



## CONTENTS

Mission & Vision Statement .....	01
Fund Information .....	02
Report of the Director of the Management Company.....	03
Report of the Trustee CDC .....	09
Independent Auditor's Review Report to the Unitholders .....	10
Condensed Interim Statement of Assets and Liabilities .....	11
Condensed Interim Income Statement .....	12
Condensed Interim Statement of Comprehensive Income .....	13
Condensed Interim Statement of Movement in Unit Holder's Fund .....	14
Condensed Interim Cash Flow Statement .....	15
Notes to the Condensed Interim Financial Information.....	16



## Our Mission

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

## Our Vision

"ASKARI 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  
 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 Farukh

**Asset Manager Rating**

AM3+

**Trustee****Central Depository Comany of Pakistan Limited**

CDC House, 99-B, Block B, S.M.C.H.S,  
 Main Shahrah-e-Faisal, Karachi.

**Auditors****RSM Avais Hyder Liaquat Nauman Chartered Accountants**

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 Banking)  
 Silk Bank Limited (Islamic Banking)

**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 Askari Asset Allocation Fund (AAAF) 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 effective 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.

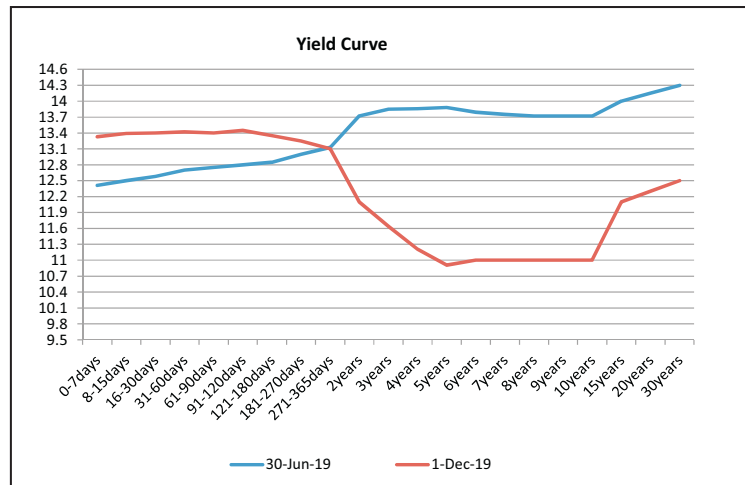
**Fixed Income Review 1HFY20**

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.

#### AAAF

In the 1HFY20, AAAF posted return of 6.93% against the benchmark return of 10.61%. Net assets at the fund stood at PKR 133mn 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 51%, exposure in TFC's remain flat at 27% whereas Cash resided at 9% 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.

27th February 2020  
Karachi - Pakistan.

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



مالیاتی سال 2020ء کے دوران رقم کی رسد میں 2.83 فی صد اضافہ ہوا۔ بینکنگ سسٹم کا NDA 2.55 فی صد تک سکر گیا۔ نجی شعبہ کے کریڈٹ میں اضافہ کی وجہ سے کریڈٹ میں کمی واقع ہوئی جو لاگت میں اضافہ کی وجہ سے تھا۔ اور نیچے ورکنگ کپٹل 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 مڑ گیا۔ 3 ماہ اور 6 ماہ پر آمدنی 65bps اور 50bps بڑھ گئی جبکہ 12 ماہ پر آمدنی 3bps تک کم ہو گئی۔ دسمبر 19 کے اختتام تک ٹریڈری بلز پر آمدنی 6،3 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 مڑ گئی۔ آمدنی میں 121bps، 297bps اور 272bps کی واقع ہوئی اور تین، پانچ اور دس سالہ بانڈز پر آمدنی بالترتیب 11.64 فی صد، 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 مد نظر 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 بنیاد پر جو بات محمولات کے اقدامات اور ان کے اثرات ہیں۔

زیر جائزہ مدت کے دوران ٹی بلز کی نیلامی میں، SBP نے 10,700 ملین روپے ہدف اور وصول شدہ 9,979 ملین روپے کے مقابلہ میں 10,796 ملین 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 3،6 اور 12 ماہ کے پیپرز میں زیادہ پیش رفت ہوئی، تاہم نومبر 19 اور دسمبر 19 میں افراط زر کا دباؤ دیکھنے کے بعد مارکیٹ مالیاتی سال 2020 کے اختتام تک شرح سود کم ہونے کی توقع کر رہی ہے، لہذا مالیاتی سال 2020 کی دوسری سہ ماہی کے دوران منصفہ 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 ملین 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 KSE 100 انڈیکس نے 9.90 فی صد کا اضافہ درج کیا۔ سال 2019 کے شروع میں KSE 100 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 حربوں 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، فریڈلائزرز 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 نمویں اہم کردار ادا کیا وہ کمرشل بینکوں تھے جنہوں نے مضبوط آمدنی میں اضافہ اور صحت مند 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 ڈیٹ، میٹوٹیکسٹائل 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/E 7.5x کثرت پر تجارت کی جا رہی ہے اور حربوں کی طرف سے پیش کردہ 2.7 فی صد منافع منقسم آمدنی کے مقابلہ میں 12.5x کی منافع منقسم آمدنی پیش کی جارہی ہے۔

