CONTENTS

Fund's Information	**2**
Report of the Directors' of the Management Company	**3**
Report of the Fund Manager	**5**
Trustee Report to the Unit Holders	**8**
Independent Auditors' Report on Review of Condensed Interim Financial Information to the Unit Holders	**9**
Condensed Interim Statement of Assets and Liabilities	**10**
Condensed Interim Income Statement	**11**
Condensed Statement of Comprehensive Income	**12**
Condensed Interim Distribution Statement	**13**
Condensed Interim Statement of Movement In Unit Holders' Fund	**14**
Condensed Interim Cash Flow Statement	**15**
Notes to the Condensed Interim Financial Statements	**16**

FUNDS' INFORMATION

Management Company
Arif Habib Investments Limited
Arif Habib Centre, 23 M. T. Khan Road,
Karachi -74000.

Board of Directors of the Management Company

Mr. Muhammad Shafi Malik	Chairman
Mr. Nasim Beg	Chief Executive
Syed Ajaz Ahmed	Director
Mr. Sirajuddin Cassim	Director
Mr. Muhammad Akmal Jameel	Director
Mr. Muhammad Kashif	Director
Mr. S. Gulrez Yazdani	Director
Mr. Samad A.Habib	Director (Subject to the approval of SECP)

Company Secretary & CFO of the Management Company
Mr. Zeeshan

Audit Committee

Mr. Muhammad Shafi Malik	Chairman
Syed Ajaz Ahmed	Member
Mr. Muhammad Akmal Jameel	Member
Mr. Samad A.Habib	Member (Subject to the approval of SECP)

Trustee
Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, S.M.C.H.S
Main Shahrah-e-faisal, Karachi.

Bankers

Summit Bank Limited (formerly: Arif Habib Bank Limited)	Allied Bank Limited
Bank Al Habib Limited	Bank Alfalah Limited
Habib Metropolitan Bank Limited	Standard Chartered Bank (Pakistan) Limited

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants
1st Floor, Sheikh Sultan Trust Building No.2
Beaumont Road, Karachi-75530

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

Registrar
Gangjees Registrar Services (Pvt.) Limited.
Room No. 516, 5th Floor, Clifton Centre,
Kehkashan, Clifton, Karachi.

Rating
PACRA: AA- (f) Stability Rating
PACRA: AM2 (Positive Outlook) - Management Quality Rating assigned to Management Company

REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

The Board of Directors of Arif Habib Investments Limited, the Management Company of Pakistan Income Enhancement Fund (PIEF), submits herewith its Report together with the Condensed Interim Financial Statements for the six months ended 31 December 2010.

Fund Objective

The objective of the Fund is to deliver return from aggressive investment strategy in debt and fixed income market.

Fund Profile

PIEF is an Open-end Fund, which is allowed to invest in debt and fixed income instruments and is also allowed to take limited exposure in structured products (subject to SECP approval) and spread transactions in Ready/Future markets.

Fund Performance during the six months ended 31 December 2010

The net assets of the Fund as at 31 December 2010 stood at Rs 1,688.20 million as compared to Rs. 2,223.59 million at 30 June 2010 registering a decrease of 24.08%. The decrease was primarily due to the fact that investors opted to convert their investments in other funds managed by Arif Habib Investments Limited.

The ex-dividend Net Asset Value (NAV) per unit at the beginning of the period was Rs 50.87 and with an increase of Rs 3.14 in the NAV per unit recorded during the period under review; the NAV per unit on 31 December 2010 was Rs 51.60 after interim distribution of Rs 2.41 per unit.

Income Distribution

During the period, the Management Company has announced the following interim distributions:

Date of Distribution	Interim payouts during the Quarter	
	(PKR/Unit)	Return as % of opening Ex-NAV
26 July 2010	0.42	9.91% of Ex-NAV of 25 July 2010
26 August 2010	0.51	12.08 % of Ex-NAV of 25 August 2010
27 September 2010	0.40	9.50 % of Ex-NAV of 25 September 2010
26 October 2010	0.27	6.41 % of Ex-NAV of 25 October 2010
26 November 2010	0.27	6.41 % of Ex-NAV of 25 November 2010
27 December 2010	0.54	12.74 % of Ex-NAV of 25 December 2010
Total	**2.41**	

Expalnation With Regards To Emphasis of Matter Paragraph included in the Auditor's Review Report

The explanation with regard to emphasis of matter paragraph is provided in note 6 to the condensed interim financial statements.

Future Outlook and Fund Performance

Future Outlook and Fund Performance is fully explained in Fund Manager Report attached to this report.

Acknowledgement

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustees of the Fund - Central Depository Company of Pakistan Limited and the management of the Islamabad Stock Exchange for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company and for the meticulous management of the Fund.

For and on behalf of the Board

19 February 2011
Karachi

Nasim Beg
Chief Executive

REPORT OF THE FUND MANAGER
FOR THE QUARTER ENDED 31 DECEMBER 2010

Objective

The objective of the fund is to deliver return from aggressive investment strategy in debt and fixed income market.

Fund Profile

Pakistan Income Enhancement Fund (An Aggressive Fixed Income Fund) (referred to as PIEF) is an open end fund which primarily invests in debt and fixed income instruments and may also take limited exposure in structured products. The maximum duration of the fund shall not exceed 3 years. PIEF is a long only fund and cannot undertake leveraged investments. Under the NBFC Rules, it is only allowed to borrow up to 15% of net assets for up to 90 days to meet redemption needs.

