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

FUND INFORMATION

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Web site : www.pakomanfunds.com

Board of Director of The Management Company

H.E. Yahya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Humayun Murad	Director
Mr. Jehangir Shah	Director
Mr. Rashid Ali Ibrahim Al Balushi	Director
Ms. Sadaf Kazmi	CEO

Audit Committee

Mr. Humayun Murad	Chairman
Mr. Bahauddin Khan	Director

Chief Financial Officer / Company Secretary
Mr. Muhammad Farrukh

Asset Manager Rating
AM3

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

Auditors
RSM Avais Hyder Liaquat Nauman
Chartered Accountants
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Bankers to The Fund
Askari Bank Limited
Bank Alfalah Limited
Burj Bank Limited
Habib Metro Bank
Habib Bank Limited (Islamic Bankimg)
Silk Bank Limited (Islamic Bankimg)

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

Transfer Agent
ITMINDS Limited - A Subsidiary of CDC.
CDC House, 99-B, S.M.C.H.S
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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 High Yield Scheme (AHYS) for the Half Year ended 31 Dec 2019.

Economic Review 1HFY20

Recent developments on the economic front in 1HFY20 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 first half 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 affective management of current and fiscal deficits, stabilization of currency and domestic and external debt profiling.

In 1HFY20, headline inflation averaged at 11.11% as compared to 5.96% in FY19. On YoY basis, higher inflation was recorded due to higher food inflation (both perishable and non-perishable food), increase in housing, fuel and electricity prices. In 1HFY20, SPI averaged at 14.87% while WPI averaged at 13.31%. After an aggressive cycle of interest rate hike in FY19, MPC, in the Monetary Policies announced during 1H-FY20, decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that recent developments on fiscal side have had offsetting implications for the inflation outlook. SBP still expects inflationary pressures to persist in near term and the causes behind these pressures have primarily been revenue measures and their pass through impacts. Earlier, the decision to increase the discount rate was driven by higher headline and core inflation, exchange rate depreciation, an elevated fiscal deficit & its increased monetization, and adjustments in utility tariffs.

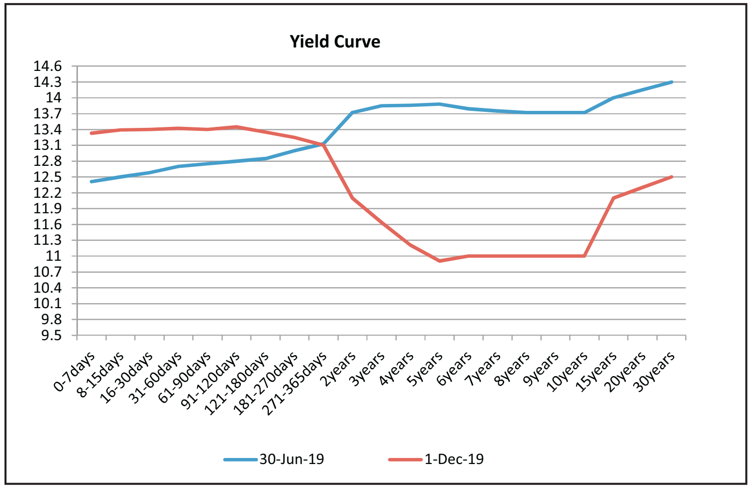
On the external front, in 6MFY20, Current Account deficit settled at $ 2,153 million as compared to $ 8,614 million in same period last year. Significant improvement of 75% in CAD is driven by 39.40% decline in trade deficit, led by 20.86% decline in imports and 4.46% increase in exports. Imports have declined as a result of slowing demand, imposition of additional regulatory duties and government's increased documentation drive. During the period, imports declined remarkably. Major decline was witnessed in oil import bill which dropped by 33.80%, followed by 11.62% decline in food group, 39.14% decline in transport group and 3.81% decline in import of machinery. On the other hand, country's exports, after a long lackluster period, have shown slight recovery and increased by 4.46% during first half of FY20, mainly led by PKR depreciation. In 6M-FY20, balance of payment position improved significantly and PKR remained stable over a quarter. SBP Foreign Currency reserves increased by $ 4 billion while ministry retired short swaps amounting to $ 1.95 billion since the start of FY20. This has partially helped in stabilization of PKR/USD parity. However, the economy is still in consolidation phase and sustainable Balance of Payment position would be a major challenge for the government.

In FY20-To date, broad money supply (M2) grew by 2.83%. NDA of the banking system shrunk by 2.55%. 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 different businesses. Credit to private sector increased by 2.24% in FY20-To date. The major challenge for the government will still be stability of currency, upcoming debt repayments and higher cost of doing business.

Fixed Income Review 1HFY20
In 1HFY20 secondary market yields across short term papers headed north. Yields on 3m and 6m paper rose by 65bps and 50bps while yield on 12m paper declined by 3bps. By end of Dec-19, yields on Treasury bills stood at 13.40%, 13.35% and 13.10% for 3m, 6m and 12m paper respectively. On the other hand, yield on longer tenor bonds saw sharp decline. Yields shed by 221bps, 297bps and 272bps and stood at 11.64%, 10.91% and 11.00% for 3yr, 5yr and 10yr bond respectively. During the quarter, greater activity was witnessed in longer tenor bonds since market participants were seen accumulating longer tenor treasury instruments. Market is largely expecting that interest rates have peaked out and considering overall macroeconomic dynamics, SBP might initiate an interest rate reversal cycle by end of FY20.

In the Monetary Policy announced in the month of Nov-2019, (MPC) decided to leave the policy rate unchanged at 13.25 percent. The decision reflected the MPC's view that recent developments on fiscal side have had offsetting implications for the inflation outlook. SBP still expects inflationary pressures to persist in near term and the causes behind these pressures have primarily been revenue measures and their pass through impacts.

In the T-Bill auctions held during the period, SBP raised a total of PKR 10,796 billion against the target of PKR 10,700 billion and maturing amount of PKR 9,979 billion. The last cut-off yields stood at 13.4851%, 13.2899% and 13.1340% for 3m, 6m and 12m paper respectively. Major participation was witnessed in 6-Month and 12-Month papers during the first quarter, however after the inflationary pressures seen in the month of Nov-19 and Dec-19, market is now expecting SBP to initiate interest rate cut cycle by end of FY20, hence greater participation was seen in 3-Month paper in T-Bill auctions conducted during second quarter of FY20. In the PIB auction for fixed rated bonds, SBP raised PKR 1,318 billion. Cut-off yields settled at 11.7500%, 11.1939% and 10.9968% for 3yr, 5yr and 10yr paper respectively. While no bids for 20-year tenor were received.



AHYS

In 1HFY20, AHYS delivered return of 2.22% as compared to its benchmark return of 13.83%. The fund underperformed its benchmark during the period due to one-off provisioning and Mark to market valuation loss against TFCs. Asset under management of the fund closed the quarter at PKR 688 million as compared to PKR 1,231 million in start of financial year.

