

ALFALAH GHP SOVEREIGN 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. Nabeel Malik
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 AA- (f) by PACRA



MISSION STATEMENT

“To be the best money management company in Pakistan. We will hold our clients money in scared 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 31 MARCH, 2016

To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Sovereign Fund (AGSOF) 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.

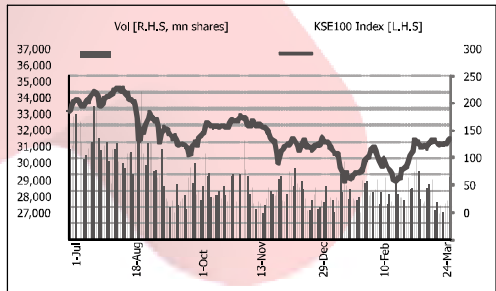
Key triggers to improve the current account balance would be a rise in the pace of foreign direct investment especially from China, in wake of upcoming CPEC projects along with an expected rise in portfolio investments as global markets are expected to cool off after the turmoil it witnessed in the first 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.

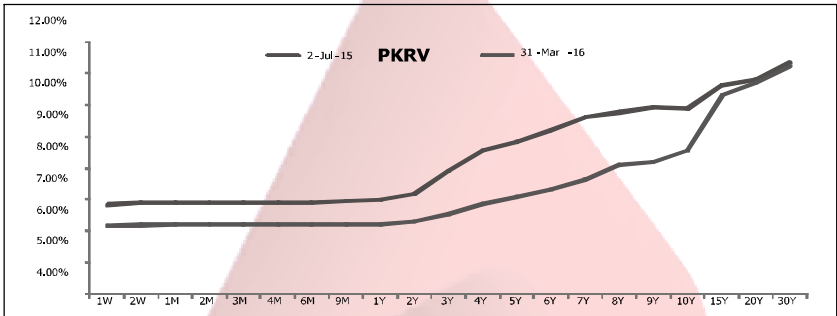


MONEY MARKET REVIEW

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.

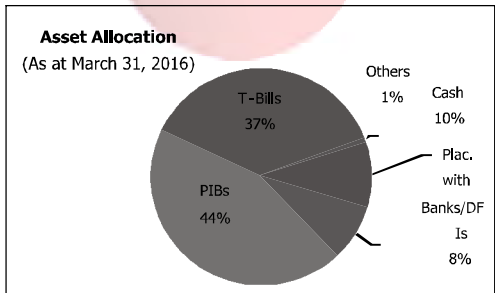
During the 9-months period the SBP had set a cumulative target of PKR 4.3 tr against a maturity of PKR 3.8 tr and accepted PKR 3.9 tr in scheduled T-Bill auctions. Total PIB maturity amount during the period stood at PKR 656 bn against which the SBP had set a target of PKR 625 bn; total amount accepted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

The Fund posted a return of 7.26% for the period. During the same period the benchmark return (70% 6M T-Bills + 30% 6M deposit rates) stood at 5.95%. The Fund has generated a stable performance as a result of investments in GoP T-bills and medium term bonds. With the yield curve easing during the period, the revaluation gains bolstered the bottom line as the fund slightly increased its duration. The interest rates may still offer room for further easing, therefore, the Fund's investment strategy is focused towards medium tenure government papers which offer



a higher yield in addition to the potential for gains. To provide stability the fund holds about 1/3rd of its portfolio in T-bills and TDRs/Placement opportunities are often capitalized on to bolster return.

The Fund's credit rating stands at "AA- (f)" by PACRA. The size of the Fund stood at PKR 8,396 million on March 31, 2016.

Going forward, the Fund plans to maintain the current portfolio mix while availing trading opportunities to boost yields.

