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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.
Distributor:	Bank Alfalah Limited
Rating:	3 Star (Short term) / 3 Star (Long term) by PACRA

MISSION STATEMENT

Alfalah GHP Value fund aims to provide its unit holders with sustainable return over a period through active asset allocation strategies.

VISION STATEMENT

Alfalah GHP Value Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable and consistent return over the long term through investment exposure to various asset classes.

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 Value Fund (AGVF) is pleased to present its half yearly report on the affairs of AGVF 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. 487.37 million. During the period units worth Rs. 20.01 million were issued and units worth Rs. 1.24 million were redeemed.

AGVF earned a total income of Rs. 63.41 million for the half year ended 31 December 2012 including impairment loss in the value of Investment classified as 'available for sale' of Rs. 11.23 million. Major sources of revenue were dividend income of Rs. 11.60 million, profit on bank deposits of Rs. 5.01 million, income from sukuk certificates of Rs. 5.87 million and income from government securities of Rs. 4.31 million. After accounting for expenses of Rs. 10.07 million, the net income from operating activities for the period stands at Rs. 53.33 million.

Income Distribution

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Value Fund (AGVF), 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 divided to the unit holders of income units at the rate of Rs. 5.25 per unit, (i.e. 10.34% of the Ex-NAV of Rs. 50.78 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 AGVF appreciated by 12.00% during the period under review versus an appreciation of 13.86% in the fund's benchmark (50% KSE 100 + 50% 6 Month Kibor), during the same period.

Asset Allocation

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

Equity	60.20%
Cash / Bank Deposit	24.22%
T- Bills	12.94%
Others	2.64%
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.

For and on behalf of the Board

15 February 2013
Karachi

Abdul Aziz Anis
Chief Executive

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

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TRUSTEE REPORT TO THE UNIT HOLDERS**ALFALAH GHP VALUE 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 Value 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





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 Value 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.


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 (Unaudited)	30 June 2012 (Audited)
	<i>Note</i>	----(Rupees in '000)----	
Assets			
Bank balances	5	120,531	192,531
Investments	6	363,937	243,988
Dividend and profit receivable		883	2,072
Advances, deposits and other receivables		2,669	2,600
Receivable against sale of investments		9,573	-
Total assets		497,593	441,191
Liabilities			
Payable against Purchase of Investments		-	805
Payable to Alfalah GHP Investment Management Limited - Management Company		958	841
Payable to Central Depository Company of Pakistan Limited - Trustee		90	77
Payable to Securities and Exchange Commission of Pakistan -Annual fee		221	409
Accrued expenses and other liabilities		8,956	7,130
Total liabilities		10,225	9,262
Contingencies and Commitments	8	-	-
Net assets		487,368	431,929
Unit holders' funds (as per statement attached)		487,368	431,929
		(Number of Units)	
Number of units in issue		9,444,173	8,505,506
		(Rupees)	
Net asset value per unit		51.61	50.78

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				
Gain / (loss) on sale of investment - classified as 'Held for Trading'	(129)	3,960	(732)	2,320
Gain / (loss) on sale of investment - classified as 'Available for sale'	(39,837)	(24,708)	(39,077)	(24,709)
Income from sukuk certificates	5,873	(3,642)	1,738	3,136
Dividend income	11,596	10,142	8,249	7,049
Profit on deposit accounts with banks	5,001	4,547	1,996	2,237
Income from government securities	4,308	623	1,839	-
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	6.3 37,923	(36,712)	15,013	(33,882)
Impairment in the value of investments classified as 'available for sale'	(11,226)	(7,494)	-	(5,995)
Reversal of impairment in the value of investments classified as 'available for sale'	49,654	29,537	45,714	29,537
Amortization of discount on TFC / sukuk certificates and PIB	240	317	81	159
Total income / (loss)	63,403	(23,430)	34,821	(20,148)
Expenses				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	4,647	4,213	2,373	2,094
Sales tax on management fee	7 743	674	380	335
Remuneration of Central Depository Company of Pakistan Limited - Trustee	465	421	237	209
Annual fee - Securities and Exchange Commission of Pakistan	221	200	113	99
Bank and settlement charges	170	137	105	72
Legal and Professional charges	45	45	23	23
Auditors' remuneration	301	301	151	150
Brokerage expense	2,162	956	1,603	586
Provision for workers' welfare fund	9 1,134	-	639	-
Fees and Subscriptions	71	70	35	35
Printing and related cost	111	100	111	100
Total expenses	10,070	7,117	5,770	3,703
Net income / (loss) from operating activities	53,333	(30,547)	29,051	(23,851)
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	2,207	193	2,252	24
Net income / (loss) for the period	55,540	(30,354)	31,303	(23,827)

