PAKISTAN INCOME ENHANCEMENT FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021

	Note	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
		------(Rupees in '000)-----	
ASSETS			
Balances with banks	4	835,639	156,989
Investments	5	788,080	475,217
Mark-up, dividend and other receivables		11,439	5,290
Receivable against Margin Trading System (MTS)		-	2,257
Receivable against sale of investments		117,422	4,699
Advances, deposits and prepayments		63,043	3,416
Receivable from National Clearing Company of Pakistan Limited		5,845	17,470
Total assets		1,821,468	665,338
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6	1,513	1,263
Payable to Central Depository Company of Pakistan Limited - Trustee	7	108	48
Payable to the Securities and Exchange Commission of Pakistan (SECP)	8	108	137
Payable against redemption of units		2,079	2,079
Payable against purchase of investments		582,390	-
Accrued and other liabilities	9	23,137	32,215
Total liabilities		609,335	35,742
NET ASSETS		1,212,133	629,596
Unit holders' fund (as per statement attached)		1,212,133	629,596
Contingencies and commitments	10		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		21,383,749	11,680,502
		-----------(Rupees)-----------	
NET ASSET VALUE PER UNIT		56.6848	53.9015

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

PAKISTAN INCOME ENHANCEMENT FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

		Six months period ended December 31,		Quarter ended December 31,	
		2021	**2020**	**2021**	**2020**
	Note	(Rupees in '000)			
INCOME					
Income from government securities		11,738	5,185	10,333	1,631
Income from term finance certificates		7,998	12,556	4,518	3,814
Capital loss on sale of investments - net		(13,939)	(2,270)	(13,091)	(363)
Mark-up on bank deposits		17,463	8,823	12,502	5,121
Dividend income		7,114	5,247	1,277	4,907
Income from Margin Trading System (MTS) - net		1	1,811	-	508
Income / (loss) from spread transactions		16,930	(10,389)	2,882	(11,779)
Net unrealised (loss) / gain on derivatives		-		(5,585)	
Unrealised appreciation on re-measurement of investments classified as				-	
'financial assets at fair value through profit or loss' - net	5.7	4,208	12,748	19,892	12,363
Other income		511	99	237	75
Total income		52,024	33,810	32,965	16,277
EXPENSES					
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	6.1	5,183	2,513	3,190	1,141
Sindh sales tax on remuneration of the Management Company	6.2	674	326	415	148
Allocated expenses	6.3	539	356	350	180
Remuneration of Central Depository Company of Pakistan				-	
Limited - Trustee	7	405	266	263	135
Sindh sales tax on remuneration of the Trustee		53	35	34	18
Selling and marketing expenses	6.4	165	2,663	-	1,349
Annual fee to the Securities and Exchange Commission of Pakistan	8	108	71	70	36
Brokerage, settlement charges and bank charges		2,099	2,098	692	1,549
Fees and subscription		678	555	464	384
Auditors' remuneration		331	373	186	228
Legal and professional charges		472	69	37	35
Other expenses		15	16	(13)	15
Total expenses		10,722	9,341	5,688	5,218
Net income from operating activities		41,302	24,469	27,277	11,059
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	9,434	(489)	-	(221)
Net income for the period before taxation		50,736	23,980	27,277	10,838
Taxation	11	-	-	-	-
Net income for the period after taxation		50,736	23,980	27,277	10,838
Allocation of net income for the period:					
Net income for the period after taxation		50,736	23,980		
Income already paid on units redeemed		(14,026)	(2,760)		
		36,710	21,220		
Accounting income available for distribution					
- Relating to capital gains		-	9,605		
- Excluding capital gains		36,710	11,615		
		36,710	21,220		
Earnings per unit	13				

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

PAKISTAN INCOME ENHANCEMENT FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2021

	Six months period ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	-------------------------(Rupees in '000)----------------------------			
Net income for the period after taxation	50,736	23,980	27,277	10,838
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	50,736	23,980	27,277	10,838