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	8,396.13	5,383.59
Gross income /(loss)	519.31	352.17
Net Comprehensive income /(loss)	437.27	665.659
Net Assets Value per Unit (Rs.)	108.4362	114.1918
Issuance of units during the period	8,894.48	7,824.33
Redemption of units during the period	8,158.15	3,266.66

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 (UNAUDITED) AS AT 31 MARCH 2016

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		----(Rupees)----	
ASSETS			
Bank balances	5	804,779,624	920,882,900
Investments	6	7,605,243,201	6,266,318,786
Deferred formation cost		1,192,408	1,481,323
Mark-up receivable	7.2	57,516,219	187,536,231
Prepayments & other receivables	7.1	300,876	208,719
Total assets		8,469,032,328	7,376,427,959
LIABILITIES			
Payable to the Management Company	8	44,841,488	15,093,622
Remuneration payable to the Trustee		552,287	443,362
Annual fee payable to Securities and Exchange Commission of Pakistan		4,538,755	2,412,307
Provision for Workers' Welfare Fund	9	15,107,679	15,107,679
Distribution Payable			28,004,222
Accrued and other liabilities	10	7,857,564	80,960,303
Total liabilities		72,897,773	142,021,495
Net assets attributable to unit holders		8,396,134,556	7,234,406,464
Unit holders' funds		8,396,134,556	7,234,406,464
		----- (Number of units) -----	
Number of units in issue		77,429,289	70,365,083
		----- (Rupees) -----	
Net assets value per unit		108.4362	102.8124

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



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

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
INCOME				
Profit on deposit accounts with banks	16,011,758	11,455,574	7,001,718	5,373,040
Income from Government Securities	479,489,094	158,319,874	179,924,974	94,657,311
Income from LOP/TDR	16,829,236	131,506	11,398,694	-
At fair value through profit or loss - held for trading				
- net gain / (loss) on sale of investments	27,107,843	435,981	15,889,539	258,694
- net unrealised appreciation	(20,120,824)	181,829,960	(27,789,482)	104,064,353
Total income	519,317,106	352,172,895	186,425,443	204,353,398
EXPENSES				
Remuneration to the Management Company	60,517,007	16,772,329	20,732,105	10,201,076
Sales tax on management fee	9,827,969	2,918,385	3,366,896	1,774,989
Federal excise duty on management fee	9,682,724	2,683,573	3,317,137	1,632,172
Remuneration to the Trustee	5,101,097	1,772,449	1,741,389	954,155
Sales tax on Trustee fee	714,156	-	243,797	-
Annual fee to the Securities and Exchange Commission of Pakistan	4,538,780	1,253,930	1,554,910	761,086
Brokerage expense	556,136	311,989	295,422	181,459
Bank and CDC charges	64,559	46,672	18,396	16,711
Amortization of deferred formation cost	288,917	287,862	95,605	94,553
Auditors' remuneration	408,685	288,719	147,634	6,780
Credit rating fee	213,114	165,150	67,074	54,246
Annual listing fee	30,082	30,028	9,945	9,863
Printing & advertisement expense	112,911	77,500	37,296	3,450
Others	1,869,118	-	1,869,118	-
Workers Welfare Fund	-	13,584,869	-	8,031,545
Total expenses	93,925,253	40,193,454	33,496,723	23,722,084
Net income from operating activities	425,391,853	311,979,440	152,928,719	180,631,313
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net	11,882,643	353,679,186	3,426,087	214,405,744
Net income for the period before taxation	437,274,496	665,658,626	156,354,806	395,037,057
Taxation	-	-	-	-
Net income for the period after taxation	437,274,496	665,658,626	156,354,806	395,037,057

