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**FUND'S INFORMATION**

<b>Management Company:</b>	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
<b>Board of Directors of the Management Company:</b>	- Mr. Abdul Aziz Anis - Mr. Hanspeter Beier - Mr. Shakil Sadiq - Mr. Syed Ali Sultan - Mr. Shahab Bin Shahid
<b>CFO &amp; Company Secretary of the Management Company:</b>	- Mr. Omer Bashir Mirza
<b>Audit Committee:</b>	- Mr. Shahab Bin Shahid - Mr. Shakil Sadiq - Mr. Syed Ali Sultan
<b>HR Committee:</b>	- Mr. Shakil Sadiq - Mr. Shahab Bin Shahid - Mr. Abdul Aziz Anis
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
<b>Fund Manager:</b>	- Mr. Ather H. Medina
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi.
<b>Legal Advisor:</b>	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	4 Star (Short term) / 4 Star (Long term) by PACRA

### **MISSION STATEMENT**

*Alfalah GHP Islamic Fund aims to provide its unit holders with sustainable, consistent and Shariah compliant return over a period of time through active asset allocation strategies towards equity and income asset classes.*

### **VISION STATEMENT**

*Alfalah GHP Islamic Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable, consistent and Shariah compliant return over the long term through investment exposure to equity and income 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 Islamic Fund (AGIF) is pleased to present its quarterly report on the affairs of AGIF to the unit holders for the quarter ended 31 March 2013.

### Financial Performance

Net assets under management as at 31 March 2013 were Rs.338.91 million. During the period units worth Rs. 7.04 million were redeemed.

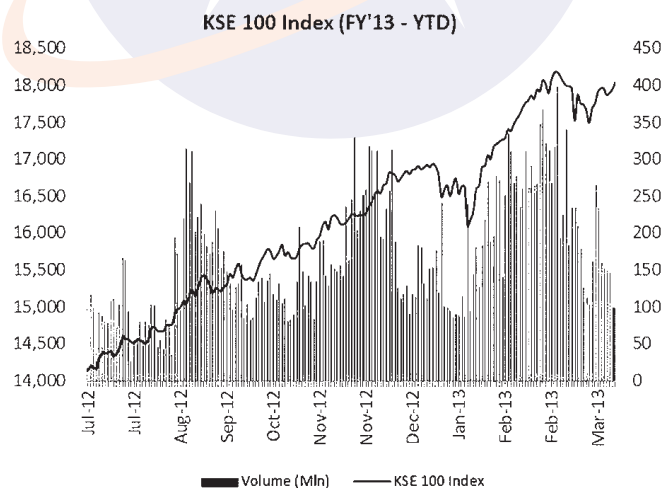
AGIF earned total income of Rs. 71.25 million for the nine months ended 31 March 2013. Major sources of revenue were dividend income of Rs.16.78 million, profit on bank deposits of Rs. 8.82 million, capital gains of Rs. 7.93 million, and income from sukuk certificates of Rs. 1.62 million. After accounting for expenses of Rs. 9.94 million, the net income from operating activities for the period stands at Rs. 61.31 million.

### Market and Fund's Performance

The fund ended the 3rd Quarter on March 31, 2013 showing a return of 16.77% versus its benchmark's return of 18.96% during the same period, thereby lagging the benchmark by 2.19% during the period.

The Karachi Stock Exchange has had a long bull run during the period in question with the benchmark KSE 100 index having had a positive month-on-month close for 8 consecutive months from July 2012 - February 2013, with a minor 0.7% decline in March 2013.

Despite some serious issues on the economic, political, and law & order fronts, the equity markets managed to perform due to strong corporate results, and the growing optimism of the likelihood of an elected assembly completing its tenure for the first time in the country's history.



**Asset Allocation**

The asset allocation of AGIF as at 31 March 2013 were as follows:

Equity	66.09%
Cash / Bank Deposits	31.87%
Others	<u>2.04%</u>
	<u><b>100%</b></u>

**Investment Outlook**

While concerns linger regarding the deteriorating macroeconomic fundamentals, weak law and order situation, and the possibility of no political party getting a clear mandate in the upcoming general election, the very fact that the country is heading into a general election with the previous assembly having completed its full term is a huge positive. Additionally, strong earnings growth and healthy payouts in industries such as Oil & Gas, Cement, FMCGs etc. will continue to drive the equity markets going forward.