### AAAF

مالی سال 20 کی پہلی ششماہی کے دوران، AAAF نے فینچ مارک منفعت 10.61 فی صد کے مقابلے میں 6.93 فی صد منفعت فراہم کی۔ دسمبر کے اختتام تک فنڈ کے خالص اثاثے 133 ملین روپے رہے۔

اس ششماہی کے دوران مجموعی ایکسپوزر آئل اینڈ گیس ایکسپلوریشن، فریڈلائزرز اور پاور اینڈ جنریشن سیکٹر میں زیادہ منافع منقسم آمدنی اور متوقع نمو کی پشت پر زیادہ ہوئی۔ مزید برآں، ریسٹ اسٹیٹ اور متفرق شعبہ میں پوزیشنز بھی واضح ہو گئیں۔

31 دسمبر 2019 کو ایکویٹی ایکسپوزر 51 فی صد، TFC میں ایکسپوزر 27 فی صد پر برقرار رہا جبکہ فنانسنگ 9 فی صد رہا۔

### اظہار تشکر

ہم ان تمام سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، فنڈ کے متولیوں 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 دلچسپی

صدف کاکڑی

چیف ایگزیکٹو آفیسر

27 فروری 2020ء

کراچی - پاکستان



## پونٹ ہولڈرز کو ڈائریکٹران کی رپورٹ

پاک اومان ایسٹ مینجمنٹ کمپنی لمیٹڈ ("منظم کمپنی" یا "POAMCL" یا "کمپنی") کے بورڈ آف ڈائریکٹرز عسکری ایسٹ ایلیکشن فنڈ (AAAF) 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 2020ء 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 2020ء 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 افراط زر مالیاتی سال 2019ء میں 5.96 فی صد کے مقابلہ میں اوسط 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۔ قلیل ازیں ڈسکاؤنٹ شرح میں اضافہ کا فیصلہ اعلیٰ ہیڈلائن اور بنیادی افراط زر میں اضافہ، زرمبادلہ کی شرح میں کمی، مالیاتی خسارہ اور پینٹنٹ نرخوں میں اتار چڑھاؤ کی وجہ سے کیا گیا۔

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

مالی سال 2020ء کے 6 ماہ میں بھاری ادائیگی کی پوزیشن کافی بہتر ہوئی اور سہ ماہی میں پاکستانی روپیہ مستحکم رہا۔ SBP کے غیر ملکی زرمبادلہ کے ذخائر بڑھ کر 4 ملین ڈالر تک ہو گئے جبکہ مالیاتی سال 2020ء کے آغاز سے 6M-FY20 میں، بھاری 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 2020ء کے آغاز سے وزارت نے مختصر تبادلہ کی 1.95 ملین 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 بھاری ادائیگی کی پائیدار پوزیشن بہت بڑا چیلنج ہوگا۔



CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED

#### Head Office

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Karachi - 74400, Pakistan.  
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#### TRUSTEE REPORT TO THE UNIT HOLDERS

##### ASKARI ASSET ALLOCATION FUND

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

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

- Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

We would like to draw unit holder's attention towards the fact that exposure of the Fund in JS Bank Limited reached 11.87% of the net assets as on December 31, 2019; thus Fund is in non-compliance of Regulation 55(5) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC & NE Regulations) which states that the exposure of Collective Investment Scheme to any single entity shall not exceed an amount equal to ten (10) percent of its total net assets.

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

*Badiuddin Akber*

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 28, 2020







## ASKARI ASSET ALLOCATION FUND



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### INDEPENDENT AUDITOR'S REVIEW REPORT

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

#### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Askari 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 December 27, 2019 expressed unmodified opinion thereon. Further, the condensed interim financial statements of the Company for the half year ended December 31, 2018 were reviewed by the same auditor whose report dated March 07, 2019 expressed an unmodified conclusion thereon.