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**

PAKISTAN INCOME ENHANCEMENT FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the period	526,749	102,847	629,596	604,007	102,828	706,835
Issue of 34,019,256 units (2020: 9,126,665 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,833,687	-	1,833,687	491,941	-	491,941
- Element of income	64,255	-	64,255	7,690	-	7,690
	1,897,942	-	1,897,942	499,631	-	499,631
Redemption of 24,316,009 units (2020:10,275,647 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,310,668	-	1,310,668	553,798	-	553,798
- Element of loss	41,447	14,026	55,473	6,374	2,760	9,134
	1,352,115	14,026	1,366,141	560,172	2,760	562,932
Total comprehensive income for the period	-	50,736	50,736	-	23,980	23,980
Net assets at the end of the period	1,072,576	139,557	1,212,133	543,466	124,048	667,514
Undistributed income brought forward comprising of:						
- Realised income		95,758			103,123	
- Unrealised income / (loss)		7,089			(295)	
		102,847			102,828	
Accounting income available for distribution						
- Relating to capital gains		-			9,605	
- Excluding capital gains		36,710			11,615	
		36,710			21,220	
Undistributed income carried forward		139,557			124,048	
Undistributed income carried forward comprising of:						
- Realised income		135,349			111,300	
- Unrealised income		4,208			12,748	
		139,557			124,048	
		(Rupees)			**(Rupees)**	
Net asset value per unit at the beginning of the period		53.9015			53.8942	
Net asset value per unit at the end of the period		56.6848			55.7831	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)

Chief Executive Officer **Chief Financial Officer** **Director**

PAKISTAN INCOME ENHANCEMENT FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Note	Six months period ended December 31, 2021	Six months period ended December 31, 2020
		---------(Rupees in '000)-----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		50,736	23,980
Adjustments for non cash and other items:			
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(4,208)	(12,748)
Provision for Sindh Workers' Welfare Fund (SWWF)		(9,434)	489
		37,094	11,721
(Increase) / decrease in assets			
Investments - net		(383,450)	225,006
Mark-up, dividend and other receivables		(6,149)	6,678
Receivable against Margin Trading System (MTS)		2,257	(4,871)
Receivable against sale of investments		(112,723)	-
Advances, deposits and prepayments		(59,627)	249
Receivable from National Clearing Company of Pakistan Limited		11,625	(27,562)
		(548,067)	199,500
Increase in liabilities			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		250	1,230
Payable to Central Depository Company of Pakistan Limited - Trustee		60	(3)
Payable to the Securities and Exchange Commission of Pakistan		(29)	(79)
Payable against purchase of investments		582,390	-
Accrued and other liabilities		356	963
		583,027	2,111
Net cash generated from operating activities		72,054	213,332
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		1,897,942	499,631
Payments on redemption of units		(1,366,141)	(562,932)
Net cash generated from / (used in) financing activities		531,801	(63,301)
Net increase in cash and cash equivalents during the period		603,855	150,031
Cash and cash equivalents at the beginning of the period		231,784	78,377
Cash and cash equivalents at the end of the period	12	835,639	228,408

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)

Chief Executive Officer | **Chief Financial Officer** | **Director**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Pakistan Income Enhancement Fund (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated June 26, 2008 and July 7, 2008 consequent to which Trust Deed was executed on July 14, 2008 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules).

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.

1.3 The Fund is an open-ended mutual fund and has been categorised as 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on the Pakistan Stock Exchange Limited (PSX).

1.4 The Fund primarily invests in debt securities, unlisted government securities, secured debt securities, money market transactions, reverse repurchase transactions, spread transactions and transactions under Margin Trading System.

1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2021 to the Management Company and "A+(f)" as stability rating dated September 9, 2021 to the Fund.

1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

1.7 On August 13, 2021 the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely “Sindh Trusts Act, 2020” (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, August 13, 2021 on the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, 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 the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund’s accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund’s financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2021.

