# CONTENTS







# Our Mission

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

# Our Vision

"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.
ICON House 83-C, 12th Commercial Street,
Phase-II Extension, DHA, Karachi.
Phone : +92 - 21 - 35899641-44
Fax : +92 - 21 - 35899645
Website : 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 | Member |
| Mr. Rashid Ali Ibrahim Al Balushi | Member |

**Chief Financial Officer**
Mr. Abdul Rehman

**Company Secretary**
Ms. Hina Mir

**Asset Manager Rating**
AM3 + (Stable outlook)

**Trustee**
**MCB Financial Services Limited**
4th Floor, Perdesi House, 2/1, R-Y-16,
Old Queens Road, Karachi.

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

**Bankers to The Fund**
Bankislami Pakistan Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Nrsp Microfinance Bank Limited
Soneri Bank Limited
Silk Bank Limited

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

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





## DIRECTORS REPORT TO THE UNIT HOLDERS

The Board of Directors of Pak Oman Asset Management Company Limited ("the Management Company" or "POAMCL" or "the Company") is pleased to present the annual report of the Pak Oman Islamic Asset Allocation Fund (POIAAF) for the Quarter Ended 30 September 2020.

**Economic Review 1Q-FY21**

In 1Q-FY21, CPI averaged at 8.84% as compared to 8.43% in previous quarter and 10.08% in same period last year. During the quarter headline inflation saw an upward trend due to higher food inflation and upward revision in energy prices. During the period under review, SPI and WPI averaged at 12.46% and 3.58% respectively.

On the external front, Current account settled in surplus of $792 million, i-e +1.2% of GDP in 1Q-FY21 as compared to deficit of $1,492 million -2.3% of GDP in comparable period last year. Major contributor for improvement in current account balance was declining services' deficit and healthy growth of approximately 31% in overseas worker's remittances. During the period, country's imports declined by -3.83% while exports declined by 10.48% over same period last year.

In the monetary policy announced during the quarter, SBP decided to maintain benchmark policy rate at 7.00%. In reaching its decision to maintain policy rate at 7%, MPC considered key trends and prospects in the real, external and fiscal sectors, and the resulting outlook for monetary conditions and inflation. MPC is of the view that prevailing financial conditions are sufficient for economic revival of financial and industrial sector. In addition to this, SBP is of the view that after reduction in borrowing cost, there is significant liquidity in the market to support local industries.

On the monetary front, broad Money Supply M2 has shown negative growth of -0.15% in FY-To date as compared to positive growth of 0.08% in same period last year. Net foreign Assets of the banking system have increased by PKR 292 billion while Net domestic assets have reduced by PKR 324 billion. Net government borrowings have increased by PKR 93 billion as compared to borrowing of PKR 310 billion in same period last year. During the period, government has showed inclination towards borrowing from commercial banks while central government has retired borrowings from SBP.

Going forward, government's major challenge would be to wipe off the brunt of Corona virus Pandemic and its economic implications. It remains to be seen how the unprecedented situation of the covid-19 affects future CAD and inflation readings, where SBP expects inflation to settle in the band of 7%-9% in FY21. Reduction in country's exports, international oil prices and stabilization of local currency will be major challenges for government.

**Fixed Income Review 1Q-FY21**

In first quarter of FY21, secondary market yields across short term papers reversed from their bottom levels witnessed in previous quarter. Yields on 3m, 6m and 12m paper increased by 1bps, 11bps and 24bps and stood at 7.10%, 7.16% and 7.29% respectively by end of Sep-20. On the other hand, yield on longer tenor bonds increased by 76bps, 102bps and 106bps and settled at 8.29%, 9.13% and 9.75% for 3yr, 5yr and 10yr bond respectively. During the quarter, money market remained stagnant and minimal activity was witnessed post SBP's decision to maintain policy rate at 7.00%.

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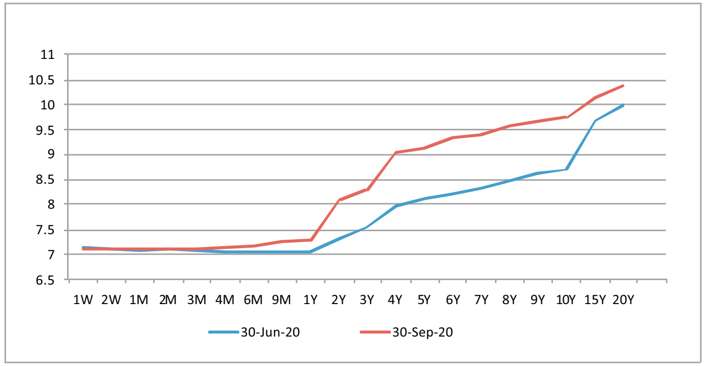
In the T-Bill auctions held during the period, SBP raised a total of PKR 1,733 billion against the target of PKR 1,600 billion and maturing amount of PKR 2,159 billion. The Last cut-off yields stood at 7.1292%, 7.1800% and 7.3090% for 3m, 6m and 12m paper respectively. In the PIB auction for fixed rated bonds, SBP raised PKR 260 billion against the target of PKR 420 billion. Banks offered PKR 474 billion. Cut-off yields settled at 8.20%, 8.45%, 8.99% and 10.54% for 3yr, 5yr and 10yr and 20yr bond respectively while all bids were rejected for 15yr bond.




**EQUITY REVIEW**

In 1QFY21, KSE 100 Index registered growth of 18% closing at 40,571. Pakistan Equity Market was regarded as best performing equity market in the world during this quarter by Bloomberg. Index has recovered by 49% from its bottom level witnessed on 25th March after the outbreak of Covid-19. Increased market activity was led by improvement in economic activity after easing of lockdowns, attractive stock market valuations, accommodative monetary policy and controlled Coronavirus situation in the country. Major sectors where increased activity was witnessed were cements, Engineering and Refineries while Oil & Gas Exploration and Fertilizers underperformed the market.

