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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:	- Mr. Abdul Aziz Anis - Mr. Hanspeter Beier - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Shahab Bin Shahid - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Fund Manager:	- Mr. Ather H. Medina
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.
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 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Rating:	1 Star (Short term) / 2 Star (Long term) by PACRA

MISSION STATEMENT

Alfalah GHP Alpha Fund aims to provide its unit holders with stock market linked returns over a period of time through investments in various value, growth and dividend paying stocks.

VISION STATEMENT

Alfalah GHP Alpha Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve stock market based returns over the medium to long term through exposure to a basket of value, growth and dividend paying stocks.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Alpha Fund (AGAF) is pleased to present its half yearly report on the affairs of AGAF along with trustee report and the Auditors' Review Report to the unit holders for the half year ended 31 December 2012.

Financial Performance

Net assets under management as on 31 December 2012 were Rs.125.63 million. During the period units worth Rs.18.28 million were issued.

AGAF earned a total income of Rs. 20.07 million for the half year ended 31 December 2012. Major sources of revenue were capital gains on sale of investments of Rs. 10.37 million, dividend income of Rs. 3.88 million and mark-up on bank deposits of Rs. 1.27 million. After accounting for expenses of Rs. 4.43 million, the net income from operating activities for the period stands at Rs. 15.64 million.

Income Distribution

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Alpha Fund (AGAF), in its meeting held on 27 December 2012 has declared interim distribution for the period ended 31 December 2012 in the form of bonus units to the unit holders of growth units and cash dividend to the unit holders of income units at the rate of Rs. 7.00 per unit, (i.e. 12.80% of the Ex-NAV of Rs. 54.68 at the beginning of the year).

As the above distribution is more than 90% of the realized income for the year, the income of the Fund will not be subject to tax under clause 99 of the part I of the 2nd schedule of the income tax ordinance 2001.

Market and Fund's Performance

Strong corporate earnings, coupled with the optimism of a democratically elected government completing its tenure, to be followed by a free and fair election and a peaceful transfer of power managed to drive the KSE-100 share index to a record closing of 16,905 points as at December 31, 2012. The KSE-100 appreciated by 3,103 points (+22.5%) during 1HFY13. The commencement of IMF loan repayments on foreign debt during the 1HFY13 put the Rupee under pressure, resulting in a depreciation of 3.61% in the value of the Rupee versus the US Dollar. Corporates whose earnings are hedged against PKR depreciation benefited, and subsequently Cements, Oil, and banks showed strong performance during the period.

The per unit Net Asset Value of AGAF appreciated by 13.5% during the period.

Asset Allocation

The asset allocation of AGAF as at 31 December 2012 was as follows:

Equity	92.17%
Cash / Bank Deposit	2.01%
Others	5.82%
Total	<u>100.00%</u>

Investment Outlook

The current rally on the KSE is now 8 months old, i.e., the market has had eight continuous months of m-o-m positive close. The last time the KSE had such a sustained rally was in FY06; however, the market at that time was highly leveraged. The KSE at present is a cash market and consequently the current sustained rally is all the more impressive. The first half of current fiscal year witnessed the country facing a number of issues including law and order problems, political tensions, pressure on the currency but the market managed to focus on the positives and maintained its steady upward drive. We expect the market to continue to gain its strength from stronger corporate earnings and the positive outlook for a free and fair election on time.

Going forward, we expect continuing fiscal pressures will combine with pressure on the exchange rate and the SBP may have to consider adopting a tighter monetary stance, which nonetheless, may be difficult in the short term due to the approaching general elections.

Acknowledgement

The Board is thankful to the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee, Central Depository Company of Pakistan Limited and the management of Karachi Stock Exchange (Guarantee) Limited for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

15 February 2013
Karachi

For and on behalf of the Board

Abdul Aziz Anis
Chief Executive

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office**

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
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TRUSTEE REPORT TO THE UNIT HOLDERS**ALFALAH GHP ALPHA FUND****Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

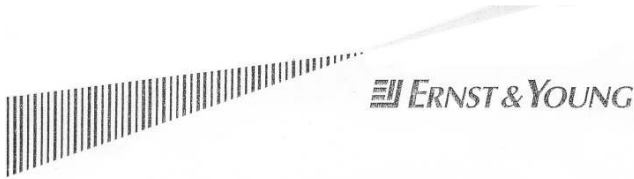
We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2012 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: February 21, 2013





Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Alfalah GHP Alpha Fund (the Fund) as at 31 December 2012 and the related condensed interim statement of income, comprehensive income, distribution, cash flow and movement in unit holders' Fund together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management Company (Alfalah GHP Investment Management Limited) 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 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.

