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Our Mission

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

Our Vision

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



FUND INFORMATION

Management Company

Pak Oman Asset Management Company Limited.
 ICON House 83-C, 12th Commercial Street,
 Phase-II Extension, DHA, Karachi.
 Phone : +92 - 21 - 35899641-44
 Fax : +92 - 21 - 35899645
 Website : www.pakomanfunds.com

Board of Director of The Management Company

H.E Yahya Bin Said Bin Abdullah Al- Jabri	Chairman
Mr. Bahauddin Khan	Director
Mr. Humayun Murad	Director
Mr. Jehangir Shah	Director
Mr. Rashid Ali Ibrahim Al Balushi	Director
Ms. Sadaf Kazmi	CEO

Audit Committee

Mr. Humayun Murad	Chairman
Mr. Bahauddin Khan	Member
Mr. Rashid Ali Ibrahim Al Balushi	Member

Chief Financial Officer

Mr. Abdul Rehman

Company Secretary

Ms. Hina Mir

Asset Manager Rating

AM3 + (Stable Outlook)

Trustee

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

Auditors

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

Bankers to The Fund

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.

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 quarter report of the Pak Oman Government Security Fund (POGSF) for the Quarter Ended 30 September 2020.

Economic Review 1Q-FY21

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

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

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

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

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

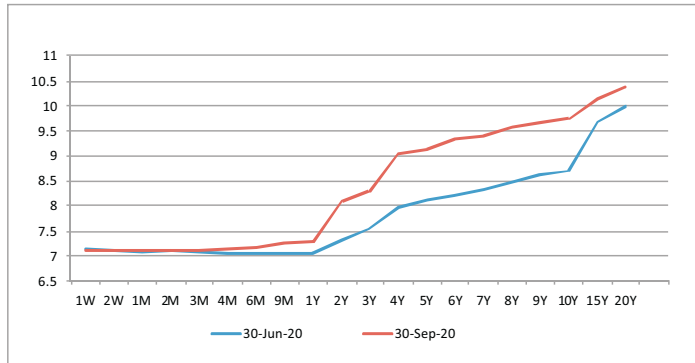
Fixed Income Review 1Q-FY21

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



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



POGSF

In 1QFY21, POGSF posted return of 1.25% as compared to benchmark of 6.96%. The fund underperformed its benchmark due to marked to market valuation impact on government securities. Assets under management of the fund saw negligible change and stood at PKR 256 million by end of Sep-20.

During the period, exposure against PIBs averaged at 26.40% as compared to 22.11% in previous quarter. Average investment in T-Bill stood at 43.27% as compared to 23.64% in previous quarter. Investment against this asset class was increased by liquidating investments against other longer tenor instruments. During the period, average investment in TFCs stood at 21.36% as compared to 19.75% in previous quarter. Remaining funds were invested as cash with A and above rated banks. Average cash exposure of the fund during June-20 to Sep 2020 stood at 8.98% of the fund size.



Acknowledgment

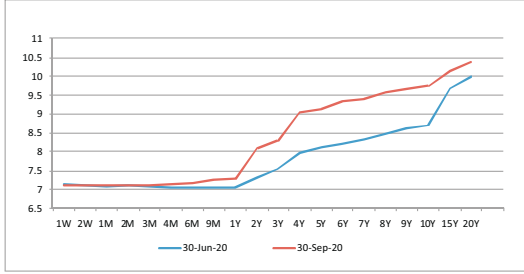
We thank all our investors who have placed their confidence in us. We also offer our sincere gratitude to the Securities and Exchange Commission of Pakistan, the Trustee of the Fund and the management of the Pakistan Stock Exchange. We also wish to place on record our appreciation for the employees of the Management Company.

