580
Akshat Bank Limited		
Outstanding 892,189 (30 June 2019: Nil) units	43,081	-



12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



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Our Mission

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

Our Vision

"PAK OMAN ADVANTAGE ASSET ALLOCATION 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
Website: www.pakomanfund.com

Board of Director of The Management Company

H.E. Nabya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hamayun Mairat	Director
Mr. Salimun Elmasud Al-Harthi	Director
Mr. Saif Saad Salim Al-Yaradi	Director
Mr. Arshad Shah	Director
Mr. Saad Kazmi	CEO

Audit Committee

Mr. Hamayun Mairat	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Hamayun Mairat	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al-Harthi	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al-Yaradi	Member
Mr. Hamayun Mairat	Member
Mr. Saad Kazmi	Member

Chief Financial Officer / Company Secretary

Mahmood Farukh

Asset Manager Rating

AH3+ (Stable outlook)

Treasury

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

Auditors

Earnst & Young Ford Rhodes Salim Hyder
Progressive Plaza, Beaumont Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Adicam Bank Limited
Bank Al-Jahid Limited
Brij Bank Limited
Habib Maano Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/13/10n, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shaheen-e-Faisal, Karachi-74400, Pakistan.
Phone: +92 - 21 - 111 - 111 - 500
Fax: +92 - 21 - 34326040
Web site: www.itmindshq



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 quarter report of the Pak Oman Advantage Islamic Income (POAII) for the Quarter Ended 30 September 2019.

Economic Review IQFY20

Recent developments in the on the economic front in IQFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenge for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In IQFY20, headline inflation averaged at 1.68% as compared to 1.48% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In IQFY20, CPI averaged at 11.58% as compared to 12.49% in same period last year while WPI averaged at 14.40% in comparison to 15.69% in IQFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to hike rates were driven by 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 34.67% to \$1,292 million in 2-months of IQFY20 against \$2,580 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 36.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2-Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief to exports might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 8.88%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.30%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

Fixed Income Review IQFY20

In IQFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 100bps, 100bps and 62bps and closed the quarter at 12.75%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 134bps and 154bps and stood at 12.64%, 12.90% and 12.98% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall economic dynamics, RBI might initiate an interest rate reversal cycle by end of CY19.

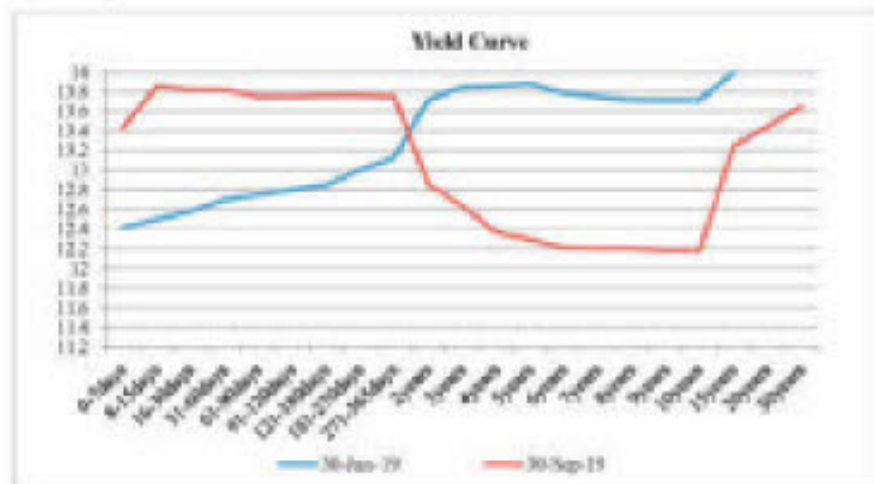
In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill sections held during the month, SBP raised a total of PKR 6,078 billion against the target of PKR 6,900 billion and remaining amount of PKR 5,183 billion. The cut-off yields varied at 11.7800%, 11.8300% and 12.8499% for 3m, 6m and 12m paper respectively. Major participation was witnessed across 6-Month and 12-Month paper during the quarter as market remained inclined towards longer instruments. In the PBR section



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

for fixed rated bonds, SGP raised PKR 911 billion. Cut-off yields stood at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PTD auction for floating rate PTDs, SGP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SGP slashed margin to 65bps in the last auction held in the month of Sep-19.



RESULTS

In IOFY20 the unit price of POAHF appreciated by 8.50% against its benchmark of 5.66%. The fund has outperformed its benchmark by 284bps. The assets under management of fund stood at PKR 211 million in against PKR 231 million at the start of the financial year. During the period, average exposure against Corporate Nikkei stood at 59.18% as compared to 49.92% in IOFY20. Exposure against this asset class saw negligible change and exposure was maintained in absolute terms and change in percentage terms reflects change in fund size. Remaining funds were invested as cash with A and above rated Islamic banks/Islamic windows of commercial banks during the reportable period. Average cash exposure of the fund during the July-19 to Sep-19 stood at 40.82%.

Autism spectrum disorders

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 Tripartite of the FORD and the management of the Pakistan Stock Exchange. We also wish to place on record our appreciation for the employees of the Management Company.

24th October 2019
Karachi - Pakistan

[Signature]

For and on behalf of the Board
Said Hassan
Chief Executive Officer



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

RESULTS

230 GPFY میں، PONAIF کے پلاسٹک تجزیہ 68.68 فی صد کاربائیڈ کے 5.50 فی صد مرکب اور، یعنی، اپنی سال کے 1972 میں 231 جی پی کے
240 میں 23 کے ان اقسام کو خارج کرتا ہے، 241 جی پی ہے۔

ہائیڈرو پائل 2018 کی کاپی سہ ماہی میں 99,992 ڈیڑھ سو کے مقابلے میں سہ ماہی کے دوران کارپس سے ٹھکانے کی بددلیلی سے انکشاف، 99,118 ڈیڑھ سو میں 2017 کا سال
 میں انکشاف کی معمولی طرح کی بددلیلی سے انکشاف، 99,992 ڈیڑھ سو کے مقابلے میں سہ ماہی کے دوران کارپس سے ٹھکانے کی بددلیلی سے انکشاف، 99,118 ڈیڑھ سو میں 2017 کا سال
 ڈیڑھ سو میں 2018 کی کاپی سہ ماہی میں 99,992 ڈیڑھ سو کے مقابلے میں سہ ماہی کے دوران کارپس سے ٹھکانے کی بددلیلی سے انکشاف، 99,118 ڈیڑھ سو میں 2017 کا سال

۱۔ اگرچہ اس مسئلہ پر کئی مکتوبات لکھے گئے ہیں، لیکن ان میں سے کوئی ایک بھی جواب دینے کے لئے نہیں آیا ہے۔

Summary

2019.05.24

Unaudited Financial Statements for the Quarter Ended 30 September 2019



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

پاک اومان ایڈوانٹیج اسلامک انکم فنڈ کی رپورٹ

پاک اومان ایڈوانٹیج اسلامک انکم فنڈ (PAOIF) کی رپورٹ کے مطابق اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اسلامی سرمایہ کاری کے تحت

اسلامی سرمایہ کاری کے تحت اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اسلامی سرمایہ کاری کے تحت

اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔

اس دورے میں فنڈ کی کارکردگی اچانک ہوئی ہے۔



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees in ('000)	
Assets			
Balances with bank	4	83,807	99,611
Investments	5	124,717	129,614
Mark up accrued		5,744	5,770
Deposits, prepayments and other receivable		1,436	502
Total assets		215,704	235,497
Liabilities			
Payable to Asset Management Company	6	1,510	1,690
Payable to Trustee		23	27
Payable to the Securities & Exchange Commission of Pakistan		10	193
Dividend payable		436	436
Accrued expenses and other liabilities	7	2,160	1,761
Total liabilities		4,139	4,107
NET ASSETS		211,565	231,390
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		211,565	231,390
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		3,961,910	4,425,961
NET ASSET VALUE PER UNIT		53.3998	52.2901

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

		30 September	
		2019	2018
Note		Rupees in ('000)	
Income			
Profit on saving and term deposits		2,433	2,542
Markup on Sukuk Certificates		4,520	2,884
Capital Gain on disposal of Sukuk		24	-
Unrealised gain / (loss) on revaluation of marketable securities at fair value through profit or loss		(1,023)	388
Total Income		5,954	5,814
Expenses			
Remuneration of the Management Company	6.1	799	1,042
Sindh Sales Tax on Remuneration of the Management Company	6.2	104	138
Reimbursement of operational expenses to the Management Company	6.4	80	80
Remuneration of MCSI Financial Services - Trustee		72	84
Annual fees to the Securities & Exchange Commission of Pakistan		11	52
Auditors' remuneration		154	90
Fees and Subscription		48	75
Bank, settlement and other charges		5	11
Printing and stationery expenses		-	24
Share Advisory Fee		144	38
Legal and professional charges		17	80
Provision for Sindh Workers' Welfare Fund		52	82
Total Expenses		1,489	1,785
Net income for the period before taxation		4,464	4,029
Taxation	10	-	-
Net income for the period after taxation		4,464	4,029
Allocation of Net income for the year:			
- Net income for the period after taxation		4,464	4,029
- Income already paid on units redeemed		(50)	(145)
		4,415	3,884
Accounting income available for distribution:			
- Relating to capital gains		-	-
- Excluding capital gains		4,415	3,884
		4,415	3,884

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	Rupees in ('000)	
Net income for the period after taxation	4,454	4,029
Other comprehensive income for the quarter	-	-
Total comprehensive income for the period	4,454	4,029

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September			2018		
	Capital Value	Undistributed Income	Net Assets	Capital Value	Undistributed Income	Net Assets
	(Rupees in '000)					
Net assets at the beginning of the period (Units outstanding: 4,425,001 (30.10: 5,798,231))	219,889	8,185	228,074	201,228	8,498	209,726
Issue of 20,000 (30.10: 484,940 units)	1,882	20	1,902	20,000	-	20,000
Redemption of 484,940 (2018: 1,108,142 units)	(25,203)	88	(25,115)	(80,803)	(145)	(80,948)
Total comprehensive income for the period	-	4,494	4,494	-	4,039	4,039
Net assets at the end of the period (Units outstanding: 3,960,061 (30.10: 5,720,091))	196,568	12,807	209,375	201,228	12,392	213,620
Undistributed income brought forward - comprising of:						
- At start		8,185			8,498	
- At end		(20)			(145)	
Accounting income available for distribution - relating to capital gains						
- Excluding capital gains		(12,807)			(12,392)	
Net income for the year after taxation		12,807			12,392	
Undistributed income carried forward - net		12,807			12,392	
	Rupees					
Net asset value at the beginning of the period			52,288			52,288
Net asset value at the end of the period			52,598			52,598