**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

16 April 2013  
Karachi

**Abdul Aziz Anis**  
Chief Executive

**CONDENSED INTERIM STATEMENT OF  
ASSETS AND LIABILITIES (UNAUDITED)  
AS AT 31 MARCH 2013**

	<i>Note</i>	<b>31 March 2013 (Unaudited) (Rupees in '000)</b>	30 June 2012 (Audited)
<b>Assets</b>			
Bank balances	5	110,493	136,909
Investments	6	229,069	189,924
Dividend and profit receivable		4,425	1,758
Deposits, prepayments and other receivables		2,635	2,600
Preliminary expenses and floatation costs		-	122
<b>Total assets</b>		<b>346,622</b>	<b>331,313</b>
<b>Liabilities</b>			
Payable to Alfalah GHP Investment Management Limited - Management Company		667	758
Payable to Central Depository Company of Pakistan Limited - Trustee		61	59
Payable to Securities and Exchange Commission of Pakistan - Annual fee		242	310
Accrued expenses and other liabilities		6,737	5,584
<b>Total liabilities</b>		<b>7,707</b>	<b>6,711</b>
<b>Contingencies and Commitments</b>	8	-	-
<b>Net assets</b>		<b>338,915</b>	<b>324,602</b>
<b>Unit holders' funds (as per statement attached)</b>		<b>338,915</b>	<b>324,602</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>5,926,911</b>	<b>6,023,918</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>57.18</b>	<b>53.89</b>

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

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013**

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Note	(Rupees in '000)		(Rupees in '000)	
<b>Income</b>				
Capital gain on sale of investments - HFT	10,712	11,703	1,188	4,739
Capital gain / (loss) on sale of investments - AFS	(2,781)	2,486	-	2,486
Income from sukuk certificates	1,620	70	-	1,187
Dividend income	16,782	13,442	6,001	4,206
Profit on deposit accounts with banks	8,816	8,270	2,134	3,303
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	23,927	6,221	6,303	15,252
Impairment in the value of investments classified as 'available for sale'	(3,742)	-	-	-
Reversal of Impairment in the value of investments classified as 'available for sale'	15,916	-	-	-
<b>Total income</b>	<b>71,250</b>	<b>42,192</b>	<b>15,626</b>	<b>31,173</b>
<b>Expenses</b>				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	5,248	5,395	1,642	1,827
Sindh sales tax on Management fee	840	863	263	292
Remuneration of Central Depository Company of Pakistan Limited - Trustee	526	526	173	174
Annual fee - Securities and Exchange Commission of Pakistan	242	228	78	77
Amortisation of preliminary expenses and floatation costs	122	535	-	177
Bank and settlement charges	173	171	65	59
Legal and Professional Charges	68	70	22	25
Auditors' remuneration	502	503	125	126
Brokerage	750	882	264	442
Provision for workers' welfare fund	1,242	656	257	558
Fees and subscriptions	105	105	35	35
Printing and related cost	123	117	30	33
<b>Total expenses</b>	<b>9,941</b>	<b>10,051</b>	<b>2,954</b>	<b>3,825</b>
<b>Net income from operating activities</b>	<b>61,309</b>	<b>32,141</b>	<b>12,672</b>	<b>27,348</b>
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(453)	23	(62)	(2)
<b>Net income for the period</b>	<b>60,856</b>	<b>32,164</b>	<b>12,610</b>	<b>27,346</b>

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

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013**

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<i>Note</i>	(Rupees in '000)		(Rupees in '000)	
Net income for the period	<b>60,856</b>	32,164	<b>12,610</b>	27,346
<b>Other comprehensive income / (loss):</b>				
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealized capital gains / (losses)	<b>8</b>	-	<b>16</b>	-
Net unrealised appreciation / (diminution) during the period in fair value of investments classified as 'available for sale' 6.5	<b>(9,216)</b>	179	-	1,144
Other comprehensive income /(loss) for the period	<b>(9,208)</b>	179	<b>16</b>	1,144
<b>Total comprehensive income for the period</b>	<b>51,648</b>	32,343	<b>12,626</b>	28,490