By the end of Dec-2019, exposure against TFC(s) stood at 58.52% of the fund size and exposure against this asset class averaged at 64.98% as compared to 76.25% in 1HFY19. Exposure against this asset class was reduced in absolute terms during the period however increase in percentage terms is the reflection of reduction in fund size. Exposure against T-Bills averaged at 18.42% as compared to 0.44% in comparable period last year. Approaching to the end of Dec-19, fresh exposure was built against term deposits with banks as they offered attractive rates for placements due to their financial year end. Exposure in TDR stood at 12.91% by end Dec-19 and averaged at 2.15% during the period. Remaining funds were invested as cash with A and above rated banks. Average cash exposure of the fund from the July-19 to Dec-19 stood at 13.65%.

Acknowledgment

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

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

27th February 2020
Karachi - Pakistan.

دسمبر 2019ء کے اختتام پر، TFC کے مقابلہ میں اضافہ فنڈ کا سائز 58.52 فی صد رہا اور اثاثہ کی مد میں 1HF19 کے دوران 76.25 فی صد کے مقابلہ میں 64.98 فی صد رہا۔ اس اثاثہ کی مد میں ایکسپوژرز زیر جائزہ مدت کے دوران کلی طور پر کم ہوا تاہم اوسط میں اضافہ فنڈ سائز میں کمی کے مرہون منت ہے۔ ٹیکس بلز کی مد میں گزشتہ سال کے موازنہ میں 0.44 فیصد کے مقابلے 18.42 فیصد اوسط ایکسپوژر رہا۔ دسمبر 19 کے اختتام تک، فنڈز کی بینکوں میں بطور کیش سرمایہ کاری کی گئی کیونکہ تجارتی بینکوں نے اپنے مالیاتی سال کے اختتام کے سبب متاثر کن ڈیپازٹ ریٹس کی پیشکش کی تھی۔ دسمبر 19 کے اختتام پر، TDR میں ایکسپوژر 12.91 فی صد اور مدت کے دوران 2.15 فیصد اوسط پر برقرار رہا۔ بقیہ رقوم A اور اس سے زائد درجہ کے بینکوں میں نقد سرمایہ کار پر صرف کئے گئے۔ جولائی 19 تا دسمبر 2019ء کے دوران فنڈ کا اوسط کیش ایکسپوژر 13.65 فی صد رہا۔

اظہار تشکر

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

برائے ومنجانب بورڈ

صدف کاظمی
چیف ایگزیکٹو آفیسر
27 فروری 2020ء
کراچی۔ پاکستان

مالیاتی سال 2020ء کے دوران رقوم کی رسد میں 2.83 فی صد اضافہ ہوا۔ بینکنگ سسٹم کا NDA، 2.55 فی صد تک سکڑ گیا۔ نجی شعبہ کے کریڈٹ میں اضافہ کی وجہ سے کریڈٹ میں کمی واقع ہوئی جو لاگت میں اضافہ کی وجہ سے تھا۔ اور نتیجتاً ورکنگ کیپٹل کی ضروریات میں اضافہ ہوا۔ مالیاتی سال 2020ء کے دوران پرائیویٹ سیکٹر کو قرضہ کی فراہمی میں 2.24 فی صد اضافہ واقع ہوا۔ حکومت کو درپیش چیلنجز میں روپے کی قدر میں کمی، قرضوں کی ادائیگی اور کاروباری لاگت میں اضافہ شامل ہیں۔

مستقل آمدنی تجزیہ پہلی سہ ماہی مالیاتی سال 2020ء

مالیاتی سال 2020 کی پہلی ششماہی میں ثانوی مارکیٹ افادہ شارٹ ٹرم پیپرز کی مد میں شمال کی جانب مُڑ گیا۔ 3 ماہ اور 6 ماہ پر آمدنی 65bps اور 50bps بڑھ گئی جبکہ 12 ماہ پر آمدنی 3bps تک کم ہوگئی۔ دسمبر 19 کے اختتام تک ٹریژری بلز پر آمدنی 3، 6 اور 12 ماہ پیپرز پر بالترتیب 13.40 فی صد، 13.35 فی صد اور 13.10 فی صد پر بند ہوئی۔ دوسری جانب، طویل مدتی بانڈز پر آمدنی جنوب کی جانب مُڑ گئی۔ آمدنی میں 121bps، 297bps اور 272bps کمی واقع ہوئی اور تین، پانچ اور دس سالہ بانڈز پر آمدنی بالترتیب 11.64 فیصد، 11.00 فی صد اور 11.00 فی صد رہی۔ رواں سہ ماہی کے دوران، طویل مدتی بانڈز میں زیادہ دلچسپی سامنے آئی کیونکہ منڈی میں توقع کی جارہی ہے کہ شرح سود میں مزید اضافہ ہوگا اور مجموعی معاشی اشاروں کو مدنظر رکھتے ہوئے SBP مالیاتی سال 2019ء کے اختتام پر شرح سود میں کمی کرنے کا ارادہ رکھتا ہے۔

نومبر 2019ء میں اعلان کردہ مانیٹری پالیسی میں (MPC) 13.25 فی صد پالیسی کی شرح کو برقرار رکھنے کا فیصلہ کیا۔ اس فیصلہ سے یہ بات ظاہر ہوئی کہ افراط زر حسب توقع بڑھ گئی اور SBP کو توقع ہے کہ مالیاتی سال 2020ء کے لئے افراط زر کے اتار چڑھاؤ میں کوئی تبدیلی نہیں آئے گی جس کی بنیادی وجوہات محصولات کے اقدامات اور ان کے اثرات ہیں۔

زیرِ جائزہ مدت کے دوران ٹی بلز کی نیلامی میں، SBP نے 10,700 بلین روپے ہدف اور وصول شدہ 9,979 بلین روپے کے مقابلہ میں 10,796 بلین روپے اکٹھے کئے۔ 3، 6 اور 12 ماہ کے پیپرز پر نظر ثانی شدہ منافع بالترتیب 13.4851 فی صد، 13.2899 فی صد اور 13.1340 فی صد طے کیا گیا۔ پہلی سہ ماہی کے دوران 6 اور 12 ماہ کے پیپرز میں زیادہ پیش رفت ہوئی، تاہم نومبر 19 اور دسمبر 19 میں افراط زر کا دباؤ دیکھنے کے بعد مارکیٹ مالیاتی سال 2020 کے اختتام تک شرح سود کم ہونے کی توقع کر رہی ہے، لہٰذا مالیاتی سال 2020 کی دوسری سہ ماہی کے دوران منعقدہ ٹی بل نیلامیوں میں مارکیٹ کا جھکاؤ 3 ماہ پیپرز کی طرف تھا۔ مستقل شرح کے بانڈز پر PIB نیلامی میں SBP نے 1,318 بلین روپے اکٹھے کئے۔ 3، 5 اور 10 سالہ بانڈز پر نظر ثانی شدہ منافع بالترتیب 11.7500 فی صد، 11.1939 فی صد اور 10.9968 فی صد طے کیا گیا۔ جب کہ 20 سالہ مدت کے بانڈز پر کوئی بولی نہ ہوئی۔

AHYS

1HFY20 میں، AHYS نے 13.83 فی صد بینچ مارک منفعت کے مقابلہ میں 2.22 فی صد منافع حاصل کیا۔ فنڈ نے TFCs کے مقابل مارکیٹ قیمت کی پرویژننگ اور مارک کی وجہ سے مدت کے دوران اپنے بنچ مارک سے ابتر کارکردگی دکھائی۔ مالیاتی سال کے آغاز میں 1,231 ملین روپے کے مقابلہ میں رواں سہ ماہی کے دوران فنڈ کے زیرِ انتظام اثاثہ جات کی قدر 688 ملین روپے ہے۔