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>	
	31 December		31 December	
	2012	2011	2012	2011
<i>Note</i>	----(Rupees in '000)----		----(Rupees in '000)----	
Net income / (loss) for the period	55,540	(30,354)	31,303	(23,827)
Other comprehensive income / (loss):				
Element of loss and capital losses included in prices of units sold less those in units redeemed - amount representing unrealised capital losses	(57)	(8)	(57)	(9)
Net unrealised diminution during the period in fair value of investments classified as 'available for sale'	6.8 (1,501)	(289)	(1,430)	(59)
Other comprehensive loss for the period	(1,558)	(297)	(1,487)	(68)
Total comprehensive income / (loss) for the period	<u>53,982</u>	<u>(30,651)</u>	<u>29,816</u>	<u>(23,895)</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 2012	2011	31 December 2012	2011
	-----(Rupees in '000)----		-----(Rupees in '000)----	
Undistributed income / (loss) brought forward:				
Realised	15,381	243,567	6,108	221,258
Unrealised	(10,600)	(222,624)	22,910	(225,454)
	4,781	20,943	29,018	(4,196)
Element of loss and capital losses included in prices of units sold less those in units redeemed - amount representing unrealised capital losses	(57)	(8)	(57)	(9)
Net income / (loss) for the period	55,540	(30,354)	31,303	(23,827)
Final distribution for the year ended 30 June 2012:				
- Cash distribution of Rs. Nil per unit (2011: 2.25 per unit)	-	(6,502)	-	-
- Issue of Nil bonus units (2011: 239,259 units)	-	(12,111)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. 5.25 (2011: Rs. Nil per unit)	(15,171)	-	(15,171)	-
- Issue of 588,822 bonus units (2011: Nil units)	(30,307)	-	(30,307)	-
	10,005	(48,975)	(14,232)	(23,836)
Undistributed income / (loss) carried forward:				
Realised	(23,137)	8,680	(227)	5,850
Unrealised	37,923	(36,712)	15,013	(33,882)
	14,786	(28,032)	14,786	(28,032)

