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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Miss. Maheen Rahman- Syed Ali Sultan- Mr. David Burlison- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Kashif Abdur Rahman- Mr. Suleman Hudda
CFO & Company Secretary Of the Management Company:	- Mr. Syed Mohammad Zeeshan
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Kashif Abdur Rahman- Mr. Amin Dawood Saleh
Hr Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abdul Aziz Anis- Mr. David Burlison
Fund Manager:	- Mr. Nabeel Malik
Trustee:	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Bankers to the Fund:	Bank Alfalah Limited Faysal Bank Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530.
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	BBB (f)

MISSION STATEMENT

Alfalah GHP Income Multiplier Fund aims to provide its unit holders with sustainable, consistent and inflation protected returns over a period of time through investment in income and money market instruments and securities.

VISION STATEMENT

Alfalah GHP Income Multiplier Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable, consistent and inflation protected returns over the long term through investment exposure to income and money market instruments and securities.

DIRECTORS' REPORT For the three month period ended 30 September, 2013

To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), for quarter ended 30 September, 2013. The Financial Statements of the Schemes prepared by the Management Company present true and fair view of the state of affairs of the Schemes and results of their operations, cash flows and movement in unit holders' funds.

Economic Review

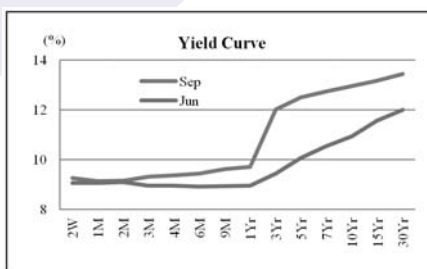
Inflation which had receded to its lowest level since rebasing of CPI in May saw strong resurgence in July-13, clocking in at 8.26%. Inflation picked up primarily on account of low base effect of last year, increased food prices because of Ramadan and newer taxes from FY14 budget. The trend continued in the month of Aug-13 with inflation picking up at 8.54% which also pushed SBP to increase its reverse repo rate from 9% to 9.5%. Although, CPI eased again in the month of Sep-13, it is likely to move up amid recent increase in domestic power tariffs and higher petroleum product prices. Furthermore, slippages in local currency shall also keep inflationary pressures intact for now.

The current account meanwhile, registered a deficit of USD 575mn in Aug-13, taking 2MFY14 deficit to USD 632mn, on the back of USD 1.6bn trade deficit in Aug-13 (highest since Oct-08). Meanwhile, remittances declined by 12% M/M and 2% Y/Y during the same period. Increase in C/A deficit on lower remittances highlights the growing dependence on remittances to plug in the trade deficit.

The new IMF program has kept the focus on resolving energy crisis along with achieving fiscal consolidation. Growth shall be the biggest casualty in near term as private sector remains reluctant to make new investments amid energy shortages. Meanwhile, in order to curtail fiscal deficit, government spending may also remain weak keeping economy in low growth ambit.

Money Market Review

The impact of reversal of monetary stance was observed in the money market yields where the yields on longer end were adjusted upwards. The yield on 10Yr PIB touched 13% mark; gaining approx 2% over the quarter but key interest remained in the shorter end. The treasuries' auction bidding pattern also remained skewed towards shorter maturities indicating the reversal in interest rate trend as beginning of the monetary tightening. The rising inflationary pressure coupled with higher government budgetary borrowing and weakening PKR-USD parity played a key role in re-shaping of yield curve. The result of PIB auction towards the end of the quarter also indicated possible further tightening during the year as the SBP increased the cutoff rates on 3 year, 5 year and 10 year bonds. The new cutoff stood at 11.69%, 12.15%, and 12.59% for 3, 5, and 10 years bonds respectively.

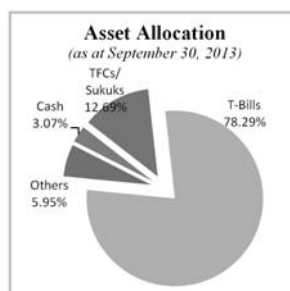


Going forward, the shorter end of the yield curve will continue to stay the preferred investment segment. Inflation will most likely continue its upwards trajectory over the rest of the year, creating space for further 50-100bps hike in policy rate during FY14.

During the quarter, Alfalah GHP Income Multiplier Fund generated a return of 7.47% while its benchmark earned a return of 9.55% during the same period.