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

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013**

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	<i>Note</i>		<i>(Rupees in '000)</i>	
Undistributed income brought forward				
Realised	10,056	24,536	11,958	23,167
Unrealised	3,772	4,981	17,624	(9,031)
	13,828	29,517	29,582	14,136
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealized capital gains / (losses)	8	-	16	-
Net income for the period	60,856	32,164	12,610	27,346
Final distribution for the year ended 30 June 2012:				
- Cash distribution of Rs.Nil per unit (2011: Rs.3.50 per unit)	-	(19,565)	-	-
- Issue of Nil bonus units (2011: 11,902 units)	-	(634)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. 5.50 (2011: Rs: Nil per unit)	10 (30,745)	-	-	-
- Issue of 31,711 bonus units (2011: Nil units)	(1,739)	-	-	-
Undistributed income carried forward	28,380	11,965	12,626	27,346
Realised	18,281	35,261	35,905	26,230
Unrealised	23,927	6,221	6,303	15,252
	42,208	41,482	42,208	41,482

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

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF  
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013**

	Nine months ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Note	(Rupees in '000)		(Rupees in '000)	
Net assets at the beginning of the period	<b>324,602</b>	327,397	<b>326,790</b>	311,485
Redemption of 128,718 units (2011: 3,417 units) and 10,000 units (2011: 401) for the nine months and quarter respectively	<b>(7,035)</b>	(185)	<b>(547)</b>	(10)
	<b>(7,035)</b>	(185)	<b>(547)</b>	(10)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:				
- amount representing accrued (income) / loss and realised capital (gains) / losses - transferred to the Income Statement	<b>453</b>	(23)	<b>62</b>	2
- amount representing unrealised capital (gains) losses - transferred directly to the Distribution Statement	<b>(8)</b>	-	<b>(16)</b>	-
	<b>445</b>	(23)	<b>46</b>	2
Final distribution of Nil bonus units declared for the year ended 30 June 2012 (2011: 11,902 units)	-	634	-	-
Interim distribution of 31,711 bonus units for the year ended 30 June 2012 (2011: Nil units)	<b>1,739</b>	-	-	-
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'available-for-sale'	6.5 <b>(9,216)</b>	179	-	1,144
Capital gain / (loss) on sale of investments	<b>7,931</b>	14,189	<b>1,188</b>	7,225
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	<b>23,927</b>	6,221	<b>6,303</b>	15,252
Other net income / (loss) for the year	<b>28,998</b>	11,754	<b>5,119</b>	4,869
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealised capital gains / (losses)	<b>8</b>	-	<b>16</b>	-
Final distribution for the year ended 30 June 2012:				
- Cash distribution of Rs.Nil per unit (2011: Rs.3.50 per unit)	-	(19,565)	-	-
- Issue of Nil bonus units (2011: 11,902 units)	-	(634)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. 5.50 (2011: Rs: Nil per unit)	10 <b>(30,745)</b>	-	-	-
- Issue of 31,711 bonus units (2011: Nil units)	<b>(1,739)</b>	-	-	-
Net income / (loss) for the period less distribution	<b>28,380</b>	11,965	<b>12,626</b>	27,346
<b>Net assets at the end of the period</b>	<b>338,915</b>	339,967	<b>338,915</b>	339,967
		<b>Rupees</b>		
Net asset value per unit at the beginning of the period	<b>53.89</b>	56.73	<b>55.04</b>	53.89
Net asset value per unit at the end of the period	<b>57.18</b>	58.82	<b>57.18</b>	58.82

