

**ALFALAH GHP
ISLAMIC INCOME FUND**
QUARTERLY REPORT March 2016



Alfalah Investments



CONTENTS

	Page No.
Fund's Information	2
Mission and Vision Statement	3
Report of the Directors of the Management Company	4
Condensed Interim Statement of Assets and Liabilities	8
Condensed Interim Income Statement	9
Condensed Interim Statement of Comprehensive Income	10
Condensed Interim Statement of Cash Flows.....	11
Condensed Interim Statement Distribution Statement	12
Condensed Interim Statement of Movement in Unit Holders' Funds	13
Notes to the Condensed Interim Financial Statements	14



FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. Michael Hermann- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Abid Naqvi- Mr. Tufail Jawed Ahmed
Chief Operating Officer, CFO and Company Secretary:	- Mr. Noman Ahmed Soomro
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abid Naqvi- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Michael Hermann- Ms. Maheen Rahman
Turster:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi
Fund Manager:	- Mr. Kashif Kasim
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No.404,4th Floor Beaumont Plaza,6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Stability Rating A+ (f) by PACRA



MISSION STATEMENT

“To be the best money management company in Pakistan. We will hold our clients money in sacred trust that has to be actively protected and sustainably nurtured so as to achieve client objectives”.

VISION STATEMENT

“To be the leading wealth management firm by offering global investment advice trust services, family estate planning etc for all Pakistani clients whether based in Pakistan or abroad”.



DIRECTORS' REPORT FOR THE NINE MONTH PERIOD ENDED 31MARCH, 2016

To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Islamic Income Fund (AGIIF) (Formerly IGI Islamic Income Fund) for the nine months ended 31 March, 2016. 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

Pakistan continues to show positive economic performance and development over the 9MFY16 with improvement across the majority of indicators. In particular, inflation has dipped significantly with a resultant drop in interest rates, the currency remains stable and foreign exchange reserves have moved higher. On the fiscal front tax collection has been strong and at target while overall fiscal deficit was in control at 1.7% for the HYFY16. GDP Growth looks set to revive this year and the next, with a recovery from the Large Scale Manufacturing sector and overall higher contribution from the services sector.

Key concern areas are exports which have showed significant decline over the last nine months and weakening remittance trends from abroad. Any uptick in imports will leave the current account vulnerable to a widening deficit with subsequent inflow from Foreign Direct Investments or aid/grants. On the positive, real progress is being seen on the China Pakistan Economic Corridor with a number of initiatives and large projects now underway. This could help support the capital account and balance of payments over the coming months.

Inflation

Owing to low crude oil prices, headline inflation averaged at 2.63% over the period. Medium term crude oil prices are likely to remain range bound between USD35 - USD45 per barrel hence this scenario has benefited consumers as well as sectors using agricultural/ commodity linked inputs. Going forward inflation is expected to remain benign as the low base effect ends and commodity prices are expected to remain downward sticky.

Interest Rates

Despite an outlook of subdued inflation in the coming months, SBP is likely to maintain the policy rate at current level to prevent unnecessary pressure on Pak Rupee and to maintain a healthy real interest rate. A surprise rate cut over the remainder of the year cannot be entirely ruled out, however, as oil prices can potentially tumble further post failure of OPEC and non-OPEC members to reach an agreement over oil output freeze.

Fiscal Balance

According to the latest numbers released by Federal Bureau of Revenue (FBR) for 3QFY16, total revenue collection grew by 20% compared to the previous year, providing for a stronger chance of achieving an overall fiscal deficit target set at 4.3% for FY16. Fiscal consolidation efforts are bearing fruit with marked decline in fiscal deficit to GDP ratio to 1.7% in 1HFY16 from 2.2% in 1HFY15. The improvement largely originated from containment of current expenditures alongside robust growth in tax revenues. As of 9MFY16, tax revenue registered a growth of 18.2% to PKR1.9tn as against full year target of PKR3.1tn for FY16. Fiscal deficit to GDP seems to be headed in the right direction with positives such as growth in tax collection and contained fiscal spending are expected to drag the deficit down to 3.0% by FY18.



