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Our Mission

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

Our Vision

"PAK OMAN ISLAMIC ASSET ALLOCATION FUND aims to provide diversified portfolio and return that is risk adjusted to suit investors at large, on a consistent basis."

FUND INFORMATION

Management Company
Pak Oman Asset Management Company Limited.
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Phase-II Extension, DHA, Karachi
Phone : +92 - 21 - 35899641-44
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
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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 annual report of the Pak Oman Islamic Asset Allocation Fund (POIAAF) 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.

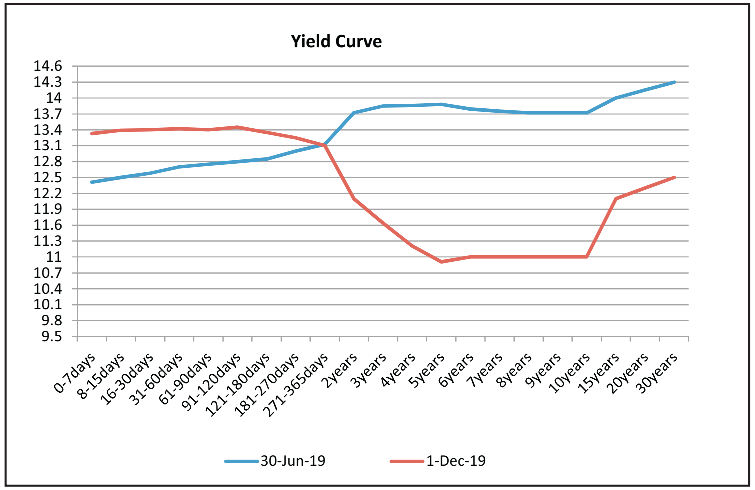
In FY20-To date, broad money supply (M2) grew by 2.83%. NDA of the banking system shrunk by 2.55%. The deceleration in credit was more pronounced in real terms as the increase in private sector credit was largely driven by higher input prices, which in turn increased the working capital needs of different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



EQUITY MARKET REVIEW:

In CY19, the KSE-100 index recorded an increase of 9.90%. KSE-100 closed at 40,735 as of 31st Dec-19 as compared to 37,066 in start of 2019. During the year, Net foreign inflow of $ 59 million was witnessed as compared to an outflow of $ 511 million in 2018. This was after 4 consecutive years of constant outflows for the Pakistan equity market. The inflows were on the back of 1) Cheap Valuation as compared to regional peers, 2) Market determined exchange rate helping stability of the PKR/USD parity, 3) Reduction of CAD and improvement in fiscal imbalances and 4) Buildup of Foreign Exchange Reserves. Major sectors of foreign interest were commercial banks, Fertilizers and Cements. While foreigners eased exposures in Oil and Gas Exploration and Textiles. Among Local Investors, major sellers were Mutual Funds ($ 168 Mn) and Insurance Companies ($ 65 Mn).

During the year, major sectors that contributed to index growth were Commercial banks on the back of strong earnings growth and expected healthy payouts, Fertilizers due to sector's strong payout and Oil and Gas Sector due to strong earnings on the back of new discoveries and expansions and consistent payout history.

Going forward, major key triggers that will define the direction of Pakistan's stock market will be the resolution of circular debt, government's policies for manufacturing sector and initiation of interest rate cut cycle. Currently, Market is currently trading at P/E multiple of 7.5x as compared to Asia Pacific regional average of 12.5x and offering dividend yield of 12.5x against 2.7% dividend yield offered by peers.

POIAAF

In the 1HFY20, POAIAAF posted return of 8.88% against the benchmark return of 10.46%.Net assets at the fund stood at PKR 249mn by the end of December.

Overall Exposure was increased during this half year mainly in Oil & Gas Exploration, Fertilizer and Power and Generation Sector on the back of high dividend yields of these sectors and expected growth. Moreover, Positions were realised in Real Estate & Miscellaneous Sector.

As of 31st Dec-19 equity exposure stood at 58%, exposure in TFC's remain flat at 22% whereas Cash resided at 18% of the total asset.

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

27th February 2020
Karachi - Pakistan.