During the period, foreign outflow of $ 100.2 million was witnessed. Among local participants, banks were net sellers with selling of $ 51 million while Individuals, Insurance companies and Mutual funds were net buyers with buying of $107 million, $ 24 million and $ 26 million respectively.

Going forward, we expect market to positively incorporate impact of consolidating economic fundamentals, decision of FATF regarding exclusion of PSX from gray list and expected resumption of IMF program. The KSE-100 index is currently trading at a PER of 7.4x (2021) compared to Asia Pac regional average of 14.3x and offering dividend Yield of 6.2% as compared to 2.4% offered by the region.





**PakOman Islamic Asset Allocation Fund**

In the end of 1QFY21, POIAAF posted a return of 2.22% against the benchmark return of 8.01%. Net assets at the end of 1QFY21 stood at PKR 176.05mn against PKR 220.20mn in 4QFY20. Average Equity Exposure during the 1st Quarter was 34.06% as compare to 28.65% in last quarter.

During the first quarter of FY21, the fund was mainly allocated in equity having average allocation of 8.91%, 3.06%, 5.36% and 8.12% of in Cements, Banks, Fertilizer and Oil & Gas Exploration respectively.

In the end of 1QFY21, average exposure in TFC's/ Sukuk's was 10.40% as compare to 22.32% in previous quarter. Average exposure against IJARAH stood at 27.30% while cash resided at 22.50% of the fund size.

**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**

**15 October 2020**
**Karachi - Pakistan.**

### اظہار تشکر

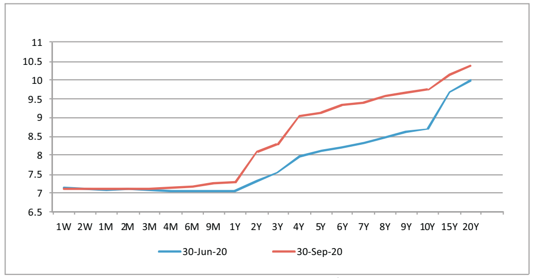
ہم ان تمام سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، فنڈ کے متولیان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ مخلصانہ کوششوں پر ان کے مشکور ہیں۔ منتظم کمپنی کے ملازمین کے لئے ہم اپنی ستائش ریکارڈ پر لانا چاہتے ہیں۔

صدف کاظمی
چیف ایگزیکٹو آفیسر
15 اکتوبر 2020ء
کراچی۔ پاکستان





12 ماہ کے پیپرز پر نظر ثانی شدہ منافع بالترتیب 7.1292 فی صد، 7.180 فی صد اور 7.3090 فی صد رہا۔ مستقل شرح کے بانڈز پر PIB نیلامی میں SBP نے 420 بلین روپے ہدف کے مقابلے میں 260 بلین روپے اکٹھے کئے۔ بینکوں نے 474 بلین روپے کی پیشکش کی۔ 3، 5 اور 10 سالہ بانڈز پر نظر ثانی شدہ منافع بالترتیب 8.20 فی صد، 8.45 فی صد اور 1045 فی صد طے کیا گیا۔ جب کہ 15 سالہ مدت کے بانڈز پر کوئی بولی نہ ہوئی۔




### ایکویٹی تجزیہ

مالیاتی سال 21 کی پہلی سہ ماہی میں، KSE100 انڈیکس نے 18% کی نمو درج کرائی اور 40,571 پوائنٹس پر بند ہوا۔ پاکستان ایکویٹی مارکیٹ کو بلومبرگ کی طرف سے اس سہ ماہی کے دوران دنیا میں بہترین کارکردگی دکھانے والی ایکویٹی مارکیٹ تسلیم کیا گیا۔ انڈیکس کوویڈ 19 کے پھیلنے کے بعد 25 مارچ کو ظاہر کردہ اپنی سب سے زیریں سطح سے 49% بحال ہوا۔ مارکیٹ سرگرمی میں اضافہ ملک میں لاک ڈاؤن کی نرمی کے بعد معاشی سرگرمی میں بہتری، متاثر کن مارکیٹ قیمتوں، اعانتی مانیٹری پالیسی اور کورونا وائرس کے حالات پر کنٹرول کی وجہ سے ہوا۔ اہم شعبے جن کی سرگرمی میں اضافہ ہوا ان میں سیمنٹ، انجینئرنگ اور ریفائنریز شامل ہیں جبکہ تیل و گیس ایکسپلوریشن اور فرٹیلائزر نے مارکیٹ سے ابتر کارکردگی دکھائی۔

اس عرصے کے دوران، 100.2 ملین ڈالر کا غیر ملکی اخراج دیکھا گیا۔ مقامی شرکاء میں، بینک 51 ملین ڈالر کی فروخت کے ساتھ خالص فروخت کنندگان رہے جبکہ افراد، انشورنس کمپنیاں اور میوچل فنڈز بالترتیب 107 ملین ڈالر، 24 ملین ڈالر اور 26 ملین ڈالر کے خالص خریدار تھے۔

آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ مارکیٹ اقتصادی فنڈامینٹلز استحکام کے مثبت انکارپوریٹ اثرات، پی ایس ایکس کو گرے لسٹ سے نکالنے کے بارے فیٹف کا فیصلہ اور آئی ایم ایف پروگرام کے متوقع دوبارہ بحالی کے امکانات ہیں۔ KSE-100 انڈیکس فی الحال ایشیا پیسیفک کی علاقائی اوسط 14.3x کے مقابلے میں 7.4x (2021) کے PER پر تجارت کر رہا ہے اور اس خطے کی پیش کردہ 2.4 فیصد کے مقابلے میں 6.2 فیصد کی منافع بخش پیداوار کی پیش کش کر رہا ہے۔

### پاک اومان اسلامک ایسٹ ایلوکیشن فنڈ

مالی سال 21 کی پہلی سہ ماہی میں، POIAAF نے بینچ مارک منفعت 8.01 فیصد کے مقابلے میں 2.22 فیصد فراہم کی۔