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

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March 2013</u>	<u>31 March 2012</u>	<u>31 March 2013</u>	<u>31 March 2012</u>
	<b>(Rupees in '000)</b>		<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period	60,856	32,164	12,610	27,346
<b>Adjustments for:</b>				
Unrealised appreciation / (diminution) in the value of investments				
-at fair value through profit or loss'	(23,927)	(6,221)	(6,303)	(15,252)
Impairment in the value of investments classified as 'available for sale'	3,742	-	-	-
Reversal of Impairment in the value of investments classified as 'available for sale'	(15,916)	-	-	-
Dividend income	(16,782)	(13,442)	(6,001)	(4,206)
Profit on deposit accounts with banks	(8,816)	(8,270)	(2,134)	(3,303)
Amortisation of preliminary expenses and floatation costs	122	535	-	177
Income from sukuk certificates	(1,620)	(70)	-	(1,187)
Provision for workers' welfare fund	1,242	656	257	558
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	453	(23)	62	2
	(646)	5,329	(1,509)	4,135
<b>(Increase) / decrease in assets</b>				
Investments	(12,260)	12,206	(10,303)	19,928
Deposits, prepayments and other receivables	(35)	(35)	34	35
	(12,295)	12,171	(10,269)	19,963
<b>Increase / (decrease) in liabilities</b>				
Payable against Purchase of Investments	-	(2,269)	(22,766)	-
Payable to Alfalah GHP Investment Management Limited - Management Company	(91)	136	(26)	43
Payable to Central Depository Company of Pakistan Limited - Trustee	2	3	-	2
Payable to Securities and Exchange Commission of Pakistan -Annual fee	(68)	(86)	78	77
Accrued expenses and other liabilities	(89)	(54)	(147)	36
	(246)	(2,270)	(22,861)	158
Dividend and profit received	24,551	21,389	5,002	5,617
<b>Net cash flow from / (used in) operating activities</b>	<b>11,364</b>	<b>36,619</b>	<b>(29,637)</b>	<b>29,873</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment against redemption of units	(7,035)	(185)	(547)	(10)
Cash dividend paid	(30,745)	(19,565)	-	-
<b>Net cash flow from / (used in) financing activities</b>	<b>(37,780)</b>	<b>(19,750)</b>	<b>(547)</b>	<b>(10)</b>
Net increase / (decrease) in cash and cash equivalents during the period	(26,416)	16,869	(30,184)	29,863
Cash and cash equivalents at beginning of the period	136,909	143,621	140,677	130,627
Cash and cash equivalents at end of the period	110,493	160,490	110,493	160,490

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

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

Chief Executive

Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalalah GHP Islamic 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 11th April, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 ("NBFC Rules"), on 29th March, 2007.

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

Alfalalah GHP Islamic 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 open ended shariah compliant asset allocation scheme. The primary objective of the Fund is to seek long term capital appreciation and income from a diversified portfolio developed in accordance with the principles of Shariah. The investments of the Fund are diversified both in terms of securities within an asset class as well as across asset classes. All activities of the Fund are undertaken in accordance with the Islamic Shariah as per the guidelines given by the Shariah Advisory Board of the Fund.

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 4 -Star (short term) and 4 -Star (long term) to the fund in its rating report dated 8 November 2012.

The 'Title' to the assets of the Fund are held in the name of Central Depository Company of Pakistan 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 March 2013 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim statement of cash flows and notes thereto, for the nine months and quarter ended 31 March 2013.

### 2. BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisory Board of the Fund.

#### 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.

### 3.1 Earnings per unit

Earnings per unit (EPU) for the nine months and quarter ended 31 March 2013 has not been disclosed in these condensed interim financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

## 4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

		<b>31 March 2013</b>	30 June 2012
		<b>(Unaudited)</b>	(Audited)
		<b>(Rupees in '000)</b>	
<b>5. BANK BALANCES</b>	<i>Note</i>		
Deposit accounts	5.1	<b>110,365</b>	136,754
Current account		<b>128</b>	155
		<u><b>110,493</b></u>	<u>136,909</u>

5.1 This represents saving deposit accounts maintained with various islamic banks or islamic banking division of conventional banks carried profit rate of 5.16% to 6.39% (30 June 2012: 5.00 % to 10.44%) per annum. This includes Rs.110.34 million (30 June 2012: Rs. 136.733 million) with a related party that carried profit rate of 5.33% to 10.76% per annum.

	<b>31 March 2013 (Unaudited)</b>	<b>30 June 2012 (Audited)</b>
<b>6. INVESTMENTS</b>	<b>Note</b>	<b>(Rupees in '000)</b>
<b>- At fair value through profit or loss-held for trading</b>		
In quoted equity securities	6.1	229,069
<b>- Available for sale</b>		
In quoted equity securities	6.3	14,678
In sukuk certificates	6.4	13,721
		<u>28,399</u>
		<u><b>229,069</b></u>
		<u><b>189,924</b></u>

