



Shaping your future

POBOP
advantage fund
plus

**Audited Financial Statements for the Period
Ended June 30, 2008**

PAKOMAN
ASSET
MANAGEMENT



Investment Solutions. As individual as you are!

Audited Financial Statements for the Period Ended
June 30, 2008

CONTENTS

Mission & Vision Statement	2
Fund Information	3
Report of the Directors of the Management Company	5
Report of the Fund Manager of the Management Company	9
Pattern of Holdings (Units)	11
Trustee Report to the Unit Holders	12
Statement of Compliance with the Code of Corporate Governance	13
Review Report to the Unitholders on the Statement of Compliance with the Best Practices of the Code of Corporate Governance	15
Independent Auditors' Report to the Unitholders	16
Statement of Assets and Liabilities	17
Income Statement	18
Distribution Statement	19
Statement of Movement in Unit Holders' Fund	20
Cash Flow Statement	21
Notes to the Financial Statements	22

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

"POBOP Advantage Plus 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
1st Floor, Tower 'A', Finance & Trade Center,
Shara-e-Faisal, Karachi -74400, Pakistan
Phone: (9221) 5631020-24
Fax: (9221) 5631025
Web site: www.pakomanfunds.com
E-mail: info@pakomanfunds.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

H.E. Yahya Bin Said Bin Abdullah Al-Jabri	Chairman
Dr. Waqar Masood Khan	Director
Mr. Zafar Iqbal	Director
Mr. Ali Said Ali	Director
Mr. Akbar Habib	Director
Mr. Sulaiman Hamad Al Harthy	Director
Maj. Gen Khalid Zahir Akhtar	Director
Mr. Zaigham Hasan Shah	Director
Mr. Saeed ur Rahman	Director
Ms. Hina Ghazanfar	MD & CEO

AUDIT COMMITTEE

H.E. Yahya Bin Said Bin Abdullah Al-Jabri	Chairman
Mr. Zafar Iqbal	Member
Mr. Sulaiman Hamad Al Harthy	Member

HEAD OF FINANCE & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Shahzad Afgan

TRUSTEE

Central Depository Company of Pakistan Limited
CDC House,99-B Block-B,
Main Shahrah-e-Faisal
Karachi.

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
Off I.I Chundrigar Road,
Karachi - 4716, Pakistan

BANKERS TO THE FUND

Bank Al-Falah Ltd
The Bank of Punjab

LEGAL ADVISER

Bawaney & Partners
404, 4th Floor
Beaumont Plaza, 6-cl-10
Beaumont Road, Civil Lines,
Karachi - 75530

TRANSFER AGENT

Gangjees Registrar Services (Pvt.) Limited
513, Clifton Centre, Khayaban-e-Roomi
Block 5, Clifton,
Karachi-75600

Audited Financial Statements for the Period Ended
June 30, 2008

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Pak Oman Asset Management Company Limited, the Management Company of POBOP Advantage Plus Fund (the Fund) is pleased to present the audited financial statements of the Fund for the period ended June 30, 2008.

ECONOMIC REVIEW

(a) Output Profile

Economic growth slowed down to 5.8% in FY08 which is the lowest in 5 years. However, the CAGR of output for the past 5 years remains amongst the highest in developing economies at 7%. The composition of output remains fairly similar to last year's with services contributing to 53% of the output and agriculture and industry forming the rest. The new government's focus however has shifted from service (especially financial) to agriculture. Recent food crisis and resulting high prices of food have forced policy makers to pay more attention to cultivation in the country so as to reap benefits of the rising food prices.

(b) Monetary Situation

In face of mounting inflationary pressures, the central bank has reacted with severe tightening of money supply thereby causing the interbank rates to shoot up sharply. On May 29th, 2008 SBP raised the discount rate by 1.5% and increased the reserved ratios by 1% each. Yields on most debt instruments have gone up following the benchmark rate hike. Interestingly, Pakistan offers one of the highest yields in short term paper (with 3-months T-bill offering 11.65%). However, the depreciating PKR keeps foreign investors at bay.

Even after such increase, market participants anticipated further tightening to ensue in the monetary policy statement. And as per expectations the SBP again raised the benchmark rate by 1% to 13%. We believe in such a scenario, companies that are cash rich and have low or no leverage can benefit a great deal. For this reason we favor oil and gas sector which have surplus cash on their books.

(c) External Linkages

Pakistan's economic challenges are to some extent beyond its control as they are caused by external factors. Rising crude prices have lead to a burgeoning import bill. Although export targets are being met essential imports of petroleum products have caused the current account balance to reach a deficit of USD14bn whereas the overall balance of payment also resides in the negative at USD5.78bn. These pressures have played havoc with the heretofore stable rupee. The Pak rupee has lost 24% of its value against the dollar since the beginning of the year 2008. Foreign exchange reserves presently cover approximately 3 months of exports and have also been on a declining trend.

OPERATING REVIEW

The Fund during the period from October 25, 2007 to June 30, 2008 earned a total income of Rs. 194.23 million. The income for the period comprises of mainly capital gains (net) on sale of investments amounting Rs. 13.01 million, Profit on Commercial Papers amounting to Rs. 15.46 million, Profit on placements with financial statements amounting to Rs. 35.49, Income from CFS transactions amounting to Rs. 33.53 million, Profit earned on TFCs amounting Rs.61.47 million and Profit earned on deposits with banks amounting Rs.28.09 million. The unrealised gain on investments at fair value through profit or loss for the period was Rs. 7.11 million. After accounting for expenses of Rs. 34.26 million, the net income for the period was Rs. 145.56 million,

which translates into the earning of Rs. 3.41 per unit outstanding as at June 30, 2008. The net assets of the fund as at June 30, 2008 were Rs. 2,281 million. The net asset value of the fund as at June 30, 2008 was Rs. 53.4080 per unit.

INVESTMENT POLICY

Investment Policy of the Fund is stated in Clause 2.2 of the Offering Document. The investment policy of the Scheme is constructed to help ensure overall compliance with the investment objective stated above. The Investment Policy shall focus on selecting investments, executing transactions and constructing a portfolio to match the investment objective. The Investment Policy of the Scheme shall select instruments from within the specified Authorized Investments as stated in Clause 13.6 of the Offering Document.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Management Company always strives to maintain the highest standards of corporate governance. In compliance with the code of corporate governance, the BOD declares that:

- These financial statements present fairly the state of affairs of the Fund, the result of its operations, cash flows and changes in equity.
- The Fund has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Fund's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Karachi Stock Exchange (KSE) listing regulations.
- The Board has formulated a Statement of Ethics and Business Practices which has been signed by the existing directors and employees of the management company.
- There were no transactions in units of the Fund carried out by the Directors, CEO, CFO and Company Secretary of the Management Company including their spouse and minor children.
- There were no units held by above as at June 30, 2008.
- Pattern of unit holdings is given on page 11 of the financial statements.
- Key financial data for the year ended June 30, 2008 is given in note 30 of the financial statements.