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

15 October, 2020
Karachi - Pakistan.



12 ماہ کے ہیجڑ پر نظر ثانی شدہ منافع با ترتیب 7.1292 فی صد، 7.180 فی صد اور 7.3090 فی صد رہا۔ مستقل شرح کے بانڈز پر PIB بنیادی میں SBP نے 4.20 بلین روپے ہدف کے مقابلے میں 260 بلین روپے اکٹھے کئے۔ بینکوں نے 474 بلین روپے کی پینکشن کی۔ 3، 5، 10 اور 10 سالہ بانڈز پر نظر ثانی شدہ منافع با ترتیب 8.20 فی صد، 8.45 فی صد اور 1045 فی صد ملے گا۔ جبکہ 15 سالہ مدت کے بانڈز پر کوئی بولی نہ ہوئی۔



POGSF

1QFY21 میں، POGSF نے 1.25 فی صد شیڈ مارک منفعیت کے مقابلے میں 6.96 فی صد رج کرانی۔ فنڈ نے گورنمنٹ سیکورٹیز پر مارکیٹ قیمت کے اثرات کی وجہ سے اپنے شیڈ مارک میں اتار چڑھاؤ کو دیکھا۔ فنڈ کے زیر انتظام اثاثہ جات کی قدر میں معمولی کمی ہوئی اور ستمبر 20 کے اختتام تک 256 بلین روپے پر قائم رہی ہے۔ مدت کے دوران، PIBs میں ایکسپوزیچر گزشتہ ماہ میں 22.11% کے مقابلے میں 26.40% گزشتہ ماہ میں 23.64 فی صد کے مقابلے میں ٹریڈر کی مدد میں اوسط 43.27 فی صد سرمایہ کاری ہوئی۔ اس اثاثہ کلاس کی سرمایہ کاری میں دیگر طویل مدتی آلات میں ایکویٹی سرمایہ کاری کے ذریعے اضافہ ہوا۔ مدت کے دوران TFCs میں اوسط سرمایہ کاری گزشتہ ماہ میں 19.75% کے مقابلے میں 21.36% رہی۔ بقدرتوں A اور اس سے زائد درجے کے بینکوں میں نقد سرمایہ کاری پر صرف کئے گئے۔ جون۔ ستمبر 2020ء کے دوران فنڈ کا اوسط پوزیشن ایکسپوزیچر فنڈ سائز کا 8.98% 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 جماعت کو شکریہ ادا کرتے ہیں۔ منتظم کمپنی کے ملازمین کے لئے ہم اپنی ستائش ریکارڈ پر لانا چاہتے ہیں۔

صدف کاظمی

چیف ایگزیکٹو آفیسر

15 اکتوبر 2020ء

کراچی۔ پاکستان



پونٹ ہولڈرز کو ڈائریکٹران کی رپورٹ

پاک اومان گورنمنٹ سیکورٹیز ایجنڈہ (منتظم کمپنی "یا" "POAMCL" یا "سکپتی") کے بورڈ آف ڈائریکٹرز پاک اومان گورنمنٹ سیکورٹیز فنڈ (POGSF) کی 30 ستمبر 2020ء کو ختم ہونے والی سرمایہ کے لئے پیش کرتے ہوئے اظہار سرت کرتے ہیں۔

اقتصادی جائزہ برائے پہلی سرمایہ مالیاتی سال 2021ء

1QFY21 میں CPI اوسط گزشتہ ماہ میں 8.43% اور گزشتہ سال کی اسی سرمایہ میں 10.08% کے مقابلے میں 8.84% رہی۔ سرمایہ کے دوران زیادہ افراط زر کی بڑی وجہ خراب نہ ہونے والی غذائی قیمتوں اور توانائی کی قیمتوں میں اضافہ شامل ہیں۔ زیر جائزہ مدت کے دوران، SPI کی اور WPI با ترتیب 12.46 فی صد رہی۔ بیرونی محاذ پر، کرنٹ اکاؤنٹ گزشتہ سال کی تقابلی مدت میں 1,492 بلین ڈالر خسارہ جی ڈی پی کا ضمنی 2.3% فیصد کے مقابلے میں مالیاتی سال 21 کی پہلی سرمایہ میں 792 بلین ڈالر کے سرپلس یعنی جی ڈی پی کا پلس 1.2% ملے گا۔ کرنٹ اکاؤنٹ میں بہتری میں سرورسز خسارہ میں کمی اور بیرون ملک مقیم کارکنوں کی تریات زر میں تقریباً 31 فیصد کی سخت مندرجہ ذیل شرح کارڈار ہیں۔ اس عرصے کے دوران، ملک کی درآمدات میں 3.83 فیصد کمی واقع ہوئی جبکہ برآمدات میں گزشتہ سال کی اسی مدت کے مقابلے میں 10.48 فیصد کمی ہوئی ہے۔