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

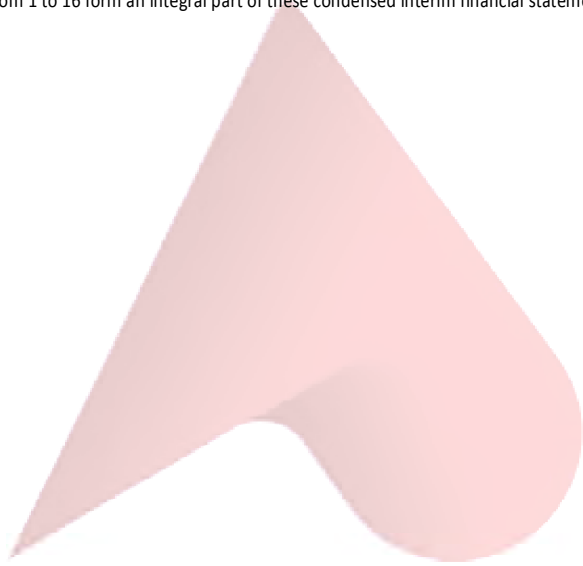
Director



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

	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	437,274,496	665,658,626	156,354,807	395,037,057
Other comprehensive income during the period	-	-	-	-
Total comprehensive income for the period	<u>437,274,496</u>	<u>665,658,626</u>	<u>156,354,807</u>	<u>395,037,057</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

 Chief Executive Officer

 Director



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

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period before taxation	437,274,496	665,658,626	156,354,806	395,037,057
Adjustments for:				
Net capital gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	(27,107,843)	(435,981)	(15,889,539)	(258,694)
Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	20,120,824	(181,829,960)	27,789,482	(104,064,353)
Provision for Workers' Welfare Fund	-	13,584,869	-	8,061,980
Amortisation of deferred formation cost	288,917	287,862	95,605	94,553
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(11,882,643)	(353,679,186)	(3,426,087)	(214,405,744)
Unwinding of discounting income	(163,946,169)	-	(135,971,520)	1,947,575
	<u>254,747,582</u>	<u>143,586,230</u>	<u>28,952,747</u>	<u>86,412,374</u>
Increase in assets				
Investments - net	(1,105,977,920)	(4,101,165,168)	(1,605,501,786)	(2,464,712,314)
Mark-up-receivable	-	-	11,451,829	-
Prepayments and other receivables	129,927,855	(57,492,410)	129,801,677	129,535,568
	<u>(976,050,065)</u>	<u>(4,158,657,578)</u>	<u>(1,464,248,280)</u>	<u>(2,335,176,746)</u>
Increase / (decrease) in liabilities				
Payable to the Management Company	29,747,866	29,609,875	20,474,723	23,616,191
Remuneration payable to the Trustee	108,925	314,059	(45,365)	137,107
Annual fee payable to Securities and Exchange Commission of Pakistan	2,126,448	1,200,993	1,554,910	761,086
Provision for workers welfare fund (WWF)	-	-	-	-
Distribution Payable	(28,004,222)	-	-	-
Accrued and other liabilities	(73,102,739)	6,253,205	(13,024,668)	5,941,497
	<u>(69,123,722)</u>	<u>37,378,132</u>	<u>8,959,600</u>	<u>30,455,881</u>
Net cash used in operating activities	<u>(790,426,205)</u>	<u>3,977,693,216</u>	<u>(1,426,335,933)</u>	<u>(2,218,308,491)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received on issue of units	8,894,486,767	7,824,334,424	3,105,505,638	3,642,707,400
Payment against redemption of units	(8,158,150,528)	(3,266,663,096)	(2,979,595,516)	(1,897,243,181)
Net cash generated from / (used in) financing activities	<u>736,336,239</u>	<u>4,557,671,328</u>	<u>125,910,122</u>	<u>1,745,464,219</u>
Net increase in cash and cash equivalents during the period	<u>(54,089,966)</u>	<u>579,978,112</u>	<u>(1,300,425,811)</u>	<u>(472,844,272)</u>
Cash and cash equivalents at beginning of the period	2,064,928,597	146,664,314	3,311,264,442	1,199,486,698
Cash and cash equivalents at end of the period	<u>13</u> <u>2,010,838,628</u>	<u>726,642,426</u>	<u>2,010,838,628</u>	<u>726,642,426</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfaluh GHP Investment Management Limited
(Management Company)