Balance of Payments

On the external side, the current account was reported to be in a deficit of USD 1,859 mn (8MFY16) as opposed to deficit of USD 1,947 mn last year (8MFY15). This progress was derived from improvement in the trade balance and remittances. This lower current account deficit coupled with capital flows pushed foreign exchange reserves to historical high level of USD 20.88 bn.

Key risks are slowdown in exports due to weak global demand and competition from the regional peers, along with weakness in workers' remittance from the middle eastern region due to the economic slowdown these economies are witnessing as the global oil prices remain lower for longer.

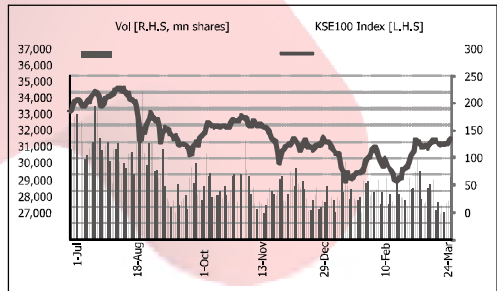
Key triggers to improve the current account balance would be a rise in the pace of foreign direct investment especially from China, in wake of upcoming CPEC projects along with an expected rise in portfolio investments as global markets are expected to cool off after the turmoil it witnessed in the first two months of CY16 coupled with Pakistan's inclusion in the MSCI Emerging Markets index.

Forward outlook

Going forward, Pakistan is likely to continue to observe improvement in macroeconomic indicators, especially current account, foreign exchange reserves and GDP growth. Few areas that still need government's attention include fiscal deficit, tax-to-GDP ratio/tax targets and privatization of troubled state-owned entities including Pakistan Steel Mills, Pakistan International Airlines, and power distribution companies. Building of the various projects under CPEC will provide business opportunity to local industries while local banks will get the opportunity to provide credit. The subsequent increase in power production, once the power projects come online, will help all energy starved local industries, thereby improving productivity and output.

EQUITIES REVIEW

The KSE-100 index lost around a thousand points (-3.7%) in the first nine months of FY16 to close just above the psychological level of 33,000. The negative sentiment through most of the period can be attributed to the downward trend in the index heavy Oil and Gas as well as the Banking Sectors. The Banking Sector, the heaviest weighted sector in the index, dipped on account of interest spread



compression and a slowdown in deposit growth. The Oil and Gas sector, on the other hand, remained under pressure due to falling international crude oil prices.

Anticipation of US Federal Reserve rate hike, regional currency devaluation, global equity slump, and economic slowdown in China also restrained the local equity market. These international factors prompted a selloff in Emerging and Frontier markets, including Pakistan. Foreign investors sold stocks worth USD 341mn over the nine month period; however, their disinvestment appeared to taper off by the end of the third quarter of FY16.

Certain sectors managed to outperform the equity market during the nine month period, including Cements, Engineering and Pharmaceutical Sectors. Low fuel prices as well as excitement over CPEC projects helped the Cements Sector, as well as certain Engineering stocks. Meanwhile, the Pharmaceutical Sector was up due to price hike as well as uptick in sales of new drugs.

Going forward we expect increased excitement related to Pakistan's possible inclusion in MSCI's Emerging Markets' Index ahead of the annual market classification review in June. The positive sentiment for reclassification to EM status, however, is likely to be somewhat countered by the upcoming announcement of the FY17 Federal Budget and the uncertainty associated with it.