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 2012	2011	31 December 2012	2011
Note	----(Rupees in '000)----		----(Rupees in '000)----	
Net assets at the beginning of the period	431,929	437,397	455,116	421,228
Issue of 373,299 units (2011: 78 units) and 373,164 units (2011: Nil) for the six months and quarter respectively	20,014	4	20,007	-
Redemption of 23,454 units (2011: 60,838 units) and 3,748 units (2011: 5,471) for the six months and quarter respectively	(1,236)	(3,005)	(205)	(260)
	18,778	(3,001)	19,802	(260)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:				
- amount representing accrued loss / (income) and realised capital losses / (gains) - transferred to the Income Statement	(2,207)	(193)	(2,252)	(24)
- amount representing unrealised capital losses / (gains) - transferred directly to the Distribution Statement	57	8	57	9
	(2,150)	(185)	(2,195)	(15)
Final bonus distribution of Nil units for the year ended 30 June 2012 (2011: 239,259)	-	12,111	-	-
Interim distribution of 588,822 bonus units for the period ended 31 December 2012 (2011: Nil units)	30,307	-	30,307	-
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'available-for-sale'	6.8 (1,501)	(289)	(1,430)	(59)
Gain / (loss) on sale of investment	(39,966)	(20,748)	(39,809)	(22,389)
Unrealised appreciation / (diminution) in the value of investments				
- 'at fair value through profit or loss'	37,923	(36,712)	15,013	(33,882)
Other net income / (loss) for the period	57,583	27,106	56,099	32,444
Element of loss and capital losses included in prices of units sold less those in units redeemed - amount representing unrealised capital losses	(57)	(8)	(57)	(9)
Final distribution for the year ended 30 June 2012:				
- Cash distribution of Rs. Nil per unit (2011: 2.25 per unit)	-	(6,502)	-	-
- Issue of Nil bonus units (2011: 239,259 units)	-	(12,111)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. 5.25 (2011: Rs. Nil per unit)	(15,171)	-	(15,171)	-
- Issue of 588,822 bonus units (2011: Nil units)	(30,307)	-	(30,307)	-
Net income / (loss) for the period less distribution	10,005	(48,975)	(14,232)	(23,836)
Net assets at the end of the period	487,368	397,058	487,368	397,058
	------(Rupees)-----			
Net asset value per unit at the beginning of the period	50.78	52.87	53.63	49.81
Net asset value per unit at the end of the period	51.61	46.98	51.61	46.98

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 2012	2011	31 December 2012	2011
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	55,540	(30,354)	31,303	(23,827)
Adjustments for:				
Unrealised appreciation / (diminution) in the value of investments				
- 'at fair value through profit or loss'	(37,923)	36,712	(15,013)	33,882
Impairment in the value of investments classified as 'available for sale'	11,226	7,494	-	5,995
Reversal of impairment in the value of investments classified as 'available for sale'	(49,654)	(29,537)	(45,714)	(29,537)
Dividend income	(11,596)	(10,142)	(8,249)	(7,049)
Profit on deposit accounts with banks	(5,001)	(4,547)	(1,996)	(2,237)
Income from sukuks certificates	(5,873)	3,642	(1,738)	(3,136)
Income from government securities	(339)	-	(205)	-
Amortization of discount on TFC / sukuk certificates and PIB	(240)	(317)	(81)	(159)
Provision for workers' welfare fund	1,134	-	639	-
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	(2,207)	(193)	(2,252)	(24)
	(44,933)	(27,242)	(43,306)	(26,092)
(Increase) / decrease in assets				
Investments	(45,099)	(30,387)	81,137	45,818
Receivable against sale of investments	(9,573)	(7,721)	(9,573)	(7,721)
Advances, deposits and other receivables	(69)	(69)	(39)	(69)
	(54,741)	(38,177)	71,525	38,028
Increase / (decrease) in liabilities				
Payable against purchase of investments	(805)	(1,865)	(34,659)	-
Payable to Alfalah GHP Investment Management Limited - Management Company	117	77	82	1
Payable to Central Depository Company of Pakistan Limited - Trustee	13	(2)	12	(1)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(188)	(229)	113	(330)
Accrued expenses and other liabilities	692	(3)	458	(293)
	(171)	(2,022)	(33,994)	(623)
Dividend and profit received	24,238	19,120	15,141	13,048
Net cash flows (used in) / from operating activities	(75,607)	(48,321)	9,366	24,361
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	20,014	4	20,007	-
Payment against redemption of units	(1,236)	(3,005)	(205)	(260)
Cash dividend paid	(15,171)	(6,502)	(15,171)	-
Net cash flows (used in) / from financing activities	3,607	(9,503)	4,631	(260)
Net (decrease) / increase in cash and cash equivalents during the period	(72,000)	(57,824)	13,997	24,101
Cash and cash equivalents at beginning of the period	192,531	143,349	106,534	61,424
Cash and cash equivalents at end of the period	120,531	85,525	120,531	85,525

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 FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value 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 19th May, 2005 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 13th May, 2005.

