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FUND'S INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.	
Board of Directors of the Management Company:	- Mr. Aqueel Hassan	Chairman
	- Mr. Abdul Aziz Anis	Chief Executive
	- Mr. Shahid Hosain Kazi	Director
	- Mr. Hani Theodor Karl	Director
	- Mr. Shakil Sadiq	Director
	- Mr. Manocher Ahmed Jamal	Director
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza	
Audit Committee:	- Mr. Aqueel Hassan	Chairman
	- Mr. Shakil Sadiq	Member
	- Mr. Manocher Ahmed Jamal	Member
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.	
Fund Manager	Mr. Zeeshan Khalil	
Bankers to the Fund:	Bank Alfalah Limited Deutsche Bank AG	
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.	
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.	
Registrar:	Alfalalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.	
Distributor:	Bank Alfalah Limited.	

MISSION STATEMENT

Alfalah GHP Cash Fund will invest its assets in a prudent mix of short-term Government securities, placements and bank deposits so as to optimize the returns for its unit holders while maintaining liquidity and capital preservation as its primary goals

VISION STATEMENT

Alfalah GHP Cash Fund aims to become a preferred investment choice for investors having requirement of regular and steady income stream with preference on capital preservation and liquidity

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 Cash Fund (AGCF) is pleased to present its report together with the financial statements for the period from 13 March 2010 to 31 March, 2010.

Financial Performance

Net assets under management as on March 31, 2010 were Rs. 601.92 million. During the period units worth Rs. 724.57 million were issued and units worth Rs. 125.19 million were redeemed.

Alfalah GHP Cash Fund earned a total income of Rs. 3.65 million for the period from 13 March 2010 to 31 March 2010. Major sources of revenue were profit on bank deposits Rs. 2.55 million, income from Treasury Bills Rs. 1.09 million. After accounting for expenses of Rs. 0.55 million, the net income from operating activities for the period stands at Rs. 3.09 million.

Income Distribution

The Board in its meeting held on 26 April 2010 has approved and endorsed management decision of monthly interim distribution of Rs. 2.15 per unit (i.e. 0.43% of the NAV of Rs. 500/- at the beginning of the period) to the unit holders of Alfalah GHP Cash Fund for the month of March 2010 declared on 27th March 2010 as defined in clause 5 of Offering Document of the Fund.

Fund Performance

The Fund generated a NAV appreciation of 11.42% per annum (annualized) for the quarter ending 31 March 2010, an outperformance of 2.76%, as compared to its benchmark which generated a return of 8.66% per annum (annualized) during the same period.

The investment objective of the Fund is to generate stable and consistent returns by deploying funds in short dated and liquid Government and money market securities. This is achieved by investing mainly in Treasury Bills with maturities ranging from one week to 3 months, and placing funds with AA rated banks in deposit accounts or in term deposits with maturities up to 3 months.

Prior to the announcement of the Monetary Policy Statement on March 27, 2010, Fund had reduced its exposure to Treasury Bills in order to protect Fund from any potential price volatility. Subsequently, these exposures have been built up to normalized levels.

AGCF - Annualized Return	Benchmark - Annualized Return	Above / Under Performance
11.42%	8.66%	2.76%

Asset Allocation

The asset allocation of AGCF as at 31 March 2010 was as follows:

Cash / Bank Deposits	91.18%
Treasury Bills	7.89%
Others	0.93%
Total	<u>100.00%</u>

Future Outlook

Despite strong external inflows on account of IMF Funding, increased remittances, and strong portfolio investment, the liquidity constraints are expected to stay due to increased non-development expenditures, burgeoning Government borrowing, and the ever present energy sector circular debt issue. Consequently, we expect the central bank to continue to pursue a tight monetary policy and interest rates are expected to remain on the higher side.

This will be beneficial for Fund, allowing it to earn good returns for its investors, while maintaining a prudent investment portfolio that prioritizes capital protection and liquidity.