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

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

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

مستقل آمدنی تجزیہ پہلی سرمایہ مالیاتی سال 2021ء

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

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

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



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT SEPTEMBER 30, 2020

		September 30 2020 Un-audited	June 30 2020 Audited
	Note	-----Rupees in (000') -----	
Assets			
Balance with banks	5	4,959	30,649
Investments	6	254,754	266,518
Mark-up accrued		2,632	5,005
Deposits, prepayment and other receivable		1,128	425
Total assets		263,473	302,596
Liabilities			
Payable to Management Company	7	3,226	1,468
Payable to Trustee		16	18
Payable to the Securities & Exchange Commission of Pakistan		13	54
Dividend payable		144	40,365
Accrued expenses and other liabilities	8	3,277	3,587
Total liabilities		6,676	45,492
NET ASSETS		256,797	257,104
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		256,797	257,104
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		23,751,367	23,854,333
NET ASSET VALUE PER UNIT		10.8119	10.7781

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director



PAK OMAN GOVERNMENT SECURITIES FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	Quarter Ended September 30	
	2020	2019
	-----Rupees in (000') -----	
Income		
Profit on saving and term deposits	372	1,114
Income from government securities	3,701	5,426
Income on term finance and sukuk certificates	1,688	1,994
Capital (loss) / gain on sale of investments - net	(38)	901
Unrealised (loss) / gain on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	(3,579)	699
Total Income	2,144	10,134
Expenses		
Remuneration of the Management Company	7.1	711
Sindh Sales Tax on Remuneration of the Management Company	7.2	92
Reimbursement of operational, selling and marketing to the Management Company	7.4 & 7.5	323
Remuneration of the Trustee		42
Sindh Sales Tax on Remuneration of trustee		5
Annual fees to the Securities & Exchange Commission of Pakistan		13
Auditors' remuneration		108
Printing charges		8
Legal and professional charges		21
Fee and Subscription		1
Transaction charges		1
Provision for Sindh Workers' Welfare Fund (SWWF)		16
Total Expenses	1,341	1,714
Net income for the period before taxation	805	8,420
Taxation	11	-
Net income for the period after taxation	805	8,420
Allocation of Net Income for the period		
- Net income for the period after taxation	805	8,420
- Income already paid on units redeemed	(2)	-
	803	8,420
Accounting income available for distribution		
- Relating to capital gains	-	1,600
- Excluding capital gains	803	6,820
	803	8,420

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For the Quarter Ended September 30, 2020

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PAK OMAN GOVERNMENT SECURITIES FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter Ended September 30	
	2020	2019
	-----Rupees in (000') -----	
Net income for the period after taxation	803	8,420
Other comprehensive income for the period	-	-
Total comprehensive income for the period	803	8,420

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For the Quarter Ended September 30, 2020

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter Ended September 30, 2020			Quarter Ended September 30, 2019		
	Capital Value	Undistributed Income	Net Assets	Capital Value	Undistributed Income	Net Assets
	Rupees in ('000)					
Net assets at the beginning of the period (Units outstanding: 23,854,333 (2019: 23,903,487))	234,284	22,820	257,104	234,674	20,495	255,169
Issue of 16,217 (2019: Nil units)			-			
-Capital value (at net asset value per unit at the beginning of the period)	174	-	174	-	-	-
-Element of income	1	-	1	-	-	-
Total proceeds on issuance of units	175	-	175	-	-	-
Redemption of 119,183 (2019: Nil units)						
-Capital value (at net asset value per unit at the beginning of the period)	(1,285)	-	(1,285)	-	-	-
-Element of income	-	(2)	(2)	-	-	-
Total proceeds on issuance of units	(1,285)	(2)	(1,287)	-	-	-
Total comprehensive income for the period	-	805	805	-	8,420	8,420
Net assets at the end of the period (Units outstanding: 23,751,367 (2019: 23,903,487))	233,174	23,623	256,797	234,674	28,915	263,590
Undistributed income brought forward comprising of:						
-Realized		23,895			22,671	
-Unrealised		(1,075)			(2,176)	
		22,820			20,495	
Accounting income available for distribution:						
-Relating to capital gains		-			1,600	
-Excluding capital gains		803			6,820	
		803			8,420	
Net income for the year after taxation						
Undistributed income carried forward		23,623			28,915	
Undistributed income carried forward comprise of:						
-Realized		27,202			28,216	
-Unrealised		(3,579)			699	
		23,623			28,915	
					-----Rupees-----	
Net asset value at the beginning of the period				10.7781		10.6750
Net asset value at the end of the period				10.8119		11.0273

