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 GOVERNMENT SECURITIES FUND aims to provide diversified portfolio and return that is risk adjusted to suit investors at large, on a consistent basis."

FUND INFORMATION

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.H. Juland Jaifer Salim Al Said	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 + (Positive)

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
Bank Alfalah Limited
BankIslami Pakistan Limited
Habib Bank Limited
JS Bank Limited
Khushhali Bank Limited
NRSP Microfinance Bank Limited
The First MicroFinance Bank Limited
Zarai Taraqiati Bank Limited

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

DIRECTORS REPORT TO THE UNIT HOLDERS

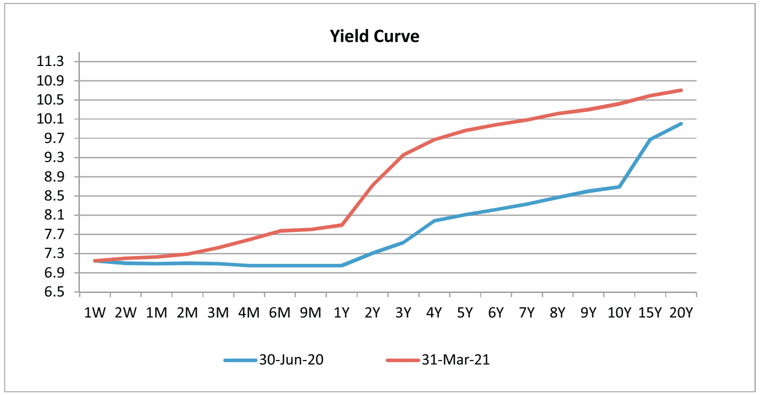
The Board of Directors (BOD) of Pak Oman Asset Management Company Limited is pleased to present the half yearly financial statements of Pak Oman Government Security Fund (POGSF) for the period ended March 31, 2021.

Fixed Income Review 9M-FY21

In first nine months of FY21, secondary market yields across short term papers reversed from their bottom levels. Yields on 3m, 6m and 12m paper increased by 33bp, 72bps and 84bps and stood at 7.42%, 7.77% and 7.89% respectively by end of Mar-21. On the other hand, yield on longer tenor bonds witnessed sharp increase of 182bps, 175bps and 173bps and settled at 9.35%, 9.86% and 10.42% for 3yr, 5yr and 10yr bond respectively. During the quarter, money market remained stagnant and slow activity was witnessed post SBP's decision to maintain policy rate at 7.00%.

In the monetary policies announced during the first half of financial year 2021, SBP decided to maintain benchmark policy rate at 7.00%. The decision was taken in consideration to stable core inflation and sizeable growth in Large Scale Manufacturing Index. SBP concluded that lower borrowing cost has made major contribution in wiping out economic burn, after covid-19 outbreak. Further, SBP is of the view that reduction in borrowing cost has resulted in significant liquidity in the market to support local industries.

In the T-Bill auctions held during the period, SBP raised a total of PKR 9,681 billion against the target of PKR 8,500 billion and maturing amount of PKR 9,564 billion. The Last cut-off yields stood at 7.5398%, 7.8000% for 3m and 6m paper respectively while all bids were rejected for 12m paper. In the PIB auction for fixed rated bonds, SBP raised PKR 448 while Banks offered PKR 1,120 billion. Major participation was witnessed in 3yr and 5yr paper. Cut-off yields settled at 9.41%, 9.90% and 10.2890% for 3yr, 5yr, and 10yr bond respectively.



Economic Review 9-MFY21

In 9M-FY21 CPI averaged at 8.34% as compared to 11.53% in same period last year. The CPI stayed lower in 9-Months of FY21 as this period saw a decline in oil prices amid covid-19, followed by decline in other CPI heads. However, in 2-QFY21 and 3QFY21, CPI started to elevate on the back of reversal in fuel prices, upward revision in electricity prices and higher food inflation, especially notable increase was witnessed in perishable food items. During the period under review, SPI and WPI averaged at 11.91% and 6.35% respectively.

On the external front, in 8MFY21, Current Account settled in surplus of $881 million, which is +0.5% of the GDP as compared to deficit of $2.741 billion, i-e -1.5% of GDP in same period last year. Major contributor for improvement in current account balance was 22.16% decline in trade deficit on account of approximately 8.59% drop in imports. Further impetus came from significant growth in remittances, which increased by 24% on YoY basis.