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

SD  
Chartered Accountants  
Karachi  
Date: February 28, 2020

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## ASKARI ASSET ALLOCATION FUND

### CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2019

		Un-audited 31 December 2019	Audited 30 June 2019
Note		Rupees in '000-----	
<b>ASSETS</b>			
Bank balances	4	12,664	31,326
Investments	5	107,802	82,525
Receivable against sale of investments		357	-
Mark-up accrued and dividend receivable	7	508	1,859
Advances, deposits, prepayments and other receivables	8	18,339	15,376
<b>Total assets</b>		<b>139,670</b>	<b>131,086</b>
<b>LIABILITIES</b>			
Payable to Pak Oman Asset Management Company Limited - Management Company	9	4,567	4,421
Payable to Central Depository Company of Pakistan Limited - Trustee	10	25	65
Payable to the Securities and Exchange Commission of Pakistan	11	12	145
Dividend payable		4	4
Accrued expenses and other liabilities	12	2,555	1,427
<b>Total liabilities</b>		<b>7,163</b>	<b>6,062</b>
<b>NET ASSETS</b>		<b>132,507</b>	<b>125,024</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>132,507</b>	<b>125,024</b>
<b>Contingenices and commitments</b>	13		
<b>Number of units in issue</b>		<b>3,146,186</b>	<b>3,174,297</b>
<b>Net asset value per unit</b>		<b>42.12</b>	<b>39.39</b>

The annexed notes from 1 to 19 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



## ASKARI ASSET ALLOCATION FUND

### CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED AND QUARTER ENDED 31 DECEMBER 2019

	For the half year ended 31 December		For the quarter ended 31 December	
	2019	2018	2019	2018
Note	-----Rupees in '000-----			
<b>INCOME / (LOSS)</b>				
Profit on bank balances	2,299	1,625	1,042	848
Profit on TFC and Sukuk Certificate	3,132	2,770	1,554	1,776
Dividend income	1,051	1,736	709	979
Other income	138	256	-	-
Net capital gain / (loss) on sale of investments	1,743	(2,848)	1,935	(3,062)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	3,216	(8,380)	5,617	(5,292)
<b>Total income/ (loss)</b>	<b>11,579</b>	<b>(4,841)</b>	<b>10,857</b>	<b>(4,751)</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	9.1 1,261	1,733	643	892
Sindh Sales Tax on remuneration of the Management Company	9.2 164	225	84	116
Reimbursement of operational expenses to the Management Company	9.4 63	87	32	45
Selling and marketing expense	9.5 252	347	128	179
Remuneration of Central Depository Company of Pakistan Limited - Trustee	142	399	72	201
Annual fee to the Securities and Exchange Commission of Pakistan	13	82	7	42
Auditors' remuneration	355	477	178	184
Securities transaction cost / (reversal)	153	432	(31)	357
Printing and stationary charges / (reversal)	15	-	15	(4)
Fee and Subscription	71	71	35	35
Bank charges	326	21	321	14
Provision for Sindh Workers Welfare Fund	175	-	175	-
<b>Total expenses</b>	<b>2,990</b>	<b>3,874</b>	<b>1,659</b>	<b>2,061</b>
<b>Net income / (loss) for the period before taxation</b>	<b>8,589</b>	<b>(8,715)</b>	<b>9,198</b>	<b>(6,812)</b>
Taxation	15 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>8,589</b>	<b>(8,715)</b>	<b>9,198</b>	<b>(6,812)</b>
<b>Allocation of Net income (loss) for the period:</b>				
- Income already paid on units redeemed	-	-	-	-
	<b>8,589</b>	<b>(8,715)</b>	<b>9,198</b>	<b>(6,812)</b>
<b>Accounting income available for distribution:</b>				
- Relating to capital gains	4,959	-	7,552	-
- Excluding capital gains	3,630	-	1,646	-
	<b>8,589</b>	<b>-</b>	<b>9,198</b>	<b>-</b>

The annexed notes from 1 to 19 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

For The Half Year and Quarter Ended December 31, 2019

12



## ASKARI ASSET ALLOCATION FUND

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED AND QUARTER ENDED 31 DECEMBER 2019

	For the half year ended 31 December		For the quarter ended 31 December	
	2019	2018	2019	2018
	-----Rupees in '000-----			
<b>Net income / (loss) for the period after taxation</b>	<b>8,589</b>	<b>(8,715)</b>	<b>9,198</b>	<b>(6,812)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>8,589</b>	<b>(8,715)</b>	<b>9,198</b>	<b>(6,812)</b>

The annexed notes from 1 to 19 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