The figures for the quarters ended 31 December 2012 and 31 December 2011 in the interim financial information have not been reviewed and we do not express a conclusion on them.

Other Matters

The financial statements of the Fund for the six months ended 31 December 2011 and for the year ended 30 June 2012 were reviewed and audited by another firm of Chartered Accountants, whose review report dated 16 February 2012 and audit report dated 16 October 2012 expressed an unmodified conclusion and unmodified opinion on those statements respectively.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Engagement Partner: Omer Chughtai

Date: 15 February 2013

Karachi

A member firm of Ernst & Young Global Limited

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT 31 DECEMBER 2012**

		31 December 2012	30 June 2012
		(Unaudited)	(Audited)
	<i>Note</i>	----- (Rupees in '000) -----	
Assets			
Bank balances	5	2,597	20,392
Investments	6	118,989	90,153
Dividend and profit receivable		193	238
Deposits, prepayments and other receivables		2,715	2,700
Preliminary expenses and floatation costs		208	360
Receivable against sale of investments		4,397	-
Total assets		129,099	113,843
Liabilities			
Payable against purchase of investment		-	5,734
Payable to Alfalah GHP Investment Management Limited - Management Company		315	399
Payable to Central Depository Company of Pakistan Limited - Trustee		63	60
Payable to Securities and Exchange Commission of Pakistan -Annual fee		63	109
Accrued expenses and other liabilities		3,026	2,601
Total liabilities		3,467	8,903
Contingencies and Commitments	8	-	-
Net assets		125,632	104,940
Unit holders' funds (as per statement attached)		125,632	104,940
Number of units in issue		2,280,615	1,919,299
Net asset value per unit		55.09	54.68

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2012

	Six months period ended		Quarter ended	
	31 December		31 December	
	2012	2011	2012	2011
	Note -----(Rupees in '000)-----		----- (Rupees in '000)-----	
Income				
Capital gain on sale of investments	10,372	1,318	3,931	735
Dividend income	3,883	3,725	2,426	2,585
Profit on deposit accounts with banks	1,269	708	499	332
Unrealised appreciation / (diminution) in the value of investment - 'at fair value through profit or loss'	6.2 4,546	(11,222)	1,690	(10,641)
Total income / (loss)	20,070	(5,471)	8,546	(6,989)
Expenses				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	1,484	1,454	743	726
Sales tax on management fee	7 237	233	119	116
Remuneration of Central Depository Company of Pakistan Limited - Trustee	353	352	176	176
Annual fee - Securities and Exchange Commission of Pakistan	63	54	33	27
Amortisation of preliminary expenses and floatation costs	152	152	76	76
Bank and settlement charges	132	119	75	58
Legal and professional charges	45	30	23	15
Auditors' remuneration	367	366	198	193
Brokerage	1,064	603	709	371
Provision for workers' welfare fund	9 373	-	130	-
Fees and subscriptions	84	78	42	32
Printing and publication charges	77	79	77	79
Total expenses	4,431	3,520	2,401	1,869
Net income / (loss) from operating activities	15,639	(8,991)	6,145	(8,858)
Net element of income and capital gains included in prices of units issued less those in units redeemed	2,644	111	232	-
Net income / (loss) for the period	18,283	(8,880)	6,377	(8,858)

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2012**

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>31 December</u>		<u>31 December</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>----- (Rupees in '000) -----</u>		<u>----- (Rupees in '000) -----</u>	
Net income / (loss) for the period	18,283	(8,880)	6,377	(8,858)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>18,283</u>	<u>(8,880)</u>	<u>6,377</u>	<u>(8,858)</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 DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2012**