In the monetary policies announced during the nine months of financial year 2021, SBP decided to maintain benchmark policy rate at 7.00%. The decision was taken in consideration to stable core inflation and notable growth in LSM Index. SBP has concluded that lower borrowing cost has made major contribution in wiping out economic burn, after covid-19 outbreak.

Going forward, government's major challenge would curtail fiscal imbalances and management of foreign flows. SBP expects inflation to settle in the band of 7%-9% in FY21. However, higher inflationary trend might be observed post expected upward revision in energy prices as per IMF's structural criteria for resumption of EFF program.

POGSF

In 9MFY21, POGSF posted return of 2.79% as compared to benchmark of 7.20%. The underperformed its benchmark due to valuation impact on government securities. Assets under management of the fund stood at PKR 160 million by end of Mar-21 as compared to PKR 257 in start of financial year. During the period, exposure against PIBs averaged at 18.36% as compared to 17.79% in comparable period last year and 19.39% in previous quarter ending to Mar-21. Average investment in T-Bills settled at 50.04% as compared to 42.10% in 9MFY21. During 3Q-FY21, higher exposure was maintained in shorter term papers to avoid further valuation downside. Investment in corporate debt securities averaged at 18.98% as compared to 20.59% in comparable period last year. Exposure against this asset was reduced in absolute terms to realize valuation gain on premium priced TFCs. Remaining funds were invested as cash with A and above rated banks. Average cash exposure of the fund during the July-20 to Mar-21 stood at 12.63% of the fund size.

ACKNOWLEDGEMENTS

We would like to thank our valued investors who have placed their confidence in us. The Board is also thankful to the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustees of the Fund and the Pakistan Stock Exchange for their continued cooperation and support. The Board of Directors also appreciates the efforts put in by the management team for their commitment and hard work.

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

12th April 2021
Karachi - Pakistan.

PAK OMAN GOVERNMENT SECURITIES FUND

بیرونی محاذ پر کرنٹ اکاؤنٹ گزشتہ سال کی اسی مدت میں 2.741 بلین ڈالر یعنی جی ڈی پی کا منفی %1.5 فیصد خسارہ کے مقابلے میں مالیاتی سال 21 کے 8 ماہ میں، 881 ملین ڈالر کے سرپلس یعنی جی ڈی پی کا پلس %0.5 طے کیا گیا۔ درآمدات میں تقریبا 8.59 فیصد کمی کی وجہ سے کرنٹ اکاؤنٹ بیلنس میں بہتری کے لئے اہم شراکت دار تجارتی خسارے میں 22.16 فیصد کمی تھی۔ مزید ترغیبات ترسیلات زر میں نمایاں نمو سے ہوئیں، جو سالانہ بنیاد پر 24 فیصد تک زیادہ ہوئی۔

مالی سال 2021 کی نو ماہی کے دوران اعلان کردہ مالیاتی پالیسی میں، اسٹیٹ بینک نے بینچ مارک پالیسی شرح کو 7.00 فیصد برقرار رکھنے کا فیصلہ کیا۔ یہ فیصلہ بنیادی افراطِ زر اور لارج سکیل مینوفیکچرنگ انڈیکس میں نمایاں نمو کو مستحکم رکھنے کے لئے کیا گیا۔ SBP نے یہ نتیجہ اخذ کیا کہ Covid-19 کے پھیلاؤ کے بعد، قرضہ کی کم لاگت نے اقتصادی بحالی میں اہم حصہ شامل کیا ہے۔

آگے بڑھتے ہوئے، حکومت کو سب سے بڑا چیلنج مالی عدم توازن کو کم اور غیر ملکی بہاؤ کا انتظام کرنا ہوگا۔ اسٹیٹ بینک کو توقع ہے کہ مالی سال 21 میں افراط زر 7 فیصد -9 فیصد کے بینڈ میں رہے گا۔ تاہم، EFF پروگرام کو دوبارہ شروع کرنے کے لئے آئی ایم ایف کے ساختی معیار کے مطابق توانائی کی قیمتوں میں متوقع اضافے کے بعد افراط زر بڑھنے کا رجحان پایا جاسکتا ہے۔