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 Value 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 the fund.

The Fund is categorized as an asset allocation scheme and can invest in equity, debt and money market securities as authorized in Fund 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 3-Star (short term) and 3-Star (long term) to the Fund in its rating report dated 8 November 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 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.

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 the 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)
	<i>Note</i>	-----(Rupees in '000)----	
5. BANK BALANCES			
Deposit accounts	5.1	<u>120,531</u>	<u>192,531</u>

5.1 This represents saving deposit accounts maintained with various banks carrying mark-up rate of 5% to 11.00% (30 June 2012: 5% to 11.00%) per annum. This includes Rs. 95.439 million (30 June 2012: 5.776 million) with a related party which carries mark-up ranging from 8 % to 10.5% per annum.

		31 December 2012 (Unaudited)	30 June 2012 (Audited)
	<i>Note</i>	-----(Rupees in '000)----	
6. INVESTMENTS			
- At fair value through profit or loss-held for trading			
In quoted equity securities	6.1	299,555	202,110
Investment in Government Securities	6.2	64,382	-
		363,937	202,110
- Available for sale			
In quoted equity securities	6.4	-	716
Investment in term finance certificates	6.5	-	-
Investment in sukuk certificates	6.6	-	41,162
		-	41,878
		<u>363,937</u>	<u>243,988</u>

6.1 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 percentage of issued share capital
									Net assets	Total investments	
----- (Number of shares) ----- --- (Rupees in '000) ---											
Chemicals											
Engro Corporation Limited		-	130,300	-	130,300	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited		-	3,169,500	-	3,169,500	-	-	-	-	-	-
Fauji Fertilizer Company Limited		50,000	829,800	-	722,600	157,200	17,924	18,414	3.78	5.06	0.00
ICI Pakistan Limited		21,645	-	(7,243)	14,402	-	-	-	-	-	-
Engro Polymer & Chemicals Limited		-	501,000	-	501,000	-	-	-	-	-	-
Lotte Pakistan PTA Limited		-	1,250,000	-	750,000	500,000	3,812	3,675	0.75	1.01	0.04
Arif Habib Corporation Limited		200,000	1,359,352	20,050	809,000	770,402	19,268	18,582	3.81	5.11	0.07
Fatima Fertilizer Company Limited		280,000	301,500	-	500,000	81,500	1,972	2,152	0.44	0.59	0.00
							<u>42,976</u>	<u>42,823</u>			
Banks											
Bank Al-Habib Limited		57,920	-	-	57,920	-	-	-	-	-	-
Faysal Bank Limited		1,182,878	552,000	76,359	1,734,500	76,737	808	817	0.17	0.22	0.01
National Bank of Pakistan		313,800	-	-	120,000	193,800	8,765	9,572	1.96	2.63	0.00
Askari Bank Limited		605,000	1,322,000	-	1,426,975	500,025	8,499	8,610	1.77	2.37	0.04
Summit Bank Limited (formerly My Bank Limited)		401,609	1,501,000	-	500,000	1,402,609	4,846	4,166	0.85	1.14	0.44
							<u>22,918</u>	<u>23,165</u>			
Non - Life Insurance											
Adamjee Insurance Company Limited		-	439,500	-	116,000	323,500	23,309	22,043	4.52	6.06	0.04
							<u>23,309</u>	<u>22,043</u>			
Construction and Material											
D. G. Khan Cement Company Limited		231,708	1,000,000	-	832,500	399,208	19,916	21,789	4.47	5.99	0.02
Flying Cement Limited		1,714,763	-	-	1,714,763	-	-	-	-	-	-
Lucky Cement Limited		140,877	325,000	-	254,500	211,377	28,941	32,032	6.57	8.80	0.00
Maple Leaf Cement Company Limited		-	650,000	-	650,000	-	-	-	-	-	-
Dewan Cement Limited		623,450	1,092,000	-	425,000	1,290,450	6,728	6,530	1.34	1.79	0.66
Pioneer Cement Company Limited		-	325,000	-	-	325,000	6,042	5,863	1.20	1.61	0.08
Akzo Nobel Pakistan Limited		-	-	7,243	-	7,243	1,029	627	0.13	0.17	0.00
							<u>62,656</u>	<u>66,841</u>			
Electricity											
The Hub Power Company Limited	6.1.2	290,840	-	-	-	290,840	6,097	13,158	2.70	3.62	0.01
Nishat Power Limited		200,000	-	-	200,000	-	-	-	-	-	-
							<u>6,097</u>	<u>13,158</u>			
Oil and Gas											
Pakistan Petroleum Limited		126,150	96,800	40,287	65,000	198,237	32,448	35,046	7.19	9.63	0.00
Pakistan State Oil Company Limited		44,000	122,000	10,800	-	176,800	38,192	41,054	8.42	11.28	0.00
Oil and Gas Development Company Limited	6.1.2	93,436	-	-	-	93,436	14,726	17,997	3.69	4.95	0.00
Pakistan Oilfields Limited	6.1.2	81,692	60,100	-	80,000	61,792	24,668	27,036	5.55	7.43	0.00
							<u>110,034</u>	<u>121,133</u>			
Automobile and Parts											
The General Tyre & Rubber Company of Pakistan Limited		-	403,000	-	303,000	100,000	2,807	2,654	0.54	0.73	0.06
							<u>2,807</u>	<u>2,654</u>			
Fixed Line Telecommunication											
Wateen Telecom Limited (Related party)		353,253	-	-	-	353,253	3,368	1,053	0.22	0.29	0.19
							<u>3,368</u>	<u>1,053</u>			
General Industries											
Thal Limited		43,456	-	-	43,456	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			
Personal Goods											
Nishat Mills Limited		194,406	396,500	-	521,500	69,406	4,183	4,432	0.91	1.22	0.00
Amtext Limited		1,177,891	223,500	-	500,000	901,391	2,549	2,253	0.46	0.62	1.39
							<u>6,732</u>	<u>6,685</u>			
Total							<u>280,897</u>	<u>299,555</u>			

