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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

"ASKARI CASH 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 + (Positive)

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
Allied Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Dubai Islamic Bank Pakistan 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 Shakra-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

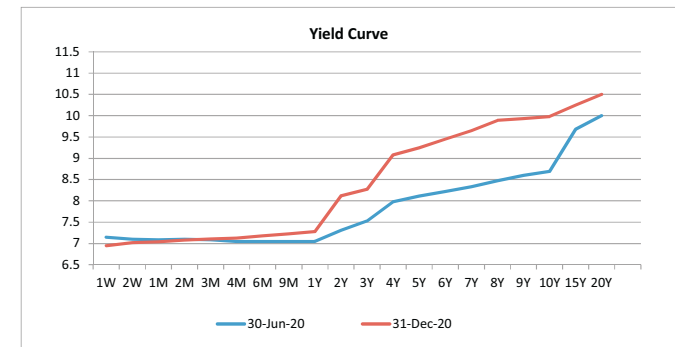
The Board of Directors (BOD) of Pak Oman Asset Management Company Limited is pleased to present the half yearly financial statements of Askari Cash Fund (ACF) for the period ended December 31, 2020.

Fixed Income Review 1H-FY21

In first half of FY21, secondary market yields across short term papers reversed from their bottom levels. Yields on 3m, 6m and 12m paper increased by 2bp, 13bps and 23bps and stood at 7.11%, 7.18% and 7.28% respectively by end of Dec-20. On the other hand, yield on longer tenor bonds witnessed sharp increase of 74bps, 114bps and 129bps and settled at 8.27%, 9.25% and 9.98% 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, which has averaged at 5.52% in 1H-FY21 as compared to 8.06% in comparable period last year. SBP has 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. This is evident by encouraging LSM figures and increase in private sector credit offtake.

In the T-Bill auctions held during the period, SBP raised a total of PKR 4,971 billion against the target of PKR 4,375 billion and maturing amount of PKR 5,654 billion. The Last cut-off yields stood 7.1498%, 7.2000% and 7.2900% for 3m, 6m and 12m paper respectively. In the PIB auction for fixed rated bonds, SBP raised PKR 302 while Banks offered PKR 718 billion. Cut-off yields settled at 8.24%, 10.00% and 10.58% for 3yr, 15yr and 20yr bond respectively. For 5yr and 10yr bond, all bid were rejected by SBP during the quarter ending to Dec-20.

**Economic Review FY20**

In 1H-FY21 CPI averaged at 8.63% as compared to 11.11% in same period last year. In the 1Q-Fy21, headline inflation saw upward trend due to higher food inflation and upward revision in energy prices. However, in the 2QFY21, especially in the month Nov-20 and Dec-20, slower inflationary trend was observed due to stabilization in food prices and curtailment of supply side constraints. During the period under review, SPI and WPI averaged at 11.48% and 4.44% respectively.



On the external front, Current account settled in surplus of \$1,640 million, i-e +1.4% of GDP as compared to deficit of \$1,745 million -1.6% of GDP in comparable period last year. Major contributor for improvement in current account balance was declining services' deficit and healthy growth of approximately 27% in overseas worker's remittances. In 5M-FY21, country's imports declined by -0.99% while exports contracted by -7.15% over same period last year. However, in the month of Oct-20 and Nov-20, country's exports have shown sharp rebound (+13.6% MoM growth in Nov-2020), post resumption of economic activities after covid-19.

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, which has averaged at 5.52% in 1H-FY21 as compared to 8.06% in comparable period last year. SBP has 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. This is evident by encouraging LSM figures and increase in private sector credit offtake.

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.

ACF

In 1HFY21, unit prices of ASCF appreciated by 6.41% as compared to benchmark return of 6.68%. Assets under management showed an improvement and stood at PKR 1,600 Million by the end of Dec-20 as compared to PKR 1,196 million in the start of financial year i-e June-2020. Treasury Bills remained the major asset class throughout the period with average exposure of 56.35% as compared to 55.52% in comparable period last year and 64.96% in quarter ending to Dec-20. Exposure against cash and equivalents averaged at 40.59% as compared to 41.62% in 1H-FY20. While minimal average exposure of 3.06% was maintained against placements with Financial Institutions. During the period under review, duration of the fund was kept at lower side to hedge volatility in returns.