	Six months period ended		Quarter ended	
	31 December		31 December	
	2012	2011	2012	2011
Note	-----(Rupees in '000)----		-----(Rupees in '000)----	
Undistributed income / (loss) brought forward:				
Realised	16,121	28,267	18,027	11,276
Unrealised	(7,144)	(3,147)	2,856	(581)
	8,977	25,120	20,883	10,695
Net income / (loss) for the period	18,283	(8,880)	6,377	(8,858)
Final distribution declared for the year ended 30 June 2012:				
- Cash distribution: Rs. Nil per unit (2011: 7.00 per unit)	-	(13,226)	-	-
- Issue of Nil bonus units (2011: 21,316 units)	-	(1,177)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. 7.00 (2011: Nil per unit)	<i>10</i> (13,227)	-	(13,227)	-
- Issue of 43,942 bonus units (2011: Nil units)	(2,429)	-	(2,429)	-
	2,627	(23,283)	(9,279)	(8,858)
Undistributed income / (loss) carried forward:				
Realised	7,058	13,059	9,914	12,478
Unrealised	4,546	(11,222)	1,690	(10,641)
	11,604	1,837	11,604	1,837

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2012**

	Six months period ended		Quarter ended	
	31 December		31 December	
	2012	2011	2012	2011
Note	-----(Rupees in '000)----		-----(Rupees in '000)----	
Net assets at the beginning of the period	104,940	128,001	132,710	114,646
Issue of 317,374 units (2011: 69 units) and 78 units (2011: Nil) for the six months and quarter respectively	18,280	4	4	-
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:	18,280	4	4	-
- amount representing accrued (income) / loss and realised capital (gains) / losses - transferred to the Income Statement	(2,644)	(111)	(232)	-
Final distribution of Nil bonus units for the year ended 30 June 2012 (2011: 21,316 units)	-	1,177	-	-
Interim distribution of 43,942 bonus units for the period ended 31 December 2012 (2011: Nil units)	2,429	-	2,429	-
Capital gain on sale of investments	10,372	1,318	3,931	735
Unrealised appreciation / (diminution) in the value of investment -'at fair value through profit or loss'	4,546	(11,222)	1,690	(10,641)
Other net income / (loss) for the period	3,365	1,024	756	1,048
Final distribution declared for the year ended 30 June 2012:				
- Cash distribution: Rs. Nil per unit (2011: 7.00 per unit)	-	(13,226)	-	-
- Issue of Nil bonus units (2011: 21,316 units)	-	(1,177)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. 7.00 (2011: Nil per unit)	(13,227)	-	(13,227)	-
- Issue of 43,942 bonus units (2011: Nil units)	(2,429)	-	(2,429)	-
Net income / (loss) for the period less distribution	2,627	(23,283)	(9,279)	(8,858)
Net assets at the end of the period	125,632	105,788	125,632	105,788
		-----(Rupees)----		
Net asset value per unit at the beginning of the period	54.68	62.21	59.34	55.55
Net asset value per unit at the end of the period	55.09	50.88	55.09	50.88

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2012**

	Six months period ended		Quarter ended	
	31 December		31 December	
	2012	2011	2012	2011
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	18,283	(8,880)	6,377	(8,858)
Adjustments for:				
Unrealised appreciation / (diminution) in the value of investment - 'at fair value through profit or loss'	(4,546)	11,222	(1,690)	10,641
Dividend income	(3,883)	(3,725)	(2,426)	(2,585)
Profit on deposit accounts with banks	(1,269)	(708)	(499)	(332)
Amortisation of preliminary expenses and floatation costs	152	152	76	76
Provision for workers' welfare fund	373	-	130	-
Net element of income and capital gains included in prices of units issued less those in units redeemed	(2,644)	(111)	(232)	-
	(11,817)	6,830	(4,641)	7,800
	6,466	(2,050)	1,736	(1,058)
(Increase) / decrease in assets				
Investments	(24,290)	992	(4,440)	(2,734)
Receivable against sale of investments	(4,397)	-	(4,397)	-
Deposits, prepayments and other receivables	(15)	(15)	8	(15)
	(28,702)	977	(8,829)	(2,749)
Increase / (decrease) in liabilities				
Payable against purchase of investments	(5,734)	-	(21,293)	(1,841)
Payable to Alfalah GHP Investment Management Limited - Management Company	(84)	112	(33)	(6)
Payable to Central Depository Company of Pakistan Limited - Trustee	3	2	5	2
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(46)	(94)	33	(121)
Accrued expenses and other liabilities	52	(84)	(114)	(277)
	(5,809)	(64)	(21,402)	(2,243)
Dividend and profit received	5,197	4,783	4,179	3,282
Net cash flows from / (used in) operating activities	(22,848)	3,646	(24,316)	(2,768)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	18,280	4	4	-
Cash dividend paid	(13,227)	(13,226)	(13,227)	-
Net cash flows from / (used in) financing activities	5,053	(13,222)	(13,223)	-
Net decrease in cash and cash equivalents during the period	(17,795)	(9,576)	(37,539)	(2,768)
Cash and cash equivalents at beginning of the period	20,392	17,200	40,136	10,392
Cash and cash equivalents at end of the period	2,597	7,624	2,597	7,624