مالی سال 20 کی چوتھی سہ ماہی میں 220.20 ملین روپے کے مقابلے مالی سال 21 کی پہلی سہ ماہی کے اختتام پر خالص اثاثے 176.05 ملین روپے رہے۔ آخری سہ ماہی میں 28.65% کے مقابلے پہلی سہ ماہی کے دوران اوسط ایکویٹی ایکسپوژر 34.06% رہا۔

مالی سال 21 کی پہلی سہ ماہی کے دوران، فنڈ کو بنیادی طور پر سیمنٹ، بینکوں، کھادوں اور تیل و گیس ایکسپلوریشن میں بالترتیب 8.91%، 3.06%، 5.36% اور 8.12% کی اوسط ایلوکیشن کی ایکویٹی میں مختص کیا گیا۔

گزشتہ سہ ماہی میں 22.32% کے مقابلے مالی سال 21 کی پہلی سہ ماہی کے اختتام پر، ٹی ای سی / سکوک میں اوسط ایکسپوژر 10.40% تھا۔ اجارہ میں اوسط ایکسپوژر 27.30% رہا جبکہ اوسط کیش فنڈ سائز کا 22.50% برقرار رہا۔

# 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 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی کے لئے پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں۔

## اقتصادی جائزہ برائے پہلی سہ ماہی مالیاتی سال 2021ء

IQFY21 میں CPI اوسطاً گزشتہ سہ ماہی میں 8.43% اور گزشتہ سال کی اسی سہ ماہی میں 10.08% کے مقابلے میں 8.84% رہی۔ سہ ماہی کے دوران زیادہ افراط زر کی بڑی وجہ خراب نہ ہونے والی غذا کی قیمتوں اور توانائی کی قیمتوں میں اضافہ شامل ہیں۔ زیرِ جائزہ مدت کے دوران، SPI کی اور WPI بالترتیب اوسطاً 12.46 فی صد رہی۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ گزشتہ سال کی تقابلی مدت میں 1,492 ملین ڈالر خسارہ جی ڈی پی کا منفی 2.3% فیصد کے مقابلے میں مالیاتی سال 21 کی پہلی سہ ماہی میں 792 ملین ڈالر کے سرپلس یعنی جی ڈی پی کا پلس 1.2% طے کیا گیا۔ کرنٹ اکاؤنٹ بیلنس میں بہتری میں سروسز خسارہ میں کمی اور بیرون ملک مقیم کارکنوں کی ترسیلات زر میں تقریباً 31 فیصد کی صحت مند نمو اہم شراکت دار ہیں۔ اس عرصے کے دوران، ملک کی درآمدات میں 3.83 فیصد کی کمی واقع ہوئی جبکہ برآمدات میں گذشتہ سال کی اسی مدت کے مقابلے 10.48 فیصد کمی ہوئی ہے۔

سہ ماہی کے دوران اعلان کردہ مالیاتی پالیسی میں، اسٹیٹ بینک نے بینچ مارک پالیسی شرح کو 7.00 فیصد برقرار رکھنے کا فیصلہ کیا۔ پالیسی شرح کو 7 فیصد پر برقرار رکھنے کے اپنے فیصلے تک پہنچنے کے لئے، ایم پی سی نے اصلی، بیرونی اور مالیاتی شعبوں میں کلیدی رجحانات اور امکانات، اور مانیٹری شرائط اور افراط زر کے نتائج کے نقطہ نظر پر غور وخوض کیا۔ ایم پی سی کا خیال ہے کہ معاشی اور صنعتی شعبے کی معاشی بحالی کے لئے مروجہ مالی شرائط کافی ہیں۔ اس کے علاوہ، اسٹیٹ بینک پاکستان کا مؤقف ہے کہ قرض کی لاگت میں کمی کے بعد، مقامی صنعتوں کی مدد کے لئے مارکیٹ میں نمایاں لیکویڈیٹی موجود ہے۔

مالیاتی محاذ پر، براڈ منی سپلائی ایم 2 نے مالی سال میں 0.15- فیصد کی منفی نمو ظاہر کی ہے جبکہ پچھلے سال کے اسی عرصے میں 0.08 فیصد کی مثبت شرح نمو ہوئی۔ بینکنگ سسٹم کے خالص غیر ملکی اثاثوں میں 292 بلین روپے کا اضافہ ہوا ہے جبکہ مقامی خالص اثاثوں میں 324 بلین روپے کی کمی واقع ہوئی ہے۔ گذشتہ سال اسی مدت میں 310 بلین روپے کے قرض کے مقابلہ میں خالص حکومتی قرضوں میں 93 بلین روپے کا اضافہ ہوا ہے۔ اس عرصے کے دوران، حکومت نے تجارتی بینکوں سے قرض لینے کی طرف جھکاؤ ظاہر کیا ہے جبکہ مرکزی حکومت نے اسٹیٹ بینک پاکستان سے قرض لینے سے اجتناب کیا ہے۔

آگے بڑھتے ہوئے، حکومت کو سب سے بڑا چیلنج کورونا وائرس وبائی بیماری اور اس کے معاشی اثرات کو ختم کرنا ہے۔ ابھی یہ دیکھنا باقی ہے کہ کوڈ 19 کی غیر معمولی صورتحال مستقبل کے CAD اور افراط زر کی ریڈنگ کو کس طرح متاثر کرتی ہے، جہاں اسٹیٹ بینک کو توقع ہے کہ مالی سال 21 میں افراط زر 7 فیصد-9 فیصد کے مابین طے ہوگا۔ ملک کی برآمدات، تیل کی بین الاقوامی قیمتوں میں کمی اور مقامی کرنسی میں استحکام حکومت کے لئے بڑے چیلنج ہوں گے۔

