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



FUND INFORMATION

Management Company

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

Board of Director of The Management Company

H.H. Juland Jaifer Salim Al Said	Chairman
Mr. Bahauddin Khan	Director
Mr. Humayun Murad	Director
Mr. Jehangir Shah	Director
Mr. Rashid Ali Ibrahim Al Balushi	Director
Ms. Sadaf Kazmi	CEO

Audit Committee

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

Chief Financial Officer

Mr. Abdul Rehman

Company Secretary

Ms. Hina Mir

Asset Manager Rating

AM3 + (Positive)

Trustee

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

Auditors

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

Bankers to The Fund

BankIslami Pakistan Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
NRSP Microfinance Bank Limited
Silkbank Limited
Soneri Bank Limited
Zarai Taraqiati Bank

Legal Advisor

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



DIRECTORS REPORT TO THE UNIT HOLDERS

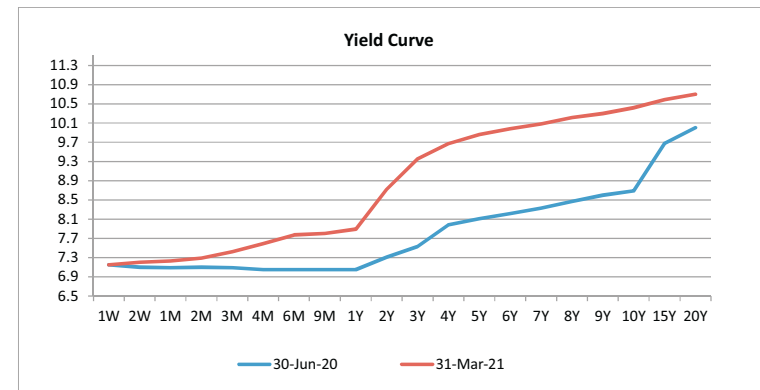
The Board of Directors (BOD) of Pak Oman Asset Management Company Limited is pleased to present the half yearly financial statements of Pak Oman Advantage Islamic Income (POAIIIF) for the period ended March 31, 2021.

Fixed Income Review 9M-FY21

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

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

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

**Economic Review 9-MFY21**

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



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

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

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

POAIF

In 9MFY21 the unit price of POAIF appreciated by 6.67% against its benchmark of 3.72% with an outperformance of 295bps. The assets under management of fund saw significant jump and settled at PKR 1,668 Million by end of Mar-21 as compared to PKR 1,012 million in the start of Financial Year i-e June-2020. During the period under review, exposure against corporate sukus averaged at 20.71% as compared to 56.88% in 9MFY21. Exposure against this asset was increased in absolute terms; however exposure in percentage terms is diluted due to AUMs growth. Exposure against GOP Ijaara Sukus was built during this period and averaged at 40.62%. Remaining funds were invested as cash with A and above rated Islamic banks/Islamic windows of commercial banks. Average cash exposure of the fund during the July-20 to Mar-21 stood at 38.67% of the fund size.

ACKNOWLEDGEMENTS

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

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

12th April 2021
Karachi - Pakistan.



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

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

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

POAIF

POAIF کے یونٹ کی قیمت 3.72 فی صد شیخ مارک کے مقابلے میں 6.67 فی صد تک زیادہ، یعنی 295bps کی بہتر کارکردگی دکھائی۔ مالیاتی سال کے آغاز یعنی جون 2020 میں 1,012 بلین روپے کے مقابلے میں مارچ 2021 کے اختتام پر فنڈ کے زیر انتظام اثاثہ جات کی قدر نمایاں طور پر بڑھ گئی اور 1,668 بلین روپے طے ہوئی ہے۔ زیر جائزہ مدت کے دوران، مالیاتی سال 21 کی نو ماہی میں کارپوریٹ سکوک کی مد میں ایکسپوزیٹراوسطاً 56.88% فیصد کے مقابلے میں اوسطاً 20.71% فی صد رہا۔ اس اثاثہ کے عوض ایکسپوزیٹراوسطاً 20.71% فی صد کے دوران GOP اجارہ سکوک کے عوض ایکسپوزیٹراوسطاً 40.62% فیصد رہا۔ بقیہ رقم A اور اس سے زائد درجہ کے اسلامی بینکوں / کمرشل بینکوں کی اسلامک ونڈوز میں نقد سرمایہ کاری پر صرف کئے گئے۔ جولائی 20 تا مارچ 21 کے دوران فنڈ کا اوسط پیش ایکسپوزیٹراوسطاً 38.67% فی صد رہا۔