یونٹ ہولڈرز کو ڈائریکٹران کی رپورٹ

پاک اومان مینجمنٹ کمپنی لمیٹڈ ("منتظم کمپنی" یا "POAMCL" یا "کمپنی") کے بورڈ آف ڈائریکٹرز عسکری ہائی ییلڈ اسکیم (AHYS) کی 31 دسمبر 2019ء کو ختم ہونے والی سہ ماہی کے لئے پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں۔

اقتصادی جائزہ برائے پہلی ششماہی مالیاتی سال 2020ء

مالیاتی سال 2020 کی پہلی ششماہی میں اقتصادی محاذ پر حالیہ پیش رفت مثبت رہی۔ وزارت خزانہ کی جانب سے جاری کردہ اعداد و شمار ظاہر کرتے ہیں کہ مستقبل میں اقتصادی پالیسی مزید توسیع اختیار کرے گی۔ ٹیکس آمدنی (خالص وصولیاں) میں نمایاں اضافہ کی توقع ہے اور مالی سال 2020 کی پہلی ششماہی میں بحالی اشارے بھی ملے ہیں۔ جس سے ظاہر ہوتا ہے کہ معاشی سست روی اتنی غیر تسلی بخش نہیں ہوگی جتنا اس کا خوف ہے۔ آگے بڑھتے ہوئے، حالیہ حکومت کے لئے بڑے چیلنجز میں حالیہ اور مالیاتی خسارہ، کرنسی کے استحکام اور قومی اور بین الاقوامی قرضوں میں اضافہ شامل ہیں۔

IHFY20 میں افراطِ زر مالیاتی سال 2019ء میں 5.96 فی صد کے مقابلہ میں اوسطاً 11.11 فی صد رہی۔ سالہا سال کی بنیاد پر، زیادہ افراط زر کی بڑی وجہ لاگت میں اضافہ، خراب نہ ہونے والی غذا کی قیمتوں اور تیل اور گیس کی قیمتوں میں اضافہ شامل ہیں۔ 1HFY20 کے دوران SPI کی اوسط قدر 14.87 فی صد جب کہ WPI کی اوسط قدر 13.31 فی صد رہی۔

مالیاتی سال 2019ء میں شرح سود میں بھاری اضافہ کی وجہ سے 1H-FY20 کے دوران مانیٹری پالیسیوں میں پالیسی کی شرح 13.25 فی صد برقرار رکھنے کا فیصلہ کیا گیا۔ اس فیصلہ کے اثرات افراط زر میں اضافہ کی صورت میں سامنے آئے ہیں۔ اسٹیٹ بینک پاکستان کو ابھی توقع ہے کہ مہنگائی کا دباؤ مستقبل قریب میں برقرار رہے گا اور اس دباؤ کی بنیادی وجوہات محصولات کے اقدامات اور ان کے اثرات ہیں۔ قبل ازیں ڈسکاؤنٹ شرح میں اضافے کا فیصلہ اعلیٰ ہیڈ لائن اور بنیادی افراط زر میں اضافہ، زر مبادلہ کی شرح میں کمی، مالیاتی خسارہ اور یوٹیلیٹی نرخوں میں اتار چڑھاؤ کی وجہ سے کیا گیا۔

بیرونی محاذ پر کرنٹ اکاؤنٹ خسارہ گذشتہ برس میں 8,614 ملین ڈالر کے مقابلہ میں 6MFY20 میں 2,153 ملین روپے ہوگیا۔ تجارتی خسارہ میں 39.40 فی صد کمی درآمدات میں 20.86 فی صد کمی اور برآمدت میں 4.46 فیصد اضافہ کی وجہ سے CAD میں 75 فیصد کی نمایاں بہتری واقع ہوئی۔ کم طلب، اضافی ریگولیٹری ڈیوٹیز کے اطلاق اور کی طرف سے زیادہ دستاویزات کی وجہ سے درآمدات میں کمی ہوئی۔ زیرِ جائزہ مدت کے دوران، درآمدات میں کافی کمی ہوئی۔ تیل کی سہولت پر تاخیر سے ادائیگی کی وجہ سے تیل کی درآمد میں 33.80 فی صد، فوڈ آئٹمز کی درآمد میں 11.62 فی صد، موٹر گاڑیوں کی درآمد میں 39.14 فی صد اور مشینری کی درآمد میں 3.81 فیصد کمی واقع ہوئی۔ دوسری جانب، اس مدت کے دوران برآمدات میں بہتری کے اشارے ملتے ہیں اور رواں مالیاتی سال 2020 کی پہلی ششماہی کے دوران پاکستانی روپیہ کی قدر میں کمی کی وجہ سے برآمدات میں 4.46 فی صد اضافہ ہوا۔

مالی سال 2020 کے 6 ماہ میں بقایا ادائیگی کی پوزیشن کافی بہتر ہوئی اور سہ ماہی میں پاکستانی روپیہ مستحکم رہا۔ SBP کے غیر ملکی زر مبادلہ کے ذخائر بڑھ کر 4 بلین ڈالر تک ہوگئے جبکہ مالیاتی سال 2020 کے آغاز سے 6M-FY20 میں، بقایا ادائیگی کی پوزیشن میں بہتری آئی اور سہ ماہی کے دوران پاکستانی روپیہ مستحکم رہا۔ SBP کے غیر ملکی کرنسی کے ذخائر میں 4 ارب ڈالر کا اضافہ ہوا ہے جبکہ مالی سال 20 کے آغاز سے وزارت نے مختصر تبادلہ کی 1.95 بلین ڈالر مالیت ادا کی ہے۔ اس سے پاکستانی روپیہ/ امریکی ڈالر کی برابری کے استحکام میں جزوی طور پر مدد ملی ہے۔ تاہم، معیشت اب بھی استحکام کے مرحلے میں ہے اور حکومت کے لئے بقایا ادائیگی کی پائیدار پوزیشن بہت بڑا چیلنج ہوگا۔

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
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TRUSTEE REPORT TO THE UNIT HOLDERS

ASKARI HIGH YIELD SCHEME

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

We Central Depository Company of Pakistan Limited, being the Trustee of Askari High Yield Scheme (the Fund) are of the opinion that Pak Oman Asset Management Company Limited being the Management Company of the Fund has in all material respects with the exception of below paragraphs, managed the Fund during the six months period ended December 31, 2019 in accordance with the provisions of the following:

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

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

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

We would like to draw unit holders' attention towards the fact that the single entity exposures of the Fund in JS Bank Limited and Jahangir Siddiqui & Company Limited reached 32.35% and 16.31% respectively of the net assets against allowed limit of 10% and Commercial Bank Sector reached 33.66% against allowed limit of 25% of the net assets; thus the Fund is in non–compliance of Regulations 55(5) and 55(9) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 respectively.

We have taken up the issue with the Management Company and were informed that such breaches occurred due to decrease in net assets of the Fund and they are unable to dispose off excess exposures due to the unavailability of competitive bid in the market. This matter has already reported to Securities & Exchange Commission of Pakistan.