For The Half Year and Quarter Ended December 31, 2019

13



# ASKARI ASSET ALLOCATION FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	For the half year ended December 31					
	2019			2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	-----Rupees in '000-----					
Net assets at beginning of the year	401,443	(276,419)	125,024	425,007	(263,543)	161,464
Issuance of Nil (2018: 538,644 units)						
- Capital value	-	-	-	23,086	-	23,086
- Element of loss	-	-	-	(86)	-	(86)
Total proceeds on issuance of units	-	-	-	23,000	-	23,000
Redemption of 28,111 units (2018: 1,044,979 units)						
- Capital value	(1,107)	-	(1,107)	(44,786)	-	(44,786)
- Element of income	1	-	1	1,655	-	1,655
Total payments on redemption of units	(1,106)	-	(1,106)	(43,131)	-	(43,131)
Total comprehensive loss for the year	-	8,589	8,589	-	(8,715)	(8,715)
Net assets at end of the year	400,337	(267,830)	132,507	404,876	(272,258)	132,618
[Units outstanding: 3,146,186 (2018: 3,261,024)]						
Accumulated loss brought forward comprising of:						
-Realized		(268,702)			(223,892)	
-Unrealised		(7,717)			(2,968)	
		(276,419)			(226,860)	
Accounting loss available for distribution:						
-Relating to capital gains		4,959			-	
-Excluding capital gains		3,630			(8,715)	
		8,589			(8,715)	
Undistributed loss carried forward - net		(267,830)			(235,575)	
Undistributed loss carried forward comprising of:						
-Realized		(271,046)			(227,075)	
-Unrealised		3,216			(8,500)	
		(267,830)			(235,575)	
-----Rupees-----						
Net asset value at the beginning of the period		39.39			42.86	
Net asset value at the end of the period		42.12			40.67	

The annexed notes from 1 to 19 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

For The Half Year and Quarter Ended December 31, 2019

14



# ASKARI ASSET ALLOCATION FUND

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December	
	2019	2018
Note	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period after taxation	8,589	(8,715)
Adjustments:		
Return / mark-up on:		
- bank balances	(2,299)	(1,625)
- TFC and Sukuk certificates	(3,132)	(2,770)
Dividend Income	(1,051)	(1,736)
Other income	(138)	(256)
Capital/ (loss) on sale of investment - net	(1,743)	2,848
Unrealised loss on revaluation of investment - net	(3,216)	8,380
	(11,579)	4,841
<b>Decrease in assets</b>		
Investments - net	(20,318)	(10,095)
Receivable from sale of investments	(357)	23,534
Mark-up accrued and dividend receivable	-	-
Advances, deposits, prepayments and other receivables	(2,963)	(2,278)
	(23,638)	11,161
<b>(Decrease) / Increase in liabilities</b>		
Payable to Asset Management Company	146	(264)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(40)	2
Payable to the Securities and Exchange Commission of Pakistan	(133)	(79)
Payable against purchase of investment	656	(4,352)
Accrued expenses and other liabilities	472	(296)
	1,101	(4,989)
Profit on bank balances received	2,287	1,577
Profit on term finance certificates / sukuk received	4,581	3,590
Dividend received	1,103	1,765
<b>Net cash generated from operating activities</b>	(17,556)	9,230
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	-	23,000
Cash dividend	-	-
Net payments against redemption of units	(1,106)	(43,131)
<b>Net cash used in financing activities</b>	(1,106)	(20,131)
<b>Net decrease in cash and cash equivalents</b>	(18,662)	(10,901)
Cash and cash equivalents at the beginning of the period	31,326	25,135
<b>Cash and cash equivalents at the end of the period</b>	12,664	14,234

The annexed notes from 1 to 19 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

For The Half Year and Quarter Ended December 31, 2019

15





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

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Askari Asset Allocation Fund (the Fund) was established under a Trust deed executed between Askari Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee on 17 January 2007. The Fund was registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in February 2009.

Pak Oman Asset Management Company Limited (POAMCL) has acquired 100% shares of Askari Investment Management Limited (AIML) from Askari Bank Limited on May 31, 2017 under share purchase agreement dated April 10, 2017. PAOMCL has filed amalgamation scheme, under Section 282 (L) of the Repealed Companies Ordinance 1984, which has been approved by SECP via its order dated October 12, 2017. The effective date of merger of POAMCL and AIML is October 30, 2017 as per the above mentioned order."

- 1.2** The Management Company is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules. The registered office of the Management Company is situated at Finance and Trade Centre, First Floor, Tower A, Karachi, Pakistan.
- 1.3** The Fund is an open ended mutual fund categorised as an 'asset allocation scheme' by the Management Company and is listed on the Pakistan Stock Exchange Limited. The units are being offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4** The objective of the Fund is to invest in equity securities as well as debt securities including government securities, commercial papers and various other money market instruments.
- 1.5** The PACRA Credit Rating Company Limited (PACRA) has assigned management quality rating of 'AM3+' to the Management Company and JCR-VIS Credit Rating Company (JCR-VIS) has assigned fund performance ranking of 'MFR 3-Star'.
- 1.6** Title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) 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 the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.