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.

10th February 2021
Karachi - Pakistan.

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



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 ٹھکانہ کوششوں پر ان کے مشکور ہیں۔ فنڈ کی کمپنی کے ملازمین کے لئے ہم اپنی ستائش ریکارڈ پر لانا چاہتے ہیں۔

صدر کاظمی
چیف ایگزیکٹو آفیسر

10 فروری 2021

کراچی - پاکستان



اقتصادی جائزہ برائے مالیاتی سال 2021ء

1H-FY21 میں CPI اوسطاً گزشتہ سال کی اسی مدت میں %11.11 کے مقابلے میں %8.64 رہی۔ مالی سال 2021 کی پہلی سہ ماہی میں، زیادہ افراط زر کی بڑی وجہ غذا کی زیادہ قیمتوں اور توانائی کی قیمتوں میں اضافہ شامل ہیں۔ تاہم مالی سال 2021 کی دوسری سہ ماہی میں، خاص طور پر نومبر 20 اور دسمبر 20 کے مہینے میں، ایشیائے خورد و نوش کی قیمتوں میں استحکام اور سپلائی کی رکاوٹوں میں کمی کی وجہ سے افراط زر کا رجحان سست دکھائی دیا۔ زیر جائزہ مدت کے دوران، SPI اور WPI بالترتیب اوسطاً 11.48 فی صد اور 4.44 فی صد رہی۔

بیرونی مجازد پر، کرنٹ اکاؤنٹ گزشتہ سال کی تقابلی مدت میں 1,745 بلین ڈالر خسارہ جی ڈی پی کا منفی %1.6 فیصد کے مقابلے میں مالیاتی سال 2021 کی پہلی سہ ماہی میں 1,640 بلین ڈالر کے سرپلس یعنی جی ڈی پی کا پلس %1.4 طے کیا گیا۔ کرنٹ اکاؤنٹ بیلنس کی بہتری میں سرورس خسارہ میں کمی اور بیرون ملک مقیم کارکنوں کی ترسیلات زر میں تقریباً 27 فیصد کی صحت مند نمو، اہم شرکات دار ہیں۔ مالی سال 2021 کی 5 ماہ میں، ملک کی درآمدات میں %0.99- فیصد کمی واقع ہوئی جبکہ برآمدات میں گزشتہ سال کی اسی مدت کے مقابلے میں %7.15- فیصد کمی ہوئی ہے۔ تاہم، اکتوبر 20 اور نومبر 20 کے مہینے میں، Covid-19 کے بعد معاشی سرگرمیاں دوبارہ شروع ہونے کے بعد، ملک کی برآمدات (نومبر 2020 میں %13.6+ ماہانہ نمو) تیزی سے بحال ہوئیں۔

مالی سال 2021 کی پہلی سہ ماہی کے دوران اعلان کردہ مالیاتی پالیسی میں، اسٹیٹ بینک نے بیبنج مارک پالیسی شرح کو 7.00 فیصد برقرار رکھنے کا فیصلہ کیا۔ یہ فیصلہ بنیادی افراط زر کو مستحکم رکھنے کے لئے کیا گیا، جو گزشتہ سال کی تقابلی مدت میں %8.06 فیصد کے مقابلے میں مالی سال 2021 میں اوسطاً %5.52 فیصد رہا ہے۔ 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۔ اسٹیٹ بینک پاکستان کا موقف 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 منعقدہ ٹی بلز کی نیلامی میں، SBP نے 4,375 بلین روپے ہدف اور وصول شدہ 5,654 بلین روپے کے مقابلے میں مجموعی 4,971 بلین روپے اکٹھے کئے۔ 6،3 اور 12 ماہ کے پیپرز پر کٹ آف منافع بالترتیب 7،1498 فی صد، 7،2000 فی صد اور 7،2900 فی صد رہا۔ مستقل شرح کے بانڈز پر PIB نیلامی میں SBP نے 302 بلین روپے اکٹھے کئے جبکہ بینکوں نے 718 بلین روپے کی پیشکش کی۔ 3،15 اور 20 سالہ بانڈز پر نظر ثانی شدہ منافع بالترتیب 8.24 فی صد، 10.00 فی صد اور 10.58 فی صد طے کیا گیا۔ دسمبر 20 کو ختم ہونے والی سہ ماہی کے دوران 5 اور 10 سالہ بانڈز کے لئے، تمام پیشکشیں SBP نے مسترد کر دیں۔