Audited Financial Statements for the Period Ended
June 30, 2008

Board Meetings

During the period three board meetings were held. The details of the attendance by each director in the board meetings are as given below:

Name	Designation	Dates of board of directors meetings and directors present therein.		
		October 31, 2007	February 13, 2008	April 16, 2008
H. E. Yahya Bin Said Bin Abdullah Al-Jabri	Chairman	✓	✓	✓
Mr. Zafar Iqbal	Director	✓	-	✓
Dr. Waqar Masood Khan *	Director	-	-	N/A
Mr. Javed Mahmood *	Director	N/A	N/A	N/A
Mr. Sulaiman Al Harty	Director	✓	✓	-
Mr. Ali Said Ali	Director	-	✓	✓
Mr. Akbar Habib	Director	-	✓	✓
Mr. Zaigham Hasan Shah	Director	-	-	✓
Maj. Gen. Khalid Zahir Akhtar *	Director	✓	✓	N/A
Mr. Saeed-ur-Rahman	Director	✓	✓	✓
Brig. Shahjahan Ali Khan *	Director	N/A	N/A	N/A
Ms. Hina Ghazanfar	MD & CEO	✓	✓	✓

* Mr. Javed Mahmood and Brig. Shahjahan Ali Khan were nominated on March 11, 2008 and March 20, 2008 respectively in place of Dr. Waqar Masood Khan and Maj. Gen. Khalid Zahir Akhtar and were appointed as directors after SECP approval on May 16, 2008 and May 09, 2008 respectively.

RE-APPOINTMENT OF AUDITORS

The present auditors M/s A.F.Ferguson & Co. Chartered Accountants, retired and being eligible, offered themselves for re-appointment. The Audit Committee of the Management Company in its meeting held on August 20, 2008 recommended and the Board of Directors in their meeting held on August 20, 2008 approved their re-appointment as auditors for the year ending June 30, 2009.

MUTUAL FUND RATING *

The Credit Rating Agencies in Pakistan require at least 4 quarters of Fund performance to assign the Performance Ranking. However, JCR-VIS has assigned an 'A (f)' Fund Stability Rating to the Fund which reflects a moderate degree of stability in returns at moderate risk level. This may vary slightly from time to time because of the changing economic conditions.

JCR-VIS has also assigned the Management Quality Rating of 'AM3+' to the Management Company that denotes the company's good management quality and strong capacity to manage the risks inherent in asset management and the asset manager meets high investment management industry standards and benchmarks.

ACKNOWLEDGEMENT

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 - Central Depository Company of Pakistan Limited and the management of the Karachi Stock Exchange. We also wish to place on record our appreciation for the personnel of the Management Company.

August 20, 2008
Karachi.

For and on behalf of the Board
Hina Ghazanfar
MD & CEO

Audited Financial Statements for the Period Ended June 30, 2008

REPORT OF THE FUND MANAGER OF THE MANAGEMENT COMPANY

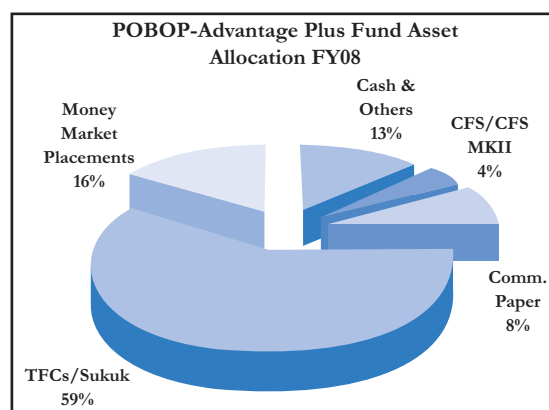
The management of Pak Oman Asset Management Company Limited, the Management Company of POBOP Advantage Plus Fund (the Fund) is pleased to present the fund manager's report of the Fund for the period ended June 30, 2008.

Investment Objective

The investment objective is to provide a stable stream of income with a moderate level of risk by primarily investing in fixed income securities and offering prospects of income and capital growth.

Terms and Structure

Type of Scheme	Open - End Fund
Nature of Scheme	Fixed Income
Inception Date	Oct 25th, 2007
Face Value	PKR 50 per Unit
Fund Size	PKR 2.281 Billion
NAV (Jun 30th, 2008)	PKR 53.4080 per Unit
Benchmark	3 - Month KIBOR
Listing	KSE (Guaranteed) Limited
Trustee	CDC Pakistan Limited
Auditor	A.F. Fergusons & Co. Chartered Accountants
Legal Advisor	Bawaney & Partners
Transfer Agent	Gangiees Registrar Services (Pvt.) Limited
Management Fee	1.50% p.a.
Fund Stability Rating	A (f) by JCR - VIS
AMC Rating	AM3+ by JCR - VIS
Fund Manager	Nabeel Malik



POBOP Performance

Yield since inception	9.95%
Risk free rate (3M T-Bill)*	9.66%
Standard deviation	1.44%
Sharpe Ratio	0.20

*Based on average FY08 3M T-Bill cutoff yield

Fund Review

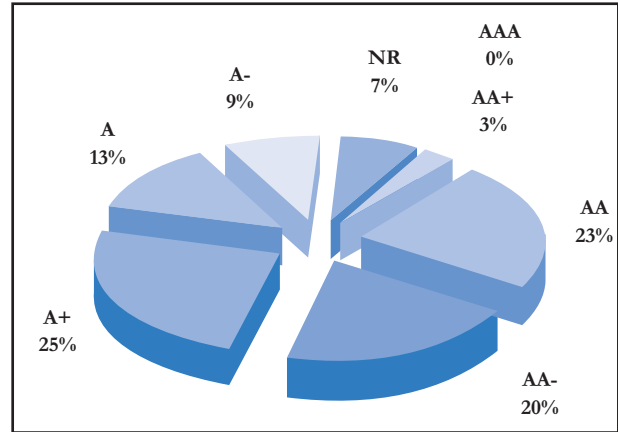
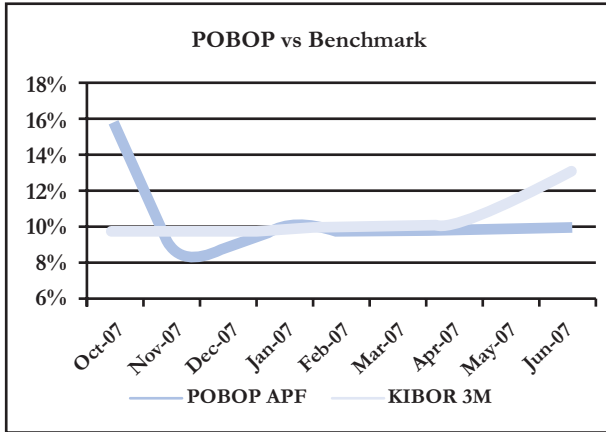
During the year under review, POBOP Advantage Plus fund yielded an annualized return of 9.95%. During its short span of time the fund managed to outshine the competition and remained within top five performers amongst the fixed income mutual funds.

Towards the end of the year, the central bank in a bid to control inflation had to raise the discount rate to 12% along with an increase in CRR and SLR. This move adversely impacted market's liquidity, hence, the KIBOR rates skyrocketed. However, the fund managed to closely follow the benchmark through most part of the year.

Net assets of the fund decreased during the year following heavy redemptions due to a liquidity crisis witnessed in the market post discount rate hike. Net assets at financial close stood at PKR 2.281bn. During the said period, the fund mostly invested in relatively low risk investments and managed to provide a stable stream of return to its unit holders.