The quarter witnessed increased volatility in corporate instruments which initially led to losses being realized as a result of provisioning, along with downward revision of revaluation prices as the SBP increased the discount rate during the quarter. As clarity emerged regarding the outcome of the MPS, government securities rate stabilized towards the end of the period. Also there were some major principal and interest write backs towards the end of the quarter which supported the overall profitability.

Going forward, the Fund plans to move into shorter tenure instruments as well as high yielding good quality TFCs while availing trading opportunities to boost yields.



Key Financial Data

Rs. In million

Description	1st Qtr period ended 30 September 2013	1st Qtr period ended 30 September 2012
Net Assets at end of the period	340.02	251.18
Gross income earned	8.26	-1.90
Net comprehensive income	6.28	-2.68
Net Assets Value per Unit (Rs.)	48.2353	45.5503
Issuance of units during the period	Nil	Nil
Redemption of units during the period	0.005	0.004

Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance, and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and on behalf of the Board

31 October 2013
Karachi.

Maheen Rahman
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 30 SEPTEMBER 2013**

	30 September 2013 (Unaudited) (Rupees in '000)	30 June 2013 (Audited)
Assets		
Bank balances	5 10,622	128,636
Investments	6 314,475	210,003
Income and profit receivable	17,958	18,959
Advances, deposits and other receivables	2,622	2,600
Total assets	345,677	360,198
Liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	637	459
Payable to Central Depository Company of Pakistan Limited - Trustee	44	49
Payable to Securities and Exchange Commission of Pakistan - Annual fee	63	213
Accrued expenses and other liabilities	4,910	25,731
Total liabilities	5,654	26,452
Contingencies and Commitments	9 -	-
Net assets	340,023	333,746
Unit holders' funds (as per statement attached)	340,023	333,746
	(Number of units)	
Number of units in issue	7,049,267	7,049,373
	(Rupees)	
Net asset value per unit	48.2353	47.3441

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	30 September 2013 (Unaudited)	30 September 2012 (Unaudited)
	(Rupees in '000)	
Income		
Income from term finance certificate - net of amortization of premium /discount	190	447
Income from government securities - net of amortization of discount	5,594	3,841
Income from clean placements	108	-
Income from sukuk certificates	3,397	5,730
Profit on deposit accounts with banks	322	497
Capital gain on sales of investment	-	424
Unrealised (diminution) / appreciation in the value of investments		
-'at fair value through profit or loss'	6.3 (168)	131
Impairment in the value of investments classified as 'available for sale'	(3,501)	(14,721)
Reversal of impairment in the value of investment classified as 'available for sale'	2,327	1,749
Total Income / (loss)	8,269	(1,902)
Expenses		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	1,052	801
Sales tax on Management fee	7 195	128
FED on Management fee	8 168	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	143	151
Annual fee - Securities and Exchange Commission of Pakistan	63	48
Transaction cost	8	7
Bank and Settlement charges	3	8
Fees and subscriptions	71	67
Auditor's remuneration	154	170
Legal Charges	-	23
Worker's welfare fund	10 128	-
Total expenses	1,985	1,403
Net Income / (loss) from operating activities	6,284	(3,305)
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	-	-
Net Income / (loss) for the period	6,284	(3,305)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	30 September 2013 (Unaudited) <i>Note</i>	30 September 2012 (Unaudited)
	(Rupees in '000)	
Net Income / (loss) for the period	6,284	(3,305)
Other comprehensive income:		
Net unrealised (diminution) / appreciation during the period in fair value of investments classified as 'available for sale'	6.6	618
Other comprehensive (loss) / Income for the period	(2)	618
Total comprehensive Income / (loss) for the period	6,282	(2,687)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	30 September 2013 (Unaudited)	30 September 2012 (Unaudited)
	<i>Note</i>	
	(Rupees in '000)	
Undistributed (loss) brought forward		
- Realized	(18,880)	(21,595)
- Unrealized	149	(59)
	(18,731)	(21,654)
 Net Income / (loss) for the period	 6,284	 (3,305)
	6,284	(3,305)
Undistributed (loss) carried forward		
- Realized	(12,279)	(25,090)
- Unrealized	(168)	131
	<u>(12,447)</u>	<u>(24,959)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	30 September 2013 (Unaudited) <i>Note</i>	30 September 2012 (Unaudited)
	(Rupees in '000)	
Net assets at the beginning of the period	333,746	253,875
Issue NiL units (2012: NiL units)	-	-
Redemption 106 units (2012: 110 units)	(5)	(4)
	(5)	(4)
Net unrealised (diminution) / appreciation on revaluation of investments classified as 'available-for-sale'	(2)	618
Capital gain on sale of investments	-	424
Unrealised (diminution) / appreciation in the value of investments -'at fair value through profit or loss'	(168)	131
Other net income / (loss) for the period	6,452	(3,860)
Net Income / (loss) for the period less distribution	6,284	(3,305)
Net assets at the end of the period	340,023	251,184
	----- (Rupees) -----	
Net asset value per unit at the beginning of the period	47.3441	46.0373
Net asset value per unit at the end of the period	48.2353	45.5503