## مستقل آمدنی تجزیہ پہلی سہ ماہی مالیاتی سال 2021ء

مالیاتی سال 2021 کی پہلی سہ ماہی میں ثانوی مارکیٹ افادہ شارٹ ٹرم پیپرز کی مد میں شمال کی جانب مُڑ گیا۔ شارٹ ٹرم پیپرز پر آمدنی 1bps، 11bps اور 24bps بڑھ گئی اور یہ 3، 6 اور 12 ماہ پیپرز پر بالترتیب 7.10 فی صد، 7.16 فی صد اور 7.29 فی صد پر بند ہوئی۔ دوسری جانب، طویل مدتی بانڈز پر آمدنی 76bps، 102bps اور 106bps بڑھ گئی اور تین، پانچ اور دس سالہ بانڈز پر آمدنی بالترتیب 8.29 فیصد، 9.13 فی صد اور 9.75 فی صد رہی۔ رواں سہ ماہی کے دوران، منی مارکیٹ جمود کا شکار رہی اور سٹیٹ بینک پاکستان کے پالیسی شرح کو 7.00% پر برقرار رکھنے کے فیصلہ کے بعد کم از کم سرگرمی دیکھی گئی۔

سہ ماہی کے دوران اعلان کردہ مالیاتی پالیسی میں، اسٹیٹ بینک نے بینچ مارک پالیسی شرح کو 7.00 فیصد برقرار رکھنے کا فیصلہ کیا۔ پالیسی شرح کو 7 فیصد پر برقرار رکھنے کے اپنے فیصلے تک پہنچنے کے لئے، ایم پی سی نے اصلی، بیرونی اور مالیاتی شعبوں میں کلیدی رجحانات اور امکانات، اور مانیٹری شرائط اور افراط زر کے نتائج کے نقطہ نظر پر غور وخوض کیا۔ ایم پی سی کا خیال ہے کہ معاشی اور صنعتی شعبے کی معاشی بحالی کے لئے مروجہ مالی شرائط کافی ہیں۔ اس کے علاوہ، اسٹیٹ بینک پاکستان کا مؤقف ہے کہ قرض کی لاگت میں کمی کے بعد، مقامی صنعتوں کی مدد کے لئے مارکیٹ میں نمایاں لیکویڈیٹی موجود ہے۔

اس مدت کے دوران ٹی بلز کی نیلامی میں، SBP نے 1,600 بلین روپے ہدف اور وصول شدہ 2,159 بلین روپے کے مقابلہ میں 1,733 بلین روپے اکٹھے کئے۔ 3، 6 اور





# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

***AS AT SEPTEMBER 30, 2020***

| | Note | September 30 2020 Un-audited | June 30 2020 Audited |
|---|---|---|---|
| | | -------------Rupees in '000------------- | |
| **ASSETS** | | | |
| Balances with Bank | 5 | 27,739 | 41,869 |
| Investments | 6 | 147,456 | 158,734 |
| Receivable against Sale of Investments. | | 1,987 | - |
| Dividend and profit receivable | | 3,942 | 2,217 |
| Advances, deposits, prepayments and other receivables | | 3,359 | 23,842 |
| **Total assets** | | 184,483 | 226,662 |
| **LIABILITIES** | | | |
| Payable to Management Company | 7 | 2,262 | 2,596 |
| Payable to Trustee | | 36 | 37 |
| Payable to the Securities and Exchange Commission of Pakistan | | 11 | 44 |
| Payable against purchase of investments | | 1,704 | - |
| Accrued expenses and other liabilities | 8 | 4,417 | 3,786 |
| **Total liabilities** | | 8,429 | 6,463 |
| **NET ASSETS** | | **176,054** | **220,199** |
| **UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)** | | **176,054** | **220,199** |
| **CONTINGENCIES AND COMMITMENTS** | 9 | | |
| **NUMBER OF UNITS IN ISSUE** | | **3,844,204** | **4,915,018** |
| **NET ASSET VALUE PER UNIT** | | **45.7974** | **44.8012** |

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2020*

| | Note | Quarter Ended September 30 2020 | 2019 |
|---|---|---|---|
| | | ----------Rupees in '000---------- | |
| **INCOME / (LOSS)** | | | |
| Profit on bank balances | | 1,070 | 1,298 |
| Dividend income | | 335 | 821 |
| Profit on GoP Ijarah | | 1,134 | - |
| Profit on sukuk certificates | | 524 | 2,272 |
| Net capital gain / (loss) on sale of investments | | 6,908 | (1,241) |
| Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | | (1,496) | (8,099) |
| **Total Income / (loss)** | | **8,477** | **(4,949)** |
| **EXPENSES** | | | |
| Remuneration of Asset Management Company | 7.1 | 1,088 | 906 |
| Sindh Sales Tax on Remuneration of the Management Company | 7.2 | 141 | 118 |
| Accounting and operational charges | 7.4 | 54 | 45 |
| Selling and marketing charges | 7.5 | 218 | 181 |
| Remuneration of MCB Financial Services Limited - Trustee | | 35 | 54 |
| Sindh Sales Tax on Remuneration of Trustee | | 5 | 7 |
| Annual fee to the Securities and Exchange Commission of Pakistan | | 11 | 9 |
| Auditors' remuneration | | 112 | 146 |
| Shariah Advisory Fee | | 157 | 144 |
| Securities transaction cost | | 663 | 108 |
| Printing charges | | 8 | 9 |
| Legal and professional charges | | 21 | 16 |
| Fee and Subscription | | 4 | 54 |
| Provision for Sindh Workers' Welfare Fund (SWWF) | | 119 | - |
| Settlement and Bank charges | | - | 1 |
| **Total Expenses** | | **2,636** | 1,798 |
| **Net income / (loss) for the period before taxation** | | **5,841** | (6,747) |
| Taxation | 11 | **-** | - |
| **Net income / (loss) for the period after taxation** | | **5,841** | (6,747) |
| **Allocation of Net income for the period:** | | | |
| - Net income for the period after taxation | | 5,841 | (6,747) |
| - Income already paid on units redeemed | | (2,018) | (3) |
| | | **3,823** | (6,750) |
| **Accounting income available for distribuation:** | | | |
| - Relating to capital gains | | 5,412 | - |
| - Excluding capital gains | | (1,589) | (6,750) |
| | | **3,823** | (6,750) |