The fund maintained a stable portfolio of fixed income instruments with 59% investment in TFCs/Sukuks and 16% in money market placements. Investments in commercial papers stood at 8%, while that in CFS/CFS MKII, at 4%. The allocation was relatively stable, but deviated slightly to optimize on market conditions. Since the discount rate was increased to 12%, it led to mark to market losses on revaluation of the TFC portfolios that negatively impacted the fixed income funds' market. Given that most of the TFCs comprise of floating rates, such portfolio managed to achieve better coupons owing to the increase in KIBOR rates.

The fund declared a cash dividend of PKR3.0957/unit for our 'Income unit holders' and bonus issue of 6.1530 units for every 100 units to our 'Growth unit holders'. Following the payout, the Fund announced ex-NAV price of PKR 50.3123 per unit.



* The CFS market include securities which are not rated because of short operational history

Returns by Market Type

CFS/CFS MKII	15.96%
Commercial Papers	11.91%
TFCs/SUKUK	13.65%
Money Market Placements	11.89%

* Please refer to note 8 for investment return break down

Unit Holding Pattern

Units	No. of Unit Holders
0 - 1,000	16
1,001 - 50,000	27
50,001 - 500,000	16
500,001 - 1,000,000	3
1,000,001 - Above	11

We appreciate the trust you have placed in our expertise to manage your investments. Going forward, we believe that there is limited downside risk to the market and it will improve once the dust settles. The Fund, as always, will endeavor to outperform the competition and provide a stable stream of attractive returns. We look forward to your continued support and patronage.

August 20, 2008
Karachi.

Nabeel Malik
 Head of Fixed Income

Audited Financial Statements for the Period Ended
June 30, 2008

PATTERN OF HOLDINGS (UNITS)
AS AT 30 JUNE 2008

	Units Held	%
Individuals	409,715	0.96
Associated companies / directors		
- Pak Oman Investment Company Limited	5,832,037	13.65
- National Industrial Parks Development & Management Company Limited	3,039,469	7.12
- The Bank of Punjab	14,370,315	33.65
Retirement funds	2,014,347	4.72
Banks / DFIs / NBFCs	2,788,166	6.53
Other corporate sector entities	14,257,337	33.37
Total	<u><u>42,711,386</u></u>	<u><u>100.00</u></u>



TRUSTEE REPORT TO THE UNIT HOLDERS POBOP ADVANTAGE PLUS FUND

Report of the Trustee pursuant to Regulation 58(f) and Clause 9 of Schedule IV of the Non-Banking Finance Companies and Notified Entities Regulations, 2007

The POBOP Advantage Plus Fund (Fund), an open-end fund was established under a trust deed dated July 16, 2007, executed between Pak Oman Asset Management Company Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the year ended June 30, 2008 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) Rule, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2007 and the constitutive documents of the Fund.

**August 28, 2008
Karachi.**

Muhammad Hanif
Chief Executive Officer
Central Depository Company of Pakistan Limited

Audited Financial Statements for the Period Ended
June 30, 2008

**STATEMENT OF COMPLIANCE WITH THE CODE OF
CORPORATE GOVERNANCE FOR THE PERIOD ENDED JUNE 30, 2008**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 of Listing Regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance. The board of directors (the Board) of Pak Oman Asset Management Company Limited, the management company, which is an unlisted public company, manages the affairs of POBOP Advantage Plus Fund (the Fund). The Fund being an open-end scheme does not have its own Board of directors. The management company has applied the principles contained in the code to the Fund whose units are listed on the Karachi Stock Exchange, in the following manner:

1. The management company encourages representation of non-executive directors. All the directors except the MD & CEO are non-executive directors.
2. The existing directors have confirmed that none of them is serving as a director in more than ten listed companies, including the management company.
3. All the existing resident directors of the management company are registered as taxpayers and none of them have defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the period. However, nomination of two directors changed during the period.
5. The board has formulated a Statement of Ethics and Business Practices which has been signed by the existing directors and employees of the management company.
6. The board of the management company has developed a vision and mission statement. The investment policy of the Fund has been disclosed in the offering document while other significant policies & procedures manuals have also been being approved by the Board and adopted by the management company.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and terms and conditions of employment of the MD & CEO of the management company, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The management company, managing the Fund has arranged an orientation course for its directors in the current year to apprise them of their duties and responsibilities and the requirements of the code of corporate governance.
10. The Board has approved the appointment of the Chief Financial Officer (CFO), Internal Audit and Company Secretary, of the management company and their terms of employment.
11. The directors' report relating to the Fund, for the period ended June 30, 2008 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Fund were duly endorsed by the MD & CEO and the CFO of the management company before approval by the Board.
13. The interest of the MD & CEO and Directors in the units of the Fund is disclosed in the pattern of unit holdings.
14. The management company has complied with all the applicable corporate and financial reporting requirements of the code.
15. The Board has formed an audit committee. It comprises of three non-executive directors of the management company as its members including chairman of the audit committee. The Company Secretary is the Secretary of the audit committee.
16. The meetings of the audit committee were held once in every quarter prior to the approval of final results of the Fund and as required by the Code. The terms of reference of the audit committee have been framed and approved by the Board of the management company and advised to the committee for compliance.
17. An internal audit department was established during the year.
18. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the management company or units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

August 20, 2008
Karachi.

Hina Ghazanfar
MD & CEO

Audited Financial Statements for the Period Ended
June 30, 2008

**REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT
OF COMPLIANCE WITH BEST PRACTICES OF CODE OF
CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Pak Oman Asset Management Company Limited (the management company) of POBOP Advantage Plus Fund comply with the Listing Regulation No. 37 of the Karachi Stock Exchange where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the management company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the management company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the management company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the management company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the period from October 25, 2007 to June 30, 2008.

August 28, 2008
Karachi.

A.F. Ferguson & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS

We have audited the accompanying financial statements of POBOP Advantage Plus Fund, which comprise the statement of assets and liabilities as at June 30, 2008, and the related income statement, distribution statement, cash flow statement and statement of movement in unit holders' funds for the period from October 25, 2007 to June 30, 2008, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, the Non-banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies Regulations, 2007 (NBFC Regulations), the directives issued by the Securities and Exchange Commission of Pakistan (the directives) and approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2008 and of its financial performance, cash flows and transactions for the period from October 25, 2007 to June 30, 2008 in accordance with the requirements of the Trust Deed, the NBFC Rules and the NBFC Regulations, the directives and approved accounting standards as applicable in Pakistan.

Other Matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed and NBFC Rules and NBFC Regulations.