3.3 Amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Amendments to accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4 BALANCES WITH BANKS

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		-------(Rupees in '000)-------	
In current accounts		16,575	7,610
In saving accounts	4.1	819,064	149,379
	4.2	835,639	156,989

4.1 These carry mark-up at rates ranging between 7.75% to 12.3% per annum (June 2021: 5.5% to 9.75% per annum).

4.2 These include balances of Rs. 17.032 million (June 30, 2021: Rs. 7.683 million) maintained with MCB Bank Limited (a related party).

5 INVESTMENTS

	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
		------(Rupees in '000)------	
Investments at fair value through profit or loss			
Government securities	5.1	629,990	74,795
Listed equity securities	5.2	-	236,537
Unlisted debt securities	5.4	158,090	156,233
Future stock contracts		-	7,652
		788,080	475,217

5.1 Government securities - 'at fair value through profit or loss'

Tenure	Issue Date	Face value				At December 31, 2021			Market value as a percentage of	
		At July 01, 2021	Purchased during the period	Sales / Matured during the period	At December 31, 2021	Carrying value	Market value	(Diminution) / appreciation	net assets	total investments
		(Rupees in '000)							%	
Treasury bills - 3 months										
Treasury Bills	03-Jun-2021	-	30,000	30,000	-	-	-	-	-	-
Treasury Bills	29-Jul-2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	26-Aug-2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	09-Sep-2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	12-Aug-2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	02-Jul-2021	-	535,000	535,000	-	-	-	-	-	-
Treasury Bills	04-Nov-2021	-	350,000	350,000	-	-	-	-	-	-
Treasury Bills	15-Jul-2021	-	530,000	530,000	-	-	-	-	-	-
Treasury Bills	07-Oct-2021	-	750,000	750,000	-	-	-	-	-	-
Treasury Bills	22-Apr-2021	75,000	-	75,000	-	-	-	-	-	-
Treasury bills - 6 months										
Treasury Bills	03-Jun-2021	-	1,000,000	1,000,000	-	-	-	-	-	-
Treasury Bills	02-Jul-2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	15-Jul-2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	29-Jul-2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	22-Apr-2021	-	35,000	35,000	-	-	-	-	-	-
Treasury Bills	20-May-2021	-	35,000	35,000	-	-	-	-	-	-
Treasury Bills	26-Aug-2021	-	725,000	725,000	-	-	-	-	-	-
Treasury Bills	09-Sep-2021	-	2,150,000	2,150,000	-	-	-	-	-	-
Treasury Bills	12-Aug-2021	-	850,000	850,000	-	-	-	-	-	-
Treasury Bills	16-Dec-2021	-	750,000	500,000	250,000	238,041	238,134	93	19.65%	30.22%
Treasury Bills	25-Mar-2021	-	165,000	165,000	-	-	-	-		
Treasury Bills	02-Dec-2021	-	300,000	150,000	150,000	143,554	143,531	(23)	11.84%	18.21%
Pakistan Investment Bonds										
Pakistan Investment Bonds - 02 years	26-Aug-2021	-	825,000	575,000	250,000	248,492	248,325	(167)	20.49%	31.51%
As at December 31, 2021						630,087	629,990	(97)		
As at June 30, 2021						74,793	74,795	2		

5.2 Listed equity securities - 'at fair value through profit or loss'

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of investee company	Number of shares				Balance as at December 31, 2021			Market Value as a percentage of		Percentage in relation to paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying value	Market value	Unrealised (loss) / gain	net assets	total investments	
					(Rupees in '000)			%		
Automobile Assembler										
Sazgar Engineering Works Limited	5,500	25,000	30,500	-	-	-	-	-	-	-
Pak Suzuki Motors Company Limited	1,000	53,500	54,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Cable & electrical goods										
Pak Elektron Limited*	263,500	991,000	1,254,500	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	452,500	452,500	-	-	-	-	-	-	-
					-	-	-	-	-	-