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 STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Alpha 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 27 December 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 29 February 2008 .

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 Alpha 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 units and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund.

Alfalah GHP Alpha Fund is an open-end Equity Fund . The primary investment objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

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 1 Star (short term) and 2 Star (long term) to the fund in its rating report dated 8 November 2012.

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

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 31 December 2012 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 six months and quarter ended 31 December 2012.

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 ended 30 June 2012. 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 2012.

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 year ended 30 June 2012 except as follows:

New and amended standards and interpretations

The Fund has adopted the following amendments to IFRS which became effective in the current period.

- IAS 1 Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)
- IAS 12 Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on these condensed interim financial statements.

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 2012.

		31 December 2012 (Unaudited)	30 June 2012 (Audited)
		----(Rupees in '000)----	
5. BANK BALANCES	<i>Note</i>		
Deposit accounts	5.1	<u>2,597</u>	<u>20,392</u>

5.1 This represents saving deposit accounts maintained with various banks carrying mark-up rate of 8.00% to 11.00% (30 June 2012: 9.50% to 11.00%) per annum. This includes Rs. 2.58 million (30 June 2012: 3.23 million) with Bank Alfalah Limited - related party and carries mark-up ranging from 8.00% to 10.50% (30 June 2012: 9.50% to 10.50%) per annum.

	31 December 2012 (Unaudited)	30 June 2012 (Audited)
6. INVESTMENTS	<i>Note</i>	----- (Rupees in '000) -----
At fair value through profit or loss - held for trading		
Quoted equity securities	<i>6.1</i>	<u><u>118,989</u></u>
		<u><u>90,153</u></u>

6.1 In quoted equity securities - 'Held for trading'

Name of the investee company	Note	As at 01 July 2012	Purchases during the period	Bonus / Demerger/ rights Issue during the period	Sales during the period	As at 31 December 2012	Cost as at 31 Dec 2012	Market value as at 31 Dec 2012	Market value as a percentage of:		Par value as a percentage of issued capital of the investee company
									net assets	total investments	
Chemicals			----- (Number of shares) -----				---- (Rupees in '000) ----				
Engro Corporation Limited		-	167,200	-	167,200	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited		-	902,500	-	690,000	212,500	8,071	8,200	6.53	6.89	0.01
Fauji Fertilizer Company Limited		50,000	215,000	-	195,000	70,000	7,982	8,200	6.53	6.89	0.00
ICI Pakistan Limited		20,000	-	(6,692)	13,308	-	-	-	-	-	-
Engro Polymer & Chemicals Limited		-	523,500	-	523,500	-	-	-	-	-	-
Lotte Pakistan PTA Limited		305,000	614,500	-	605,000	314,500	2,431	2,312	1.84	1.94	0.03
Arif Habib Corporation Limited		199,908	807,500	19,990	648,000	379,398	9,708	9,151	7.28	7.69	0.03
Fatima Fertilizer Company Limited		152,000	180,000	-	332,000	-	-	-	-	-	-
Descon Chemicals Limited		-	412,500	-	-	412,500	1,342	1,176	0.94	0.99	0.73
							<u>29,534</u>	<u>29,039</u>			
Banks											
Bank Alfalah Limited		200,000	-	-	200,000	-	-	-	-	-	-
Faysal Bank Limited		366,317	344,000	16,164	710,000	16,481	164	176	0.14	0.15	0.00
Habib Bank Limited		2,000	-	-	2,000	-	-	-	-	-	-
National Bank of Pakistan		105,275	-	-	37,666	67,609	3,023	3,339	2.66	2.81	0.00
Soneri Bank Limited		330,000	-	36,300	-	366,300	2,870	2,597	2.07	2.18	0.05
Askari Bank Limited		212,011	600,000	-	512,000	300,011	5,213	5,166	4.11	4.34	0.02
							<u>11,270</u>	<u>11,278</u>			
Non- Life Insurance											
Adamjee Insurance Company Limited		-	275,000	-	140,500	134,500	9,738	9,165	7.30	7.70	0.02
							<u>9,738</u>	<u>9,165</u>			
Construction and Materials											
D.G.Khan Cement Company Limited		98,953	469,000	-	394,000	173,953	9,099	9,494	7.56	7.98	0.01
Flying Cement Limited		1,649,822	-	-	1,649,822	-	-	-	-	-	-
Lucky Cement Limited		46,000	80,000	-	70,000	56,000	7,265	8,486	6.75	7.13	0.00
Maple Leaf Cement Company Limited		-	784,500	-	784,500	-	-	-	-	-	-
Dewan Cement Limited		290,000	525,500	-	200,000	615,500	3,432	3,115	2.48	2.62	0.31
Pioneer Cement Company Limited		-	120,000	-	12,500	107,500	1,882	1,939	1.54	1.63	0.03
Akzo Nobel Pakistan Limited		-	-	6,692	-	6,692	952	579	0.46	0.49	0.00
							<u>22,630</u>	<u>23,613</u>			
Electricity											
Nishat Power Limited		100,000	-	-	100,000	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			