The annexed notes form 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	4,464	4,039
Adjustments for:		
Net unrealised (gains) / loss on re-measurement of investments classified as "financial assets at fair value through profit or loss"	5,905	(368)
Capital Gain on disposal of Sukuk	24	-
Provision for Sindh Workers Welfare Fund	52	52
Increase in assets	5,981	(316)
Investments - Net	3,870	1
Mark up accrued	26	(74)
Deposits, prepayments and other receivable	(934)	(949)
(Decrease) / Increase in liabilities	2,961	(1,022)
Payable to Asset Management Company	(180)	(13)
Payable to Trustees	(4)	(15)
Payable to the Securities & Exchange Commission of Pakistan	(180)	(184)
Dividend payable	-	(3,940)
Accrued expenses and other liabilities	307	278
Net cash (used in) / generated from operating activities	8,565	(8,154)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	5,112	26,098
Payments against redemption of units	(25,421)	(81,510)
Net cash used in financing activities	(20,309)	(55,412)
Net decrease in cash and cash equivalents	(11,744)	(63,566)
Cash and cash equivalents at the beginning of the period	98,615	122,181
Cash and cash equivalents at the end of the period	86,871	58,615

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Advantage Islamic Income Fund (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL). The trust deed was approved on 15 May 2012 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (The NBFC Rules).

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 Shari'ah-compliant open-ended mutual fund 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 Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3" to the Management Company as at 28 August 2018, and a stability rating of A(1) to the Fund.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as a trustee of the Fund.

2 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 VIII 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 VIII 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 VIII of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.



		30 September 2019	30 June 2019
		Un-audited	Audited
Note		----- (Rupees in '000) -----	
4. BALANCE WITH BANKS			
- Saving accounts	4.1	63,807	99,611

4.1 These savings accounts carry mark-up at the rates ranging from 6% to 12.75% (30 June 2019: 4.5% to 10%) per annum.

		30 September 2019	30 June 2019
		Un-audited	Audited
Note		----- (Rupees in '000) -----	
5. INVESTMENTS			
At fair value through profit or loss -			
held for trading			
Listed Sukuk certificates	5.2	28,693	30,220
Unlisted Sukuk certificates	5.3	96,064	95,398
		<u>124,757</u>	<u>125,618</u>

5.2 Listed Sukuk Certificates

Name of the Issuer company	Number of certificates				Market value as at 30 September 2019	Investment as a percentage of		
	As at 30 July 2019	Purchased during the period	Sold / redeemed during the period	As at 30 September 2019		Market value as a percentage of net assets	Market value as a percentage of Investment	Investment as a percentage of total assets
	(Rupees in '000)					----- % -----		
General Insurance Corporation Limited	10	-	-	10	1,306	1.1%	0.9%	0.0%
General Insurance Corporation Limited	10	-	-	10	1,447	0.3%	0.3%	0.0%
	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>2,753</u>	<u>1.4%</u>	<u>1.2%</u>	<u>0.0%</u>

5.3 Unlisted Sukuk Certificates

Name of the Issuer company	Number of certificates				Market value as at 30 September 2019	Investment as a percentage of		
	As at 30 July 2019	Purchased during the period	Sold / redeemed during the period	As at 30 September 2019		Market value as a percentage of net assets	Market value as a percentage of Investment	Investment as a percentage of total assets
	(Rupees in '000)					----- % -----		
TR Corporation Limited (Rwanda)	33	-	-	33	36,186	11.2%	26.5%	0.0%
TR, Rwanda Limited	33	-	-	33	36,186	10.2%	27.0%	1.4%
Investment Bank Limited	235	-	-	235	20,900	4.3%	16.5%	0.0%
Agro-Rwanda Pakistan Limited	235	-	-	235	20,900	4.3%	16.5%	0.0%
	<u>633</u>	<u>-</u>	<u>-</u>	<u>633</u>	<u>98,072</u>	<u>41.8%</u>	<u>70.5%</u>	<u>0.0%</u>

Carrying value of the cash included as at 30 September 2019

63,807



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

8.2.1 Significant terms and conditions of issued certificates held as at 30 September 2019 are as follows:

Name of the Issuer/Company	Issue Date	Maturity Date	Expected yield	Security/underlying	Instrument rating	Redeemable face value
Standard Chartered PLC	5-Nov-17	15-Nov-21	2.144% (KIBOR + 1.0%)	Secured	AA (Sp. Scale)	10,000
Bank of Commerce Pakistan Limited	14-Jun-17	14-Jun-22	2.144% (KIBOR + 1.0%)	Secured	AA (Sp. Scale)	10,000
Standard Chartered Corporate Finance	5-Nov-17	15-Nov-22	2.144% (KIBOR + 1.0%)	Secured	AA (Sp. Scale)	10,000
Standard Chartered Corporate Finance II	14-Jun-18	14-Jun-23	2.144% (KIBOR + 1.0%)	Secured	AA (Sp. Scale)	10,000
PK Corporation Limited (Publicly Traded)	3-Apr-18	12-Apr-21	1.144% (KIBOR + 0.0%)	Secured	AA (Sp. Scale)	100,000

30 September 2019

30 June 2019

Un-audited Audited

Note: —(Rupees in '000)—

8 PAYABLE TO THE MANAGEMENT COMPANY

Remuneration of the Management Company	E.1	256	301
Sindh Sales Tax on remuneration of the Management Company	E.2	128	134
Federal Excise Duty on remuneration of the Management Company	E.3	651	651
Reimbursement of operational expenses to the Management Company	E.4	312	258
Shareholding advisory fee payable		152	335
Sales Load Payable		1	1
		<u>1,510</u>	<u>1,680</u>

8.1 The Management Company has charged its remuneration at the rate of 1.5% (30 June 2019: 1.5%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

8.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 8.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

relevant petition) were set aside. In response to this, the Deputy Commissioner in-land Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 0.9881 million (30 June 2019: 0.9881 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 0.0023 (30 June 2019: Rs. 0.1493) per unit.

8.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(x) 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 up to 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.

30 September 2019

30 June 2019

Un-audited Audited

Note: —(Rupees in '000)—

7 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditor's remuneration payable		538	267
Printing charges payable		50	-
Withholding tax payable		34	-
Capital Gain Tax payable		157	-
Provision for Sindh Workers' Welfare Fund	7.1	1,217	1,120
Fund Rating Fee		214	-
Others		-	369
		<u>2,190</u>	<u>1,756</u>

7.1 There is no change in the status of the SSWF as reported in note 11 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 2.70% (June 30, 2019: 2.51%) which includes 0.31% (June 30, 2019: 2.08%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP,



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFIC Regulations for a collective investment scheme categorised as a money market scheme.

10 TAXATION

The income of the fund is exempt from income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

11.1 Transactions for the period:

Pak Oman Asset Management Company Limited (Management Company)

	For the Quarter Ended 30 September 2019	2018
Remuneration for the period	736	1,042
Sindh Sales Tax on remuneration of the Management Company	104	136
Reimbursement of operational expenses to the Management Company	53	80

MCB Financial Services Limited - Trustee of the Fund

Remuneration of the Trustee	72	94
-----------------------------	----	----

30 September 30 June
2019 2019
(Unaudited) (Audited)
—Rupees (000)—

11.2 Investments / outstanding balances as at period / year end

Pak Oman Asset Management Company Limited (Management Company)

Remuneration payable to the Management Company	258	301
Sindh Sales Tax payable on Remuneration of the Management Company	128	134
Federal Excise Duty payable on Remuneration of the Management Company	861	861
Reimbursement of operational expenses to the Management Company	312	258
Shareholders advisory fee payable	152	335
Sales Load Payable	1	1

MCB Financial Services Limited - The Trustee

Remuneration payable to the Trustee	23	27
-------------------------------------	----	----

Unit Holders holding 10% or more units of the fund

Pak Oman Investment Company Limited - Holding Company of Management Company of the Fund

Outstanding 3,269,179 (30 June 2019: 3,268,570) units	174,573	176,943
Cash distribution payable	-	11,210



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



CONTENTS

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Our Mission

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

Our Vision

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



FUND INFORMATION

Management Company

Pak Overseas Asset Management Company Limited,
1st Floor Tower A,
Finance and Trade Centre (FTC),
Karachi
Phone: +92 - 21 - 38696275-79
Fax: +92 - 21 - 38696274
Website: www.pakoverasfund.com

Board of Director of The Management Company

H.E. Nadeem Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Marad	Director
Mr. Salim bin Ahmad Al Harthy	Director
Mr. Saif Saad Salim Al Yaqubi	Director
Mr. Arshad Shah	Director
Mr. Saif Kazmi	CEO

Audit Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim bin Ahmad Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim bin Ahmad Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al Yaqubi	Member
Mr. Hanayun Marad	Member
Mr. Saif Kazmi	Member

Chief Financial Officer / Company Secretary

Mahmood Farukh

Asset Manager Rating

A13+ (Stable outlook)

Trustee

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

Auditors

Earnst & Young Ford Rhodes Salati Hyder
Progressive Plaza, Beaumont Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Askari Bank Limited
Bank Al-Jahid Limited
Brij Bank Limited
Habib Maano Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/C/38th, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shalimar-e-Faisal, Karachi-74400, Pakistan.
Phone: +92 - 21 - 111 - 111 - 500
Fax: +92 - 21 - 34326040
Web site: www.itmindshq



DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Overseas Asset Management Company Limited ("the Management Company" or "POMMCL" or "the Company") is pleased to present the quarter report of the Askari Sovereign Yield Enhancer (ASYE) for the Quarter Ended 30 September 2019.