Fund Performance

PIEF earned an annualized return of 16.05% during the 2nd quarter FY11 against its benchmark return of 11.08%. Annualized return for 6 months FY11 was 12.57%. The improved return compared to last quarter (8.74%) was due to valuation gains in its TFC portfolio. The weighted average credit quality of the portfolio was AA+ and the overall average portfolio duration was 58 days at the end of the period.

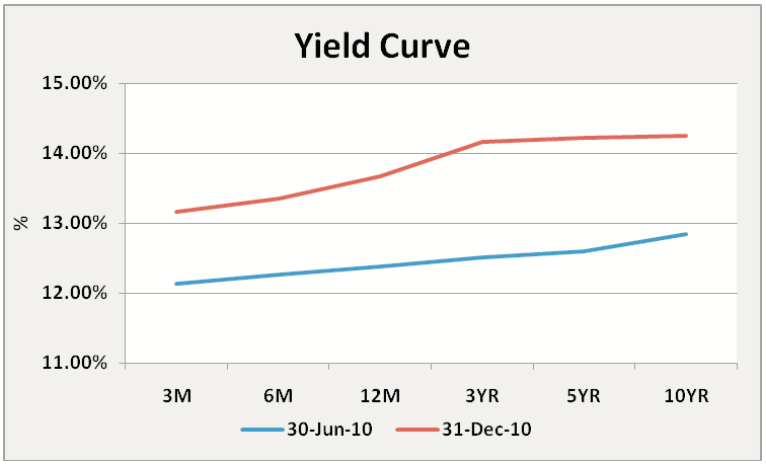
Asset Allocation

As at end December 2010, exposure in TFCs was 29.2% of net assets which mainly comprised 10.47% fertilizer, 7.83% banks, 3.26% investment banks & companies, 0.73% telecom, 1.17% electronics and 5.75% real estate sectors. At the end of the period, T-bills were 45.5% of net assets. Short term TDRs with commercial banks were 20.7% as the year-end deposit demand provided opportunity to earn high returns. In addition, the Fund made fresh investment in Govt. Ijara Sukuk up to 3.0% of net assets, in view of high liquidity and attractive return. Cash in banks were 1.1%.

As a policy, PIEF distributes monthly dividends in order to provide better periodic net-of-tax returns to investors. During this quarter, PIEF declared total dividends of Rs.1.47/unit (Rs. 1.33/unit, 1st quarter FY2011). Hence the total cumulative dividend yield was 9.77%p.a. for the first half FY2011.

Market Review

During 2QFY11, SBP increased the discount rate by 100 bps to 14.0% (in September 10 & November10) as inflation started soaring along with higher fiscal deficit due to elevated government borrowings from the SBP. As a result, interest rates moved up across all tenors, with the yields on 3 month, 1-year and 10 years instruments increasing by 49 bps, 71 bps and 50 bps to 13.17%, 13.68% and 14.25% respectively. During 1HY FY11 the discount rate has been increased by 150bps.

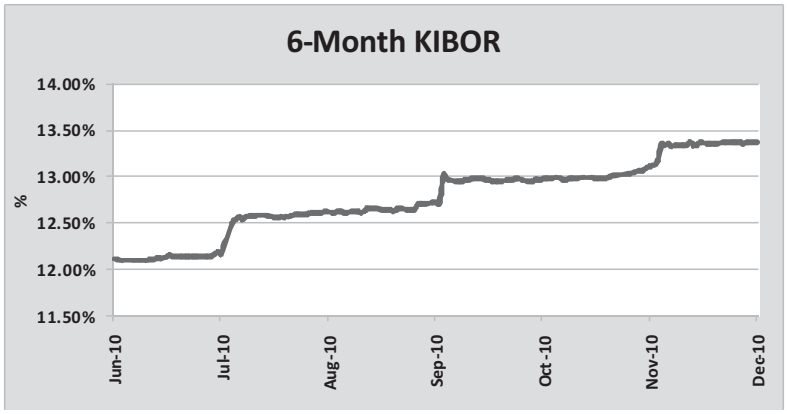


PIB auctions were held twice during the quarter ended 31 Dec, 10. In the wake of inflationary pressures and expectations of a tight monetary stance by the SBP, participation was seen at high yields; rates on benchmark 10-yr PIB increased by 50bps. Total target of Rs. 40.0 billion was set by the Central Bank and participation received was Rs. 49.0 billion out of which Rs. 26.0 billion was in 10-yr bond. Secondary market yields on 3, 5 and 10-yr PIBs ended the quarter at 14.16%, 14.22% and 14.25% compared to 13.47%, 13.57% and 13.75% on 30th Sep, '10.

Expected increase in policy rate restricted activity within the short term maturity papers throughout the quarter; yields (PKRV) ended at 13.17%, 13.36% and 13.68% compared to 12.68%, 12.85% and 12.97% in 3, 6-month and 1-year T-bills respectively at the end of first quarter FY11. Similarly, substantial amount of participation was witnessed in 3-month tenor in T-bill auctions conducted during the quarter. Total T-bill worth Rs. 942.0 billion was sold against a target of Rs. 860.0 billion amid T-bill maturity of Rs. 704.0 billion.

The SBP conducted two Government Ijara Sukuk auctions during this quarter with a total target of Rs. 80.0 billion; whereas Rs.89.0 billion was accepted against participation of Rs.123.0 billion. The cut-off was set at 6-month T-bill weighted average yield in both auctions.