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

6.1.2 Investment includes 150,000 shares of The Hub Power company Limited, 15,000 shares of Pakistan Oilfields Limited and 15,000 shares of Oil and Gas Development Company Limited, which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and mark to market losses for settlement of the Fund's trades as allowed in Circular no.11 dated 23 October 2007 issued by Securities and Exchange Commission of Pakistan.

6.2 Investment in Government Securities

6.2.1 Treasury Bills

Issue Date	Tenor	Face Value				As at 31 December 2012	Quantity As at 31 December 2012	Cost as at 31 Dec 2011	Market value as at 31 Dec 2012	Market value as a percentage of:	
		As at 01 July 2012	Purchases during the period	Sales during the period	Matured during the period					Net assets	Total investments
		(Rupees in '000)						(Rupees in '000)			
11-Aug-11	12 Months	-	25,000	-	25,000	-	-	-	-	-	-
25-Aug-11	12 Months	-	125,000	-	125,000	-	-	-	-	-	-
22-Sep-11	12 Months	-	50,000	-	50,000	-	-	-	-	-	-
6-Oct-11	12 Months	-	100,000	55,000	45,000	-	-	-	-	-	-
3-May-12	3 Months	-	100,000	-	100,000	-	-	-	-	-	-
28-Jun-12	3 Months	-	55,000	-	55,000	-	-	-	-	-	-
26-Jul-12	3 Months	-	53,480	-	53,480	-	-	-	-	-	-
6-Sep-12	3 Months	-	150,000	150,000	-	-	-	-	-	-	-
3-Nov-12	12 Months	-	7,000	-	7,000	-	-	-	-	-	-
23-Aug-12	3 Months	-	3,000	-	3,000	-	-	-	-	-	-
4-Oct-12	6 Months	-	50,000	50,000	-	-	-	-	-	-	-
1-Nov-12	3 Months	-	100,000	100,000	-	-	-	-	-	-	-
1-Dec-11	12 Months	-	5,000	-	5,000	-	-	-	-	-	-
29-Nov-12	3 Months	-	45,000	-	45,000	1	44,429	44,429	9.12	12.21	-
13-Dec-12	3 Months	-	50,000	50,000	-	-	-	-	-	-	-
18-Oct-12	3 Months	-	20,000	-	20,000	1	19,954	19,953	4.09	5.48	-
Total		-	938,480	405,000	468,480	65,000	64,383	64,382			