Sadaf kazmi
Chief Executive Officer

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 کررہی 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۔

ایکویٹی تجزیہ

مالی سال 19 میں KSE100 انڈیکس نے 9.90 فیصد کا اضافہ درج کیا۔ سال 2019 کے شروع میں KSE100 انڈیکس 37,066 پوائنٹس کے مقابلے 31 دسمبر 19 کو 40,735 پوائنٹس پر بند ہوا۔ سال کے دوران، خالص غیر ملکی بہاؤ 59 ملین ڈالر دیکھا گیا جبکہ 2018 میں 511 ملین ڈالر آؤٹ فلو تھا۔ یہ پاکستان ایکویٹی مارکیٹ کے لئے مستقل آؤٹ فلو کے 4 مسلسل سالوں کے بعد تھا۔ ان فلو 1)۔ علاقائی حریفوں کے مقابلے کم

قیمت، 2)۔ پاکستانی روپیہ / امریکی ڈالر کی برابری کے استحکام میں مددگار مارکیٹ کی تعین کردہ زرمبادلہ کی شرح، 3)۔ CAD کی کمی اور مالیاتی عدم توازن میں بہتری 4)۔ غیر ملکی زرمبادلہ کے ذخائر میں اضافہ کی وجہ سے تھا۔ غیر ملکی سرمایہ کاروں کی دلچسپی کے اہم شعبے تجارتی بینک، فرٹیلائزرز اور سیمنٹ تھے۔ جبکہ غیر ملکیوں نے تیل گیس ایکسپلوریشن اور ٹیکسٹائلز میں آسانی محسوس کی۔ مقامی سرمایہ کاروں میں، میوچل فنڈز (168 ملین ڈالر) اور انشورنس کمپنیاں (65 ملین ڈالر) اہم فروخت کنندگان تھے۔

سال کے دوران، اہم شعبے جنہوں نے انڈیکس کی نمو میں اہم کردار ادا کیا وہ کمرشل بینکوں تھے جنہوں نے مضبوط آمدنی میں اضافہ اور صحتمند ادائیگیوں کی توقع، کھادوں کے شعبے کی مضبوط ادائیگی اور آئل اینڈ گیس سیکٹر کی وجہ سے نئے انکشافات اور توسیع اور مستقل ادائیگی کی تاریخ کی پشت پر مضبوط آمدنی حاصل کی۔

آگے بڑھتے ہوئے، اہم کلیدی محرکات جو پاکستان کی اسٹاک مارکیٹ کی سمت کی وضاحت کریں گے وہ سرکلر ڈیبٹ، مینوفیکچرنگ سیکٹر کے لئے حکومت کی پالیسیاں اور شرح سود میں کمی کرنا ہوں گے۔ فی الحال مارکیٹ ایشیا پیسیفک کی علاقائی اوسط 12.5x کے مقابلے میں P/E7.5x کثرت پر تجارت کی جا رہی ہے اور حریفوں کی طرف سے پیشکش کردہ 2.7 فیصد منافع منقسمہ آمدنی کے مقابلہ میں 12.5x کی منافع منقسمہ آمدنی پیش کی جا رہی ہے۔

POIAAF

مالی سال 20 کی پہلی ششماہی میں، POAIAAF نے بینچ مارک منفعت 10.46 فیصد کے مقابلے میں 8.88 فیصد فراہم کی۔ دسمبر کے اختتام تک فنڈ کے خالص اثاثے 249 ملین روپے رہے۔

اس ششماہی کے دوران مجموعی ایکسپوژر آئل اینڈ گیس ایکسپلوریشن، فرٹیلائزر اور پاور اینڈ جنریشن سیکٹر میں زیادہ منافع منقسمہ آمدنی اور متوقع نمو کی پشت پر زیادہ ہوئی۔ مزید برآں، رئیل اسٹیٹ اور متفرق شعبہ میں پوزیشنز بھی واضع ہوگئیں۔

31 دسمبر 2019 کو ایکویٹی ایکسپوژر 58 فیصد، TFC میں ایکسپوژر 22 فیصد پر برقرار رہا جبکہ کیش فنڈ سائز کا 18 فیصد 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 اسلامک ایسٹ ایلوکیشن فنڈ (POIAAF) 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، زرمبادلہ 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 زرمبادلہ 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۔

MCB FINANCIAL SERVICES
MCB FINANCIAL SERVICES LIMITED

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

PAK OMAN ISLAMIC ASSET ALLOCATION FUND

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

Pak Oman Islamic Asset Allocation Fund, an open end scheme established under a Trust Deed dated May 27, 2008 executed between Pak Oman Asset Management Company Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

MCB Financial Services Limited was appointed as a new trustee in place of CDC under third supplemental Trust Deed dated 15 May 2012. Accordingly the Trust Deed was approved by SECP on 17 January 2012 under the Rules. However, the assets of the Fund were transferred on June 13, 2012.