**August 28, 2008
Karachi.**

**A.F. Ferguson & Co.
Chartered Accountants**

Audited Financial Statements for the Period Ended
June 30, 2008

**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2008**

	Note	2008 (Rupees in '000)
Assets		
Balances with banks	6	275,775
Placements with financial institutions	7	375,000
Investments	8	1,511,555
Receivable against continuous funding system transactions	9	84,515
Profit receivable	10	33,824
Deposits, prepayments and other receivables	11	6,350
Preliminary expenses and floatation cost	12	2,983
Total assets		2,290,002
Liabilities		
Payable to Pak Oman Asset Management Company Limited - Management Company of the Fund	13	6,638
Payable to Central Depository Company of Pakistan Limited - Trustee of the Fund	14	276
Payable to Securities and Exchange Commission of Pakistan	15	1,673
Accrued expenses and other liabilities	16	286
Total liabilities		8,873
Net assets		2,281,129
Commitments	18	
Unitholders' funds (as per statement attached)		2,281,129
Number of units in issue		42,711,386
		(Rupees)
Net assets value per unit		53.4080

The annexed notes 1 to 31 form an integral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

MD & CEO

Director

INCOME STATEMENT
FOR THE PERIOD FROM OCTOBER 25, 2007 TO JUNE 30, 2008

	Note	For the period from October 25, 2007 to June 30, 2008 (Rupees in '000)
Income		
Profit on deposit accounts with banks		28,087
Profit on placements with financial institutions		35,487
Profit on term finance certificates		61,472
Profit on commercial papers		15,464
Income from continuous funding system transactions		33,528
Income from sale of investments		13,085
		187,123
Unrealised gain on investments 'at fair value through profit or loss'	8.5	7,108
Total income		194,231
Expenses		
Remuneration to Pak Oman Asset Management Company Limited - Management Company of the Fund		25,095
Remuneration to Central Depository Company of Pakistan Limited - Trustee of the Fund		2,356
Securities and Exchange Commission of Pakistan - annual fee		1,673
Auditors' remuneration	19	388
Fees and subscription		339
Amortisation of preliminary expenses and floatation costs	12	746
Brokerage		2,251
Bank and settlement charges		1,416
Total expenses		34,264
Element of loss included in prices of units sold less those in units redeemed		(14,407)
Net income		145,560
		(Rupees)
Earnings per unit outstanding - basic	20	3.41

The annexed notes 1 to 31 form an integral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

MD & CEO

Director

Audited Financial Statements for the Period Ended
June 30, 2008

**DISTRIBUTION STATEMENT
FOR THE PERIOD FROM OCTOBER 25, 2007 TO JUNE 30, 2008**

For the period
from October 25,
2007 to June 30,
2008
(Rupees in '000)

Net income for the period	145,560
Undistributed income carried forward	<u>145,560</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

MD & CEO

Director

**STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS
 FOR THE PERIOD FROM OCTOBER 25, 2007 TO JUNE 30, 2008**

	For the period from October 25, 2007 to June 30, 2008 (Rupees in '000)
Issue of 130,134,656 units	6,644,682
Redemption of 87,423,270 units	(4,523,520)
	<u>2,121,162</u>
Element of loss included in prices of units sold less those in units redeemed	14,407
Net income for the period	145,560
Net assets as at the end of the period	<u>2,281,129</u>
	<u>(Rupees)</u>
Net assets value per unit	<u>53.4080</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For Pak Oman Asset Management Company Limited
 (Management Company)

MD & CEO

Director

Audited Financial Statements for the Period Ended
June 30, 2008

CASH FLOW STATEMENT
FOR THE PERIOD FROM OCTOBER 25, 2007 TO JUNE 30, 2008

	Note	For the period from October 25, 2007 to June 30, 2008 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income		145,560
Adjustments for non-cash and other items		
Profit on deposit accounts with banks		(28,087)
Profit on placements with financial institutions		(35,487)
Profit on term finance certificates		(61,472)
Profit on commercial papers		(15,464)
Income from continuous funding system transactions		(33,528)
Income from sale of investments		(13,085)
Unrealised gain on investments 'at fair value through profit or loss'		(7,108)
Amortisation of preliminary expenses and floatation cost		746
Element of loss included in prices of units sold less those in units redeemed		14,407
		(33,518)
Increase in assets		
Placements with financial institutions		(375,000)
Investments (Net)		(1,488,983)
Receivable against continuous funding system transactions		(84,515)
Deposits, prepayments and other receivables		(6,350)
Preliminary expenses and floatation cost		(3,729)
		(1,958,577)
Increase in liabilities		
Payable to Pak Oman Asset Management Company Limited		6,638
Payable to Central Depository Company of Pakistan Limited		276
Payable to Securities and Exchange Commission of Pakistan		1,673
Accrued expenses and other liabilities		286
		8,873
Profit received on deposit accounts with banks		24,264
Profit received on placements with financial institutions		28,991
Profit received (net) on term finance certificates		38,514
Income received on continuous funding system transactions		32,981
Income received from sale of investments		13,085
Cash outflow from operating activities		(1,845,387)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net of receipts and payments against issue and redemption of units		2,121,162
Net increase in cash and cash equivalent during the period and its balance at the end of the period	6	275,775

The annexed notes 1 to 31 form an integral part of these financial statements.

For Pak Oman Asset Management Company Limited
(Management Company)

MD & CEO

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM OCTOBER 25, 2007 TO JUNE 30, 2008

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 POBOP Advantage Plus Fund (the Fund) was established as an open-end scheme under a trust deed (the Trust Deed) executed between Pak Oman Asset Management Company Limited (POAMCL) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed was executed on July 16, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 27, 2007 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). On November 21, 2007 Non Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulations) were notified. The registered office of the Management Company is situated at First Floor, Tower A, Finance and Trade Centre, Sharah-e-Faisal, Karachi.
- 1.2 The management company of the Fund is registered with the SECP as a Non-Banking Finance Company under the NBFC Rules and Regulations.
- 1.3 The Fund is an open-end fund listed on the Karachi Stock Exchange and was launched on October 25, 2007. 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.
- 1.4 The policy of the Fund is to invest in a mix of investment-grade money market instruments, debt securities, continuous funding system transactions, government securities and derivative transactions.
- 1.5 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.

2. BASIS OF PRESENTATION AND ACCOUNTING CONVENTION

These financial statements are presented in Pakistani Rupees which is the functional currency of the Fund and the figures have been rounded off to the nearest thousand Rupees. These financial statements have been prepared under the historical cost convention, except for certain investments classified as 'available for sale' and 'at fair value through profit or loss' are carried at fair value in accordance with the criteria laid down in the International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

3. STATEMENT OF COMPLIANCE

- 3.1 These are the first financial statements of the Fund, therefore, there are no corresponding figures.
- 3.2 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan, the Trust Deed, the NBFC Rules and NBFC Regulations and the directives issued by the SECP. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as are notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules and NBFC Regulations and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules and NBFC Regulations and the said directives take precedence.

Audited Financial Statements for the Period Ended June 30, 2008

3.3 Standards, amendments and interpretations effective during the period October 25, 2007 to June 30, 2008:

There are certain new standards and interpretations that were mandatory for accounting period beginning on or after July 1, 2007 but are considered not to be relevant or have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

IFRS 7, 'Financial instruments: Disclosures' (effective from July 1, 2008) introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the financial instruments.

There are other standards, interpretations and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after July 1, 2008 but are considered not to be relevant or have any significant effect to the Fund's operations and are therefore not detailed in these financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the approved accounting standards requires the management company to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements are as follows:

- (a) Classification and valuation of investments (notes 5.1 and 7).
- (b) Amortisation of preliminary expenses and floatation costs.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

5.1 Financial instruments

5.1.1 Classification

The Fund classifies its financial assets in the following categories:

- (a) Investments 'at fair value through profit or loss':
 - Financial assets 'held-for-trading'

These include financial assets acquired principally for the purpose of generating profit from short-term fluctuations in prices or dealers' margins or are securities included in a portfolio in which a pattern of short-term profit taking exists.

