



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2021
(UNAUDITED)

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



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
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman 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
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief 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 Taraqati Bank Limited Habib Bank Limited First Mirco Finance Bank Limited National Bank of Pakistan	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A 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, 2021

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Enhancement Fund** accounts review for the quarter ended September 30, 2021.

Economy and Money Market Review

The fiscal year started on a robust note as Covid-19 vaccination drive gathered paced which helped to lift lockdowns across the county. The economic recovery was higher than expected as lagged impact of monetary easing, higher remittances and government incentives such as TERF facilities provided impetus to economic growth. The GDP growth clocked at 3.94 per cent in FY21 with government expecting the economic growth to clock at 4.8 per cent for FY22.

However, the robust recovery in domestic demand, coupled with higher international commodity prices, led to a strong pick-up in imports and a rise in the current account deficit. This put pressure on the local currency as rupee depreciated by 13.1 per cent against USD during this quarter.

Current account deficit posted a deficit of USD 2,290 million in the first two months of fiscal year compared to a surplus of USD 838 million in the corresponding period of the last year. The deterioration came in primarily on the back of higher imports which grew by 67.8 per cent in the first two months compared to export growth of 35.4 per cent. Trade Deficit increased by 100.2 per cent to USD 6.8 billion compared to USD 3.4 billion last year. Foreign exchange reserves of central bank saw an increase of USD 1.6 billion as Pakistan received USD 2.75 billion from the IMF under its new SDR allocation to back economically vulnerable countries combating the coronavirus pandemic.

Inflation remained a concern for the government as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.58 per cent during the quarter, with food inflation averaging 9.5 per cent during the period. Inflation was also effected by increase in fuel prices on account of increase in international oil and LNG prices. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.5 per cent for the period. The MPC committee conducted two monetary policies during the quarter and increased policy rate by 25bps in the Sep-21 meeting. SBP increased the interest rate to control the current account deficit and prevent the overheating of the economy as it noted the need to gradually increase the interest rates to protect the nascent economic growth.

On the fiscal side FBR Tax collection increased by 38 per cent over last year in this quarter to clock at PKR 1,395 billion compared to target of PKR 1,211 billion exceeding it by PKR 186 billion. This was on the back of higher custom duty and sales tax due to higher import.

Secondary markets yields have increased significantly in the quarter as SBP has started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average FY22 inflation to clock above the range of 7-9 per cent forecasted by SBP. 3Y, 5Y and 10Y bonds saw a rise of 73 bps, 46 bps and 51 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 12.42 per cent against its benchmark return of 8.21 per cent.

WAM of fund stood at 1.3 years. The fund was mainly invested in Cash & TFCs.

At period-end, the fund was 38.5 per cent invested in Cash, 18.8 per cent in TFCs. The Net Assets of the fund as at September 30, 2021 stood at Rs. 932 million as compared to Rs. 630 million as at June 30, 2021 registering an increase of 47.94 per cent.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 55.5883 as compared to opening NAV of Rs. 53.9015 per unit as at June 30, 2021 registering an increase of Rs. 1.6868 per unit.

Economy & Market – Future Outlook

The government has set a GDP growth target of 4.8 per cent for fiscal year 2022 (FY22). Covid-19 vaccination drive is continuing with success as over 50 million people have received the first dose of coronavirus vaccine. This has helped to lift lockdown across the country and we expect the Covid-19 situation to remain under control. Broader economy also appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc. However, the recent surge in commodity prices poses challenges to both to Fiscal and External Accounts. Due to the recent government steps to curtail demand we see some downside risks to government growth target. We expect GDP growth to clock higher as compared to previous year but it is likely to remain lower than the government target of 4.8 per cent.

The robust recovery in domestic demand on the back of pro-growth measures by the government, coupled with higher international commodity prices, has led to a strong pick-up in imports and a rise in the current account deficit. The current account deficit is expected to increase to USD 13.1 billion (4.0 per cent of GDP) in FY22, amid rising international crude oil prices along with general increase in international commodity prices. The Current Account deficit is likely to further weaken the local currency and we expect the exchange rate to close the year around 176 PKR/USD. Swift resumption of IMF program will be a key prerequisite to keep the financial account in positive zone. SBP has indicated that the flexible market determined exchange rate and gradual tightening of interest rates would be used in tandem to ensure sustainable current account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

CPI averaged 8.9 per cent in FY21. The expected utility adjustments, currency depreciation and higher international commodities prices will lead to increase in inflation in this year. We expect Average FY22 inflation to clock at 9.7 per cent with inflation going in double digits in second half of the fiscal year. Based on our expected inflation, the real interest rates now fall into negative range thus requiring adjustments in the monetary policy during the current fiscal year. However, SBP has shown its focus to avoid any shocks to economic growth and will gradually increase interest rate to achieve mildly positive interest rate over the medium term. We expect the Policy Rate to reach 9.0 per cent by the end of the year.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in expected interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 15.9 per cent, a discount of 43 per cent from its historical average. Similarly, risk premiums are close to 5.9 per cent, compared to historical average of 1.5 per cent signifying abnormal returns for long term investors. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to rise given expected increase in interest rates. 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 1.4 per cent during the quarter to PKR 1,032 billion at the end of 1QFY22. Total money market funds grew by about 1.1 per cent since June 2021. Within the money market sphere, the conventional funds dominated as they grew by about 8.1 per cent to PKR 308 billion while Islamic funds declined by 9.9 per cent to PKR 164 billion. In addition, the total fixed Income funds increased by about 8.5 per cent since June 2021, as the conventional income funds grew by 13.6 per cent to PKR 143 billion. Equity and related funds declined by 4.4 per cent over

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

last quarter as market witnessed a decline in the quarter eroding AUMS and concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 46 per cent, followed by Equity and Equity related funds with a share of 28 per cent and Income funds having a share of 26 per cent as at the end of 1QFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates along with prospect of further monetary tightening would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. 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.

