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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 suit investors at large, on a consistent basis."

FUND INFORMATION

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Pak Oman Asset Management Company Limited.
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Fax : +92 - 21 - 35899645
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
MCB Financial Services Limited
4th Floor, Perdesi House, 2/1, R-Y-16,
Old Queens Road, Karachi - 74200

Auditors
RSM Avais Hyder Liaquat Nauman
Chartered Accountants
407, Progressive Plaza, Beamont Road,
Karachi.75530

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 Pak Oman Government Securities Fund (POGSF) 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.

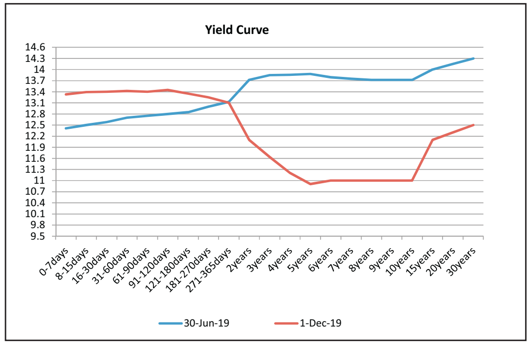
In FY20-To date, broad money supply (M2) grew by 2.83%. NDA of the banking system shrunk by 2.55%. The deceleration in credit was more pronounced in real terms as the increase in private sector credit was largely driven by higher input prices, which in turn increased the working capital needs of different 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.



POGSF
In 1HFY20, the unit price of POGSF appreciated by 11.48% against its benchmark of 13.53%. Assets under management of fund stood at PKR 268 million as against PKR 255 million at the start of the financial year. During the period, Treasury Bills remained the major asset class as exposure against this assets class averaged at 34.76% of the fund size against 69.49% in same period last year. During the period, exposure was eased off against PIBs. In the backdrop of increasing inflationary pressures, it was anticipated that yields on longer tenor papers might see a reversal from their recent bottom. Hence, exposure against this asset class was eased completely during the period as compared to an exposure of 53.05% in the start of financial year 2020 and average exposure of 17.94% during the period.

Exposure against TFCs stood at 20.89% against 27.35% in similar period last year. Remaining funds were invested as cash with A and above rated banks. Average cash exposure of the fund from July-19 to Dec-19 stood at 26.41%.

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.

اس عرصے کے دوران، ٹریژری بل اہم اثاثے رہے اوران اثاثہ جات میں اوسطاً فنڈ کا سائز 34.76 فیصد رہا جو گزشتہ سال اسی عرصے میں 69.49 فیصد تھا۔ مدت کے دوران، PIBs میں ایکسپوژر نہیں کیا گیا۔ بڑھتے ہوئے افراط زر کے دباؤ کے پس منظر میں، یہ توقع کی گئی کہ طویل مدتی پیپرز پر آمدنی اپنی موجودہ نچلی سطح سے واپس بحال ہوسکتی ہے۔ لہٰذا مالی سال 2020 کے شروع میں 53.05 فیصد کے ایکسپوژر کے مقابلے سہ ماہی کے دوران اس اثاثہ کلاس میں کوئی تبدیلی نہیں ہوئی اور مدت کے دوران اوسط ایکسپوژر 17.94 فی صد رہا۔

مدت کے دوران، ٹی ایف سی کی سرمایہ کاری 20.89 فیصد رہی جو گزشتہ سال کی اسی مدت میں 27.35 فیصد تھی۔ بقیہ رقوم A اوراس سے زائد درجہ کے بینکوں میں نقد سرمایہ کار پر صرف کئے گئے۔ جولائی۔ دسمبر 2019ء کے دوران فنڈ کا اوسط کیش ایکسپوژر 26.41 فی صد رہا۔

اظہار تشکر

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

برائے ومنجانب بورڈ

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

یونٹ ہولڈرز کو ڈائریکٹران کی رپورٹ

پاک اومان مینجمنٹ کمپنی لمیٹڈ ("منتظم کمپنی" یا "POAMCL" یا "کمپنی") کے بورڈ آف ڈائریکٹرز پاک اومان گورنمنٹ سیکورٹی فنڈ (POGSF) 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 ہو گیا۔ 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 ہو گئے 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۔

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 جا رہی 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۔