1. Pak Oman Asset Management Company Limited, the Management Company of Pak Oman Islamic Asset Allocation Fund has, in all material respects, managed Pak Oman Islamic Asset Allocation 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

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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 Islamic Asset Allocation 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 September 26, 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	46,801	26,094
Investments	5	204,378	152,186
Dividend and profit receivable		2,271	3,764
Advances, deposits, prepayments and other receivables	6	3,638	2,934
Total assets		**257,088**	**184,978**
LIABILITIES			
Payable to Pak Oman Asset Management Company Limited - Management Company	7	4,043	3,743
Payable to MCB Financial Services Limited - Trustee	8	53	45
Payable to the Securities and Exchange Commission of Pakistan	9	21	254
Accrued expenses and other liabilities	10	3,749	2,830
Total liabilities		**7,866**	**6,872**
NET ASSETS		**249,222**	**178,106**
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		**249,222**	**178,106**
Contingencies and commitments	11		
Number of units in issue		**5,070,892**	**3,945,690**
Net asset value per unit (face value per unit Rs. 50)		**49.1475**	**45.1394**

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		4,079	2,589	2,781	1,299
Dividend income		2,598	6,089	1,777	3,507
Profit on sukuk certificates		4,411	2,605	2,139	1,512
Net capital gain / (loss) on sale of investments		1,485	(1,588)	2,726	(2,183)
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		14,908	(32,631)	23,007	(27,040)
		27,481	**(22,936)**	**32,430**	**(22,905)**
EXPENSES					
Remuneration of the Management Company	7.1	2,093	3,114	1,187	1,642
Sindh Sales Tax on Remuneration of the Management Company	7.2	272	405	154	214
Reimbursement of operational expenses to the Management Company	7.4	105	156	60	67
Selling and Marketing expense	7.5	419	623	238	328
Remuneration of MCB Financial Services Limited - Trustee		142	211	81	112
Annual fee to the Securities and Exchange Commission of Pakistan		21	148	12	78
Charity / Donation		-	-	-	(252)
Auditors' remuneration		264	330	118	239
Shariah Advisory Fee		288	154	144	(398)
Securities transaction cost		226	703	118	317
Printing and stationary charges		16	46	7	23
Legal and professional charges		44	40	28	(10)
Fee and subscription		105	97	51	50
Settlement and bank charges		198	14	197	9
Provision for Workers' Welfare Fund		466	-	466	-
Total expenses		**4,659**	**6,041**	**2,861**	**2,419**
Net income / (loss) for the period before taxation		**22,822**	**(28,977)**	**29,569**	**(25,324)**
Taxation	13	-	-	-	-
		22,822	**(28,977)**	**29,569**	**(25,324)**
Allocation of net income for the period					
Income already paid on units redeemed		-	-	-	-
		22,822	**(28,977)**	**29,569**	**(25,324)**
Accounting income available for distribution:					
- Relating to capital gains		16,393	-	25,733	-
- Excluding capital gains		6,429	-	3,836	-
		22,822	**-**	**29,569**	**-**

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 / (loss) for the period after taxation	**22,822**	**(28,977)**	**29,569**	**(25,324)**
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	**22,822**	**(28,977)**	**29,569**	**(25,324)**