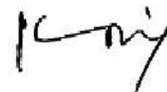
ACKNOWLEDGMENT

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 22, 2021



Kashif A. Habib
Director

ڈائریکٹرز رپورٹ

میوچل فنڈز صنعت کے مستقبل کا منظر

سود کی شرحوں میں حالیہ اضافے کے ساتھ ساتھ مزید مالیاتی سختی سے money مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ Money مارکیٹ فنڈز اپنی مختصر مدت کی بدولت ایسے سرمایہ کاروں کے لیے موزوں ترین ثابت ہوں گے جو محدود مدت کے لیے اور کم خطرات کے ساتھ کام کرنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے valuations کو کشادہ کر دیا ہے اور سرمایہ کار ان پُرکشش سطحوں پر ایکویٹی میں پیسہ لگانا چاہیں گے۔ 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 سکتے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

22 اکتوبر 2021ء



کاشف اے حبیب

ڈائریکٹر

ڈائریکٹرز رپورٹ

مالی سال 2021ء میں سی پی آئی کا اوسط 8.9 فیصد تھا۔ متوقع یوٹیلیٹی ترمیمات، روپے کی قدر میں کمی اور بلند ترین الاقوامی ایشیائی قیمتوں کے نتیجے میں سال رواں کے دوران افراط زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق مالی سال 2022ء کا افراط زر کا اوسط 9.7 فیصد ہوگا، اور سال کے نصف آخر میں افراط زر دو ہندسوں میں پہنچ جائے گی۔ ہماری متوقع افراط زر کی بنیاد پر حقیقی شروع سودا منفی حد میں آرہی ہے، چنانچہ موجودہ مالی سال کے دوران مالیاتی پالیسی میں ترمیمات درکار ہیں۔ تاہم ایس بی پی نے معاشی ترقی کو متوقع دھچکوں سے محفوظ رکھنے پر توجہ مرکوز کی ہے اور درمیانی مدت میں معتدل حد تک مثبت شرح سود حاصل کرنے کے لیے شروع سود میں بتدریج اضافہ کیا جائے گا۔ ہماری توقع کے مطابق پالیسی شرح اختتام سال تک 9.0 فیصد تک پہنچ جائے گی۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے تناظر میں، اسٹاک کی قیمتوں میں حالیہ تصحیح کے نتیجے میں تعیین قدر کھل گئی ہے۔ مارکیٹ نے شرح سود میں متوقع اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہوا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 15.9 فیصد ہو گیا ہے، جو اس کے قدیم اوسط سے 43 رعایت ہے۔ اسی طرح خطرات کے پریمنیم تقریباً 5.9 فیصد ہیں، اور ان کے قدیم اوسط 1.5 فیصد کے ساتھ تقابل سے طویل المیعاد سرمایہ کاروں کے لیے غیر معمولی منافعوں کا عندیہ ملتا ہے۔ ہم سمجھتے ہیں کہ شعبوں اور اسٹاک کی مجموعی تصویر اہمیت کی حامل رہے گی، اور سرمایہ کاری کے انتخاب میں ایسی کمپنیوں پر توجہ مرکوز ہونی چاہیے جو اپنی خلقی قدر سے گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب، شروع سود میں متوقع اضافے کی بدولت حکومتی بانڈز کے منافع جات میں اضافہ جاری رہ سکتا ہے۔ ہم بانڈز کے منافع جات کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ کی صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2022ء کی پہلی سہ ماہی کے دوران تقریباً 1.4 فیصد بڑھ کر اختتام مدت پر 1,032 بلین روپے تھے۔ مجموعی money مارکیٹ فنڈز میں جون 2021ء کے مقابلے میں 1.1 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور 8.1 فیصد بڑھ کر 308 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 9.9 فیصد گھٹ کر 164 بلین روپے ہو گئے۔ علاوہ ازیں، مجموعی فلسفہ انکم فنڈز میں جون 2021ء کے مقابلے میں 8.5 فیصد اضافہ ہوا اور روایتی انکم فنڈز 13.6 فیصد بڑھ کر 143 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں گزشتہ سہ ماہی کے مقابلے میں 4.4 فیصد کمی ہوئی کیونکہ دوران مدت مارکیٹ میں تنزل دیکھا گیا جس کے نتیجے میں اثاثہ جات تحت الانظامیہ (AUMs) گھٹ گئے اور کلاں معاشیاتی اور ارضی سیاسی عوامل پر خدشات نے سرمایہ کاروں کو ڈور رکھا۔ شعبہ جاتی اعتبار سے مالی سال 2022ء کی پہلی سہ ماہی کے اختتام پر money مارکیٹ فنڈز تقریباً 46 فیصد شراکت کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز کی شراکت 28 فیصد اور انکم فنڈز کی 26 فیصد تھی۔

