

# ALFALAH GHP ISLAMIC FUND

## QUARTERLY REPORT

SEPTEMBER 30, 2010

Managed By



**ALFALAH GHP**

Sponsor Shareholders



**BANK ALFALAH**



**GHP Arbitrium AG**  
FINANCIAL SERVICES

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## FUND'S INFORMATION

<b>Management Company:</b>	Alfalalah 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. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid - Mr. Omer Mohammad Khan
<b>CFO &amp; Company Secretary of the Management Company:</b>	- Mr. Omer Bashir Mirza
<b>Audit Committee:</b>	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
<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>	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
<b>Legal Advisor:</b>	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited - Islamic Banking Division
<b>Rating:</b>	4 Star 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 for the quarter ended September 30, 2010.

### Financial Performance

Net assets under management as on September 30, 2010 were Rs. 335.74 million showing an increase of 2.08% (Rs. 6.85 million) over June 30, 2010. Unit price increased to PKR 57.91 as at September 30, 2010.

AGIF earned total income of Rs. 30.38 million for the quarter ended September 30, 2010. Major sources of revenue was capital gain on sale of investments of Rs.14.45 million, profit on bank deposits of Rs. 2.57 million and dividend income of Rs. 4.64 million. After accounting for expenses of Rs. 3.51 million, the net income from operating activities for the quarter stands at Rs. 26.88 million.

### Income distribution

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Islamic Fund (AGIF), in its meeting held on 21 October 2010 have declared interim distribution for the quarter ended September 30, 2010 in the form of bonus units to the unit holders of growth units and cash dividend to the unit holders of income units, respectively, at the rate of Rs. 2.00 per unit, i.e. 3.65% of the Ex-NAV of Rs. 54.73 at the beginning of the year.

### Economic Review

Pakistan's fragile recovery and ongoing stabilization of twin deficits post 2008 financial crisis was hit hard by August 2010 super flood. Even before the flood the expensive war on terror and increasing political instability had adversely affected the pace of recovery. Specifically, growing revenue-expenditure gap coupled with inadequate resource mobilization fueled inflation through deficit monetization. CPI inflation reversed the declining trend observed during the last few months in August 2010 when it hit 13.2% YoY and further increased by 2.56% MoM to settle at 15.71% YoY in September 2010, on the back of sharp increase in food prices. CPI inflation forecasts for FY11 are now revised to 14.5% up from initial target of 9.5% and compared with 11.7% for FY10. Pressure has already started to build-up on current account deficit (CAD) with 2-month Jul-Aug FY11 CAD increasing 47% to 944 million USD versus 635 million USD in July-August FY10.

Moreover, July-August 2010 FBR revenue collection growth of only 7.5% compared to targeted 25.6% for the full year, and July-September IQ FY11 budget deficit of 1.6% (annual interpolation 6.4%) of GDP does not inspire too much confidence that the final numbers will remain within 5.2% budgeted deficit target. As a consequence, State Bank of Pakistan citing deteriorating macro variables on September 29, 2010 raised the discount rate by 50 bps for the second time in a row. Furthermore, official economic estimates have revised FY11 GDP growth downward to 2.5% from 4.5%.

### Fund Performance

During the 1QFY11 the fund's NAV appreciated by 2.08% versus an increase of 4.74% in its benchmark during the same period.

AGIF Return	Benchmark -Return	Above / (Under) Performance
2.08%	4.74%	(2.66%)

**Asset Allocation**

The asset allocation of the fund as at September 30, 2010 was as follows:

Equity	40.81%
Sukuk	7.97%
Cash / Bank Deposit	48.19%
Others	3.03%
Total	<u>100.00%</u>

**Future Outlook**

The recent floods have caused large scale destruction to infrastructure, agriculture, and livestock. Consequently, revenue collection is expected to fall below target, while expenses will be higher than projected, leading to a worsening fiscal deficit. The central bank has already indicated that curbing inflation is a higher priority for it than reviving growth, and the benchmark policy discount rate has been increased by 50 bps in each of the previous two monetary policy statements. We expect the central bank to continue its tight monetary policy as inflation will remain on the higher side, thus interest rates are expected to trend higher. Even though liquidity flows from abroad have kept the equity market buoyant, we feel that going forward the deteriorating macro situation will start getting factored in thus leading to a volatile equity market in the near term.