POGSF

9MFY21ُ میں، POGSF نے 7.20 فی صد بینچ مارک کے مقابلہ میں 2.79 فی صد منفعت درج کرائی۔ فنڈ نے گورنمنٹ سیکورٹیز پر مارکیٹ قیمت کے اثرات کی وجہ سے اپنے بنچ مارک میں ابتر کارکردگی دکھائی۔ فنڈ کے زیرِ انتظام اثاثہ جات کی قدر مالی سال کے آغاز میں 257 روپے کے مقابلے میں مارچ 21 کے اختتام تک 160 ملین روپے پر قائم رہی ہے۔

مدت کے دوران، PIBs میں ایکسپوژر گزشتہ سال کی اسی مدت میں %17.79 کے مقابلے اوسطاً %18.36 اور مارچ 21 کو ختم ہونے والی سہ ماہی میں 19.39 فیصد ہواُ 9MFY21 میں 42.10 فی صد کے مقابلہ میں ٹریژری بلز کی مد میں اوسط 50.04 فی صد سرمایہ کاری ہوئی۔ 3Q-FY21ُ کے دوران، قدر کو مزید کم ہونے سے بچانے کے لئے مختصر مدتی پیپرز میں برقرار رکھا گیا۔ کارپوریٹ ڈیبٹ سیکورٹیز میں سرمایہ کاری گزشتہ سال کی تقابلی مدت میں 20.59 فیصد کے مقابلے میں اوسطاً 18.98 فیصد رہی۔ اس اثاثہ کلاس کے عوض ایکسپوژر پریمئم قیمتوں والے TFCs پر فائدہ حاصل کرنے کے لئے مطلق شرائط میں کم کیا گیا۔ بقیہ رقوم A اور اس سے زائد درجہ کے بینکوں میں نقد سرمایہ کاری پر صرف کئے گئے۔ جولائی 20 تا مارچ کے دوران فنڈ کا اوسط کیش ایکسپوژر فنڈ سائز کا 12.63 فی صد رہا۔

اظہار تشکر

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

صدف کاظمی
چیف ایگزیکٹو آفیسر

12 اپریل 2021ء
کراچی۔ پاکستان

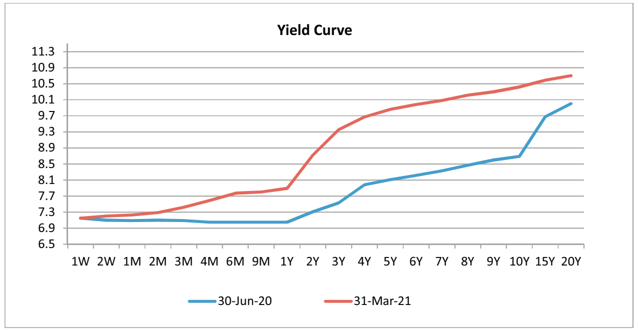
یونٹ ہولڈرز کوڈائریکٹران کی رپورٹ

پاک اومان مینجمنٹ کمپنی لمیٹڈ ("منتظم کمپنی"یا"POAMCL"یا" کمپنی") کے بورڈ آف ڈائریکٹرز پاک اومان گورنمنٹ سیکورٹی فنڈ (POGSF) کی 31 مارچ 2021ء کوختم ہونے والی نو ماہی کے لئے پیش کرتے ہوئے اظہارِمسرت کرتے ہیں۔