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

	30 September 2013 (Unaudited)	30 September 2012 (Unaudited)
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) for the period	6,284	(3,305)
Adjustments for:		
Unrealised (diminution) / appreciation in the value of investments		
- 'at fair value through profit or loss'	168	(131)
Impairment in the value of investments classified as 'available for sale'	3,501	14,721
Reversal of impairment in the value of investment classified as 'available for sale'	(2,327)	(1,749)
Income from sukuk certificates	(3,397)	(5,730)
Profit on deposit accounts with banks	(322)	(497)
Income from term finance certificate - net of amortization of premium /discount	(190)	(447)
	<u>3,717</u>	<u>2,862</u>
(Increase) / decrease in assets		
Investments	<u>(105,816)</u>	2,170
Deposits & Prepayments	<u>(22)</u>	(30)
	<u>(105,838)</u>	2,140
Increase / (decrease) in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	178	-
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	-
Payable to Securities and Exchange Commission of Pakistan -Annual fee	(150)	(147)
Accrued expenses and other liabilities	<u>(20,821)</u>	51
	<u>(20,798)</u>	(96)
Profit received on investments	4,910	4,810
Net cash (used in) / from operating activities	<u>(118,009)</u>	9,716
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against redemption of units	<u>(5)</u>	(4)
Net cash (used in) financing activities	<u>(5)</u>	(4)
Net (decrease) increase in cash and cash equivalents during the period	<u>(118,014)</u>	9,712
Cash and cash equivalents at beginning of the period	128,636	25,769
Cash and cash equivalents at end of the period	<u>10,622</u>	<u>35,481</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2013**

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Multiplier Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the Trustee"). The Trust Deed was executed on 08 March 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 ("NBFC Rules"), on 14 February 2007.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

Alfalah GHP Income Multiplier Fund is listed on the Karachi Stock Exchange. The Units of the Fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund offers two types of Units, Growth and Income. Growth Unit Holders are entitled to bonus unit and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund.

The Fund is categorized as an aggressive fixed income scheme and can invest in debt and money market securities as authorized in the Funds' Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Negative) to the Management Company in its rating report dated 17 May 2012 and BBB(f) Stability Rating to the fund in its rating report dated 29 June 2012.

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

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 30 September 2013 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' funds, condensed interim statement of cash flows and notes thereto, for the period ended 30 September 2013.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirement of approved accounting standards as applicable in Pakistan, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements of the Fund for the year end June 30, 2013. These condensed interim financial statements are unaudited.

The Directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

2.2 Basis of measurement

These condensed interim financial information have been prepared under the historical cost convention, except that investments held at 'fair value through profit or loss' category are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgment

The preparation of condensed interim financial information 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 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 2013.

3. 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 year ended 30 June 2013.

3.1 Earnings per unit

Earnings per unit (EPU) for the period ended September 30, 2013 has not been disclosed in these condensed interim financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2013.

		30 September 2013 (Unaudited)	30 June 2013 (Audited)
	<i>Note</i>	(Rupees in '000)	
5. BANK BALANCES			
in deposit accounts	5.1	10,622	28,636
in term deposit receipts		-	100,000
		<u>10,622</u>	<u>128,636</u>

5.1 These balances in saving deposit accounts bear profit rates ranging from 7.5% to 8.00% per annum (30 June 2013: 8% to 9% per annum). This includes Rs.10.605 million (30 June 2013 28.619 million) with related party that carry markup ranging from 8% to 9.00% per annum.