Moreover, the Management Company has taken over the commercial property in settlement of defaulted TFC's issued by PACE Pakistan Limited on conditional approval of the SECP to dispose off the property before November 22, 2018. This condition has not been fulfilled by Management Company up to the date of signing of this report.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 28, 2020

RSM

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Askari High Yield Scheme (the Fund)** as at December 31, 2019 and the related condensed interim income statement and the condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information"), for the six month period ended December 31, 2019. Pak Oman Asset Management Company Limited (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the three months period ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As discussed in Note 6.2.8 to the financial statements, the Fund has made a provision against the Term Finance Certificates (TFC) of Summit Bank Limited based on the number of days default after classification as non-performing. The final installment due against the TFC on October 27, 2018 was not received by the Fund and the TFC was categorized as non-performing. In accordance with the requirement of Circular 33 dated October 24, 2012 issued by the Securities and Exchange Commission of Pakistan (SECP), therefore installments of principal amount in default during the period of non-performance were to be fully provided. This caused the previous auditor to qualify audit opinion on the financial statements relating to that year. Further, the full provision for the TFC of Summit Bank Limited has been made in the current period. Had the full provision had been made against TFC of Summit Bank Limited in the previous year, the amount shown as "investments" would have been lower by Rs. 15.249 million. Profit before taxation and provision for Sindh Workers' Welfare Fund (SWWF) would have been lower / higher by Rs. 14.944 million and Rs. 0.304 million respectively for the year ended June 30, 2019 and period ended December 31, 2019.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

As discussed in the in Note 7.1 to the financial statements, in financial year ended June 30, 2018, the Fund acquired a commercial property in settlement of Term Finance Certificate as allowed by SECP vide its letter No.SCD/AMCW/AIML/149/2017 dated November 22, 2017, subject to certain conditions mentioned in the aforesaid letter. The title of the property was transferred in the name of trustee of the Fund through a transfer deed dated March 01, 2018. The SECP required the Management Company to dispose off the property within 12 months and recognize the same as Non-Current Asset 'Held-for- Sale' under the requirements of IFRS 5. The property was recorded as a Non-Current Asset 'Held-for-Sale', at its fair value determined at the date of initial measurement. The Management Company has applied to SECP to allow extension in the period initially allowed for the disposal of the property and has also sought the approval to carry property at fair value. The Management Company is committed to sell the property at the earliest available suitable opportunity in the best interest of the unit holders. During the previous year, a revaluation gain of Rs. 12.902 million was recorded on this property. Had the fair value gain not been recognized, the Non-Current Asset 'Held-for-Sale' and total net assets in the previous year and current period would have been lower by Rs. 12.902 million. Also, the profit before taxation and provision for SWWF would have been lower by Rs. 12.9 million and Rs. 0.258 million in the previous year.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the half year ended June 30, 2018 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The financial statements of the Company for the year ended June 30, 2019 were audited by another auditor whose report dated August 31, 2019 expressed modified opinion thereon. Further, the condensed interim financial statements of the Company for the half year ended December 31, 2018 were reviewed by the same auditor whose report dated February 21, 2019 expressed an unmodified conclusion thereon.

The engagement partner on the review resulting in this independent auditor's review report is Adnan Zaman.

SD
Chartered Accountants
Karachi
Date:February 28, 2020

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 December 2019

	Note	Un-audited 31 December 2019	Audited 30 June 2019
		------------------Rupees------------------	
ASSETS			
Bank balances	4	56,614,748	396,593,348
Term deposit receipts	5	100,000,000	-
Investments	6	547,192,512	857,037,188
Accrued profit, deposits, advances, prepayment and other receivables		31,609,614	34,232,767
Non-current assets classified as 'held-for-sale'	7	39,030,000	39,030,000
Total assets		**774,446,874**	**1,326,893,303**
LIABILITIES			
Payable to Pak Oman Asset Management Company Limited - Management Company	8	63,434,154	62,428,584
Payable to Central Depository Company - Trustee	9	60,509	164,382
Payable to the Securities and Exchange Commission of Pakistan	10	87,113	1,458,381
Payable against redemption of units		112,937	-
Dividend payable		69,270	9,562,507
Accrued expenses and other liabilities	11	22,901,306	22,452,105
Total liabilities		**86,665,289**	**96,065,959**
NET ASSETS		**687,781,585**	**1,230,827,344**
Unit holders' fund (as per statement attached)		**687,781,585**	**1,230,827,344**
Contingencies and commitments	12		
NUMBER OF UNITS IN ISSUE		**6,670,336**	**12,070,396**
NET ASSET VALUE PER UNIT		**103.1105**	**101.9708**

The annexed notes from 1 to 18 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 (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	Note	For the Half Year Ended 31 December		For the Quarter Ended 31 December	
		2019	2018	2019	2018
		-----Rupees-----			
Income					
Profit on saving and term deposits		8,600,727	23,295,266	4,030,651	6,071,041
Income from government securities		9,733,026	2,382,007	5,742,874	1,590,041
Mark-up on term finance and sukuks certificates		44,295,295	75,205,930	18,310,589	35,786,278
Other income		13,672	49,890	-	49,890
Net gain on sale of investments		1,380,615	5,016,774	98,026	3,494,564
Net unrealised loss on remeasurement of investments at fair value through profit or loss'		(22,035,537)	(6,374,029)	(21,139,681)	5,903,410
Total income		**41,987,798**	**99,575,838**	**7,042,459**	**52,895,314**
Expenses					
Remuneration of Management Company	8.1	6,537,214	12,339,412	2,883,675	1,778,967
Sindh Sales Tax on remuneration of the Management Company	8.2	849,838	2,332,124	374,878	959,158
Accounting and operational expenses	8.4	435,814	1,195,961	192,245	491,874
Selling and marketing expenses	8.5	1,743,257	4,783,843	768,980	1,967,503
Remuneration of Central Depository Company of Pakistan Limited - Trustee		369,353	1,632,926	162,928	526,583
Annual fees to the Securities and Exchange Commission of Pakistan		87,163	896,971	38,449	368,907
Bank and settlement charges		159,742	232,527	55,655	108,061
Fees and subscription		13,826	-	6,913	(6,931)
Security transaction cost		171,000	452,248	91,259	53,136
Auditors' remuneration		660,255	410,644	423,746	152,962
Printing charges		15,507	11,000	(26,378)	11,000
Legal and professional charges		315,340	54,766	282,670	15,000
Provision against non-performing TFC		15,249,759	3,190,432	11,427,888	3,190,432
Provision for Sindh Workers' Welfare Fund		307,669	1,451,494	(192,735)	872,450
		26,915,737	**28,984,348**	**16,490,173**	**10,489,102**
Net income for the period before taxation		**15,072,061**	**70,591,490**	**(9,447,714)**	**42,406,212**
Taxation	14	-	-	-	-
Net income for the period after taxation		**15,072,061**	**70,591,490**	**(9,447,714)**	**42,406,212**
Allocation of net Income for the period:					
- Net income for the period after taxation		15,072,061	70,591,490	(9,447,714)	42,406,212
- Income already paid on units redeemed		(7,398,216)	-	(489,980)	7,702,582
		7,673,845	**70,591,490**	**(9,937,694)**	**50,108,794**
Accounting income available for distribution					
-Relating to capital gains		-	-	-	-
-Excluding capital gains		7,673,845	70,591,490	(9,937,694)	50,108,794
		7,673,845	**70,591,490**	**(9,937,694)**	**50,108,794**