ڈائریکٹرز رپورٹ

ثانوی مارکیٹس کی پیداواروں میں دوران سہ ماہی قابل ذکر اضافہ ہوا ہے کیونکہ اسٹیٹ بینک آف پاکستان نے مالیاتی سختی کا دورہ شروع کر دیا ہے۔ روپے کی قدر میں حالیہ کمی کے ساتھ مسلسل بلند ایشیائی قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور مالی سال 2022ء کے لیے افراط زر کا اوسط متوقع طور پر اسٹیٹ بینک آف پاکستان کی پیش گوئی کردہ سطح 7 تا 9 فیصد سے بلند ہوگا۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز میں دوران مدت بالترتیب 73 بی پی ایس، 46 بی پی ایس اور 51 بی پی ایس اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 12.42 فیصد تھا جبکہ مقررہ معیار 8.21 فیصد تھا۔ فنڈ کی پالوزن اوسط مپچورٹی 1.3 سال تھی۔ اختتام مدت پر فنڈ کی زیادہ تر سرمایہ کاری نقد (38.5 فیصد) اور TFCs (18.8 فیصد) میں تھی۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 932 ملین روپے تھے، جو 30 جون 2021ء کی سطح 630 ملین روپے کے مقابلے میں 47.94 فیصد اضافہ ہے۔ 30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 55.5883 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 53.9015 روپے کے مقابلے میں 1.6868 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کا منظر

حکومت نے مالی سال 2022ء کے لیے جی ڈی پی میں ترقی کا ہدف 4.8 فیصد مقرر کیا ہے۔ کووڈ-19 ویکسین مہم کامیابی کے ساتھ جاری ہے اور پانچ کروڑ سے زیادہ افراد پہلی خوراک حاصل کر چکے ہیں۔ اس کی بدولت ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی ہے اور ہم اُمید کرتے ہیں کہ کووڈ کی صورتحال قابو میں رہے گی۔ وسیع تر معیشت قبل از کووڈ سطحوں کے قریب چلتی ہوئی نظر آرہی ہے جس کی پیمائش ایل ایس ایم میں ترقی، سینٹ کی فروخت، گاڑیوں کی فروخت وغیرہ سے ہوتی ہے۔ تاہم اشیاء کی قیمتوں میں حالیہ اضافہ مالیاتی اور خارجی اکاؤنٹس، دونوں کو مشکلات سے دوچار کر دے گا۔ طلب میں کمی کے حالیہ حکومتی اقدامات کے سبب ترقی کے حکومتی اہداف کی تکمیل کو خطرات لاحق ہو گئے ہیں۔ ہم توقع کرتے ہیں کہ جی ڈی پی میں سال گزشتہ کے مقابلے میں زیادہ ترقی ہوگی، لیکن زیادہ امکان اس بات کا ہے کہ یہ 4.8 فیصد کے حکومتی ہدف سے نیچے رہے گی۔

حکومتی ترقیاتی اقدامات اور بلند ترین بین الاقوامی ایشیائی قیمتوں کے باعث مقامی طلب میں بھرپور بحالی ہوئی ہے اور اس کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں بھرپور اضافہ ہوا ہے۔ خام تیل کی بین الاقوامی قیمتوں اور اشیاء کی عمومی قیمتوں میں اضافے کی صورتحال میں مالی سال 2022ء میں کرنٹ اکاؤنٹ خسارہ بڑھ کر 13.1 بلین ڈالر (جی ڈی پی کے 4.0 فیصد) تک پہنچ سکتا ہے۔ خدشہ ہے کہ یہ خسارہ مقامی روپے کو مزید کمزور کرے گا، اور اختتام سال پر شرح مبادلہ تقریباً 176 ڈالر فی روپیہ ہو جانے کا امکان ہے۔ آئی ایم ایف پروگرام کی تیز رفتار بحالی مالیاتی گوشوارے کو مثبت احاطے میں رکھنے کے لیے کلیدی شرط ہوگی۔ ایس بی پی نے اشارہ دیا ہے کہ کرنٹ اکاؤنٹ کی قابل بقاء صورتحال یقینی بنانے کے لیے مارکیٹ کی متعین کردہ چکدار شرح مبادلہ اور سود کی شرحوں میں بتدریج سختی کو بھی استعمال کیا جائے گا۔ ہماری خارجی صورتحال کو سنبھالنے میں ترسیلات کے ساتھ ساتھ دو طرفہ اور کثیر الطرفہ آمدات بھی اہم کردار ادا کریں گی۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم انھینسمنٹ فنڈ کے گوشواروں مختتمہ سہ ماہی 30 ستمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال کا بھر پور آغاز ہوا جب کووڈ-19 ویکسین کی مہم میں تیز رفتاری سے ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی۔ معیشت میں بحالی متوقع سے زیادہ ہوئی کیونکہ مالیاتی تسہیل کی سست رفتار اثر پذیری، ترسیلات زر میں اضافے، اور حکومتی ترغیبات مثلاً TERF سہولتوں نے معاشی ترقی کو محرک فراہم کیا۔ مالی سال 2021ء میں مجموعی ملکی پیداوار (جی ڈی پی) میں 3.94 فیصد ترقی ہوئی اور اگلے مالی سال 2022ء کے لیے حکومت کو 4.8 فیصد معاشی ترقی کی توقع ہے۔