The benchmark 6-month KIBOR also increased by 35bps to 13.62% QoQ (from previous closing at 13.27%), after increase in policy rate and adequate liquidity management by SBP.



Trading remained confined in corporate debt instruments of banking, fertilizer and telecommunication sectors during the 2nd quarter FY11. Among listed TFCs, banking and fertilizer sector TFCs were traded at credit spreads of 1.50% to 2.20% and telecommunications sector transactions were concluded at credit spreads of 6.9-7.5% over benchmark 6-month KIBOR. While, trading in unlisted TFCs was seen at credit spreads of 2.4-8.5% over 6-month KIBOR in Banking, Fertilizers, Electronics, Forestry and NBFC sector TFCs.

Future Outlook

Interest rates are expected to increase further during the next quarter amid high inflation numbers, heavy government borrowing and fiscal imbalances. Under the prevailing conditions, PIEF will continue to maintain its major exposure in short dated government securities to restrict valuation knocks on the portfolio. Secondary market activity in TFCs (corporate bonds) is expected to remain low and price discovery may remain a cause of concern due to rising interest rates, with expected spread over benchmark KIBOR ranging between 1.5-2.5% for AA rated instruments in the near term.

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

The Pakistan Income Enhancement Fund (the Fund), an open-end Fund was established under a trust deed dated July 14, 2008, executed between Arif Habib Investments Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the six months period ended December 31, 2010 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the management company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: 23 February 2011

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Income Enhancement Fund** ("the Fund") as at 31 December 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Emphasis of matter

We draw attention to note 6 to the condensed interim financial information which describes the uncertainties relating to pending outcome of the litigation regarding contribution to Worker's Welfare Fund. In view of the matters more fully discussed in the above note, provision against WWF amounting to Rs. 8.43 million is not being maintained by the Fund. Our conclusion is not qualified in respect of this matter.

Other matters

The figures for the quarter ended 31 December 2010 in the condensed interim financial information have not been reviewed and we do not express a conclusion thereon.

Date: 19 February 2011
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2010

	Note	**31 December 2010 (Unaudited)**	30 June 2010 (Audited)
		(Rupees in '000)	
Assets			
Bank balances		**18,996**	107,319
Receivable against sale of units		**582**	27,631
Investments	*5*	**1,310,589**	2,068,284
Term deposit receipt		**350,000**	-
Income and profit receivable		**22,215**	26,776
Deposits, prepayments and other receivables		**2,610**	1,305
Preliminary expenses and floatation costs		**531**	632
Total assets		**1,705,523**	2,231,947
Liabilities			
Payable to the Management Company		**2,812**	3,607
Payable to Central Depository Company of Pakistan Limited - Trustee		**232**	257
Payable to Securities and Exchange Commission of Pakistan - Annual Fee		**774**	1,165
Payable on redemption of units		**12,076**	2,243
Accrued expenses and other liabilities		**1,428**	1,083
Total liabilities		**17,322**	8,355
Contingencies and commitments	*6*		
Net assets		**1,688,201**	2,223,592
Unit holders' funds		**1,688,201**	2,223,592
		(Number of units)	
Number of units in issue		**32,720,143**	43,274,506
		(Rupees)	
Net asset value per unit		**51.60**	51.38

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2010

	Note	Six months period ended 31 December		Quarter ended 31 December	
		2010	2009	**2010**	2009
		(Rupees in '000)		(Rupees in '000)	
Income					
Income from term finance certificates and sukuk bond		**53,430**	32,420	**25,186**	17,473
Income from government securities		**80,435**	34,366	**37,712**	23,287
Income from reverse repurchase transactions		**-**	508	**-**	302
Income from placements, certificates of investments and term deposit receipts		**2,957**	6,490	**1,795**	2,915
Profit on bank deposits		**2,019**	10,130	**922**	5,733
Capital gain on sale of investments - net		**(1,829)**	8,324	**(697)**	257
Unrealised (diminution) / appreciation in the value of investments - net	*5.1*	**(1,293)**	15,768	**14,735**	14,937
Total income before provisioning for non-performing exposure		**135,719**	108,006	**79,653**	64,904
Reversal of provision against non-performing exposure		**2,278**	(6,835)	**-**	(6,835)
Total income		**137,997**	101,171	**79,653**	58,069
Expenses					
Remuneration of the Management Company		**15,387**	9,790	**7,001**	5,999
Remuneration of Central Depository Company of Pakistan Limited - Trustee		**1,530**	1,142	**719**	652
Annual fee - Securities and Exchange Commission of Pakistan		**774**	490	**350**	301
Securities transaction costs		**255**	547	**106**	240
Settlement and bank charges		**309**	531	**134**	450
Fees and subscription		**89**	96	**44**	56
Legal and professional charges		**50**	86	**32**	32
Auditor's remuneration		**201**	194	**109**	87
Printing and related costs		**63**	99	**32**	67
Amortisation of preliminary expenses and floatation costs		**101**	101	**51**	50
Total expenses		**18,759**	13,076	**8,578**	7,934
Net income from operating activities		**119,238**	88,095	**71,075**	50,135
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		**(9,999)**	9,905	**(8,184)**	(4,547)
Net income carried forward for distributio		**109,239**	98,000	**62,891**	45,588
Earnings per unit	*8*	**-**	-	**-**	-