**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

October 21, 2010  
Karachi

**Abdul Aziz Anis**  
Chief Executive

**CONDENSED INTERIM STATEMENT OF  
ASSETS AND LIABILITIES (UNAUDITED)  
AS AT 30 SEPTEMBER 2010**

	30 September 2010 (Unaudited)	30 June 2010 (Audited)
<i>Note</i>	----- Rupees in '000 -----	
<b>Assets</b>		
Bank balances	164,459	142,888
Investments	5    166,496	184,777
Dividend and profit receivable	6,233	1,644
Deposits, prepayments and other receivables	2,715	2,700
Preliminary expenses and floatation costs	1,365	1,544
<b>Total assets</b>	<b>341,268</b>	<b>333,553</b>
<b>Liabilities</b>		
Payable to Alfalah GHP Investment Management Limited - Management Company	622	616
Payable to Central Depository Company of Pakistan Limited - Trustee	62	57
Payable to Securities and Exchange Commission of Pakistan - Annual fee	241	160
Accrued expenses and other liabilities	4,602	3,824
<b>Total liabilities</b>	<b>5,527</b>	<b>4,657</b>
<b>Contingencies &amp; Commitments</b>	6    -	-
<b>Net Assets</b>	<b>335,741</b>	<b>328,896</b>
<b>Unit holders' Funds (as per statement attached)</b>	<b>335,741</b>	<b>328,896</b>
	(Number of units)	
<b>Number of units in issue</b>	<b>5,797,560</b>	<b>5,797,505</b>
	(Rupees)	
<b>Net Asset Value per unit</b>	<b>57.91</b>	<b>56.73</b>

The annexed notes 1 to 9 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 QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	
<i>Note</i>	----- Rupees in '000 -----	
<b>Income</b>		
Capital gain on sale of investments	14,449	25,486
Dividend income	4,636	5,351
Profit on deposit accounts with banks	2,574	2,301
Unrealised appreciation in the value of investments - at fair value through profit or loss	5.6 9,432	8,154
Impairment in the value of investments classified as 'available-for-sale'	(1,064)	-
Income from Sukuk certificates	356	1,320
<b>Total income</b>	<b>30,383</b>	<b>42,612</b>
<b>Expenses</b>		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	1,906	2,210
Remuneration of Central Depository Company of Pakistan Limited - Trustee fee	176	196
Annual fee - Securities and Exchange Commission of Pakistan	80	94
Amortisation of preliminary expenses and floatation costs	179	179
Bank and settlement charges	102	135
Auditors' remuneration	183	119
Fees and subscriptions	52	27
Brokerage	280	709
Workers Welfare Fund	548	-
<b>Total expenses</b>	<b>3,506</b>	<b>3,669</b>
<b>Net Income</b>	<b>26,877</b>	<b>38,943</b>
Net element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased	-	(482)
<b>Net income for the period</b>	<b>26,877</b>	<b>38,461</b>

The annexed notes 1 to 9 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 QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	
	----- Rupees in '000 -----	
	<i>Note</i>	
Net Income for the period	26,877	38,461
<b>Other comprehensive income:</b>		
Net unrealised (diminution) / appreciation during the period in the value of investments classified as 'available for sale'	(20,035)	25,501
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealised capital gains / (losses)	-	41
Other comprehensive (loss) / Income for the period	(20,035)	25,542
<b>Total comprehensive Income for the period</b>	<u>6,842</u>	<u>64,003</u>

The annexed notes 1 to 9 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 QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	----- (Unaudited) -----
	----- Rupees in '000 -----	----- Rupees in '000 -----
Undistributed income / (loss) brought forward:		
- Realized	16,922	100,174
- Unrealized	<u>(5,243)</u>	<u>(93,429)</u>
	<u>11,679</u>	<u>6,745</u>
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealised capital gains / (losses)	-	41
Net income for the period	<u>26,877</u>	38,461
Undistributed income carried forward	26,877	38,502
- Realized	<u>34,367</u>	130,522
- Unrealized	<u>4,189</u>	<u>(85,275)</u>
	<u>38,556</u>	<u>45,247</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**

**CONDENSED INTERIM STATEMENT OF  
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	
<i>Note</i>	----- Rupees in '000 -----	
Net assets at the beginning of the period	<b>328,896</b>	352,330
Issue of 55 units (2009:260,112 units)	3	15,000
Redemption of Nil units (2009: 1,284,882 units)	-	(15,282)
	<b>3</b>	(282)
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	-	482
- amount representing unrealised capital (gains) / losses - transferred directly to the Distribution Statement	-	(41)
	-	441
Net unrealised (diminution) / appreciation in the value of investments classified as 'available for sale'	<b>(20,035)</b>	25,501
Capital gain on sale of investments	<b>14,449</b>	25,486
Unrealised appreciation in the value of investments - at fair value through profit or loss	<b>9,432</b>	8,154
Other net income for the period	<b>2,996</b>	4,821
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	41
Net income for the period less distribution	<b>26,877</b>	38,502
<b>Net assets at the end of the period</b>	<b>335,741</b>	416,492
	----- Rupees -----	
Net asset value per unit at the beginning of the period	<b>56.73</b>	53.74
Net asset value per unit at the end of the period	<b>57.91</b>	63.50

