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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	- Mr. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Fund Manager:	- Mr. Ather H. Medina
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal Karachi.
Bankers to the Fund:	Bank Alfalah Limited Faysal Bank Limited
Auditors:	Rahman Sarfaraz Rahim Iqbal Rafiq & Co. Chartered Accountants Plot No 180, Block A, S.M.C.H.S. Karachi -74400 Pakistan.
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited.
Rating:	4 Star by PACRA

MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Value Fund (AGVF) is pleased to present its quarterly report on the affairs of AGVF to the units holders for the quarter ended 30 September 2011.

Financial Performance

Net assets under management as on 30 September 2011 were Rs. 421.23 million. During the period units worth Rs. 0.002 million were issued and units worth Rs. 2.75 million were redeemed.

AGVF incurred total loss of Rs. 3.28 million for the quarter ended 30 September 2011. Major sources of revenue were dividend income of Rs. 3.09 million, profit on bank deposits of Rs. 2.31 million, capital gain on sale of investments of Rs. 1.64 million, and income from government securities of Rs. 0.623 million. After accounting for expenses of Rs. 3.41 million, including an impairment loss in value of investment of Rs. 1.50 million, the net loss from operating activities for the period stands at Rs. 6.70 million.

Market Performance

The equity market has had a tumultuous 1QFY12, with a relatively steady performance in July followed by a sharp decline in August, which saw the KSE 100 Index bottoming at 10,842 points on August 23rd, down 13.2% since the start of the quarter. The slide was triggered by global investor fears of a European debt crises blowup and weakening growth in developed economies. The global equity markets rebounded in September on steps taken by US and European leaders to address the economic issues in those economies. Subsequently, the KSE 100 rallied by as much as 8.5% from the August lows to close the quarter at 11,761 points, a net decline of 5.9% during the quarter.

Asset Allocation

The asset allocation of AGVF as at 30 September 2011 was as follows:

Equity	69.80%
TFCs / Sukuk	14.66%
Cash / Bank deposits	14.30%
Others	1.24%
TOTAL	<u>100.00%</u>

Investment Outlook

We remain bullish on the prospects of the domestic equity market in the current year. The KSE-100 is expected to provide a total yield (Dividend yield plus capital appreciation) of 16-18% in FY12. Attractive valuations in Oil & Gas (E&P), Fertilizer and Banking sectors, improving GDP growth of 3-4%, declining inflation and consequent monetary easing constitute the basis of such expectations. Corporate earnings growth is expected at 15% on the back of rising oil and fertilizer prices and declining non-performing loan charges.

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

31 October 2011
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 30 SEPTEMBER 2011**

		30 September 2011 (Unaudited) (Rupees in '000)	30 June 2011 (Audited)
Assets			
Bank balances	5	61,424	143,349
Investments	6	362,743	291,096
Dividend and profit receivable		1,741	9,031
Advances, deposits and other receivables		3,600	3,600
Total assets		429,508	447,076
Liabilities			
Payable against Purchase of Investment		-	1,865
Payable to Alfalah GHP Investment Management Limited - Management Company		796	720
Payable to Central Depository Company of Pakistan Limited - Trustee		71	72
Payable to Securities and Exchange Commission of Pakistan - Annual fee		530	429
Accrued expenses and other liabilities		6,883	6,593
Total liabilities		8,280	9,679
Contingencies and Commitments	7	-	-
Net assets		421,228	437,397
Unit holders' funds (as per statement attached)		421,228	437,397
		(Number of units)	
Number of units in issue		8,456,494	8,272,524
		(Rupees)	
Net asset value per unit		49.81	52.87

The annexed notes 1 to 12 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 2011**

		30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	<i>Note</i>	(Rupees in '000)	
Income			
Gain on sale of investment- net		1,641	5,154
Income from Sukuk certificates	6.5.1	(6,778)	106
Income from Term finance certificates		-	75
Dividend income		3,093	4,900
Profit on deposit accounts with banks		2,310	3,219
Unrealised (diminution) in the value of investments - 'at fair value through profit or loss'	6.3	(2,830)	(4,797)
Impairment in the value of investments classified as 'available for sale'		(1,499)	-
Income from government securities		623	-
Amortization of discount on TFC'S / Sukuk certificates		157	124
Total (loss) / income		(3,283)	8,781
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company		2,119	2,960
Sales tax on Management fee		339	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		212	237
Annual fee - Securities and Exchange Commission of Pakistan		101	112
Amortisation of preliminary expenses and floatation costs		-	126
Bank and settlement charges		64	67
Auditors' remuneration		150	151
Brokerage		318	473
Provision for worker welfare fund	8	-	89
Other charges		109	118
Total expense		3,412	4,333
Net (loss) / income from operating activities		(6,695)	4,448
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed		170	(101)
Net (loss) / income for the period		(6,525)	4,347

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited) (Rupees in '000)	30 September 2010 (Unaudited)
Net (loss) / Income for the period	(6,525)	4,347
Other comprehensive income:		
Net unrealised (diminution) during the period in fair value of investments classified as 'available for sale'	(229)	(2,483)
Element of income and capital gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains	1	12
Other comprehensive loss for the period	(228)	(2,471)
Total comprehensive (loss) / income for the period	(6,753)	1,876