Economic Review 1QFY20

Recent developments in the on the economic front in 1QFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In 1QFY20, headline inflation averaged at 10.89% as compared to 6.98% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In 1QFY20, SPI averaged at 11.88% as compared to 2.49% in same period last year while WPI averaged at 14.47% in comparison to 15.89% in 1QFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to lift rates were driven by 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 \$6.87% to \$1,292 million in 2-months of 1QFY20 against \$2,380 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2 Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief in export sector might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 6.69%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.03%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

Fixed Income Review 1QFY20

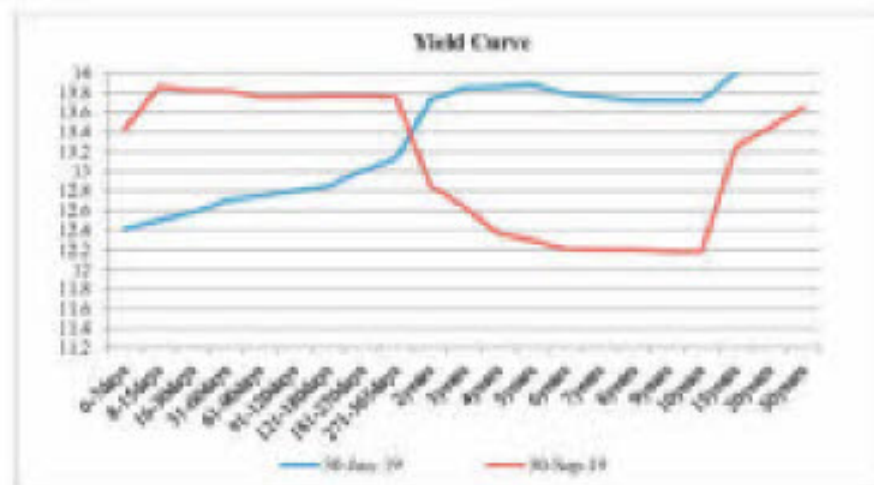
In 1QFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 106bps, 380bps and 62bps and closed the quarter at 12.79%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 153bps and 154bps and stood at 12.64%, 12.50% and 12.18% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.



ASKARI SOVEREIGN YIELD ENHANCER FUND

In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 17.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auction held during the month, SBP raised a total of PKR 6,075 billion against the target of PKR 6,900 billion and ensuring amount of PKR 5,100 billion. The cut-off yields settled at 13.7300%, 13.8190% and 13.8495% for 3m, 6m and 12m paper respectively. Major participation was witnessed seen in 6-Month and 12-Month papers during the quarter as market remained inclined towards longer instruments. In the PIB section for fixed rated bonds, SBP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SBP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auction held in the month of July-19 and Aug-19 while SBP slashed margin to 60bps in the last auction held in the month of Sep-19.



ASYE

In 1QFY20, unit prices of ASYE appreciated by 13.85% as compared to its benchmark return of 13.69%. The assets under management of the fund closed the year at PKR 175 million as compared to PKR 167 million in start of financial year.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 17.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to hike rates were driven by 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) averaged at 9.33%, 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 61.22% as compared to 75.75% in 1QFY19. During the period, exposure was built against PIBs to primarily increase fund's recurring income and secondly to capitalize on



ASKARI SOVEREIGN YIELD ENHANCER FUND

trading opportunities. During the period, investment against PIBs averaged at 11.40%. Remaining funds were invested in cash with A-shore rated banks. Average cash exposure of the fund during the July-19 to Sep-19 stood at 17.83%.

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.

24th October 2019
Karachi - Pakistan.

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



Abstract

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میں نے اس بار کوئی خاص کام نہیں کیا، جس سے میری زندگی میں کوئی تبدیلی آئی ہو۔ لیکن میں نے اپنے دل سے اس بات کو محسوس کیا کہ میں نے اس بار کوئی خاص کام نہیں کیا، جس سے میری زندگی میں کوئی تبدیلی آئی ہو۔

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ایمانت، جہاد، زکوٰۃ اور یکطرفہ کی برہم کاری

این سند جهت کپی و استفاده در فرم FOMEC 3 (کلیه ابواب و مدارهای ورودی و خروجی) در تاریخ 2019/07/20 تهیه شده است.

المجلد ١٠، العدد ١، السنة ٢٠١٩

اگرچہ سال 2000ء کو کلکتہ میں ہونے والی عالمی طبیعتی حادثہ کے بعد اس شعبہ میں ترقی کے لیے ایک خصوصی کمیٹی بنائی گئی تھی اور اس کی سربراہی ڈاکٹر سجاد علی نے کی تھی۔ تاہم اس کمیٹی کی رپورٹ کو کبھی عمل میں نہ لایا گیا۔ اس کے علاوہ اس شعبہ میں ترقی کے لیے کوئی اور اقدام بھی نہیں کیا گیا۔

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CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	(Rupees in '000)	
Assets			
Balances with bank	4	28,333	4,771
Investments	5	157,216	173,587
Mark up accrued		3,310	2,468
Deposits and prepayments		1,813	1,494
Total assets		189,734	187,230
Liabilities			
Payable to Asset Management Company	6	3,753	3,718
Payable to Trustees		12	27
Payable to the Securities & Exchange Commission of Pakistan		6	128
Dividend payable		486	7,343
Accrued expenses and other liabilities	7	3,466	3,162
Total liabilities		11,745	29,100
NET ASSETS		177,989	167,132
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		177,989	167,132
CONTINGENCIES AND COMMITMENTS			
NUMBER OF UNITS IN ISSUE	8	1,858,519	1,634,138
NET ASSET VALUE PER UNIT		185.7504	102.1843

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



ASKARI SOVEREIGN YIELD ENHANCER FUND

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
Note	(Rupees in '000)	
Income:		
Profit on saving and term deposits	1,336	423
Income from government securities	3,147	2,704
Income from term finance certificates	919	354
Income from Pakistan investment bonds	889	-
Capital loss on sale of investments - net	1,135	-
Net unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss	(1,112)	(780)
Total income	5,914	2,691

Expenses

Remuneration of the Management Company	6.1	569	585
Sales Tax on remuneration of the Management Company	6.2	74	36
Reimbursement of operational expenses to the Management Company	6.4	42	44
Remuneration of Central Depository Company Limited - Trustee		39	84
Annual fees to the Securities & Exchange Commission of Pakistan		8	35
Auditors' remuneration		161	72
Fees and Subrogation		60	64
Securities transaction cost		148	71
Printing expenses		30	2
Legal and professional charges		-	40
Provision for Sindh Workers' Welfare Fund	7.3	135	32
Total expenses		1,238	1,155

Net income for the period before taxation

Taxation	10	-	-
Net income for the period after taxation		5,777	1,535

Allocation of Net income for the year:

- Net income for the period after taxation	5,777	1,535
- Income already paid or due to investors	(3,731)	(235)
Income available for distribution	2,046	1,300

Accounting income available for distribution:

- Relating to capital gains	1,020	-
- Excluding capital gains	4,364	1,300
Income available for distribution	5,384	1,300

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



ASKARI SOVEREIGN YIELD ENHANCER FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	(Rupees in '000)	
Net income for the period after taxation	5,777	1,535
Other comprehensive income	-	-
Total comprehensive income for the period	5,777	1,535

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



ASKARI SOVEREIGN YIELD ENHANCER FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	September					
	2019			2018		
	Capital Value	Undistributed income	Net Assets	Capital Value	Undistributed income	Net Assets
	Rupees (000)					
Net assets at the beginning of the period (Units outstanding: 1,501,039 (2018: 1,571,302))	83,385	9,532	92,917	86,861	14,742	101,603
Issue of 188,271 (2018: 18,021) units	32,791	395	33,186	1,071	-	1,071
Redemption of 174,421 (2018: 21,862) units	(17,625)	(272)	(17,897)	(3,476)	(23)	(3,500)
Total comprehensive income for the period	-	5,777	5,777	-	1,585	1,585
Net assets at the end of the period (Units outstanding: 1,504,889 (2018: 1,567,461))	98,551	20,148	118,699	84,356	16,294	100,650
Undistributed income brought forward comprising of:						
Dividend		6,136			14,959	
Unrealised		11,795			1,785	
		9,532			16,744	
Accounting income available for distribution						
Realisable earnings	1,132			-		
Existing unrealised gains	9,128			1,582		
	10,260			1,582		
Undistributed income carried forward - net		10,260			1,582	
		20,148			16,294	
		Rupees				
Net asset value at the beginning of the period			92,916			91,208
Net asset value at the end of the period			101,756			91,208

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Pak-Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



ASKARI SOVEREIGN YIELD ENHANCER FUND

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	(Rupees in '000)	
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation		5,777
Adjustments for:		
Net unrealised gain on re-measurement of investments classified as 'Financial assets at fair value through profit or loss'		115
Capital loss on sale of investments - net		(1,135)
Provision for Sindh Workers Welfare Fund		(118)
		(1,138)
Decrease / (increase) in assets		
Investments - Net		22,369
Mark up accrued		456
Deposits and prepayments		(350)
		22,475
(Decrease) in liabilities		
Payable to Asset Management Company		35
Payable to Trustees		(15)
Payable to the Securities & Exchange Commission of Pakistan		(150)
Dividend payable		(6,543)
Accrued expenses and other liabilities		472
		(6,231)
Net cash generated from / (used in) operating activities		20,687
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units		20,622
Payments against redemption of units		(18,187)
Net cash (used in) financing activities		2,435
Net increase / (decrease) in cash and cash equivalents		23,122
Cash and cash equivalents at the beginning of the period		4,771
Cash and cash equivalents at the end of the period	4	28,893

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak-Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 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 the Central Depository Company of Pakistan Limited (CDC) as the Trustee on 29 December 2011. The Fund was registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in 25 June 2009.

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 (PACRA) has assigned management quality rating of "AMQ" to the Management Company & a stability rating of "A+" to the Fund.

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

2 BASIS OF PREPARATION

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 VIII-A 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 VIII-A 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 VIII-A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.



	30 September 2019 Un-audited	30 June 2019 Audited
Note	-----	-----
	(Rupees in '000)	(Rupees in '000)

4. BALANCE WITH BANKS

- Saving accounts	4.1	28,893	4,771
-------------------	-----	--------	-------

- 4.1 These savings accounts carry mark-up at the rates ranging from 9.88% to 12.49% (30 June 2019: 3.75% to 8.00%) per annum.