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	----- (Unaudited) -----
	----- Rupees in '000 -----	----- Rupees in '000 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	26,877	38,461
<b>Adjustments for:</b>		
Dividend income	(4,636)	(5,351)
Profit on deposit accounts with banks	(2,574)	(2,301)
Income from Sukuk certificates	(356)	(1,320)
Unrealised (appreciation) in the value of investments - at fair value through profit or loss	(9,432)	(8,154)
Impairment in the value of investments classified as 'available-for-sale'	1,064	-
Amortization of preliminary expenses and floatation cost	179	179
Net element of income / loss and capital (gains) / losses included in prices of units sold less those in units repurchased	-	482
	<b>11,122</b>	<b>21,996</b>
<b>(Increase)/ decrease in assets</b>		
Investments	6,614	(1,660)
Deposits, prepayments and other receivables	(15)	(80)
	<b>6,599</b>	<b>(1,740)</b>
<b>Increase/ (decrease) in liabilities</b>		
Accrued expenses and other liabilities	778	630
Payable to Alfalah GHP Investment Management Limited - Management Company	6	93
Payable to Central Depository Company of Pakistan Limited - Trustee	5	9
Payable to Securities and Exchange Commission of Pakistan - Annual fee	81	94
Payable against Purchase of Investment	-	10,392
	<b>870</b>	<b>11,218</b>
Dividend received	487	3,296
Profit received on saving accounts with banks	2,455	2,552
Income received on sukuk certificates	35	2
	<b>2,977</b>	<b>5,850</b>
<b>Net cash flows from / (used in) operating activities</b>	<b>21,568</b>	<b>37,324</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from sale of units	3	15,000
Payment against redemption of units	-	(15,282)
Cash dividend Paid	-	(19,395)
<b>Net cash flow from / (used in) financing activities</b>	<b>3</b>	<b>(19,677)</b>
Net increase in cash and cash equivalents during the period	21,571	17,647
Cash and cash equivalents at the beginning of the period	142,888	148,210
Cash and cash equivalents at the end of the period	<b>164,459</b>	<b>165,857</b>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

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

**Chief Executive**

**Director**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2010

### 1. LEGAL STATUS AND NATURE OF BUSINESS

The Alfalah GHP Islamic Fund (the 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 authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Deed was executed on 11 April 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with NBFC Rules 2003. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

Alfalah GHP Islamic Fund (AGIF) is an open end asset allocation fund. The primary objective of the Fund is to seek long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah. The investments of the Fund is 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 Shariah Advisory Board of the Fund.

The Fund is listed on Karachi Stock Exchange. Units are offered for public subscription on continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

These condensed interim financial statements comprise of condensed interim statement of assets and liabilities as at 30 September 2010 and the related condensed income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' funds, statement of cash flows and notes thereto, for the quarter ended 30 September 2010.

The comparative in these condensed interim statement of assets and liabilities has been extracted from the audited financial statements of the of the fund for the year ended 30 June 2010.

### 2. BASIS OF PRESENTATION

#### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, the requirements of Non-Banking Finance Companies and Notified Entities Regulations 2008 and the directives issued by the SECP. The disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements as at and for the year ended 30 June 2010. Approved accounting standards comprise of such IASs and International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of these standards, the requirements of the Non Banking Finance Companies & Notified Entities Regulations 2008 and the said directives differ with the requirements of these standards, the requirements of the Non Banking Finance Companies & Notified Entities Regulations 2008 and the said directives take precedence. These condensed interim financial statements are unaudited.

### 3. 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 2010.

### 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 2010.

**30 September 2010**  
**(Unaudited)**  
*Note* ----- Rupees in '000 -----

30 June 2010  
**(Audited)**

**5. INVESTMENTS**
**- Available for sale**

In quoted equity securities	5.1	<b>24,204</b>	67,723
In sukuk certificates	5.2	<b>27,216</b>	27,186
		<b>51,420</b>	94,909

