



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2020
(UNAUDITED)

Funds Under Management of
MCB-Arif Habib Savings and Investments Limited

AM1
Traded by PSCs



ISAVE
Savings Asaan. Life Asaan.

PAKISTAN INCOME ENHANCEMENT FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating & Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited Khushali Micro Finance Bank Limited Telenor Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited Habib Bank Limited First Mirco Finance Bank Limited National Bank of Pakistan	
Auditors	A.F. Ferguson & Co Chartered Accountants (Member Firm of PWC Network) State Life Building 1-C, I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Dear Investor,

On behalf of the Board of Directors, We are pleased to present Pakistan Income Enhancement Fund accounts review for the quarter ended September 30, 2020.

Economy and Money Market Review

The start to fiscal year 2021 has been promising as economic activities have started to pick up as lockdowns have been lifted in general across the country. The economic recovery has been sharper than expectations as lagged impact of monetary easing, pent up demand and higher remittances have provided impetus to economic growth. We now expect economic growth to be higher than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% YoY) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have seen a reversal in their fortunes.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of 19% YoY in the first quarter of FY21. Sales of two wheeler units rose at a more impressive rate of 22% YoY reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by 6% YoY during the quarter implying a broad based recovery in economy. While LSM number of only one month have been released for this fiscal year (up 5% YoY), we expect it to grow at high single digit in the first quarter.

Current account deficit posted a surplus of USD 805 million in the first two months of fiscal year compared to a deficit of USD 1,214 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances which grew at a stupendous rate of 31% in the first two months and at a similar rate in the first quarter. Foreign exchange reserves of central bank saw a nominal increase of USD 100 million during the quarter due to improved balance of payment position.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.8% YoY during the quarter, with food inflation averaging 15.1% YoY during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.6% for the period. The MPC committee conducted one monetary policy during the quarter and maintained status quo after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19. As the economy started to open up, tax collection also improved and grew by 5% during the quarter, returning to the positive zone after a span of 4 months. FBR collected record 1,004 billion in taxes, surpassing the target by PKR ~40 billion during the quarter.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3Y, 5Y and 10Y bonds saw a rise of 76 bps, 102 bps and 106 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 7.67% against its benchmark return of 7.41%. WAM of fund stood at 1.2 years. The fund was mainly invested in Cash & TFCs.

At period-end, the fund was 47.0% invested in Cash, 21.8% in TFCs.

The Net Assets of the fund as at September 30, 2020 stood at Rs. 784 million as compared to Rs. 707 million as at June 30, 2020 registering an increase of 10.9%.

The Net Asset Value (NAV) per unit as at September 30, 2020 was Rs. 54.9364 as compared to opening NAV of Rs. 53.8942 per unit as at June 30, 2020 registering an increase of Rs. 1.0422 per unit.

Economy & Market – Future Outlook

GDP growth for FY21 is projected at 2.1% by government and various institutions. Pakistan has essentially survived the first wave of pandemic, as number of daily cases (within 1000) have reduced to one-sixth of the peak daily cases (about 6000) witnessed during early June. Generally, economy appears to now operating close to pre-covid levels as cyclical sectors have geared up after record monetary easing. We expect growth to fare better than general expectations as

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

industrial growth has revived much earlier than our anticipation. We expect economic growth to recover well above 2.1%. Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Global economy has started to recover and the news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact 31% YoY growth in the first quarter has surprised everyone. Even accounting for a 5% decline in remittances from here onwards, the overall situation will remain in comfortable zone. We expect CAD to settle near 1.2% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. Swift continuation of IMF program will be a key prerequisite to keep the financial account in positive zone. With the current scenario, we expect foreign exchange reserves to further increase by USD 2 billion during the next year, which will help alleviate any pressure on currency. Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. However, the inflation trajectory would remain close to 8% over the next few months and would move near double digits by the end of the fiscal year due to the low base effect. Thus, central bank may consider to adjust the interest rates in the second half of the fiscal year. However, the quantum of adjustment will depend on the balance of payment and economic situation at that time.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 14.3% to PKR 848 billion at the end of 1QFY21 compared to end of 4QFY20. Money market funds and Fixed Income funds experienced an influx of investment as the status quo of interest rates was maintained by the central bank throughout the quarter. Total money market funds grew by about 41% since June 2020. Within the money market sphere, the conventional funds dominated as they grew by about 13% to PKR 233 billion. In addition, the total fixed Income funds increased by about 18% since June 2020, as the shariah compliant funds grew by 15% to near PKR 126 billion. The appetite for risk assets ignited in the post lockdown scenario as the aggregate demand boosted. Equity and related funds surged rapidly by 20% from PKR 224 billion to PKR 268 billion over the quarter. Most of the rise in AUMs can be attributed to a positive uptick in the market that was up 26% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 41%, followed by Equity and Equity related funds with a share of 32% and Income funds having a share of 26% as at the end of 1QFY21.

Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 23, 2020



Nasim Beg
Vice Chairman / Director

ڈائریکٹرز رپورٹ

میوچل فنڈ صنعت کا جائزہ

اپن end میوچل فنڈ صنعت کے net اثاثہ جات تقریباً 14.3 فیصد بڑھ کر مالی سال 2021ء کی پہلی سہ ماہی کے اختتام پر تقریباً 848 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطرہ سرمایہ کاری ہوئی کیونکہ مرکزی بینک نے سال بھر انٹریسٹ کی شرح کو برقرار رکھا۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2020ء کے مقابلے میں 41 فیصد اضافہ ہوا۔ زیر جائزہ مدت کے دوران منی مارکیٹ کے دائرے میں روایتی فنڈز حاوی رہے کیونکہ وہ تقریباً 13 فیصد بڑھ کر 233 بلین روپے ہو گئے۔ علاوہ ازیں، مجموعی فیکسڈ انکم فنڈز میں جون 2020ء سے تقریباً 18 فیصد اضافہ ہوا کیونکہ شریعت کی تعمیل والے فنڈز 15 فیصد بڑھ کر تقریباً 126 بلین روپے ہو گئے۔ لاک ڈاؤن ختم ہونے کے بعد مجموعی طلب میں اضافے کے باعث خطرات کے حامل اثاثہ جات کی مانگ میں اضافہ ہوا۔ ایکویٹی اور متعلقہ فنڈز دوران سہ ماہی 20 فیصد بڑھ کر 224 بلین روپے سے 268 بلین روپے ہو گئے۔ AUMs میں اضافے کا بڑا سبب مارکیٹ میں 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے جو سرمایہ کاروں کے پُر جوش رجحان کی بدولت ہوئی۔

مالی سال 2021ء کی پہلی سہ ماہی کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 41 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 32 فیصد، اور انکم فنڈز تقریباً 26 فیصد کے حامل تھے۔

میوچل فنڈ صنعت کا مستقبل کا منظر

انٹریسٹ کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت میں بہتری متوقع ہے۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں۔

اظہار تشکر

ڈائریکٹرز ہمارے حصص یافتگان کو خراج تحسین پیش کرتے ہیں کہ انہوں نے کمپنی میں مسلسل اعتماد کا اظہار کیا ہے۔ علاوہ ازیں، ہم کمپنی کے ہر ایک فرد کے عزم و اخلاص اور جدت پسندانہ سوچ کو بھی بے حد سراہتے ہیں اور ہمیں یقین ہے کہ وہ مستقبل میں بھی اسی طرح سرگرم عمل رہیں گے۔

من جانب ڈائریکٹرز،



نسیم بیگ

ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

23 اکتوبر 2020ء

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 7.67 فیصد تھا جبکہ اس کا مقررہ معیار 7.41 فیصد تھا۔
 فنڈ کی ویڈیو ریتج میچورٹی (WAM) 1.2 سال تھی۔ فنڈ کی زیادہ تر سرمایہ کاری نقد اور ٹرم فنانس سٹریٹجی (ٹی ایف سی) میں تھی۔
 اختتام مدت پر فنڈ کی سرمایہ کاری 47.0 فیصد نقد میں جبکہ 21.8 فیصد ٹی ایف سی میں تھی۔

30 ستمبر 2020ء کو فنڈ کے net اثاثہ جات 784 ملین روپے تھے جو 30 جون 2020ء (707 ملین روپے) کے مقابلے میں 10.9 فیصد اضافہ ہے۔

30 ستمبر 2020ء کو net اثاثہ جاتی قدر (این اے وی) 54.9364 روپے فی یونٹ تھی جو 30 جون 2020ء کو ابتدائی این اے وی 53.8942 روپے فی یونٹ کے مقابلے میں 1.0422 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

حکومت اور متعدد اداروں کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 2.1 فیصد ترقی متوقع ہے۔ پاکستان کو وڈ کی پہلی لہر سے نبرد آزما ہونے میں کامیابی حاصل کی ہے کیونکہ متاثرہ افراد کی یومیہ تعداد (1000 سے کم) ماہ جون کے آغاز میں منظر عام پر آنے والے تعداد کی بلند ترین سطح (تقریباً 6000) کا چھٹا حصہ رہ گئے ہیں۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں پر سرگرم عمل ہے کیونکہ گردش شعبوں نے ریکارڈ مالیاتی تسہیل کے بعد رفتار پکڑ لی ہے۔ ہم سمجھتے ہیں کہ عمومی توقعات سے بہتر ترقی ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگئی ہے۔ ہمارے نزدیک معاشی ترقی 2.1 سے کافی بلند سطح پر بحال ہوگی۔