	30 September 2019 Un-audited	30 June 2019 Audited
Note	-----	-----
	(Rupees in '000)	(Rupees in '000)

5. INVESTMENTS

At fair value through profit or loss -
held for trading

Market Treasury Bills	5.1.1	140,868	181,275
Pakistan Investment Bonds	5.1.2	-	-
Term Finance Certificates	5.2	17,210	17,312
		157,210	178,587

5.1 Government securities

5.1.1 Market Treasury Bills

Invoice Date	Term	Face value				The last value as at 30 September 2019	Market value as percentage of	
		As at 01 July 2019	Purchased during the period	Sold/ redeemed during the period	As at 30 September 2019		Net amount	The last value of held investments
(Rupees in '000)						Rupees '000	Rupees	
01-Jul-2019 to 03-March	-	10,000	-	10,000	10,000	97.0%	100%	97.0%
03-Jul-2019 to 03-March	-	75,000	-	75,000	-	-	100%	100%
03-Jul-2019 to 03-March	-	10,000	80,000	-	-	-	100%	100%
03-Jul-2019 to 03-March	-	10,000	-	10,000	10,000	107.5%	107.5%	107.5%
						107,000	100.0%	107.0%
Cumulative revaluations reported to the auditor as at 30 September 2019						Nil	-	

Carrying value below market to value as at 30 September 2019

5.1.1.1 New Government securities purchased on 01 July 2019 to 03 March 2019 and sold on 03 March 2019

5.1.2 Pakistan Investment Bonds

Invoice Date	Term	Face value				Market value as at 30 September 2019	Market value as percentage of	
		As at 01 July 2019	Purchased during the period	Sold/ redeemed during the period	As at 30 September 2019		Net amount	Market value of held investments
		(Rupees in '000)				Rupees '000	Rupees	
01-Jul-2019 to 01-Nov	1 Year	10,000	10,000	10,000	-	-	100%	100%
01-Jul-2019 to 01-Nov	1 Year	-	10,000	10,000	-	-	100%	100%
						-	100%	100%

Carrying value below market to value as at 30 September 2019



ASKARI SOVEREIGN YIELD ENHANCER FUND

6.2 Fees Received/Waived - waived

Name of the service company	Date	Waived as per certificate				Period within as at 30 September 2019	Treatment as per regulation		
		As at 30 July 2019	Provisional during the period	Subsequent during the period	As at 30 September 2019		Net assets	Net assets of fund	Net assets
Rupees in '000									
The Bank of Punjab Limited (BOP - 121)	170	-	-	-	120	0.05%	0.05%	0.05%	
						0.20%	0.20%	0.20%	
Carrying value before waived to nil as at 30 September 2019						0.20%			

6.3 Other particulars of remittance certificate submitted on 30 September 2019 are as follows:

Name of the service company	Transaction description	Banking charges	Net assets	Net assets	Net assets
Bank of Punjab	10000	10000	10000	10000	10000

6. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration of the Management Company	6.1	187	194
Sindh Sales Tax on remuneration of the Management Company	6.2	1,127	1,138
Federal Excise Duty on remuneration of the Management Company	6.3	7,489	7,489
Reimbursement of operational expenses to the Management Company	6.4	969	975
		<u>9,772</u>	<u>9,796</u>

6.1 The Management Company has charged its remuneration at the rate of 1.35% (30 June 2019: 1.1%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.



ASKARI SOVEREIGN YIELD ENHANCER FUND

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 7,489 million (30 June 2019: Rs. 7,489 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 4.50 (30 June 2019: Rs. 4.56) per unit.

6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 6(3)(a) 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 up to 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.

	30 September 2019	30 June 2019
	Un-audited	Audited
Note	Rupees in ('000)	
	526	418
	113	-
	24	44
	80	-
7.1	2,620	2,502
	66	105
	58	113
	<u>3,487</u>	<u>3,182</u>

7.1 There is no change in the status of the SWWF as reported in note 10.1 to the annual financial statements of the Fund for the year ended 30 June 2019.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 2.71% which includes 0.29% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio exceeds the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

10. TAXATION

The income of the fund is exempt from income tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the



ASKARI SOVEREIGN YIELD ENHANCER FUND

Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

		For the Quarter Ended 30 September	
		2019	2018
		Un-audited	
		(Rupees in '000)	
11	TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS		
11.1	Transactions for the period:		
	Pak Ocean Asset Management Company Limited (Management Company)		
	Remuneration of the Management Company	583	588
	Sindh Sales tax on Remuneration of Management Company	74	75
	Reimbursement of operational expenses to the Management Company	42	44
	Askari Bank Limited - Holding Company of the Management Company		
	Profit on balances with banks	5	-
	Bank Charges	15	-
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration of the Trustee	36	34
		30 September 2019 Un-audited	30 June 2019 Audited
		(Rupees in '000)	
11.2	Investments / outstanding balances as at period / year end		
	Pak Ocean Asset Management Company Limited (Management Company)		
	Remuneration payable to the Management Company	187	194
	Reimbursement of operational expenses to the Management Company	860	912
	Sindh Sales Tax on remuneration of the Management Company	1,137	1,138
	Federal Excise Duty payable on Remuneration of the Management Company	7,489	7,488
	Outstanding - (30 June 2019: 14) units - at net asset value	-	-
	Askari Bank Limited*		
	Balances with banks	220	1,231
	Profit available on bank balances	-	-
	Outstanding 1,088,088 (30 June 2019: 1,808,808) units - at net asset value	105,750	132,134
	Dividend payable	-	8,408
	Central Depository Company of Pakistan Limited (Trustee)		
	Remuneration payable to the Trustee	13	27
	Security deposit	100	100



ASKARI SOVEREIGN YIELD ENHANCER FUND

*This represents unit holders holding 10% or more of the units in the Fund at the close of the period

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Management Company on October 24, 2019.

For: Pak Ocean Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



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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

"PAK OMAN ADVANTAGE ASSET ALLOCATION FUND aims to provide diversified portfolio and return that is risk adjusted to our 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
Website: www.pakomanfund.com

Board of Director of The Management Company

H.E. Nabya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Maral	Director
Mr. Salimun Elmasud Al Harthy	Director
Mr. Saif Saad Salim Al Yaqubi	Director
Mr. Arshad Shah	Director
Mr. Saif Kazmi	CEO

Audit Committee

Mr. Hanayun Maral	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Hanayun Maral	Chairman
Mr. Bahauddin Khan	Director
Mr. Salimun Elmasud Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al Yaqubi	Member
Mr. Hanayun Maral	Member
Mr. Saif Kazmi	Member

Chief Financial Officer / Company Secretary

Mahmood Farukh

Asset Manager Rating

A13+ (Stable outlook)

Trustee

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

Auditors

Earnst & Young Ford Rhodes Salim Hyder
Progressive Plaza, Beaumont Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Adicent Bank Limited
Bank Al-Jahid Limited
Brij Bank Limited
Habib Maano Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/C/38th, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shaheen-e-Faisal, Karachi-74400, Pakistan.
Phone: +92 - 21 - 111 - 111 - 900
Fax: +92 - 21 - 34326040
Web site: www.itmindshq



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 quarter report of the Pak Oman Asset Allocation Fund (POAAAF) for the Quarter Ended 30 September 2019.

Economic Review 1QFY20

Recent developments in the on the economic front in 1QFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenges for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In 1QFY20, headline inflation averaged at 10.89% as compared to 6.98% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In 1QFY20, SPI averaged at 11.88% as compared to 2.49% in same period last year while WPI averaged at 14.47% in comparison to 15.89% in 1QFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to lift rates were driven by 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 \$6.87% to \$1,292 million in 2-months of 1QFY20 against \$2,380 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 38.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2 Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief in export sector might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 6.69%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.03%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

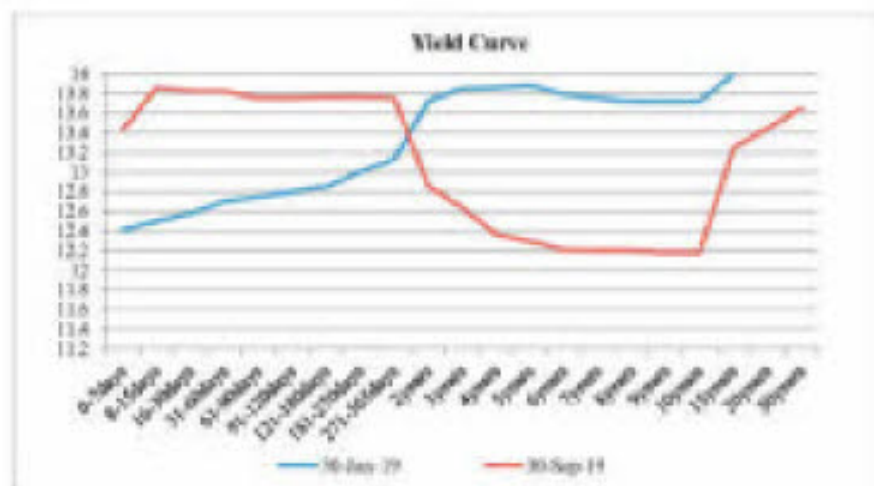
Fixed Income Review 1QFY20

In 1QFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 106bps, 380bps and 62bps and closed the quarter at 12.79%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 153bps and 154bps and stood at 12.64%, 12.30% and 12.18% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of CY19.



In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 17.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6,075 billion against the target of PKR 6,900 billion and issuing amount of PKR 5,185 billion. The cut-off yields settled at 13.7300%, 13.8190% and 13.8499% for 3m, 6m and 12m paper respectively. Major participation was witnessed seen in 6-Month and 12-Month papers during the quarter as market remained inclined towards longer instruments. In the PIB section for fixed rated bonds, SBP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PIB auction for floating rate PIBs, SBP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the auctions held in the month of July-19 and Aug-19 while SBP slashed margin to 60bps in the last auction held in the month of Sep-19.



Equity Review

KSE100 Index outperformed rising by 1487pts (8.11%MoM) and closed at 32,879pts. The revival of some macroeconomic indicators (recovery in current account deficit, foreign exchange reserves and PKR against USD) despite increasing tensions on LoC over Kashmir with India supported the recovery in KSE100 Index. Moving forward, Pakistan listed among the top 20 improvers in doing business by World Bank would be positive for FDI. However, on local front, business community concerns over FBR policies continue to hinder business activities.

Trading activities charged as market average volume upled by 1.5%MoM to 114.5mn shares, whereas KEL, MLCT and WTL were the major volume leaders. The total market capitalization of All-Shares Index increased by 1.2%MoM to USD41bn, mainly due to the rise in Banks (2.9%), E&P (18.3%) and Fertilizer (3.7%) market capitalization.