The annexed notes from 1 to 18 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2019

	For the half year ended 31 December		For the quarter ended 31 December	
	2019	2018	2019	2018
	-----Rupees-----			
Net income for the period after taxation	**15,072,061**	**70,591,490**	**(9,447,714)**	**42,406,212**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**15,072,061**	**70,591,490**	**(9,447,714)**	**42,406,212**

The annexed notes from 1 to 18 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December					
	2019			2018		
	Capital Value	Undistributed Income	Net Assets	Capital Value	Undistributed Income	Net Assets
	Rupees					
Net assets at the beginning of the period	**1,065,791,574**	**165,035,770**	**1,230,827,344**	**3,062,824,834**	**50,898,949**	**3,113,723,783**
[Units outstanding: 12,070,396 (2018: 30,542,095)]						
Issue of 2,790,274 (2018: 6,673,008) units	284,526,481	-	284,526,481	534,118,941	-	534,118,941
Element of income	1,968,998	-	1,968,998	73,092,435	-	73,092,435
	286,495,479	**-**	**286,495,479**	**607,211,376**	**-**	**607,211,376**
Redemption of 8,190,334 (2018: 17,949,279) units	(835,174,951)	-	(835,174,951)	(1,829,903,825)	-	(1,829,903,825)
Element of income	-	(7,398,216)	(7,398,216)	(24,018,444)	-	(24,018,444)
	(2,040,132)	-	(2,040,132)	-	-	-
	(837,215,083)	**(7,398,216)**	**(844,613,299)**	**(1,853,922,269)**	**-**	**(1,853,922,269)**
Total comprehensive income for the period	**-**	**15,072,061**	**15,072,061**	**-**	**70,591,490**	**70,591,490**
Net assets at the end of the period	**515,071,970**	**172,709,615**	**687,781,585**	**1,816,113,941**	**121,490,439**	**1,937,604,380**
[Units outstanding: 6,670,336 (2018: 18,418,805)]						
Undistributed income brought forward comprising of:						
-Realized		95,992,217			55,565,335	
-Unrealised		69,043,553			(4,666,386)	
		165,035,770			**50,898,949**	
Accounting income available for distribution:						
-Relating to capital gains		-			-	
-Excluding capital gains		7,673,845			70,591,490	
		7,673,845			**70,591,490**	
Undistributed income carried forward - net		**172,709,615**			**121,490,439**	
Undistributed income carried forward comprising of:						
-Realized		194,745,152			127,864,468	
-Unrealised		(22,035,537)			(6,374,029)	
		172,709,615			**121,490,439**	
				Rupees		
Net asset value at the beginning of the period			**101.9708**			**101.9500**
Net asset value at the end of the period			**103.1105**			**105.2000**

The annexed notes from 1 to 18 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 CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Half year Ended 31 December 2019	2018
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		**15,072,061**	**70,591,490**
Adjustments for:			
Net gain on sale of investments		(1,380,615)	(5,016,774)
Net unrealised loss on remeasurement of investments classified as 'financial assets at fair value through profit or loss'		22,035,537	6,374,029
Provision against no performing TFC		15,249,759	3,190,432
Provision for Sindh Workers Welfare Fund		307,669	1,451,494
		36,212,350	**5,999,181**
Decrease / (increase) in assets			
Investments - net		273,939,995	456,339,949
Term Deposit Receipts		(100,000,000)	450,000,000
Receivable against sale of investments		-	201,804,725
Receivable from Asset Management Company		-	(3,527,244)
Accrued profit, deposits, advances, prepayment and other receivables		2,623,153	69,661,337
Security deposits		-	899
		176,563,148	**1,174,279,666**
(Decrease) / increase in liabilities			
Payable to Pak Oman Asset Management Company Limited - Management Company		1,005,570	(6,134,722)
Payable to Central Depository Company - Trustee		(103,873)	(87,135)
Payable to the Securities and Exchange Commission of Pakistan		(1,371,268)	(1,745,458)
Payable against redemption of units		112,937	323,005
Dividend payable		(9,493,237)	(88,486,162)
Accrued expenses and other liabilities		141,532	(3,578,015)
		(9,708,339)	**(99,708,487)**
Net cash generated from operating activities		**218,139,220**	**1,151,161,850**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		286,495,479	607,211,376
Payments against redemption of units		(844,613,299)	(1,853,922,269)
Net cash used in financing activities		**(558,117,820)**	**(1,246,710,893)**
Net (decrease) / increase in cash and cash equivalents		**(339,978,600)**	**(95,017,304)**
Cash and cash equivalents at the beginning of the period		396,593,348	481,766,940
Cash and cash equivalents at the end of the period	4	**56,614,748**	**386,217,897**

The annexed notes from 1 to 18 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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 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) on19 February 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 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 securites 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 as at 28 August 2019 and A(f) 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 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim 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 VIIIA of the repealed Companies Ordinance, 1984; and

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

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

The disclosures made in this condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended 30 June 2019.

In compliance with schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at 31 December 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENT AND CHANGES THEREIN

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 uncertainity are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

		Note	31 December 2019 Un-audited	30 June 2019 Audited
			------Rupees------	
4	**BALANCES WITH BANKS**			
	In savings accounts	4.1	**56,614,748**	**396,593,348**
5	**TERM DEPOSIT RECEIPTS**			
	Performing			
	Khushhali MicroFinance Bank		90,000,000	-
	Zarai Taraqiati Bank Limited		10,000,000	-
			100,000,000	**-**
	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)**
			100,000,000	**-**
6	**INVESTMENTS**			
	At fair value through profit or loss			
	Government securities			
	- Market treasury bills	6.1	81,807,420	-
	Debt securities			
	- Term finance certificates - listed	6.2.2	-	198,020,760
	- Term finance certificates - unlisted	6.2.3	343,735,567	507,256,481
	- Commercial Papers		37,094,102	-
	- Sukuk certificates - listed	6.2.4	57,681,749	114,687,037
	- Sukuk certificates - unlisted	6.2.5	26,873,674	37,072,910
			465,385,092	857,037,188
			547,192,512	857,037,188

6.1 **Investment in government securities**

6.1.1 **Market Treasury Bills**

Issue date	Tenor	Face value: As at 01 July 2019	Face value: Purchased during the year	Face value: Sold / matured during the year	Face value: As at 31 December 2019	Balance as at 31 December 2019: Carrying value	Balance as at 31 December 2019: Provision Held	Balance as at 31 December 2019: Market value	Balance as at 31 December 2019: Appreciation / Dimunition	Market value as a percentage of net assets	Market value as a percentage of total investments
						----Rupees----					
12-Sep-19	12 Months	-	-	-	8,000	36,629,984	-	36,630,920	936	5%	7%
24-Oct-19	12 Months	-	233,000	215,000	10,000	45,431,835	-	45,176,500	(255,335)	7%	8%
Carrying value as at 31 December 2019		-	**233,000**	**215,000**	**18,000**	**82,061,819**	-	**81,807,420**	**(254,399)**		
Carrying value as at 30 June 2019		-	-	-	-		-	-	-		