مستقل آمدنی تجزیہ نوماہی مالیاتی سال 2021ء

مالیاتی سال 2021 کی نوماہی میں ثانوی مارکیٹ افادہ شارٹ ٹرم پیپرز کی مدمیں اپنی زیریں سطحوں سے واپس مُڑ گیا۔شارٹ ٹرم پیپرز پر آمدنی 3،6اور12 ماہ پیپرز پر 33bps، 72bpsاور 84bps تک بڑھ گئی اور یہ مارچ 21 کے اختتام تک بالترتیب 7.42 فی صد، 7.77فی صداور7.89فی صد پر بند ہوئی۔دوسری جانب،طویل مدتی بانڈز پر آمدنی 182bps، 175bpsاور 173bps بڑھ گئی اور تین، پانچ اور دس سالہ بانڈز پر آمدنی بالترتیب 9.35 فیصد، 9.86فی صداور 10.42فی صدرہی۔رواں سہ ماہی کے دوران، منی مارکیٹ جمودکا شکار رہی اورسٹیٹ بینک پاکستان کے پالیسی شرح کو%7.00 پر برقرار رکھنے کے فیصلہ کے بعدکم ازکم سرگرمی دیکھی گئی۔
مالی سال 2021 کی پہلی ششماہی کے دوران اعلان کردہ مالیاتی پالیسی میں،اسٹیٹ بینک نے بینچ مارک پالیسی شرح کو7.00فیصد برقرار رکھنے کافیصلہ کیا۔بنیادی افراطِ زرکو مستحکم رکھنے اورلارج اسکیل مینوفیکچرنگ انڈیکس میں نمایاں نموکے لئے یہ فیصلہ کیا گیا۔SBP نے نتیجہ اخذکیا ہے کہ covid-19 پھیلنے کے بعد،قرضہ کی کم لاگت نے اقتصادی بحالی میں اہم حصہ شامل کیا ہے۔اس کے علاوہ،اسٹیٹ بینک پاکستان کا مؤقف ہے کہ قرض کی لاگت میں کمی کے نتیجے مقامی صنعتوں کی مدد کے لئے مارکیٹ میں نمایاں لیکوڈیٹی موجود ہے۔

اس مدت کے دوران منعقدہ ٹی بلزکی نیلامی میں،SBP نے 8,500 بلین روپے ہدف اوروصول شدہ 9,564 بلین روپے کے مقابلہ میں مجموعی 9,681بلین روپے اکٹھے کئے۔3اور6 کے پیپرز پرکٹ آف منافع بالترتیب 7.5398فی صداور 7.8000فی صد رہا جبکہ 12 ماہ کے پیپرز کے لئے تمام بولیاں مستردکردی گئیں۔مستقل شرح کے بانڈز پر PIB نیلامی میں SBP نے 448 بلین روپے اکٹھے کئے جبکہ بینکوں نے 1,120 بلین روپے کی پیشکش کی۔3 سالہ اور 5 سالہ پیپر میں اہم شراکت دیکھی گئی۔ 3،5اور10 سالہ بانڈز پرنظرثانی شدہ منافع بالترتیب 9.41فی صد، 9.90فی صداور 10.2890فی صدطے کیا گیا۔



اقتصادی جائزہ برائے نوماہی مالیاتی سال 2021ء

9M-FY21 میں CPI اوسطاً گزشتہ سال کی اسی مدت میں %11.53 کے مقابلے میں %8.34 رہی۔مالی سال 2021 کی نوماہی میں،CPI کم ہی رہا کیونکہ اس مدت میں دیگرCPI ہیڈز میں کمی کے باعث COIVID-19 کے بیچ تیل کی قیمتوں میں کمی دیکھی گئی۔تاہم،مالی سال 21 کی دوسری سہ ماہی اور مالی سال 21 کی تیسری سہ ماہی میں، سی پی آئی نے ایندھن کی قیمتوں میں اضافے ،بجلی کی قیمتوں میں اضافہ اورکھانے پینے کی اشیاء مہنگی ہونے کی وجہ سے اضافہ ہونا شروع ہوگیا،خاص طور پرخراب ہونے والی اشیائے خوردونوش میں قابل ذکراضافہ دیکھا گیا۔زیرِ جائزہ مدت کے دوران،SPIاور WPI بالترتیب اوسطاً 11.91فی صداور6.35فی صدرہی۔

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

AS AT 31 MARCH 2021

	Note	31 March 2021 Un-audited	30 June 2020 Audited
		-----------Rupees in (000') -----------	
Assets			
Balance with banks	4	74,399	30,649
Investments	5	86,259	266,518
Profit receivable		5,292	5,005
Deposits, prepayment and other receivable		1,053	425
Total assets		167,003	302,597
Liabilities			
Payable to Management Company	6	3,457	1,468
Payable to Trustee		36	18
Payable to the Securities & Exchange Commission of Pakistan		42	54
Dividend payable		144	40,365
Accrued expenses and other liabilities	7	4,201	3,587
Total liabilities		7,878	45,492
NET ASSETS		159,125	257,104
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		159,125	257,104
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		14,461,140	23,854,333
NET ASSET VALUE PER UNIT		11.0037	10.7781