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

	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	**213,675**	**(35,569)**	**178,106**	**273,252**	**(4,157)**	**269,095**
[Units outstanding: 3,945,690 (2018: 5,113,602)]						
Issue of 1,267,265 (2018: 1,948,985) units						
- Capital value (at net asset value per unit at the beginning of the period)	57,204	-	57,204	102,556	-	102,556
- Element of income - net	(2,624)	-	(2,624)	(4,167)	-	(4,167)
Total proceeds on issuance of units	**54,580**	**-**	**54,580**	**98,389**	**-**	**98,389**
Redemption of 142,063 (2018: 605,891) units						
- Capital value (at net asset value per unit at the beginning of the period)	(6,143)	-	(6,143)	(31,882)	-	(31,882)
- Income already paid on redemption of units	-	-	-	-	-	-
- Element of income - net	127	-	127	131	-	131
Total payments on redemption of units	**(6,286)**	**-**	**(6,286)**	**(31,751)**	**-**	**(31,751)**
Total comprehensive loss for the period	-	22,822	22,822	-	(28,977)	(28,977)
Distribution during the period	-	-	-	-	-	-
	-	**22,822**	**22,822**	**-**	**(28,977)**	**(28,977)**
Net assets at the end of the period	**261,969**	**(12,747)**	**249,222**	**339,890**	**(33,134)**	**306,756**
[Units outstanding: 5,070,892 (2018: 6,456,696)]						
Undistributed income brought forward comprising of:						
-Realized		(7,676)			9,240	
-Unrealised		(27,893)			(13,397)	
		(35,569)			**(4,157)**	
Accounting income available for distribution:						
-Relating to capital gains		16,393			-	
-Excluding capital gains		6,429			(28,977)	
		22,822			**(28,977)**	
Distribution during the period		**-**			**-**	
Undistributed income carried forward - net		**(12,747)**			**(33,134)**	
Undistributed income carried forward comprising of:						
-Realized		(27,655)			(503)	
-Unrealised		14,908			(32,631)	
		(12,747)			**(33,134)**	
			--------Rupees--------			
Net asset value at the beginning of the period			**45.1394**			**52.6200**
Net asset value at the end of the period			**49.1475**			**47.5097**

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 CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

		Half Year Ended 31 December	
		2019	2018
	Note	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period after taxation		**22,822**	**(28,977)**
Adjustments:			
Profit on bank balances		(4,079)	(2,589)
Profit on sukuk certificates		(4,411)	(2,605)
Dividend income		(2,598)	(6,089)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(14,908)	32,631
		(25,996)	**21,348**
(Increase) / decrease in assets			
Investments - net		(37,284)	(66,843)
Dividend and profit receivable		-	-
Advances, deposits, prepayments and other receivables		(704)	3,625
		(37,988)	**(63,218)**
(Decrease) / increase in liabilities			
Payable to Pak Oman Asset Management Company Limited - Management Company		300	(569)
Payable to MCB Financial Services Limited - Trustee		8	10
Payable to the Securities and Exchange Commission of Pakistan		(233)	(114)
Accrued expenses and other liabilities		919	146
		994	**(527)**
Profit received on bank balances		3,636	3,409
Profit received on sukuk certificates		6,814	2,964
Dividend received		2,131	7,319
Net cash used in operating activities		**(27,587)**	**(57,682)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issue of units		54,580	98,389
Net payments against redemption of units		(6,286)	(31,792)
Net cash generated from financing activities		**48,294**	**66,597**
Net increase in cash and cash equivalents		**20,707**	**8,915**
Cash and cash equivalents at the beginning of the period		26,094	38,494
Cash and cash equivalents at the end of the period	4	**46,801**	**47,409**

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**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Islamic Asset Allocation Fund (the Fund) was established as an open-end scheme under a trust deed (the Trust Deed) executed on May 15, 2012 between Pak Oman Asset Management Company Limited (the Management Company) as the Management Company, a company incorporated under the repealed Companies Ordinance 1984, and MCB Financial Services Limited (the Trustee) as a trustee. The Fund is registered as a notified entity under Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC regulations).

The registered office of the Management Company is situated at Finance and Trade Centre, First Floor, Tower A, Karachi.

The Fund is a Shariah compliant open-end mutual Fund and is listed on the Pakistan Stock Exchange. Its 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. As per the offering document, the Fund's primary objective is to invest in a diversified portfolio of private and public shariah compliant instruments.

The Fund is categorised as an Islamic Asset Allocation Fund in accordance with the requirements of the Securities and Exchange Commission of Pakistan's (the SECP's) circular no. 7 dated March 6, 2009 and accordingly its investments comprise of shariah compliant securities, so as to ensure a riba-free return on investments. All investments of the Fund are as per the guidelines of the shariah principles provided by the Shariah Advisor of the Fund and comprise the investments permissible as 'Authorised Investments' under the Trust Deed.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3+" to the Management Company as at 28 August 2018. and a stability rating of A+(f) to the Fund as at 30 June 2019.