Chief Executive Officer



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

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
Undistributed income carried forward				
- Realized gains	38,651,642	804,301	466,190,925	193,233,205
- Unrealized gains	154,288,252	(427,058)	7,668,658	77,765,607
	192,939,894	377,243	473,859,583	270,998,812
Total comprehensive income for the period	437,274,496	665,658,626	156,354,807	395,037,057
Undistributed income carried forward	<u>630,214,390</u>	<u>666,035,869</u>	<u>630,214,390</u>	<u>666,035,869</u>
Undistributed income carried forward at end of the period				
- Realized gains	650,335,214	484,205,909	658,003,872	561,971,516
- Unrealized gains	(20,120,824)	181,829,960	(27,789,482)	104,064,353
	<u>630,214,390</u>	<u>666,035,869</u>	<u>630,214,390</u>	<u>666,035,869</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
Net assets at beginning of the period	7,234,406,464	513,947,388	8,117,295,714	3,457,502,624
Amount realised / unrealised on issuance of 84,166,947 units (March 31, 2015: 72,164,066 units) and 29,031,899 units (March 31, 2015: 32,495,524 units) for nine months and quarter respectively	8,894,486,767	7,824,334,424	3,105,505,638	3,642,707,400
Amount paid / payable on redemption of 77,102,742 units (March 31, 2015: 30,154,477 units) and 27,833,383 units (March 31, 2015: 17,056,856 units) for nine months and quarter respectively	<u>(8,158,150,528)</u>	<u>(3,266,663,096)</u>	<u>(2,979,595,516)</u>	<u>(1,897,243,181)</u>
	<u>7,970,742,703</u>	<u>5,071,618,716</u>	<u>8,243,205,836</u>	<u>5,202,966,843</u>
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(11,882,643)	(353,679,186)	(3,426,087)	(214,405,744)
Total comprehensive income for the period before capital gains - realised and unrealised	<u>430,287,477</u>	483,392,685	<u>168,254,750</u>	290,714,010
Net capital gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	<u>27,107,843</u>	435,981	<u>15,889,539</u>	258,694
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	<u>(20,120,824)</u>	181,829,960	<u>(27,789,482)</u>	104,064,353
Total comprehensive income for the period	<u>437,274,496</u>	665,658,626	<u>156,354,807</u>	395,037,057
Net assets at end of the period	<u><u>8,396,134,556</u></u>	<u>5,383,598,156</u>	<u><u>8,396,134,556</u></u>	<u>5,383,598,156</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Sovereign Fund (the Fund) was constituted under Trust Deed dated April 21, 2014 between Alfalah GHP Investment Management Limited (AGIML) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust deed was registered with Sub-Registrar on May 06, 2014.

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 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/IGIFL/261/2012 dated September 11, 2012 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/DD-ZRK/AFGIML/961/2014 dated April 21, 2014.

The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited (Formerly Lahore Stock Exchange (Guarantee) Limited). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2-'(Outlook: Positive) to the Management Company in its rating report dated March 31, 2016 and AA-(f) to the Fund in its rating report dated December 31, 2015.

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.

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, basis of accounting estimates applied and methods of computation adopted 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)
5. BANK BALANCE - Local Currency	<i>Note</i>	----(Rupees)----	
Deposit account	5.1	804,779,624	920,882,900
		<u>804,779,624</u>	<u>920,882,900</u>

5.1 This represents balance in deposit accounts with banks and carry profit rate of 5.75% - 7% per annum (June 30, 2015: 6% to 7% per annum).

6 INVESTMENTS

Financial asset at fair value through profit and loss- held for trading

Treasury Bills	6.1	3,169,393,933	2,008,988,095
Pakistan Investment Bonds	6.2	3,735,721,126	4,257,330,691
Term Deposit Receipts - held to maturity	6.3	700,128,142	-
		<u>7,605,243,201</u>	<u>6,266,318,786</u>