Balance carried forward - - -

Name of investee company	Number of shares				Balance as at December 31, 2021			Market Value as a percentage of		Percentage in relation to paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying value	Market value	Unrealised (loss) / gain	net assets	total invest-ments	
					------------- (Rupees in '000) -------------			------------- % -------------		
Balance carried forward					-	-	-			
Cement										
D.G. Khan Cement Company Limited*	37,500	149,000	186,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	35,500	79,500	115,000	-	-	-	-	-	-	-
Lucky Cement Limited	-	23,500	23,500	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	127,500	259,000	386,500	-	-	-	-	-	-	-
Pioneer Cement Limited	25,500	50,500	76,000	-	-	-	-	-	-	-
Power Cement Limited*	-	207,500	207,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Chemicals										
Engro Polymer and Chemicals Limited	34,500	389,000	423,500	-	-	-	-	-	-	-
Ghani Global Holdings Limited	650,000	201,000	851,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	178,000	830,500	1,008,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Engineering										
Amreli Steels Limited	14,000	12,000	26,000	-	-	-	-	-	-	-
Aisha Steel Mills Limited*	524,000	536,500	1,060,500	-	-	-	-	-	-	-
International Industries Limited	9,500	390,000	399,500	-	-	-	-	-	-	-
International Steels Limited	196,000	302,000	498,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	2,000	515,000	517,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Fertilizer										
Engro Corporation Limited	1,500	7,000	8,500	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	96,000	223,500	319,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	1,000	1,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Food & Personal Care Products										
Fauji Foods Limited	-	420,000	420,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	404,500	404,500	-	-	-	-	-	-	-
Treet Corporation Limited	-	939,500	939,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Glass & Ceramics										
Tariq Glass Industries	-	2,500	2,500		-	-	-	-	-	-
					-	-	-	-	-	-
Oil and Gas Exploration Companies										
Oil & Gas Development Company Limited	26,000	528,000	554,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	8,500	108,000	116,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	6,500	40,500	47,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	93,500	440,000	533,500	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	3,000	-	3,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Pharmaceuticals										
The Searle Company Limited	-	25,500	25,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Power Generation & Distribution										
The Hub Power Company Limited	10,500	365,000	375,500	-	-	-	-	-	-	-
Kot Addu Power Company Limited	181,000	11,500	192,500	-	-	-	-	-	-	-
K-Electric Limited**	202,000	22,500	224,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Balance carried forward					-	-	-			

* These transactions relate to shares of related parties

** This has a face value of Rs 3.5 per share.

Name of investee company	Number of shares				Balance as at December 31, 2021			Market Value as a percentage of		Percentage in relation to paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Sold during the period	As at December 31, 2021	Carrying value	Market value	Unrealised (loss) / gain	net assets	total invest-ments	
					------------- (Rupees in '000)		------------------------------------	%		-------------------------
Balance carried forward					-	-	-			
Refinery										
Attock Refinery Limited	110,000	201,000	311,000	-	-	-	-	-	-	-
Cnergyico pk Limited	1,224,500	8,117,500	9,342,000	-	-	-	-	-	-	-
National Refinery Limited	3,000	130,000	133,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	505,500	505,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Technology & Communications										
Avanceon Limited	108,500	1,213,500	1,322,000	-	-	-	-	-	-	-
Hum Network Limited	3,400,000	2,106,500	5,506,500	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limite	16,500	316,500	333,000	-	-	-	-	-	-	-
Worldcall Telecom Limited	-	147,500	147,500	-	-	-	-	-	-	-
NetSol Technologies Limited	-	363,000	363,000	-	-	-	-	-	-	-
TRG Pakistan Limited	92,000	1,243,500	1,335,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Textile Composite										
Gul Ahmed Textile Mills Limited	26,500	57,000	83,500	-	-	-	-	-	-	-
Nishat (Chunian) Limited*	-	853,500	853,500	-	-	-	-	-	-	-
Nishat Mills Limited*	-	16,500	16,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Transport										
Pakistan Interntional Bulk Terminal Limited	39,000	693,500	732,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Vanaspati & Allied Industries										
Unity Foods Limited	453,500	1,956,000	2,409,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Miscellaneous										
Siddiqsons Tin Plate Limited	-	285,000	285,000		-	-	-	-	-	-
					-	-	-	-	-	-
Total as at December 31, 2021					-	-	-	-	-	-
Total as at June 30, 2021					238,683	236,537	(2,146)			

* These transactions relate to shares of related parties

The movement in equity securities represents spread transactions entered into by the Fund. The fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day resulting in spread income/(loss) due to difference in ready and future stock prices.