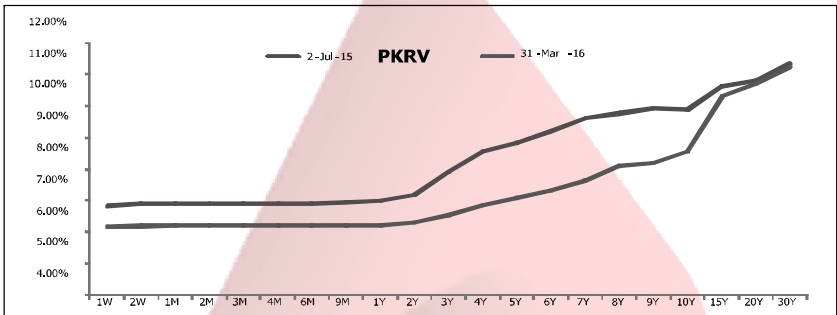


MONEY MARKET REVIEW

The State Bank reduced its discount rate by 50bps in 1QFY16 and held it constant in the second and third quarter of the year. In the anticipation of a relatively benign inflation outlook, the yields in the secondary market came off significantly during these 9 months across all tenors during the period, be it the short term T-bills or the long term PIBs. However, most interest by market participants was seen in the medium to long-term PIBs which witnessed a drop of approx. 135-195 bps in their market yields. The declining trend in the yield curve along with flattening of the same over medium term can be seen in the graph below.

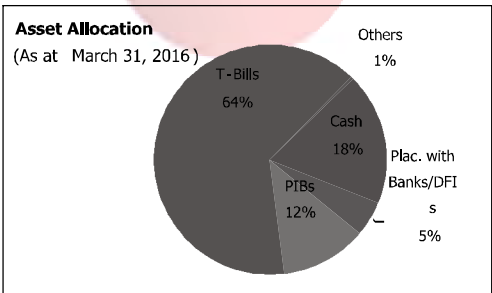
During the 9-months period the SBP had set a cumulative target of PKR 4.3 tr against a maturity of PKR 3.8 tr and accepted PKR 3.9 tr in scheduled T-Bill auctions. Total PIB maturity amount during the period stood at PKR 656 bn against which the SBP had set a target of PKR 625 bn; total amount accepted in PIB auction during this period stood at PKR 954 bn.

Along with scheduled T-Bill and PIB auctions the SBP conducted two IjaraSukuk auctions and introduced fixed rate IjaraSukuks. Due to dearth of Islamic instruments availability the participation was pronounced and the first 3-year IjaraSukuk issued during the year yielded a cut off rate of 6.10% and the SBP accepted PKR 116bn against the participation of PKR 245 bn whereas the second Ijara was issued at 5.59% and the SBP mopped PKR 80 bn against total participation of PKR 199 bn.



Fund Operations and Performance

During the period under review the fund operated with the strategy of providing investors with consistent return. In line with this strategy, the fund kept its focus on placements with Islamic Banks or Islamic windows of conventional banks and accumulation of good quality Sukuks in order to achieve consistency wherever possible. The portfolio was tilted more towards a mix of corporate Sukuks; therefore revaluation losses along with higher expense ratio due to small fund size caused the fund's return to stay low on



comparative basis despite having an optimal portfolio mix. The fund earned a return of 4.86% against benchmark return (avg. 6M deposit rates of 3 Islamic Banks) of 4.75%.

Going forward the investment portfolio will follow the strategy to increase exposure to high yielding corporate and government SUKUKS and bank deposits in order to keep the return competitive.

The fund's credit rating was maintained at "A+ (f)" by PACRA. The fund size on March 31, 2016 stood at PKR 168 mn.

**Key Financial Data**

Description	Nine month period ended 31 March 2016	Nine month period ended 31 March 2015
Net Assets at end of the period	167.58	102.67
Gross income	7.24	8.396
Net Comprehensive income	5.98	5.189
Net Assets Value per Unit (Rs.)	104.1811	106.3287
Issuance of units during the period	117.94	26.75
Redemption of units during the period	67.45	33.97

Future Outlook

Going forward, the focus will be on active allocation of the fund between equity and fixed income components in order to target a higher return while aiming to preserve the capital.