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 co-operation 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

Date: April 26, 2010
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 31 MARCH 2010**

	Note	31 March 2010 (Unaudited) (Rupees in '000)
Assets		
Bank balances	4	576,207
Investments	5	49,870
Profit receivable		2,526
Deposits, prepayments and other receivables	6	190
Preliminary expenses and floatation costs	7	3,151
Total assets		631,944
Liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	8	3,508
Payable to Central Depository Company of Pakistan Limited - Trustee	9	57
Payable to Securities and Exchange Commission of Pakistan -Annual fee	10	22
Dividend payable		553
Accrued expenses and other liabilities	11	25,883
Total liabilities		30,023
Contingencies and Commitments	13	-
Net assets		601,921
Unit holders' funds (as per statement attached)		601,921
		(Number of Units)
Number of units in issue		1,202,229
		(Rupees)
Net asset value per unit		500.67

The annexed notes 1 to 18 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 PERIOD FROM 13 MARCH 2010 TO 31 MARCH 2010**

	Note	Period from 13 March 2010 to 31 March 2010 (Unaudited) (Rupees in '000)
Income		
Profit on deposit accounts with banks		2,551
Unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	5.1	1
Income from government securities		<u>1,096</u>
Total income		3,648
Expenses		
Remuneration of Alfalah GHP Investment Management Limited - Management Company		359
Remuneration of Central Depository Company of Pakistan Limited - Trustee		57
Annual fee - Securities and Exchange Commission of Pakistan		22
Amortisation of preliminary expenses and floatation costs		33
Bank and settlement charges		14
Auditors' remuneration	12	55
Brokerage		4
Other charges		10
Total expenses		<u>554</u>
Net income from operating activities		3,094
Net element of income and capital gains included in prices of units issued less those in units redeemed		50
Net income for the period		<u><u>3,144</u></u>

The annexed notes 1 to 18 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 PERIOD FROM 13 MARCH 2010 TO 31 MARCH 2010**

	Period from 13 March 2010 to 31 March 2010 (Unaudited) (Rupees in '000)
Net Income for the period carried forward for distribution	3,144
Other comprehensive income for the period	-
Total comprehensive income for the period	<u><u>3,144</u></u>

The annexed notes 1 to 18 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 PERIOD FROM 13 MARCH 2010 TO 31 MARCH 2010**

	Note	Period from 13 March 2010 to 31 March 2010 (Unaudited) (Rupees in '000)
Net income for the period		3,144
Interim distribution for the period ended 31 March 2010:		
- Cash distribution: Rs. 2.15 per unit dated 27 March 2010		(553)
- Issue of 3,569 bonus units		(1,785)
	15	(2,338)
Undistributed income carried forward:		
- Realized Gain		805
- Unrealized Gain		1
		806

The annexed notes 1 to 18 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 HOLDER'S FUND (UNAUDITED)
FOR THE PERIOD FROM 13 MARCH 2010 TO 31 MARCH 2010**

	Period from 13 March 2010 to 31 March 2010 (Unaudited) (Rupees in '000)
Net assets at the beginning of the period	-
Issue of 1,448,346 units	724,570
Redemption of 249,686 units	(125,190)
	<u>599,380</u>
- amount representing accrued loss and realised capital losses - transferred to the Income Statement	(50)
Unrealised appreciation in the value of investments at 'fair value through profit or loss'	1
Other net income for the period	3,143
Interim distribution for the period ended 31 March 2010	
- Cash distribution : Rs. 2.15	(553)
- Issue of 3,569 bonus units	(1,785)
Net income for the period less distribution	806
Interim distribution of Rs. 3,569 bonus units for the first quarter ended 31 March 2010	1,785
Net assets at the end of the period	<u><u>601,921</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM CASH FLOW
STATEMENT (UNAUDITED)
FOR THE PERIOD FROM 13 MARCH 2010 TO 31 MARCH 2010**

	Period from 13 March 2010 to 31 March 2010 (Unaudited) (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period	3,144
Adjustments for:	
Unrealised (appreciation) in the value of investment 'at fair value through profit or loss'	(1)
Amortisation of preliminary expenses and floatation costs	33
Profit on deposit accounts with banks	(2,526)
Net element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units repurchased	(50)
	600
(Increase) / decrease in assets	
Investments	(49,869)
Advances, deposits and other receivables	(190)
Preliminary expenses and floatation costs	(3,184)
	(53,243)
Increase / (decrease) in liabilities	
Payable to Alfalah GHP Investment Management Limited - Management Company	3,508
Payable to Central Depository Company of Pakistan Limited - Trustee	57
Payable to Securities and Exchange Commission of Pakistan - annual fee	22
Accrued expenses and other liabilities	25,883
	29,470
Net cash from / (used in) operating activities	(23,173)
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount received on issue of units	724,570
Payment against redemption of units	(125,190)
Net cash (used in) / from financing activities	599,380
Net increase in cash and cash equivalents during the period	576,207
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	576,207

The annexed notes 1 to 18 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 STATEMENT (UNAUDITED)
FOR THE PERIOD FROM 13 MARCH 2010 TO 31 MARCH 2010**

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Cash Fund was established through a Trust Deed under the Trusts Act, 1882, executed between Alfalah GHP Investment Management Limited, the Management Company and Central Depository Company of Pakistan Limited, the Trustee and is registered under the Non-Banking Finance Companies (Establishment and Regulation) and Notified Entities Regulation 2008. The Trust Deed was executed on 23 October 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC Rules 2008. The Fund commenced its operations from 13 March 2010. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I. Chundrigar Road Karachi.