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2010

	Six months period ended 31 December		Quarter ended 31 December	
	2010	2009	**2010**	2009
	(Rupees in '000)		(Rupees in '000)	
Net income for the period	**109,239**	98,000	**62,891**	45,588
Other comprehensive income for the period	**-**	-	**-**	-
Total Comprehensive income for the period	**109,239**	98,000	**62,891**	45,588

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2010

	Note	**Six months period ended 31 December**		**Quarter ended 31 December**	
		2010	2009	**2010**	2009
		(Rupees in '000)		**(Rupees in '000)**	
Undistributed income brought forward		**59,869**	14,233	**26,553**	16,728
Final distribution for the period ended 30 June 2010: Rs. 0.51 per unit (Date of distribution: 05 July 2010)					
- Issue of 394,579 bonus units		**(20,072)**	(5,070)	**-**	-
- Cash distribution		**(1,998)**	(740)	**-**	-
		(22,070)	(5,810)	**-**	-
Undistributed income brought forward less final distribution for the year ended 30 June 2010		**37,799**	8,423	**26,553**	16,728
Net income for the period		**109,239**	98,000	**62,891**	45,588
Interim distribution for the six months and quarter ended 31 December 2010:	*9*				
- Issue of 1,679,937 and 646,374 bonus units respectively (2009: 1,458,748 bonus units and 712,538 bonus units respectively)		**(85,357)**	(73,807)	**(32,973)**	(36,108)
- Cash distribution		**(9,599)**	(13,417)	**(4,389)**	(7,009)
		14,283	10,776	**25,529**	2,471
Undistributed income carried forward		**52,082**	19,199	**52,082**	19,199

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2010

	Six months period ended 31 December		Quarter ended 31 December	
	2010	2009	**2010**	2009
	(Rupees in '000)		(Rupees in '000)	
Net assets at the beginning of the period	**2,223,592**	799,337	**2,089,356**	1,627,742
Issue of 13,042,078 units and 3,948,054 units for the six months and quarter ended 31 December 2010 respectively (2009: 67,177,313 units and 24,880,242 units respectively)	**664,873**	3,415,683	**201,256**	1,262,896
Redemption of 25,670,956 units and 13,128,496 units for the six months and quarter ended 31 December 2010 respectively (2009: 57,154,725 units and 30,529,328 units respectively)	**(1,307,905)**	(2,905,573)	**(669,095)**	(1,550,379)
	(643,032)	510,110	**(467,840)**	(287,483)
Final distribution for the period ended 30 June 2010: Rs. 0.51 per unit (Date of distribution: 05 July 2010)				
- Issue of 394,579 bonus units	**(20,072)**	(5,070)	**-**	-
- Cash distribution	**(1,998)**	(740)	**-**	-
	(22,070)	(5,810)	**-**	-
Net element of loss / (income) and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to the Income Statement	**9,999**	(9,905)	**8,184**	4,547
Capital gain on sale of investments - net	**(1,829)**	8,324	**(697)**	257
Unrealised (diminution) / appreciation / in the value of investments - net	**(1,293)**	15,768	**14,735**	14,937
Other net income for the period	**112,361**	73,908	**48,853**	30,394
	109,239	98,000	**62,891**	45,588
Interim distribution for the six months and quarter ended 31 December 2010:				
- Issue of 1,679,937 and 646,374 bonus units respectively (2009: 1,458,748 bonus units and 712,538 bonus units respectively)	**(85,357)**	(73,807)	**(32,973)**	(36,108)
- Cash distribution	**(9,599)**	(13,417)	**(4,389)**	(7,009)
	(94,956)	(87,224)	**(37,362)**	(43,117)
Net income for the period less distributions	**14,283**	10,776	**25,529**	2,471
Issue of 394,579 bonus units for the period ended 30 June 2010	**20,072**	5,070	**-**	-
Issue of 1,679,937 bonus units and 646,374 bonus units for the six months and quarter ended 31 December 2010 respectively (2009: 1,458,748 bonus units and 712,538 bonus units respectively)	**85,357**	73,807	**32,973**	36,108
Net assets at the end of the peri	**1,688,201**	1,383,385	**1,688,201**	1,383,385

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited

(Management Company)

Chief Executive **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED 31 DECEMBER 2010

	Six months period ended 31 December		Quarter ended 31 December	
	2010	2009	**2010**	2009
	(Rupees in '000)		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	**109,239**	98,000	**62,891**	45,588
Adjustments:				
Unrealised diminution / (appreciation) in the value of investments - net	**1,293**	(15,768)	**(14,735)**	(14,937)
Amortisation of preliminary expenses and floatation costs	**101**	101	**51**	50
Net element of loss / (income) and capital (gains) / losses included in prices of units issued less those in units redeemed	**9,999**	(9,905)	**8,184**	4,547
Reversal of Provision for non-performing assets	**(2,278)**	-	**-**	-
	118,354	72,428	**56,391**	35,248
(Increase) / decrease in assets				
Receivable against sale of units	**27,049**	24,422	**292**	13,295
Investments	**758,680**	(225,007)	**612,448**	673,312
Loan and receivable	**(350,000)**	(15,000)	**(345,347)**	110,000
Income and profit receivable	**4,561**	(13,933)	**1,861**	(12,821)
Deposits, prepayments and other receivables	**(1,305)**	3,376	**(1,659)**	5,584
	438,985	(226,142)	**267,594**	789,370
Increase / (decrease) in liabilities				
Payable to the Management Company	**(795)**	(824)	**(434)**	262
Payable to Central Depository Company of Pakistan Limited - Trustee	**(25)**	86	**(26)**	34
Payable to Securities and Exchange Commission of Pakistan - Annual Fee	**(391)**	85	**350**	300
Payable against purchase of investments	**-**	-	**-**	(91,897)
Payable on redemption of units	**9,833**	(470)	**(10,029)**	(1,883)
Accrued expenses and other liabilities	**345**	(210)	**(111)**	(182)
	8,967	(1,333)	**(10,250)**	(93,366)
Net cash from / (used in) operating activities	**566,306**	(155,047)	**313,735**	731,252
CASH FLOWS FROM FINANCING ACTIVITIES				
Net (payments) / receipts made against issuance / redemption of units	**(643,032)**	510,110	**(467,839)**	(287,483)
Cash dividend paid	**(11,597)**	(14,157)	**(4,389)**	(7,009)
Net cash (used in) / from financing activities	**(654,629)**	495,953	**(472,229)**	(294,492)
Net (decrease) / increase in cash and cash equivalents during the period	**(88,323)**	340,906	**(158,494)**	436,760
Cash and cash equivalents at the beginning of the period	**107,319**	122,495	**177,490**	26,641
Cash and cash equivalents at the end of the period	**18,996**	463,401	**18,996**	463,401