ASCF

1HFY21 میں، ASCF کے یونٹ کی قیمت 6.68 فی صد بیبنج مارک منفعت کے مقابلے میں 6.41 فی صد تک زیادہ ہوئی۔ مالیاتی سال کے آغاز یعنی جون 2020 میں 1,196 بلین روپے کے مقابلے میں دسمبر 20 کے اختتام تک فنڈ کے زیر انتظام اثاثہ جات کی قدر 1,600 بلین روپے برقرار رہی ہے۔ پوری مدت میں ٹریڈری بلز اہم اثاثے رہے گزشتہ سال کی تقابلی مدت میں %55.52 کے مقابلے میں اوسطاً %56.35 اور دسمبر 20 کو ختم ہونے والی سہ ماہی میں %64.96 ایکسپوزر قائم رکھا گیا۔ کیش اور کیش مساوی کے عوض ایکسپوزر 20H-FY21 میں %41.62 فیصد کے مقابلے میں اوسطاً %40.59 فیصد رہا۔ جبکہ مالی اداروں میں پلیسمنٹ کے مقابلے میں ایکسپوزر %3.06 پر برقرار رہا۔ زیر جائزہ مدت کے دوران، منافع میں اتار چڑھاؤ کو روکنے کے لئے فنڈ کا دورانیہ کم رکھا گیا۔



یونٹ ہولڈرز کو ڈائریکٹران کی رپورٹ

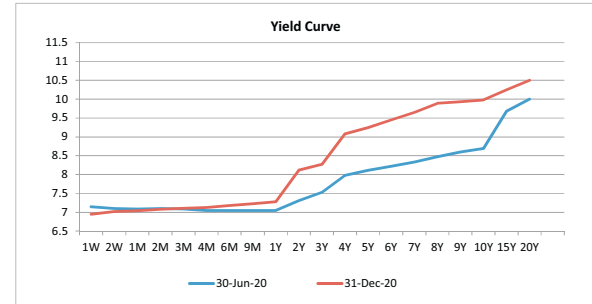
پاک اومان انجینٹ کینیڈین لمیٹڈ ("منظم کینیڈین" یا "POAMCL" یا "کینیڈین") کے بورڈ آف ڈائریکٹرز نے کیش فنڈ (ACF) کی 31 دسمبر 2020ء کو ختم ہونے والی سہ ماہی کے لئے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

مستقل آمدنی تجزیہ پہلی سہ ماہی مالیاتی سال 2021ء

مالیاتی سال 2021 کی پہلی سہ ماہی میں ثانوی مارکیٹ افادہ شارٹ ٹرم پیپرز کی مد میں اپنی زیریں سطحوں سے واپس مڑ گیا۔ شارٹ ٹرم پیپرز پر آمدنی 3، اور 6 اور 12 ماہ پیپرز پر 2bps، 13bps اور 23bps تک بڑھ گئی اور یہ دسمبر 20 کے اختتام تک بالترتیب 7.11 فی صد، 7.18 فی صد اور 7.28 فی صد پر بند ہوئی۔ دوسری جانب، طویل مدتی بانڈز پر آمدنی 74bps، 114bps اور 129bps بڑھ گئی اور تین، پانچ اور دس سالہ بانڈز پر آمدنی بالترتیب 8.27 فیصد، 9.25 فی صد اور 9.98 فی صد رہی۔ رواں سہ ماہی کے دوران، مٹی مارکیٹ جمود کا 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۔