6. INVESTMENTS	Note	30 September	30 June
		2013 (Unaudited)	2013 (Audited)
(Rupees in '000)			
At fair value through profit or loss			
Market treasury bills	6.1	270,624	157,534
Investment in term finance certificates	6.2	6,263	6,220
		276,887	163,754
Available for sale			
Investment in term finance certificates	6.4	1,877	6,239
Investment in sukuk certificates	6.5	35,711	40,010
		37,588	46,249
		314,475	210,003

6.1 Investment in Treasury Bills - 'held for trading'

Issue Date	Tenor	Face Value				Quantity as at 30 Sep 2013	Cost as at 30 Sep 2013	Fair Value as at 30 Sep 2013	Fair value as a percentage of:	
		As at 01 Jul 2013	Purchases during the period	Sales during the period	Matured during the period				net assets	total investment
(Rupees in '000)										
2-May-13	3 Months	90,000	100,000	-	190,000	-	-	-	-	
13-Jun-13	3 Months	40,000	-	-	40,000	-	-	-	-	
19-Sep-13	3 Months	-	45,000	-	45,000	1	44,186	44,185	13	
30-May-13	6 Months	-	200,000	-	200,000	1	197,271	197,088	58	
27-Jun-13	6 Months	30,000	-	-	30,000	1	29,396	29,351	9	
		160,000	345,000	-	230,000		270,853	270,624		

6.2 Investment in quoted Term Finance Certificate - Held for Trading

Name of the Investee company	Note	Maturity	Profit/Mark-up Percentage	As at 01 Jul 2013	Purchases during the period	Sales/ Mature during the period	Redemption during the period	As at 30 Sep 2013	Cost as at 30 Sep 2013	Market value as at 30 Sep 2013	Impairment of Investment	Appreciation/(Diminution) in the value of investments	Market value as a percentage of net assets investment	Outstanding principal value as a percentage of issued debt capital
(Rupees in '000)														
Listed term finance certificates														
Bank Alfalah Limited - V	6.2.1	March 2021	6M KIBOR+1.25%	1,225	-	-	-	1,225	6,124	6,263	-	139	1.84	1.99
									6,124	6,263	-	139		

6.2.1 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate plus 1.25% per annum, receivable semi-annually in arrears.

Total Investment at 'fair value through profit and loss' **276,977** **276,887**

	30 September 2013 (Unaudited)	30 June 2013 (Audited)
6.3 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'	(Rupees in '000)	
Market value of investments	276,887	163,754
Less: Carrying value of investments	<u>(276,977)</u>	<u>(163,676)</u>
	(90)	78
Net unrealised (appreciation) in the value of investment at the beginning of the period / year	<u>(78)</u>	<u>71</u>
	(78)	71
Net unrealised (diminution) in the value of investment for the period / year	<u>(168)</u>	<u>149</u>

6.4 Investment in term finance certificate - 'available for sale'

Name of the Investee company	Note	Maturity	Profit/ Mark-up Percentage	As at 01 Jul 2013	Purchases during the period	Sales/ Mature during the period	Redemption during the period	As at 30 Sep 2013	Cost as at 30 Sep 2013	Market value as at 30 Sep 2013	Impairment in the Value of Investment	Appreciation /(Diminution) in the value of investments	Market value as a percentage of: net total assets investment	Outstanding principal value as a percentage of issued debt capital	
----- Number of certificates -----															
(Rupees in '000)															
Listed term finance certificates															
Financial Receivable Securitization Limited (Class A)		January 2014	6M KIBOR + 2%	1,992	-	-	-	1,992	830	830	-	-	0.24	0.26	1.42
Trust Investment Bank Limited	6.4.1	July 2013	6M KIBOR + 1.85%	8,000	-	-	-	8,000	14,994	(14,994)	-	-	-	-	6.67
Unlisted term finance certificates															
Security Leasing Corporation Limited	6.4.2	January 2022	6%	2,000	-	-	-	2,000	1,693	1,047	(647)	-	0.31	0.33	2.00
Agritech Ltd (Formerly Pak American Fertilizer Limited)	6.4.3	November 2017	6M KIBOR + 1.75%	17,950	-	-	-	17,950	89,666	-	(89,666)	-	-	-	5.98
Agritech Ltd-IV (Formerly Pak American Fertilizer Limited)	6.4.4	January 2015	Zero Coupon	4,094	-	-	-	4,094	20,470	-	(20,470)	-	-	-	2.27
								<u>127,653</u>	<u>1,877</u>	<u>(125,777)</u>	<u>-</u>				

6.4.1 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.85% per annum, receivable semi-annually in arrears with a floor of 6% and cap of 10%. These term finance certificates are secured against first charge on specified leased assets and associated lease receivables with a 40% margin. TIBL defaulted on its payment of principal and markup due on 04 July 2012. Consequently, the security was classified as non-performing by MUFAP on 18 October 2012. Accordingly, accrual of markup on the same has been suspended and markup due amounting Rs. 1.437 million has been reversed and provision has been made amounting Rs. 14.994 million (including Rs. 3.499 million provided in current period) in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