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2021

	Note	For Nine Months Ended 31 March 2021	2020	For Nine Quarter Ended 31 March 2021	2020
		------------Rupees in (000') ----------		------------Rupees in (000') ----------	
Income					
Profit on saving and term deposits		3,375	3,956	2,830	1,219
Income from government securities		10,215	16,484	3,987	5,934
Profit on placements		-	-	-	-
Income on term finance and sukuks certificates		3,813	6,173	837	1,941
Other income		-	-	-	-
Net gain / (loss) on sale of investments		(6,817)	2,759	(7,370)	675
Net unrealised appreciation /(diminution) on remeasurement of investments at fair value through profit or loss'		1,238	192	7,839	1,657
		11,824	29,564	8,123	11,426
Expenses					
Remuneration of the Management Company	6.1	2,308	2,191	1,066	743
Sindh Sales Tax on Remuneration of the Management Company	6.2	300	285	139	97
Reimbursement of operational expenses to the Management Company	6.4	210	199	97	67
Reimbursement of Selling and marketing charges to the Management Company	6.5	832	797	380	270
Remuneration of theTrustee		154	270	71	91
Annual fees to the Securities & Exchange Commission of Pakistan		42	40	19	14
Auditors' remuneration		458	379	124	127
Printing and Stationary Charges		24	24	10	8
Security Transaction Cost		73	221	52	118
Legal and professional charges		59	79	-	14
Fee and Subscription		180	256	166	85
Bank Charges		-	18	-	3
Amortization of expenses		92	-	92	-
Provision for Sindh Workers' Welfare Fund		142	496	118	196
		4,874	5,255	2,334	1,833
Net income for the period before taxation		6,950	24,309	5,789	9,593
Taxation	10	-	-	-	-
Net income for the period after taxation		6,950	24,309	5,789	9,593
Allocation of Net Income for the period					
		-	-	-	-
Accounting income available for distribution					
- Relating to Capital gain		(5,579)	-	469	-
- Excluding Capital gain		12,529	24,309	5,320	9,593
		6,950	24,309	5,789	9,593

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2021

	For Nine Months Ended 31 March 2021	2020	For Nine Quarter Ended 31 March 2021	2020
	------------Rupees in (000') ----------		------------Rupees in (000') ----------	
Net income for the period after taxation	6,950	24,309	5,789	9,593
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	6,950	24,309	5,789	9,593

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2021

	Note	31 March 2021	31 March 2020
		------------Rupees in (000') -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		6,950	24,309
Adjustments for:			
Net (gain) / loss on sale of investments		6,817	(2,759)
Net unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss'		(1,238)	(192)
		5,579	(2,951)
(Increase) / Decrease in assets			
Investments - Net		174,680	6,311
Profits, deposits, prepayment and other receivable		(915)	2,303
		173,765	8,614
Decrease in liabilities			
Payable to Management Company		1,989	(84)
Payable to Trustee		18	14
Payable to the Securities & Exchange Commission of Pakistan		(14)	(14)
Dividend payable		(40,221)	(40,262)
Accrued expenses and other liabilities		614	(669)
		(37,614)	(41,015)
Net cash generated from operating activities		148,680	(11,043)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		175	-
Dividend paid		-	-
Payments against redemption of units		(105,105)	(1,819)
Net cash used in financing activities		(104,930)	(1,819)
Net increase in cash and cash equivalents		43,750	(12,862)
Cash and cash equivalents at the beginning of the period		30,649	30,649
Cash and cash equivalents at the end of the period	4	74,399	17,787

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2021

	2021 Capital Value	2021 Undistributed Income	2021 Net Assets	2020 Capital Value	2020 Undistributed Income	2020 Net Assets
	-----------------------------Rupees in ('000)---------------------------					
Net assets at the beginning of the period	234,384	22,820	**257,104**	234,674	20,495	255,169
Issue of Nil (2020: Nil) units						
- Capital value(at net asset per unit at beginning of year)	174	-	**174**	-	-	-
- Element of income	1	-	**1**	-	-	-
	175	**-**	**175**	-	-	-
Redemption of Nil (2020: 165151 units)						
- Capital value(at net asset per unit at beginning of year)	(105,235)		**(105,235)**	(1,763)	-	(1,763)
- Element of income	1	129	**130**	-	(56)	(56)
	(105,234)	129	(105,105)	(1,763)	(56)	(1,819)
Total comprehensive income for the period	-	6,950	6,950	-	24,309	24,309
Net assets at the end of the period	129,325	29,899	159,125	232,911	44,748	277,660
Undistributed income brought forward comprising of:						
-Realized		23,895			22,671	
-Unrealised (loss) / gain		(1,075)			(2,176)	
		22,820			20,495	
Accounting income available for distribution:						
-Relating to capital gains		(5,579)			2,951	
-Excluding capital gains		12,529			21,302	
		6,950			24,253	
Net income for the year after taxation						
Undistributed income carried forward - net		29,770			44,748	
Undistributed income carried forward comprising of:						
-Realized		28,532			44,556	
-Unrealised gain / (loss)		1,238			192	
		29,770			44,748	
			(Rupees)			**(Rupees)**
Net asset value at the beginning of the period			11.6967			10.7781
Net asset value at the end of the period			11.0037			11.6967