- Financial assets 'at fair value through profit or loss upon initial recognition'

Any financial asset within the scope of IAS 39 - Financial Instruments: Recognition and Measurement (IAS 39) may be designated when initially recognised as a financial asset at fair value through profit or loss except for investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

All purchases and sales of investments in this category are recognised using trade date accounting.

(b) *Held to maturity*

These are securities acquired by the Fund with the intention and ability to hold them upto maturity.

All purchases and sales of investments in this category are recognised using trade date accounting.

(c) *Loans and receivables*

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as at fair value through profit or loss or available for sale.

All purchases and sales of investments in this category are recognised using trade date accounting.

(d) *Available for sale*

These financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

All purchases and sales of investments in this category are recognised using trade date accounting.

5.1.2 *Recognition*

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

5.1.3 *Measurement*

Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities 'at fair value through profit or loss' are expensed immediately.

Audited Financial Statements for the Period Ended June 30, 2008

Subsequent to initial recognition, instruments classified as financial assets 'at fair value through profit or loss' and 'available for sale' are measured at fair value. Gains or losses arising, from changes in the fair value of the 'financial assets at fair value through profit or loss' are recognised in the income statement. Changes in the fair value of instruments classified as 'available for sale' are recognised in equity until derecognised or impaired, while the accumulated fair value adjustments in equity, upon sale of investments are included in the income statement.

Financial assets classified as 'loans and receivables' and 'held to maturity' are carried at amortised cost using the effective yield method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective yield method.

5.1.4 *Fair value measurement principles*

The fair value of marketable securities and derivatives are based on their prices quoted on the Stock Exchange or by Mutual Fund Association of Pakistan (MUFAP) at the balance sheet date without any deduction for estimated future selling costs.

The Management Company of the Fund estimates that the fair value of Commercial Papers is equal to its carrying value.

The fair values of unlisted or unquoted securities and derivatives, where prices quoted by MUFAP are not available, are determined by using other methods as allowed under IAS 39.

5.1.5 *Impairment*

Financial assets not carried 'at fair value through profit or loss' are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the Income Statement as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective yield rate.

If in a subsequent period, the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the impairment is reversed through the income statement.

5.1.6 *Receivable against continuous funding system transactions*

Securities purchased under an agreement to resell are included as financings in respect of continuous funding system (CFS) at the value of the consideration given. All those transactions are accounted for on the settlement date. The difference between the purchase and sale price is treated as income and is recognised over the period of the transaction.

All purchases under CFS are recognised using the settlement date accounting.

5.1.7 *Derecognition*

The Fund derecognises a financial asset when the contractual rights to the cash flow from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

5.2 Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Derivative financial instruments entered into by the Fund do not meet the hedging criteria as defined by International Accounting Standard -39, Recognition and Measurement of Financial Instruments (IAS-39), consequently hedge accounting is not used by the Fund.

5.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the applications received by the distributors during business hours on the date when the application is received. The offer price represents the net assets value of the units as of the close of the business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributors and the management company. Currently, the Fund is not charging any load, duties or charges.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption application during business hours on that date. The redeemed price represents the net assets value per unit less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Currently, the Fund is not charging any load, duties or charges.

5.4 Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) in prices of units sold less those in units redeemed' is set up in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

The net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and redeemed during an accounting period is taken to the income statement.

5.5 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that obligation can be made. Provisions are regularly reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.6 Net assets value per unit

The net assets value (NAV) per unit is calculated by dividing the net assets of the Fund by the number of units in issue at period end.

Audited Financial Statements for the Period Ended June 30, 2008

5.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I to the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Accordingly, the Fund has not recorded a tax liability in respect of income relating to the current period as the Fund intends to avail this exemption.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that these will be available for set off against future taxable profits. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least 90 percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised to its unit holders every year.

5.8 Preliminary expenses and floatation cost

Preliminary expense and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These cost are being amortised over a period of five years in accordance with the requirement of the Trust Deed of the Fund.

5.9 Distribution and appropriation

Distribution and appropriation to reserves are recognised in the Fund's financial statements in the period in which these are approved.

5.10 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

5.11 Zakat

Units held by resident Pakistani unit holders are subject to Zakat at 2.5% of the face value or redemption value, whichever is lower, of units under the Zakat and Ushr Ordinance, 1980 (XVII of 1980), except those exempted. Zakat is deducted at source from the dividend amount or from the redemption payment, if units are redeemed during the Zakat year before payment of dividend after it becomes leviable.

5.12 Revenue recognition

- (i) Gains / (losses) arising on disposal of investments are included in the income statement currently and are recognised on the date when the transaction takes place.
- (ii) Income on debt instruments is recognised on an accrual basis using the effective interest rate method.
- (iii) Income from 'ready buy future sale' transactions is recognised on settlement date.
- (iv) Profits on commercial papers, term deposit receipts, placements with financial institutions and bank deposits are recorded on an accrual basis.
- (v) Unrealised gains / (losses) arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- (vi) Income from continuous funding system transactions is recognised on an accrual basis.

5.13 Expenses

All expenses, including management fee and trustee fee, are recognised in the income statement on an accrual basis.

5.14 Cash and cash equivalent

Cash and cash equivalent comprises deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

	Note	2008 (Rupees in '000)
6. BALANCES WITH BANKS		
Balances with banks - Deposit accounts		<u>275,775</u>

7. PLACEMENTS WITH FINANCIAL INSTITUTIONS

Name	Placement Date	Maturity Date		
First Dawood Investment Bank Limited	November 15, 2007	May 15, 2009	11.59	150,000
Saudi Pak Leasing Company Limited	November 20, 2007	May 20, 2009	12.19	200,000
B.R.R. Guardian Modaraba	November 17, 2007	November 17, 2008	11.24	25,000
				<u>375,000</u>

8. INVESTMENTS - 'at fair value through profit or loss'

Equity securities purchased under ready buy future sale transactions		8.1		-
Commercial papers		8.2		170,307
Sukuk certificates		8.3		461,295
Term finance certificates		8.4		879,953
				<u>1,511,555</u>

Audited Financial Statements for the Period Ended
June 30, 2008

8.1 Equity securities purchased under ready buy future sale transactions

These securities are held under ready buy future sale transactions. These securities are purchased in the ready "T+2" market and simultaneously sold in the future market. The details are as follows:

Name of the investee company	As at October 25, 2007	Purchases during the period	Sales during the period	As at June 30, 2008	Cost as at June 30, 2008	Market value as at June 30, 2008	Percentage of net assets on the basis of market value (see note 8.1.1 below)
	-----Number of shares-----			Rupees in '000			
Commercial Banks							
Askari Bank Limited	-	54,000	54,000	-	-	-	-
Bank AlFalah Limited	-	91,000	91,000	-	-	-	-
The Bank of Punjab Limited	-	86,500	86,500	-	-	-	-
Faysal Bank Limited	-	45,000	45,000	-	-	-	-
National Bank of Pakistan Limited	-	845,000	845,000	-	-	-	-
Arif Habib Bank Limited	-	2,000	2,000	-	-	-	-
MCB Bank Limited	-	1,000	1,000	-	-	-	-
Textile							
Nishat Mills Limited	-	56,500	56,500	-	-	-	-
Cement							
Lucky Cement Limited	-	58,000	58,000	-	-	-	-
D. G. Khan Cement Limited	-	1,971,500	1,971,500	-	-	-	-
Maple Leaf Cement Factory Limited	-	3,535,500	3,535,500	-	-	-	-
Pioneer Cement Limited	-	42,000	42,000	-	-	-	-
Power generation and distribution							
Hub Power Company Limited	-	60,000	60,000	-	-	-	-
Kot Addu Power Company Limited	-	23,500	23,500	-	-	-	-
Oil and gas marketing companies							
Pakistan State Oil Limited	-	164,500	164,500	-	-	-	-
Sui Northern Gas Pipelines Limited	-	54,000	54,000	-	-	-	-
Sui Southern Gas Company Limited	-	38,500	38,500	-	-	-	-
Oil and gas exploration companies							
Oil and Gas Development Company Limited	-	127,000	127,000	-	-	-	-
Pakistan Oilfields Limited	-	349,000	349,000	-	-	-	-
Pakistan Petroleum Limited	-	777,000	777,000	-	-	-	-
Technology and communications							
Pakistan Telecommunication Company Limited	-	237,500	237,500	-	-	-	-
Fertilizers							
Engro Chemicals Pakistan Limited	-	119,000	119,000	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	2,617,500	2,617,500	-	-	-	-
Fauji Fertilizer Company Limited	-	31,000	31,000	-	-	-	-
Refinery							
Attock Refinery	-	5,000	5,000	-	-	-	-
Engineering							
Crescent Steel and Allied Products	-	1,500	1,500	-	-	-	-
Insurance							
Admajee Insurance	-	2,500	2,500	-	-	-	-
Investment Banks / Companies / Securities							
Arif Habib Securities Limited	-	2,500	2,500	-	-	-	-
Jehangir Siddiqui Company Limited	-	112,000	112,000	-	-	-	-
Chemicals							
ICI Pakistan	-	500	500	-	-	-	-
Technology & Communication							
Telecard	-	4,000	4,000	-	-	-	-
Miscellaneous							
Pace (Pakistan)	-	8,000	8,000	-	-	-	-
					-	-	-

8.1.1 Net assets are as defined in 2 (xxxiv) of the NBFC Rules and 2 (xxvi) of the NBFC Regulations.

8.2 Commercial papers

Name of the investee company	Face value of each certificate	Maturity	Mark-up rate	Purchases during the period	Sales / Maturities during the period	As at June 30, 2008	Cost as at June 30, 2008	Market value as at June 30, 2008	Percentage of net assets on the basis of market value (see note 8.1.1 below)	Percentage of total investment
	Rs in '000					----- Number of certificates -----		----- Rs in '000 -----		
Azgard Nine Limited	10,000	June 17, 2008	12.23%	5	5	-	-	-	-	-
Azgard Nine Limited	5,000	March 15, 2008	13.30%	1	1	-	-	-	-	-
Azgard Nine Limited	10,000	March 15, 2008	13.30%	4	4	-	-	-	-	-
Azgard Nine Limited	5,000	July 15, 2008	10.56%	5	5	-	-	-	-	-
Azgard Nine Limited	5,000	November 17, 2008	11.46%	5	-	5	46,106	47,988	2.10	3.17
Pak American Fertilizers Limited	10,000	July 5, 2008	11.25%	5	-	5	46,436	49,943	2.19	3.31
Pak Electron Limited	5,000	July 15, 2008	10.56%	10	-	10	47,525	49,808	2.19	3.31
Azgard Nine Limited	1,000	February 3, 2009	12.04%	5	-	5	4,647	4,667	0.20	0.31
Pak American Fertilizers Limited	1,000	March 25, 2009	16.05%	20	-	20	17,877	17,901	0.78	1.18
							162,591	170,307	7.46	11.28

8.3 Sukuk certificates

Name of the investee company	Maturity	Profit rate	Purchases during the period	Sales / redemptions during the period	As at June 30, 2008	Cost as at June 30, 2008	Market value as at June 30, 2008	Percentage of net assets on the basis of market value (see note 8.1.1 below)	Percentage of total investment
					----- Number of certificates -----		----- Rs in '000 -----		
Kohat Cement Company Limited	September 20, 2012	6 months KIBOR plus base rate of 1.80%	30,000	-	30,000	144,900	145,233	6.37	9.61
New Allied Electronic Industries Limited	July 25, 2012	3 months KIBOR plus base rate of 2.60%	192,000	-	192,000	60,368	60,320	2.64	3.99
Maple Leaf Cement Factory Limited	January 1, 2014	6 months KIBOR plus base rate of 1.70%	12,000	-	12,000	60,000	60,348	2.65	3.99
Pak Elektron Limited	September 28, 2012	3 months KIBOR plus base rate of 1.75%	9,000	-	9,000	45,337	45,394	1.99	3.00
House Building Finance Corporation	May 8, 2014	6 months KIBOR plus base rate of 1.65%	30,000	-	30,000	150,000	150,000	6.58	9.92
						460,605	461,295	20.23	30.51

Audited Financial Statements for the Period Ended
June 30, 2008

8.4 Term finance certificates

Name of the investee company	Maturity	Mark -up rate	Purchases during the period	Sales / redemptions during the period	As at June 30, 2008	Cost as at June 30, 2008	Market value as at June 30, 2008	Percentage of net assets on the basis of market value (see note 8.1.1 below)	Percentage of total investment
			----- Number of certificates -----		----- Rs in '000 -----				
Engro Chemicals Limited - II	November 30, 2015	6 months KIBOR plus base rate of 1.55%	21,403	-	21,403	106,994	108,149	4.74	7.15
Pak American Fertilizers Limited	November 28, 2014	6 months KIBOR plus base rate of 1.75%	19,000	-	19,000	95,422	95,145	4.17	6.29
Azgard Nine Limited	December 4, 2014	6 months KIBOR plus base rate of 2.25%	10,000	-	10,000	50,151	50,166	2.20	3.32
Pak Arab Fertilizers Limited	February 28, 2013	6 months KIBOR plus base rate of 1.50%	20,000	-	20,000	100,968	99,793	4.37	6.60
UBL Bank Limited	February 14, 2018	6 months KIBOR plus base rate of 0.85%	10,000	6,000	4,000	20,000	19,890	0.87	1.32
NIB Bank Limited	March 5, 2016	6 months KIBOR plus base rate of 1.15%	30,000	-	30,000	150,000	151,860	6.66	10.05
Pakistan Mobile Communication Limited	See note 8.4.1 below	6 months KIBOR plus base rate of 1.65%	40,000	-	40,000	200,000	203,760	8.93	13.48
Worldcall Telecommunication Limited	See note 8.4.1 below	6 months KIBOR plus base rate of 1.6%	20,000	-	20,000	100,000	101,190	4.44	6.69
B.R.R Guardian Modarba	See note 8.4.1 below	6 months KIBOR plus base rate of 1.65%	10,000	-	10,000	50,000	50,000	2.19	3.31
						<u>873,535</u>	<u>879,953</u>	<u>38.57</u>	<u>58.21</u>

8.4.1 These represent Pre-IPO subscriptions which are expected to be listed on stock exchange subsequent to the period end.