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited

(Management Company)

Chief Executive **Director**

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Income Enhancement Fund (the Fund) was established through a Trust Deed under the Trust Act 1882, executed between Arif Habib Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 14 July 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 26 June 2008 in accordance with Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules 2003).

The Management Company of the Fund has been licensed to act as an Asset Manager Company under the NBFC Rules through a certificate of registration issued by the SECP.

The Fund is an open-ended mutual fund listed on the Islamabad Stock Exchange of Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them 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.

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2' (positive outlook) to the Management Company and 'AA-' as Stability rating of the Fund.

The policy of the Fund is to invest in the investment grade term finance certificates and sukuk bonds, certificate of investments, term deposit receipts, structured deposits, notes, interest rate / cross currency swap and arbitrage products, options, derivatives, index linked structures etc. both within and outside Pakistan, international mutual funds, credit linked notes (after approval of the SECP), ready & future markets and any other investment permissible under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations 2008).

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

These condensed interim financial statements comprise of condensed interim statement of assets and liabilities as at 31 December 2010 and the related condensed interim income statement, condensed statement of comprehensive income, condensed interim distribution statement, condensed interim movement in unit holders' funds, condensed interim statement of cash flows and notes thereto, for the period ended 31 December 2010.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2010.

These condensed interim financial information comprise of condensed interim statement of assets and liabilities as at 31 December 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement, and notes thereto, for the six months period ended 31 December 2010.

These condensed interim financial information are being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). However, a limited scope review has been carried out by the auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

2.2 Use of estimates and judgments

The preparation of these condensed interim financial statements requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Management Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended 30 June 2010.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand Rupees.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements of the Fund for the period ended 30 June 2010.

4. RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements as at and for the year ended 30 June 2010.

5. INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS		(Unaudited) 31 December 2009	(Audited) 30 June 2010
		(Rupees in '000)	
Term Finance Certificates - listed	*5.2*	**236,694**	276,275
Term Finance Certificates - unlisted	*5.2*	**210,436**	275,409
Sukuk Bonds - listed	*5.2*	**-**	37,487
Sukuk Bonds - unlisted	*5.2*	**45,946**	54,248
Government Securities	*5.3*	**767,388**	1,424,865
Government Ijarah Sukkuk	*5.4*	**50,125**	-
		1,310,589	2,068,284

5.1 Net unrealised appreciation / (diminution) in value of investments at fair value through profit or loss - net

	(Unaudited) 31 December 2010	(Audited) 30 June 2010
	(Rupees in '000)	
Fair value of investments	**1,310,589**	2,068,284
Less: Cost of investments	**(1,296,910)**	(2,052,587)
	13,679	15,697
Less: Unrealised appreciation in value of investments at fair value through profit or loss at the beginning of the period / year	**(15,697)**	372
Less: Realised on disposal during the period / year	**725**	(2,894)
	(14,972)	(2,522)
	(1,293)	13,175