ادائیگیوں کے توازن کی پریشانیوں فی الوقت ختم ہوگئی ہیں کیونکہ مرکزی حکومت کی جانب سے پالیسی اقدامات کے بعد کرنٹ اکاؤنٹ خسارہ معقول سطح پر آ گیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہو گیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلات زر بھی توقعات سے بہت بلند ہوئی ہیں اور پہلی سہ ماہی میں 31 فیصد سال در سال ترقی نے سب کو حیران کر دیا ہے۔ اگر ترسیلات زر میں یہاں سے 5 فیصد کمی بھی مان لی جائے تب بھی مجموعی صورتحال قابو میں رہے گی۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1.2 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسائی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ آئی ایم ایف پروگرام پر عمل درآمد کا سبک رفتاری کے ساتھ جاری رہنا مالیاتی گوشوارے کو مثبت حد میں رکھنے کے لیے کلیدی عامل ثابت ہوگا۔ موجودہ صورتحال میں غیر ملکی زرمبادلہ کے ذخائر میں اگلے سال مزید 2 بلین ڈالر کا اضافہ متوقع ہے جس کی بدولت روپے پر کسی قسم کے دباؤ کو کم کرنے میں مدد ملے گی۔

افراط زر ہماری سابقہ توقعات سے آگے بڑھ گئی ہے کیونکہ اشیائے خورد و نوش کی قیمتیں آسمان کو چھو رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ تاہم اگلے چند ماہ کے دوران افراط زر کی رفتار تقریباً 8 فیصد رہے گی اور مالی سال کے اختتام تک دو عدد تک پہنچے گی جس کی وجہ پست base کی اثر پذیری ہے۔ چنانچہ مرکزی بینک مالی سال کے نصف آخر میں انٹریسٹ کی شرحوں میں ترمیم کرنے کے بارے میں سوچ سکتا ہے۔

Debt حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر پالیسی شرحوں کی عکاسی بلا رکاوٹ جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز دوران سال پہلے ہی کچھ حد تک متوقع مالیاتی تسہیل میں کردار ادا کر چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

ڈائریکٹر رپورٹ

عزیز سرمایہ دار

بورڈ آف ڈائریکٹرز کی طرف سے پاکستان انکم انہینسمنٹ فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مُختتمہ 30 ستمبر 2020ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کا آغاز اُمید افزا رہا کیونکہ مُلک بھر میں عمومی طور پر لاک ڈاؤن ختم کیے جانے کے نتیجے میں معاشی سرگرمیوں کی رفتار میں اضافہ ہوا ہے۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ مالیاتی تسہیل کی سست رفتار اثر پذیر، مُقید طلب اور ترسیلات زر میں اضافے کی بدولت معاشی ترقی کو محرک فراہم ہوا۔ ہمیں اُمید ہے کہ اب معاشی ترقی عمومی تخمینوں سے بلند تر ہوگی۔ حکومت کو ابتدائی طور پر پست تر صنعتی ترقی کی توقع تھی (کووڈ ۱۹ کے باعث 0.1 فیصد سال در سال (YoY) کا ہدف)، لیکن ہم سمجھتے ہیں کہ اب یہ توقعات سے بہتر ہوگی کیونکہ گردشی شعبوں کے حالات کی کاپلٹ گئی ہے۔ مالی سال 2021ء کی پہلی سہ ماہی میں سیمنٹ کے شعبے نے مقامی ترسیلات میں 19 فیصد سال در سال کی متاثر کن ترقی کی۔ موٹر سائیکلوں کی فروخت میں 22 فیصد قابل ذکر اضافہ ہوا جس سے متوسط طبقے کی معاشی صورتحال میں بہتری کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم کی مصنوعات کی مانگ میں دوران سہ ماہی 6 فیصد سال در سال اضافہ ہوا جس سے معیشت میں وسیع بنیاد پر بحالی کی طرف اشارہ ہوتا ہے۔ بڑے پیمانے پر ہونے والی مینیفیکچرنگ (ایل ایس ایم) کا اس مالی سال کے لیے صرف ایک عدد ظاہر کیا گیا ہے (5 فیصد سال در سال تک) لیکن ہم سمجھتے ہیں کہ پہلی سہ ماہی کے دوران اس میں بلندیک عدد دی ترقی ہوگی۔