POGSF

مالی سال 20 کی پہلی ششماہی میں، POGSF کے یونٹ کی قیمت میں بینچ مارک کے 13.53 فیصد کے مقابلے میں 11.48 فیصد اضافہ ہوا۔ زیر انتظام فنڈ کے اثاثوں کی مالیت 268 ملین روپے رہی جو مالی سال کے آغاز میں 255 ملین روپے تھی۔

MCB FINANCIAL SERVICES
MCB FINANCIAL SERVICES LIMITED

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

PAK OMAN GOVERNMENT SECURITIES FUND

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

Pak Oman Government Securities Fund, an open end scheme established under a Trust Deed dated March 18, 2011 executed between Pak Oman Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Fund commenced its operations on July 28, 2011.

1. Pak Oman Asset Management Company Limited, the Management Company of Pak Oman Government Securities Fund has, in all material respects, managed Pak Oman Government Securities Fund during the period ended 31st December 2019 in accordance with the provisions of the following:

   (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;

   (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;

   (iii) the creation and cancellation of units are carried out in accordance with the deed;

   (iv) and any regulatory requirement.

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: February 26, 2020

4th Floor, Perdesi House, 2/1, R-Y-16, Old Queens Road, Karachi - 74200
Direct Nos. 021-32430485, 32415454, 32415204, 32428731 PABX No. 021-32419770, Fax No. 021-32416371
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RSM

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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 **Pak Oman Government Securities 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2019 is not prepared, in all material respects, in accordance with approved 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 December 27, 2019 expressed unmodified 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 March 07, 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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2019

	Note	Un-audited 31 December 2019	Audited 30 June 2019
		------------Rupees in ('000) -----------	
ASSETS			
Bank balances	4	227,160	8,072
Investments	5	44,313	259,251
Mark-up accrued		1,813	7,663
Deposits, prepayment and other receivable		436	304
Total assets		**273,722**	**275,290**
LIABILITIES			
Payable to Pak Oman Asset Management Company Limited - Management Company	6	2,703	2,249
Payable to MCB Financial Services Limited - Trustee	7	30	30
Payable to the Securities and Exchange Commission of Pakistan	8	26	197
Dividend payable		102	15,524
Accrued expenses and other liabilities	9	2,795	2,121
Total liabilities		**5,656**	**20,121**
NET ASSETS		**268,066**	**255,169**
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**268,067**	**255,169**
Contingencies and commitments	10	**-**	-
Number of units in issue		**23,738,335**	**23,903,486**
Net asset value per unit		**11.2925**	**10.6750**

The annexed notes from 1 to 16 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 Half Year Ended 31 December 2019	For Half Year Ended 31 December 2018	For Quarter Ended 31 December 2019	For Quarter Ended 31 December 2018
		--------(Rupees in '000)--------			
INCOME					
Profit on bank balances		2,737	212	1,623	115
Income from government securities		10,550	7,463	5,854	4,167
Profit on placements		-	105	-	-
Income on term finance and sukuks certificates		4,232	3,258	2,238	1,725
Other income		-	165	-	165
Net gain / (loss) on sale of investments		2,084	(204)	1,183	(227)
Net unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss'		(1,465)	(620)	(2,164)	593
Total income		**18,138**	**10,379**	**8,734**	**6,538**
EXPENSES					
Remuneration of Pak Oman Asset Management Company Limited	6.1	1,448	1,432	732	720
Sindh Sales Tax on Remuneration of the Management Company	6.2	188	186	95	93
Reimbursement of operational expenses to the Management Company	6.4	132	130	67	65
Selling and marketing charges	6.5	527	521	267	262
Remuneration of the Trustee inclusive of sales tax		179	176	91	88
Annual fees to the Securities and Exchange Commission of Pakistan		26	98	13	49
Auditors' remuneration		252	268	123	184
Printing and stationary expenses		16	15	8	-
Legal and professional charges		65	40	39	(12)
Fee and subscription		171	169	90	34
Bank, settlement and transaction charges		118	19	112	11
Other expenses		-	-	(57)	-
Provision for Sindh Workers' Welfare Fund		300	146	128	100
		3,422	**3,200**	**1,708**	**1,594**
Net income for the period before taxation		**14,716**	**7,179**	**7,026**	**4,944**
Taxation	12	**-**	-	**-**	-
Net income for the period after taxation		**14,716**	7,179	**7,026**	4,944
Allocation of net income for the period					
Income already paid on units redeemed		(56)	-	(56)	-
Accounting income available for distribution					
- relating to capital gains		619	(824)	(981)	366
- excluding capital gains		14,041	8,003	7,951	4,578
		14,660	7,179	**6,970**	4,944