6.2 **Debt Securities**

6.2.1 **Commercial Papers**

Name of Investee Company	Number of certificates: As at 01 July 2019	Number of certificates: Purchased during the year	Number of certificates: Sold / matured during the year	Number of certificates: As at 31 December 2019	Balance as at 31 December 2019: Face Value	Balance as at 31 December 2019: Provision Held	Balance as at 31 December 2019: Carrying Value	Balance as at 31 December 2019: Discount	Market value as a percentage of net assets	Market value as percentage of total investments	Investment as a percentage of total issue size
					----Rupees----						
TPL Trakker Limited	-	400	-	400	40,000,000	-	37,094,102	(2,905,898)	5%	7%	3%
As at 31 December 2019	-	**400**	-	**400**	**40,000,000**	-	**37,094,102**	**(2,905,898)**	**5%**	**7%**	
As at 30 June 2019	-	-	-	-	-		-	-	-	-	

6.2.2 **Term Finance Certificates - listed**

Name of Investee Company	Number of certificates: As at 01 July 2019	Number of certificates: Purchased during the year	Number of certificates: Sold / matured during the year	Number of certificates: As at 31 December 2019	Balance as at 31 December 2019: Carrying value	Balance as at 31 December 2019: Provision Held	Balance as at 31 December 2019: Market value	Balance as at 31 December 2019: Appreciation / Dimunition	Market value as a percentage of net assets	Market value as percentage of total investments	Investment as a percentage of total issue size
					---- (Rupees)----'						
(Certificates having a face value of Rs. 5,000 each unless stated)											
Trust Investment Bank Limited (04-July-08)	10,000	-	-	10,000	14,056,875	(14,056,875)	-	-	-	-	-
JS Bank Limited	2,000	-	-	2,000	-	-	-	-	-	-	-
As at 31 December 2019					**14,056,875**	**(14,056,875)**	-	-	-	-	
As at 30 June 2019					-	-	-	-	-	-	

6.2.3 **Term Finance Certificates - unlisted**

Name of Investee Company	Number of certificates: As at 01 July 2019	Number of certificates: Purchased during the year	Number of certificates: Sold / matured during the year	Number of certificates: As at 31 December 2019	Balance as at 31 December 2019: Carrying value	Balance as at 31 December 2019: Provision Held	Balance as at 31 December 2019: Market value	Balance as at 31 December 2019: Appreciation / Dimunition	Market value as a percentage of net assets	Market value as percentage of total investments	Investment as a percentage of total issue size
					---- (Rupees)----'						
(Certificates having a face value of Rs. 5,000 each unless stated)											
Agritech Limited 5th issue(1-Jul-11)	2,375	-	-	2,375	11,875,000	(11,875,000)	-	-	-	-	-
Agritech Limited(29-Nov-07)	3,000	-	-	3,000	59,952,000	(59,952,000)	-	-	-	-	-
Azgard nine Limited 3rd issue(4-Dec-07)	6,000	-	-	6,000	13,007,615	(13,007,615)	-	-	-	-	-
Deewan Cement Limited(14-Jan-08)	25,000	-	-	25,000	125,000,000	(125,000,000)	-	-	-	-	-
New Allied Electronics Industries Private Limited(15-May-07)	5,000	-	-	5,000	10,221,616	(10,221,616)	-	-	-	-	-
Summit Bank Limited(27-Oct-11)	5,000	-	-	5,000	24,929,064	(24,929,064)	-	-	-	-	-
JS Bank Limited(14-Dec-2016) ***	9,000	-	-	9,000	45,140,661	-	42,697,935	(2,442,726)	6.21%	7.80%	2.00%
JS Bank Limited(29-Dec-2017) ***	-	2,000	-	2,000	197,941,479	-	179,834,417	(18,107,062)	26.15%	32.86%	2.00%
The Bank of Punjab(23-Dec-2016) *	2,125	-	2,033	92	9,099,366	-	9,040,715	(58,651)	1.31%	1.65%	0.27%
TPL Corporation Limited(19-Dec-17)	1,200	-	1,200	-	-	-	-	-	-	-	-
U Micro Finance Bank Limited(30-Jun-2017)	12,000	-	12,000	-	-	-	-	-	-	-	-
Jehangir Siddiqui & Company Limited(18-July-2017)	30,000	-	-	30,000	112,161,641	-	112,162,500	859	16.31%	20.50%	10.00%
As at 31 December 2019					**609,328,442**	**(244,985,295)**	**343,735,567**	**(20,607,580)**	**49.98%**	**62.81%**	
As at 30 June 2019					**738,016,105**	**(229,735,536)**	**507,256,481**	**(1,024,088)**			

ASKARI HIGH YIELD SCHEME

6.2.4 **Sukuk Certificates - listed**

Name of Investee Company	Number of certificates: As at 01 July 2019	Number of certificates: Purchased during the year	Number of certificates: Sold / matured during the year	Number of certificates: As at 31 December 2019	Balance as at 31 December 2019: Carrying value	Balance as at 31 December 2019: Provision Held	Balance as at 31 December 2019: Market value	Balance as at 31 December 2019: Appreciation / Dimunition	Market value as a percentage of net assets	Market value as percentage of total investments	Investment as a percentage of total issue size
					---- (Rupees)----'						
(Certificates having a face value of Rs. 100,000 each unless stated)											
Dawood Hercules Corporation Limited (1-Mar-2018)	893	-	250	643	57,753,665	-	57,681,749	(71,916)	8%	11%	10.40%
Dawood Hercules Corporation Limited (16-Nov-2017)	285	-	285	-	-	-	-	-	0%	0%	
As at 31 December 2019					**57,753,665**	-	**57,681,749**	**(71,916)**	**8%**	**11%**	
As at 30 June 2019					**114,955,707**	-	**114,687,037**	**(268,670)**			

6.2.5 **Sukuk Certificates - unlisted**

Name of Investee Company	Number of certificates: As at 01 July 2019	Number of certificates: Purchased during the year	Number of certificates: Sold / matured during the year	Number of certificates: As at 31 December 2019	Balance as at 31 December 2019: Carrying value	Balance as at 31 December 2019: Provision Held	Balance as at 31 December 2019: Market value	Balance as at 31 December 2019: Appreciation / Dimunition	Market value as a percentage of net assets	Market value as percentage of total investments	Investment as a percentage of total issue size
					---- (Rupees)----'						
(Certificates having a face value of Rs. 5,000 each)											
Security Leasing Company Limited II (19-Sep-07)	8,000	-	-	8,000	8,710,139	(8,710,139)	-	-	0%	0%	-
TPL Corporation Limited (13-Apr-2016)	35	-	-	35	27,975,316	-	26,873,674	(1,101,642)	4%	5%	5.83%
As at 31 December 2019					**36,685,455**	**(8,710,139)**	**26,873,674**	**(1,101,642)**	**4%**	**5%**	
As at 30 June 2019					**44,847,639**	**(8,710,139)**	**37,072,910**	**935,410**			