کرنٹ اکاؤنٹ خسارے میں مالی سال کے پہلے دو ماہ میں 805 ملین ڈالر کی ہوئی جبکہ سال گزشتہ کی مماثل مدت میں خسارہ 1,214 ملین ڈالر تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں پہلے دو ماہ کے دوران اور پہلی سہ ماہی میں بھی 31 فیصد زبردست اضافہ ہے۔ مرکزی بینک کے غیر مُلکی زرمبادلہ کے ذخائر میں دوران سہ ماہی 100 ملین ڈالر کا معمولی اضافہ ہوا جس کی وجہ ادائیگیوں کے توازن کی صورتحال میں بہتری ہے۔ افراط زر حکومت کا کمزور پہلو رہا کیونکہ اشیائے خورد و نوش کی قیمتوں میں اضافہ پالیسی ساز افراد کے لیے چیلنج پیش کرتا رہا۔ دوران سہ ماہی ہیڈ لائن افراط زر، جس کی نمائندگی صارفی قیمت کی انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط 8.8 فیصد سال در سال تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط 15.1 فیصد سال در سال تھا۔ جلد خراب ہو جانے والی اشیائے خورد و نوش بشمول گندم کی قیمت میں اضافہ جاری رہا جس کی وجہ رسد کی جہت میں ہونے والی خرابیاں اور بد انتظامی ہے۔ بہر حال اصل افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے شعبوں کے علاوہ کے ذریعے ہوتی ہے، قابو میں تھی اور اس کا اوسط 6.6 فیصد تھا۔ ایم پی سی کمیٹی نے دوران سہ ماہی ایک مانیٹری پالیسی اجلاس منعقد کیا اور گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ انٹریسٹ کی اصل شرحیں منفی رہیں، مرکزی بینک کووڈ ۱۹ کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔ معیشت کے مستحکم ہونے کے ساتھ ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں دوران سہ ماہی 5 فیصد اضافہ ہوا، اور اس طرح چار ماہ بعد یہ عدد منفی سے مثبت ہوا۔ ایف بی آر نے ریکارڈ 1,004 بلین روپے ٹیکس جمع کیا جو مقررہ ہدف سے تقریباً 40 بلین روپے زیادہ ہے۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا اور پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ مانیٹری پالیسی کمیٹی (ایم پی سی) کے میٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا نچلی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 76، 102 اور 106 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		Sep 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
	Note		
ASSETS			
Balances with banks	6	393,179	78,377
Investments	7	351,471	644,656
Receivable against marginal trading system		50,700	-
Dividend, profit an other receivable		5,010	12,666
Advances, deposits and prepayments		3,164	3,285
Receivable from National Clearing Company of Pakistan Limited		32,314	2,021
Total assets		835,838	741,005
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	8	2,052	640
Payable to Central Depository Company of Pakistan Limited - Trustee		48	53
Payable to the Securities and Exchange Commission of Pakistan		35	150
Payable against redemption of units		2,079	2,079
Payable against purchase of investment		16,139	-
Accrued expenses and other liabilities	9	31,399	31,248
Total liabilities		51,752	34,170
NET ASSETS		784,086	706,835
Unit holders' fund (as per statement attached)		784,086	706,835
Contingencies and Commitments	10		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		14,272,620	13,115,233
		(Rupees)	
NET ASSETS VALUE PER UNIT		54.9364	53.8942

The annexed notes from 1 to 16 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

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

		Quarter Ended September 30,	
		2020	2019
Note		(Rupees in '000)	
INCOME			
	Income from government securities	3,554	8,288
	Income from Term Finance Certificates	8,742	8,064
	Profit on bank deposits	3,702	8,803
	Income from Margin Trading System (MTS)	1,303	-
	Dividend income	340	-
	Capital gain / (loss) on sale of investments - net	(1,907)	6,043
	Income on spread transactions	1,390	
	Net unrealised (loss) / gain on derivatives	7,592	-
7.5	Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	(7,207)	(325)
	Other income	24	45
	Total income	17,533	30,916
EXPENSES			
	Remuneration of Management Company	1,372	2,694
	Sindh sales tax on remuneration of Management Company	178	350
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	131	134
	Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited - Trustee	17	17
	Annual fee to Securities and Exchange Commission of Pakistan	35	36
	Allocated expenses	176	178
	Selling and Marketing	1,314	816
	Securities transaction cost	445	146
	Laga and Levy on MTS	78	-
	Provision for Sindh Workers' Welfare Fund	268	522
	Fees and subscription	171	162
	Legal and professional charges	34	46
	Auditors' remuneration	145	132
	Bank charges	26	58
	Printing and related costs	1	25
	Total expenses	4,391	5,317
	Net income from operating activities	13,142	25,599
	Net income for the period before taxation	13,142	25,599
11	Taxation	-	-
	Net income for the period after taxation	13,142	25,599
Allocation of net income for the period:			
	Net income for the period	13,142	25,599
	Income already paid on units redeemed	(504)	(852)
		12,638	24,747
Accounting income available for distribution			
	- Relating to capital gains	-	5,590
	- Excluding capital gains	12,638	19,156
		12,638	24,747

Earnings per unit

12

The annexed notes from 1 to 16 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

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

	Quarter Ended September 30,	
	2020	2019
Note	(Rupees in '000)	
Net income for the period after taxation	13,142	25,599
Other Comprehensive Income	-	-
Total comprehensive income for the period	13,142	25,599

The annexed notes from 1 to 16 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