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

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations, (NBFC Regulations) and the 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 the requirements of the Trust Deed differ with the requirements of IAS 34, 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 the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do 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 audited financial statements of the Fund for the year ended June 30, 2019.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund’s accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund’s financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

		Note	31 December 2019 Un-audited	30 June 2019 Audited
4	**CASH AND BANK BALANCES**		---Rupees---	
	Balances in saving accounts	4.1	**46,801**	**26,094**

4.1 The rate of return on these accounts ranges between 10.00% and 12.50% (30 June 2019: 4.50% and 10.00%) per annum.

		Note	31 December 2019 Un-audited	30 June 2019 Audited
5	**INVESTMENTS**			
	At fair value through profit or loss			
	- Investment in listed equity securities	5.2	148,168	88,056
	- Sukuk certificates	5.1	56,210	64,130
			204,378	**152,186**

5.1 Listed equity securities

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

Name of Investee Company	Number of Shares					Rupees in '000		---------------------%---------------------		
	As at 01 July 2019	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
COMMERCIAL BANKS										
Meezan Bank Limited	44,220	91,000	-	-	135,220	12,098	12,863	6.29%	5.16%	0.012%
	44,220	**91,000**	**-**	**-**	**135,220**	**12,098**	**12,863**	**6.29%**	**5.16%**	
TEXTILE COMPOSITE										
Interloop Limited	-	40,000	-	-	40,000	2,292	2,322	1.14%	0.93%	0.005%
Nishat Mills Limited	5,700	31,300	-	13,000	24,000	2,393	2,547	1.25%	1.02%	0.007%
	5,700	**71,300**	**-**	**13,000**	**64,000**	**4,685**	**4,869**	**2.39%**	**1.95%**	
CEMENT										
Cherat Cement Company Limited	10,000	19,500	500	5,000	25,000	1,179	1,326	0.65%	0.53%	0.014%
Attock Cement Pakistan Limited	8,040	-	-	5,000	3,040	217	314	0.15%	0.13%	0.002%
D.G. Khan Cement Company Limited	15,000	5,000	-	5,000	15,000	937	1,114	0.55%	0.45%	0.003%
Fauji Cement Company Limited	30,000	-	-	30,000	-			0.00%	0.00%	0.000%
Kohat Cement Company Limited	-	29,000	-	-	29,000	2,219	2,245	1.10%	0.90%	0.014%
Lucky Cement Limited	6,550	6,000	-	2,000	10,550	3,938	4,520	2.21%	1.81%	0.003%
Pioneer Cement Limited	22,500	-	-	22,500	-			-	-	-
	92,090	**59,500**	**500**	**69,500**	**82,590**	**8,490**	**9,519**	**4.66%**	**3.82%**	
REFINERY										
National Refinery Limited	-	7,000	-	7,000	-	-	-	-	-	-
	-	**7,000**	**-**	**7,000**	**-**	**-**	**-**	**-**	**-**	
POWER GENERATION AND DISTRIBUTION										
K-Electric Limited (Face value Rs. 3.5 per share)	1,697,000	-	-	706,000	991,000	4,350	4,331	2.12%	1.74%	0.004%
Nishat Power Limited	75,000	-	-	-	75,000	2,066	2,044	1.00%	0.82%	0.007%
The Hub Power Company Limited	151,893	40,500	-	41,000	151,393	12,303	14,133	6.92%	5.67%	0.013%
	1,923,893	**40,500**	**-**	**747,000**	**1,217,393**	**18,719**	**20,508**	**6.92%**	**5.67%**	
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	3,320	-	664	3,000	984	139	189	0.09%	0.08%	0.000%
Sui Northern Gas Pipelines Limited	35,000	63,500	-	26,000	72,500	5,347	5,522	2.70%	2.22%	0.011%
Hascol Petroleum Limited	15,125	-	40,678	53,678	2,125	146	57	0.03%	0.02%	0.001%
Sui Southern Gas Company Limited	-	62,500	-	54,500	8,000	192	172	0.08%	0.07%	0.001%
	53,445	**126,000**	**41,342**	**137,178**	**83,609**	**5,824**	**5,940**	**2.90%**	**2.39%**	
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	6,470	1,140	647	480	7,777	7,583	10,189	4.99%	4.09%	0.006%
Oil & Gas Development Company Limited	44,400	89,200	-	17,900	115,700	15,300	16,466	8.06%	6.61%	0.003%
Pakistan Oilfields Limited	5,850	-	-	4,500	1,350	548	603	0.30%	0.24%	0.000%
Pakistan Petroleum Limited	41,985	104,700	7,197	26,000	127,882	16,326	17,538	8.58%	7.04%	0.006%
	98,705	**195,040**	**7,844**	**48,880**	**252,709**	**39,757**	**44,796**	**21.93%**	**17.98%**	
ENGINEERING										
International Industries Limited	3,000	6,000	300	-	9,300	822	1,031	0.50%	0.41%	0.008%
Amreli Steels Limited	44,500	19,500	-	4,500	59,500	1,730	2,149	1.05%	0.86%	0.020%
	47,500	**25,500**	**300**	**4,500**	**68,800**	**2,552**	**3,180**	**1.55%**	**1.27%**	
AUTOMOBILE ASSEMBLER										
Pak Suzuki Motor Company Limited	1,350	-	-	1,350	-	-	-	0.00%	0.00%	0.000%
Al-Ghazi Tractors Limited (FV Rs. 5 per share)	1,650	-	-	-	1,650	524	606	0.30%	0.24%	0.003%
	3,000	**-**	**-**	**1,350**	**1,650**	**524**	**606**	**0.30%**	**0.24%**	
AUTOMOBILE PARTS AND ACCESSORIES										
Agriauto Industried Limited (Face value Rs. 5 per share)	7,000	-	-	200	6,800	1,360	1,360	0.67%	0.55%	0.024%
Thal Limited (Face value Rs. 5 per share)	11,800			3,000	8,800	3,204	2,976	1.46%	1.19%	0.011%
	18,800	**-**	**-**	**3,200**	**15,600**	**4,564**	**4,336**	**2.13%**	**1.74%**	