6.4.2 These term finance certificates carry fixed mark-up rate of 6.00% per annum, receivable monthly in arrears. These term finance certificates are secured against first charge on specific leased assets with related rentals receivables with 25% margin. SLCL had rescheduled its repayments through second supplemental Trust deed executed on May 18 2011. As per the supplemental deed, SLCL obtained the waiver from the obligation to pay the mark-up on the outstanding amount while the principal is to be repaid in 36 equal installments starting from April 29, 2011 to March 29, 2014. In February 2011, SLCL rescheduled its monthly repayment from Rs. 78,125/- to Rs. 16,927/- without any alteration in the supplemental trust Deed. Subsequently the security was classified as 'non-performing' by MUFAP on 03 April 2012. Accordingly, provision has been made amounting Rs. 0.760 million in the current period in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy. On 15 March 2013 the security was re-classified as Performing by MUFAP accordingly provision amounting Rs. 0.1143 million was reversed (including Rs. 0.0194 million reversed in current period).

6.4.3 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.75% per annum, receivable semi-annually in arrears. These term finance certificates are secured against first pari passu charge over all present and future fixed assets with a 25% margin. Agritech Limited (formerly Pak American Fertilizer Limited) defaulted on its payment of principal and markup due on 29 May 2010. In prior year, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from 29 November 2014 to 29 November 2017. Consequently, the security was classified as non-performing by MUFAP on 14 June 2010 and accrual on the same was suspended. Accordingly, the security has been fully provided (Rs. nil in current period) in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

6.4.4 This represents additional certificates of Agritech Limited received by the Fund through restructuring agreement reached between lenders and Agritech Limited. Under such agreement outstanding mark up due on May 29, 2011 and July 13, 2011 against 1st and 2nd Issue respectively amounting to Rs. 20.47 million was settled in the form of certificates valuing Rs. 20.47 million. These investments had been recorded as 100% impaired (Rs. nil in current period) since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation.

The above is without prejudice to the Fund's claim against the above Company for the entire exposure and unrecognized markup and other charges etc. The Management is continuously monitoring the Fund exposure to this investment and is making necessary effort for the recovery of amount.

6.5 Investment in Sukuk Certificates - 'available for sale'

Name of the Investee company	Notes	Maturity	Profit/ Mark-up Percentage	As at 01 Jul 2013	Purchases during the period	Sales/ Mature during the period	Redemption during the period	As at 30 Sep 2013	Cost as at 30 Sep 2013	Market value as at 30 Sep 2013	Impairment in the Value of Investment	Appreciation /(Diminution) in the value of investments	Market value a percentage of net assets	Outstanding principal value as a percentage of issued debt capital
----- Number of certificates ----- (Rupees in '000)														
Maple Leaf Cement Factory Limited	6.5.1	December 2018	3M KIBOR +1%	15,000	-	-	-	15,000	65,466	26,186	(39,280)	-	7.70	8.33%
Kohat Cement Company Limited	6.5.2	September 2016	3M KIBOR +1.50%	23,000	-	-	-	23,000	12,701	9,525	(3,175)	-	2.80	3.03%
									78,167	35,711	(42,455)	-		
									205,820	37,588	(168,232)	-		

6.5.1 This represents investment in sukuk certificates of Maple Leaf Cement Factory Limited (MLCF), secured against first pari passu charge over all present and future fixed assets with a 25% margin. Maple Leaf Cement Factory (MLCF) defaulted on the installment due on 13 September 2011 as per the restructured agreement. Consequently, the security was classified as non-performing by MUFAP on 19 September 2011 and accrual amounting to Rs. 9.235 million on the same was reversed. Accordingly, provision had been made amounting Rs. 40.40 million in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy. During the period principal amounting Rs. 1.875 million was received accordingly provision amounting Rs. 1.125 million was reversed.

6.5.2 "This represents investment in sukuk certificates of Kohat Cement Company Limited (KCCL), secured against first pari passu hypothecation charge over all present and future fixed assets of the company equivalent to the facility amount with a 25% margin and mortgage over all present and future immovable properties of KCCL with a 25% margin over the facility amount. During the year the sukuk issued by Kohat Cement Company Limited has been regular on its payments as per the restructuring agreement which resulted in reversal in provision by Rs. 1.183 Million. Accordingly the maturity date of the sukuk has been reduced to June 2016 from September 2016 .