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

	Quarter Ended					
	September 30, 2020			September 30, 2019		
	------(Rupees in '000) -----					
	Capital Value	Undistri-buted income	Total	Capital Value	Undistri-buted income	Total
Net assets at beginning of the period	604,007	102,828	706,835	602,553	95,207	697,760
Issue of 5,216,490 units (2019: 3,003,721 units) including additional units						
- Capital value (at net asset value per unit at the beginning of the period)	281,139	-	281,139	159,651	-	159,651
- Element of income	2,276	-	2,276	2,437	-	2,437
	283,415	-	283,415	162,088		162,088
Redemption of 4,059,102 units (2019: 2,793,643 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(218,762)	-	(218,762)	(148,485)	-	(148,485)
- Element of income	(39)	(504)	(543)	(1,300)	(852)	(2,152)
	(218,801)	(504)	(219,305)	(149,785)	(852)	(150,637)
Total comprehensive income for the period	-	13,142	13,142	-	25,599	25,599
	-	-	-	-	-	-
	-	13,142	13,142	-	25,599	25,599
Net assets at end of the period	668,621	115,466	784,086	614,856	119,954	734,809
Undistributed income brought forward						
- Realised		103,123			98,350	
- Unrealised		(295)			(3,143)	
		102,828			95,207	
Accounting income available for distribution						
- Relating to capital gains		-			5,590	
- Excluding capital gains		12,638			19,156	
		12,638			24,747	
Cash distribution during the period		-			-	
Undistributed income carried forward		115,466			119,954	
Undistributed income carried forward						
- Realised		122,673			120,279	
- Unrealised		(7,207)			(325)	
		115,466			119,954	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			53.8942			53.1512
Net assets value per unit at end of the period			54.9364			55.0919

The annexed notes from 1 to 16 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

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

Quarter Ended	
September 30, 2020	September 30, 2019
(Rupees in '000)	

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation	13,142	25,599
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Adjustments for non cash and other items:

Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	7,207	325
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	20,349	25,924
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Increase in assets

Investments - net	285,977	400,794
Dividend, profit an other receivable	7,656	416
Receivable against marginal trading system	(50,700)	-
Advances, deposit and prepayments	121	69
Receivable from National Clearing Company of Pakistan Limited	(30,293)	-
	212,761	401,279

Increase / (Decrease) in liabilities

Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	1,412	860
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	(64)
Payable to the Securities and Exchange Commission of Pakistan	(115)	(622)
Payable against purchase of investment	16,139	(369,326)
Accrued expenses and other liabilities	151	23,869
	17,582	(345,284)

Net cash generated from operating activities

	250,692	81,919
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CASH FLOWS FROM FINANCING ACTIVITIES

Receipts against issuance and conversion of units (excluding additional units)	281,067	162,088
Payment against redemption and conversion of units	(216,957)	(150,637)

Net cash generated from financing activities

	64,110	11,451
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Net increase in cash and cash equivalents during the year

	314,802	93,370
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Cash and cash equivalents at beginning of the period	78,377	473,804
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Cash and cash equivalents at end of the period

	393,179	567,174
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The annexed notes from 1 to 16 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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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 Management Company and the Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on July 14, 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 26, 2008 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) 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 the 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 pursuant to Circular 7 of 2009, dated 6 March 2009 issued by the 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. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4** The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities and 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, 2020 to the Management Company and "A+(f)" as stability rating dated October 19, 2020 to the Fund.
- 1.6** Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for condensed 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 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement 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 requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

- 2.1.3** The comparative in the statement of assets and liabilities presented in the condensed interim financial information

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

as at 30 September 2020 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, whereas the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2019.

- 2.1.4** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.5** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.
- 2.1.6** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

2.2 Basis of Measurement

This condensed interim financial information have been prepared on the basis of historical cost convention except that investments have been included at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2020.
- 3.2 Standards, amendments and interpretations to existing standards not yet effective and not applicable/ relevant to the Fund**

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 Estimates and Judgements

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

5 Financial Risk Management

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

6	BALANCES WITH BANKS	Note	Sep 30, 2020 (Un-audited) (Rupees in '000)	June 30, 2020 (Audited)
	In current accounts	6.1	5,766	11
	In saving accounts	6.2	387,413	78,366
			<u>393,179</u>	<u>78,377</u>

6.1 This includes balances of Rs. 5.75 million (June 30, 2020: Rs. 0.02 million) maintained with MCB Bank Limited (a related party).

6.2 These carry profits at the rates ranging from 5.5% to 9.75% (June 30, 2020: 5.5% to 14.45%) per annum and include Rs. 2.611 (June 30, 2020: Rs. 18.325) maintained with MCB Bank Limited, a related party which carries profit at the rate of 5.5% (June 30, 2020: 5.5%).