Treasury bills having face value of Rs.100 each	Note	As at July 01, 2015	Purchased during the year	Sold /matured during the year	As at March 31, 2016	Carrying amount as at March 31, 2016	Market value as at March 31, 2016	% Net assets on the basis of market value	% Total investment on the basis of market value
									(No. of certificates)
Maturity upto 03 Months	6.1.1	13,500,000	121,566,000	129,966,000	5,100,000	505,965,686	505,930,862	6.03%	6.65%
Maturity upto 06 Months	6.1.2	7,050,000	20,250,000	7,050,000	20,250,000	1,977,326,624	1,977,128,424	23.55%	26.00%
Maturity upto 09 Months	6.1.3	-	1,000,000	-	1,000,000	96,587,215	96,575,592	1.15%	1.27%
Maturity upto 12 Months	6.1.4	-	6,250,000	-	6,250,000	589,797,184	589,759,055	7.02%	7.75%
		<u>20,550,000</u>	<u>149,066,000</u>	<u>137,016,000</u>	<u>32,600,000</u>	<u>3,169,676,709</u>	<u>3,169,393,933</u>		

6.1.1 These represent treasury bills having face value of Rs.510 million (June 30, 2015: Rs.1,155 million) and carrying purchase yield ranging from 6.16% to 6.27 (June 30, 2015: 6.86% to 6.87%) per annum. These treasury bills have maturity upto May 26, 2016 (June 30, 2015: September 17, 2015).

6.1.2 These represent treasury bills having face value of Rs.2,025 million (June 30, 2015: Rs.1,155 million) and carrying purchase yield ranging from 6.18% to 6.25 (June 30, 2015: 6.86% to 6.87%) per annum. These treasury bills have maturity upto September 29, 2016 (June 30, 2015: September 17, 2015).

6.1.3 These represent treasury bills having face value of Rs.100 million (June 30, 2015: Rs.1,155 million) and carrying purchase yield ranging from 6.20% to 6.20 (June 30, 2015: 6.86% to 6.87%) per annum. These treasury bills have maturity upto October 27, 2016 (June 30, 2015: September 17, 2015).

6.1.4 These represent treasury bills having face value of Rs.625 million (June 30, 2015: Rs.1,155 million) and carrying purchase yield ranging from 6.20% to 6.22 (June 30, 2015: 6.86% to 6.87%) per annum. These treasury bills have maturity upto March 30, 2017 (June 30, 2015: September 17, 2015).



6.2 Pakistan Investment Bonds (PIBs)

Treasury bills having face value of Rs.100 each	Note	As at July 01, 2015	Purchased during the year	Sold / matured during the year	As at March 31, 2016	Carrying amount	Market value	% Net assets	% Total investment on
						as at March 31, 2016	as at March 31, 2016	of market value	the basis of market value
				(No. of certificates)				(%)	
Maturity upto 03 Years	6.2.1	27,700,000	9,700,000	16,850,000	20,550,000	2,082,690,743	2,150,760,916	25.62%	28.28%
Maturity upto 05 Years	6.2.2	8,100,000	4,850,000	3,350,000	9,600,000	975,919,267	1,082,800,632	12.90%	14.24%
Maturity upto 10 Years	6.2.3	4,250,000	5,250,000	5,250,000	4,250,000	502,014,676	502,159,578	5.98%	6.60%
		<u>40,050,000</u>	<u>19,800,000</u>	<u>25,450,000</u>	<u>34,400,000</u>	<u>3,560,624,686</u>	<u>3,735,721,126</u>		

6.2.1 These represent Pakistan Investment Bonds having face value of Rs. 2,055 million (June 30, 2015: 2,770 million) carrying purchase yield ranging between 6.25% to 12.52% (June 30, 2014: 12.51 to 7.06) per annum. These Pakistan Investment Bonds will mature on July 18, 2018 (June 30, 2015: March 26, 2015).

6.2.2 These represent Pakistan Investment Bonds having face value of Rs. 960 million (June 30, 2015: 0.810 million) carrying purchase yield ranging between 6.94% to 12.97% (June 30, 2015: 12.98% to 8.46%) per annum. These Pakistan Investment Bonds will mature on March 26, 2020 (June 30, 2015: March 26, 2020).