تاہم مقامی طلب کی بھر پور بحالی، اور اس کے ساتھ بلند ترین الاقوامی ایشیائی قیمتوں، کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا۔ چنانچہ مقامی روپے پر دباؤ پڑا جس کی قدر میں دوران سہ ماہی امریکی ڈالر کے مقابلے میں 13.1 فیصد کمی ہوئی۔ کرنٹ اکاؤنٹ نے مالی سال کے پہلے دو ماہ میں 2,290 ملین ڈالر خسارہ پوسٹ کیا جبکہ اس کے بالمقابل سال گزشتہ مماثل مدت میں 838 ملین ڈالر فاضل تھے۔ اس ابتری کی بنیادی وجہ درآمدات میں اضافہ تھی جس میں پہلے دو ماہ کے دوران 67.8 فیصد اضافہ ہوا جبکہ اس کے بالمقابل برآمدات میں 35.4 فیصد اضافہ ہوا۔ تجارتی خسارہ 100.2 فیصد بڑھ کر 6.8 بلین ڈالر ہو گیا جبکہ اس کے بالمقابل سال گزشتہ 3.4 بلین ڈالر تھا۔ مرکزی بینک میں غیر ملکی زرمبادلہ کے ذخائر میں 1.6 بلین ڈالر کا اضافہ ہوا کیونکہ پاکستان کو آئی ایم ایف سے اس کے نئے ایس ڈی آر اختصاص کے تحت 2.75 بلین ڈالر موصول ہوئے جس کا مقصد کورونا وائرس وبا سے نبرد آزما ضرر پذیر ممالک کی معاشی معاونت ہے۔

افراط زر (مہنگائی) حکومت کے لیے مسئلہ بنی رہی اور بڑھتی ہوئی ایشیائی قیمتوں نے پالیسی سازوں کو مشکلات سے دوچار رکھا۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط دوران سہ ماہی 8.58 فیصد تھا، اور ایشیائے خورد و نوش کے افراط زر کا اوسط 9.5 فیصد تھا۔ بین الاقوامی سطح پر تیل اور ایل این جی کی قیمتوں میں اضافے کے نتیجے میں ایندھن کی قیمتوں میں اضافہ بھی افراط زر پر اثر انداز ہوا۔ اس کے باوجود بنیادی افراط زر، جس کی پیمائش ایشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.5 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے دوران سہ ماہی دو اجلاس منعقد کیے اور ستمبر 2021ء کے اجلاس میں پالیسی کی شرح میں 25 بیسیس پوائنٹس (بی پی ایس) کا اضافہ کیا۔ اسٹیٹ بینک آف پاکستان نے سود کی شرح میں اضافہ کیا تاکہ کرنٹ اکاؤنٹ خسارے اور معیشت میں بڑھتی ہوئی حرارت کو قابو میں رکھا جائے کیونکہ نوزائیدہ معاشی ترقی کی حفاظت کے لیے سود کی شرحوں میں بتدریج اضافے کی ضرورت ہوتی ہے۔

مالیاتی جانب ایف بی آر کی ٹیکس وصولی میں دوران سہ ماہی سال گزشتہ کے مقابلے میں 38 فیصد اضافہ ہوا؛ 1,395 بلین روپے، جو 1,211 بلین روپے کے ہدف سے 184 بلین روپے زیادہ ہیں۔ اس کی وجہ بلند تر درآمدات کے باعث بلند تر کسٹم ڈیوٹی اور سیلز ٹیکس ہیں

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
ASSETS		
Balances with banks	6 368,828	156,989
Investments	7 535,343	475,217
Receivable against marginal trading system	-	2,257
Dividend, profit and other receivable	14,671	5,290
Receivables against sale of investment	-	4,699
Advance against subscription of Term Finance Certificate	25,000	-
Advances, deposits and prepayments	3,224	3,416
Receivable from National Clearing Company of Pakistan Limited	11,748	17,470
Total assets	958,814	665,338
LIABILITIES		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	8 1,337	1,263
Payable to Central Depository Company of Pakistan Limited - Trustee	63	48
Payable to the Securities and Exchange Commission of Pakistan	38	137
Payable against redemption of units	2,079	2,079
Accrued expenses and other liabilities	9 23,640	32,215
Total liabilities	27,157	35,742
NET ASSETS	931,657	629,596
Unit holders' fund (as per statement attached)	931,657	629,596
Contingencies and Commitments	10	
	(Number of units)	
NUMBER OF UNITS IN ISSUE	16,759,934	11,680,502
	(Rupees)	
NET ASSETS VALUE PER UNIT	55.5883	53.9015