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

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for the investments which are stated at fair value.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency. All amounts have been rounded off to the nearest of Rupee, unless otherwise indicated.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENT AND CHANGES THEREIN**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2019.

		31 December 2019	30 June 2019
	Note	Un-audited	Audited
<b>4 BANK BALANCES</b>			
Balances with banks:			
- in saving accounts	4.1	12,664	31,326
		<u>12,664</u>	<u>31,326</u>

- 4.1** The rate of return on these accounts ranges between 10.25% and 14.25% (30 June 2019: 3.75% and 10.25%) per annum.

		31 December 2019	30 June 2019
	Note	Un-audited	Audited
		-----Rupees in '000-----	
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss - held for trading</b>			
Listed equity securities	5.1	70,553	27,491
		<u>70,553</u>	<u>27,491</u>
Sukuk certificates	5.2	12,669	14,693
Term finance certificates	5.3	24,580	40,341
		<u>37,249</u>	<u>55,034</u>
		<u>107,802</u>	<u>82,525</u>



## ASKARI ASSET ALLOCATION FUND

### 5.1 Listed equity securities

At fair value through profit or loss - 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		Percentage		
	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 a percentage of total investments	Market Value as a percentage of net assets	Paid up capital of investee company

#### COMMERCIAL BANKS

Bank Alfalah Limited	-	11,000	-	-	11,000	531	0.47%	0.38%	0.001%
Bank Al Habib Limited	-	9,000	-	-	9,000	697	0.64%	0.52%	0.001%
Faysal Bank Limited	26,500	-	-	17,500	9,000	194	0.16%	0.13%	0.001%
Habib Bank Limited	3,500	17,400	-	-	20,900	3,088	3.05%	2.48%	0.001%
MCB Bank Limited	-	9,400	-	5,000	4,400	913	0.84%	0.68%	0.000%
National Bank of Pakistan	-	12,000	-	-	12,000	513	0.48%	0.39%	0.001%
United Bank Limited	3,000	5,700	-	-	8,700	1,304	1.33%	1.08%	0.001%
	<b>33,000</b>	<b>64,500</b>	<b>-</b>	<b>22,500</b>	<b>75,000</b>	<b>7,240</b>	<b>7.502</b>	<b>6.97%</b>	<b>5.66%</b>

#### TEXTILE COMPOSITE

Gul Ahmed Textile Mills Limited	1,500	3,000	300	-	4,800	191	0.19%	0.16%	0.001%
Interloop Limited	-	20,000	-	-	20,000	1,148	1.08%	0.88%	0.002%
Nishat (Chunian) Limited	3,500	11,000	-	-	14,500	536	0.57%	0.47%	0.006%
Nishat Mills Limited	2,500	14,300	-	3,000	13,800	1,348	1.36%	1.11%	0.004%
	<b>7,500</b>	<b>48,300</b>	<b>300</b>	<b>3,000</b>	<b>53,100</b>	<b>3,223</b>	<b>3.451</b>	<b>3.20%</b>	<b>2.62%</b>

#### CEMENT

Attock Cement Pakistan Limited	3,640	-	-	-	3,640	260	0.35%	0.28%	0.003%
D.G. Khan Cement Company Limited	5,000	2,000	-	-	7,000	431	0.48%	0.39%	0.002%
Fauji Cement Company Limited	15,000	-	-	15,000	-	-	0.00%	0.00%	0.000%
Kohat Cement Company Limited	-	21,500	-	-	21,500	1,656	1.54%	1.26%	0.011%
Lucky Cement Limited	2,650	3,000	-	-	5,650	2,112	2.24%	1.83%	0.002%
Cherat Cement Company Limited	-	2,000	-	-	2,000	106	0.10%	0.08%	0.001%
Pioneer Cement Limited	12,500	-	-	12,500	-	-	0.00%	0.00%	0.000%
	<b>38,790</b>	<b>28,500</b>	<b>-</b>	<b>27,500</b>	<b>39,790</b>	<b>4,567</b>	<b>5.086</b>	<b>4.71%</b>	<b>3.84%</b>