**6.1 Investment in quoted equity securities - 'at fair value through profit or loss'**

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 March 2013	Cost as at 31 March 2013	Market value as at 31 March 2013	Market value as a percentage of:		Par value as a percentage of issued capital of the investee company
									net assets	total investments	
-----Number of shares----- (Rupees in '000)											
<b>Chemicals</b>											
Fauji Fertilizer Bin Qasim Limited		76,291	1,564,000	-	1,536,791	103,500	3,923	3,893	1.15	1.70	0.02
Fauji Fertilizer Company Limited		200,000	125,000	-	75,000	250,000	27,801	27,475	8.11	11.99	0.02
ICI Pakistan Limited		21,796	-	(7,293)	14,503	-	-	-	-	-	-
							<u>31,724</u>	<u>31,368</u>			
<b>Banks</b>											
BankIslami Pakistan Limited		300,000	1,486,000	-	155,483	1,630,517	14,529	10,305	3.03	4.50	0.31
Meezan Bank Limited		25,062	-	2,756	-	27,818	666	726	0.21	0.32	0.00
							<u>15,195</u>	<u>11,031</u>			
<b>Construction and Materials</b>											
D.G Khan Cement Company Limited		280,000	182,000	-	200,000	262,000	11,570	18,148	5.35	7.92	0.06
Lucky Cement Limited		180,000	200,000	-	200,000	180,000	23,128	30,166	8.90	13.17	0.06
Akzo Nobel Pakistan Limited		-	7,292	-	-	7,292	1,036	850	0.25	0.37	0.02
							<u>35,734</u>	<u>49,164</u>			
<b>Electricity</b>											
The Hub Power Company Limited	6.1.2	542,303	489,000	-	489,000	542,303	22,351	27,256	8.04	11.90	0.05
							<u>22,351</u>	<u>27,256</u>			
<b>Oil and Gas</b>											
Pakistan Petroleum Limited		139,000	90,000	43,500	65,000	207,500	33,732	36,356	10.73	15.87	0.01
Pakistan State oil Company Limited		52,625	72,000	39,955	-	164,580	29,610	33,431	9.86	14.59	0.07
Oil & Gas Development Company Limited		60,500	-	-	-	60,500	9,457	12,338	3.64	5.39	0.00
Pakistan Oilfields Limited		30,000	92,000	-	60,000	62,000	26,926	28,125	8.30	12.28	0.03
							<u>99,725</u>	<u>110,250</u>			
<b>General Industrials</b>											
Thal Limited		167,724	-	-	167,724	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			
<b>Grand total</b>							<u><b>204,729</b></u>	<u><b>229,069</b></u>			

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

6.1.2 Investments includes 200,000 shares of The Hub Power Company Limited which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and MTM losses for settlement of the Fund's trades as allowed in Circular number 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

	31 March 2013 (Unaudited)	30 June 2012 (Audited)
<b>6.2 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'</b>	<b>(Rupees in '000)</b>	
Market value of investments	229,069	161,525
Less: Cost of investments	<u>(204,729)</u>	<u>(153,544)</u>
	24,340	7,981
Net unrealised (appreciation) / diminution in the value of investment at the beginning of the period / year	(7,981)	(6,250)
Realised on disposal during the period / year	<u>7,568</u>	<u>2,041</u>
	(413)	(4,209)
Net unrealised appreciation / (diminution) in the value of investment for the period / year	<u><u>23,927</u></u>	<u><u>3,772</u></u>

**6.3 Investment in quoted equity securities - 'available for sale'**

Name of the investee company	Note	As at 01 July 2012	Purchases during the period	Bonus / rights Issue during the period	Sales during the period	As at 31 March 2013	Cost as at 31 March 2013	Market value as at 31 March 2013	Impairment in the value of investments	Market value as a percentage of:		Par value as a percentage of issued capital of the investee company
										net assets	total investments	
----- Number of shares ----- (Rupees in '000)												
<b>Oil and Gas</b>												
Pakistan Oilfields Limited												
<b>Total</b>		40,000	-	-	40,000	-	-	-	-	-	-	-

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

**6.4 Investment in sukuk certificates**

Name of the investee company	Maturity	Profit / Mark-up Percentage	As at 01 July 2012	Purchases during the period	Bonus / rights Issue during the period	Sales during the period	As at 31 March 2013	Cost as at 31 March 2013	Market value as at 31 March 2013	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 investment	
----- Number of certificates ----- (Rupees in '000)													
Maple Leaf Cement Factory Ltd.-I	Dec 2018	3 M+1.0%	5,000	-	-	5,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Ltd.-II	March 2013	3 M+1.0%	188	-	-	188	-	-	-	-	-	-	-
<b>Total</b>													
<b>Total Investment</b>													