The annexed notes from 1 to 16 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 Half Year Ended 31 December 2019	For Half Year Ended 31 December 2018	For Quarter Ended 31 December 2019	For Quarter Ended 31 December 2018
	--------Rupees in ('000)--------			
Net income for the period after taxation	**14,716**	7,179	**7,026**	4,944
Other comprehensive income for the quarter	**-**	**-**	**-**	
Total comprehensive income for the period	**14,716**	**7,179**	**7,026**	**4,944**

The annexed notes from 1 to 16 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

	For Half Year Ended 31 December					
	2019			2018		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	-----------------------------Rupees in ('000)---------------------------					
Net assets at the beginning of the period	234,674	20,495	**255,169**	235,454	19,674	**255,128**
[Units outstanding: 23,903,486 (2018: 23,976,829)]						
Issue of Nil (2018: Nil) units	-	-	-	-		
Redemption of 165,151 (2018: Nil) units						
- Capital value (at net asset value per unit at the beginning of the period)	(1,762)	-	(1,762)	-	-	-
- Income already paid on redemption of units	-	(56)	(56)	-	-	-
- Element of income - net	-	-	-	-	-	-
Total payments on redemption of units	**(1,762)**	**(56)**	**(1,818)**	-	-	-
Total comprehensive income for the period	-	14,716	14,716	-	7,179	-
Distribution during the period	-	-	-	-	-	-
	-	**14,716**	**14,716**	-	**7,179**	-
Net assets at the end of the period	**232,912**	**35,155**	**268,067**	**235,454**	**26,853**	**255,128**
[Units outstanding: 23,738,335 (2018: 23,976,829)]						
Undistributed income brought forward:						
-Realized		22,671			19,603	
-Unrealised		(2,176)			71	
		20,495			**19,674**	
Accounting income available for distribution:						
-Relating to capital gains / (loss)		619			(824)	
-Excluding capital gains / (loss)		14,041			8,003	
		14,660			**7,179**	
Net income for the period after taxation						
Undistributed income carried forward - net		**35,155**			**26,853**	
Undistributed income carried forward comprising of:						
-Realized		36,620			27,198	
-Unrealised		(1,465)			(345)	
		35,155			**26,853**	
			--------------------------Rupees--------------------------			
Net asset value at the beginning of the period			**10.6750**			**10.6400**
Net asset value at the end of the period			**11.2925**			**10.9400**

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 CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019	31 December 2018
		------------Rupees in (000') -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		**14,716**	**7,179**
Adjustments for:			
Return / mark-up on:			
- government securities		(10,550)	(7,463)
- bank balances		(2,737)	(212)
- term finance and sukuks certificates		(4,232)	(3,258)
- letter of placement		-	(105)
Net (gain) / loss on sale of investments		(2,084)	204
Net unrealised (gain) / loss on remeasurement of investments at fair value through profit or loss'		1,465	620
Provision for Sindh Workers' Welfare Fund		300	146
		(17,838)	**(10,068)**
Decrease / (Increase) in assets			
Investments - Net		215,556	5,532
Deposits, prepayment and other receivable		(132)	128
		215,424	**5,660**
(Decrease) in liabilities			
Payable to Pak Oman Asset Management Company Limited - Management Company		454	(708)
Payable to MCB Financial Services Limited - Trustee		-	(2)
Payable to the Securities & Exchange Commission of Pakistan		(171)	(116)
Dividend payable		(15,422)	-
Accrued expenses and other liabilities		374	(750)
		(14,765)	**(1,576)**
Mark-up on government securities received		16,316	7,463
Mark-up on bank balances received		2,469	188
Mark-up on term finance certificates received		4,584	3,016
Mark-up on letter of placement received		-	1,008
		23,369	**11,675**
Net cash generated from operating activities		**220,906**	**12,870**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(10,237)
Payments against redemption of units		(1,818)	-
Net cash used in financing activities		**(1,818)**	**(10,237)**
Net increase in cash and cash equivalents		**219,088**	**2,633**
Cash and cash equivalents at the beginning of the period		8,072	2,361
Cash and cash equivalents at the end of the period	4	**227,160**	**4,994**

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**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 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 Company Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was approved on March 3, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and was executed on March 18, 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 investment 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 via investing primarily in Government Securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM3+' 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 a trustee of the Fund.