During the last month of the quarter, E&P sector remained the major contributor added 804pts in the Index followed by Banking and Fertilizer sectors, extended Index by 421pts and 318pts respectively.



Going forward, we anticipate capital market to remain in consolidation phase although attractive valuation encouraging long term investors to build their positions. The further soft recovery could witness given positive development on Kashmir issue and on FATF.

FOAAAIF

In the 1QFY20, FOAAAIF delivered return of -3.87% against the benchmark return of -0.40%, underperforming by 2.67%.

The assets under management of the fund stood at PKR 37Mn at the end of 1QFY20. Equities remained the major asset class with average exposure standing at 35% of the net assets of the fund.

During the period under review, apart from equities, 27% of the funds remained invested in debt securities.

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.

14th October 2019
Karachi - Pakistan.

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



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees in '000	
ASSETS			
Balances with Bank	4	50,841	20,462
Investments	5	61,777	79,315
Markup accrued and dividend receivable		5,206	4,462
Advances, deposits, prepayments and other receivables		2,729	2,660
Total assets		160,547	100,519
LIABILITIES			
Payable to Management Company	6	1,359	1,345
Payable to Trustee		26	26
Payable to the Securities and Exchange Commission of Pakistan		4	108
Dividend payable		19	19
Accrued expenses and other liabilities	7	2,147	1,664
Total liabilities		3,555	3,462
NET ASSETS		86,992	100,437
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		86,992	100,437
CONTINGENCIES AND COMMITMENTS			
NUMBER OF UNITS IN ISSUE	8	2,247,463	2,255,700
NET ASSET VALUE PER UNIT		43.16	44.53

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



PAK OMAN ADVANTAGE ASSET ALLOCATION FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
Note	Rupees in '000	
INCOME / (LOSS)		
Profit on bank balances	817	202
Profit on term finance certificates	601	334
Profit on sukuk certificates	528	946
Dividend income	485	1,045
Net capital loss on sale of investments	(1,575)	994
Net unrealised distribution on re-measurement of investments classified as financial assets at fair value through profit or loss	(3,033)	(3,428)
Total income	(2,197)	(437)

EXPENSES

Remuneration of Asset Management Company	5.1	489	418
Sindh Sales Tax on Remuneration of the Management Company	5.2	94	60
Reimbursement of operational expenses to the Management Company	5.4	26	31
Selling and Marketing expense	5.5	-	93
Remuneration of MCB Financial Services Limited - Trustee		33	42
Annual fee to the Securities and Exchange Commission of Pakistan		4	60
Auditors' remuneration		117	112
Securities transaction cost		53	201
Printing and Stationery charges		4	21
Legal and professional charges		-	29
Fees and Subscription		46	47
Settlement and Bank charges		95	6
Provision for Sindh Workers' Welfare Fund		-	-
Total Expenses		689	1,340

Taxation	10	-	-
Net loss for the period before taxation		(3,086)	(1,777)

Allocation of Net loss for the period:

- Net loss for the period after taxation	(3,086)	(1,777)
- Income already paid on units redeemed	(70)	-
	(3,086)	(1,777)

Accounting income available for distribution:

- Relating to capital gains	-	-
- Excluding capital gains	(3,086)	(1,777)
	(3,086)	(1,777)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director


PAK OMAN ADVANTAGE ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
	Rupees in '000	
Net loss for the period after taxation	(3,086)	(1,777)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the period	(3,086)	(1,777)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director



PAK OMAN ADVANTAGE ASSET ALLOCATION FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019			30 September 2018		
	Capital Value	Ordninal Income	Net Assets	Capital Value	Ordninal Income	Net Assets
	Rupees in '000					
Net assets at the beginning of the period (Units outstanding: 228,701,008, 2462,000)	17,341	7,404	105,407	17,307	5,100	113,007
Issue of 10 (2018: Nil) units	-	-	-	-	-	-
Redemption of 1240 (2018: Nil) units	(308)	0	(308)	-	-	-
Total comprehensive loss for the period	-	(1096)	(1096)	-	(1,771)	(1,771)
Net assets at the end of the period (Units outstanding: 227,681,008, 2462,000)	17,033	6,298	104,003	17,307	3,329	111,236
Undistributed income brought forward comprising of:						
Adjusted	(107)			(1,289)		
Unrealized	(991)			(7,000)		
	(1,098)			(8,289)		
Accounting income available for distribution Aftering to stock gains	-			-		
Including capital gains	(10,403)			(1,771)		
	(10,403)			(1,771)		
Undistributed income carried forward - net	(10,403)			(8,289)		
Net asset value at the beginning of the period			4.10			4.10
Net asset value at the end of the period			4.18			4.25

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director


PAK OMAN ADVANTAGE ASSET ALLOCATION FUND

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
Note	Rupees in ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period after taxation	(3,080)	(1,777)
Adjustments:		
Net capital loss on sale of investments	1,575	(984)
Net unrealised distribution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	3,033	3,428
-	4,608	2,444
Decreases in assets		
Investments - net	5,929	5,975
Receivable against sale of investments	-	(281)
Markup accrued and dividend receivable	(724)	(2,472)
Advances, deposits, prepayments and other receivables	(80)	14,914
	9,142	18,836
Decreases in liabilities		
Payable to Pak Oman Asset Management Company	14	387
Payable to the MCB Financial Services Limited - Trustee	-	(1)
Payable to the Securities and Exchange Commission of Pakistan	(104)	(123)
Payable against redemption of units	-	(3,080)
Accrued expenses and other liabilities	163	(2,268)
	73	(4,978)
Net cash generated from operating activities	10,727	13,048
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue of units	-	-
Net payments against redemption of units	(187)	-
Net cash used in financing activities	(187)	-
Net increase / (decrease) in cash and cash equivalents	10,540	13,048
Cash and cash equivalents at the beginning of the period	20,462	987
Cash and cash equivalents at the end of the period	31,002	14,035

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Advantage Asset Allocation Fund (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL). The trust deed was approved on 02 June 2008 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (The NBFC Rules) and was executed on 18 March 2011.

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 "Asset Allocation" 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 Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AMQ" to the Management Company and a stability rating of 2 Star to the Fund.

Title to the assets of the Fund are held in the name of MCBFSL as trustee of the Fund.

2 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 VIIA 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 VIIA 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 VIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.



		30 September 2019 Unaudited	30 June 2019 Audited
	Note	-----Rupees in '000-----	

4 CASH AND BANK BALANCES

Balances with banks:
- in saving accounts

4.1	30,841	20,462
	<u>30,841</u>	<u>20,462</u>

- 4.1 The rate of return on these accounts ranges between 8.00% and 11.00% (30 June 2019: 3.70% and 6.20%) per annum.

5 INVESTMENTS

At fair value through profit or loss - held for trading

Sukuk certificates	14,537	14,693	
Term finance certificates	12,412	24,202	
Listed equity securities	5.1	34,828	37,420
		<u>61,777</u>	<u>76,315</u>

5.1 Listed equity securities

With a weighted price for early months

Based on 100 shares. Acquisition of shares after 10th month is based on the actual price.

Name of Issuer Company	Number of Shares					Rupees		Percentage	
	As at 30 July 2019	Purchase during the period	Share Rights exercise during the period	Sales during the period	As at 30 September 2019	Costing value as at 30 September 2019	Market value as at 30 September 2019	Market value as percentage of cost	Market value as percentage of book value

COMMON STOCK

Arif Bank Limited	1,000	-	-	-	1,000	25	37	148%	1.36%
Bank of Commerce Limited	1,000	-	-	-	1,000	125	155	124%	1.25%
Bank of Punjab Limited	4,000	-	-	-	4,000	220	193	88%	1.96%
Bank of Zila Limited	3,000	-	-	-	3,000	110	191	173%	1.91%
Bank of Zila Limited	1,000	-	-	-	1,000	40	47	117%	1.17%
Bank of Zila Limited	1,000	-	-	-	1,000	80	90	112%	1.12%
	10,000	-	-	-	10,000	520	623	119%	4.66%

100% OWNED

Bank of Zila Limited	1,000	-	-	-	1,000	10	17	170%	1.70%
Bank of Zila Limited	1,000	-	-	-	1,000	10	16	160%	1.60%
Bank of Zila Limited	1,000	-	-	-	1,000	10	16	160%	1.60%
	3,000	-	-	-	3,000	30	50	166%	1.66%

JOINT

Bank of Zila Limited	1,000	-	-	-	1,000	21	37	176%	1.76%
Bank of Zila Limited	1,000	-	-	-	1,000	24	31	129%	1.29%
Bank of Zila Limited	1,000	-	-	-	1,000	30	50	166%	1.66%
Bank of Zila Limited	1,000	-	-	-	1,000	80	40	80%	0.80%
Bank of Zila Limited	1,000	-	-	-	1,000	57	67	117%	1.17%
Bank of Zila Limited	1,000	-	-	-	1,000	3	1	33%	0.33%
Bank of Zila Limited	1,000	-	-	-	1,000	20	20	100%	1.00%
	7,000	-	-	-	7,000	216	263	121%	2.16%