مارچ 21 کے اختتام تک فنڈ تیل و گیس مارکیٹنگ، سینٹ، پاور جنریشن اور ڈسٹری بیوٹن، اور وینٹا پیٹی اور الائنڈ انڈسٹریز میں بالترتیب 8.81%، 7.63%، 7.21% اور 6.47% کی حد تک ایلوکیشن کی ایکویٹی میں مختص کیا گیا۔ Sukuk's / TFC's میں ایکسپوزیٹراوسطاً 31 دسمبر 20 کو 9.08% کے مقابلے میں طور پر وائز کیا گیا تھا۔ بقیہ فنڈ کی A اور بالا درجہ کے بینکوں میں بطور پیش سرمایہ کاری کی گئی۔

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 مجلس ادارت کو شکریوں پران کے مشکور ہیں۔ منتظم کمپنی کے ملازمین کے لئے ہم اپنی ستائش ریکارڈ پر لانا چاہتے ہیں۔

صدف کاظمی

چیف ایگزیکٹو آفیسر

12 اپریل 2021ء

کراچی۔ پاکستان



پونٹ ہولڈرز کو ڈائریکٹریں کی رپورٹ

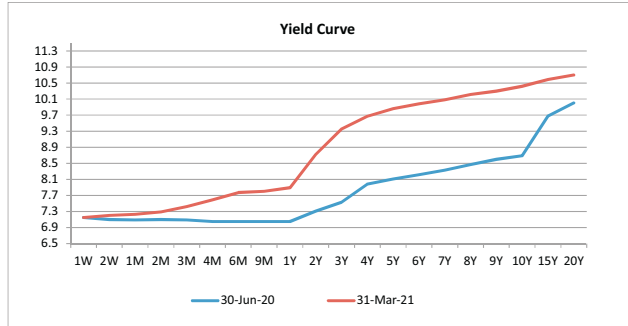
پاک اومان اینجمنٹ کمپنی لمیٹڈ ("منظم کمپنی" یا "POAMCL" یا "کمپنی") کے بورڈ آف ڈائریکٹرز پاک اومان ایڈوانٹیج اسلامک انکم (POAIF) کی 31 مارچ 2021ء کو ختم ہونے والی ماہی کے لئے پیش کرتے ہوئے اظہارِ مسرت کرتے ہیں۔

مستقل آمدنی تجزیہ ماہی مالیاتی سال 2021ء

مالیاتی سال 2021 کی نو ماہی میں ثانوی مارکیٹ افادہ شارٹ ٹرم بیہرز کی مد میں اپنی زیریں سطحوں سے واپس ہو گیا۔ شارٹ ٹرم بیہرز پر آمدنی 3،6 اور 12 ماہ بیہرز پر 33bps، 72bps اور 84bps تک بڑھ گئی اور یہ مارچ 21 کے اختتام تک بالترتیب 7.42 فی صد، 7.77 فی صد اور 7.89 فی صد پر بند ہوئی۔ دوسری جانب، طویل مدتی بانڈز پر آمدنی 182bps، 175bps اور 173bps بڑھ گئی اور تین، پانچ اور دس سالہ بانڈز پر آمدنی بالترتیب 9.35 فی صد، 9.86 فی صد اور 10.42 فی صد رہی۔ رواں سہ ماہی کے دوران، مٹی مارکیٹ جمود کا شکار رہی اور سٹیٹ بینک پاکستان کے پالیسی شرح کو 7.00% پر برقرار رکھنے کے فیصلہ کے بعد کم از کم سرگرمی دیکھی گئی۔