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For the Quarter Ended September 30, 2020

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter Ended September 30	
	2020	2019
	-----Rupees in ('000')-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	805	8,420
Adjustments for:		
Capital loss / (gain) on sale of investments - net	38	(901)
Unrealised loss / (gain) on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	3,579	(699)
	3,617	(1,600)
(Increase) / decrease in assets		
Investments	8,146	14,130
Mark-up accrued	2,373	3,826
Deposits, prepayment and other receivable	(703)	(375)
	9,816	17,581
Increase / (decrease) in liabilities		
Payable to Management Company	1,758	315
Payable to Trustee	(2)	(1)
Payable to the Securities & Exchange Commission of Pakistan	(41)	(184)
Dividend payable	(40,221)	(15,421)
Accrued expenses and other liabilities	(310)	455
	(38,816)	(14,836)
Net cash (used in) / generated from operating activities	(24,578)	9,565
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	175	-
Payments against redemption of units	(1,287)	-
Net cash used in financing activities	(1,112)	-
Net (decrease) / increase in cash and cash equivalents	(25,690)	9,565
Cash and cash equivalents at the beginning of the period	30,649	8,072
Cash and cash equivalents at the end of the period	4,959	17,637

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For the Quarter Ended September 30, 2020

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman 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 March 03, 2011 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (The NBFC Rules) and was executed on March 18, 2011.

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

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

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

The Pakistan Credit Rating Agency Limited has assigned an asset manager rating of 'AM3+' to the Management Company as at August 28, 2020 and a stability rating of AA-(f) to the Fund as at Sep 08, 2020.

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

2 STATEMENT OF COMPLIANCE

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

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at September 30, 2020.



3 BASIS OF PREPARATION

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

		September 30 2020	June 30 2020
		Un-audited	Audited
Note	-----	(Rupees in '000)	-----
5. BALANCE WITH BANKS			
-Saving accounts	5.1	<u>4,959</u>	<u>30,649</u>

5.1 These savings accounts carry mark-up at the rates ranging from 6.50% to 11.00% (June 30, 2020: 5.00% to 14.25%) per annum.

		September 30 2020	June 30 2020
		Un-audited	Audited
Note	-----	(Rupees in '000)	-----
6. INVESTMENTS			
At fair value through profit or loss - held for trading			
Government securities	6.1	195,147	197,512
Term Finance Certificates	6.2	39,007	41,930
Sukuk Certificates	6.3	<u>20,600</u>	<u>27,076</u>
		<u>254,754</u>	<u>266,518</u>



PAK OMAN GOVERNMENT SECURITIES FUND

6.1 Government Securities

Issue Date	Tenor	Face value				Market value as at September 30, 2020	Market Value as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at September 30, 2020		Net assets	Total investments

------(Rupees in '000)----- %age-----

Market Treasury Bills

Jan 30, 2020	12 months	25,000	-	-	25,000	24,431	9.51%	9.59%
Jul 18, 2020	6 months	25,000	50,000	25,000	50,000	98,859	38.50%	38.81%
Jul 18, 2020	3 months	25,000	-	25,000	-	-	-	-
						123,290	48.01%	48.40%

Carrying value before marked to market as at September 30, 2020

123,334

Pakistan Investment Bonds

Jul 12, 2018	10 years	75,000	-	-	75,000	71,857	27.98%	28.21%
						71,857	27.98%	28.20%

Carrying value before marked to market as at September 30, 2020

76,164

6.2 Term Finance Certificates

Name of the investee company	Number of certificates				Market value as at September 30, 2020	Market Value as a percentage of		
	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at September 30, 2020		Net assets	Issue size	Total Investments

Rupees in '000 ----- %age-----

JS Bank Limited (14/12/2016)	5,400	-	-	5,400	26,507	10.32%	2.97%	10.40%
JS Company Limited (18/07/2017)	5,000	-	-	5,000	12,500	4.87%	1.67%	4.91%
						39,007	15.19%	15.31%

Carrying value before marked to market as at September 30, 2020

38,835

6.3 Sukuk Certificates

Name of the investee company	Number of certificates				Market value as at September 30, 2020	Market Value as a percentage of		
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 30 September 2020		Net assets	Issue size	Total Investments