Alfalah GHP Cash Fund (AGCF) is an open end money market fund. The primary investment objective of the fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted of mostly money market securities and placements.

As per the Offering Document, The Fund invest in high quality and liquid money market securities and placements with a weighted average time to maturity of the net assets not exceeding 90 days. The Fund will principally invest in cash and cash instruments which includes cash in bank accounts (excluding TDRs), government securities, treasury bills, money market placements, deposits, certificate of deposits (COD), certificate of musharaka (COM), TDRs, commercial papers and reverse repo;

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 2010 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 period from 13 March 2010 to 31 March 2010.

The comparatives in the condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim distribution statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' funds and condensed interim cash flow statement are not available as the Fund was launched on 13 March 2010.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (NBFC Rules 2003), the Non-Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations 2008) and the requirements of the Trust Deed. Wherever, the requirements of the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and the said directives differ with the requirements of these Standards, the requirements of the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and the said directives shall prevail. These condensed interim financial statements are unaudited.

2.2 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Fund's operations or are not expected to have a significant impact on the Fund's financial statements other than increase in disclosures in certain cases:

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Fund's financial statements.

Amended IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Fund's financial statements.

IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Fund's operations.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009) clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment is not likely to have an effect on the Fund's financial statements.

IFRIC – 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a Fund distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Fund does not distribute non-cash assets to its shareholders, this interpretation has no impact on the Fund's financial statements.

The International Accounting Standards Board made certain amendments to existing standards as part of its second annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Fund's 2010 financial statements. These amendments are unlikely to have an impact on the Fund's financial statements.

Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010). Currently effective IFRSs require attribution of group share-based payment transactions only if they are equity-settled. The amendments resolve diversity in practice regarding attribution of cash-settled share-based payment transactions and require an entity receiving goods or services in either an equity-settled or a cash-settled payment transaction to account for the transaction in its separate or individual financial statements.

Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010). The IASB amended IAS 32 to allow rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This interpretation has no impact on the Fund's financial statements.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on the Fund's financial statements.

IAS 24 Related Party Disclosures (revised 2009) – effective for annual periods beginning on or after 1 January 2011. The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.

Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Fund's financial statements.

Improvements to IFRSs 2008 – Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – (effective for annual periods beginning on or after 1 July 2009). The amendments specify that if an entity is committed to a plan to sell a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale if criteria in IFRS 5 are met. This applies regardless of the entity retaining an interest (other than control) in the subsidiary; and disclosures for discontinued operations are required by the parent when a subsidiary meets the definition of a discontinued operation. This amendment is not likely to have any impact on Fund's financial statements.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

2.4 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand of Rupees.

2.5 Use of estimates and judgment

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below.

3.1 Financial instruments

The Fund classifies its financial instruments and derivatives in the following categories:

a) *Financial instruments at fair value through profit or loss*

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or derivatives.

Upon initial recognition attributable transaction costs are recognised in Income Statement when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in Income Statement.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities held for trading.

b) *Available-for-sale*

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'.

c) *Loans and receivables originated by the enterprise*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as fair value through profit or loss or available-for-sale. This includes receivable against sale of investments and other receivables and are carried at amortized cost using the effective yield method, less impairment losses, if any.

d) *Financial liabilities*

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective yield method.

Recognition

The Fund recognises financial assets and financial liabilities on the date when it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial instrument not at 'fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Transaction costs on financial instrument at fair value through profit or loss are expensed out immediately.

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value. Gains or losses arising from changes in the fair value of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in Unit Holder Fund until derecognised or impaired, then the accumulated fair value adjustments recognised in Unit Holder Fund are included in the Income Statement.

Fair value measurement principles

The fair value of a Government security not listed on stock exchange and traded in the interbank market is valued at the average rate quoted on a widely used electronic quotation system such average rate is based on the remaining tenor of the security.

3.2 Impairment

Financial assets not carried at fair value through profit or loss are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of asset exceeds its recoverable amount. Impairment losses are recognised in Income Statement.