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2020*

| | Quarter Ended September 30 2020 | 2019 |
|---|---|---|
| | ------------Rupees in '000------------ | |
| **Net income / (loss) for the period after taxation** | **5,841** | **(6,747)** |
| Other comprehensive income / (loss) | - | - |
| **Total comprehensive income / (loss) for the period** | **5,841** | **(6,747)** |

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2020*

| | Quarter Ended September 30, 2020 | | | Quarter Ended September 30, 2019 | | |
|---|---|---|---|---|---|---|
| | Capital Value | Accumulated loss / (income) | Net Assets | Capital Value | Accumulated loss | Net Assets |
| | -----------------------------Rupees in '000----------------------------- | | | | | |
| **Net assets at the beginning of the period** | **255,131** | **(34,932)** | **220,199** | **213,675** | **(35,569)** | **178,106** |
| [Units outstanding: 4,915,018 (2019: 3,945,690)] | | | | | | |
| Issue of 4,565 (2019: 1,267,265) units | | | | 57,205 | (2,625) | 54,580 |
| - Capital value (at net asset value per unit at the beginning of the period) | 205 | - | 205 | 57,205 | - | 57,205 |
| - Element of income / (loss) | 6 | - | 6 | (2,625) | - | (2,625) |
| Total proceeds on issuance of units | 211 | - | 211 | 54,580 | - | 54,580 |
| Redemption of 1,075,379 (2019: 1,522) units | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period | (48,179) | | (48,179) | (68) | - | (68) |
| - Element of (income) / loss | - | (2,018) | (2,018) | 3 | - | 3 |
| Total payments on redemption of units | (48,179) | (2,018) | (50,197) | (65) | - | (65) |
| **Total comprehensive income / (loss) for the period** | - | 5,841 | 5,841 | - | (6,747) | (6,747) |
| **Net assets at the end of the period** | **207,163** | **(31,109)** | **176,054** | **268,190** | **(42,316)** | **225,874** |
| [Units outstanding: 3,844,204 (2019: 5,211,433)] | | | | | | |
| **Accumulated losses brought forward comprising of** | | | | | | |
| -Realized | | (32,247) | | | (7,676) | |
| -Unrealised | | (2,685) | | | (27,893) | |
| | | (34,932) | | | (35,569) | |
| **Accounting income available for distribution:** | | | | | | |
| -Relating to capital gains | | 5,412 | | | - | |
| -Excluding capital gains | | (1,589) | | | - | |
| | | 3,823 | | | - | |
| **Total comprehensive loss for the period** | | | | | (6,747) | |
| **Accumulated losses carried forward** | | **(31,109)** | | | **(42,316)** | |
| **Accumulated losses carried forward comprising of** | | | | | | |
| -Realized | | (29,613) | | | (34,217) | |
| -Unrealised | | (1,496) | | | (8,099) | |
| | | **(31,109)** | | | **(42,316)** | |
| | | | | | ------------Rupees----------- | |
| **Net asset value at the beginning of the period** | | | | | **44.8012** | **45.1394** |
| **Net asset value at the end of the period** | | | | | **45.7974** | **43.3419** |

The annexed notes from 1 to 14 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 QUARTER ENDED SEPTEMBER 30, 2020*

| | Note | Quarter Ended September 30 2020 | 2019 |
|---|---|---|---|
| | | --------------Rupees in '000-------------- | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net income / (loss) for the period after taxation | | 5,841 | (6,747) |
| **Adjustments:** | | | |
| Net capital (gain) / loss on sale of investments | | (6,908) | 1,241 |
| Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | | 1,496 | 8,099 |
| | | (5,412) | 9,340 |
| **(Increase) / decrease in assets** | | | |
| Investments - net | | 16,690 | 14,174 |
| Receivable against sale of investments | | (1,987) | - |
| Dividend and profit receivable | | (1,725) | (729) |
| Advances, deposits, prepayments and other receivables | | 20,483 | (45) |
| | | 33,461 | 13,400 |
| **(Decrease) / increase in liabilities** | | | |
| Payable to Management Company | | (334) | 286 |
| Payable to Trustee | | (1) | - |
| Payable to the Securities and Exchange Commission of Pakistan | | (34) | (245) |
| Dividend payable | | 1,704 | - |
| Accrued expenses and other liabilities | | 631 | 272 |
| | | 1,966 | 313 |
| **Net cash generated from operating activities** | | **35,856** | 16,306 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Net receipts from issue of units | | 211 | 54,580 |
| Net payments against redemption of units | | (50,197) | (66) |
| **Net cash (used in) / generated from financing activities** | | **(49,986)** | **54,514** |
| **Net (decrease) / increase in cash and cash equivalents** | | **(14,130)** | **70,820** |
| Cash and cash equivalents at the beginning of the period | | 41,869 | 26,094 |
| **Cash and cash equivalents at the end of the period** | 5 | **27,739** | **96,914** |

The annexed notes from 1 to 14 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 STATEMENTS (UN-AUDITED)
*FOR THE QUARTER ENDED SEPTEMBER 30, 2020*

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Islamic Advantage Asset Allocation Fund (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL). The trust deed was approved on May 15, 2015 by the Securities and Exchange Commision of Pakistan (SECP) in accordance with the Non-Banking Finance Conpanies (Establishment & 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 Icon House, 83-C, 12th Commercial Street, Phase-II Extension, DHA, Karachi.

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

The Fund's primary objective is to invest in a diversified portoflio of private and public shariah compliant instruments.

'The fund is categorised as an islamic asset allocation in accordance with the requirements of the Securities and Exchange Commission of Pakistan (SECP) circular No.7 dated March 06, 2009 and accordingly its investments compromise of shariah compliant securities as ro ensure 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 Truste Deed.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3+" (Stable Outlook) to the Management Company as at 28 August, 2020 and ranking of the Fund is ST 1 Star and LT 1 Star as at 01 September, 2020.

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

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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 these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at September 30, 2020.