#### POWER GENERATION AND DISTRIBUTION

The Hub Power Company Limited	39,234	37,500	-	10,000	66,734	5,575	6,230	5.78%	4.70%	0.006%
Nishat (Chunian) Power Limited	40,000	-	-	-	40,000	696	768	0.71%	0.58%	0.011%
Nishat Power Limited	25,000	-	-	-	25,000	689	681	0.63%	0.51%	0.007%
Lalpur Power Limited	-	89,500	-	-	89,500	1,270	1,299	1.20%	0.98%	0.024%
K-Electric Limited (Face value Rs. 3.50 per share)	474,500	300,000	-	325,000	449,500	1,905	1,964	1.82%	1.48%	0.002%
	578,734	427,000	-	335,000	670,734	10,135	10,942	10.14%	8.25%	

#### OIL AND GAS MARKETING COMPANIES

Sui Northern Gas Pipelines Limited	5,999	40,500	-	5,000	41,499	3,084	3,161	2.93%	2.39%	0.007%
Hasco Petroleum Limited	4,125	-	16,572	20,697	-	-	-	0.00%	0.00%	0.000%
Pakistan State Oil Company Limited	9,000	7,800	1,800	7,500	11,100	1,844	2,127	1.97%	1.61%	0.003%
Sui Southern Gas Company Limited	5,000	-	-	5,000	-	-	-	0.00%	0.00%	0.000%
	24,124	48,300	18,372	38,197	52,599	4,928	5,288	4.90%	4.00%	

#### OIL AND GAS EXPLORATION COMPANIES

Oil & Gas Development Company Limited	22,400	31,500	-	-	53,900	7,054	7,671	7.12%	5.79%	0.001%
Mari Petroleum Company Limited	-	400	-	-	400	532	524	0.49%	0.40%	0.000%
Pakistan Oilfields Limited	2,150	2,200	-	1,000	3,350	1,419	1,497	1.39%	1.13%	0.001%
Pakistan Petroleum Limited	11,625	44,900	2,325	5,000	53,850	6,800	7,385	6.85%	5.57%	0.002%
	<b>36,175</b>	<b>79,000</b>	<b>2,325</b>	<b>6,000</b>	<b>111,500</b>	<b>15,805</b>	<b>17,077</b>	<b>15.85%</b>	<b>12.89%</b>	

#### ENGINEERING

Mughal Iron and Steel Industries Limited	-	45,500	-	5,000	40,500	1,720	1,659	1.54%	1.25%	0.016%
Amreli Steels Limited	3,000	-	-	-	3,000	74	108	0.10%	0.08%	0.001%
	<b>3,000</b>	<b>45,500</b>	<b>-</b>	<b>5,000</b>	<b>43,500</b>	<b>1,794</b>	<b>1,767</b>	<b>1.64%</b>	<b>1.33%</b>	

#### CABLE & ELECTRICAL GOODS

Pak Elektron Limited	50,000	-	-	50,000	-	-	-	-	-	0.000%
	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## ASKARI ASSET ALLOCATION FUND

Name of Investee Company	Number of Shares					Rupees		Percentage		
	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

#### FERTILIZER

Dawood Hercules Corporation Limited	6,000	-	-	6,000	-	-	-	0.00%	0.00%	0.000%
Engro Corporation Limited	8,250	16,700	-	-	24,950	7,576	8,614	7.99%	6.50%	0.005%
Fauji Fertilizer Bin Qasim Limited	12,000	81,000	-	-	93,000	2,020	1,815	1.68%	1.37%	0.010%
Fauji Fertilizer Company Limited	13,500	3,000	-	-	16,500	1,495	1,675	1.55%	1.26%	0.001%
Engro Fertilizers Limited	11,000	43,000	-	-	54,000	3,822	3,965	3.68%	2.99%	0.004%
	50,750	143,700	-	6,000	188,450	14,913	16,069	14.90%	12.12%	

#### PHARMACEUTICALS

Abbott Laboratories (Pakistan) Limited	500	-	-	500	-	-	-	0.00%	0.00%	0.000%
AGP Limited	-	15,000	-	-	15,000	1,307	1,490	1.38%	1.12%	0.005%
The Searle Company Limited	712	-	-	-	712	104	134	0.12%	0.10%	0.000%
	1,212	15,000	-	500	15,712	1,411	1,624	1.50%	1.22%	

#### CHEMICALS

Lotte Chemical Pakistan Limited	-	55,000	-	30,000	25,000	362	351	0.33%	0.26%	0.002%
Engro Polymer & Chemicals Limited	25,000	-	-	25,000	-	-	-	0.00%	0.00%	0.000%
	<b>25,000</b>	<b>55,000</b>	<b>-</b>	<b>55,000</b>	<b>25,000</b>	<b>362</b>	<b>351</b>	<b>0.33%</b>	<b>0.26%</b>	