6.2.6 The following securities have been classified as non-performing in accordance with the criteria specified by the SECP, and the Funds's provisioning policy for non-performing exposures. Accordingly, the carrying values stated below have been arrived at after taking into account provisions as under:

	31 December 2019: Carrying value	31 December 2019: Provision held	31 December 2019: Net carrying value	30 June 2019: Carrying value	30 June 2019: Provision held	30 June 2019: Net carrying value
	---- (Rupees) ----					
Agritech Limited (29-Nov-07)	11,875,000	11,875,000	-	11,875,000	11,875,000	-
Agritech Limited (01-Jul-11)	59,952,000	59,952,000	-	59,952,000	59,952,000	-
Azgard Nine Limited (04-Dec-07)	13,007,615	13,007,615	-	13,007,615	13,007,615	-
Dewan Cement Limited	125,000,000	125,000,000	-	125,000,000	125,000,000	-
New Allied Electronics Industries (Private) Limited (15-May-07)	10,221,616	10,221,616	-	10,221,616	10,221,616	-
Summit Bank Limited (27-Oct-11)	24,929,064	24,929,064	-	24,929,064	9,679,205	15,249,859
Trust Investment Bank Limited (04-Jul-08)	14,056,875	14,056,875	-	14,056,875	14,056,875	-
Security Leasing Corporation Limited (19-Sep-07)	8,710,139	8,710,139	-	8,710,139	8,710,139	-
	267,752,309	**267,752,309**	-	267,752,309	252,502,450	15,249,859

6.2.7 Significant terms and conditions of debt securities outstanding as at 31 December 2019

	Number of Certificates	Redeemable face value (Rupees)	Mark-up-rate per annum	Maturity date	Secured / Unsecured	Rating
Term Finance Certificates - listed						
Bank Al Falah Limited(20-Feb-2013)	2,800	4,989	6 months KIBOR +1.25%	20 February 2021	Unsecured	AA
MCB Bank Limited(19-Jun-14)	3,300	4,992	6 months KIBOR +1.15%	19 June 2022	Secured	AAA
Soneri Bank Limited(8-July-2015)	18,205	4,994	6 months KIBOR +1.35%	8 July 2023	Secured	A+
Trust Investment Bank Limited (04-July-08)	10,000	1,250	6 months KIBOR +1.85%	4 July 2013	Unsecured	NPA
JS Bank Limited (15-Feb-08)	2,000	99,980	6 months KIBOR +1.40%	29 December 2024	Unsecured	AA-
Term Finance Certificates - unlisted						
Agritech Limited 5th issue(1-Jul-11)	2,375	4,999	Fixed	01 January 2015	Secured	NPA
Agritech Limited(29-Nov-07)	12,000	4,999	6 months KIBOR +1.75%	29 November 2014	Secured	NPA
Azgard nine Limited 3rd issue(4-Dec-07)	1,972	5,000	Fixed	31 March 2017	Secured	NPA
New Allied Electronics Industries (Private) Limited(15-May-07)	5,000	1,250	3 months KIBOR +3.00%	15 May 2011	Secured	NPA
JS Bank Limited(14-Dec-2016)	5,000	1,250	6 months KIBOR +1.40%	16 December 2023	Secured	A+
Water and Power Development Authority(27-Sep-2013)	9,400	4,997	6 months KIBOR +1.00%	27 September 2021	Secured	Govt. Gtd
The Bank of Punjab(23-Dec-2016)	2,125	99,940	6 months KIBOR +1.00%	23 December 2026	Unsecured	AA-
TPL Corporation Limited(19-Dec-17)	1,200	100,000	3 months KIBOR +1.50%	19 December 2019	Secured	AA-
U Micro Finance Bank Limited(30-Jun-2017)	12,000	4,998	6 months KIBOR +3.50%	30 June 2024	Unsecured	A-
Jehangir Siddiqui & Company Limited(18-July-2017)	30,000	5,000	6 months KIBOR +1.40%	18 July 2022	Secured	AA+
Summit Bank Limited(27-Oct-11)	5,000	4,985	6 months KIBOR +3.25%	27 October 2018	Secured	A-
Sukuk certificates - listed						
International Brands Limited (15-Nov-17	2,700	100,000	12 months KIBOR +1.00%	15 November 2021	Secured	AA
Dawood Hercules Corporation Limited (16-Nov-17)	490	100,000	3 months KIBOR +1.00%	16 November 2022	Secured	AA
Dawood Hercules Corporation Limited (1-Mar-18)	3,180	100,000	3 months KIBOR +1.00%	1 March 2023	Secured	AA
TPL Corporation Limited (13-Apr-16)	25	1,000,000	12 months KIBOR +1.00%	17 June 2022	Secured	AA+
Sukuk certificates - unlisted						
Security Leasing Company Limited II (19-Sep-07)	8,000	1,709	1 months KIBOR +1.95%	19 September 2022	Secured	NPA
Byco Oil Pakistan Limited (18-Apr-17)	1,190	100,000	3 months KIBOR +1.05%	18 January 2022	Secured	AAA

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.

6.2.8 The Term Finance Certificates (TFC) of Summit Bank Limited had an original maturity of October 27, 2018. The principal amount due on October 27, 2018 amounting to Rs. 24.925 million was not received by the Fund. The TFC was classified as non-performing by the Mutual Funds Association of Pakistan (MUFAP) on November 13, 2018 in accordance with the criteria given in SECP's circulars 33 and 35 dated October 24, 2012 and November 26, 2012 respectively. The Management Company ,in previous year, provided minimum provision of principal amounting to Rs. 9.679 million based on number of days default after classification as non-performing (i.e. with effect from November 13, 2018) as per the timelines given in above SECP circulars in the best interest of units holders to avoid rapid fluctuation in the daily NAV of the Fund. However, in the current period the management has fully provided for the principal amount. Furthermore, profit on installment accrued before classification of the TFC as non-performing has been reversed and no further markup is being accrued after being classified as non-performing.

7 NON-CURRENT ASSETS CLASSIFIED AS 'HELD-FOR-SALE'

	31 December 2019 Un-audited	30 June 2019 Audited
	---------------Rupees--------------	
Commercial building	39,030,000	39,030,000
	39,030,000	**39,030,000**

7.1 The Fund acquired a commercial property in settlement of a Term Finance Certificate issued by PACE Pakistan Limited as allowed by SECP vide its letter no. SCD/AMCW/AIML/149/2017 dated November 22, 2017, subject to certain conditions mentioned in the aforesaid letter. The title of the property was transferred in the name of Trustee of the Fund through a transfer deed dated March 01, 2018. The Fund is required to dispose off the property within 12 months and recognise the same as Non-Current Assets Held for Sale under the requirements of IFRS 5. The property was recorded as a non-current asset classified as 'held-for-sale', at its fair value determined as at the date of initial measurement. the management company has applied to the SECP to allow extension in period initially allowed for the disposal of the property and has also sought the approval to carry the property at fair value. The management company is committed to sell the property at the earliest available suitable opportunity in the best interest of the unit holders. During the previous year, a revaluation gain of Rs.12.902 million was recorded on this property.