6.4.1 The nominal value of sukuk certificates is Rs. 5,000 each.

	31 March 2013 (Unaudited)	30 June 2012 (Audited)
<b>6.5 Net unrealised appreciation / (diminution) in the value of investments classified as 'available-for-sale'</b>	<b>(Rupees in '000)</b>	
Market value of investments classified as 'available for sale'	-	28,399
Less: Cost of investments classified as 'available for sale'	-	(31,357)
Net unrealized (appreciation) / diminution in the value of investments	-	(2,958)
Impairment charged to income statement during the period / year	3,742	1,925
Reversal of impairment during the period / year	<u>(15,916)</u>	<u>(3,497)</u>
	(12,174)	(4,530)
Net unrealized (appreciation) / diminution in the value of investments at the beginning of the period / year	2,958	4,779
Net unrealised appreciation / (diminution) in the value of investments at the end of the period / year	<u><u>(9,216)</u></u>	<u><u>249</u></u>
<b>6.5.1 Particulars of impairment in the value of investments classified as 'available for sale'</b>		
Opening balance	12,181	13,753
Charge for the period / year	3,742	1,925
Impairment realised on disposal of Equity Securities	(7)	-
Reversal for the period / year	<u>(15,916)</u>	<u>(3,497)</u>
Closing balance	<u><u>-</u></u>	<u><u>12,181</u></u>

**7. SALES TAX ON MANAGEMENT FEE**

During the current period, an amount of Rs. 0.84 million (31 March 2012: Rs. 0.86 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 March 2013.

**9. PROVISION FOR WORKERS' WELFARE FUND**

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of Collective Investment Schemes (CISs) through their Trustee on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

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

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

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 5.892 million (30 June 2012: Rs. 4.650 million) up to 31 March 2013. If the same were not made the NAV per unit would be higher by Rs. 0.21.



**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	5.50	31,711	1,739	30,745	32,484

**11. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2013 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial statements for the nine months and quarter ended 31 March 2013.

**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:

	<b>31 March 2013 (Unaudited)</b>	<b>30 June 2012 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Balance at beginning of the period / year	758	605
Remuneration for the period / year	<u>5,248</u>	<u>7,344</u>
Sindh sales tax on Management fee for the period / year	<u>840</u>	<u>1,175</u>
	<u>6,088</u>	<u>8,519</u>
Amount paid during the period / year	<u>(6,179)</u>	<u>(8,366)</u>
Balance at the end of the period / year	<u>667</u>	<u>758</u>
<b>Central Depository Company of Pakistan Limited</b>		
Balance at beginning of the period / year	59	59
Remuneration for the period / year	<u>526</u>	<u>701</u>
CDS Charges for the period / year	<u>15</u>	<u>19</u>
	<u>541</u>	<u>720</u>
Amount paid during the period / year	<u>(539)</u>	<u>(720)</u>
Balance at the end of the period / year	<u>61</u>	<u>59</u>
Deposit with Central Depository Company of Pakistan Limited	<u>100</u>	<u>100</u>
<b>Bank Alfalah Limited-Islamic Banking Division</b>		
Deposits at the end of the period / year	<u>110,472</u>	<u>136,733</u>
Profit on deposit accounts for the period / year	<u>8,817</u>	<u>12,533</u>
Bank charges for the period / year	<u>5</u>	<u>6</u>

	<b>31 March 2013 (Unaudited)</b>	<b>30 June 2012 (Audited)</b>
	<b>(Units in '000)</b>	
Units held by	<u>5,590</u>	<u>5,590</u>
	<b>(Rupees in '000)</b>	
Cash dividend paid	<u>30,745</u>	<u>51,708</u>

### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	31 MARCH 2013			
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'at fair value through profit or loss'</b>	----- (Rupees in '000) -----			
- Equity securities	229,069	-	-	229,069
<b>Available-for-sale investments</b>				
- Equity securities	-	-	-	-
- Sukuk certificates	-	-	-	-
	<u>229,069</u>	<u>-</u>	<u>-</u>	<u>229,069</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 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 16 April 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