### 3 BASIS OF PREPARATION

These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2020.

The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial statements as at September 30, 2020 have been extracted from the annual published audited financial statements of the Fund for the year ended June 30, 2020, whereas, the comparatives in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial statements of the Fund for the quarter ended September 30, 2019.

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainity are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2020.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.

| | | Note | September 30 2020 Un-audited | June 30 2020 Audited |
|---|---|---|---|---|
| | | | -------------Rupees------------- | |
| 5 | **CASH AND BANK BALANCES** | | | |
| | Balances with banks: | | | |
| | - in saving accounts | 5.1 | 27,739 | 41,869 |

5.1 The rate of return on these accounts ranges between 2.75% and 8.75% (June 30, 2020: 10% and 12.50%) per annum.

| | | Note | September 30 2020 Un-audited | June 30 2020 Audited |
|---|---|---|---|---|
| 6 | **INVESTMENTS** | | | |
| | **At fair value through profit or loss - held for trading** | | | |
| | - Listed Equity Securities | 6.1 | 79,714 | 37,260 |
| | - Sukuk certificates | 6.2 | 17,777 | 48,724 |
| | - Government of Pakistan - Ijarah Sukuks | 6.3 | 49,965 | 72,750 |
| | | | 147,456 | 158,734 |

## 6.1 Listed equity securities

| Name of Investee Company | As at July 01, 2020 | Purchases during the period | Bonus / Right Issue | Sales during the period | As at Sep 30, 2020 | Carrying value as at Sep 30, 2020 | Market value as at Sep 30, 2020 | Market Value as a Percentage of Total Investments | Market Value as a percentage of Net assets | Holding as a Percentage of Paid up Capital of the Investee company |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Number of shares) | | | | | Rupees in '000 | | %age | | |
| Shares of listed companies- fully paid ordinary shares with a face value of Rs 10 each unless stated other wise | | | | | | | | | | |
| **Commercial Banks** | | | | | | | | | | |
| Meezan Bank Limited | 67,220 | 97,000 | 9,122 | 50,000 | 123,342 | 9,341 | 10,140 | 6.88% | 5.76% | 0.0009% |
| | **67,220** | **97,000** | **9,122** | **50,000** | **123,342** | **9,341** | **10,140** | **6.88%** | **5.76%** | |
| **Pharmaceuticals** | | | | | | | | | | |
| Abbott Laboratories (Pakistan) Limited | 1,500 | - | - | - | 1,500 | 995 | 1,150 | 0.78% | 0.65% | 0.0002% |
| Highnoon Laboratories Limited | 1,815 | - | - | - | 1,815 | 910 | 1,114 | 0.76% | 0.63% | 0.0005% |
| Glaxosmithkline Pakistan Limited | 2,100 | - | - | - | 2,100 | 571 | 608 | 0.41% | 0.35% | 0.0002% |
| The Searle Company Limited | 325 | - | - | - | 325 | 65 | 83 | 0.06% | 0.05% | 0.0000% |
| | **5,740** | **-** | **-** | **-** | **5,740** | **2,541** | **2,955** | **2.01%** | **1.68%** | |
| **Refinery** | | | | | | | | | | |
| Attock Refinery Limited | - | 30,000 | - | 30,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| | **-** | **30,000** | **-** | **30,000** | **-** | **-** | **-** | **0.00%** | **0.00%** | |
| **Oil and Gas Development Company Limited** | | | | | | | | | | |
| Mari Petroleum Company Limited | 2,437 | 1,000 | - | 1,000 | 2,437 | 3,205 | 3,338 | 2.26% | 1.90% | 0.0002% |
| Oil & Gas Development Company Limited | 16,800 | 80,000 | - | 30,000 | 66,800 | 7,550 | 6,920 | 4.69% | 3.93% | 0.0002% |
| Pakistan Petroleum Limited | 50,000 | 170,000 | - | 150,000 | 70,000 | 6,910 | 6,444 | 4.37% | 3.66% | 0.0003% |
| | **69,237** | **251,000** | **-** | **181,000** | **139,237** | **17,665** | **16,702** | **11.32%** | **9.49%** | |
| **Oil & Gas Marketing Companies** | | | | | | | | | | |
| Pakistan State Oil Company Limited | 281 | - | - | - | 281 | 44 | 56 | 0.04% | 0.03% | 0.0000% |
| Sui Northern Gas Pipelines Limited | - | 110,000 | - | 60,000 | 50,000 | 3,338 | 3,091 | 2.10% | 1.76% | 0.0008% |
| | **281** | **110,000** | **-** | **60,000** | **50,281** | **3,382** | **3,147** | 2.14% | **1.79%** | |
| **Engineering** | | | | | | | | | | |
| International Industries Limited | 13,000 | - | - | 13,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| International Steels Limited | - | 102,000 | - | 102,000 | - | | | 0.00% | 0.00% | 0.0000% |
| | **13,000** | **102,000** | **-** | **115,000** | **-** | **-** | **-** | **0.00%** | **0.00%** | |
| **Power Generation and Distribution** | | | | | | | | | | |
| K-Electric Limited (face value Rs. 3.5 per share | 300,000 | 100,000 | - | 400,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| The Hub Power Company Limited | 60,363 | 122,000 | - | 85,000 | 97,363 | 7,784 | 7,641 | 5.18% | 4.34% | 0.0008% |
| | **360,363** | **222,000** | **-** | **485,000** | **97,363** | **7,784** | **7,641** | **5.18%** | **4.34%** | |
| **Fertilizers** | | | | | | | | | | |
| Engro Corporation Limited | 34,480 | 39,000 | - | 57,000 | 16,480 | 4,952 | 4,961 | 3.36% | 2.82% | 0.0003% |
| Engro Fertilizers Limited | 50,000 | 50,000 | - | 100,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| Fauji Fertilizer Company Limited | - | 25,000 | - | 25,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| | **84,480** | **89,000** | **-** | **157,000** | **16,480** | **4,952** | **4,961** | **3.36%** | **2.82%** | |
| **Automobile Assembler** | | | | | | | | | | |
| Pak Suzuki Motor Company Limited | - | 36,500 | - | 18,000 | 18,500 | 4,249 | 3,727 | 2.53% | 2.12% | 0.0022% |
| | **-** | **36,500** | **-** | **18,000** | **18,500** | **4,249** | **3,727** | **2.53%** | **2.12%** | |
| **Cables and Electrical Goods** | | | | | | | | | | |
| Pak Elektron Limited | - | 100,000 | - | 100,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| Waves Singer Pakistan Limited | - | 180,000 | - | 180,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| | **-** | **280,000** | **-** | **280,000** | **-** | **-** | **-** | **0.00%** | **0.00%** | |
| **CEMENT** | | | | | | | | | | |
| D.G. Khan Cement Company Limited | - | 20,000 | - | 20,000 | - | - | - | 0.00% | 0.00% | 0.0000% |
| Fauji Cement Company Limited | - | 525,000 | - | 299,500 | 225,500 | 4,828 | 4,483 | 3.04% | 2.55% | 0.0016% |
| Lucky Cement Limited | - | 39,300 | - | 28,500 | 10,800 | 6,381 | 6,988 | 4.74% | 3.97% | 0.0003% |
| Maple Leaf Cement Factory Limited | - | 310,000 | - | 168,000 | 142,000 | 5,182 | 5,096 | 3.46% | 2.89% | 0.0013% |
| Pioneer Cement Limited | - | 185,000 | - | 170,000 | 15,000 | 1,463 | 1,361 | 0.92% | 0.77% | 0.0007% |
| | **-** | **1,079,300** | **-** | **686,000** | **393,300** | **17,854** | **17,928** | **12.16%** | **10.18%** | |