6.2.3 These represent Pakistan Investment Bonds having face value of Rs. 425 million (June 30, 2015: 0.425 million) carrying purchase yield ranging between 7.38% to 8.20% (June 30, 2015: 9.81% to 10.45%) per annum. These Pakistan Investment Bonds will mature on July 19, 2022 (June 30, 2015: March 26, 2025).

6.3 Term Deposit Receipts - held to maturity

Name of the investee company	Rate of return per annum	Face value				Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets	
		As at July 01, 2015	Purchased during the period	Matured during the year	As at March 31, 2016					
Allied Bank Limited	6.70%	-	1,000,000,000	300,000,000	700,000,000	700,128,142	May 31, 2016	AA+ / A1+	9.21%	8.34%
Allied Bank Limited	7.25%	-	400,000,000	400,000,000	-	-	January 18, 2016	AA+ / A1+	0.00%	0.00%
Bank Alfalah Limited	7.25%	-	680,000,000	680,000,000	-	-	February 29, 2016	AA / A1+	0.00%	0.00%
			<u>2,080,000,000</u>	<u>1,380,000,000</u>	<u>700,000,000</u>	<u>700,128,142</u>				

March 31, 2016
(Unaudited)

June 30, 2015
(Audited)

7. PREPAYMENTS AND OTHER RECEIVABLES

-----(Rupees)---

7.1 Prepayments

Annual listing fee	27,065	17,148
Annual rating fee	254,337	191,571
Others	19,474	
	<u>300,876</u>	<u>208,719</u>

7.2 Other receivables

Considered good

Mark-up / return receivable on:

- bank balances	6,534,768	2,686,645
- Pakistan Investment Bonds	50,981,451	184,849,586
	<u>57,516,219</u>	<u>187,536,231</u>

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
8. PAYABLE TO THE MANAGEMENT COMPANY		
----- (Rupees) -----		
Remuneration payable to the Management Company	7,739,288	4,412,554
Sales tax payable on management fee	2,259,109	2,262,270
Federal excise duty on management fee	11 14,896,300	5,213,576
Formation cost payable	5,000	1,919,423
Sales load payable	19,891,791	1,235,799
Other payables	50,000	50,000
	<u>44,841,488</u>	<u>15,093,622</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 11 to the annual financial statements of the Fund for the year ended June 30, 2015.		
10. ACCRUED AND OTHER LIABILITIES		
Capital gain tax	5,301,942	17,440,966
Withholding tax	48,420	44,779,655
Sales Load Payable	-	18,010,289
Auditors' remuneration	528,856	415,682
Brokerage	177,349	271,943
Printing charges payable	54,239	41,768
Other liabilities	1,746,758	-
	<u>7,857,564</u>	<u>80,960,303</u>
11. 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 14 to the annual financial statements of the Fund for the year ended June 30, 2015.		
12. 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. 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 tax provision has been made in these condensed interim financial statements for the nine months period ended on March 31, 2016.		
13. CASH AND CASH EQUIVALENTS		
Bank balances	5 804,779,624	920,882,900
Treasury bills maturing within 3 months	505,930,862	1,144,045,697
Term Deposit Receipts maturity within 3 months	6.3 700,128,142	-
	<u>2,010,838,628</u>	<u>2,064,928,597</u>

**14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Connected persons / related parties include Alfalsh GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalsh Limited and MAB Investment Incorporated being associated companies of Management Company, directors and key management personnel of Alfalsh 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 and at contractual rates.