PAK OMAN ADVANTAGE ASSET ALLOCATION FUND

Name of Issuer Company	Number of Shares				Prices		Percentage			
	As of 1 July 2019	Repurchase during the period	Repurchase rights already issued during the period	Share during the period	As of 30 September 2019	Company value as of 30 September 2019	Market value as of 30 September 2019	Market share as a percentage of total investments	Market share as a percentage of total assets	Paid as capital of issuer company
POWER GENERATION AND UTILITIES										
El Pinar (Joint Venture)										
- As 100 percent	54,500	0	0	0	54,500	2.40	230	0.0%	0.0%	0.0%
Total Power Assets	54,500	0	0	0	54,500	2.40	230	0.0%	0.0%	0.0%
El Pinar Power Company Limited	47,125	0	0	0	47,125	6.18	127	0.0%	0.0%	0.0%
	54,500	0	0	0	54,500	6.18	127	0.0%	0.0%	0.0%
OL AND GAS MARKETING COMPANIES										
Petrobras Oil Company Limited	12,000	0	0	0	12,000	3.75	215	0.0%	0.0%	0.0%
Exploration Gas Pipeline Limited	20,000	0	0	0	20,000	1.84	130	0.0%	0.0%	0.0%
	32,000	0	0	0	32,000	3.59	345	0.0%	0.0%	0.0%
OL AND GAS EXPLORATION COMPANIES										
Offshore Gas Company Limited	50	0	0	0	50	88	50	0.0%	0.0%	0.0%
Oil Gas Development Company Limited	10,000	0	0	0	10,000	0.9%	100	0.0%	0.0%	0.0%
Petrobras Oil Company Limited	1,000	0	0	0	1,000	88	88	0.0%	0.0%	0.0%
Petrobras Oil Company Limited	10,000	0	0	0	10,000	2.87	277	0.0%	0.0%	0.0%
	11,000	0	0	0	11,000	3.75	365	0.0%	0.0%	0.0%
ENGINEERING										
Avon Steel Limited	10,000	0	0	0	10,000	3.7	54	0.0%	0.0%	0.0%
	10,000	0	0	0	10,000	3.7	54	0.0%	0.0%	0.0%
ATOMIC ENERGY AND OIL AND GAS										
Atomic Energy Limited	1,000	0	0	0	1,000	88	88	0.0%	0.0%	0.0%
Petrobras Oil Company Limited	1,000	0	0	0	1,000	88	88	0.0%	0.0%	0.0%
TRANSPORT										
Petrobras Oil Company Limited	10,000	0	0	0	10,000	87	87	0.0%	0.0%	0.0%
	10,000	0	0	0	10,000	87	87	0.0%	0.0%	0.0%
FOODS										
Food Products Company Limited	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
Food Products Company Limited	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
Food Products Company Limited	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
Food Products Company Limited	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
	4,000	0	0	0	4,000	4.00	16.00	0.0%	0.0%	0.0%
PHARMACEUTICALS										
The State Company Limited	10	0	0	0	10	34	34	0.0%	0.0%	0.0%
	10	0	0	0	10	34	34	0.0%	0.0%	0.0%
CHRONICLE										
Chronicle Company Limited	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
FOODS AND BEVERAGES, CHEMICALS										
Food Products Company Limited	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
REAL ESTATE INVESTMENT TRUST										
UrbanCity REIT	10,000	0	0	0	10,000	88	88	0.0%	0.0%	0.0%
	10,000	0	0	0	10,000	88	88	0.0%	0.0%	0.0%
WATER SERVICES										
UrbanCity Water Services Limited	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
	1,000	0	0	0	1,000	1.00	1.00	0.0%	0.0%	0.0%
Totals as of September 2019						37.75	3,405	0.0%	0.0%	
Totals as of June 2019						40.85	3,405			



PAK OMAN ADVANTAGE ASSET ALLOCATION FUND

5.1.1 Investments include shares with market value of Rs. 6,3009 million (30 June 2019: Rs. 6,526 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trade in accordance with circular no. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

Name of Investor Company	Number of Shares				Stages		Financing		
	As of 31 July 2015	Transactions during the period	Dividend Rights shares received during the period	As of 31 September 2015	Company notes as of 30 September 2015	Market value as of 30 September 2015	Market value as percentage of total investments	Market value as a percentage of net assets	Full or partial ownership

1000 10000 100000 1000000 10000000 100000000 1000000000

Name of the Issuer company	Market at certificate				Investment as percentage of		
	As at 1 July 2015	Revised during the year	GAAP/modified during the year	As at 30 September 2015	Market value as at 30 September 2015	Net assets	Market value of total investments
					Rs. Crore	Rs. Crore	%
Investment Portfolio (total)	1.00	-	-	1.00	74.03	144.25	23.25%
Company value as at 30 September 2015					74.03		
Company value as at 30 June 2015					0.00		

Other authors have used different contribution calculations as of September 2009 are available.

Name of the business company	Publication	Mathematical system	Rating	Issue date	Reliability date
International Journal of Control	1992/98	International Journal of Control	A.A.	1992/98	1992/98

0.0.0 These cells will give an exact representation of a given structure of the lattice with labels. It does not the lattice.

6.3 *Thymopentin* (thymopentin) (continued)

Name of the investee company	Financial contribution				Market value at 30 September 2012	Investment at year end/2012		
	As at 31 July 2012	Revised during the year	2012 received during the year	As at 30 September 2012		Net assets	Market value at year end/2012	Net assets at year end
	€ m				€ m	€ m		
As at 30 September 2012	2,040	-	-	2,040	-	100%	100%	100%
As at 30 September 2012	45	-	-	45	-	100%	100%	100%
IFPI Capitalised Interest	130	-	-	130	130	1.0%	1.0%	1.0%
The Bank of Portugal	130	-	130	-	-	100%	100%	100%
As at 30 September 2012	-	85	-	85	85	100%	100%	100%
	2,245	85	130	2,460	215	112%	112%	112%

Continued values on 8 September 2010

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Name of the insurance company	Participation	Shareholder(s) name(s)	Rating	Insurance	Notability date
Aspett Assicurazioni	2,000	-	AA+/Aaa	4 Jan 08	4 Jan 14
Aspett Assicurazioni S.p.A.	5,000	-	AA+/Aaa	10 Jan 07	10 Jan 17
The Bank of Portugal	100,000	Insured by BSB with ratio 1:1000	AA	13 Apr 00	13 Apr 00
CPA Companhia de Seguros	100,000	Insured by BSB with ratio 1:1000	AA	16 Jan 07	16 Jan 07
CPA Companhia de Seguros	100,000	Insured by BSB with ratio 1:1000	AA	20 Jan 07	20 Jan 07



		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees in '000	
6 PAYABLE TO MANAGEMENT COMPANY			
Remuneration of the Management Company	6.1	136	145
Sindh sales tax payable on remuneration of the Management Company	6.2	118	120
Federal Excise Duty payable on remuneration of the Management Company	6.3	736	736
Reimbursement of operational expenses to the Management Company	6.4	137	112
Marketing and advertising fee payable	6.5	205	262
Front End Load Payable		27	27
		<u>1,359</u>	<u>1,345</u>

6.1 The Management Company has charged its remuneration at the rate of 2% (30 June 2019: 2%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 0.7363 million (30 June 2019: Rs. 0.7363 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been lower by Rs. 0.3275 (30 June 2019: Rs. 0.3264) per unit.



6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the NBFIC 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 up to 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.

6.5 SECP vide Circular No. 40 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 till 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees in '000	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		404	266
Printing charges payable		42	-
Fund rating fee payable		40	-
Withholding tax and capital gains tax payable		57	-
Transaction charges payable		35	61
Provision for Sindh Workers' Welfare Fund	7.1	1,969	1,969
Other Payable		-	68
		<u>2,147</u>	<u>1,994</u>

7.1 There is no change in the status of the SSWF as reported in note 1.3 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 3.71% which includes 0.41% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.56% prescribed under the NBFIC Regulations for a collective investment scheme categorised as a money market scheme.

10 TAXATION

The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividends, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.



11 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

For the Quarter Ended
30 September

2019 2018

Unaudited

Rupees in '000

11.1 Details of transaction with related parties during the period are as follows:

Pak Oman Asset Management Company Limited (Management Company)

Remuneration of the Management Company

409 619

Birth Sales fee on Remuneration of Management Company

64 85

Reimbursement of operational expenses to the Management Company

24 21

Selling and Marketing expenses

- 33

MOB Financial Services Limited (Trustee)

Remuneration of the Trustee

23 42

30 September

2019

Un-audited

Rupees in '000

Note

30 June

2019

Audited

11.2 Balances outstanding at the period / year end

Pak Oman Asset Management Company Limited (Management Company)

Remuneration payable to the management company

136 146

Birth Sales fee payable on remuneration of the Management Company

18 130

Federal Excise Duty payable on remuneration of the Management Company

736 736

Reimbursement of operational expenses to the Management Company

137 112

Marketing and advertising fee payable

205 202

Port End Load Payable

27 27

MOB Financial Services Limited (Trustee)

Trustee fee payable

23 23

GST on Trustee fee payable

3 3

Pak Oman Investment Company Limited - Parent of the Management Company*

Outstanding 2,000,000 (30 June 2019: 2,000,000) units

86,320 89,080

*This represents 10% or more of the unit holding of the fund

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



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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

"PAK OMAN GOVERNMENT SECURITIES FUND aims to provide diversified portfolio and return that is risk adjusted to our 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
Website: www.pakomansafund.com

Board of Director of The Management Company

H.E. Nabya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Hanayun Marad	Director
Mr. Salim bin Hamad Al Harthy	Director
Mr. Saif Saad Salim Al Yaqubi	Director
Mr. Arshad Ali Shah	Director
Mr. Saif Kazmi	CEO

Anti-Corruption

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim bin Hamad Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Hanayun Marad	Chairman
Mr. Bahauddin Khan	Director
Mr. Salim bin Hamad Al Harthy	Member

Human Resource & Remuneration Committee

Mr. Bahauddin Khan	Chairman
Mr. Saif Saad Salim Al Yaqubi	Member
Mr. Hanayun Marad	Member
Mr. Saif Kazmi	Member

Chief Financial Officer / Company Secretary

Mahmood Farid

Asset Manager Rating

A13+ (Stable outlook)

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S.
Main Shalimar-Faisal, Karachi.

Auditors

Earnst & Young Ford Rhodes Salim Hyder
Progressive Plaza, Beaumont Road,
P.O. Box No. 15541, Karachi

Bankers to The Fund

Adic Bank Limited
Bank Al-Jahid Limited
Brij Bank Limited
Habib Maano Bank
Habib Bank Limited (Islamic Banking)
Saf Bank Limited (Islamic Banking)

Legal Advisor

Mohsin Taryab Ali
Corporate & Commercial Law Firm
D-21, Block - 4,
KDA Scheme 5/1/38th, Karachi.

Transfer Agent

ITMINDS Limited - A Subsidiary of CDC
CDC House, 99-B, S.M.C.H.S.
Main Shalimar-Faisal, Karachi-74400, Pakistan.
Phone: +92 - 21 - 111 - 111 - 500
Fax: +92 - 21 - 34326040
Web site: www.itmindshq.com



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 quarterly report of the Pak Oman Government Security Fund (POGSP) for the Quarter Ended: 30 September 2019.

Economic Review HQFY20

Recent developments in the on the economic front in HQFY20 have been positive. Figures released by Ministry of Finance showed that fiscal policy will come out to be considerably more expansionary going forward. Tax revenues (net of refunds) are expected to grow considerably and has shown signs of recovery in July and August of FY20 which suggested that the economic slowdown may not be as pronounced as may have been feared. Going forward, major challenge for the incumbent government will be effective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In HQFY20, headline inflation averaged at 1.68% as compared to 1.48% in FY19. Major reason behind higher inflation was higher core inflation, together with higher food prices especially non-perishable food items together with higher fuel prices. In HQFY20, CPI averaged at 11.58% as compared to 12.49% in same period last year while WPI averaged at 14.41% in comparison to 15.69% in HQFY20.