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 behalf of the Board

Date: April 27, 2016

Maheen Rehman
Chief Executive Officer



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT 31 MARCH 2016

		March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	Note	----(Rupees)----	
ASSETS			
Balances with banks	5	115,114,431	83,089,384
Investments	6	53,177,485	30,544,586
Security Deposit and prepayments		124,596	137,033
Other receivables		<u>1,182,523</u>	<u>820,023</u>
Total assets		169,599,033	114,591,026
LIABILITIES			
Payable to the Management Company	7	953,149	580,137
Remuneration payable to the Trustee		43,857	31,047
Annual fee payable to Securities and Exchange Commission of Pakistan		75,413	81,396
Provision for Workers' Welfare Fund (WWF)	9	179,131	179,131
Accrued and other liabilities	8	757,923	1,542,875
Total liabilities		2,009,474	2,414,586
Contingency	10	-	-
Net assets attributable to unit holders		<u>167,589,558</u>	<u>112,176,440</u>
Unit holders' Funds		<u>167,589,558</u>	<u>112,176,440</u>
Number of units in issue		<u>1,608,636</u>	<u>1,116,150</u>
Net assets value per unit		<u>104.1811</u>	<u>100.5030</u>

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2016**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
INCOME				
Profit on bank and other deposits	4,267,133	3,384,972	1,335,910	735,005
Income on investments classified as 'fair value through profit or loss-held-for-trading'	2,482,370	4,269,206	960,738	1,914,303
Net unrealised appreciation in fair value of investment classified as 'at fair value through profit or loss - held-for-trading'	460,897	874,811	753,620	382,670
Net capital gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	35,273	(132,500)	35,273	-
Total income	7,245,673	8,396,489	3,085,541	3,031,978
EXPENSES				
Remuneration to the Management Company	1,005,843	826,881	352,949	278,657
Sales Tax on management fee	163,349	143,877	57,319	48,569
Federal excise duty on management fee	160,935	132,301	56,472	45,073
Remuneration to the Trustee	170,988	139,126	60,001	47,375
Sales Tax on Trustee Fee	23,939	-	8,547	-
Annual fee to the Securities and Exchange Commission of Pakistan	75,438	61,375	26,471	20,899
Amortization of deferred formation cost	-	181,786	-	-
Auditors' remuneration	398,055	325,522	131,444	106,923
Bank & Settlement charges	18,165	12,958	4,471	4,185
Brokerage Expense	2,223	19,199	-	4,500
Printing charges	112,705	108,835	37,295	33,219
Annual listing fee	15,028	12,481	4,974	3,240
Stability rating fee	140,231	199,833	(11,393)	65,639
Legal & professional charges	44,802	434,687	7,918	220,055
Worker welfare fund	-	105,882	-	30,359
Total expenses	2,331,701	2,704,743	736,468	908,693
Net Income from operating activities	4,913,972	5,691,745	2,349,073	2,123,285
Element of income/ (loss) and capital gains/ (losses) included in prices of units sold less those in units redeemed - net	1,073,928	(503,240)	1,157,916	(635,405)
Net income for the period before taxation	5,987,900	5,188,505	3,506,989	1,487,880
Taxation	-	-	-	-
Net income for the period	5,987,900	5,188,505	3,506,989	1,487,880

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.