Name of Investee Company	Number of Shares					Rupees in '000		---------------------%---------------------		
	As at 01 July 2019	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company
CABLE & ELECTRICAL GOODS										
Pak Elektron Limited	100	-	-	100	-	-	-	-	-	-
	100	**-**	**-**	**100**	**-**	**-**	**-**	**-**	**-**	
TECHNOLOGY AND COMMUNICATION										
Netsol Technologies Limited	40,000	-	-	34,500	5,500	362	362	0.18%	0.15%	0.006%
	40,000	**-**	**-**	**34,500**	**5,500**	**362**	**362**	**0.18%**	**0.15%**	
FERTILIZER										
Dawood Hercules Corporation Limited	15,300	-	-	15,300	-			0.00%	0.00%	0.000%
Engro Corporation Limited	16,500	41,900	-	-	58,400	17,917	20,163	9.87%	8.09%	0.011%
Engro Fertilizers Limited	75,000	63,500	-	2,000	136,500	9,184	10,023	4.90%	4.02%	0.011%
	106,800	**105,400**	**-**	**17,300**	**194,900**	**27,101**	**30,186**	**14.77%**	**12.11%**	
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	3,500	-	-	2,000	1,500	712	670	0.33%	0.27%	0.002%
AGP Limited	-	35,000	-	-	35,000	3,040	3,477	1.70%	1.40%	0.013%
Highnoon Laboratories Limited	1,650	-	-	-	1,650	418	886	0.43%	0.36%	0.006%
Glaxosmithkline Pakistan Limited	2,000	-	-	-	2,000	191	321	0.16%	0.13%	0.001%
The Searle Company Limited	325	-	-	-	325	48	61	0.03%	0.02%	0.000%
	7,475	**35,000**	**-**	**2,000**	**40,475**	**4,409**	**5,415**	**2.65%**	**2.18%**	
CHEMICALS										
Engro Polymer & Chemicals Limited	35,000	14,500	-	10,000	39,500	1,201	1,312	0.64%	0.53%	0.004%
Lotte Chemical Pakistan Limited	-	95,000		60,000	35,000	507	491	0.24%	0.20%	0.002%
	35,000	**109,500**	**-**	**70,000**	**74,500**	**1,708**	**1,803**	**0.88%**	**0.73%**	
PAPER & BOARD										
Packages Limited	10,200	-	-	9,900	300	90	120	0.06%	0.05%	0.000%
	10,200	**-**	**-**	**9,900**	**300**	**90**	**120**	**0.06%**	**0.05%**	
FOODS AND PERSONAL CARE PRODUCTS										
Al Shaheer Corporation Limited	41,000	-	-	5,500	35,500	447	502	0.25%	0.20%	0.025%
	41,000	**-**	**-**	**5,500**	**35,500**	**447**	**502**	**0.25%**	**0.20%**	
GLASS AND CERAMICS										
Tariq Glass Industries Limited	21,500	-	-	3,000	18,500	1,418	1,980	0.97%	0.79%	0.025%
	21,500	**-**	**-**	**3,000**	**18,500**	**1,418**	**1,980**	**0.97%**	**0.79%**	
REAL STATE INVESTMENT TRUST										
Dolmen City REIT	100,000	-	-	92,500	7,500	76	94	0.05%	0.04%	0.000%
	100,000	**-**	**-**	**92,500**	**7,500**	**76**	**94**	**0.05%**	**0.04%**	
MISCELLANEOUS										
Synthetic Products Enterprise Limited	30,000	-	1,200	-	31,200	666	1,089	0.53%	0.44%	0.037%
Tri Pack Films Limited	9,000	2,000	-	11,000	-			0.00%	0.00%	0.000%
	39,000	**2,000**	**1,200**	**11,000**	**31,200**	**666**	**1,089**	**0.53%**	**0.44%**	
Total as at 31 December 2019						**133,490**	**148,168**	**69.41%**	**56.91%**	
								14,678.00		
Total as at 30 June 2019						**115,079**	**88,056**	**60,112.00**		