مالی سال 2021 کی پہلی سہ ماہی کے دوران اعلان کردہ مالیاتی پالیسی میں، اسٹیٹ بینک نے بیبنج مارک پالیسی شرح کو 7.00 فیصد برقرار رکھنے کا فیصلہ کیا۔ بنیادی افراط زر کو مستحکم رکھنے کے لئے یہ فیصلہ کیا گیا، جو گزشتہ سال کی اسی مدت میں %8.06 فیصد کے مقابلے میں مالی سال 2021 میں اوسطاً %5.52 فیصد رہا ہے۔ 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۔ اسٹیٹ بینک پاکستان کا موقف 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 منعقدہ ٹی بلز کی نیلامی میں، SBP نے 4,375 بلین روپے ہدف اور وصول شدہ 5,654 بلین روپے کے مقابلے میں مجموعی 4,971 بلین روپے اکٹھے کئے۔ 6،3 اور 12 ماہ کے پیپرز پر کٹ آف منافع بالترتیب 7،1498 فی صد، 7،2000 فی صد اور 7،2900 فی صد رہا۔ مستقل شرح کے بانڈز پر PIB نیلامی میں SBP نے 302 بلین روپے اکٹھے کئے جبکہ بینکوں نے 718 بلین روپے کی پیشکش کی۔ 3،15 اور 20 سالہ بانڈز پر نظر ثانی شدہ منافع بالترتیب 8.24 فی صد، 10.00 فی صد اور 10.58 فی صد طے کیا گیا۔ دسمبر 20 کو ختم ہونے والی سہ ماہی کے دوران 5 اور 10 سالہ بانڈز کے لئے، تمام پیشکشیں SBP نے مسترد کر دیں۔



CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

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CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
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Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com

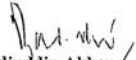


TRUSTEE REPORT TO THE UNIT HOLDERS

ASKARI CASH FUND
(Formerly Askari Sovereign Cash 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 Cash Fund (formerly Askari Sovereign Cash 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 managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 18, 2021



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Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

AUDITORS' REPORT TO THE MEMBERS ON REVIEW
OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of asset and liabilities of Askari Cash Fund (the Fund) as at December 31, 2020 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 statement of cash flows 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, 2020. 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 statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

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 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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


Chartered Accountants
Karachi
Date: 18 FEB 2021

THE POWER OF BEING UNDERSTOOD




CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT DECEMBER 31, 2020

		31 December 2020 Un-audited	30 June 2020 Audited
	Note	-----Rupees in ('000)-----	
Assets			
Balances with bank	4	1,647,991	1,054,210
Investments	5	873,000	310,947
Profit receivable on bank balances		5,802	3,849
Advances, prepayment and other receivables		22,444	16,286
Total assets		2,549,237	1,385,292
Liabilities			
Payable to Management Company	6	21,282	21,913
Payable to Central Depository Company of Pakistan Limited - Trustee		131	100
Payable to the Securities & Exchange Commission of Pakistan		194	356
Dividend Payable		-	19,079
Accrued expenses and other liabilities	7	877,466	15,891
Total liabilities		899,073	57,339
NET ASSETS		1,650,164	1,327,953
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,650,164	1,327,953
CONTINGENCIES AND COMMITMENTS	8		
NUMBER OF UNITS IN ISSUE		15,981,347	13,111,565
NET ASSET VALUE PER UNIT		103.2556	101.2810

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

For Pak Oman Asset Management Company Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED AND QUARTER ENDED 31 DECEMBER 2020

	For the half year ended 31 December		For the quarter ended 31 December	
	2020	2019	2020	2019
Note	-----Rupees in ('000)-----		-----Rupees in ('000)-----	
Income				
Return / mark-up on:				
-government securities	52,082	62,004	29,720	26,162
-bank and term deposit receipts	16,927	47,411	7,254	39,339
Other income	62	-		
Net gain on sale of investments	310	632	310	234
Net unrealised (loss) / gain on remeasurement of investments at fair value through profit or loss'	(661)	(46)	(630)	7
Total income	68,720	110,001	36,654	65,742
Expenses				
Remuneration of Asset Management Company	6.1 3,390	2,834	1,812	1,657
Sindh Sales Tax on Remuneration of the Management Company	6.2 441	368	236	215
Reimbursement of operational expenses to the Management Company	6.4 969	800	518	473
Remuneration of trustee inclusive of sales tax	712	588	381	348
Annual fees to the Securities & Exchange Commission of Pakistan	194	160	104	95
Auditors' remuneration	336	300	228	150
Fees and subscription	119	149	67	75
Printing and stationary expenses	16	16	8	16
Securities transaction cost	132	40	56	(3)
Legal and professional Charges	45	-	-	
Bank and settlement charges	23	84	16	55
Provision for Sindh Workers' Welfare Fund	1,247	2,093	684	1,253
	7,624	7,432	4,110	4,334
Net income for the period before taxation	61,096	102,569	32,544	61,408
Taxation	10 -	-	-	-
Net income for the period after taxation	61,096	102,569	32,544	61,408
Allocation of Net Income for the year				
- Net income for the period after taxation	61,096	102,569	32,544	61,408
- Income already paid on units redeemed	(24,730)	(26,418)	(17,234)	(18,689)
	36,366	76,151	15,310	42,719
Accounting income available for distribution				
-Relating to capital gains	-	632	-	234
-Excluding capital gains	36,366	75,519	15,310	42,485
	36,366	76,151	15,310	42,719