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

Chief Executive Officer

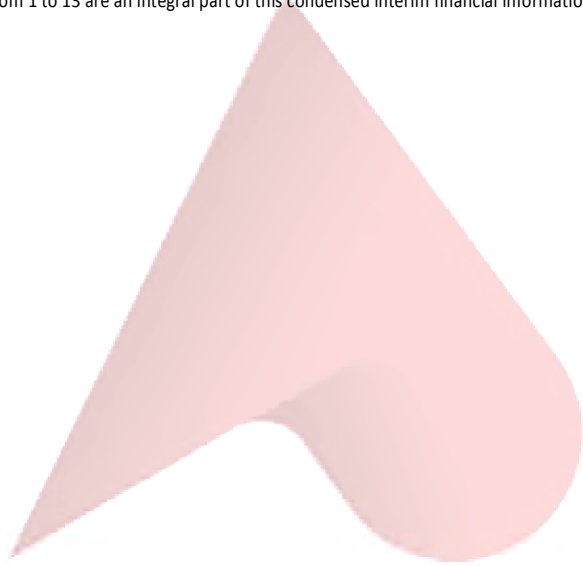
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2016**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
<i>Note</i>				
Net income for the period	5,987,900	5,188,505	3,506,989	1,487,880
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>5,987,900</u>	<u>5,188,505</u>	<u>3,506,989</u>	<u>1,487,880</u>

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.



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

Chief Executive Officer

Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2016**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	5,987,900	5,188,505	3,506,989	1,487,880
Adjustments for:				
Unrealized loss on remeasurement of held for trading investment to fair value	(460,897)	(874,811)	(753,620)	(382,670)
Capital Gain on sale of investments classified as fair value through profit & loss- held for trading	(35,273)	132,500	(35,273)	-
Amortization of deferred formation cost	-	181,786	-	-
Provision for Workers' Welfare Fund	-	105,882	-	30,359
Element of income/ (loss) and capital gains/ (losses) included in prices of units sold less those in units redeemed - net	(1,073,928)	503,240	(1,157,916)	635,405
	4,417,802	5,237,102	1,560,180	1,770,974
Movement in:				
Investments - net	(22,136,729)	(12,940,500)	(14,489,730)	(51,772,500)
Profit, Prepayment & Other receivable	(350,063)	1,437,901	223,348	(130,374)
	(22,486,792)	(11,502,599)	(14,266,382)	(51,902,874)
Payable to the Management Company	329,590	122,002	161,424	54,945
Remuneration payable to the Trustee	12,810	(13,592)	2,604	(542)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(5,983)	(14,895)	26,471	20,899
Accrued and other liabilities	(741,526)	212,633	(17,741)	180,737
	(405,109)	1,330,542	172,758	1,280,433
Net cash from operating activities	(18,474,099)	(4,934,955)	(12,533,444)	(48,851,467)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of units	117,949,270	26,754,123	50,981,543	3,952,526
Payment against redemption of units	(67,450,124)	(33,973,155)	(11,780,885)	(16,951,949)
Net cash (used in) / from financing activities	50,499,146	(7,219,032)	39,200,658	(12,999,423)
Net increase in cash and cash equivalents during the year	32,025,047	(12,153,987)	26,667,214	(61,850,890)
Cash and cash equivalents at beginning of the period	83,089,384	32,376,232	88,447,217	82,073,135
Cash and cash equivalents at end of the period	115,114,431	20,222,245	115,114,431	20,222,245

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director



**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2016**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Undistributed income brought forward at the beginning of the period				
Realised gains	(119,764)	170,091	3,273,456	4,213,077
Unrealised gains / (losses)	619,586	834,501	(292,723)	492,141
	499,822	1,004,592	2,980,733	4,705,218
Total comprehensive income for the period	5,987,900	5,188,505	3,506,989	1,487,879
Undistributed income carried forward	6,487,722	6,193,097	6,487,722	6,193,097
Undistributed income carried forward at period end				
Realised gains	6,026,825	5,318,286	5,734,102	5,810,427
Unrealised gains	460,897	874,811	753,620	382,670
	6,487,722	6,193,097	6,487,722	6,193,097

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



Condensed Interim Statement of Movement in Unit Holders' Fund (Un-audited) For the nine months period and quarter ended 31 March 2016