5.2 Term Finance Certificates and Sukuk Bonds

Name of the investee company		Maturity	Profit / mark-up percentage	As at 1 July 2010	Purchases during the period	Sales during the period	Matured during the period	As at 31 December 2010	Cost as at 31 December 2010	Market value as at 31 December 2010	Appreciation / (diminution) in the value of investments	Market value as a percentage of net assets	Market value as a percentage of total investment	Outstanding principal value as a percentage of issued debt capital
				----------(Number of certificates / bonds)----------					----------(Rupees in '000)----------					
Listed														
Askari Bank Limited - I	*a*	February 2013	6M KIBOR+ 1.5%	425	-	-	-	425	2,094	2,109	15	0.12%	0.16%	0.14%
Askari Bank Limited - II	*b*	October 2013	6M KIBOR+ 1.5%	6,000	-	-	-	6,000	29,229	29,329	100	1.74%	2.24%	2.00%
Bank Alfalah Limited - IV	*c*	December 2017	6M KIBOR+ 2.5%	11,000	-	-	-	11,000	54,984	55,547	563	3.29%	4.24%	1.10%
Bank AL Habib Limited - II	*d*	February 2015	6M KIBOR+ 1.95%	5,000	-	-	-	5,000	24,684	24,842	158	1.47%	1.90%	1.67%
WorldCall Telecom	*e*	October 2013	6M KIBOR+ 1.60%	3,000	-	-	-	3,000	11,057	12,330	1,273	0.73%	0.94%	0.38%
PACE Pakistan Limited	*f*	February 2013	6M KIBOR+ 1.5%	15,000	-	-	-	15,000	63,299	70,804	7,505	4.19%	5.40%	5.00%
PakArab Fertilizers Company Limited	*g*	February 2013	6M KIBOR+ 1.5%	5,530	-	827	-	4,703	21,276	21,441	165	1.27%	1.64%	0.47%
JDW Sugar Mills		June 2014	3M KIBOR+ 1.25%	3,000	-	3,000	-	-	-	-	-	-	-	-
Askari Bank Limited - III	*h*	November 2019	6M KIBOR+ 2.5%	9,000	-	5,000	-	4,000	19,982	20,292	310	1.20%	1.55%	0.67%
									226,605	236,694	10,089			
Unlisted														
Engro Fertilizers Limited - PRP I	*i*	March 2018	6M KIBOR+ 1.7%	35,100	-	-	-	35,100	149,299	155,317	6,018	9.20%	11.85%	4.39%
KASB Securities Limited	*j*	June 2012	6M KIBOR+ 1.9%	8,000	-	-	-	8,000	33,952	39,269	5,317	2.33%	3.00%	8.00%
Pakistan Mobile Communication Limited		October 2010	6M KIBOR+ 1.3%	15,650	-	-	15,650	-	-	-	-	-	-	0.00%
Pakistan Mobile Communication Limited		October 2013	6M KIBOR+ 1.3%	6,000	-	6,000	-	-	-	-	-	-	-	0.00%
JS Company Limited	*k*	July 2013	6M KIBOR+ 1.7%	3,250	-	-	-	3,250	14,445	15,850	1,405	0.94%	1.21%	1.30%
									197,696	210,436	12,740			
Sukuk Bonds														
Listed														
House Building Finance Corporation		May 2014	6M KIBOR+ 1%	10,000	-	10,000	-	-	-	-	-	-	-	-
Unlisted														
Eden Housing Limited	*l*	March 2013	6M KIBOR+ 2.5%	10,415	-	-	-	10,415	36,176	26,235	(9,941)	1.55%	2.00%	7.13%
Pak Elektron Limited	*m*	September 2012	3M KIBOR+ 1.75%	8,000	-	-	-	8,000	17,788	19,711	1,923	1.17%	1.50%	3.33%
									53,964	45,946	(8,018)			
									478,265	**493,076**	**14,811**			

(a) These term finance certificates carry floating mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.50% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are unsecured.

(b) These term finance certificates carry floating mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.50% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are unsecured.

(c) These term finance certificates carry floating mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 2.50% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are unsecured.

(d) These term finance certificates carry floating mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.95% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are unsecured.

(e) These term finance certificates carry floating mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.60 % per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

(f) These term finance certificates carry floating mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.50% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

(g) These term finance certificates carry floating mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.50% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

(h) These term finance certificates carry mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 2.50% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are unsecured.

(i) These term finance certificates carry mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.70% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

(j) These term finance certificates carry mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.90% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

(k) These term finance certificates carry mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.70% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

(l) These Sukuk bonds carry mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 2.50% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

(m) These Sukuk bonds carry mark-up rate equal to 3 months Karachi Interbank Offered Rate "ask side" plus 1.75% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured.

5.3 Government securities

Issue date	Tenure	As at 01 July 2010	Purchases during the period	Sales / Matured during the period	As at 31 December 2010	Cost as at 31 December 2010	Market value as at 31 December 2010	Appreciation / (diminution) in the value of investments	Market value as a percentage of net assets	Market value as a percentage of total investment
		---------(Face value in denomination of Rs. 1,000)---------				----------(Rupees in '000)----------				
Pakistan Investment Bonds										
03rd September 2009	3 years	41,667	-	41,667	-	-	-	-	-	-
03rd September 2009	3 years	20,833	-	20,833	-	-	-	-	-	-
03rd September 2009	3 years	41,667	-	41,667	-	-	-	-	-	-
03rd September 2009	3 years	20,833	-	20,833	-	-	-	-	-	-
22nd August 2007	5 years	39,000	-	39,000	-	-	-	-	-	-
						-	-	-		
Treasury Bills										
10th September 2009	12 months	25,000	-	25,000	-	-	-	-	-	-
25th February 2010	3 months	100,000	-	-	100,000	98,353	98,105	(248)	5.81%	7.49%
11th March 2010	12 months	125,000	-	125,000	-	-	-	-	-	-
25th March 2010	12 months	265,000	-	25,000	240,000	234,051	233,103	(948)	13.81%	17.79%
08th April 2010	3 months	75,000	-	75,000	-	-	-	-	-	-
08th April 2010	6 months	150,000	-	150,000	-	-	-	-	-	-
22nd April 2010	3 months	65,000	-	65,000	-	-	-	-	-	-
22nd April 2010	6 months	50,000	-	50,000	-	-	-	-	-	-
06th May 2010	3 months	75,000	-	75,000	-	-	-	-	-	-
06th May 2010	12 months	100,000	-	100,000	-	-	-	-	-	-
20th May 2010	3 months	150,000	-	150,000	-	-	-	-	-	-
20th May 2010	12 months	50,000	-	50,000	-	-	-	-	-	-
17th June 2010	3 months	50,000	-	50,000	-	-	-	-	-	-
17th June 2010	3 months	50,000	-	50,000	-	-	-	-	-	-
15th July 2010	3 months	-	25,000	25,000	-	-	-	-	-	-
21st July 2010	3 months	-	70,000	70,000	-	-	-	-	-	-
29th July 2010	3 months	-	100,000	100,000	-	-	-	-	-	-
29th July 2010	12 months	-	125,000	125,000	-	-	-	-	-	-
13th August 2010	3 months	-	125,000	125,000	-	-	-	-	-	-
13th August 2010	3 months	-	50,000	50,000	-	-	-	-	-	-
			Balance brought down			332,404	331,208	(1,196)		