7	INVESTMENTS	Note	Sep 30, 2020 (Un-audited) (Rupees in '000)	June 30, 2020 (Audited)
	<i>At fair value through profit or loss</i>			
	Government securities	7.1	58,534	351,825
	Listed debt securities	7.2	48,541	111,005
	Unlisted debt securities	7.3	133,666	181,826
	Listed equity securities	7.4	103,138	-
	Future stock contracts		7,592	-
			<u>351,471</u>	<u>644,656</u>

7.1 Government securities - Fair value through profit or loss

Tenure	Issue Date	Face value				At Sep 30, 2020			Market value as a percent-age of net assets	Market value as a percent-age of total invest-ments
		At July 01, 2020	Purchased during the period	Sales / matured during the period	At Sep 30, 2020	Carrying value	Market value	(Diminu-tion) / appreciation		
----- (Rupees in '000) -----										
*Treasury bills - 3 months										
	July 2, 2020	-	75,000	75,000	-	-	-	-	-	-
	July 16, 2020	-	75,000	75,000	-	-	-	-	-	-
*Treasury bills - 6 months										
	June 18, 2020	-	250,000	250,000	-	-	-	-	-	-
	July 2, 2020	-	95,000	75,000	20,000	19,683	19,652	(31)	2.51%	5.59%
	July 16, 2020	-	75,000	75,000	-	-	-	-	-	-
*Treasury bills - 12 months										
	January 16, 2020	-	20,000	-	20,000	19,600	19,598	(2)	2.50%	5.58%
	September 12, 2019	250,000	-	250,000	-	-	-	-	-	-
	April 09, 2020	-	20,000	-	20,000	19,366	19,284	(82)	2.46%	5.49%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Pakistan Investment

Bonds - 3 years

June 18, 2020	-	350,000	350,000	-	-	-	-	-	-
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Pakistan Investment

Bonds - 5 years

September 19, 2019	100,000	200,000	300,000	-	-	-	-	-	-
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GOP Ijara

-5 Years

July 29, 2020	-	62,500	62,500	-	-	-	-	-	-
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Pakistan Energy Sukuk

May 21, 2020	-	62,500	62,500	-	-	-	-	-	-
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As at September 30, 2020 (Unaudited)

58,649	58,534	(115)
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As at June 30, 2020 (Audited)

246,243	246,596	353
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The Market treasury bill with a face value aggregating to Rs.60 million (2020: Nil) million has been pledged with National Clearing Company of Pakistan Limited as security against MTS trades and exposure margin / MTM losses as per Circular no. 11 dated October 23, 2007 issued by the SECP.

7.2 Listed debt securities - Term Finance Certificates/Sukuks

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of Certificates					At Sep 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investment
	At July 1, 2020	Purchased during the period	Matured during the period	Disposed during the period	At Sep 30, 2020	Carrying value	Market value	diminution		
-----Rupees in '000----- % -----										
Commercial Bank										
Habib Bank Limited (19-02-2019 issue)	500	-	-	-	500	48,853	48,541	(312)	6.19	13.81
Fertilizer										
Dawood Hercules Corporation Limited (16-11-2017 issue) *-Sukuk	735	-	-	735	-	-	-	-	0.00	0.00
Dawood Hercules Corporation Limited (16-11-2017 issue) *-Sukuk	125	-	-	125	-	-	-	-	0.00	0.00
Real Estate investment and services										
Pace Pakistan Limited (15-02-08 issue)	15,000	-	-	-	15,000	74,910				
Less: Provision for impairment						(74,910)				
						-	-	-	-	-
As at September 30, 2020 (Unaudited)						48,853	48,541	(312)		
As at June 30, 2020 (Audited)						111,026	111,005	(21)		

* Face value of the investment is Rs. 100,000

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

7.3 Unlisted debt securities - Term Finance Certificates/Sukuks - Fair value through profit or loss

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of Certificates					As at Sep 30, 2020			Market value** as a percentage of net assets	Market value** as a percentage of total investment
	As at July 1, 2020	Purchased during the period	Matured during the period	Disposed during the period	As at Sep 30, 2020	Carrying value*	Market value	Appreciation / (diminution)		
----- Rupees in '000 ----- % -----										
Commercial Banks										
Askari Bank Limited (30-9-14 issue)	8,300	-	-	8,300	-	-	-	-	0.00	0.00
Askari Bank Limited (17-3-20 issue)*	20	-	-	-	20	20,000	20,000	-	2.55	5.69
The Bank of Punjab Limited (23-12-16 issue)**	475	-	-	-	475	46,542	47,481	939	6.06	13.51
Bank Al-Habib Limited (17-3-16 issue)**	5,000	-	-	-	5,000	23,386	22,517	(869)	2.87	6.41
Investment Bank										
Jahangir Siddiqui & Company Limited (18-07-2017 issue)***	17,000		-		17,000	41,545	42,500	955	5.42	12.09
Construction and Material										
Byco Petroleum Limited (18-01-2017 issue) ** - Sukuk	10	10	-	-	20	1,170	1,168	(2)	0.15	0.33
Eden Housing Limited - Sukuk - (31-03-2008 issue) - Due but not received	10,415	-	-	-	10,415	10,252	-	-	-	-
Less: Provision for impairment						(10,252)				
						-				
As at September 30, 2020 (Unaudited)						132,643	133,666	1,023		
As at June 30, 2020 (Audited)						185,023	181,826	(3,197)		

* Nominal value of this certificate is Rs.1000,000 per certificate.