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

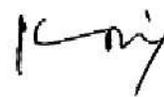
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Note	Quarter Ended September 30,	
		2021	2020
(Rupees in '000)			
INCOME			
Income from government securities		1,405	3,554
Income from Term Finance Certificates		3,480	8,742
Profit on bank deposits		4,961	3,702
Income from Margin Trading System (MTS)		1	1,303
Dividend income		5,837	340
Capital gain / (loss) on sale of investments - net		(848)	(1,907)
Income on spread transactions		14,048	1,390
Net unrealised (loss) / gain on derivatives		5,585	7,592
Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	7.5	(15,684)	(7,207)
Other income		274	24
Total income		19,059	17,533
EXPENSES			
Remuneration of Management Company		1,993	1,372
Sindh sales tax on remuneration of Management Company		259	178
Remuneration of Central Depository Company of Pakistan Limited - Trustee		142	131
Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited - Trustee		19	17
Annual fee to Securities and Exchange Commission of Pakistan		38	35
Allocated expenses		189	176
Selling and Marketing		165	1,314
Securities transaction cost		1,349	445
Laga and Levy on MTS		-	78
Fees and subscription		214	171
Legal and professional charges		435	34
Auditors' remuneration		145	145
Bank charges		58	26
Printing and related costs		28	1
Total expenses		5,034	4,123
Net income from operating activities		14,025	13,410
Sindh Workers' Welfare Fund	9.1	9,434	(268)
Net income for the period before taxation		23,459	13,142
Taxation	11	-	-
Net income for the period after taxation		23,459	13,142
Allocation of net income for the period:			
Net income for the period		23,459	13,142
Income already paid on units redeemed		(1,059)	(504)
		22,400	12,638
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		22,400	12,638
		22,400	12,638
Earnings per unit	12		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

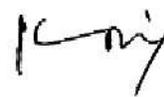
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Quarter Ended	
	September 30,	
	2021	2020
	Note	(Rupees in '000)
Net income for the period after taxation	23,459	13,142
Other Comprehensive Income	-	-
Total comprehensive income for the period	23,459	13,142

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

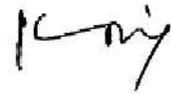
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Quarter Ended					
	September 30, 2021			September 30, 2020		
	------(Rupees in '000)-----					
Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Net assets at beginning of the period	526,749	102,847	629,596	604,007	102,828	706,835
Issue of 7,279,263 units (2020: 5,216,490 units) including additional units						
- Capital value (at net asset value per unit at the beginning of the period)	392,363	-	392,363	281,139	-	281,139
- Element of income	6,917	-	6,917	2,276	-	2,276
	399,280	-	399,280	283,415	-	283,415
Redemption of 2,199,831 units (2020: 4,059,102 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(118,574)	-	(118,574)	(218,762)	-	(218,762)
- Element of income	(1,045)	(1,059)	(2,104)	(39)	(504)	(543)
	(119,619)	(1,059)	(120,678)	(218,801)	(504)	(219,305)
Total comprehensive income for the period	-	23,459	23,459	-	13,142	13,142
	-	-	-	-	-	-
	-	23,459	23,459	-	13,142	13,142
Net assets at end of the period	806,410	125,247	931,657	668,621	115,466	784,086
Undistributed income brought forward						
- Realised		95,758			103,123	
- Unrealised		7,089			(295)	
		<u>102,847</u>			<u>102,828</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		22,400			12,638	
		<u>22,400</u>			<u>12,638</u>	
Cash distribution during the period		-			-	
Undistributed income carried forward		<u>125,247</u>			<u>115,466</u>	
Undistributed income carried forward						
- Realised		140,930			122,673	
- Unrealised		(15,684)			(7,207)	
		<u>125,247</u>			<u>115,466</u>	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			<u>53.9015</u>			<u>53.8942</u>
Net assets value per unit at end of the period			<u>55.5883</u>			<u>54.9364</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

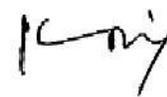
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Quarter Ended	
	September 30, 2021	September 30, 2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	23,459	13,142
Adjustments for non cash and other items:		
Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net	15,684	7,207
	39,143	20,349
(Decrease) / Increase in assets		
Investments - net	(75,810)	285,977
Dividend, profit and other receivable	(9,381)	7,656
Receivable against marginal trading system	2,257	(50,700)
Receivables against sale of investment	4,699	-
Advance against subscription of Term Finance Certificate	(25,000)	-
Advances, deposit and prepayments	192	121
Receivable from National Clearing Company of Pakistan Limited	5,722	(30,293)
	(97,321)	212,761
Increase / (Decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	75	1,412
Payable to Central Depository Company of Pakistan Limited - Trustee	15	(5)
Payable to the Securities and Exchange Commission of Pakistan	(99)	(115)
Payable against purchase of investment	-	16,139
Accrued expenses and other liabilities	(8,575)	151
	(8,584)	17,582
Net cash generated from operating activities	(66,763)	250,692
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units (excluding additional units)	399,280	281,067
Payment against redemption and conversion of units	(120,678)	(216,957)
Net cash generated from financing activities	278,602	64,110
Net increase in cash and cash equivalents during the year	211,839	314,802
Cash and cash equivalents at beginning of the period	156,989	78,377
Cash and cash equivalents at end of the period	368,828	393,179

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

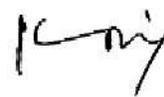
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(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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, 2021 to the Management Company and "A+(f)" as stability rating dated September 09, 2021 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 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

2.1.3 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, 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 2020.

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 year ended June 30, 2021.

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 2021.

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 2021.

6 BALANCES WITH BANKS	Note	Sep 30, 2021 (Un-audited) (Rupees in '000)	June 30, 2021 (Audited)
In current accounts	6.1	10,319	11
In saving accounts	6.2	358,509	78,366
		<u>368,828</u>	<u>78,377</u>

6.1 This includes balances of Rs. 10.310 million (June 30, 2021: Rs. 7.683 million) maintained with MCB Bank Limited (a related party).