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Government Securities Fund (the Fund) was established under a Trust deed executed between Pak Oman Asset Management Limited as the Management Company and MCB Financial Services Limited (MCBFSL). The trust deed was approved on 03 March 2011 by the Securities and Exchange Commision of Pakistan (SECP) in accordance with the Non-Banking Finance Conpanies (Establishment & Regulation) Rules, 2003 (The NBFC Rules) and was executed on 18 March 2011.

The Management Company is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. The registered office of the Management Company is situated at Icon House, 83-C, 12th Commercial Street, Phase-II Extension, DHA, Karachi.

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

The objective of the Fund is to provide its unit holders competitive returns from a portfolio of low credit risk with maximum possible preservation of capital via investing primarily in Government Securities.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3+ (Positive)" to the Management Company as at 15-Feburary-2021 and a stability rating of A+(f) to the Fund as at 17 Feburary 2021.

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 approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules,the NBFC Regulations or the requirements of the said directives prevail.

This 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 published financial statements of the Fund for the year ended 30 June 2020.

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 31 March 2021.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

	Note	31 March 2021 Un-audited	30 June 2020 Audited
		Rupees in'000	
4. BALANCE WITH BANKS			
-Saving accounts	**4.1**	**74,399**	8,072

4.1 These savings accounts carry mark-up at the rates ranging from 7.83% to 9% (30 June 2020: 3.75% to 10.00%) per annum.

	Note	31 March 2021 Un-audited	30 June 2020 Audited
		Rupees in'000	
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities	5.1	46,516	197,512
Term Finance Certificates	5.1.3	39,743	41,930
Sukuk Certificates		-	27,076
		86,259	266,518

5.1 Government securities

5.1.1 Treasury Bills

Issue Date	Tenor	Face value: As at 01 July 2020	Face value: Purchased during the period	Face value: Sold / matured during the period	Face value: As at 31 March 2021	Market value as at 31 March 2021	Market Value as a percentage of: Net assets	Market Value as a percentage of: Total investments
		(Rupees in '000)					%age	
30-Jan-2020	12 Months	25,000	-	25,000	-	-	-	0%
18-Jun-2020	03 Months	25,000	-	25,000	-	-	-	0%
18-Jun-2020	06 Months	75,000	-	75,000	-	-	-	0%
08-Oct-2020	03 Months	-	25,000	25,000	-	-	-	0%
10-Sep-2020	03 Months	-	75,000	75,000	-	-	-	0%
05-Dec-2019	12 Months	-	45,000	45,000	-	-	-	0%
19-Nov-2020	03 Months	-	15,000	15,000	-	-	-	0%
31-Dec-2020	03 Months	-	25,000	25,000	-	-	-	0%
22-Oct-2020	03 Months	-	50,000	50,000	-	-	-	0%
14-Jan-2021	03 Months		50,000	50,000	-	-	-	0%
28-Jan-2021	03 Months		52,000	52,000	-	-	-	0%
11-Feb-2021	03 Months		50,000	50,000	-	-	-	0%
25-Feb-2021	03 Months		25,000	25,000	-	-	-	0%
11-Mar-2021	03 Months		75,000	75,000	-	-	-	0%
25-Mar-2021	06 Months		110,000	110,000	-	-	-	0%
				-				
						-		
Carrying value before marked to market as at March 31 2021						-		