مالی سال 2021 کی پہلی ششماہی کے دوران اعلان کردہ مالیاتی پالیسی میں، اسٹیٹ بینک نے بیچ مارک پالیسی شرح کو 7.00 فی صد برقرار رکھنے کا فیصلہ کیا۔ بنیادی افراط زر کو مستحکم رکھنے اور لارج اسکیل مینیوفیکچرنگ انڈیکس میں نمایاں نمو کے لئے یہ فیصلہ کیا گیا۔ SBP نے نتیجہ اخذ کیا ہے کہ COVID-19 پھیلنے کے بعد قرضہ کی کم لاگت نے اقتصادی بحالی میں اہم حصہ شامل کیا ہے۔ اس کے علاوہ، اسٹیٹ بینک پاکستان کا موقف ہے کہ قرض کی لاگت میں کمی کے نتیجے میں مقامی صنعتوں کی مدد کے لئے مارکیٹ میں نمایاں لیکویڈیٹی موجود ہے۔

اس مدت کے دوران منصفانہ ٹی بلز کی نیلامی میں، SBP نے 8,500 بلین روپے بھرف اور وصول شدہ 9,564 بلین روپے کے مقابلہ میں مجموعی 9,681 بلین روپے اکٹھے کئے۔ 3 اور 6 کے بیہرز پر کٹ آف منافع بالترتیب 7.5398 فی صد اور 7.8000 فی صد رہا جبکہ 12 ماہ کے بیہرز کے لئے تمام پولیاں مسترد کر دی گئیں۔ مستقل شرح کے بانڈز پر PIB نیلامی میں SBP نے 448 بلین روپے اکٹھے کئے جبکہ بیٹیکوں نے 1,120 بلین روپے کی پیشکش کی۔ 3-سالہ اور 5-سالہ بیہرز میں اہم شراکت دیکھی گئی۔ 3،5 اور 10 سالہ بانڈز پر نظر ثانی شدہ منافع بالترتیب 9.41 فی صد، 9.90 فی صد اور 10.2890 فی صد تک بڑھا گیا۔



اقتصادی جائزہ برائے نو ماہی مالیاتی سال 2021ء

9M-FY21 میں CPI اوسط گزشتہ سال کی اسی مدت میں 11.53% کے مقابلے میں 8.34% رہی۔ مالی سال 2021 کی نو ماہی میں، CPI کم ہی رہا کیونکہ اس مدت میں دیگر CPI ہیڈز میں کمی کے باعث COVID-19 کے بیچ تیل کی قیمتوں میں کمی دیکھی گئی۔ تاہم، مالی سال 21 کی دوسری سہ ماہی اور مالی سال 21 کی تیسری سہ ماہی میں، سی پی آئی نے ایندھن کی قیمتوں میں اضافے، بجلی کی قیمتوں میں اضافہ اور کھانے پینے کی اشیاء ہنگامی ہونے کی وجہ سے اضافہ ہونا شروع ہو گیا، خاص طور پر خراب ہونے والی اشیائے خورد و نوش میں قابل ذکر اضافہ دیکھا گیا۔ زبر جائزہ مدت کے دوران، SPI اور WPI بالترتیب اوسطاً 11.91 فی صد اور 6.35 فی صد رہی۔



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 MARCH 2021

Note	31 March 2021 Un-audited	30 June 2020 Audited
	Rupees in ('000)	
Assets		
Balances with bank	1,041,865	860,371
Investments	605,440	162,204
Mark up accrued	22,973	5,985
Deposits, prepayments and other receivable	4,183	3,102
Total assets	1,674,461	1,031,662
Liabilities		
Payable to Asset Management Company	1,232	1,224
Payable to Trustee	86	42
Payable to the Securities & Exchange Commission of Pakistan	176	48
Dividend payable	676	15,005
Accrued expenses and other liabilities	3,954	2,534
Total liabilities	6,124	18,853
NET ASSETS	1,668,336	1,012,809
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,668,336	1,012,809
CONTINGENCIES AND COMMITMENTS		
NUMBER OF UNITS IN ISSUE	30,265,787	19,293,844
NET ASSET VALUE PER UNIT	55.1229	52.4940