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 Half Year and Quarter Ended December 31, 2020

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED AND QUARTER ENDED 31 DECEMBER 2020

	For the half year ended 31 December		For the quarter ended 31 December	
	2020	2019	2020	2019
Note	-----Rupees in ('000)-----		-----Rupees in ('000)-----	
Net income for the period after taxation	61,096	102,569	32,544	61,408
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	61,096	102,569	32,544	61,408

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 Half Year and Quarter Ended December 31, 2020

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CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020			2019		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
-----Rupees in ('000)-----						
Net assets at the beginning of the period [Units outstanding: 13,111,565 (2019: 7,794,115)]	1,314,427	13,526	1,327,953	775,212	10,753	785,965
Issue of 29,242,983 (2019: 33,415,238) units						
-Capital value (at net asset value per unit at the beginning of the period)	2,961,759	-	2,961,759	3,369,620	-	3,369,620
-Element of income	21,901	-	21,901	133,862	-	133,862
	2,983,660	-	2,983,660	3,503,482	-	3,503,482
Redemption of 26,373,201 (2019: 17,806,004) units						
-Capital value (at net asset value per unit at the beginning of the period)	(2,671,104)	-	(2,671,104)	(1,795,572)	-	(1,795,572)
-Element of income	(12,202)	(24,730)	(36,932)	(55,873)	(26,418)	(82,291)
	(2,683,306)	(24,730)	(2,708,036)	(1,851,445)	(26,418)	(1,877,863)
Distribution during the period	-	(14,509)	(14,509)	-	-	-
Total comprehensive income for the period	-	61,096	61,096	-	102,569	102,569
Net assets at the end of the period [Units outstanding: 15,981,347 (2019: 23,403,349)]	1,614,781	35,383	1,650,164	2,427,249	86,904	2,514,153
Undistributed income brought forward comprising of:						
-Realized		13,526			10,816	
-Unrealised		-			(63)	
		<u>13,526</u>			<u>10,753</u>	
Distribution during the period		(14,509)			-	
Accounting income available for distribution:						
-Relating to capital gains	-			586		
-Excluding capital gains	36,366			75,565		
	<u>36,366</u>			<u>76,151</u>		
Undistributed income carried forward - net	35,383			86,904		
Undistributed income carried forward comprising of:						
-Realized		36,044			86,950	
-Unrealised		(661)			(46)	
		<u>35,383</u>			<u>86,904</u>	
	-----Rupees-----					
Net asset value at the beginning of the period			101,2810			100,8400
Net asset value at the end of the period			103,2556			107,4300

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December	
		2020	2019
-----Rupees in ('000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		61,096	102,569
Adjustments for:			
Net gain on sale of investments		(310)	(632)
Net unrealised appreciation on remeasurement of investments at fair value through profit or loss'		661	46
Provision for Sindh Workers Welfare Fund		1,247	2,093
		1,598	1,507
(Increase) / Decrease in assets			
Investments - Net		(562,404)	(147,953)
Receivable against transfer of units		-	(9,051)
Profit receivable on bank balances		(1,953)	(22,003)
Advances, prepayment and other receivables		(7,405)	(12,217)
		(571,762)	(191,224)
(Decrease) / Increase in liabilities			
Payable to Asset Management Company		(631)	647
Payable to Central Depository Company of Pakistan Limited - Trustee		31	29
Payable to the Securities & Exchange Commission of Pakistan		(162)	(918)
Dividend Payable		(19,079)	-
Accrued expenses and other liabilities		861,575	121
		841,734	(121)
Net cash generated from / (used in) operating activities		332,666	(87,269)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		2,983,660	3,503,482
Cash distribution		(14,509)	-
Net payments against redemption of units		(2,708,036)	(1,877,863)
Net cash generated from financing activities		261,115	1,625,619
Net increase in cash and cash equivalents		593,781	1,538,350
Cash and cash equivalents at the beginning of the period		1,054,210	518,143
Cash and cash equivalents at the end of the period	4	1,647,991	2,056,493

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

For Pak Oman Asset Management Company Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari Cash Fund (formerly: Askari Sovereign Cash 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 09 December 2011. The Fund was registered as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in 25 June 2009.