After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policy announced in the month of Sep-2019, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged. Earlier, the decision to hike rates were driven by 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 34.67% to \$1,292 million in 2-months of HQFY20 against \$2,580 million in comparable period last year. CAD contracted due to 40.42% decline in trade deficit. Trade deficit contracted by 40.42% due to decline in imports by 23.44%. This was led by 36.20% decline in oil import bill due to materialization of deferred oil facility, 30.73% decline in imported motor vehicles and 19.95% decline in import of food items. On the other hand, exports during the period, have shown certain signs of recovery and during 2-Months of ongoing financial Year (FY20), exports increased by 1.42%. On the other hand, rupee devaluation and relief to exports might help lifting up textile industry, resulting in higher exports.

In FY20-To date, broad money supply (M2) grew by 8.89%. NDA of the banking system shrank by 1.12% while NFA of the banking system improved by 18.30%. 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. Credit to private sector declined by 8.74% in FY20-To date. The major challenge for the government will still be devaluation of currency, upcoming debt repayments and higher cost of doing business.

Fixed Income Review HQFY20

In HQFY20 secondary market yields across short term papers headed north. Yields on short term paper rose by 100bps, 100bps and 62bps and closed the quarter at 12.75%, 12.85% and 13.13% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer term bonds headed southwards. Yields shed by 121bps, 134bps and 154bps and stood at 12.64%, 12.90% and 12.98% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer term bonds since market is expecting that interest rates have now peaked out and considering overall economic dynamics, RBI might initiate an interest rate reversal cycle by end of CY19.

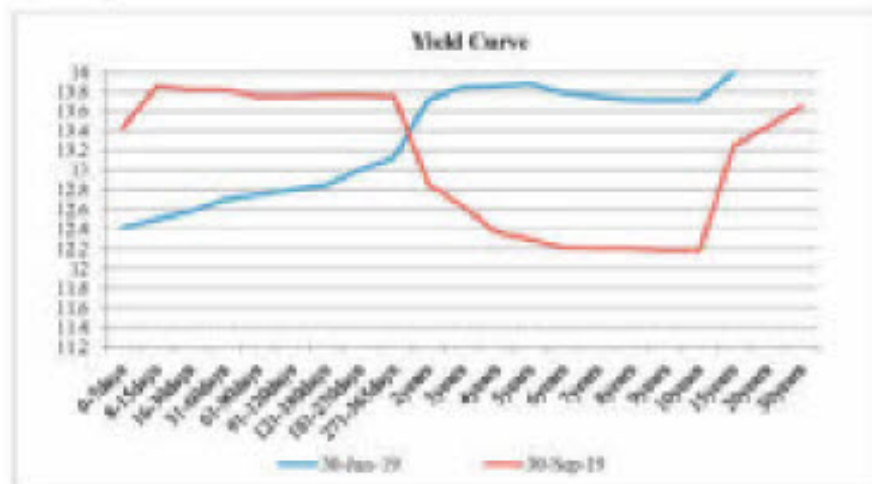
In the Monetary Policy announced in the month of Sep-2019, (MPC) decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that inflation outcomes have been largely as expected and inflation projections for FY20 have remained unchanged.

In the T-Bill auctions held during the month, SBP raised a total of PKR 6,878 billion against the target of PKR 6,900 billion and raising amount of PKR 5,183 billion. The cut-off yields settled at 11.7000%, 11.8300% and 12.8499% for 3m, 6m and 12m paper respectively. Major participation was witnessed from 6-Month and 12-Month paper during the quarter as market remained inclined towards longer instruments. In the PKR auction



PAK OMAN GOVERNMENT SECURITIES FUND

For fixed rated bonds, SGP raised PKR 911 billion. Cut-off yields settled at 12.9500%, 12.3760% and 12.2483% for 3yr, 5yr and 10yr bond respectively, while no bids for 20-year tenor were received. In the PID section for floating rate PIDs, SGP realized bids worth PKR 220 billion. The cut-off margin was 75bps in the sections held in the month of July-19 and Aug-19 while SGP slashed margin to 65bps in the last section held in the month of Sep-19.



PK45P

In 1QFY20, the unit price of POGSF appreciated by 13.09% against its benchmark of 13.69%. The assets under management of fund stood at PKR 263 million as against PKR 255 million at the start of the financial year. During the period, Treasury Bills remained the major asset class and exposure against this assets class averaged at 23.40% of the fund size against 69.35% in same period last year. During the period, exposure was held against PFBs to primarily increase fund's recurring income and secondary to capitalise on trading opportunities. During the period, investment against PFBs averaged at 35.89%.

During the period, average exposure against TPC's stood at 21.63% against 27.59% in similar period last year. Remaining funds were invested in cash with A and above rated banks. Average cash exposure of the fund during the July-19 to Sep-19 stood at 19.00%.

Appendix 1 *Continued*

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 Finance of the Fard and the management of the Pakistan Stock Exchange. We also wish to place on record our appreciation for the employees of the Management Company.

24th October 2019
Karachi - Pakistan


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



PAK OMAN GOVERNMENT SECURITIES FUND

POHPP

تا مارچ 20 کی تکلیف رہی ہے، POFSP کے جلد کی تجدید میں لگائی جانے والے 12.02 کروڑ کے بجائے 12.09 کروڑ اضافہ زراعت کا حصہ کے 40 فی صد کی تجدید 283 ملین روپے اضافی ملے گا، جس میں 255 ملین روپے چھوٹے اور بڑے کھیتوں کے درمیان تقسیم کی جائے گی، جبکہ اس میں 28 ملین روپے اضافہ کا اضافہ 22.40 کروڑ، تاکہ ان کے درمیان 89.35 کروڑ اضافہ ملے گا۔ اس کے علاوہ 40 ملین کی اضافی رقم کی فراہمی کوئی اضافی موقع نہیں ملے گا۔ مگر اس کے ساتھ ساتھ 14.80 ملین روپے کی اضافی رقم بھی ملے گی۔

موت کے بعد ان کی بیوی کی کیرئیر کا ایک ایسا دور نکلا جس کی سہ ماہی میں 2017 کا قومی فیڈریشن آف مسٹر کے سالانہ سروے کے مطابق کیرئیر کا سالانہ اضافہ 19.09 فیصد رہا۔

50

میں نے یہ سیکھ لیا کہ اگرچہ میں نے اپنے آپ کو ایک نوجوان سمجھا تھا، مگر میری زندگی میں جو کچھ ہو رہا تھا، وہ میری زندگی میں ایک نیا دور تھا۔

Labels:


 عبد الباقی
 2019ء
 کراچی

Un-audited Financial Statements for the Quarter Ended 30 September 2019



چند ہفتہ وار کارکردگی کی رپورٹ

اس رپورٹ میں چند ہفتہ وار کارکردگی کی رپورٹ 30 ستمبر 2019 (30 Sept 2019) کی 30 جون 2019 (30 June 2019) کے ساتھ کی گئی ہے۔

ہفتہ وار کارکردگی کی رپورٹ

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔

کارکردگی کی رپورٹ

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔

30 ستمبر 2019 کی تک سہ ماہی میں کارکردگی میں اضافہ ہوا ہے۔ یہ اضافہ کارکردگی میں اضافہ ہونے کی وجہ سے ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔ اس اضافہ کی وجہ سے کارکردگی میں اضافہ ہوا ہے۔



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 SEPTEMBER 2019

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	Rupees in ('000')	
Assets			
Balance with banks	4	17,637	8,072
Investments	5	246,721	259,251
Mark-up accrued		3,837	7,663
Deposits, prepayment and other receivable		679	304
Total assets		268,874	275,290
Liabilities			
Payable to Asset Management Company	6	2,564	2,249
Payable to Trustee		29	30
Payable to the Securities & Exchange Commission of Pakistan		13	197
Dividend payable		702	15,524
Accrued expenses and other liabilities	7	2,576	2,121
Total liabilities		5,284	20,121
NET ASSETS		263,590	255,169
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		263,590	255,169
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		23,903,487	23,903,486
NET ASSET VALUE PER UNIT		11.0273	10.6750

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK OMAN GOVERNMENT SECURITIES FUND

CONDENSED INTERIM INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019	2018
Note	—Rupees in (000)—	
Income		
Profit on saving and term deposits	1,154	97
Income from government securities	4,699	3,299
Profit on placements	-	105
Income on Term Finance and Sukuk Certificates	1,994	1,530
Net gain on sale of investments	801	25
Amortization of discounts on PIBs	730	-
Net unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss	899	(1,273)
Total Income	10,176	3,947
Expenses		
Remuneration of the Management Company	6.1	716
Sindh Sales Tax on Remuneration of the Management Company	6.2	80
Reimbursement of operational expenses to the Management Company	6.4	65
Selling and Marketing Charges	6.5	260
Remuneration of the Trustee	86	86
Annual fee to the Securities & Exchange Commission of Pakistan	13	46
Auditors' remuneration	129	84
Printing and stationery expenses	8	15
Legal and professional charges	20	52
Fee and Subscription	81	138
Brokerage Expense	57	-
Bank charges	6	8
Provision for Sindh Workers' Welfare Fund	172	86
Total Expenses	1,714	1,568
Net income for the period before taxation	8,462	2,379
Taxation	10	-
Net income for the period after taxation	8,420	2,379
Allocation of Net income for the year		
- Net income for the period after taxation	8,420	2,379
- Income already paid on units redeemed	-	-
Accounting income available for distribution	8,420	2,379
- Relating to capital gains	1,600	-
- Excluding capital gains	6,820	2,379
	8,420	2,379

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director

PAK OMAN GOVERNMENT SECURITIES FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September 2019	2018
	—Rupees in (000)—	
Net income for the period after taxation	8,420	2,379
Other comprehensive income for the quarter	-	-
Total comprehensive income for the period	8,420	2,379

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)
Chief Executive Officer
Chief Financial Officer
Director