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

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

Note	(Un-audited) Nine Months Ended March 31		(Un-audited) Quarter Ended March 31	
	2021	2020	2021	2020
------(Rupees in '000)-----				
Income				
Profit on saving and term deposits	26,764	8,060	9,611	2,936
Mark-up on Marketable securities	43,159	12,366	16,872	3,766
Profit on Mudarabah placement	-	-	-	-
Profit on Term Deposit Receipt	-	-	-	-
(Loss) / Gain on disposal of marketable securities	(3,413)	(189)	(1,158)	53
Unrealised loss on revaluation of marketable securities at fair value through profit or loss	(2,437)	(1,007)	(2,402)	(39)
	64,073	19,230	22,923	6,716
Expenses				
Remuneration of the Management Company	6.1	3,097	2,277	1,148
Sindh Sales Tax on Remuneration of the Management Company	6.2	403	296	150
Reimbursement of operational expenses to the Management Company	6.4	-	152	-
Remuneration of MCB Financial Services - Trustee		650	206	241
Annual fees to the Securities & Exchange Commission of Pakistan		177	30	66
Auditors' remuneration		423	335	138
Fees and Subscription		29	157	9
Bank, settlement and other charges		277	23	27
Sharish Advisory Fee		117	432	39
Legal and professional charges		26	63	-
Provision for Sindh Workers' Welfare Fund		1,177	305	423
		6,375	4,276	2,241
				1,304
Net income for the period before taxation		57,698	14,954	20,682
Taxation	10	-	-	-
Net income for the period after taxation		57,698	14,954	20,682
Allocation of Net Income for the year				
		57,698	20,682	
Accounting income available for distribution				
-Relating to capital gains		-	14	
-Excluding capital gains		57,698	20,668	
		57,698	20,682	

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For The Nine Months and Quarter Ended 31 March 2021

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PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

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

	(Un-audited) Nine Months ended 31 March		(Un-audited) Quarter ended 31 March	
	2021	2020	2021	2020
-----Rupees in '000-----				
Net income for the period after taxation	57,698	14,955	20,682	5,412
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	57,698	14,955	20,682	5,412

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For The Nine Months and Quarter Ended 31 March 2021

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PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

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

	2021		31 March		2020	
	Capital Value	Undistributed Income	Net Assets	Capital Value	Undistributed Income	Net Assets
	------(Rupees in '000)-----					
Net assets at the beginning of the period	1,002,781	10,028	1,012,809	219,905	8,195	231,390
Issue of 42,700,888 (2020: 24,310) units						
- Capital value(at net asset per unit at beginning of year)	2,293,261		2,293,261	6,662	-	6,662
- Element of income	83,522		83,522	429	-	429
	2,376,783	-	2,376,783	7,091	-	7,091
Redemption 31,508,336 of (2020: 888,122) units						
- Capital value(at net asset per unit at beginning of year)	(1,653,999)		(1,653,999)	(46,431)	-	(46,431)
- Element of income	(124,955)		(124,955)	-	(646)	(646)
	(1,778,954)	-	(1,778,954)	(46,431)	(646)	(47,077)
Total comprehensive income for the period	-	57,698	57,698	-	14,955	14,955
Net assets at the end of the period	1,600,610	67,726	1,668,336	180,565	22,504	206,359
Undistributed income brought forward comprising of:						
-Realized gain		12,254			8,396	
-Unrealised loss		(2,226)			(201)	
		10,028			8,195	
Accounting income available for distribution:						
-Relating to capital gains		-			-	
-Excluding capital gains		57,698			14,309	
		57,698			14,309	
Undistributed income carried forward - net		67,726			22,504	
Undistributed income carried forward comprising of:						
-Realized		70,163			23,511	
-Unrealised		(2,437)			(1,007)	
		67,726			22,504	

-----Rupees-----

Net asset value at the beginning of the period 56,3010 52,4940

Net asset value at the end of the period 55,1229 56,3010

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For The Nine Months and Quarter Ended 31 March 2021