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

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

	Nine months ended March 31, 2016 (Un-audited)									
	As at July 01, 2015	Issued for cash	Bonus	Redeemed	As at March 31, 2016	As at July 01, 2015	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2016
	----- Units -----				----- (Rupees) -----					
Associated Companies										
/ Undertakings										
Bank Alfalsh Limited	1,978,187	-	-	-	1,978,187	203,382,106	-	-	-	214,504,114
Alfalsh GHP Investment Management Ltd- Staff Provident Fund	24,127	4,325	-	-	28,452	2,480,574	450,000	-	-	3,085,184
Alfalsh Insurance Company Limited	-	184,496	-	-	184,496	-	20,000,000	-	-	20,005,768
Alfalsh GHP Capital Preservation Fund	4,157,003	25,690,089	-	27,792,792	2,054,300	427,391,415	2,727,000,000	-	2,957,000,000	222,757,404
Alfalsh GHP Prosperity Planning Fund	-	2,244,383	-	1,097,680	1,146,703	-	2,26,500,000	-	116,256,294	124,342,396
Management Company										
Alfalsh GHP Investment Management Ltd	1,912,990	227,436	-	141,687	1,998,739	196,679,123	24,000,000	-	15,000,000	216,732,664
Key Management Personnel - Employees										
	6,887	1,215	-	8,102	-	708,075	125,000	-	844,256	-
Nine months ended March 31, 2015 (Un-audited)										
	As at July 01, 2014	Issued for cash	Bonus	Redeemed	As at March 31, 2015	As at July 01, 2014	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2015
	----- Units -----				----- (Rupees) -----					
Associated Companies										
/ Undertakings										
Bank Alfalsh Limited	1,978,187	-	-	-	1,978,187	197,966,820	-	-	-	225,892,681
MCBFSL-Trustee Alfalsh GHP Capital Preservation Fund	-	7,642,557	-	3,217,701	4,424,856	-	822,500,000	-	350,000,000	505,282,261
Key Management Personnel - Management Company										
Alfalsh GHP Investment Management Ltd	746,595	163,036	-	55,286	854,346	74,715,411	17,297,000	-	6,000,000	97,559,254
Employees	3,106	12,242	-	8,455	6,893	310,793	1,384,982	-	924,623	855,571



Quarter ended March 31, 2016 (Un-audited)

	As at January 01, 2016	Issued for cash	Bonus	Redeemed	As at March 31, 2016	As at January 01, 2016	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2016
	----- Units -----				----- (Rupees) -----					
Associated Companies										
/ Undertakings										
Bank Alfalah Limited	1,978,187	-	-	-	1,978,187	203,382,106	-	-	-	214,507,081
Alfalsh GHP Investment Management Ltd- Staff Provident Fund	28,452	-	-	-	28,452	2,930,574	-	-	-	3,085,227
Alfalsh Insurance Company Limited	-	184,496	-	-	184,496	-	20,000,000	-	-	20,006,045
MCBFSL-Trustee Alfalah GHP Capital Preservation Fund	1,504,173	8,003,657	-	7,453,530	2,054,300	143,391,415	854,000,000	-	800,000,000	222,760,486
Alfalsh GHP Prosperity Planning Fund	1,053,035	242,108	-	148,440	1,146,703	110,243,705	16,000,000	-	16,000,000	124,344,116
Key Management Personnel-										
Management Company										
Alfalsh GHP Investment Management Ltd	1,998,739	-	-	-	1,998,739	205,679,123	-	-	-	216,735,662

Quarter ended March 31, 2015 (Un-audited)

	As at January 01, 2015	Issued for cash	Bonus	Redeemed	As at March 31, 2015	As at January 01, 2015	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2015
	----- Units -----				----- (Rupees) -----					
Associated Companies										
/ Undertakings										
Bank Alfalah Limited	1,978,187	-	-	-	1,978,187	215,715,307	-	-	-	225,892,681
MCBFSL-Trustee Alfalah GHP Capital Preservation Fund	4,239,256	1,072,529	-	886,929	4,424,856	462,278,179	122,500,000	-	100,000,000	505,282,261
Key Management Personnel-										
Management Company										
Alfalsh GHP Investment Management Ltd	854,346	-	-	-	854,346	93,163,817	-	-	-	97,539,254
Employees	1,868	10,974	-	5,350	7,492	203,681	1,184,982	-	609,580	855,571