8 PAYABLE TO PAK OMAN ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY (RELATED PARTY)

		31 December 2019 Un-audited	30 June 2019 Audited
		---------------Rupees--------------	
Remuneration of the Management Company	8.1	295,755	1,334,252
Sindh sales tax payable on remuneration of the Management Company	8.2	4,959,298	5,094,302
Federal Excise Duty payable on remuneration of the Management Company	8.3	33,368,337	33,368,337
Reimbursement of operational expenses to the Management Company	8.4	10,638,721	10,202,907
Selling and Marketing expenses	8.5	13,952,028	12,208,771
Sales load payable		220,015	220,015
		63,434,154	**62,428,584**

8.1 As per the regulations 61 of amended NBFC Regulations dated 25 November 2015, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 1.5 percent of the average net assets of the Fund. The remuneration of the Management Company has been charged at the rate of 1.5 percent per annum for the period ended 31 December 2019 and 30 June 2019.

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 2.67% 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.

8.2 Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) is payable on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8.3 The Finance Act, 2013 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 were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was 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 representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, 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 1 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 prior to this period has been maintained by the Fund which at 31 December 2019 aggregates to Rs 33.37 million (2019: Rs 33.37 million). Had the provision for FED not been recorded in the financial statements of the Fund, the Net Asset Value of the Fund as at 31 December 2019 would have been higher by Rs 5.0025 per unit (2019: Rs 2.7645 per unit).

8.4 In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I)/2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less. Accordingly, the Management Company has charged accounting and operational charges to the Fund in respect of the back office accounting function @ 0.1% of average annual assets of the scheme to an independent service provider.

8.5 In connection with Regulation 60(3)(v) of the NBFC Regulations, SECP has issued Circular No. 40 of 2016 dated December 30, 2016 (later amended vide Circular No. 05 of 2017 dated February 13, 2017) whereby it has prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). In accordance with the provisions contained in these circulars, selling and marketing expenses will be allowed initially for a period of three years (from 1 January 2017 till 31 December 2019) to be charged to open end equity, asset allocation and index funds upto a maximum of 0.4% per annum of net assets of the fund or actual expenses, whichever is less. Accordingly the Management Company has charged such expenses at 0.4% of net assets of the Fund, being lower.

	31 December 2019 Un-audited	30 June 2019 Audited
	--------------Rupees--------------	
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY - TRUSTEE		
Trustee fee	53,548	145,471
Sindh Sales Tax payable on trustee fee	6,961	18,911
	60,509	**164,382**

	31 December 2019 Un-audited	30 June 2019 Audited
	--------------Rupees--------------	
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fee	87,113	1,458,381
	87,113	**1,458,381**

Under the provisions of the amended Non-Banking Finance Companies and Notified Entities Regulations 2008, on 25 November 2015 a collective investment scheme categorised as an aggressive fixed income scheme is required to pay an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Scheme. Provided that for Collective Investment Schemes which on quarterly average basis have at least 1,000 retail investors and more than 50% of Net Assets are held by individual investors, provided that the maximum investment by a single retail investor (considered eligible for calculating the threshold of 1,000) does not exceed 1% of the Net Asset shall pay the annual fee at the rate 0.076% for the next three years from the date of notification of these regulations.

	Note	31 December 2019 Un-audited	30 June 2019 Audited
		---------------Rupees--------------	
11 ACCRUED EXPENSES AND OTHER LIABILITIES			
Withholding tax payable		216,503	301,799
Auditors Remuneration Payable		592,237	670,324
Printing Charges Payable		212,843	220,836
Other payables		6,525,989	6,206,901
Settlement charges		35,472	41,654
Provision for Sindh Workers Welfare Fund	11.1	15,318,262	15,010,591
		22,901,306	22,452,105

11.1 There is no change in the status of the Sindh Workers Welfare Fund as reported in note 16.1 to the annual financial statements of the Fund for the half year ended 31 December 2019.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2019 and 30 June 2019.

13 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 2.67% 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.

14 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.

15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

	Un-audited For the half year ended 31 December 2019	2018
	---------------Rupees--------------	
15.1 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	6,537,214	12,339,412
Sindh Sales tax on Remuneration of Management Company	849,838	2,332,124
Reimbursement of operational expenses to the Management Company	435,814	1,195,961
Selling and marketing expenses	1,743,257	4,783,843
Askari Bank Limited		
Redemption of Nil (2018: 2,451,007) units	-	250,000,000
Profit on Bank Deposits	143,417	123,634
Bank Charges	17,559	27,392
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	326,861	1,445,067
Sindh Sales Tax on Remuneration of the Trustee	42,492	187,859
CDS Charges	21,151	58,898
Pak Oman Micro Finance Bank Limited		
Issue of Nil (2018: 28,830) units	-	2,938,772
Redemption of Nil (2018: 1,149,601) units	-	118,559,537
Sindh Province Pension Fund		
Issue of 87,153 (2019: Nil) units	8,924,223	-
The Bank Of Punjab Employees Gratuity Fund		
Issue of 79,301 (2019: Nil) units	8,120,231	-
Barrett Hodgson Pakistan (Pvt) Ltd		
Issue of Nil (2019: 84,739) units	-	8,637,720

	31 December 2019 Un-audited	30 June 2019 Audited
15.2 Outstanding balances as at period / year end	---------------Rupees--------------	
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration payable to the management company	295,755	1,334,252
Sindh Sales tax payable on remuneration of the Management Company	4,959,298	5,094,302
Sindh Sales Tax payable on Remuneration of the Management Company	33,368,337	33,368,337
Federal Excise Duty payable on Remuneration of the Management Company	10,638,721	10,202,907
Marketing and advertising fee payable	13,952,028	12,208,771
Front End Load Payable	220,015	220,015
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable	60,509	164,382
Security Deposits	100,000	100,000
Askari Bank Limited		
Outstanding 1,745,044 (30 June 2019: Nil) units - at net asset value	179,932,407	177,943,580
Sindh Province Pension Fund		
Outstanding 1,165,974 (30 June 2019: Nil) units - at net asset value	120,224,129	110,008,240
The Bank Of Punjab Employees Gratuity Fund		
Outstanding 1,140,231 (30 June 2019: Nil) units - at net asset value	117,569,787	108,183,881

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

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

Unobservable inputs for the asset or liability (level 3).

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

	As at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Market treasury bills	-	81,807,420	-	81,807,420
Term finance certificates - listed	-	-	-	-
Term finance certificates - unlisted	-	343,735,567	-	343,735,567
Commercial papers		37,094,102		37,094,102
Sukuk certificates - listed	57,681,749	-	-	57,681,749
Sukuk certificates - unlisted	-	26,873,674	-	26,873,674
	57,681,749	**489,510,763**	**-**	**547,192,512**

	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Market treasury bills	-	-	-	-
Term finance certificates - listed	198,020,760	-	-	198,020,760
Term finance certificates - unlisted	-	507,256,481	-	507,256,481
Commercial papers	-	-	-	-
Sukuk certificates - listed	114,687,037	-	-	114,687,037
Sukuk certificates - unlisted	-	37,072,910	-	37,072,910
	312,707,797	**544,329,391**	**-**	**857,037,188**

17 GENERAL

Corresponding figures have been rearranged and reclassified wherever necessary, impact of which is immaterail.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on12-Feb-2020.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director