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Net assets at beginning of the period	112,176,440	104,196,156	126,039,827	98,054,128
Amount realized on issuance of 1,153,588 units (2015: 258,665 units) and 493,129 units (2015: 37,653) for the nine months and quarter ended respectively	117,949,270	26,754,123	50,981,543	3,952,526
Amount paid on redemption of 661,102 units (2015: 325,189 units) and 139,844 units (2015: 160,122) for the nine months and quarter ended respectively	(67,450,124)	(33,973,155)	(11,780,885)	(16,951,949)
	162,675,586	96,977,124	165,240,485	100,545,585
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(1,073,928)	503,240	(1,157,916)	635,405
Total comprehensive income for the period before gains - realised and unrealised	5,491,730	4,446,194	2,718,096	1,105,210
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	460,897	874,811	753,620	382,670
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	35,273	(132,500)	35,273	-
Total Comprehensive income for the period	5,987,900	5,188,505	3,506,989	1,487,880
Net assets at end of the period	167,589,558	102,668,869	167,589,558	102,668,870

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2016****1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Alfalah GHP Islamic Income Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on July 01, 2008. It has been constituted under a Trust Deed, dated July 03, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited (Former Management Company) to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities & Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

The SECP has approved Third Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGIIF/240/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Income Fund (formerly IGI Islamic Income Fund).

The Fund is an open ended fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Pakistan Stock Exchange Limited (Formerly Lahore Stock Exchange (Guarantee) Limited). The Fund was launched on December 03, 2009.

The scheme seeks to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The Fund is categorised as a shariah compliant (Islamic) scheme as specified by SECP and is subject to the guidelines prescribed by SECP.

Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a 'AM2-' rating to the Management Company as of March 31, 2016.

PACRA has assigned a rating of A+(f) to the scheme as of December 31, 2015.

- 1.2 As at March 31, 2016, Gurmani Foundation (the Foundation) held 400,188 (June 30, 2015: 496,916) units representing 25% (June 30, 2015: 40.42%) of the units in issue of the Fund as at that date. The Management Company of the Fund believes that Gurmani Foundation will continue its investment in the Fund, as the Fund has made profit during this period and is confident that this trend will continue in the future.

2. BASIS OF PRESENTATION

The condensed interim financial statements for the nine months period ended March 31, 2016, have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.



These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2015.

These condensed interim financial statements are un-audited.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2015.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2015.

		March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	<i>Note</i>	----(Rupees)---	
5. BANK BALANCES			
Bank balances - local currency	5.1	<u><u>115,114,431</u></u>	<u><u>83,089,384</u></u>

5.1 The deposit accounts with the banks carry profit at the rates ranging from 5% to 5.7% per annum (June 30, 2015: 5% to 6.45% per annum).

6. INVESTMENTS

Financial asset classified as 'at fair value through profit or loss' - held-for-trading

Sukuk Certificates	6.1	<u><u>53,177,485</u></u>	<u><u>30,544,586</u></u>
--------------------	-----	--------------------------	--------------------------

6.1 Sukuk certificates

Particulars	Profit / Markup Rate	Face value				Carrying amount as at March 31, 2016	Market value as at March 31, 2016	Unrealised gain/ (loss) on revaluation	% of net assets on the basis of market value	% of total investment on the basis of market value
		As at July 01, 2015	Purchased during the period	Sold / matured during the period	As at March 31, 2016					
----- (Rupees)										
Engro Fertilizer Sukuk 5Y (09-Jul-2014)	8.21%	14,625,000	3,800,000	850,000	17,575,000	17,708,200	18,281,485	573,285	10.9%	34.4%
K-Electric Sukuk 3Y (19-Mar-14)	8.60%	15,000,000	4,000,000	-	19,000,000	19,385,200	19,408,500	23,300	11.6%	36.5%
Hascol Petroleum Sukuk 6y (07-Jan-16)	7.96%	-	15,000,000	-	15,000,000	15,000,000	15,487,500	487,500	9.2%	29.1%
		<u>29,625,000</u>	<u>22,800,000</u>	<u>850,000</u>	<u>51,575,000</u>	<u>52,093,400</u>	<u>53,177,485</u>	<u>1,084,085</u>		