6.6 Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'

	30 September 2013 (Unaudited)	30 June 2013 (Audited)
Market value of investments	37,588	46,249
Less: Carrying value of investments	(205,820)	(213,305)
	(168,232)	(167,056)
Impairment charged during the period / year	3,501	22,655
Reversal of impairment during the period / year	(2,327)	(11,972)
	(167,058)	(156,373)
Net unrealized diminution in the value of investments at the beginning of the period / year	167,056	196,406
Realized on disposals during the period / year	-	(39,827)
Net unrealized (diminution)/appreciation in the value of investments at the end of the period / year	(2)	206

6.7 Particulars of impairment in the value of investments classified as 'available for sale'

Opening Balance	167,058	196,202
Charged for the period / year	3,501	22,655
Reversed during the period / year	-	(11,972)
Reversal due to disposals during the period / year	(2,327)	(39,827)
Impairment in the value of investments classified as 'available for sale' - net	1,174	(29,144)
Closing balance	168,232	167,058

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.195 million (30 September 2012: Rs. 0.128) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

8. FED ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.168 million (30 September 2012: Rs. NIL) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 September 2013.

10. WORKER WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. However, during March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011.

MUFAP's legal counsel is of the view that the stay granted to mutual funds in respect of recovery of WWF remains intact and the constitutional petition filed by the Mutual Funds to challenge the Workers Welfare Fund contribution has not been affected by the Judgment passed by the larger bench of SHC.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 4.054 million up to 30 September 2013.

11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2014 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial statements for the three months period ended 30 September 2013.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, Bank Alfalah Limited being sub custodian, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business, at contractual rates and term determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules 2003, the NBFC Regulations 2008 and Trust Deed respectively.

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:

12.1 Transactions and balances with connected persons / related parties

	30 September 2013 (Unaudited) (Rupees in '000)	30 June 2013 (Audited)
Alfalalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	459	304
Remuneration for the period / year	1,052	3,545
Sales tax on Management fee for the period / year	195	574
FED on Management fee for the period / year	168	40
	<u>1,874</u>	<u>4,463</u>
Amount paid during the period / year	<u>(1,237)</u>	<u>(4,004)</u>
Balance at the end of the period / year	<u>637</u>	<u>459</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	49	49
Remuneration for the period / year	143	595
CDS Charges for the period / year	2	6
	<u>194</u>	<u>650</u>
Amount paid during the period / year	<u>(150)</u>	<u>(601)</u>
Balance at the end of the period / year	<u>44</u>	<u>49</u>
Deposit with Central Depository Company of Pakistan Limited	<u>100</u>	<u>100</u>
Bank Alfalah Limited		
Balance in deposit accounts at the end of the period / year	<u>10,605</u>	<u>28,619</u>
Mark-up receivable on bank deposits	<u>158</u>	<u>-</u>
Bank charges	<u>3</u>	<u>-</u>
Profit on deposit accounts at the end of the period / year	<u>322</u>	<u>762</u>
	<u>11,108</u>	<u>30,181</u>
	30 September 2013 (Unaudited)	30 June 2013 (Audited)
Units held by:	(Units in '000)	
Bank Alfalah Limited	<u>5,481</u>	<u>5,481</u>

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	30 September 2013			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
At fair value through profit or loss				
- Market treasury bills	-	270,624	-	270,624
- Term Finance Certificates		6,263		6,263
Available-for-sale investments				
-Term Finance Certificates	-	830	1,047	1,877
- Sukuk	-	9,525	26,186	35,711
	<u>-</u>	<u>281,242</u>	<u>27,233</u>	<u>314,475</u>

Presented below are the transfers between different levels of the fair value hierarchy.

Transfers from Level 3 to Level 2	<u>-</u>
Transfers from Level 2 to Level 3	<u>-</u>

There have been no transfers to and from Level 1 during the period.

In accordance with Circular No. 1 of 2009 issued by SECP, all traded debt securities are valued on the basis of their volume weighted average price during the last 15 days while thinly traded and non-traded debt securities are valued using a valuation methodology devised by MUFAP which includes variables including yields on government securities, Karachi Inter Bank Offer Rates and credit ratings. As the valuation techniques use inputs from observable market data, these securities are classified as Level 2. Rates for non-performing securities, however, are not quoted by MUFAP and are valued using the provisioning criteria prescribed by the abovementioned circular and are hence classified as Level 3.

Hence, default on installment amounts by investee companies results in transfer into Level 3 while subsequent classification of a defaulting security as performing will result in Level 3 to Level 2.

14. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 31 October 2013 by the Board of Directors of Management company.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive

Director