#### FOODS AND PERSONAL CARE PRODUCTS

Al Shaheer Corporation Limited	5,250	-	-	4,500	750	9	11	0.01%	0.01%	0.001%
Fauji Foods Limited	49,000	29,500	-	-	78,500	1,148	1,136	1.05%	0.86%	0.015%
	<b>54,250</b>	<b>29,500</b>	<b>-</b>	<b>4,500</b>	<b>79,250</b>	<b>1,157</b>	<b>1,147</b>	<b>1.06%</b>	<b>0.87%</b>	

#### REAL STATE INVESTMENT TRUST

Dolmen City REIT	137,500	-	-	137,500	-	-	-	0.00%	0.00%	0.000%
	137,500	-	-	137,500	-	-	-	0.00%	0.00%	

#### MISCELLANEOUS

National Refinery Limited	-	7,000	-	7,000	-	-	-	0.00%	0.00%	0.000%
Hi-Tech Lubricants Limited	-	8,000	-	-	8,000	305	249	0.23%	0.19%	0.007%
Tri-Pack Films Limited	600	-	-	600	-	-	-	0.00%	0.00%	0.000%
	600	15,000	-	7,600	8,000	305	249	0.23%	0.19%	

Total as at 31 December 2019

<b>65,840</b>	<b>70,553</b>	<b>65.43%</b>	<b>53.25%</b>
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### 6.1.1

Investments include shares with market value of Rs. 5.52 million (30 June 2019: Rs. 4.70 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.

### 5.2

#### Sukuk Certificates

Name of the investee company	Number of certificate				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	As at 31 December 2019		Net assets	Market value of total investments	Issue size

Rs in '000' ----- %

International Brands Limited (15-Nov-2017)	150	-	-	150	12,669	9.56%	11.75%	0.53%
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Carrying value before mark to market as at 31 December 2019

12,572

### 6.2.1

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
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International Brands limited	100,000	One year KIBOR + 3%	A+	15-Nov-17	15-Nov-21
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### 6.2.2

These sukuk certificates are secured by hypothecation charge over the assets of the issuer and pledge of shares of the issuers.



## ASKARI ASSET ALLOCATION FUND

### 5.3 Term finance certificates - unlisted

Name of the investee company	Number of certificate				Market value as at 31 December	Investment as a percentage of		
	As at 01 July 2019	Purchased during the year	Sold / matured	As at 31 December		Net assets	Market value of total	Issue size
TPL Corporation Limited (19-Dec-2017)	160	-	160	-	-	-	-	-
JS Bank Limited (29-Dec-2017)	175	-	-	175	15,736	11.88%	14.60%	0.88%
The Bank of Punjab (23-Apr-2018)	180	-	180	-	-	0.00%	0.00%	0.00%
The Bank of Punjab (23-Dec-2016)	-	90	-	90	8,844	6.67%	8.20%	0.36%
	<b>515</b>	<b>90</b>	<b>340</b>	<b>265</b>	<b>24,580</b>	<b>18.55%</b>	<b>22.80%</b>	

All term finance certificates have a face value of Rs. 5,000 each unless stated otherwise

Carrying value before marked to market as at December 31, 2019

26,174

### 6.3.1 Other particulars of term finance 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
JS Bank Limited (2nd issue)	99,960	6 months KIBOR offer rate + 1.4%	AA-	29-Dec-17	29-Dec-21
The Bank of Punjab (2nd issue)	99,980	6 months KIBOR offer rate + 1.25%	AA	23-Apr-18	23-Apr-21

**31 December 2019**      **30 June 2019**  
**Un-audited**      **Audited**  
**Note**      **-----Rupees '000-----**

### 7. MARK-UP ACCRUED AND DIVIDEND RECEIVABLE

Dividend receivable	122	174
Mark-up accrued on bank balances	199	187
Mark-up accrued on TFC and Sukuk certificates	187	1,498
	<b>508</b>	<b>1,859</b>

### 8. ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Prepayment	51	99
Advance tax	8,429	4,401
Receivable from NCCPL against exposure margin	-	-
Security deposits with :		
- Central Depository Company of Pakistan Limited	100	100
- National Clearing Company of Pakistan Limited	2,750	3,750
Other Receivable	7,009	7,026
	<b>18,339</b>	<b>15,376</b>

### 9. PAYABLE TO PAK OMAN ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company	9.1	57	207
Sindh sales tax payable on remuneration of the Management Company	9.2	432	452
Federal Excise Duty payable on remuneration of the Management Company	9.3	2,830	2,830
Reimbursement of operational expenses to the Management Company	9.4	385	322
Marketing and advertising fee payable	9.5	863	610
		<b>4,567</b>	<b>4,421</b>

For The Half Year and Quarter Ended December 31, 2019

20



## ASKARI ASSET ALLOCATION FUND

**9.1** The Management Company has charged its remuneration at the rate of 2% (30 June 2019: 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.