5.3 Listed debt securities - Term Finance Certificates

Name of investee company	Number of Certificates					December 31, 2021			Market value as a percentage of	
	At July 1, 2020	Purchased during the year	Matured during the year	Sold during the year	At June 30, 2021	Carrying value	Market value	Apprecia-tion / (diminu-tion)	net assets	total invest-ment
Real Estate investment and services										
Pace Pakistan Limited (15-02-08) (note 5.6)	15,000	-	-	-	15,000	74,910				
Less: Provision for impairment						(74,910)				
						-	-	-	-	-
As at December 31, 2021						-	-	-		
As at June 30, 2021						-	-	-		

5.4 Unlisted debt securities - Term Finance Certificates - 'at fair value through profit or loss'

Name of investee company	Number of Certificates					As at December 31, 2021			Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Matured during the period	Disposed during the period	As at December 31, 2021	Carrying value	Market value	Apprecia-tion / (diminu-tion)	Net assets	Total invest-ment
						--------- Rupees in '000 --------			----------- % -----------	
Financial Institutions										
Askari Bank Limited VII - TFC (March 17, 2020)**	20	-	-	-	20	19,796	20,200	404	1.67%	2.56%
Samba Bank Limited-TFC -I (1 March 2021)*	400	-	-	-	400	39,992	41,252	1,260	3.40%	5.23%
The Bank of Punjab Limited TFC - I (December 23, 2016)*	550	-	-	-	550	55,439	57,168	1,729	4.72%	7.25%
Jahangir Siddiqui & Company Limited - TFC -III (July 18, 2017)	17,000	-	-	-	17,000	37,724	38,630	906	3.19%	4.90%
Construction and Material										
Byco Petroleum Limited - Sukuk (January 18, 2017)*	20	-	-	-	20	834	840	7	0.07%	0.11%
Eden Housing Limited - Sukuk (March 31, 2008) (note 5.6)	10415	-	-	-	10415	10,251				
- Due but not received										
Less: Provision for impairment						(10,251)				
As at December 31, 2021						**153,785**	**158,090**	**4,306**		
As at June 30, 2021						154,652	156,233	1,581		

* Face value of this sukuk certificate is Rs.100,000 per certificate.

** Face value of this sukuk certificate is Rs.1,000,000 per certificate.

5.5 Significant terms and conditions of term finance certificates and other securities outstanding as at December 31, 2021 are as follows:

Name of security	(Unaudited)						
	Number of certificates	Face value per unit	Face value/ redemption value in total	Interest rate per annum	Maturity	Secured / unsecured	Rating
		------------- (Rupees) -------------					
Unlisted debt securities							
Askari Bank Limited VII - TFC (March 17, 2020)	20	1,000,000	1,000,000	3M KIBOR+1.2%	March 17, 2030	Unsecured	AA
Samba Bank Limited-TFC -I (1 March 2021)*	400	100,000	99,980	6M Kibor + 1.35%	March 1, 2031	Secured	AA-
The Bank of Punjab Limited TFC - I (December 23, 2016)	550	100,000	99,800	6M KIBOR+1%	December 23, 2026	Unsecured	AA
Jahangir Siddiqui & Company Limited - TFC -III (July 18, 2017	17,000	5,000	2,250	6M KIBOR+1.4%	July 18, 2023	Secured	AA+
Byco Petroleum Limited - Sukuk (January 18, 2017)	20	100,000	41,667	3M KIBOR+1.05%	January 18, 2023	Secured	AAA

5.6 Details of non-compliant investment with the investment criteria as specified by the Securities and Exchange Commission of Pakistan

In accordance with clause (v) of the investment criteria laid down for 'Aggressive Fixed Income Scheme' in Circular no. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at December 31, 2021, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance of the Circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer in repayment of coupon due on respective dates. The Fund holds 100% provision against such investments as enumerated below:

Category of non-compliant investment	Name of investee Company	Unaudited				
		Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
		----------------------Rupees in '000'--------------------			---------- % ----------	
Investment in debt securities	a) Pace Pakistan Limited (note 5.3)	74,910	74,910	-	-	-
	b) Eden Housing Limited (note 5.4)	10,251	10,251	-	-	-

		Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
			-------(Rupees in '000)-------	
5.7	**Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net**			
	Market value of investments	5.1 & 5.3	788,080	475,217
		5.1 & 5.3	783,872	468,128
			4,208	7,089

6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY

	Note	December 31, 2021	June 30, 2021
Management remuneration Payable	6.1	1,144	1,052
Sindh Sales Tax payable on remuneration of the Management Company	6.2	148	136
Allocated expense payable	6.3	122	54
Sales load payable (including indirect taxes)		99	21
		1,513	1,263

6.1 The management company has charged management fee at the rate upto, 15% of the gross earnings of scheme, calculated on daily basis subject to minimum fee of 0.25% of the average daily net assets of the Fund. The aforementioned limit is effective since August 8, 2019. With effect from January 07, 2022, the minimum fee limit of 0.25% has been removed through supplement offering document dated December 31, 2021.

6.2 Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2021: 13%).

6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the Board of Directors of the Management Company.

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the prior period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the Board of Directors of the Management Company.

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.075% (December 31, 2020: 0.075%) of average daily net assets of the Fund during the period.

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the SRO No. 685(I)/2019 dated June 28, 2019 issued by SECP, the Fund has charged SECP fee at the rate of 0.02% (December 31, 2020: 0.02%) of average daily net assets of the Fund during the period.

9	ACCRUED AND OTHER LIABILITIES	Note	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
			------ (Rupees in '000) ------	
	Provision for Sindh workers' welfare fund	9.1	-	9,434
	Provision for federal excise duty payable on:			
	- Remuneration of the management fee	9.2	16,590	16,590
	- Sales load		4,746	4,746
	Brokerage payable		10	443
	Capital gain tax payable		725	231
	Auditors' remuneration payable		293	396
	Printing expenses payable		30	37
	Legal advisor fee payable		436	31
	Other payable		307	307
			23,137	32,215

9.1 Provision for Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers’ Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers’ Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

9.2 Federal Excise Duty on remuneration of the management company and sales load

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 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.

During the year ended June 30, 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.

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 July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 16.590 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Assets Value of the Fund as at December 31, 2021 would have been higher by Rs 1.00 (June 30, 2021 Rs 1.83) per unit.

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at December 31, 2021 and June 30, 2021.

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	------ (Rupees in '000) ------	
10.1 Commitments		
Future sale transactions of equity securities entered into by the Fund which have not been settled as at year end		
Sell	-	250,704
Buy	-	4,721
Margin Trading sale transactions not settled as at year end	-	2,269

11 TAXATION

The Fund's income 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 amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute atleast 90% of income earned by the Fund in cash during the year ending June 30, 2022 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

	--------(Unaudited)---------	
	December 31, 2021	December 31, 2020
12 CASH AND CASH EQUIVALENTS	-------- (Rupees in '000) --------	
Balances with banks	835,639	208,565
Treasury bills maturing within 3 months	-	19,843
	835,639	228,408

13 EARNINGS PER UNIT

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

14.1 Transactions during the period with connected persons / related parties in units of the Fund:

	For the six months period ended December 31, 2021 (unaudited)							
	As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021
	---- Units ----				---- (Rupees in '000) ----			
Associated Companies:								
Security General Insurance Company Limited Employees Provident Fund Trust	50,227	-	-	50,227	2,707	-	-	2,847
Key management personnel *	29,276	47,512	76,787	1	-	2,613	4,245	0

* This reflects the position of related party / connected persons status as at December 31, 2021.