2 BASIS OF PREPRATION

Statement of compliance

This condensed interim financial information 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 ("IFRSs") issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP.

Wherever provisions of and directives issued under the Companies Act, 2017, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the provisions of and directives issued under the Companies Act, 2017, requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

PAK OMAN GOVERNMENT SECURITIES FUND

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information 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 June 30, 2019.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2019.

Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

3 SIGNIFICANT ACCOUNTING POLICIES, RISK MANAGEMENT POLICIES, ACCOUNTING 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 uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

			31 December 2019 Un-audited	30 June 2019 Audited
			-------------(Rupees in '000)-------------	
4.	**BALANCE WITH BANKS**			
	-Saving accounts	4.1	**227,160**	**8,072**

4.1 These savings accounts carry mark-up at the rates ranging from 5.00% to 14.25% (30 June 2019: 3.75% to 10%) per annum.

			31 December 2019 Un-audited	30 June 2019 Audited
			-------------(Rupees in '000)-------------	
5.	**INVESTMENTS**			
	At fair value through profit or loss - held for trading			
	Government securities	5.1	-	190,695
	Term finance certificates	5.2	44,313	68,556
			44,313	**259,251**

5.1 Government securities

Issue Date	Tenor	Face value: As at 01 July 2019	Face value: Purchased during the period	Face value: Sold / matured during the period	Face value: As at 31 December 2019	Market value as at 31 December 2019	Market Value as a percentage of: Net assets	Market Value as a percentage of: Total investments
		(Rupees in '000)					%age	
25-Apr-2019	03 Months	25,000,000	-	25,000,000	-	-	-	-
09-May-2019	03 Months	20,000,000	-	20,000,000	-	-	-	-
18-Jul-2019	03 Months	-	15,000,000	15,000,000	-	-	-	-
29-Aug-2019	03 Months	-	190,000,000	190,000,000	-	-	-	-
12-Sep-2019	03 Months	-	40,000,000	40,000,000	-	-	-	-
07-Nov-2019	03 Months	-	100,000,000	100,000,000	-	-	-	-
10-Oct-2019	03 Months	-	50,000,000	50,000,000	-	-	-	-
07-Nov-2019	03 Months	-	60,000,000	60,000,000	-	-	-	-
29-Aug-2019	03 Months	-	50,000,000	50,000,000	-	-	-	-
12-Sep-2019	03 Months	-	80,000,000	80,000,000	-	-	-	-
26-Sep-2019	03 Months	-	100,000,000	100,000,000	-	-	-	-
24-Oct-2019	03 Months	-	125,000,000	125,000,000	-	-	-	-
						-		
Carrying value before marked to market as at December 31 2019						-		

5.2 Term finance certificates - unlisted

Name of the investee company	Number of certificates: As at 01 July 2019	Number of certificates: Purchased during the period	Number of certificates: Sold / matured during the period	Number of certificates: As at 31 December 2019	Market Value as at 31 December 2019	Market Value as a percentage of: Net assets	Market Value as a percentage of: Total investment	Market Value as a percentage of: Issue size
					Rupees in '000'	%age		
JS Bank Limited (14-Dec-2016)	5,400	-	-	5,400	25,619	9.56	57.81	0.01
JS & Company Limited (18-Jul-2017)	5,000	-	-	5,000	18,694	6.97	42.19	0.01
Bank of Punjab (23-Apr-2018)	200	-	200	-	-	-	-	-
Dawood Herculas Corporation Ltd - 2	-	250	250	-	-	-	-	-
TPL Corporation Limited (2nd Issue)	-	250	250	-	-	-	-	-
						-	-	-
					44,313			
Carrying value before marked to market as at December 31, 2019					45,778			