3.3 Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with International Accounting Standard 39: Financial Instruments; Recognition and Measurement.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.4 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable front end load and any provision for duties and charges, if applicable. The front end load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.6 Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records the net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and repurchased during an accounting period in the Income Statement while the portion of the element of income / (loss) and capital gains / (losses) that relates to unrealised gains / (losses) relating to available-for-sale investments held by the Fund is recorded in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders.

3.7 Provisions

A provision is recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five year commencing from 13 March 2010 as per Trust Deed of the Fund.

3.9 Net asset value per unit

The net asset value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue.

3.10 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

3.11 Taxation***Current***

The income of the Fund is exempt from income tax under clause 99 of part I of the second schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders.

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax assets on unutilized tax losses to the extent that these will be available for set off against future taxable profits. However, the Fund intends to avail the tax exemption by distributing at least ninety percent of its accounting income as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability and deferred tax has been recorded.

3.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.13 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to the Income Statement.
- Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units repurchased is included in the Income Statement on the date of issue and redemption of units.
- Profit on bank deposit is recognised on time proportionate basis taking into account effective yield.

3.14 Expenses

All expenses including Management Fee and Trustee Fee are recognised in the Income Statement on an accrual basis.

3.15 Cash and cash equivalents

Cash and cash equivalent comprises of deposit accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.16 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

3.17 Zakat

Units held by the resident Pakistani unit holders are subject to zakat at 2.5% of the face value or redemption value, whichever is lower, of units under the Zakat and Ushr Ordinance, 1980 (XVII of 1980), except those exempted. Zakat is deducted at source from the dividend amount or from the redemption payment, if units are redeemed during the zakat year before payment of dividend after it becomes leviable.

31 March 2010
(Unaudited)
(Rupees in '000)

4. BANK BALANCES

Deposit accounts

576,207

This represents saving deposit accounts maintained with various banks carrying mark-up rate of 11.00% to 11.5% per annum.

	Note	31 March 2010 (Unaudited) (Rupees in '000)
5. INVESTMENTS		
At fair value through profit or loss		
Market Treasury Bills	5.1	49,870
		<u>49,870</u>

5.1 At fair value through profit or loss - Held for trading
Market Treasury Bills

Issue Date	Tenor	Face Value				As at 31 March 2010	Quantity as at 31 March 2010	Cost as at 31 March 2010	Fair value as at 31 March 2010	Appreciation / (Diminution) in the value of investments	Investments as a percentage of net assets	Market value as a percentage of total investments
		As at 01 January 2010	Purchases during the period	Sold during the period	Matured during the period							
		(Rupees in '000)						(Rupees in '000)				
26 March 2009	12 Months	-	100,000	-	100,000	-	-	-	-	-	-	
26 March 2009	12 Months	-	50,000	-	50,000	-	-	-	-	-	-	
26 March 2009	12 Months	-	50,000	-	50,000	-	-	-	-	-	-	
26 September 2009	06 Months	-	50,000	-	50,000	-	-	-	-	-	-	
26 September 2009	06 Months	-	25,000	-	25,000	-	-	-	-	-	-	
09 April 2009	12 Months	-	50,000	-	-	50,000	1	49,869	49,870	1	0.08	
26 March 2009	12 Months	-	100,000	-	100,000	-	-	-	-	-	-	
							<u>49,869</u>	<u>49,870</u>	<u>1</u>			

	Note	31 March 2010 (Unaudited) (Rupees in '000)
5.1.1 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'		
Fair value of investments classified as 'at fair value through profit or loss'		49,870
Cost of investments classified as 'at fair value through profit or loss'		49,869
Net unrealised appreciation / (diminution) in the value of investments at the end of the period		<u>1</u>

	Note	31 March 2010 (Unaudited) (Rupees in '000)
6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Prepayment - Annual Fee (PACRA)		190
		<u>190</u>

31 March 2010
(Unaudited)
(Rupees in '000)

7. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	3,184
Amortisation during the period	33
	3,151

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from 13 March 2010 as per Trust Deed of the Fund.

8. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Under the provisions of NBFC Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the life of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund. The Management Company has charged its remuneration at the rate of 1.25% per annum for the current period.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to the trustee according to the following tariff:

Net Asset Value (Rupees in million)		Tariff per annum
From	To	
1	1,000	Rs 0.7 million or 0.20 % p.a. of NAV whichever is higher
>1000	& above	Rs 2.0 million plus 0.10 % p.a. of NAV exceeding Rs. 1,000 million

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - ANNUAL FEE

Under the provisions of NBFC Regulations 2008, an open ended fund is required to pay an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Fund.