| Name of Investee Company | As at July 01, 2020 | Purchases during the period | Bonus / Right Issue | Sales during the period | As at Sep 30, 2020 | Carrying value as at Sep 30, 2020 | Market value as at Sep 30, 2020 | Market Value as a Percentage of Total Investments | Market Value as a percentage of Net assets | Holding as a Percentage of Paid up Capital of the Investee company |
|---|---|---|---|---|---|---|---|---|---|---|
| | (Number of shares) | | | | | Rupees in '000 | | %age | | |
| Shares of listed companies- fully paid ordinary shares with a face value of Rs 10 each unless stated other wise | | | | | | | | | | |
| **Chemicals** | | | | | | | | | | |
| Engro Polymer & Chemicals Limited | - | 213,000 | - | 150,000 | 63,000 | 2,753 | 2,536 | 1.72% | 1.44% | 0.0007% |
| | **-** | **213,000** | **-** | **150,000** | **63,000** | **2,753** | **2,536** | **1.72%** | **1.44%** | |
| **Foods and Personal Care Products** | | | | | | | | | | |
| Frieslandcampina Engro Pakistan Limited | - | 30,000 | - | 30,000 | - | - | - | 0.00% | 0.00% | 0.00 |
| Treet Corporation Limited | - | 100,000 | - | 100,000 | - | - | - | 0.00% | 0.00% | 0.00 |
| | **-** | **130,000** | **-** | **130,000** | **-** | **-** | **-** | **0.00%** | **0.00%** | |
| **Paper and Board** | | | | | | | | | | |
| Cherat Packaging Limited | - | 13,000 | - | 13,000 | - | - | - | 0.00% | 0.00% | 0.00 |
| | **-** | **13,000** | **-** | **13,000** | **-** | **-** | **-** | **0.00%** | **0.00%** | |
| **Technology and Communications** | | | | | | | | | | |
| Pakistan Telecommunication Company Limited | - | 207,000 | - | 57,000 | 150,000 | 1,647 | 1,622 | 1.10% | 0.92% | 0.0007% |
| | **-** | **207,000** | **-** | **57,000** | **150,000** | **1,647** | **1,622** | **1.10%** | **0.92%** | |
| **Textile Composite** | | | | | | | | | | |
| Nishat Mills Limited | - | 55,000 | - | 30,000 | 25,000 | 2,455 | 2,527 | 1.71% | 1.44% | 0.0007% |
| | **-** | **55,000** | **-** | **30,000** | **25,000** | **2,455** | **2,527** | **1.71%** | **1.44%** | |
| **Vanaspati and Allied Industrues** | | | | | | | | | | |
| Unity Foods Limited | - | 425,000 | - | 75,000 | 350,000 | 6,062 | 5,828 | 3.95% | 3.31% | 0.0035% |
| | **-** | **425,000** | **-** | **75,000** | **350,000** | **6,062** | **5,828** | **3.95%** | **3.31%** | |
| | | | | | | **80,685** | **79,714** | **54.06%** | **45.29%** | |

**6.1.1** Investments include shares with market value of Rs. 6.2837 million (June 30, 2020: Rs. 11.0962 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 October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

## 6.2 Sukuk Certificates

| Name of the investee company | Number of certificates | | | | | Market value as at September 30, 2020 | Market Value as a percentage of | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2020 | Purchased during the period | Sold during the period | Matured during the period | As at September 30, 2020 | | Net assets | Total investments | Total Assets | Issue size |
| | | | | | | Rs in '000' | %age | | | |
| International Brands Limited | 400 | - | | 400 | - | - | 0.00% | 0.00% | 0.00% | 0.00% |
| Dawood Hercules Corporation Limited | 250 | - | | - | 250 | 17,777 | 10.10% | 12.06% | 9.64% | 0.42% |
| | | | | | | **17,777** | **10.10%** | **12.06%** | **12.06%** | |
| Carrying value as at September 30, 2020 | | | | | | 17,917 | | | | |