10



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

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

	(Un-audited)	
	Nine months ended March 31 2021	2020
	-----Rupees in ('000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period after taxation	57,698	14,954
Adjustments for:		
Loss on disposal of marketable securities	3,413	189
Net unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	2,437	1,007
	5,850	1,196
Decrease / (increase) in assets		
Mudarabah placement	-	-
Investments - Net	(449,086)	42,070
Mark up accrued	(16,988)	2,876
Deposits, prepayments and other receivable	(1,081)	127
	(467,155)	45,073
(Decrease) / Increase in liabilities		
Payable to Asset Management Company	8	(133)
Payable to Trustee	44	(19)
Payable to the Securities & Exchange Commission of Pakistan	129	(18)
Dividend payable	(14,329)	(14,569)
Accrued expenses and other liabilities	1,420	(27)
	(12,728)	(14,766)
Net cash generated from operating activities	(416,335)	46,457
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	2,376,783	7,091
Payments against redemption of units	(1,778,954)	(47,077)
Net cash used in financing activities	597,829	(39,986)
Net decrease in cash and cash equivalents	181,494	6,471
Cash and cash equivalents at the beginning of the period	860,371	860,371
Cash and cash equivalents at the end of the period	1,041,865	866,842

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

For The Nine Months and Quarter Ended 31 March 2021

11



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

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Advantage Islamic Income 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 15 May 2012 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (The NBFC Rules).

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

The Fund is an Shariah compliant open-ended mutual fund 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 Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3+ (Positive)" to the Management Company as at 15 February 2021 and a stability rating of A+(f) to the Fund as at 17 February 2021.

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

2 STATEMENT OF COMPLIANCE

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

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



In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at 31 March 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

		31 March 2021	30 June 2020
		Un-audited	Audited
	Note	------(Rupees in '000)-----	
4. BALANCE WITH BANKS			
-Saving accounts	4.1	<u>1,041,865</u>	<u>860,371</u>

4.1 These savings accounts carry mark-up at the rates ranging from 6.00% to 13.00% (30 June 2020: 4.50% to 10.0%) per annum.

		31 March 2021	30 June 2020
		Un-audited	Audited
	Note	------(Rupees in '000)-----	
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Sukuk certificates	5.1	168,175	17,128
Unlisted Sukuk certificates		-	96,576
GoP Ijarah	5.3	<u>437,265</u>	<u>48,500</u>
		<u>605,440</u>	<u>162,204</u>

5.1 Sukuk Certificates - Unlisted

Name of the investee company	Number of certificates				Market value as at 31 March 2021	Investment as a percentage of		
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 31 March 2021		Market value as a percentage of net assets	Market value as a percentage of investment	Investment as a percentage of total issue size
	------(Rupees in '000)-----					------%-----		
Byco Petroleum Pakistan Limited	255	-	-	255	14,854	1.24%	2.45%	0.82%
	<u>255</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>14,854</u>	<u>1.24%</u>	<u>2.45%</u>	

Carrying value before mark to market as at 31 March 2021

14,912



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

5.2 Sukuk Certificates - Listed

Name of the investee company	Number of certificates				Market value as at 31 March 2021	Investment as a percentage of		
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 31 March 2021		Market value as a percentage of net assets	Market value as a percentage of investment	Investment as a percentage of total issue size
	------(Rupees in '000)-----				------%-----			
Dawood Hercules Corporation Limited	170	1,735	1,905	-	-	0.00%	0.00%	0.33%
TPL Corporation Limited	35	-	-	35	23,333	1.96%	3.85%	0.33%
International Brands Limited	400	800	-	1,200	63,558	5.33%	10.50%	0.33%
The Hub Power Co. Ltd.	200	450	-	650	66,430	5.57%	10.97%	0.33%
Dawood Hercules Corporation Limited II	150	-	150	-	-	0.00%	0.00%	0.25%
	955	2,985	2,055	1,885	153,321	12.86%	25.32%	