31 March 2010
(Unaudited)
(Rupees in '000)

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Redemption Payable	20,466
Markup Payable to Investors	5,292
Provision against Formation Cost	50
Auditors' remuneration	46
Legal & Professional Charges	10
Withholding tax payable	12
Other Payable	7
	25,883

**Period from 13
 March 2010 to
 31 March 2010
 (Unaudited)
 (Rupees in '000)**

12. AUDITORS' REMUNERATION

Audit fee	46
Other certification and services	10
	56
	56

13 CONTINGENCIES & COMMITMENTS

Through 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. Management, based on a legal advice, is of a firm view that as Collective Investment Schemes are paper entities and are not establishments, Workers Welfare Ordinance, 1971 is not applicable and therefore no provision is required in the financial statements. However, in a remotely improbable event, if the Collective Investments Schemes are considered as industrial establishments, per unit impact shall be Rs. 0.052 as of 31 March 2010.

Mutual Fund Association of Pakistan (MUFAP), of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the funds are not establishments and as a result are not liable to pay contribution to the WWF. The legal proceedings in respect of the aforementioned petition are currently in progress.

14 CLASSES OF UNITS
14.1 The Fund may issue following classes of units:

Class	Description
A (Restricted / Core) 14.1.1	Units that shall be charged with no sales load.
A 14.1.2	Units that shall be charged with no sales load.
B 14.1.3	Units that shall be issued with or without sales load.

14.1.1 These units were issued to Core Investors. These units cannot be redeemed for a period of two years from the date of closure of Initial Public Offer.

14.1.2 These units were offered and issued during the Private Placement and Initial Period of Offer.

14.1.3 These units were offered and issued after the Initial Period of Offer.

15 DISTRIBUTION

The Fund makes regular distribution on monthly basis and has made following distribution during the period;

Date	Rate	Bonus		Cash Distribution	Total
		Units	Amount		
----- (Rupees in '000) -----					
March 27, 2010	2.15	3,569	1,785	553	2,338

As define in clause 5.1.1 of the Offering Document the Fund on a monthly basis (except for last month of the accounting year) shall distribute as cash dividend or bonus unit or in any other form acceptable to the Commission that may qualify under the tax laws. Net income (after deducting all the expenses of the fund) earned upto 26th of each month may be distributed by the management company. The Board of Directors on 26th March 2010 have passed a resolution providing standing authorization to Chief Executive Officer to take all such steps and decision for timely interim distribution of monthly dividends out of realized profit earned by the Fund upto the 26th of each month.

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds managed by the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund and directors and key management personnel of Alfalah GHP Investment Management Limited, Alfalah Securities having common directors with Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund. 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 provisions of NBFC Rules 2003, NBFC Regulations 2008 and the Trust Deed respectively.

- 16.1 Details of transaction with the connected persons / related parties and balances with them at period end are as follows:

	31 March 2010 (Unaudited) (Rupees in '000)
Alfalah GHP Investment Management Limited - Management Company	
Remuneration for the period	359
Payable against formation cost	3,134
Other payable	15
	<u>3,508</u>
Amount paid during the period	-
Balance at the end of the period	<u>3,508</u>
Central Depository Company of Pakistan Limited	
Remuneration for the period	57
Amount paid during the period	-
Balance at the end of the period	<u>57</u>
Bank Alfalah Limited	
Deposits at the end of the period	<u>576,207</u>
Profit on deposit accounts	<u>2,551</u>
Bank charges	<u>7</u>

	31 March 2010 ----- (Unaudited) ----- (Units in '000) (Rupees in '000)	
Units sold to:		
- Bank Alfalah Limited - Employees' Gratuity Fund	<u>100</u>	<u>50,000</u>
- Alfalah GHP Investment Management Limited Management Company	<u>249</u>	<u>125,000</u>
Bonus Units distributed:		
- Alfalah GHP Investment Management Limited Management Company	<u>1</u>	<u>215</u>
Units held by:		
- Bank Alfalah Limited - Employees' Gratuity Fund	<u>100</u>	<u>50,067</u>
- Alfalah GHP Investment Management Limited Management Company	<u>250</u>	<u>125,282</u>
Dividend paid to:		
- Bank Alfalah Limited - Employees' Gratuity Fund	<u>-</u>	<u>215</u>

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 26, 2010 by the Board of Directors of the Management Company.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director