Name of the investee company	Note	As at 01	Purchases	Bonus /	Sales	As at 31	Cost as at	Market	Market value as a		Par value as a percentage of issued capital of the investee company
		July 2012	during the period	Demerger/ rights Issue during the period	during the period	December 2012	31 Dec 2012	value as at 31 Dec 2012	percentage of: net assets	total investments	
		----- (Number of shares) -----					---- (Rupees in '000) ----				
Oil & Gas											
Pakistan Petroleum Limited	6.1.2	39,900	40,000	14,975	41,500	53,375	8,930	9,436	7.51	7.93	0.00
Pakistan State Oil Company Limited		-	50,000	4,000	13,000	41,000	8,629	9,521	7.58	8.00	0.00
Oil & Gas Development Company Limited	6.1.2	36,500	6,000	-	-	42,500	6,808	8,186	6.52	6.88	0.00
Pakistan Oilfields Limited	6.1.2	27,781	1,900	-	10,000	19,681	7,324	8,611	6.85	7.24	0.00
							<u>31,691</u>	<u>35,754</u>			
Automobile And Parts											
The General Tyre & Rubber Company of Pakistan Limited		-	383,000	-	91,500	291,500	8,164	7,736	6.16	6.50	0.18
							<u>8,164</u>	<u>7,736</u>			
General Industries											
Thal Limited		54,028	-	-	54,028	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			
Personal Goods											
Nishat Mills Limited		125,376	50,000	-	175,376	-	-	-	-	-	-
Amtex Limited		781,707	179,831	-	-	961,538	2,536	2,404	1.91	2.02	1.48
							<u>2,536</u>	<u>2,404</u>			
Gas Water and Multiutilities											
Sui Northern Gas Pipelines Company Limited		-	25,000	-	25,000	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			
Total							<u>115,563</u>	<u>118,989</u>			

6.1.1 All shares have a face value of Rs. 10 each.

6.1.2 Investment includes 25,000 shares of Oil and Gas Development Company Limited, 10,000 shares of Pakistan Oilfields Limited and 15,000 shares of Pakistan Petroleum Limited, which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and MTM losses for settlement of the Fund's trades as allowed in Circular number 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

6.2 Net unrealised appreciation fair value of investments classified as 'at fair value through profit or loss'

	31 December 2012 (Unaudited)	30 June 2012 (Audited)
	----(Rupees in '000)----	
Market value of investments	118,989	90,153
Less: Cost of investments	(115,563)	(97,863)
Unrealised appreciation / (diminution) in the value of investments	<u>3,426</u>	<u>(7,710)</u>
Net unrealised appreciation / (diminution) in the value of investments at the beginning of the period / year	<u>7,710</u>	<u>275</u>
Realized on disposal during the period / year	<u>(6,590)</u>	<u>291</u>
	<u>1,120</u>	<u>566</u>
Net unrealised appreciation / (diminution) in the value of investments for the period / year	<u>4,546</u>	<u>(7,144)</u>

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.24 million (31 December 2011: Rs. 0.23 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 December 2012.