Carrying value before mark to market as at 31 March 2021 151,675

5.3 GOP Ijarah Sukuk

Name of the investee company	Number of certificates				Market value as at 31 March 2021	Investment as a percentage of		
	As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 31 March 2021		Market value as a percentage of net assets	Market value as a percentage of investment	Investment as a percentage of total issue size
	------(Rupees in '000)-----				------%-----			
GOP Ijarah Sukuk	500	-	-	500	48,190	4.04%	7.96%	0.33%
GOP Ijarah Sukuk - VRR	0	3,000	3,000	-	-	0.00%	0.00%	0.33%
GOP Ijarah Sukuk - FRR	0	8,950	5,000	3,950	389,075	32.61%	64.26%	0.33%
	500	11,950	8,000	4,450	437,265	36.65%	72.22%	

Carrying value before mark to market as at 31 March 2021 442,870



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

6	PAYABLE TO THE MANAGEMENT COMPANY	Note	31 March 2021	30 June 2020
			Un-audited	Audited
			-----(Rupees in '000)-----	
	Remuneration of the Management Company	6.1	414	274
	Sindh Sales Tax on remuneration of the Management Company	6.2	136	118
	Federal Excise Duty on remuneration of the Management Company	6.3	661	661
	Reimbursement of operational expenses to the Management Company	6.4	-	142
	Sales Load Payable		21	16
			<u>1,232</u>	<u>1,211</u>

6.1 The Management Company has charged its remuneration at the rate of 1.5% (30 June 2020: 1.5%) per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

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

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from 01 July 2016. However, as a matter of abundant caution the provision for FED made till 30 June 2016 amounting to Rs. 0.661 million (30 June 2020: 0.661 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been maintained, the net asset value of the Fund as at 31 March 2021 would have been higher by Rs. 0.0218 (30 June 2020 Rs. 0.0343) per unit.



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

6.4 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.

		31 March 2020	30 June 2019
	Note	Un-audited	Audited
----- Rupees in ('000) -----			
7 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		341	267
Shariah advisory fee		39	335
Listing Fee		14	-
Printing charges payable		-	-
Securities transaction cost		(53)	-
Withholding tax payable		251	-
Capital Gain Tax payable		488	-
Provision for Sindh Workers' Welfare Fund	7.1	2,732	1,125
Rating Fee		142	-
Others		-	369
		<u>3,954</u>	<u>2,096</u>

7.1 The legal status of applicability of Sindh worker welfare funds is same as disclosed in notes 11 to the annual audited financial statement of fund for the year ended June 30, 2020

8 CONTINGENCIES AND COMMITMENTS

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

9 EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 March 2021 is 0.5% which includes 0.16% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations for respective collective investment scheme.

10 TAXATION

The income of the fund is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end, as cash dividend, to the unit holders.

Accordingly, no provision in respect of taxation has been made in these financial statements.



PAK OMAN ADVANTAGE ISLAMIC INCOME FUND

		(Un-audited) For the Quarter Ended 31 March	
		2021	2020
-----Rupees ('000')-----			
11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS			
11.1 Transactions for the period:			
Pak Oman Asset Management Company Limited (Management Company)			
Remuneration for the period		3,097	2,277
Sindh Sales Tax on remuneration of the Management Company		403	296
Reimbursement of operational expenses to the Management Company		-	152
MCB Financial Services Limited - Trustee of the Fund			
Remuneration of the Trustee including sales tax there on		650	206
		<u>31 March 2021 (Unaudited)</u>	<u>30 June 2020 (Audited)</u>
-----Rupees ('000')-----			
11.2 Investments / outstanding balances as at period / year end			
Pak Oman Asset Management Company Limited (Management Company)			
Remuneration payable to the Management Company		414	274
Sindh Sales Tax payable on Remuneration of the Management Company		136	118
Federal Excise Duty payable on Remuneration of the Management Company		661	661
Reimbursement of operational expenses to the Management Company		-	142
Sales Load Payable		21	16
Payable against Shariah advisory fee		-	13
Pak Oman Investment Company Limited - holding Company of Management Company of the Fund			
Outstanding: 4,210,242 (30 June 2020: 3,269,170) units		232,080.76	171,612
Dividend Payable		-	14,329
Pak Qatar Individual Family Participant Investment Fund			
Outstanding: 4,210,242 (30 June 2020: 13,400,098) units		-	703,425
MCB Financial Services Limited - The Trustee			
Remuneration payable to the Trustee including sales tax thereon		86	42

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director