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 "Money Market 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 Management Company has obtained approval of SECP pursuant to which the name of the Fund has been changed from Askari Sovereign Cash Fund to Askari Cash Fund with effect from 29 July 2017.

The objective of the Fund is to provide the investors with a high level of liquidity along with extremely low credit and price volatility. The Fund primarily invests in government securities and other authorized investments enabling the investors to manage their liquidity efficiently.

The Pakistan Credit Rating Agency (PACRA) has assigned management quality rating of "AM3+" (Positive) to the Management Company as at 15 February 2021. Furthermore, JCR-VIS has assigned a rating of "AA+(f)" to the Fund as at 31 December 2020.

Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

2. BASIS OF PREPARATION

2.1 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 December 2020.

2.2 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Such Standards comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- the NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

2.3 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 Standards, 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.

2.4 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 this financial information gives a true and fair view of the state of the Fund's affairs as at 31 December 2020.

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 December 2020	30 June 2020
	Note	Un-audited	Audited
------(Rupees in '000)-----			
4. BALANCE WITH BANKS			
-Saving accounts	4.1	<u>1,647,991</u>	<u>1,054,210</u>
		<u>1,647,991</u>	<u>1,054,210</u>
4.1			
These savings accounts carry mark-up at the rates ranging from 5.44% to 8.55% (30 June 2020: 10.25% to 14.25%) per annum.			



ASKARI CASH FUND

31 December 2020
Un-audited
Note -----(Rupees in '000)-----

30 June 2020
Audited

5. INVESTMENTS

At fair value through profit or loss - held for trading

Government securities	5.1	873,000	310,947
		873,000	310,947

5.1 Government securities

Issue Date	Tenor	Face value				Market value as at 31 December 2020	Market Value as a percentage of	
		As at 01 July 2020	Purchased during the period	Sold / matured during the period	As at 31 December 2020		Net assets	Market value of total investments
		(Rupees in '000)				Rs in '000'		%
Market treasury bills								
18-Jun-20	3 months	125,000	-	125,000	-	-	-	-
23-Apr-20	3 months	-	500,000	500,000	-	-	-	-
16-Jul-20	3 months	-	1,575,000	1,575,000	-	-	-	-
4-Jun-20	3 months	-	500,000	500,000	-	-	-	-
27-Aug-20	3 months	-	775,000	775,000	-	-	-	-
8-Oct-20	3 months	-	4,350,000	4,350,000	-	-	-	-
22-Oct-20	3 months	-	1,300,000	1,300,000	-	-	-	-
5-Nov-20	3 months	-	500,000	500,000	-	-	-	-
19-Nov-20	3 months	-	2,450,000	2,450,000	-	-	-	-
24-Sep-20	3 months	-	95,000	95,000	-	-	-	-
31-Dec-20	3 months	-	875,000	-	875,000	861,092	52.18	98.64
26-Mar-20	3 months	-	12,100	-	12,100	11,908	0.72	1.36
18-Jun-20	6 months	125,000	-	125,000	-	-	-	-
16-Jul-20	6 months	-	75,000	75,000	-	-	-	-
23-Apr-20	6 months	-	200,000	200,000	-	-	-	-
27-Aug-20	6 months	-	700,000	700,000	-	-	-	-
12-Mar-20	6 months	-	420,000	420,000	-	-	-	-
26-Mar-20	6 months	-	425,000	425,000	-	-	-	-
26-Sep-19	12 months	67,700	-	67,700	-	-	-	-
10-Oct-19	12 months	-	600,000	600,000	-	-	-	-
24-Oct-19	12 months	-	250,000	250,000	-	-	-	-
29-Aug-19	12 months	-	250,000	250,000	-	-	-	-
30-Jan-20	12 months	-	500,000	500,000	-	-	-	-
12-Mar-20	12 months	-	75,000	75,000	-	-	-	-
		317,700	16,427,100	15,857,700	887,100	873,000		