	For the six months period ended December 31, 2020 (unaudited)							
	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020
	---- Units ----				---- (Rupees in '000) ----			
Associated Companies:								
Security General Insurance Company Limited Employees Provident Fund Trust	46,809	-	-	46,809	2,523	-	-	2,611
Mandate Under Discretionary Portfolio Services *	8	-	8	-	-	-	1	-
Unit holders holding 10% or more units								
Lahore Highcourt	1,892,804	-	-	1,892,804	102,011	-	-	105,586

* This reflects the position of related party / connected persons status as at December 31, 2020.

14.2 Details of transactions with the connected persons / related parties during the period are as follows:

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
	-------- (Rupees in '000) --------	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	5,857	2,839
Allocated expenses	539	356
Selling and marketing expenses	165	2,663
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	458	301
CDC settlement charges	171	97
MCB Bank Limited		
Profit on bank deposits	10	41
Bank charges	14	11
Purchase of securities - Face Value: NIL (2020: 250,000,000)	-	242,800
Aisha Steel Mills Limited		
Purchase of Shares 2021: 536,500 (2020: NIL)	13,026	-
Sale of Shares 2021: 1,060,500 (2020: NIL)	26,766	-
Power Cement Limited		
Purchase of Shares 2021: 207,500 (2020: NIL)	1,742	-
Sale of Shares 2021: 207,500 (2020: NIL)	1,758	-

	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
	-------- (Rupees in '000) --------	
D.G. Khan Cement Company Limited		
Purchase of Shares 2021: 149,000 (2020: 349,500)	16,035	37,869
Sale of Shares 2021: 186,500 (2020: 338,000)	20,913	36,857
Nishat (Chunian) Limited		
Purchase of Shares 2021: 853,500 (2020: 23,000)	42,693	968
Sale of Shares 2021: 853,500 (2020: 23,000)	43,103	980
Nishat Mills Limited		
Purchase of Shares 2021: 16,500 (2020: 151,000)	1,590	15,085
Sale of Shares 2021: 16,500 (2020: 146,000)	1,603	14,179
Dividend Income	-	512
Pak Elektron Limited		
Purchase of Shares 2021: 991,000 (2020: NIL)	29,792	-
Sale of Shares 2021: 1,254,500 (2020: NIL)	39,470	-

14.3 **Amount outstanding as at period end / year end**	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	-------- (Rupees in '000) --------	
MCB-Arif Habib Savings & Investments Limited - Management Company		
Management remuneration payable	1,144	1,052
Sindh Sales Tax payable on remuneration of the Management Company	148	136
Allocated expenses payable	122	54
Selling and marketing expenses payable	-	-
Sales load payable (including indirect taxes)	99	21
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	95	42
Sindh Sales tax payable on remuneration of Trustee	13	6
Security deposits	200	200
MCB Bank Limited		
Bank deposits held	17,032	7,683
Aisha Steel Mills Limited		
Shares held 2021 Nil (2021:524,000)	-	13,053
D.G. Khan Cement Company Limited		
Shares held 2021 Nil (2021:37,500)	-	4,422
Pak Elektron Limited		
Shares held NIL (2021: 263,500)	-	9,238

15 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.98% (December 31, 2020: 2.77%) which includes 0.15% (December 31, 2020: 0.26%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2020: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "aggressive fixed income scheme".

16 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 market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

17 FAIR VALUE HIERARCHY

International Financial Reporting Standard IFRS 13 - "Fair Value Measurement": requires the fund to classify assets 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: 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 3: inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund holds the following financial instruments measured at fair value:

	Unaudited			
	December 31, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000')			
Investments classified at fair value through profit or loss				
Government securities	-	629,990	-	629,990
Unlisted debt securities	-	158,090	-	158,090
	-	788,080	-	788,080

	Audited			
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000')			
Investments classified at fair value through profit or loss				
Government securities	-	74,795	-	74,795
Unlisted debt securities	-	156,233	-	156,233
Listed equity securities	236,537	-	-	236,537
Future stock contracts	7,652	-	-	7,652
	244,189	231,028	-	475,217

18 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on _______________ by the Board of Directors of the Management Company.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)

Chief Executive Officer	**Chief Financial Officer**	**Director**