Rupees in '000 ----- %age-----

International Brands Limited	100	-	100	-	-	-	-	-
The Hub Power Company Limited -IV (19/03-2020)	200	-	-	200	20,600	8.02%	0.40%	8.09%
						20,600	8.02%	8.09%

Carrying value before marked to market as at September 30, 2020

20,000



PAK OMAN GOVERNMENT SECURITIES FUND

7	PAYABLE TO THE MANAGEMENT COMPANY	Note	September 30	June 30
			2020	2020
			Un-audited	Audited
			------(Rupees in '000)-----	
	Remuneration of the Management Company	7.1	240	268
	Sindh Sales Tax on remuneration of the Management Company	7.2	136	139
	Federal Excise Duty on remuneration of the Management Company	7.3	654	654
	Reimbursement of operational, Selling and marketing expenses	7.4 & 7.5	2,196	407
			3,226	1,468

7.1 The Management Company has charged its remuneration at the rate of 1.1% (June 30, 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.

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

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

Had the said provision for FED not been maintained, the net asset value of the Fund as at September 30, 2020 would have been higher by Rs. 0.03 (June 30, 2020: Rs. 0.03) per unit.

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

7.5 SECP vide Circular No. 11 of 2019 dated July 05, 2019 has super seded circular 40 of 2016, 05 of 2017 and 05 of 2018 and has prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to collective investment schemes managed by them. Selling and Marketing expenses has been allowed on all categories of Open and mutual funds except fund of funds at a maximum cap of 0.4% per annum of net assets of the Fund or actual expenses, whichever is lower. Accordingly, the Management Company has charged 0.4% of daily net assets of the Fund, being the lower amount.



PAK OMAN GOVERNMENT SECURITIES FUND

	Note	September 30	June 30
		2020	2020
		Un-audited	Audited
		-----Rupees in ('000)-----	
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		27	340
Withholding tax payable		162	141
Capital Gain Tax payable		7	6
Provision for Sindh Workers' Welfare Fund	8.1	2,399	2,382
Other accrued liabilities		682	718
		<u>3,277</u>	<u>3,587</u>

8.1 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 June 30, 2020.

Had the said provision for SWWF not been maintained, the net asset value of the Fund as at September 30, 2020 would have been higher by Rs. 0.10 (June 30, 2020: Rs. 0.10) per unit.

9 CONTINGENCIES AND COMMITMENTS

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

10 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2020 is 2.16% which includes 0.23% 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 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

11 TAXATION

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

12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

	Quarter Ended September 30	
	2020	2019
Un-audited		
-----Rupees (000')-----		
12.1 Transactions for the period:		
Pak Oman Asset Management Company Limited (Management Company)		
Reumeration of the Management Company	711	716
Sindh Sales tax on Remuneration of Management Company	92	93
Reimbursement of operational, selling and marketing expenses to the Management Company	365	403

For the Quarter Ended September 30, 2020

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PAK OMAN GOVERNMENT SECURITIES FUND

	Quarter Ended September 30	
	2020	2019
Un-audited		
-----Rupees (000')-----		
MCB Financial Services Limited - Trustee of the Fund		
Remuneration of the Trustee	42	78
Sindh Sales tax on Remuneration of Trustee	5	10
	September 30	June 30
	2020	2020
	Unaudited	Audited
	-----Rupees (000')-----	
12.2 Investments / outstanding balances as at period / year end:		
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration payable to the Management Company	240	268
Sindh Sales Tax payable on Remuneration of the Management Company	136	139
Federal Excise Duty payable on Remuneration of the Management Company	654	654
Reimbursement of operational, Selling and marketing expenses	2,196	407
MCB Financial Services Limited (Trustee)		
Remuneration of Trustee	14	16
Sindh Sales Tax payable on Remuneration of Trustee	2	2
Pak Oman Investment Company Limited - Holding Company of Management Company of the Fund*		
Units in issue: 23,660,643 (June 30, 2020: 23,660,643)	255,817	255,017

* This represent 10% or more of the unit holding of the fund at the close of the period

13 GENERAL

Figures have been rounded off to the nearest thousand rupees.

14 DATE OF AUTHORISATION FOR ISSUE

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For the Quarter Ended September 30, 2020

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