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

*** Nominal value of this certificate is Rs.5,000 per certificate.

7.4 Listed equity securities 'at fair value through profit or loss'

Name of the Investee Company	As at July 1, 2020	Purchases during the period	Sales during the period	As at September 30, 2020	As at June 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
					Carrying Value	Market value	Appreciation / (diminution)		
					-----Rupees in '000'-----			----- % -----	
Shares of listed companies - fully paid ordinary shares / certificates of Rs. 10 each									
Automobile Assembler									
Pak Suzuki Motors Company Limited	-	13,500	7,500	6,000	1,423	1,209	214	0.15%	0.34%
					1,423	1,209	214	0.15%	0.34%
Automobile Parts & Accessories									
General Tyre & Rubber Company Limited	-	66,500	-	66,500	4,861	4,455	406	0.57%	1.27%
					4,861	4,455	406	0.57%	1.27%
Cable & Electrical Goods									
Pak Elektron Limited	-	365,000	46,000	319,000	11,405	10,546	859	1.35%	3.00%
					11,405	10,546	859	1.35%	3.00%

Name of the Investee Company	As at July 1, 2020	Purchases during the period	Sales during the period	As at September 30, 2020	As at June 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
					Carrying Value	Market value	Appreciation / (diminution)		
Cement					Number of shares			Rupees in '000'	
Cherat Cement Company Limited	-	55,000	20,500	34,500	4,480	4,028	452	0.51%	1.15%
D.G. Khan Cement Company Limited	-	102,000	23,500	78,500	8,743	8,094	649	1.03%	2.30%
Fauji Cement Company Limited	-	140,000	124,000	16,000	352	318	33	0.04%	0.09%
Lucky Cement Limited	-	16,500	16,500	-	-	-	-	0.00%	0.00%
Maple Leaf Cement Factory Limited	-	142,500	66,000	76,500	2,945	2,746	199	0.35%	0.78%
Pioneer Cement Limited	-	85,000	53,000	32,000	3,167	2,902	265	0.37%	0.83%
					19,686	18,088	1,598	2.31%	5.15%
Chemicals									
Engro Polymer and Chemicals Limited	-	44,000	23,000	21,000	866	845	20	0.11%	0.24%
Lotte Chemical Pakistan Limited	-	73,000	73,000	-	-	-	-	0.00%	0.00%
					866	845	20	0.1%	0.2%
Engineering									
Amreli Steels Limited	-	104,000	28,500	75,500	3,666	3,305	361	0.42%	0.94%
International Industries Limited	-	46,000	26,000	20,000	3,142	2,899	243	0.37%	0.82%
International Steels Limited	-	24,000	-	24,000	1,928	1,849	79	0.24%	0.53%
Mughal Iron & Steel Industries Limited	-	5,500	500	5,000	343	321	21	0.04%	0.09%
					9,078	8,374	704	1.07%	2.38%
Fertilizer									
Engro Corporation Limited	-	21,000	20,500	500	151	151	1	0.02%	0.04%
Engro Fertilizer Limited	-	49,500	44,000	5,500	361	335	26	0.04%	0.10%
Fauji Fertilizer Bin Qasim Limited	-	289,000	54,000	235,000	5,291	4,735	556	0.60%	1.35%
					5,803	5,220	582	0.67%	1.49%
Oil & Gas Exploration Companies									
Oil & Gas Development Company Limited	-	6,500	1,000	5,500	580	570	11	0.07%	0.16%
Pakistan Oilfields Limited	-	8,000	4,500	3,500	1,490	1,475	15	0.19%	0.42%
Pakistan Petroleum Limited	-	121,500	31,500	90,000	8,588	8,285	303	1.06%	2.36%
					10,659	10,330	329	1.32%	2.94%
Oil And Gas Marketing Companies									
Pakistan State Oil Company Limited	-	53,500	36,500	17,000	3,464	3,403	61	0.43%	0.97%
Sui Southern Gas Company Limited	-	95,500	18,000	77,500	1,313	1,310	3	0.17%	0.37%
					4,777	4,713	64	0.60%	1.34%
Pharmaceuticals									
The Searle Company Limited**	-	136,500	122,500	14,000	3,839	3,588	251	0.46%	1.02%
					3,839	3,588	251	0.46%	1.02%
Power Generation & Distribution									
Hub Power Company Limited	-	133,500	1,000	132,500	10,775	10,396	379	1.33%	2.96%
K-Electric Limited*	-	372,500	329,500	43,000	185	181	4	0.02%	0.05%
Kot Addu Power Co. Limited	-	251,500	200,500	51,000	1,546	1,344	202	0.17%	0.38%
					12,506	11,921	584	1.52%	3.39%
Refinery									

PAKISTAN INCOME ENHANCEMENT FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

		Sep 30, 2020 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
9	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Sindh workers' welfare fund	8,720	8,452
	Provision for federal excise duty and related taxes on		
	- Management fee	16,590	16,590
	- Sales load	4,746	4,746
	Brokerage	360	34
	Capital gain tax	63	651
	Auditors' remuneration	542	396
	Printing and related expenditure	25	40
	Legal advisor payable	23	20
	Other	330	319
		31,399	31,248

9.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2020 would have been higher/lower by Re. 0.61 per unit (June 30, 2020 Re. 0.64 per unit).