6.2 These carry profits at the rates ranging from 5.75% to 8.6% (June 30, 2021: 5.5% to 9.75%) per annum and include Rs. 0.447 (June 30, 2021: Rs. 7.683) maintained with MCB Bank Limited, a related party which carries profit at the rate of 5.75% (June 30, 2021: 5.5%).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

7 INVESTMENTS	Note	Sep 30,	June 30,
		2021 (Un-audited)	2021 (Audited)
		(Rupees in '000)	
<i>At fair value through profit or loss</i>			
Government securities	7.1	34,858	74,795
Listed debt securities	7.2	-	-
Unlisted debt securities	7.3	155,500	156,233
Listed equity securities	7.4	339,400	236,537
Future stock contracts		5,585	7,652
		<u>535,343</u>	<u>475,217</u>

7.1 Government securities - Fair value through profit or loss

Tenure	Issue Date	Face value				At Sep 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		At July 01, 2021	Purchased during the period	Sales / matured during the period	At Sep 30, 2021	Carrying value	Market value	(Diminution) / appreciation		

***Treasury bills - 3 months**

April 22, 2021	75,000	-	75,000	-	-	-	-	-	-
June 3, 2021		30,000	30,000	-	-	-	-	-	-
July 2, 2021		-	535,000	535,000	-	-	-	-	-
July 15, 2021		-	530,000	530,000	-	-	-	-	-
July 29, 2021			500,000	500,000	-	-	-	-	-
August 12, 2021			500,000	500,000	-	-	-	-	-
August 26, 2021			500,000	500,000	-	-	-	-	-
September 9, 2021			500,000	500,000	-	-	-	-	-

***Treasury bills - 6 months**

March 25, 2021	-	165,000	165,000	-	-	-	-	-	-
April 22, 2021	-	35,000	-	35,000	34,853	34,851	(2)	3.74%	6.51%
July 2, 2021	-	500,000	500,000	-	-	-	-	-	-
July 15, 2021		500,000	500,000	-	-	-	-	-	-
July 29, 2021		500,000	500,000	-	-	-	-	-	-
August 12, 2021		500,000	500,000	-	-	-	-	-	-
August 26, 2021		725,000	725,000	-	-	-	-	-	-
September 9, 2021		2,150,000	2,150,000	-	-	-	-	-	-

Pakistan Investment

Bonds - 5 years

October 15, 2020	-	100,000	100,000	-	-	-	-	-	-
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As at September 30, 2021 (Unaudited)

34,853 34,858 (2)

As at June 30, 2021 (Audited)

74,793 74,795 2

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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