9. PROVISION FOR WORKERS' WELFARE FUND

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. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of Collective Investment Schemes (CISs) through their Trustee on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 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 on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During 2011, the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. Further, during the year, based on such decision of Honourable High Court, the Commissioner of Inland Revenue (Appeals - II) have declared the WWF demand raised by tax authorities against certain mutual funds managed by Asset Management Companies as illegal and without jurisdiction. The management company believes that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh. Further, based on the opinion from legal counsel of Mutual Funds Association of Pakistan (MUFAP), there are good chances for the Constitutional Petition to be decided in favour of the mutual funds and accordingly mutual funds need not to make a provision regarding WWF in their financial statements.

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. 2.219 million (30 June 2012: Rs. 1.846 million) up to 31 December 2012. If the same were not made the NAV per unit would be higher by Rs. 0.16 (30 June 2012 : Rs. 0.02)

10. INTERIM DISTRIBUTIONS

The Fund has made following interim distribution during the period:

Board approval date	Rate /unit (Rupees)	Bonus		Cash distribution (Rupees in '000)	Total
		Units	Amount		
27 December 2012	7.00	43,942	2,429	13,227	15,656

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 2013 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 six months and quarter ended 31 December 2012.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, 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, and other associated companies and connected persons.

The transactions with connected persons are in the normal course of business, at contractual rates and terms 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.

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

	31 December 2012 (Unaudited)	30 June 2012 (Audited)
	----(Rupees in '000)----	
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	399	278
Remuneration for the period / year	<u>1,160</u>	<u>2,000</u>
Performance fee for the period / year	<u>324</u>	<u>1,006</u>
Sindh sales tax on Management fee for the period / year	<u>237</u>	<u>481</u>
	1,721	3,487
Amount paid during the period / year	<u>(1,805)</u>	<u>(3,366)</u>
Balance at the end of the period / year	<u><u>315</u></u>	<u><u>399</u></u>

Central Depository Company of Pakistan Limited

Balance at beginning of the period / year	60	58
Remuneration for the period / year	<u>353</u>	<u>700</u>
CDS charges for the period / year	<u>18</u>	<u>50</u>
	371	750
Amount paid during the period / year	<u>(368)</u>	<u>(748)</u>
Balance at the end of the period / year	<u><u>63</u></u>	<u><u>60</u></u>

Security deposit at the end of the period / year

200	200
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Bank Alfalah Limited

Deposits at the end of the period / year	<u>2,577</u>	<u>3,232</u>
Profit receivable at the end of the period / year	<u>130</u>	<u>98</u>
Profit on deposit accounts at the end of the period / year	<u>709</u>	<u>1,290</u>
Bank Charges	<u>6</u>	<u>13</u>

	31 December 2012 (Unaudited)		30 June 2012 (Audited)	
Bank Alfalah Limited	(No. of shares)	(Rupees in '000)	(No. of shares)	(Rupees in '000)
Investment held by fund	-	-	200,000	3,420
Capital (loss) / gain on sale of securities	<u>200,000</u>	<u>(14)</u>	<u>1,045,000</u>	<u>1,880</u>

	31 December 2012 (Unaudited)	30 June 2012 (Audited)
	----(Units in '000)----	
Units held by:		
Bank Alfalah Limited - Employees' Provident Fund	<u>1,389</u>	<u>1,389</u>
Bank Alfalah Limited - Employees' Gratuity Fund	<u>500</u>	<u>500</u>
	----(Rupees in '000)----	
Cash dividend distributed:		
Bank Alfalah Limited - Employees' Provident Fund	<u>9,722</u>	<u>12,500</u>
Bank Alfalah Limited - Employees' Gratuity Fund	<u>3,500</u>	<u>4,500</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: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

	31 December 2012			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	----- (Rupees in '000) -----			
- Equity securities	118,989	-	-	118,989
	118,989	-	-	118,989

There has been no transfers to or from above levels during the period.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 15 February 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