6.2.2 Pakistan Investment Bond

Issue Date	Tenor	Face Value				As at 31 December 2012	Cost as at 31 Dec 2011	Market value as at 31 Dec 2012	Market value as a percentage of:		
		As at 01 July 2012	Purchases during the period	Sales during the period	Matured during the period				Net assets	Total investments	
		(Rupees in '000)						(Rupees in '000)			
19-Jul-12	3 years	-	125,000	125,000	-	-	-	-	-	-	-
19-Jul-12	5 years	-	75,000	75,000	-	-	-	-	-	-	-
19-Jul-12	10 years	-	75,000	75,000	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-
Grand Total		-	-	-	-	-	345,280	363,937			

6.3 Net Unrealised appreciation / (diminution) in the 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	363,937	202,110
Less: Cost of investments	(345,280)	(211,004)
	18,657	(8,894)
Net unrealised (appreciation) / diminution in the value of investment at the beginning of the period / year	8,894	12,242
Realised on disposal during the period / year	10,372	(13,948)
	19,266	(1,706)
Net unrealised appreciation / (diminution) in the value of investment for the period / year	37,923	(10,600)

6.4 Quoted equity securities - Available for sale

Name of the investee company	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 percentage of issued share capital
								Net assets	Total investments	
			----- (Number of shares) -----				(Rupees in '000)			
Banks										
Summit Bank Limited (formerly My Bank Limited)	11,000	-	-	11,000	-	-	-	-	-	-
Oil & Gas										
Oil & Gas Development Company Limited	3,282	-	-	3,282	-	-	-	-	-	-
Pakistan Oilfields Limited	420	-	-	420	-	-	-	-	-	-
Grand Total										

6.5 Investment in Term Finance Certificates - available for sale

Name of the Investee company	Notes	Maturity	Mark-up Percentage	As at 01 July 2012	Purchases during the period	Sales during the period	Redemption during the period	As at 31 December 2012	Cost as at 31 Dec 2012	Market value as at 31 Dec 2012	Impairment in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
												Net assets	Total investments	
				----- (Number of certificate) -----						(Rupees in '000)				
Unlisted Term Finance Certificates														
Agritech limited (IV issue) (formerly Pak American Fertilizer Limited)	6.5.1	Jan 2015	0%	1,521	-	380	-	1,141	5,705	-	5,705	-	-	-
									<u>5,705</u>	<u>-</u>	<u>5,705</u>			

6.5.1 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. 7.605 million was settled in the form of certificates valuing Rs. 7.605 million. These investments had been recorded as 100% impaired (Rs. Nil million in current period) since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation. During the period principal amounting Rs. 1.90 million was sold accordingly provision amounting to Rs. 1.90 million was reversed.