**- At fair value through profit or loss-held for trading**

In quoted equity securities	5.3	<b>115,075</b>	89,868
		<b>166,495</b>	184,777

**5.1 In quoted equity securities**

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus / rights Issue during the period	Sales during the period	As at 30 September 2010	Cost as at 30 September 2010	Market value as at 30 September 2010	Unrealized appreciation/ (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as percentage of issued share capital
	----- Number of shares -----				----- (Rupees in '000) -----						
<b>Commercial Banks</b>											
BankIslami Pakistan Limited	400,000	-	-	-	400,000	1,635	1,328	(307)	0.40	0.80	0.23
						1,635	1,328	(307)			
<b>Electricity</b>											
Hub Power Company Limited	441,500	-	-	441,500	-	-	-	-	-	-	-
Kohinoor Energy Limited	475,000	-	-	-	475,000	9,919	11,020	1,101	3.28	6.62	0.12
						9,919	11,020	1,101			
<b>Oil and Gas</b>											
Oil and Gas Development Company Limited	145,000	-	-	145,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	50,000	-	-	-	50,000	6,837	11,856	5,019	3.53	7.12	0.00
						6,837	11,856	5,019			
<b>Chemicals</b>											
Fauji Fertilizer Company Limited	81,555	-	-	81,555	-	-	-	-	-	-	-
						-	-	-			
<b>Grand total</b>						<b>18,391</b>	<b>24,204</b>	<b>5,813</b>			

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

**5.2 Investment in Sukuk Certificates**

Name of the investee company	Expected profit rates	As at 01 July 2010	Purchases during the period	Sales during the period	As at 30 September 2010	Cost as at 30 September 2010	Market value as at 30 September 2010	Unrealized appreciation/ (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Outstanding principal as percentage of issued debt capital
	----- (Number of Sukuk certificates) -----				----- (Rupees in '000) -----						
Maple Leaf Cement Factory Limited 5.2.2	3 Months KIBOR+ 1.0%	5,000	-	-	5,000	24,989	17,493	(7,496)	5.21	10.51	0.62
Karachi Shipyard Engineering Works Limited	6 Months KIBOR+ 0.4%	2,000	-	-	2,000	10,000	9,723	(277)	2.90	5.84	0.24
						34,989	27,216	(7,773)			
<b>Total Investment</b>						<b>53,380</b>	<b>51,420</b>	<b>(1,960)</b>			

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

**5.2 Detail of non-compliant investments with the investment criteria prescribed in the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

As per circular 7 of 2009, minimum credit rating of the debt instrument in which investment is placed should not be lower than A- (A minus). However, following investment is non-compliant, since the investment grading as per PACRA is lower than A- (A minus).

Name of non-compliant investment	Type of investment	Value of investment before provision ----- (Rupees in '000) -----	Provision held if any	Value of investment after provision	Fair value as a percentage of net assets	Fair value as a percentage of gross assets	Credit rating
Maple Leaf Cement Factory Limited	Sukuk certificates	24,989	(7,497)	17,493	7.44	7.32	BB

**30 September 2010**  
**(Unaudited)**  
*Note* ----- Rupees in '000 -----  
**30 June 2010**  
**(Audited)**

**5.3 Net unrealised (diminution) / appreciation in the value of investments classified as 'available-for-sale'**

Fair value of investments classified as 'available for sale'	<b>51,420</b>	94,909
Less: Cost of investments classified as 'available for sale'	<b>(53,380)</b>	(76,834)
Net unrealized appreciation in the value of investments	<b>(1,960)</b>	18,075
Impairment charged to income statement	5.4 -	1,064
	<b>(1,960)</b>	19,139
Net unrealized (appreciation) / diminution in the value of investments at the beginning of the period / year	<b>(18,075)</b>	(24,343)
Net unrealised (diminution) / appreciation in the value of investments at the end of the period / year	<b>(20,035)</b>	(5,204)

**5.4 Particulars of impairment in the value of investments classified as 'available for sale'**

Opening balance	<b>8,915</b>	7,851
Impairment realized during the period / year on sale of investment	-	-
Charge for the period / year	-	1,064
Closing balance	<b>8,915</b>	8,915