Issue date	Tenure	As at 01 July 2010	Purchases during the period	Sales / Matured during the period	As at 31 December 2010	Cost as at 31 December 2010	Market value as at 31 December 2010	Appreciation / (diminution) in the value of investments	Market value as a percentage of net assets	Market value as a percentage of total investment
		---------(Face value in denomination of Rs. 1,000)---------				----------(Rupees in '000)----------				
			Balance brought forward			332,404	331,208	(1,196)		
26th August 2010	3 months	-	35,000	35,000	-	-	-	-	-	-
09th September 2010	3 months	-	85,000	85,000	-	-	-	-	-	-
07th October 2010	3 months	-	150,000	150,000	-	-	-	-	-	-
13th October 2010	3 months	-	60,000	60,000	-	-	-	-	-	-
21st October 2010	3 months	-	200,000	25,000	175,000	174,285	174,264	(21)	10.32%	13.30%
04th November 2010	3 months	-	170,000	40,000	130,000	128,853	128,814	(39)	7.63%	9.83%
04th November 2010	3 months	-	50,000	-	50,000	49,538	49,544	6	2.93%	3.78%
18th November 2010	3 months	-	35,000	35,000	-	-	-	-	-	-
02nd December 2010	3 months	-	75,000	25,000	50,000	49,058	49,052	(6)	2.91%	3.74%
31st December 2010	3 months	-	35,000	-	35,000	34,507	34,506	(1)	2.04%	2.63%
						768,645	**767,388**	**(1,257)**		

5.4 Government Ijarah Sukkuk

Name of Investments	As at 1 July 2010	Purchases during the period	Sales during the period	As at 31 December 2010	Cost	Market Value	Appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investment
Government Ijarah Sukkuk	-	50,000	-	50,000	50,000	50,125	125	2.97%	3.82%
					50,000	**50,125**	**125**		
GRAND TOTAL					**1,296,910**	**1,310,589**	**13,679**		

6. CONTINGENCIES AND COMMITMENTS

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971(the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The Mutual Funds Association of Pakistan (MUFAP), on behalf of its members filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the funds are not establishments and as a result are not liable to pay contribution to the WWF. The honorable court has rejected the petition on technical grounds stating that MUFAP is not the aggrieved party in this case and required the aggrieved parties to approach the courts for the said petition. In response a petition has been filed with the SHC by some of Mutual Funds through their Trustees along with few investors. However, subsequent to filing of the petition, the Ministry of Labour and Manpower (the Ministry) issued a letter which states that mutual funds are not liable for WWF. Further, in a subsequent letter dated 15 July 2010 the Ministry clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income of Mutual Fund(s), the product being sold, is exempted under the law ibid."

There have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds for the recovery of WWF. On December 14, 2010, the Ministry filed its response contesting the said petition. The legal proceedings in respect of the aforementioned petition are currently in progress.

Based on the advice of the legal counsel handling the case, the Management Company is of the view that notwithstanding the show cause notices issued to a number of mutual funds, WWF is not applicable to the Funds due to the clarification issued by the Ministry which creates vested right, hence no provision of Re 0.25 per unit has been made in respect of WWF.

7. NUMBER OF UNITS IN ISSUE

The units in issue as at 31 December 2010 in each class are as follows:

Plan	**(Unaudited) 31 December 2010**	(Audited) 30 June 2010
	(Number of units)	
A	**28,509,730**	39,357,348
B	**4,210,413**	3,917,158
	32,720,143	43,274,506

8. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

9. INTERIM DISTRIBUTION

The Fund has made following distributions during the period:

Dates	Rate	Bonus *		Cash Distribution **	Total
		Units	Amount		
		----------(Rupees in '000)----------			
26 July 2010	Re. 0.42 per unit	342,915	17,437	1,645	19,082
26 August 2010	Re. 0.51 per unit	388,269	19,662	1,998	21,660
27 September 2010	Re. 0.40 per unit	302,378	15,285	1,567	16,852
26 October 2010	Re. 0.27 per unit	181,263	9,163	1,058	10,221
26 November 2010	Re. 0.27 per unit	165,850	8,437	1,058	9,495
27 December 2010	Re. 0.54 per unit	299,302	15,375	2,274	17,649
		1,679,976	**85,359**	**9,600**	**94,959**

* Bonus units have been distributed to unit holders under plan A.
** Cash dividend has been distributed to unit holders under plan B.