5.1.2 **Pakistan Investment Bonds**

Issue Date	Tenor	Face value: As at 01 July 2020	Face value: Purchased during the period	Face value: Sold / matured during the period	Face value: As at 31 March 2021	Market value as at 31 March 2021	Market Value as a percentage of: Net assets	Market Value as a percentage of: Total investments
		(Rupees in '000)					%age	
12-Jul-2018	10 Years	75,000	50,000	75,000	50,000	46,516	53.93%	-
19-Sep-2019	03 Years	-	100,000	100,000	-	-	-	0%
						46,516		
Carrying value before marked to market as at March 31 2021						46,808		

5.1.3 **Term finance certificates - unlisted**

Name of the investee company	Number of certificates: As at 01 July 2020	Number of certificates: Purchased during the period	Number of certificates: Sold / matured during the period	Number of certificates: As at 31 March 2021	Market value as at 31 March 2021	Market Value as a percentage of: Net assets	Market Value as a percentage of: Total investments	Market Value as a percentage of: Issue size
					Rupees in '000'	%age		
JS Bank Limited (14-Dec-2016)	5,400	-	-	5,400	27,624	32.02%	32%	
JS & Company Limited (18-Jul-2017)	5,000	-	-	5,000	12,119	14.05%	14%	
International Brands Limited	100	-	100	-		-	0%	-
The Hub Power Company Limited - Sukuk 4	200	-	200	-		-	0%	-
					39,743			
Carrying value before marked to market as at March 31 2021					38,212			

	Note	31 March 2021 Un-audited	30 June 2020 Audited
		(Rupees in '000)	
6 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration of the Management Company	6.1	248	268
Sindh Sales Tax on remuneration of the Management Company	6.2	137	139
Federal Excise Duty on remuneration of the Management Company	6.3	654	654
Reimbursement of operational expenses to the Management Company	6.4	408	407
Selling and marketing expenses	6.5	2,010	-
		3,457	1,468

6.1 The Management Company has charged its remuneration at the rate of 1.1% (30 June 2020: 1.1%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already

PAK OMAN GOVERNMENT SECURITIES FUND

subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs 0.654 million (30 June 2020: 0.654 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 31 March 2021 would have been higher by Rs. 0.0452 (30 June 2020: Rs. 0.0274) per unit.

6.4 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.

6.5 SECP vide Circular No. 11 of 2019 dated July 05, 2019 has super seeded 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	31 March 2021 Un-audited	30 June 2020 Audited
			----------Rupees in ('000) ---------	
7	**ACCRUED EXPENSES AND OTHER LIABILITIES**			
	Auditors' remuneration payable		377	340
	Printing charges payable		23	-
	Capital gain tax		374	6
	Withholding tax payable		165	141
`	Provision for Sindh Workers' Welfare Fund	7.1	2,524	2,382
	Others		737	41,083
			4,201	**43,952**

7.1 There is no change in the status of the SWWF as reported in note 11 to the annual financial statements of the Fund for the year ended 30 June 2020.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2021 and 30 June 2020.

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2021 is 2.07% which includes 0.19% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations for respective collective investment scheme.

10 TAXATION

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

		For Nine Month Ended 31 March 2021	2020
		Un-audited	
11	**TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**	----------Rupees in ('000) ---------	
11.1	<u>**Transactions for the period:**</u>		
	Pak Oman Asset Management Company Limited (Management Company)		
	Reumeration of the Management Company	2,308	2,191
	Sindh Sales tax on Remuneration of Management Company	300	285
	MCB Financial Services Limited - Trustee of the Fund		
	Remuneration of the Trustee	154	270

		31 March 2021 Un-audited	30 June 2020 Audited
		---------------Rupees (000')-----------------	
11.2	**Investments / outstanding balances as at period / year end:**		
	Pak Oman Asset Management Company Limited (Management Company)		
	Remuneration payable to the Management Company	248	2,998
	Sindh Sales Tax payable on Remuneration of the Management Company	137	390
	Federal Excise Duty payable on Remuneration of the Management Company	654	654
	Reimbursement of operational expenses to the Management Company	408	273
	Reimbursement of Selling and marketing charges to the Management Company	2,010	1,090
	MCB Financial Services Limited (Trustee)		
	Remuneraiton of Trustee	32	300
	Sindh Sales Tax on remuneration of the Trustee	4	39
	Pak Oman Investment Company Limited - Holding Company of Management Company of the Fund		
	Outstanding -14,370,416 (30 June 2020: 23,660,643) units	158,128	255,017

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 12th April 2021.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer	Chief Financial Officer	Director