	Nine months period ended		Quarter ended (Un-audited)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
14.2 Other transactions				
Associated Companies / Undertakings				
Alfalsh GHP Investment Management Limited				
- Management Company				
Remuneration to the Management Company	<u>60,517,007</u>	<u>16,772,329</u>	<u>20,732,105</u>	<u>10,201,076</u>
Sales tax on management fee	<u>9,827,969</u>	<u>2,918,385</u>	<u>3,366,896</u>	<u>1,774,989</u>
Federal excise duty on management fee	<u>9,682,724</u>	<u>2,683,573</u>	<u>3,317,137</u>	<u>1,632,172</u>
Sales load	<u>18,118,086</u>	<u>-</u>	<u>3,680,291</u>	<u>-</u>
Central Depository Company of Pakistan Limited				
Trustee fee	<u>5,101,097</u>	<u>1,772,449</u>	<u>1,741,389</u>	<u>1,741,389</u>
Sales tax on trustee fee	<u>714,156</u>	<u>-</u>	<u>243,797</u>	<u>243,797</u>
			March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
			-----(Rupees)----	
14.3 Other balances				
Associated companies / undertakings				
Alfalsh GHP Investment Management Limited -				
Management Company				
Remuneration to the Management Company			<u>7,739,288</u>	<u>32,163,999</u>
Sales tax on management fee			<u>2,259,109</u>	<u>5,596,540</u>
Federal Excise on management fee			<u>14,896,300</u>	<u>5,146,245</u>
Formation cost payable			<u>5,000</u>	<u>1,919,423</u>
Sales load, Sales tax and federal excise duty payable thereon			<u>19,891,791</u>	<u>1,235,799</u>
Other payable			<u>50,000</u>	<u>50,000</u>
Other related parties				
Central Depository Company of Pakistan Limited				
Trustee fee			<u>552,287</u>	<u>3,112,688</u>
Bank Alfalah Limited				
Deposits at the end of the period			<u>149,319,628</u>	<u>918,968,477</u>
Profit on deposit accounts for the period			<u>10,478,947</u>	<u>21,449,161</u>
Profit receivable at the end of the period			<u>1,001,957</u>	<u>2,686,645</u>
Bank charges for the period			<u>47,244</u>	<u>46,672</u>
Treasury Bills - purchased			<u>3,372,896,550</u>	<u>2,142,610,465</u>
Treasury Bills - sold			<u>651,712,755</u>	<u>49,871,550</u>
Pakistan Investment Bonds - Sell			<u>104,511,800</u>	<u>-</u>
Pakistan Investment Bonds - purchased			<u>202,020,500</u>	<u>1,371,706,850</u>
Term Deposit Receipt - purchased			<u>680,000,000</u>	<u>-</u>
Profit on TDRs for the period			<u>8,374,247</u>	<u>-</u>
Alfalsh GHP Income Multiplier Fund				
Treasury Bills - purchased			<u>178,030,060</u>	<u>39,370,280</u>
Treasury Bills - sold			<u>209,565,940</u>	<u>-</u>
Pakistan Investment Bonds - sold			<u>-</u>	<u>49,346,700</u>



	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	----(Rupees)----	
Alfalah GHP Money Market Fund (Formerly IGI Money Market Fund)		
Treasury Bills - purchased	541,664,685	600,469,035
Pakistan Investment Bonds - sold	<u>254,689,000</u>	<u>-</u>
Treasury Bills - sold	<u>209,003,220</u>	<u>49,370,350</u>
Alfalah GHP Cash Fund		
Treasury Bills - purchased	<u>9,972,420</u>	<u>831,908,560</u>
Alfalah GHP Income Fund (Formerly IGI Income Fund)		
Treasury Bills - purchased	<u>14,861,535</u>	<u>-</u>
Treasury Bills - sold	<u>99,781,800</u>	<u>-</u>
Pakistan Investment Bonds - Sell	<u>28,645,425</u>	<u>-</u>
Pakistan Investment Bonds - purchased	<u>-</u>	<u>55,374,350</u>

15. DATE OF AUTHORISATION FOR ISSUE

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

16. GENERAL

16.1 Being the first accounting period of the Fund, there are no corresponding figures to report.

16.2 Figures are rounded off to the nearest rupee.

For Alfalah 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