As per clause 12 of Trust Deed and clause 6 of Part VI of Offering Document, the Management Company on behalf of the Fund on monthly basis (except June) distributes bonus / dividend. The Board of Directors on 22nd September 2008 have passed a resolution providing standing authorization to the Chief Executive Officer to approve and declare interim dividends out of profit earned by the Fund upto the 25th of each month. The SECP vide letter no. NBFC - II.DD / AHIL / Misc-734 / 2009 has approved the above arrangement.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Arif Habib Investments Limited (AHI) being the Management Company, Arif Habib Corporation Limited (formerly: Arif Habib Securities Limited) being the holding company of AHI, Arif Habib Limited and Thatta Cement Limited being companies under common control , Summit Bank Limited (formerly: Arif Habib Bank Limited) and Pak Arab Fertilizers Limited being the companies under common directorship, Central Depository Company Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company and directors and officers of the Management Company.

Remunerations to the management company and trustee are determined in accordance with the provisions of NBFC regulations and Trust Deed of the Fund.

All other transactions with connected persons are in the normal course of business and are carried out on agreed terms.

10.1 Transactions during the period with connected persons / related parties

	Six months period ended 31 December		Quarter ended 31 December	
	2010	2009	**2010**	2009
	(Rupees in '000)		(Rupees in '000)	
Arif Habib Investments Limite- *Management Compan*				
Remuneration for the period	**15,387**	9,790	**7,001**	5,999
Front-end load for the period	**2,024**	2,968	**775**	1,936
Summit Bank Limited (Formerly: Arif Habib Bank Limited)				
Mark-up for the period	**342**	697	**118**	351
Units issued 29,023 units and nil units for the six months and quarter ended 31 December 2010 (2009: 1,972,387 units)	**1,474**	100,000	**-**	100,000
Units redeemed 1,042,977- units and Nil units for the six months and quarter ended 31 December 2010 respectively (2009: 2,136,038 units and 2,042,239 units for the quarter)	**53,015**	108,280	-	103,540
Cash dividend	-	7,580	-	2,840
Central Depository Company of Pakistan Limited - Trustee				
Remuneration for the period	**1,530**	1,142	**719**	652
CDS charges	**3**	3	**1**	1
CDS eligibility fee	**34**	16	**17**	16
Arif Habib Investment Management Limited - Employee Stock Beneficial Ownership Trust				
Bonus units issued 510 units and 191 units for the six months and quarter ended 31 December 2010 respectively (2009 : 6,424 unit and 2,254 units for the quarter ended)	**26**	325	**10**	114
Units redeemed Nil units (2009: 11,883.54 units)	**-**	600	-	0
Arif Habib Investment Management Limited - Employee Provident Fund				
Bonus units issued 1,224 and 459 units for the six months and quarter ended 31 December 2010 respectively (2009 : 19,784 unit and 544 units for the quarter ended)	**62**	1,000	**23**	28
Units redeemed Nil units	**-**	-	-	-
Purchase of Term Finance Certificates from Pakistan Strategic Allocation Fund (Managed by Arif Habib Investments Limited)				
United Bank Limited IV (14 February 2008) 20,000 certificates	**-**	91,897	**-**	-
Investment in Term Finance Certificates of Pak Arab Fertilizers Company Limited				
Purchase of Term Finance Certificates (28 February 2008) 3,977 certificates	**-**	19,469	**-**	19,469
Directors and executives of the Management Company:				
Units issued 385,968 units and 243,120 units for the six months and quarter ended 31 December 2010 respectively (2009: 920,759 and 430,049 units)	**19,691**	46,883	**12,419**	21,906
Units redeemed 421,614 units and 270,205 units for the six months and quarter ended 31 December 2010 respectively (2009: 924,305 and 427,072 units)	**21,527**	47,068	**13,801**	21,829
Bonus units distributed 9,985 units and 3,857 units for the six months and quarter ended 31 December 2010 respectively (2009: 13,934 and 5,937 units)	**508**	705	**197**	301

10.2 Amounts outstanding as at the period / year end with connected persons / related parties	31 December 2010 (Unaudited)	30 June 2010 (Audited)
	(Rupees in '000)	
Arif Habib Investments Limited - Management Company		
Remuneration payable	**2,205**	2,620
Payable in respect of preliminary expenses & floatation costs	**600**	800
Front-end load payable	**7**	187
Summit Bank Limited (Formerly: Arif Habib Bank Limited)		
Balance as at period end	**7,638**	51,928
Accrued mark-up as at the period end	**22**	182
Units held - Nil units (30 June 2010: 1,013,953 units)	**-**	52,097
Arif Habib Investment Management Limited - Employee Stock Beneficial Ownership Trust		
Units held - 9,184 units (30 June 2010: 8,674 units)	**474**	446
Arif Habib Investment Management Limited - Employee Provident Fund		
Units held - 22,015 units (30 June 2010: 20,791 units)	**1,136**	1,068
Pakistan Stock Market Fund (Managed by Arif Habib Investments Limited)		
Receivable / (Payable) at the end of period / year	**1,252**	(482)
Pakistan Cash Management Fund (Managed by Arif Habib Investments Limited)		
Payable as at the period end	**-**	957
Pakistan International Element Islamic Fund (Managed by Arif Habib Investments Limited)		
Payable as at the year end	**-**	5
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	**325**	325
Prepaid CDS eligibility fee	**52**	-
Remuneration payable	**232**	257
Directors and executives of the Management Company		
Units held - 208,098 units (30 June 2010: 237,671 units)	**10,738**	12,212

11. DATE OF AUTHORISATION

These financial statements were authorised for issue on 19 February 2011 by the Board of Directors of the Management Company.

For Arif Habib Investments Limited
(Management Company)

Chief Executive **Director**