8.5	Unrealised gain on investments 'at fair value through profit or loss'	2008 (Rupees in '000)
	Fair value of investments	1,511,555
	Less: Cost of investments	(1,504,447)
		7,108

9. RECEIVABLE AGAINST CONTINUOUS FUNDING SYSTEM TRANSACTIONS

The rates of return on these transactions range between 10.99 to 30.00 percent per annum, with maturities ranging from overnight to 22 working days. Fair value of the collaterals accepted against the above receivable balance as at June 30, 2008 amounted to Rs 86.394 million.

		2008 (Rupees in '000)
10. PROFIT RECEIVABLE		
	Profit receivable on continuous funding system transactions	547
	Profit receivable on term finance certificates	22,958
	Profit receivable on placements with financial institutions	6,496
	Profit receivable on deposit accounts with banks	3,823
		33,824

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Security deposits with Central Depository Company of Pakistan Limited	100
	Security deposits with National Clearing Company of Pakistan Limited	3,500
	Margin deposits with National Clearing Company of Pakistan Limited	1,845
	Prepayments	860
	Other receivables	45
		6,350

12. PRELIMINARY EXPENSES AND FLOATATION COST

	Preliminary expenses and floatation cost	3,729
	Less: Amortisation for the period	(746)
		2,983

Audited Financial Statements for the Period Ended
June 30, 2008

**13. PAYABLE TO PAK OMAN ASSET MANAGEMENT COMPANY LIMITED -
MANAGEMENT COMPANY OF THE FUND**

	Note	2008 (Rupees in '000)
Remuneration	13.1	2,909
Preliminary expenses and floatation costs		3,729
		6,638

13.1. Under the provisions of the NBFC regulations, the management company is entitled to a remuneration of an amount not exceeding three percent of the average annual net assets of the Fund during the first five years of the Fund's existence and thereafter an amount equal to two percent of such assets of the Fund. The remuneration of the Management Company has been charged at a rate of one and a half percent (1.5%) on average annual net assets of the Fund for the period ended from October 25, 2007 to June 30, 2008.

**14. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED -
TRUSTEE OF THE FUND**

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed in accordance with the tariff specified therein, based on the daily net assets value of the Fund.

15. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents proportionate annual fee at the rate of one tenth of one percent of the average annual net assets of the Fund payable to SECP under regulation 71 of the NBFC Regulations.

16. ACCRUED EXPENSES AND OTHER LIABILITIES

	2008 (Rupees in '000)
Auditors' remuneration	265
Others	21
	286

17. CLASSES OF UNITS IN ISSUE

17.1 The Fund has issued the following classes of units:

Class Description

- A Units issued to the core investor (Bank of Punjab) with no sales load. These units cannot be redeemed for a period of two years from the date of closure of Initial Offer
- B Units issued to Pre-IPO and IPO investors with no front-end load
- C Units issued after the IPO

17.2 As per the First Supplemental Trust Deed dated May 26, 2008, management company of the Fund may issue the following classes of units:

- Growth units which shall be entitled to bonus units in case of any distribution by the Fund. Bonus units issued to growth unit holders shall also be the growth units.
- Income units which shall be entitled to cash dividend in case of any distribution by the Fund.

17.3 The units in issue as at June 30, 2008 in each class and their par values were as follows:

Class	Number of units in issue	2008 (Rupees in '000)
A		
- Growth units	-	-
- Income units	5,000,000	250,000
B		
- Growth units	9,979,035	498,952
- Income units	10,379,942	518,997
C		
- Growth units	17,352,409	867,620
- Income units	-	-
Total	<u>42,711,386</u>	<u>2,135,569</u>

The par value of each unit is Rs 50. The management company of the Fund has set a minimum initial investment limit of Rs 5,000. All units carry equal rights and are entitled to dividends and payment of net asset value on liquidation.

2008
(Rupees in '000)

18. COMMITMENTS

Continuous Funding System (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions has not been settled as at period end

10,708

19. AUDITORS' REMUNERATION

Annual audit fee	200
Half year review fee	100
Others	65
Out of pocket expense	23
	<u>388</u>

Audited Financial Statements for the Period Ended
June 30, 2008

20. EARNINGS PER UNIT OUTSTANDING - BASIC

	2008 (Rupees in '000)
Net income for the period	<u>145,560</u>
	(Units)
Number of units in issue	<u>42,711,386</u>
	(Rupees)
Earnings per unit outstanding - Basic	<u>3.41</u>

21. TRANSACTIONS WITH CONNECTED PERSONS

The connected persons include Pak Oman Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Pak Oman Investment Company Limited being the Holding Company of Management Company, National Industrial Parks Development and Management Company Limited, The Bank of Punjab and Bank Al-Falah Limited. Transactions with connected persons are entered into in the normal course of business, at contracted rates and terms determined in accordance with market rates. The remuneration to the Management Company and the Trustee is payable in accordance with the NBFC Regulations.

Details of transactions with connected persons and balances with them at period end are as follows:

	2008 (Units)	2008 (Rupees in '000)
Units sold to:		
Pak Oman Investment Company Limited	11,832,037	600,000
National Industrial Parks Development and Management Company Limited	6,000,000	300,000
The Bank of Punjab	33,963,561	1,750,000
Bank Al-Falah Limited	5,950,183	300,000
Units redeemed by:		
Pak Oman Investment Company Limited	6,000,000	308,640
National Industrial Parks Development and Management Company Limited	2,960,531	150,000
The Bank of Punjab	19,593,246	1,033,096
Bank Al-Falah Limited	4,940,556	251,160
Units outstanding as at June 30, 2008:		
Pak Oman Investment Company Limited	5,832,037	311,477
National Industrial Parks Development and Management Company Limited	3,039,469	162,332
The Bank of Punjab	14,370,315	767,490

2008
(Rupees in '000)

**Pak Oman Asset Management Company Limited - Management
Company of the Fund**

Remuneration for the period	25,095
Preliminary expenses and formation cost	3,729
	28,824
Amount paid during the period	(22,186)
Balance at the end of the period	6,638

**Central Depository Company of Pakistan Limited
- Trustee of the Fund**

Remuneration for the period	2,356
Amount paid during the period	(2,080)
Balance at the end of the period	276

The Bank of Punjab

Deposit	261,007
Profit on bank deposit	21,085

Bank Al-Falah Limited

Deposit	14,768
Profit on bank deposit	7,002

22. RISK MANAGEMENT

The Fund primarily invests in a portfolio of investment-grade money market instruments, debt securities, continuous funding system transactions, government securities and derivative transactions. Such investments are subject to varying degrees of risk. These risks emanates from various factors that include, but are not limited to:

22.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market prices of securities due to a change in credit rating of the issuer or the instrument, changes in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Management Company manages market risk exposure of the Fund by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. Market risk of the Fund's financial assets and liabilities can be evaluated from the following schedule:

Audited Financial Statements for the Period Ended
June 30, 2008

	Interest/mark-up bearing			Non-interest/mark-up bearing			Total 2008	
	Interest / mark-up rates	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year		Sub-total
	%	-----Rupees in `000-----						
Financial assets								
Balances with banks	2.50 to 15.00	275,775	-	275,775	-	-	-	275,775
Placements with financial institutions	10.99 to 11.59	375,000	-	375,000	-	-	-	375,000
Investments	11.10 to 15.57	1,511,555	-	1,511,555	-	-	-	1,511,555
"Receivable against continuous funding system transactions"	10.99 to 30.00	84,515	-	84,515	-	-	-	84,515
Profit receivable	-	-	-	-	33,824	-	33,824	33,824
Deposits and other receivables	7.00	-	1,845	1,845	45	3,600	3,645	5,490
Preliminary expenses and floatation cost 2008	-	-	-	-	-	2,983	2,983	2,983
		2,246,845	1,845	2,248,690	33,869	6,583	40,452	2,289,142
Financial liabilities								
"Payable to Pak Oman Asset Management Company Limited - Management Company of the Fund"	-	-	-	-	6,638	-	6,638	6,638
"Payable to Central Depository Company of Pakistan Limited - Trustee of the Fund"	-	-	-	-	276	-	276	276
"Payable to Securities and Exchange Commission of Pakistan"	-	-	-	-	1,673	-	1,673	1,673
Accrued expenses and other liabilities 2008	-	-	-	-	286	-	286	286
		-	-	-	8,873	-	8,873	8,873

22.2 Credit risk

Credit risk management

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of reverse repurchase transactions and receivable against continuous funding system or other arrangements, to fulfill their obligations. The risk is generally limited to principal amounts and accrued interest thereon, if any.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits, obtaining adequate collaterals and by following strict credit evaluation criteria laid down by the management. The Fund does not expect to incur material credit losses on its financial assets.

Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentration of credit risk.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Management Company manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

22.4 Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities approximate to their fair value.

23. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on July 7, 2008 has approved distribution of Rs 3.0957 per unit for the period ended June 30, 2008 which aggregates to Rs 132.222 million. Out of the approved distribution Rs 47.612 million will be distributed as cash dividend and Rs 84.610 million as bonus units.

24. UNIT HOLDING PATTERN OF THE FUND

Category	No. of unitholders	Investment (Rupees in '000)	% of total investment
Individuals	39	21,882	0.96
Associated companies / directors	3	1,241,299	54.42
Banks / DFIs	3	67,329	2.95
NBFCs	4	81,582	3.58
Retirement funds	13	107,582	4.72
Others	10	761,455	33.37
Total	72	2,281,129	100.00

Audited Financial Statements for the Period Ended
June 30, 2008

25. LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION

Bhayani Securities (Private) Limited
 DJM Securities (Private) Limited
 FDM Capital Securities (Private) Limited
 Global Securities Pakistan Limited
 Growth Securities (Private) Limited
 Inter Market Securities (Private) Limited
 Invest and Finance Securities Limited
 Ismail Abdul Shakoor Securities (Private) Limited
 Ismail Iqbal Securities (Private) Limited
 JS Global Capital Limited

26. DETAILS OF MEMBERS OF BOARD INVESTMENT COMMITTEE

Members	Qualification	Experience
Mr. Akbar Habib (Chairman)	B.Sc.	22 years
Mr. Saeed – ur- Rahman	FCA	24 years
Mr. Zaigham Hasan Shah	MBA	14 years
Mr. Ali Said Ali	MBA & B.Sc. Mechanical	21 years
Ms. Hina Ghazanfar	MBA	16 years

27. DETAILS OF FUND MANAGER

Name	Qualification	Funds Managed
Mr. Nabeel Malik	MBA	POBOP Advantage Plus Fund Pak Oman Advantage Fund

28. DETAILS OF MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Name	Designation	Dates of board of directors meetings and directors present therein		
		October 31, 2007	February 13, 2008	April 16, 2008
H. E. Yahya Bin Said Bin Abdullah Al-Jabri	Chairman	✓	✓	✓
Mr. Zafar Iqbal	Director	✓	-	✓
Dr. Waqar Masood Khan, Esq. *	Director	-	-	N/A
Mr. Javed Mahmood *	Director	N/A	N/A	N/A
Mr. Sulaiman Al Harty	Director	✓	✓	-
Mr. Ali Said Ali	Director	-	✓	✓
Mr. Akbar Habib	Director	-	✓	✓
Mr. Zaigham Hasan Shah	Director	-	-	✓
Maj. Gen. Khalid Zahir Akhtar, Esq. *	Director	✓	✓	N/A
Mr. Saeed-ur-Rahman	Director	✓	✓	✓
Brig. Shahjahan Ali Khan, Esq. *	Director	N/A	N/A	N/A
Ms. Hina Ghazanfar	MD & CEO	✓	✓	✓

* Mr. Javed Mahmood and Brig. Shahjahan Ali Khan were nominated on March 11, 2008 and March 20, 2008 respectively in place of Dr. Waqar Masood Khan Esq. and Maj. Gen. Khalid Zahir Akhtar Esq. and were appointed as directors after SECP approval on May 16, 2008 and May 09, 2008 respectively.

29. RATING OF THE FUND AND THE MANAGEMENT COMPANY

JCR-VIS has assigned an A(f) Fund stability rating to the Fund which reflect the moderate degree of stability and returns at moderate risk level.

JCR-VIS has assigned an AM3+ rating to the management company which is defined as good management quality.

30. PERFORMANCE TABLE

	For the period from October 25, 2007 to June 30, 2008
Details of total net assets and net assets value per unit	
Net assets as at June 30, 2008 (Rupees in '000)	2,281,129
Net assets value per unit as at June 30, 2008 (Rupees)	53.4080
Selling price per unit as at June 30, 2008 (Rupees)	53.9475
Repurchase price per unit as at June 30, 2008 (Rupees)	53.4080
Highest NAV per unit during the period (Rupees)	53.4080
Lowest NAV per unit during the period (Rupees)	50.0100
Return of the fund annualised from October 25, 2007 to June 30, 2008	9.95%
Income distribution (Rupees in '000)	47,612
Growth distribution (Rupees in '000)	84,610
Distribution per unit (Rupees)	3.0957
Distribution date	July 7, 2008
Average annual return from October 25, 2007 to June 30, 2008	9.95%

	(Rupees in '000)	% of total investment
Investment portfolio composition of the Fund		
Commercial papers		
- Textile composite	52,655	3.48
- Cable & electrical goods	49,808	3.31
- Fertilizer	67,844	4.49
	170,307	11.28
Sukuk certificates		
- Cement	205,581	13.60
- Cable & electrical goods	45,394	3.00
- Others	210,320	13.91
	461,295	30.51
Term finance certificates		
- Fertilizer	303,087	20.05
- Textile composite	50,166	3.32
- Commercial banks	171,750	11.36
- Technology & communication	304,950	20.17
- Modaraba	50,000	3.31
	879,953	58.21

30.1 Past performance of the fund is not necessarily indicative of future performance and that unit prices and investment returns may go down as well as up.

30.2 Weighted average portfolio duration of the fund is 2.5 years.

Audited Financial Statements for the Period Ended
June 30, 2008

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on August 20, 2008 by the Board of Directors of the management company.

**For Pak Oman Asset Management Company Limited
(Management Company)**

MD & CEO

Director

PAKOMAN
ASSET
MANAGEMENT



Investment Solutions. As individual as you are!

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