Name of the Investee Company	As at July 1, 2021	Purchases during the period	Sales during the period	As at September 30, 2021	As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
					Carrying Value	Market value	Appreciation / (diminution)		
-----Number of shares-----					-----Rupees in '000'-----			-----%-----	
Shares of listed companies - fully paid ordinary shares / certificates of Rs. 10 each									
Automobile Assembler									
Pak Suzuki Motors Company Limited	1,000	53,500	10,000	44,500	12,421	11,906	(515)	1.28%	2.22%
Sazgar Engineering Works Limited	5,500	24,500	28,500	1,500	241	197	(44)	0.02%	0.04%
					12,662	12,103	(559)	1.30%	2.26%
Cable & Electrical Goods									
*Pak Elektron Limited	263,500	985,000	701,500	547,000	16,029	15,070	(959)	1.62%	2.81%
Waves Singer Pakistan Limited	-	452,500	356,500	96,000	2,226	1,812	(414)	0.19%	0.34%
					18,255	16,882	(1,373)	1.62%	2.81%
Cement									
D.G. Khan Cement Company Limited	37,500	136,500	164,000	10,000	1,088	884	(203)	0.09%	0.17%
Fauji Cement Company Limited	35,500	79,500	75,000	40,000	721	718	(3)	0.08%	0.13%
Lucky Cement Limited	-	23,500	2,500	21,000	15,284	15,181	(103)	1.83%	2.84%
Maple Leaf Cement Factory Limited	127,500	257,000	314,000	70,500	2,549	2,482	(68)	0.27%	0.46%
Pioneer Cement Limited	25,500	50,000	67,000	8,500	924	751	(173)	0.08%	0.14%
Power Cement Limited	-	206,000	128,000	78,000	566	548	(18)	0.06%	0.10%
					21,132	20,563	(569)	2.21%	3.84%
Chemicals									
Engro Polymer and Chemicals Limited	34,500	389,000	417,500	6,000	383	330	(52)	0.04%	0.06%
Ghani Global Holdings Limited	650,000	201,000	803,500	47,500	2,159	1,687	(472)	0.18%	0.32%
Lotte Chemical Pakistan Limited	178,000	830,500	234,500	774,000	10,674	10,828	154	1.16%	2.02%
					13,216	12,846	(370)	1.38%	2.40%
Engineering									
Aisha Steel Mills Limited	524,000	531,500	901,500	154,000	3,686	3,205	(482)	0.34%	0.60%
Amreli Steels Limited	14,000	10,000	23,000	1,000	40	39	(1)	0.00%	0.01%
International Industries Limited	9,500	390,000	239,500	160,000	29,210	26,683	(2,527)	2.86%	4.98%
International Steels Limited	196,000	302,000	408,500	89,500	8,253	6,821	(1,432)	0.73%	1.27%
Mughal Iron & Steel Industries Limited	2,000	4,500	6,500	-	-	-	-	0.00%	0.00%
					41,189	36,748	(4,441)	3.94%	6.86%
Fertilizer									
Engro Corporation Limited	1,500	7,000	8,500	-	-	-	-	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	96,000	222,000	147,500	170,500	3,927	3,836	(91)	0.41%	0.72%
					3,927	3,836	(91)	0.41%	0.72%
Food & Personal Care Products									
Fauji Foods Limited	-	420,000	420,000	-	-	-	-	0.00%	0.00%
The Organic Meat Company Limited	-	404,500	11,000	393,500	14,030	14,138	108	1.52%	2.64%
Unity Foods Limited	453,500	1,951,000	1,112,500	1,292,000	44,450	40,336	(4,114)	4.33%	7.53%
					58,480	54,475	(4,006)	5.85%	10.18%
Glass & Ceramics									
Tariq Glass Industries	-	2,500	1,000	1,500	155	152	(3)	0.02%	0.03%
					155	152	(3)	0.02%	0.03%
Oil & Gas Exploration Companies									
Oil & Gas Development Company Limited	26,000	300,500	276,500	50,000	4,564	4,190	(374)	0.45%	0.78%
Pakistan Petroleum Limited	8,500	107,000	115,500	-	-	-	-	0.00%	0.00%
					4,564	4,190	(374)	0.45%	0.78%
Oil And Gas Marketing Companies									
Pakistan State Oil Company Limited	6,500	35,000	41,500	-	-	-	-	0.00%	0.00%
Sui Northern Gas Pipelines Limited	93,500	387,500	366,000	115,000	5,560	5,230	(330)	0.56%	0.98%
Sui Southern Gas Company Limited	3,000	-	3,000	-	-	-	-	0.00%	0.00%
					5,560	5,230	(330)	0.56%	0.98%
Pharmaceuticals									
The Searle Company Limited	-	25,500	20,000	5,500	1,253	1,108	(145)	0.12%	0.21%
					1,253	1,108	(145)	0.12%	0.21%
Power Generation & Distribution									
Hub Power Company Limited	10,500	364,500	370,000	5,000	397	368	(30)	0.04%	0.07%
K-Electric Limited*	202,000	22,500	214,500	10,000	35	40	5	0.00%	0.01%
Kot Addu Power Co. Limited	181,000	11,000	192,000	-	-	-	-	0.00%	0.00%
					432	408	(24)	0.04%	0.08%
Refinery									
Attock Refinery Limited	110,000	70,500	153,000	27,500	5,151	4,916	(234)	0.53%	0.92%
Byco Petroleum Pakistan Limited	1,224,500	8,115,500	4,366,000	4,974,000	41,542	40,687	(855)	4.37%	7.60%
National Refinery Limited	3,000	130,000	133,000	-	-	-	-	0.00%	0.00%
Pakistan Refinery Limited	-	355,500	80,500	275,000	5,092	4,615	(477)	0.50%	0.86%
					51,785	50,218	(1,566)	0.50%	0.86%
Technology & Communications									
*Avanceon Limited	108,500	710,000	515,000	303,500	37,109	37,440	330	4.02%	6.99%
Hum Network Limited	3,400,000	2,045,500	5,445,500	-	-	-	-	0.00%	0.00%
Netsol Technologies	-	363,000	250,500	112,500	16,054	14,049	(2,005)	1.51%	2.62%
Pakistan Telecommunication Company Limited	16,500	316,500	218,000	115,000	1,238	1,076	(162)	0.12%	0.20%
TRG Pakistan Limited	92,000	602,000	494,000	200,000	33,371	32,334	(1,037)	3.47%	6.04%
					87,773	84,899	(2,874)	9.11%	15.86%
Textile Composite									
Gui Ahmed Textile Mills Limited	26,500	56,500	74,500	8,500	478	466	(12)	0.05%	0.09%
Nishat (Chunian) Limited	-	847,500	147,000	700,500	35,038	34,689	(349)	3.72%	6.48%
Nishat Mills Limited	-	15,500	15,000	500	48	45	(3)	0.00%	0.01%
					35,565	35,200	(365)	3.78%	6.58%
Transport									
Pakistan International Bulk Terminal Limited	39,000	670,500	667,500	42,000	450	374	(76)	0.04%	0.07%
					450	374	(76)	0.04%	0.07%
Miscellaneous									
Siddiqsons Tin Plate Limited	-	235,000	221,500	13,500	227	167	(60)	0.02%	0.03%
					227	167	(60)	0.02%	0.03%
Total at September 30, 2021					356,626	339,400	(17,226)		
Total at June 30, 2021					238,683	236,537	(2,146)		

*These have a face value of Rs 3.5 per share

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

7.4.1 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.

7.5	Unrealised (diminution) / appreciation in value of investments at fair value through profit or loss - net	(Unaudited) September 30, 2021	(Audited) June 30, 2021
		'---- (Rupees in '000) ----'	
	Market value of investments	529,758	475,217
	Carrying value of investments	7.1 to 7.4 <u>545,441</u>	<u>468,128</u>
		<u>(15,684)</u>	<u>7,089</u>

8	PAYABLE TO THE MANAGEMENT COMPANY	Sep 30, 2021 (Un-audited)	June 30, 2021 (Audited)
		(Rupees in '000)	
	Remuneration Payable	966	1,052
	Sindh sales tax payable on management fee	125	136
	Sales load payable	11	21
	Selling and Marketing Payable	165	-
	Back office payable	70	54
		<u>1,337</u>	<u>1,263</u>