PAK OMAN GOVERNMENT SECURITIES FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September					
	2019	2018	2019	2018	2019	2018
	Capital Value	Undistrib- uted	Net Assets	Capital Value	Undistrib- uted Income	Net Assets
	Rupees in ('000)					
Net assets at the beginning of the period (Units outstanding: 25,802,457 (2018: 23,595,629))	234,674	20,495	255,169	235,453	19,675	255,128
Issue of PI (2019: Nil units)	-	-	-	-	-	-
Redemption of PI (2018: Nil units)	-	-	-	-	-	-
Total comprehensive income for the period	-	8,420	8,420	-	2,235	2,235
Net assets at the end of the period (Units outstanding: 25,802,457 (2018: 23,595,629))	234,674	28,915	263,589	235,453	21,910	257,363
Undistributed income brought forward comprising of:						
- Realised		1,429			19,603	
- Unrealised		27,486			71	
		28,915			19,674	
Accounting income available for distribution:						
- Relating to capital gains	23,671			-		
- Excluding capital gains	(2,176)			2,235		
	21,495			2,235		
Net income for the period after taxation						
Undistributed income carried forward - net		4,419			21,910	

Rupees

Net asset value at the beginning of the period	10.6764	10.6406
Net asset value at the end of the period	10.6273	10.7538

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director


PAK OMAN GOVERNMENT SECURITIES FUND

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	30 September	
	2019	2018
Note	Rupees in ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	8,420	2,235
Adjustments for:		
Net (gain) on sale of investments	(911)	(23)
Amortization of discounts on PIBs	(730)	-
Net unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss	(892)	1,213
	(2,333)	1,160
Decrease in assets		
Investments - Net	14,080	7,110
Mark-up accrued	3,820	319
Deposits, prepayment and other receivable	(3,75)	453
	18,211	7,881
(Decrease) in liabilities		
Payable to Asset Management Company	515	(762)
Payable to Trustee	(1)	(4)
Payable to the Securities & Exchange Commission of Pakistan	(184)	(188)
Dividend payable	(15,421)	(10,237)
Accrued expenses and other liabilities	495	(545)
	(14,836)	(11,736)
Net cash (used in) / generated from operating activities	9,385	(288)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	-	-
Dividend paid	-	-
Payments against redemption of units	-	-
Net cash (used in) financing activities	-	-
Net (decrease) in cash and cash equivalents	9,385	(288)
Cash and cash equivalents at the beginning of the period	8,972	2,361
Cash and cash equivalents at the end of the period	17,837	1,963

The annexed notes from 1 to 12 form an integral part of these condensed interim financial information.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Government Securities Fund (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL). The trust deed was approved on 03 March 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (The NBFC Rules) and was executed on 18 March 2011.

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 "Sovereign 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 provide its unit holders competitive returns from a portfolio of low credit risk with maximum possible preservation of capital by investing primarily in Government Securities.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AMD+" to the Management Company and a stability rating of AA-(1) to the Fund.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as a trustee of the Fund.

2 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 VIIA 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 VIIA 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 VIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed."



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

	30 September 2019	30 June 2019
	Un-audited	Audited
Note	----- (Rupees in '000) -----	

4 BALANCE WITH BANKS

- Saving accounts	4.1	17,637	8,072
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4.1 These savings accounts carry mark-up at the rates ranging from 3.75% to 10.5% (30 June 2019: 3.75% to 10%) per annum.

	30 September 2019	30 June 2019
	Un-audited	Audited
Note	----- (Rupees in '000) -----	

5 INVESTMENTS

At fair value through profit or loss - held for trading

Government securities	5.1	178,525	190,690
Term Finance Certificates & Sukuk Certificates	5.3	68,196	68,550
		<u>246,721</u>	<u>259,240</u>

5.1 Market Treasury Bills

Issue Date	Term	Face value				Market value at 30 September 2019	Market Value as a percentage of	
		At 17 July 2019	Marked during the period	Less 1 month during the period	At 30 September 2019		Net value	Total investments
----- (Rupees in '000) -----								
20-Apr-2019 1 month		3,000	-	-	2,000	-	-	100%
16-May-2019 1 month		3,000	-	-	2,000	-	-	100%
10-Jun-2019 1 month		-	6,000	-	-	11,800	14,000	5.0
28-Aug-2019 3 months		-	9,000	9,000	-	-	-	100%
10-Sep-2019 3 months		-	9,000	9,000	-	-	-	100%
20-Sep-2019 3 months		-	10,000	-	-	10,000	20,000	10.5%
						<u>30,800</u>	<u>8.0</u>	<u>8.5%</u>
Dividends were before marked as at 30 September 2019								
						<u>9,000</u>		

Carrying value before marked to market as at 30 September 2019

5.3 The effective yield on market treasury bills is 12.5% to 14.25 (30 June 2019: 10.5% to 15.0%) per annum.



6.1 Portfolio Investment Details

Invest Date	Invest	Face value				Market value as at 30 September 2019	Market Value as a percentage of	
		As at 31 July 2019	Partial sold during the period	Sold / redeemed during the period	As at 30 September 2019		Net assets	Total investments
12 Jul 2019 1 year		8,000	8,000	18,000	-	-	0.05%	0.05%
21 Feb 2019 31 year		75,000	-	-	75,000	75,460	26.94%	26.95%
16 Sep 2019 1 year		-	8,000	8,000	-	-	0.05%	0.05%
						75,460	8.05%	8.15%

Carrying value before market to market as at 30 September 2019

75,460

6.1.1 The effective portfolio market discount till 30.09.2019 is 0.05% (30 June 2019: 0.05% to 0.05%) per annum.

6.2 Debt Finance Certificate

Name of the investee company	Invest	Number of certificates				Market value as at 30 September 2019	Market Value as a percentage of		
		As at 31 July 2019	Partial sold during the period	Sold / redeemed during the period	As at 30 September 2019		Net assets	Total investments	Investment
						Figures in PKR	Rupees		
21 Bank Limited		5,400	-	-	5,400	27,000	0.26%	10.00%	0.00%
21 Company Limited	52.1	5,400	-	-	5,400	18,000	0.26%	7.00%	0.00%
Bank of Punjab		200	-	200	-	-	-	-	0.02%
						45,000	0.52%	17.00%	0.02%

Carrying value before market to market as at 30 September 2019

45,000

6.3 Sindh Certificate

Name of the investee company	Invest	Number of certificates				Market value as at 30 September 2019	Market Value as a percentage of		
		As at 31 July 2019	Partial sold during the period	Sold / redeemed during the period	As at 30 September 2019		Net assets	Total investments	Investment
						Figures in PKR	Rupees		
Government of Sindh	52.1	-	200	-	200	22,000	0.30%	9.00%	0.00%
						22,000	0.30%	9.00%	0.00%

Carrying value before market to market as at 30 September 2019

22,000

6.3.1 Other portfolios of debt finance certificate and vehicle outstanding as at September 30, 2019 are as follows:

Name of the investee company	Face value (denomination)	Market rate per annum	Rating	Issue date	Maturity date
21 Bank Limited	5,400	6.00% (BICR rate) 1.40%	A-	16-Dec-19	16-Dec-20
21 Company Limited	5,400	6.00% (BICR rate) 1.40%	A-	16-Dec-19	16-Dec-20
Bank of Punjab	50,000	6.00% (BICR rate) 1.20%	A-	20-Apr-19	20-Apr-20
Government of Sindh	100,000	3.00% (BICR rate) 1.0%	A-	1-Dec-19	1-Dec-20



6 PAYABLE TO THE MANAGEMENT COMPANY

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	—(Rupees in '000)—	
Remuneration of the Management Company	6.1	234	244
Sindh Sales Tax on remuneration of the Management Company	6.2	135	136
Federal Excise Duty on remuneration of the Management Company	6.3	654	654
Reimbursement of operational expenses to the Management Company	6.4	231	168
Selling and marketing expenses	6.5	1,216	1,049
		2,564	2,249

6.1 The Management Company has charged its remuneration at the rate of 1.1% (30 June 2019: 1.1%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended 30 June 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 654 million (30 June 2019: 654 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 30 September 2019 would have been higher by Rs. 0.0274 (30 June 2019: Rs. 0.0274) per unit.



6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation-60(3)(a) 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 up to 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.

6.5 SECP vide Circular No. 45 of 2015 dated 30 December 2015 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 to 31 December 2019) at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.

		30 September 2019 Un-audited	30 June 2019 Audited
	Note	—Rupees in ('000)—	
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		432	347
Printing charges payable		34	-
Withholding tax payable		65	65
Capital Gain Tax payable		-	-
Provision for Sindh Workers' Welfare Fund	7.1	1,678	1,506
Others		267	203
		2,576	2,121

7.1 There is no change in the status of the SSWWF as reported in note 11 to the annual financial statements of the Fund for the year ended 30 June 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 September 2019 and 30 June 2019.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 30 September 2019 is 2.42% (June 30, 2019 is 2.47%) which includes 0.25% (June 30, 2019 is 0.30%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

10 TAXATION

10.1 The income of the fund is exempt from Income Tax as per Clause 39 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.



		For the Quarter Ended 30 September	
		2019	2018
		Un-audited	Un-audited
		—Rupees ('000')—	—Rupees ('000')—

11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

11.1 Transactions for the period:

Pak Oman Asset Management Company Limited (Management Company)

Remuneration of the Management Company	718	712
Sindh Sales tax on Remuneration of Management Company	93	93
Reimbursement of operational expenses to the Management Company	66	66
Selling and Marketing Charges	269	259

MCB Financial Services Limited - Trustee of the Fund

Remuneration of the Trustee	88	88
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	30 September 2019 Un-audited	30 June 2019 Audited
	—Rupees ('000')—	

11.2 Investments/ outstanding balances as at period / year end:

Pak Oman Asset Management Company Limited (Management Company)

Remuneration payable to the Management Company	234	244
Sindh Sales Tax payable on Remuneration of the Management Company	138	136
Federal Excise Duty payable on Remuneration of the Management Company	654	654
Reimbursement of operational expenses to the Management Company	231	186
Selling & Marketing charges	1,310	1,049

MCB Financial Services Limited (Trustee)

Remuneration of Trustee	28	27
Sindh Sales Tax payable on Remuneration of Trustee	3	3

Pak Oman Investment Company Limited - Holding

Company of Management Company of the Fund		
Outstanding: 23,680,943 (30 June 2019: 23,680,943) units	260,913	252,577

* This represent 10% or more of the unit holding of the fund at the close of the period

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 24, 2019.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director