**9.2** 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.

**9.3** The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund as explained in note 6.2 above, the Management Company is of the view that further levy of FED was not justified.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 1 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 2.830 million (30 June 2019: Rs. 2.830 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 31 December 2019 would have been higher by Rs. 0.8994 (30 June 2019: Rs. 0.7511) per unit.

**9.4** 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..

**9.5** SECP vide Circular No. 40 of 2016 dated 30 December 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) 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.

For The Half Year and Quarter Ended December 31, 2019

21



## ASKARI ASSET ALLOCATION FUND

	31 December 2019 Un-audited	30 June 2019 Audited
	-----Rupees '000-----	
<b>10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
Remuneration of the Trustee	22	58
Sindh Sales Tax on remuneration of the Trustee	3	7
	<b>25</b>	<b>65</b>

**10.1** The Trustee is entitled to a monthly remuneration at the rate of 0.12% (2018: 0.12%) of the average annual net assets of the Fund for services rendered under the provisions of the Trust Deed.

**10.2** The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (2018: 13%) on the remuneration of the trustee through Sindh Sales Tax on Services Act, 2011.

### 11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

**11.1** Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as asset allocation is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.095 percent of the average annual net assets of the Fund. The fee is paid annually in arrears.

	31 December 2019 Un-audited	30 June 2019 Audited
	-----Rupees '000-----	
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	710	355
Printing Charges Payable	7	78
Payable against purchase of investment	656	281
Payable against redemption of units	53	-
Withholding and capital gain tax payable	31	5
Brokerage payable	248	33
Provision for Sindh Workers' Welfare Fund	850	675
	<b>2555</b>	<b>1427</b>

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

### 13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31st December 2019 and June 30, 2019.



## ASKARI ASSET ALLOCATION FUND

### 14. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2019 is 4.55% which includes 0.47% 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 a asset allocation scheme.

### 15. 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.

### 16. TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

**16.1** 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.

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

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

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

	Un-audited	
	-----Rupees in '000-----	
	31 December	
	2019	2018

**16.5** Details of transaction with related parties during the period are as follows:

#### Pak Oman Asset Management Company Limited (Management Company)

Reuneration of the Management Company	1,261	1,733
Sindh Sales tax on Remuneration of Management Company	164	225
Reimbursement of operational expenses to the Management Company	63	87
Selling and Marketing expense	252	347

#### Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	126	353
SST on Remuneration of the Trustee	16	46



## ASKARI ASSET ALLOCATION FUND

### 16.6 Details of balances with related parties as at the period / year end are as follows:

	31 December 2019 Un-audited -----Rupees in '000-----	30 June 2019 Audited -----Rupees in '000-----
<b>Pak Oman Asset Management Company Limited (Management Company)</b>		
Remuneration payable to the management company	57	207
Sindh Sales tax payable on remuneration of the Management Company	432	452
Federal Excise Duty payable on remuneration of the Management Company	2,830	2,830
Reimbursement of operational expenses to the Management Company	385	322
Marketing and advertising fee payable	863	610
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee fee payable	22	58
SST on Trustee fee payable	3	7
Security Deposit	100	100
<b>Askari Bank Limited*</b> <b>(Unit holder of 10% or more units of the Fund)</b>		
Outstanding 2,500,000 Units (30 June 2019: 2,500,000)]	105,300	98,466
Balances with Bank	4,937	17,385
Profit receivable on bank deposit	69	69
<b>National Logistic Cell*</b> <b>(Unit holder of 10% or more units of the Fund)</b>		
Outstanding 499,781 Units (30 June 2019: 499,781)]	21,051	19,685

\*This represents 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

### 17. 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.



## ASKARI ASSET ALLOCATION FUND

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
<b>Financial assets measured at fair value</b>				
Listed equity securities	70,553	-	-	70,553
Term Finance Certificates	-	24,580	-	24,580
Sukuk Certificates	-	12,669	-	12,669
	<b>70,553</b>	<b>37,249</b>	<b>-</b>	<b>107,802</b>
	As at June 30, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Listed equity securities	27,491	-	-	27,491
Term Finance Certificates	-	14,693	-	14,693
Sukuk Certificates	-	40,341	-	40,341
	<b>27,491</b>	<b>55,034</b>	<b>-</b>	<b>82,525</b>

### 18. GENERAL


Figures have been rounded off to the nearest thousand rupee.

Corresponding figures have been reclassified and / or rearranged where necessary, impact of which is immaterial.

### 19. 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