	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
----(Rupees)----		
6.2 Net unrealised appreciation in the value of investments classified as at fair value through profit or loss- held-for-trading		
Market value of investments	53,177,485	30,544,586
Less: Carrying value of investments	<u>(52,093,400)</u>	<u>(29,921,398)</u>
	1,084,085	623,188
Net unrealised (diminution) / appreciation in the value of investment at the beginning of the half year	<u>(623,188)</u>	<u>2,264,500</u>
Net unrealised appreciation in the value of investment for the half year	<u><u>460,897</u></u>	<u><u>2,887,688</u></u>

	<i>Note</i>	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
----(Rupees)----			
7. PAYABLE TO MANAGEMENT COMPANY			
Remuneration payable to the Management Company		134,925	64,280
Sales tax on management fee		106,894	91,324
Federal excise duty payable on management fees	7.1	581,419	420,485
Sales load		<u>129,911</u>	<u>4,048</u>
		<u><u>953,149</u></u>	<u><u>580,137</u></u>

7.1 There is no change in the status of the petition with the Honourable Sindh High Court as reported in note 18 to the annual financial statements of the Fund for the year ended June 30, 2015.

8. ACCRUED AND OTHER LIABILITIES

Brokerage payable	4,125	4,125
Auditors' remuneration	398,867	390,941
Stability Rating fee payable	201,426	197,995
Printing charges payable	150,528	107,306
Withholding tax payable	2,977	799,086
Sales Load Payable	-	43,422
	<u>757,923</u>	<u>1,542,875</u>

9. PROVISION FOR WORKERS' WELFARE FUND

There is no change in the status of the petition with the Honourable Sindh High Court as reported in note 14 to the annual financial statements of the Fund for the year ended June 30, 2015.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

As discussed in note 14 of Annual Report 2015, the Fund commenced making provision in respect of WWF with effect from July 01, 2013. The aggregate unrecognised amount of WWF upto June 30, 2013 amounted to 2.247 million.

10.2 Commitments

There are no commitments as at 31 March, 2016.

**9. FEDERAL EXCISE DUTY ON MANAGEMENT FEE**

There is no change in status of the petition pending with the Honourable Sindh High Court as reported in note 11 to the annual financial statements of the Fund for the year ended June 30, 2015.

10. 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 realised or unrealised is distributed in cash amongst the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending June 30, 2015 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 half year ended March 31, 2016.

11. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively.

	Nine months period ended 31 March 2016 (Un audited)							"Net asset value as at March 31, 2016"		
	As at July 01, 2015	Issued for cash / conversion in/ transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2016	As at July 01, 2015	Issued for cash / conversion in / transfer in		Bonus	Redeemed / conversion out / transfer out
	Units			Rupees						
Associated Companies / Undertakings										
Alfalsh GHP Prosperity Planning Fund	-	197,142	-	-	197,142	-	20,000,000	-	-	20,538,470
Key Management Personnel - Management Company										
Alfalsh GHP Investment Management Ltd	454,688	-	-	392,415	62,274	45,697,245	-	-	40,000,000	6,487,774
Unit holder holding 10% or more units										
Gurmani Foundation	496,917	-	-	96,729	400,188	49,940,159	-	-	10,000,000	41,692,026
Muhammad Naeem / Muhammad Musaddiq	-	213,063	-	-	213,063	-	22,287,129	-	-	22,197,138

	Nine months period ended 31 March 2015 (Un audited)							"Net asset value as at March 31, 2015"		
	As at July 01, 2014	Issued for cash / conversion in/ transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in		Bonus	Redeemed / conversion out / transfer out
	Units			Rupees						
Associated Companies / Undertakings										
Key Management Personnel - Management Company										
Alfalsh GHP Investment Management Ltd	238,368	192,775	-	28,410	402,733	24,064,446	19,921,973	-	3,000,000	42,832,036
Employees	-	4,820	-	4,820	-	-	500,000	-	500,650	-
Unit holder holding 10% or more units										
Gurmani Foundation	755,743	-	-	239,561	516,182	76,296,061	-	-	25,000,000	54,884,877