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Sep 30, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees in '000)	
	Provision for Sindh workers' welfare fund	9.1	9,434
	Provision for federal excise duty and related taxes on		
	- Management fee	9.2	16,590
	- Sales load	4,746	4,746
	Brokerage payable	924	443
	Capital gain tax payable	44	231
	Auditors' remuneration payable	542	396
	Printing expense payable	65	37
	Legal advisor payable	423	31
	Other payable	307	307
		<u>23,641</u>	<u>32,215</u>

9.1 Provision for Sindh Workers' Welfare Fund

Sindh Revenue Board (SRB) through its letter dated August 12, 2021 received on August 13, 2021 has intimated Mutual Funds Association of Pakistan's (MUFAP) that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the Sindh Workers' Welfare Fund (SWWF) contributions. This development was discussed at MUFAP level and was also been taken up with the the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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, 2021. 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, 2021 would have been higher/lower by Re. 1.27 per unit (June 30, 2021: Re. 1.83 per unit).

10 CONTINGENCIES AND COMMITMENTS

There are no contingencies outstanding as at September 30, 2021 and June 30, 2021.

	September 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
10.1 Commitments		
Future sale transactions of equity securities entered into by the Fund in respect of which the sale transactions have not been		
Sell	347,172	250,704
Buy	-	4,721
	-----	-----
Margin Trading System (MTS) entered into by the Fund in respect of which the sale transactions have not been settled as at period 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 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 annualized total expense ratio of the Fund based on the current period results is 2.66% (September 30, 2020:2.5%) and this includes 0.16% (September 30, 2020:0.28%) representing government levy, SECP fee etc.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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:

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

For the Quarter ended September 30, 2021 (unaudited)

As at July 01, 2021	Issued for cash	Bonus	Redeemed	As at Sep 30, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at Sep 30, 2021
----- Units -----					----- (Rupees in '000) -----			

Associated Companies:

Security General Insurance Company								
Limited Employees Provident Fund Trust	50,227	-	-	50,227	2,707	-	-	2,792

Mandate Under Discretionary

Portfolio Services *	-	-	-	-	-	-	-	-
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Key management personnel*	29,275	40,945	-	70,220	-	1,578	2,246	3,878	-
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Unit holders holding 10% or more units	2,031,021	-	-	2,031,021	109,475	-	-	112,901	-
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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

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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* This reflects position of related party / connected persons status

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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

	Sep 30, 2021 (Unaudited)	Sep 30, 2020 (Unaudited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	2,252	1,550
Selling and Marketing	165	1,314
Allocated expenses including indirect taxes	189	176
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	161	148
CDC settlement charges	79	2
MCB Bank Limited		
Profit on bank deposits	-	-
Purchase of securites Face Value Nil (2020: 250,000,000)	-	242,799
Bank charges	5	4
D.G. Khan Cement Company Limited		
Purchase of 136,500 (2020: 102,000) shares	14,948	11,362
Sale of 164,000 (2020: 23,500) shares	18,948	2,674
Nishat (Chunian) Limited		
Purchase of 847,500 (2020: 23,000) shares	41,419	968
Sale of 147,000 (2020: Nil) shares	77,212	-
Nishat Mills Limited		
Purchase of 15,500 (2020: 46,000) shares	1,505	4,741
Sale of 15,000 (2020: 2,000) shares	1,471	218
Dividend Income	-	-
Aisha Steel Mills Limited		
Purchase of 531,500 (2020: Nil) shares	12,937	-
Sale of 901,500 (2020: Nil) shares	22,477	-
Power Cement Limited		
Purchase of 206,000 (2020: Nil) shares	1,733	-
Sale of 128,000 (2020: nil) shares	1,176	-

* 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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
14.3 Amount outstanding as at period end / year end		
MCB - Arif Habib Savings & Investments Limited - Management Company		
Remuneration payable	966	1,052
Sindh Sales tax payable on remuneration to the Management Company	125	136
Selling and Marketing	165	-
Sales load payable	11	21
Allocated expenses payable	70	54
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	8	42
Sindh Sales tax payable on remuneration of Trustee	55	6
Security deposits	21	200
MCB Bank Limited		
Bank deposits held	10,768	7,683
D.G. Khan Cement Company Limited		
10,000 shares (2021: 37,500) shares held	884	4,422
Aisha Steel Mills Limited		
Shares held 154,000 (2021: 524,000)	3,205	13,053
Nishat (Chunian) Limited		
Shares held 700,500 (2021: Nil)	34,689	-
Nishat Mills Limited		
Shares held 500 (2021: Nil)	45	-
Power Cement Limited		
Shares held 78,000 (2021: Nil)	548	-

15 FAIR VALUE MEASUREMENTS

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

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

Financial assets which are tradable in an open market are revalued at the 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.

Fair value hierarchy

International Financial Reporting Standard 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); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

16 Impact of COVID-19

A novel strain of coronavirus (COVID-19) was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown. During the lockdown that lasted from March to May 2020, the funds continued their activity, as the Pakistan Stock Exchange and the money markets continued trading. Management Company is of the view that while COVID-19 and its resulting containment measures have affected the economy, investors' confidence and adequate steps from the government and regulators have spearheaded recovery and subsequent events reflect that in due course, things would be normalised.

17 GENERAL

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

17.2 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.

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 22, 2021 by the Board of Directors of the Management Company.

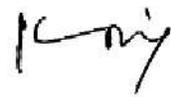
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

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