9.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2020. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at Sep 30, 2019 would have been higher/lower by Re. 1.16 per unit (June 30, 2020: Re. 1.63 per unit).

10 CONTINGENCIES AND COMMITMENTS

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

10.1 Commitments

Future sale transactions of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at period end

September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----	

111,004	-
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Margin Trading System (MTS) entered into by the Fund in respect of which the sale transactions have not been settled as at period end

-Purchase Transactions

-Sale Transactions

44,309	
11,373	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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 available for distribution for the year as reduced by capital gains whether realized or unrealized 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 Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than 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. The management intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

12 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.

13 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2020 to September 30, 2020 is 0.63% (June 30, 2020: 3%) and this includes 0.07% (June 30, 2020: 0.51%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as "Aggressive Fixed Income Scheme".

14 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER 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 and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

"Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:"

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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

For the Quarter ended September 30, 2020 (unaudited)

As at July 01, 2020	Issued for cash	Bonus	Redeemed	As at Sep 30, 2020	As at July 01, 2020	Issued for cash	Redeemed	As at Sep 30, 2020
----- Units -----					----- (Rupees in '000) -----			

Associated Companies:

Security General Insurance Company

Limited Employees Provident Fund Trust	46,810	-	-	-	46,810	2,523	-	-	2,572
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Mandate Under Discretionary

Portfolio Services *	8	-	-	-	8	1	-	-	1
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Unit holders holding 10% or more units	1,892,804	-	-	-	1,892,804	102,011	-	-	103,984
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For the Quarter ended September 30, 2019 (unaudited)

As at July 01, 2019	Issued for cash	Bonus	Redeemed	As at September 30, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at September 30, 2019
----- Units -----					----- (Rupees in '000) -----			

Associated Companies:

Security General Insurance Company

Limited Employees Provident Fund Trust	41,471	-	-	-	41,471	2,204	-	-	2,285
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Mandate Under Discretionary

Portfolio Services *	7	-	-	-	7	-	-	-	-
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Unit holders holding 10% or more units

Lahore Highcourt, Lahore	1,676,950	-	-	-	1,676,950	89,132	-	-	92,386
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* This reflects position of related party / connected persons status

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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

	Sep 30, 2020 (Unaudited) ----- (Rupees in '000) -----	Sep 30, 2019 (Unaudited) ----- (Rupees in '000) -----
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	1,550	3,044
Selling and Marketing	1,314	816
Allocated expenses including indirect taxes	176	178
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	148	151
CDC settlement charges	2	6
MCB Bank Limited		
Profit on bank deposits	-	23
Purchase of securities Face Value 250,000,000 (2019: Nil)	242,799	-
Bank charges	4	2
Arif Habib Limited		
Brokerage expense*	-	3
Next Capital Limited		
Brokerage expense*	26	18
D.G. Khan Cement Company Limited		
Purchase of 102,000 (2019: NIL) shares	11,362	-
Sale of 23,500 (2019: NIL) shares	2,674	-
Nishat (Chunian) Limited		
Purchase of 23,000 (2019: NIL) shares	968	-
Nishat Mills Limited		
Purchase of 46,000 (2019: NIL) shares	4,741	-
Sale of 2,000 (2019: NIL) shares	218	-

* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons

14.3 Amount outstanding as at period end / year end

	September 30, 2020 (Unaudited) ----- (Rupees in '000) -----	June 30, 2020 (Audited) ----- (Rupees in '000) -----
MCB - Arif Habib Savings & Investments Limited - Management Company		
Remuneration payable	590	179
Sindh Sale tax payable on remuneration to the Management Company	77	23
Selling and Marketing	1,314	392
Sales load payable	-	29
Back End load Payable	16	-
Allocated expenses payable	56	17
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	42	47
Sindh Sales tax payable on remuneration of Trustee	6	6
Security deposits	200	200
MCB Bank Limited		
Bank deposits held	8,369	18,325

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020 (Unaudited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Next Capital Limited-brokerage house		
Brokerage expense payable	-	5
D.G. Khan Cement Company Limited		
78,500 shares (2020: NIL) shares held	8,094	-
Nishat (Chunian) Limited		
23,000 shares (2020: NIL) shares held	906	-
Nishat Mills Limited		
44,000 shares (2020: NIL) shares held	4,447	-

15 GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.

15.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 23, 2020 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

MCB Arif Habib Savings and Investments Limited

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