Quarter ended 31 March 2016

	Units			Units			"Net asset value as at March 31, 2016"
	As at January 01, 2016	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2016	As at January 01, 2016	Issued for cash / conversion in / transfer in	
Associated Companies / Undertakings							
Alfalsh GHP Prosperity Planning Fund	197,142	-	-	197,142	20,209,776	-	20,530,470
Key Management Personnel - Management Company							
Alfalsh GHP Investment Management Ltd	62,274	-	-	62,274	6,303,939	-	6,487,774
Unit holder holding 10% or more units							
Gurmani Foundation	496,917	-	96,729	400,188	50,940,850	-	41,692,026
Muhammad Nazeem / Muhammad Musaddiq	-	213,063	-	213,063	22,287,129	-	22,197,138

Quarter ended 31 March 2015

	Units			Units			"Net asset value as at March 31, 2015"
	As at January 01, 2015	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2015	As at January 01, 2015	Issued for cash / conversion in / transfer in	
Associated Companies / Undertakings							
Key Management Personnel - Management Company							
Alfalsh GHP Investment Management Ltd Employees	431,143	-	28,410	402,733	44,949,495	-	42,822,036
Unit holder holding 10% or more units							
Gurmani Foundation	610,440	-	94,259	516,181	63,709,260	-	54,884,877

Nine months period ended

Quarter ended

March 31, 2016

March 31, 2015

March 31, 2016

March 31, 2015

Associated Companies / Undertakings

Note

(Rupees)

(Rupees)

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	1,005,843	826,881	352,949	278,657
Sales tax on management fee	163,349	143,877	57,289	48,569
Federal excise duty on management fee	160,935	132,301	56,472	45,073

Other Related Parties

Central Depository Company of Pakistan Limited

Remuneration to the Trustee	170,988	139,126	60,001	47,375
Sales Tax on Trustee Fee	23,939	-	8,547	-

Alfalsh GHP Income Multiplier Fund

Sale of GOP Ijarah Sukuk	-	7,140,000	-	-
Purchase of GOP Ijarah Sukuk	-	7,131,000	-	7,131,000

**12.1 Other balances**

	March 31, 2016	June 30, 2015
	(Unaudited)	(Audited)
Associated Companies / Undertakings	----(Rupees)----	
Alfaluh GHP Investment Management Limited - Management Company		
Remuneration payable to the management company	<u>134,925</u>	64,280
Sales tax on management fee payable	<u>106,894</u>	91,324
Federal excise duty on management fee	<u>581,419</u>	420,485
Sales Load	<u>129,911</u>	4,048
Bank Alfalah Limited		
Bank Balance	<u>620,869</u>	156,856
Other Related Parties		
Central Depository Company of Pakistan Limited		
Trustee fee payable	<u>43,857</u>	31,047
Security Deposit	<u>100,000</u>	100,000
Alfaluh GHP Income Multiplier Fund		
Sale of GOP Ijarah Sukuk	<u>-</u>	7,140,000
Purchase of GOP Ijarah Sukuk	<u>-</u>	7,131,000

13. 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 realised or unrealised is distributed amongst the unit holders. The Management Company intends to distribute not less than 90% of its annual accounting income, if any, to comply with the above clause at year end. Accordingly, no provision for current and deferred tax has been made in these financial statements.

14. GENERAL

Figures have been rounded off to the nearest rupee.

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements was authorised for issue by Board of Directors of the Management Company on April 27, 2016.

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

Chief Executive Officer

Director



www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices



Alfalah Investments

Alfalah GHP Investment Management Ltd.
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton,
Karachi-Pakistan.
UAN: (9221) 111-090-090 Fax: (9221) 35306752
Website: www.alfalahghp.com