6.6 Investment in unquoted Sukuk bonds - available for sale

Name of the Investee company	Maturity	Mark-up Percentage	As at 01 July 2012	Purchases during the period	Sales during the period	Redemption during the period	As at 31 December 2012	Cost as at 31 Dec 2012	Market value as at 31 Dec 2012	Impairment in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
											Net assets	Total investments	
			----- (Number of certificate) -----						(Rupees in '000)				
Maple Leaf Cement Factory Limited -I	Dec 2018	3 M+1%	15,000	-	15,000	-	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited -II	Mar 2013	3 M+1%	563	-	563	-	-	-	-	-	-	-	-
									<u>-</u>	<u>-</u>	<u>-</u>		

6.7 Details of Non-Compliant Investment with the investment criteria as specified by the Securities and Exchange Commission of Pakistan

Circular no. 16 dated 07 July 2010 issued by the SECP requires details of investments not compliant with the investment criteria specified by the category assigned to open-end collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in these condensed interim financial statements of the Fund. Details of such non-compliant investments are given below:

Type of investment	Name of Non-compliant investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Fair value as a percentage of:		Credit rating
					Net assets	Gross assets	
----- (Rupees in '000) -----							
Term finance certificates	AgriTech Limited -IV	5,705	5,705	-	-	-	D

At the time of purchase / investment, the TFCs and Sukuk were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in NBFC Regulations or NBFC Rules. However, subsequently they were defaulted or downgraded to non investment grade or become non-compliant with investment restrictions parameters laid down in NBFC Regulations or NBFC Rules and with the requirements of Constitutive Documents.

	31 December 2012 (Unaudited)	30 June 2012 (Audited)
---- (Rupees '000) ----		
6.8 Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'		
Market value of investments	-	41,877
Less: Cost of investments	(5,705)	(84,632)
	(5,705)	(42,755)
Impairment charged during the period / year	11,226	20,873
Impairment realised on disposal of Equity Securities	(123)	-
Reversal of Impairment during the period / year	(49,654)	(29,976)
	(44,256)	(51,858)
Net unrealised diminution in the value of investments at the beginning of the period / year	42,755	50,903
Net unrealised (diminution) / appreciation in the value of investments for the period / year	(1,501)	(955)
6.8.1 Particulars of impairment in the value of investments classified as 'available for sale'		
Opening Balance	50,277	59,380
Charged for the period / year	11,226	20,873
Impairment realised on disposal of Equity Securities	(123)	-
Reversal of Impairment during the period / year	(49,654)	(29,976)
Closing balance	11,726	50,277

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.74 million (31 December 2011: Rs. 0.67 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 was 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. 7.186 million (30 June 2012: Rs. 6.052 million) up to 31 December 2012. If the same were not made the NAV per unit would be higher by Rs. 0.12 (30 June 2012: Rs.0.06)

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	<u>5.25</u>	<u>588,822</u>	<u>30,307</u>	<u>15,171</u>	<u>45,478</u>

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 realised or unrealised 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 unrealised 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	841	720
Remuneration for the period / year	4,647	8,602
Sales tax on Management fee for the period / year	743	1,376
	6,231	10,698
Amount paid during the period / year	(5,273)	(9,857)
Balance at the end of the period / year	958	841
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	77	72
Remuneration for the period / year	465	860
CDS Charges for the period / year	32	58
	497	990
Amount paid during the period / year	(484)	(913)
Balance at the end of the period / year	90	77
Deposit with Central Depository Company of Pakistan Limited	100	100
Bank Alfalah Limited		
Profit on deposit accounts during the period / year	1,887	3,187
Balance in deposit accounts during the period / year	95,439	5,776
Bank charges during the period / year	10	33
Capital gain on sale of shares during the period / year	-	2,744
Mark up receivable on bank deposits during the period / year	714	146

	31 December 2012			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
- Equity securities	299,555	-	-	299,555
- Market Treasury Bills	-	64,382	-	64,382
Available-for-sale investments				
- Equity securities	-	-	-	-
- Sukuk certificates	-	-	-	-
- Term finance certificates	-	-	-	-
	<u>299,555</u>	<u>64,382</u>	<u>-</u>	<u>363,937</u>

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

In accordance with Circular No. 33 of 2012 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 use 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.

Therefore, 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 transfer from Level 3 to Level 2.

14. DATE OF AUTHORIZATION 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