Carrying value before marked to market as at 31 December 2020 **873,661**

31 December 2020
Un-audited
Note -----(Rupees in '000)-----

30 June 2020
Audited

6. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration of the Management Company	6.1	626	474
Sindh Sales Tax on remuneration of the Management Company	6.2	2,717	2,698
Federal Excise Duty on remuneration of the Management Company	6.3	17,757	17,757
Reimbursement of operational expenses to the Management Company	6.4	179	981
Sales Load Payable		3	3
		21,282	21,913



ASKARI CASH FUND

6.1 The Management Company has charged its remuneration at the rate of 0.35% (30 June 2020: 0.50%) 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% (30 June 2020: 13%) on Management Company's remuneration through Sindh Sales Tax on Services Act, 2011 effective from 01 July 2011.

6.3 The Finance Act, 2013 has enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from 13 June 2013. As the asset management services rendered by the Management Company of the Fund are already 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 17.757 million (30 June 2020: 17.757 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 2020 would have been higher by Rs. 1.1111 (30 June 2020: Rs. 1.3543) per unit.

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



ASKARI CASH FUND

	Note	31 December 2020	30 June 2020
		Un-audited	Audited
-----Rupees in ('000)-----			
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		252	370
Printing charges payable		123	-
Withholding tax payable		434	58
Capital Gain Tax payable		3,409	4,130
Provision for Sindh Workers' Welfare Fund	7.1	10,311	9,064
Legal and professional charges payable		181	181
Others		862,756	2,088
		877,466	15,891

7.1 There is no change in the status of the SWWF as reported in note 12 to the annual financial statements of the Fund for the year ended 30 June 2020.

8. CONTINGENCIES AND COMMITMENTS

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

9. EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at 31 December 2020 is 0.73% which includes 0.10% 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 a collective investment scheme categorised as a money market scheme.

10. TAXATION

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

	For half year ended 31 December	
	2020	2019
Un-audited		
-----Rupees in ('000)-----		
11. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS		
11.1 Transactions for the period:		
Pak Oman Asset Management Company Limited (Management Company)		
Remuneration of the Management Company	3,390	2,834
Sindh Sales tax on Remuneration of Management Company	441	368
Reimbursement of operational expenses to the Management Company	969	800

For The Half Year and Quarter Ended December 31, 2020

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ASKARI CASH FUND

	Note	For half year ended 31 December	
		2020	2019
Un-audited			
-----Rupees in ('000)-----			
Askari Bank Limited			
(Unit holder of 10% or more units of the Fund)			
Profit on balances with banks		160	384
Issuance of 3,170,768 units (2018: Nil)]		-	337,509
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of the Trustee inclusive of sales tax		712	588
Pak Oman Micro Finance Bank Limited (Common directorship)			
Issuance of 29 units (2019: 2,715)]		3	283
Maple Leaf Capital Limited			
(Unit holder of 10% or more units of the Fund)			
nil units (2019: 3,164) units		-	500,815
Bulk Management (Pakistan) Private Limited			
(Unit holder of 10% or more units of the Fund)			
Issue of 7,859,839 (2019: 7,419,983) units		800,000	770,000
Redemption of 4,918,618 (2019: 1,897,787) units		(506,565)	200,000
Gul Ahmed Energy Limited			
(Unit holder of 10% or more units of the Fund)			
Issue of 5,155,663 (2019: Nil) units		526,109	-
Redemption of 1,969,965 (2019: Nil) units		(202,193)	-
Key Management Personnel**			
Issuance of 19,663 (2019: 5,893) units		2,000	602
Redemption of 19,663 (2019: 5,056) units		2,002	514
Other Staff			
Redemption of 353 (2019: Nil) units		36	-
11.2 Investments / outstanding balances as at period / year end			
Pak Oman Asset Management Company Limited (Management Company)			
Remuneration of the Management Company		626	474
Sindh Sales Tax on remuneration of the Management Company		2,717	2,698
Federal Excise Duty on remuneration of the Management Company		17,757	17,757
Reimbursement of operational expenses to the Management Company		179	981
Sales Load Payable		3	3
Central Depository Company of Pakistan Limited (Trustee)			
Remuneration of the Trustee inclusive of sales tax		131	100
Pak Oman Asset Management Company Limited (Employees Provident Fund)			
Outstanding Nil (30 June 2020: 3,084) units - at net asset value		-	311