## 6.3 Government of Pakistan (GoP) - Ijarah Sukuks

| Name of the investee company | Number of certificates | | | | | Market value as at September 30, 2020 | Market Value as a percentage of | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2020 | Purchased during the period | Sold during the period | Matured during the period | As at September 30, 2020 | | Net assets | Total investments | Total Assets | Issue size |
| | | | | | | Rs in '000' | %age | | | |
| GoP Ijara Sukuk | 750 | - | | 750 | - | - | 0.00% | 0.00% | 0.00% | - |
| GoP Ijara Sukuk | - | 500 | | - | 500 | 49,965 | 28.38% | 33.88% | 27.08% | - |
| | | | | | | **49,965** | **28.38%** | **33.88%** | | |
| Carrying value as at September 30, 2020 | | | | | | 50,350 | | | | |

| | | Note | September 30 2020 Un-audited | June 30 2020 Audited |
|---|---|---|---|---|
| | | | -----------Rupees in '000----------- | |
| 7 | **PAYABLE TO MANAGEMENT COMPANY** | | | |
| | Remuneration of the Management Company | 7.1 | 273 | 308 |
| | Sindh sales tax payable on remuneration of the Management Company | 7.2 | 35 | 40 |
| | Federal Excise Duty payable on remuneration of the Management Company | 7.3 | 718 | 718 |
| | Selling and marketing charges | | 218 | 453 |
| | Payable Against Shariah Advisory Fee | | 964 | 964 |
| | Accounting and operationcl charges | | 54 | 113 |
| | | | **2,262** | 2,596 |

**7.1** The Management Company has charged its remuneration at the rate of 2% (June 30, 2020: 2%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

**7.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

**7.3** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty at the rate of 16% on the services of the Management Company, as reported in note 8.3 to the annual financial statements of the Fund for the year ended June 30, 2020.

Had the said provision for FED not been maintained, the net asset value of the Fund as at September 30, 2020 would have been higher by Rs. 0.19 (June 30, 2020: Rs. 0.15) per unit.

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

**7.5** SECP vide Circular No. 11 of 2019 dated July 05, 2019 has super seded circular 40 of 2016, 05 of 2017 and 05 of 2018 and has prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. Selling and Marketing expenses has been allowed on all categories of Open and mutual funds except fund of funds 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.





| | | Note | September 30 2020 Un-audited | June 30 2020 Audited |
|---|---|---|---|---|
| 8 | **ACCRUED EXPENSES AND OTHER LIABILITIES** | | -----------Rupees in '000----------- | |
| | Auditors' remuneration payable | | 70 | 387 |
| | Printing charges payable | | 140 | - |
| | Withholding tax and capital gains tax payable | | 582 | 420 |
| | Provision for Sindh Workers' Welfare Fund | 8.1 | 1,814 | 1,695 |
| | Other Payables | | 1,811 | 1,285 |
| | | | **4,417** | 3,786 |

**8.1** There is no change in the status of the SWWF as reported in note 11.1 to the annual financial statements of the Fund for the year ended 30 June 2020.

Had the said provision for SWWF not been maintained, the net asset value of the Fund as at September 30, 2020 would have been higher by Rs. 0.47 (June 30, 2020: Rs. 0.34) per unit.

**9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

**10 EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 4.23% which includes 0.51% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

**11 TAXATION**

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

## 12 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

| | Quarter Ended September 30 2020 Un-audited | 2019 Un-audited |
|---|---|---|
| | -----------Rupees in '000----------- | |
| **12.1 Transactions for the period:** | | |
| **Pak Oman Asset Management Company Limited (Management Company)** | | |
| Reumeration of the Management Company | 1,088 | 906 |
| Sindh Sales tax on Remuneration of Management Company | 141 | 118 |
| Accounting and operational charges | 54 | 45 |
| Selling and marketing charges | 218 | 181 |
| Redemption of 1,071,143 (2019: Nil Units) | 50,000 | - |
| **MCB Financial Services Limited - Trustee of the Fund** | | |
| Remuneration of the Trustee | 35 | 54 |
| Sindh Sales tax on Remuneration of Trustee | 5 | 7 |
| **Pak Qatar Investment Account** | | |
| Issue of Nil (2019: 575,764) units | - | 28,810 |
| Redemption of Nil (2019: 467,028) units | - | 25,000 |
| **Askari Bank Limited** | | |
| Issue of Nil (2019: 992,180) units | - | 42,737,766 |

| | September 30 2020 Un-audited | June 30 2020 Audited |
|---|---|---|
| | -----------Rupees in '000----------- | |
| **12.2 Investments / outstanding balances as at period / year end** | | |
| **Pak Oman Asset Management Company Limited (Management Company)** | | |
| Remuneration payable to the management company | 273 | 308 |
| Sindh Sales tax payable on remuneration of the Management Company | 35 | 40 |
| Federal Excise Duty payable on remuneration of the Management Company | 718 | 718 |
| Selling and marketing charges | 218 | 453 |
| Payable Against Shariah Advisory Fee | 964 | 964 |
| Accounting and operational charges | 54 | 113 |
| **MCB Financial Services Limited- the Trustee** | | |
| Remuneration payable to the Trustee | 32 | 33 |
| Sindh Sales tax payable on remuneration of Trustee | 4 | 4 |
| **Pak Oman Investment Company Limited - holding company of the Management Company*** | | |
| Unitys in issue: 928,857 (June 30, 2020: 2,000,000) units | 42,542 | 89,602 |
| **Sui Southern Gas Non Executive Staff Gratuity Fund*** | | |
| Units in issue: 656,188 (June 30, 2020: 656,188) units | 30,053 | 29,398 |
| **Sui Southern Gas Non Executive Staff Provident Fund*** | | |
| Units in issue: 610,407 (June 30, 2020: 610,407) units | 27,957 | 27,347 |
| **Askari Bank Limited*** | | |
| Units in issue 992.180 (June 30, 2020: 992,180) units | 45,442 | 44,451 |

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



PAK OMAN ISLAMIC ASSET ALLOCATION FUND

## 13 GENERAL

Figures have been rounded off to the nearest thousand rupees.

## 14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 15 October, 2020.

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

| Chief Executive Officer | Chief Financial Officer | Director |
|---|---|---|