5.1.1 Investments include shares with market value of Rs. 15.92 million (30 June 2019: Rs. 9.343 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trade in accordance with circular no. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

Name of Investee Company	Number of Shares					Rupees in '000		---%---		
	As at 01 July 2019	Purchases during the period	Bonus / Rights shares issued during the period	Sales during the period	As at 31 December 2019	Carrying value as at 31 December 2019	Market value as at 31 December 2019	Market Value as a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company

5.2 **Sukuk certificates**

Name of the investee company	Number of certificates				Market value as at 31 December 2019	Investment as a percentage of		
	As at 01 July 2019	Purchased during the year	Sold / matured during the year	As at 31 December 2019		Net assets	Total investments	Issue size
					Rs in '000'	---%---		
International Brands Limited	400	-	-	400	33,783	13.56%	16.53%	1.41%
Dawood Hercules Corporation Limited	250	-	-	250	22,427	9.00%	10.97%	0.42%
Total as at 31 December 2019					**56,210**	56,439	**60%**	33,863
							40%	22,576
Total as at 30 June 2019					**64,130**			

5.2.1 **Other particulars of Sukuk Certificates outstanding as at 31 December 2019 are as follows:**

Name of the investee company	Face value	Mark-up rate per annum	Rating	Issue Date	Maturity Date
International Brands Limited	100,000	One year KIBOR + 0.5%	A+	15-Nov-17	15-Nov-21
Dawood Hercules Corporation Limited	100,000	Three months KIBOR + 1%	A+	1-Mar-17	1-Mar-23

		Note	31 December 2019 Un-audited	30 June 2019 Audited
			---Rupees in '000---	
6	**ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Receivable against sale of investments		665	-
	Advance tax		360	334
	Security deposit with Central Depository Company		100	100
	Deposits with National Clearing Company of Pakistan Limited		2,500	2,500
	Prepaid listing fee		13	-
			3,638	**2,934**
7	**PAYABLE TO PAK OMAN ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY**			
	Remuneration of the Management Company	7.1	58	297
	Sindh sales tax payable on remuneration of the Management Company	7.2	7	39
	Federal Excise Duty payable on remuneration of the Management Company	7.3	718	718
	Reimbursement of operational expenses to the Management Company	7.4	808	704
	Reimbursement of selling and marketing charges to the Management Company	7.5	1,492	1,073
	Payable against Shariah advisory fee		960	912
			4,043	**3,743**

7.1 As per NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of Asset Allocation Schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2018: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2019. The remuneration is payable to the Management Company monthly in arrears.

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

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 01, 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.

During the year ended June 30, 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.

In view of the above, the Fund has discontinued making further provision in respect of FED on management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 aggregating Rs 0.718 million is being retained in these financial statements as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these financial statements, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.18 (2018: Re 0.14) per unit.

The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 1.073 million at the rate of 0.4% of the net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

7.4 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..

7.5 SECP vide Circular No. 40 of 2016 dated 30 December 2016 prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to certain collective investment schemes managed by them. Pursuant to the circular, the AMCs are allowed to charge selling and marketing expenses for an initial period of three years (01 January 2017 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.

8 PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE

	Note	31 December 2019 Un-audited	30 June 2019 Audited
		--------------Rupees in '000--------------	
Remuneration payable to trustee	8.1	47	40
Sindh Sales Tax payable on trustee fee	8.2	6	5
		53	**45**

8.1 MCB Financial Services Limited as Trustee is entitled to monthly remuneration at the rate of 0.12% per annum of net assets for services rendered to the Fund under the Trust Deed in accordance with the tariff specified therein.