For The Half Year and Quarter Ended December 31, 2020

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**ASKARI CASH FUND**

	31 December 2020 Un-audited	30 June 2020 Audited
Note	-----Rupees in ('000)-----	
Pak Oman Micro Finance Bank Limited		
Outstanding 3,050 (30 June 2020: 3,091) units - at net asset value	315	313
Dividend Paid - ReInvest	-	26
Askari Bank Limited (Unit holder of 10% or more units of the fund)		
Outstanding 3,170,767 (30 June 2020: 1,380,200) units - at net asset value	327,400	139,788 6,685
Habib Metropolitan Bank Limited		
Outstanding Nil (30 June 2020: 1,977,059) units - at net asset value		200,239
Dividend Paid - ReInvest		4,745
Fauji Oil Terminal & Distribution Co. Ltd.		
Outstanding Nil (30 June 2020: 1,977,059) units - at net asset value		181,826
Dividend Paid - ReInvest		8,959
Gul Ahmed Energy Limited		
Outstanding 3,226,930 (30 June 2020: nil units) - at net asset value	333,199	-
Bulk Management Pakistan (Pvt) Ltd.		
Outstanding 3,226,930 (30 June 2020: Nil) units - at net asset value	303,698	-
Key Management Personnel**		
Outstanding 15,029 (30 June 2020: 15,234) units - at net asset value	1,552	1,543
Dividend Payable	-	7
Other Staff		
Outstanding 18 (30 June 2020: 15,234) units - at net asset value	2	-

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

**These represents transactions and balances pertaining to staff members who are pertaining key management personnel as at the close of the period.

12. 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. Consequently, differences can arise between carrying value and the fair value estimates.

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.

**ASKARI CASH FUND**

Fair value of investments classified as 'at fair value through profit or loss' which are tradable in an open market is based on the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying value as the items are short-term in nature.

The Fund classifies 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below provides information on financial assets or liabilities carried at fair values, by valuation methods.

ASSETS	-----As at Dec 31, 2020-----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
At fair value through profit or loss - held for trading				
Government securities	-	873,000		873,000
ASSETS				
	-----As at June 30, 2020-----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investments - at fair value through profit or loss - held for trading				
Government securities - Market treasury bills	-	310,947		310,947

There were no transfers between above levels during the year.

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 Fund has not disclosed the fair values for other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

12.1 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

**12.2 Market risk**

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

12.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistani Rupees.

12.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

As at Dec 31, 2020, the Fund holds KIBOR based interest bearing sukuks and term finance certificates and balance in savings accounts exposing the Fund to interest rate risk. In case of 100 basis points increase / decrease in KIBOR and bank profit rates with all other variables held constant, the net assets of the Fund would have been higher / lower by approximately Rs. 0.0167 million.

b) Sensitivity analysis for fixed rate instruments

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

12.5 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Fund's equity securities are primarily exposed to equity price risk because of investments held and classified by the Fund on the statement of assets and liabilities as 'financial assets at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Fund's constitutive documents. The Fund's constitutive documents / NBFC Regulations also limit investment in individual equity securities to not more than 15% of its net assets, or 15% of the issued capital of the investee company and the sector exposure limit to 35% of net assets.

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on December 31, 2020, net income for the year would increase / decrease by Rs. 0.5884 million (2019: Rs. 1.37 million) and net assets of the Fund would increase / decrease by the same amount.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the



index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of December 31, 2020 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

12.6 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Fund's credit risk mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable (if any) on equity securities.

Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed financial institutions with reasonably high credit ratings. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules and the regulations and the guidelines given by the SECP from time to time.

12.7 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemption requests on a regular basis. Units are redeemable at the holders' option based on the Fund's net asset value per unit, at the time of redemption, calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

12.8 Management of liquidity risk

The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised.


13 GENERAL

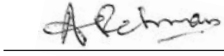
Figures have been rounded off to the nearest thousand rupees.

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 10th February, 2021.

For Pak Oman Asset Management Company Limited
(Management Company)


Chief Executive Officer


Chief Financial Officer


Director