6 PAYABLE TO PAK OMAN ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

		31 December 2019 Un-audited	30 June 2019 Audited
		(Rupees in '000)	
Remuneration of the Management Company	6.1	63	244
Sindh Sales Tax on remuneration of the Management Company	6.2	113	136
Federal Excise Duty on remuneration of the Management Company	6.3	654	654
Reimbursement of operational expenses to the Management Company	6.4	297	166
Selling and marketing expenses	6.5	1,576	1,049
		2,703	**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 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 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 2018: 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 31 December 2019 would have been higher by Rs. 0.0276 (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)(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 PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE

	31 December 2019 Un-audited	30 June 2019 Audited
	------------Rupees in ('000) ------------	
Payable to Trustee	27	27
Sindh Sindh Tax on Trustee fee payable	3	3
Total fee payable	**30**	**30**

7.1 The Trustee is entitled to a monthly remenuration services renderd to the fund underthe provision of the Trust Deed as per the Tariff as per the Tariff specified therein based on the based on the average annual net assets of the fund. The remenuration is payable to the Trustee monthly in arrears.

Tariff structure applicable to the funds as at December 31, 2019 is as follows

Net Asset Value	Tariff Per Anum
Upto Rs 1000 Million	Rs 0.5 Million or 0.12% per anum of net asset value whichever is higher
Exceeding Rs 1000 Million	Rs 1.2 Million plus 0.10% of net asset value, exceeding Rs 1,000 Million

7.2 The Sindh Provisional Government Levied Sindh Sales Tax at the rate of 13% (2018: 13%) on the Remenuration of the Trustee through Sindh Sales Tax on Service Act, 2011.

8 PAYABLE TO SECURITES EXCHAGE COMMISSION OF PAKISTAN

Under the provision of the Non-Banking Finance Companies and notified Entities Regulations, 2008 a collective Investment scheme categorized as Income Scheme Is require to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annaul assets of the funds. The funds is payable in arearrs.

		31 December 2019 Un-audited	30 June 2019 Audited
		------------Rupees in ('000) ------------	
9 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		556	347
Withholding tax payable		78	65
Printing charges payable		25	-
Annual listing fee payable		157	-
Provision for Sindh Workers' Welfare Fund	9.1	1,806	1,506
Transaction charges		173	-
Others		-	203
		2,795	**2,121**

9.1 There is no change in the status of the Sindh Workers' Welfare Fund as reported in note 13 to the annual financial statements of the Fund for the year ended 30 June 2019.

10 CONTINGENCIES AND COMMITMENTS

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

11 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 2.46% which includes 0.25% 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 2.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

12 TAXATION

12.1 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.

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

13.1 Connected persons and related parties include Pak Oman Asset Management Company Limited being the Management Company, MCB Financial Services 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.

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

13.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

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

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

	For the Half Year Ended 31 December	
	2019	2018
	Un-audited	Un-audited
	---------------Rupees (000')--------------	
Transactions for the period:		
Pak Oman Asset Management Company Limited (Management Company)		
Reumeration of the Management Company	1,448	1,432
Sindh Sales Tax on Remuneration of Management Company	188	186
Reimbursement of operational expenses to the Management Company	132	130
Selling and marketing charges	527	521
MCB Financial Services Limited - Trustee of the Fund		
Remuneration of the Trustee	179	176

13.6 Investments / outstanding balances as at period / year end:

Pak Oman Asset Management Company Limited (Management Company)		
Remuneration payable to the Management Company	63	244
Sindh Sales Tax payable on Remuneration of the Management Company	113	136
Federal Excise Duty payable on Remuneration of the Management Company	654	654
Reimbursement of operational expenses to the Management Company	297	166
Selling & Marketing charges	1,576	1,049
MCB Financial Services Limited (Trustee)		
Remuneration of Trustee	30	30
Pak Oman Investment Company Limited - Holding Company of Management Company of the Fund		
Outstanding 23,660,643 (30 June 2018: 23,660,643) units	267,188	252,577

14 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				
Government securities	-	-	-	-
Term finance certificates	-	44,313	-	44,313
	-	**44,313**	**-**	**44,313**

	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Government securities	-	190,695	-	190,695
Term finance certificates	-	68,556	-	68,556
	-	**259,251**	**-**	**259,251**

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

The corresponding figures have been re-arranged and reclassified wherever necessary; the impact of which is immaterial.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 12-Feb-2020.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director