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

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus / rights Issue during the period	Sales during the period	As at 30 September 2010	Cost as at 30 September 2010	Market value as at 30 September 2010	Unrealized appreciation/ (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as percentage of issued share capital
	----- Number of shares -----				----- (Rupees in '000) -----						
<b>Electricity</b>											
Hub Power Company Limited	883,500	441,500	-	-	1,325,000	38,445	44,109	5,664	13.14	26.49	0.03
Kohinoor Energy Limited	10,000	-	-	-	10,000	298	232	(66)	0.07	0.14	0.00
						<u>38,743</u>	<u>44,341</u>	<u>5,598</u>			
<b>Oil and Gas</b>											
Pakistan State oil Company Limited	90,000	60,000	-	100,000	50,000	14,319	13,435	(884)	4.00	8.07	0.00
Oil & Gas Development Company Limited	5,000	220,000	-	60,000	165,000	24,108	24,042	(66)	7.16	14.44	0.00
Pakistan Oilfields Limited	15,000	26,000	-	35,000	6,000	1,407	1,423	16	0.42	0.85	0.00
Pakistan Petroleum Limited	70,000	95,000	-	165,000	-	-	-	-	-	-	-
						<u>39,834</u>	<u>38,900</u>	<u>(934)</u>			
<b>Chemicals</b>											
Fauji Fertilizer Company Limited	18,445	-	-	18,445	-	-	-	-	-	-	-
ICI Pakistan Limited	100,217	50,000	-	-	150,217	22,112	17,591	(4,521)	5.24	10.57	0.01
						<u>22,112</u>	<u>17,591</u>	<u>(4,521)</u>			
<b>Fixed Line Telecommunication</b>											
Pakistan Telecommunication Company Limited	150,000	50,000	-	100,000	100,000	1,972	1,880	(92)	0.56	1.13	0.00
						<u>1,972</u>	<u>1,880</u>	<u>(92)</u>			
<b>Construction and Materials</b>											
D.G Khan Cement Company Ltd	-	300,000	-	-	300,000	8,282	7,176	(1,106)	2.14	4.31	0.03
Lucky Cement Limited	75,000	225,000	-	225,000	75,000	5,375	5,187	(188)	1.54	3.12	0.00
						<u>13,657</u>	<u>12,363</u>	<u>(1,294)</u>			
						<u>116,318</u>	<u>115,075</u>	<u>(1,243)</u>			

**30 September 2010**  
**(Unaudited)**  
----- Rupees in '000 -----

**30 June 2010**  
**(Audited)**

**5.6 Net unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss'**

Fair value of investments classified as 'at fair value through profit or loss'	<b>115,075</b>	89,868
Cost of investments classified as 'at fair value through profit or loss'	<b>(116,318)</b>	(95,111)
Net unrealised (diminution) / appreciation in the value of investments	<b>(1,243)</b>	(5,243)
Net unrealised appreciation in the value of investments at the beginning of the period / year	<b>5,243</b>	(8,011)
Realised on disposal during the period / year	<b>5,432</b>	4,186
	<b>10,675</b>	(3,825)
Net unrealised appreciation / (diminution) in the value of investments at the end of the period / year	<b>9,432</b>	(9,068)

**6 CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments at the quarter ended 30 September 2010.



**7. 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, Bank Alfalah Limited, GHP Arbitrium AG and MAB Investment Inc., being associated companies, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, 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 term determined in accordance with market rates.

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

	<b>30 September 2010 (Unaudited)</b>	<b>30 June 2010 (Audited)</b>
	----- Rupees in '000 -----	
<b>Alfalah GHP Investment Management Limited</b>		
<b>- Management Company</b>		
Balance at the beginning of the period / year	616	630
Remuneration for the period / year	1,906	3,800
Sales load for the period / year	-	-
	<b>2,522</b>	4,430
Amount paid during the period / year	<b>(1,900)</b>	(3,814)
Balance at end of the period / year	<b>622</b>	616
<b>Central Depository Company of Pakistan Limited</b>		
Balance at beginning of the period / year	57	61
Remuneration for the period / year	176	348
CDS Charges	7	-
	<b>240</b>	409
Amount paid during the period / year	<b>(178)</b>	(352)
Balance at the end of the period / year	<b>62</b>	57
Deposit with Central Depository Company of Pakistan Limited	<b>200</b>	200
<b>Bank Alfalah Limited</b>		
Deposits at the end of the period / year	<b>164,432</b>	142,841
Profit on deposit accounts for the period / year	<b>2,573</b>	3,046
Bank charges for the period / year	-	2

	30 September 2010 ----- (Unaudited) ----- (Units in '000)	30 September 2010 ----- (Unaudited) ----- (Rupees in '000)	30 June 2010 ----- (Audited) ----- (Units in '000)	30 June 2010 ----- (Audited) ----- (Rupees in '000)
Bonus units distributed	-	-	542	32,208
			<b>30 September 2010 (Unaudited) ----- Units in '000 -----</b>	<b>30 June 2010 (Audited) ----- Units in '000 -----</b>
Units held by			<u><b>5,590</b></u>	<u><b>5,590</b></u>

**8. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 21 October 2010 by the Board of Directors of the Management Company.

**9. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

**Chief Executive**

**Director**

**BOOK POST**  
**PRINTED MATTER**



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