8.2 During the year, an amount of Rs 0.016 million (June 30, 2019: Rs. 0.042 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a Asset Allocation Scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	31 December 2019 Un-audited	30 June 2019 Audited
		--------------Rupees in '000--------------	
Auditors' remuneration payable		269	340
Printing charges payable		132	-
Withholding tax and capital gains tax payable		360	-
Provision for Sindh Workers' Welfare Fund	10.1	2,127	1,661
Brokerage charges payable		212	10
Settlement charges payable		25	-
Fund rating fee payable		91	-
Other payable		533	819
		3,749	**2,830**

10.1 There is no change in the status of the Sindh Workers' Welfare Fund as reported in note 12.1 to the annual financial statements of the Fund for the year ended 30 June 2019.

11 CONTINGENCIES AND COMMITMENTS

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

12 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2018 is 4.13% which includes 0.43% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

13 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.

14 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

14.2 The transactions with connected persons and related parties are carried out at agreed terms.

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

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

		For the half year ended 31 December	
		2019	2018
		Un-audited	Un-audited
14.5	Details of transaction with related parties during the period are as follows:	------------------Rupees in '000------------------	
	Pak Oman Asset Management Company Limited (Management Company)		
	Reumeration of the Management Company	2,093	3,114
	Sindh Sales tax on Remuneration of Management Company	272	405
	Reimbursement of operational expenses to the Management Company	105	156
	Selling and Marketing expense	419	623
	Pak Qatar Investment Account		
	Issue of Nil (2018: 1,741,443) units	66,679	88,436
	Redemption of Nil (2018: 467,028) units	25,000	25,000
	Askari Bank Limited		
	Issue of 992,180 (2018: Nil) units	42,738	-
	Gul Ahmed Textile Mills Limited - Employee Provident Fund		
	Issue of Nil (2018: Nil) units	-	-
	Redemption of Nil (2018: 134,635) units	-	6,533
	MCB Financial Services Limited - Trustee of the Fund		
	Remuneration of the Trustee	142	187
	Sindh Sales Tax on remuneration of the Trustee		24

			31 December 2019	30 June 2019
			Un-audited	Audited
		Note	----------------Rupees in '000------------------	
14.6	Details of balances with related parties as at the period / year end are as follows:			
	Pak Oman Asset Management Company Limited (Management Company)			
	Remuneration payable to the management company		58	297
	Sindh Sales tax payable on remuneration of the Management Company		7	39
	Federal Excise Duty payable on remuneration of the Management Company		718	718
	Payable against shahriah advisory fee		960	912
	Reimbursement of operational expenses to the Management Company		808	704
	Marketing and advertising fee payable		1,492	1,073
	MCB Financial Services Limited - the Trustee			
	Trustee fee payable		47	40
	Sindh Sales Tax on Trustee fee payable		6	5
	Pak Oman Investment Company Limited - holding company of the Management Company*			
	Outstanding 2,000,000 (30 June 2019: 2,000,000) units - at net asset value		98,300	90,279
	Askari Bank Limited*			
	Outstanding 992,180 (30 June 2019: Nil) units - at net asset value		48,766	-
	Pak Oman Micro Finance Bank Limited - Employee Gratuity Fund			
	Outstanding Nil (30 June 2019: 82,522) units - at net asset value		-	3,725
	Pak Oman Asset Management Company Limited - Employee Provident Fund			
	Outstanding Nil (30 June 2019: 10,277) units - at net asset value		-	464
	Sui Southern Gas Non Executive Staff Gratuity Fund*			
	Outstanding 656,188 (30 June 2019: 656,188) units - at net asset value		32,252	29,620
	Sui Southern Gas Non Executive Staff Provident Fund*			
	Outstanding 610,407 (30 June 2019: 610,407) units - at net asset value		30,002	27,553

*This reperesents 10% or more of the unit holding of the fund

**These represent transactions and balances pertaining to staff who are considered key management personnel as at the as at the close of the period

15 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				
Listed equity securities	148,168	-	-	148,168
Sukuk Certificates	-	56,210	-	56,210
	148,168	**56,210**	**-**	**204,378**

	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Listed equity securities	88,056	-	-	88,056
Sukuk Certificates	-	64,130	-	64,130
	88,056	**64,130**	**-**	**152,186**

15 GENERAL

Figures have been rounded off to the nearest thousand rupees.

Corresponding figures have been rearraged or reclassified wher necessary, 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