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited) (Rupees in '000)	30 September 2010 (Unaudited)
Undistributed income / (loss) brought forward		
- Realized	243,567	218,989
- Unrealized	(222,624)	(219,804)
	20,943	(815)
Element of income and capital gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains	1	12
Net (loss) / income for the period	(6,525)	4,347
Final distribution for the year ended 30 June 2011:		
- Cash distribution: Rs. 2.25 per unit dated 07 July 2011 (2010: Nil)	(6,502)	-
- Issue of 239,259 bonus units dated 07 July 2011 (2010: Nil)	(12,111)	-
	(25,137)	4,359
Undistributed (loss) / income carried forward		
- Realized	221,260	228,145
- Unrealized	(225,454)	(224,601)
	(4,194)	3,544

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)	(Rupees in '000)
Net assets at the beginning of the period	437,396	459,868	
Issue of 78 units (2010: 4,837 units)	2	255	
Redemption of 55,367 units (2010: 2,213,572 units)	(2,744)	(3,101)	
	(2,742)	(2,846)	
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:			
- amount representing accrued loss / (income) and realised capital losses / (gains) - transferred to the Income Statement	(170)	101	
- amount representing unrealised capital (gains) - transferred directly to the Distribution Statement	(1)	(12)	
	(171)	89	
Final bonus distribution of 239,259 units for the year ended 30 June 2011 (2010: Nil)	12,111	-	
Net unrealised (diminution) on revaluation of investments classified as 'available-for-sale'	(229)	(2,483)	
Capital gain on sale of investments	1,641	5,154	
Unrealised (diminution) in the value of investments - 'at fair value through profit or loss'	(2,830)	(4,797)	
Other net (loss) / income for the period	(5,336)	3,990	
Element of income and capital gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains	1	12	
Final distribution for the year ended 30 June 2011:			
- Cash distribution: Rs. 2.25 per unit dated 07 July 2011 (2010: Nil)	(6,502)	-	
- Issue of 239,259 bonus units dated 07 July 2011 (2010: Nil)	(12,111)	-	
Net (loss) / income for the period less distribution	(25,137)	4,359	
Net assets at the end of the period	421,228	458,987	
	---(Rupees)---		
Net asset value per unit at the beginning of the period	52.87	50.75	
Net asset value per unit at the end of the period	49.81	50.96	

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period	(6,525)	4,347
Adjustments for:		
Unrealised diminution in the value of investments - 'at fair value through profit or loss'	2,830	4,797
Impairment in the value of investments classified as 'available for sale'	1,499	-
Dividend income	(3,093)	(4,900)
Profit on deposit accounts with banks	(2,310)	(3,219)
Amortisation of preliminary expenses and floatation costs	-	126
Income from Sukuk certificates	6,778	(106)
Income from Term finance certificates	-	(75)
Amortization of discount on TFC's / Sukuk certificates	(157)	(124)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(170)	101
	(1,148)	947
(Increase) / decrease in assets		
Investments	(76,205)	18,570
Advances, deposits and other receivables	-	(50)
	(76,205)	18,520
Increase / (decrease) in liabilities		
Payable against purchase of investments	(1,865)	1,163
Payable to Alfalah GHP Investment Management Limited - Management Company	76	(20)
Payable to Central Depository Company of Pakistan Limited - Trustee	(1)	(2)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	101	112
Accrued expenses and other liabilities	290	297
	(1,399)	1,550
WWF paid	-	-
Dividend received	2,303	1,027
Profit received on TFCs / Sukuk certificates	260	1,276
Profit received on bank deposit	3,508	3,178
	6,071	5,481
Net cash (used in) / from operating activities	(72,681)	26,498
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	2	255
Payment against redemption of units	(2,744)	(3,101)
Cash dividend Paid	(6,502)	-
Net cash (used in) / from financing activities	(9,244)	(2,846)
Net (decrease) / increase in cash and cash equivalents during the period	(81,925)	23,652
Cash and cash equivalents at beginning of the period	143,349	139,118
Cash and cash equivalents at end of the period	61,424	162,770

The annexed notes 1 to 12 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 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the Trustee"). The Trust Deed was executed on 19th May, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 ("NBFC Rules"), on 13th May, 2005.

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

Alfalah GHP Value Fund is listed on the Karachi Stock Exchange. The units of the fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the fund. The fund offers two types of units Growth and Income. Growth unit holders are entitled to bonus units and Income unit holders are entitled to cash dividend at the time of distribution by the fund.

The fund is categorized as an asset allocation scheme and can invest in equity, debt and money market securities as authorized in Fund's Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Positive) to the Management Company in its rating report dated 22 February 2011 and 4 Star (short term) and 4-Star (long term) to the fund in its rating report dated 25 October 2010.

The "Title" to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 30 September 2011 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 quarter ended 30 September 2011.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011. 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 2011.

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 period ended 30 June 2011.

3.1 Earnings per unit

Earnings per unit (EPU) for the quarter ended 30 September 2011 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 2011.

	30 September 2011	30 June 2011
	(Unaudited)	(Audited)
	Note	(Rupees in '000)
5. BANK BALANCES		
Deposit accounts	5.1 61,424	<u>143,349</u>

5.1 This represents saving deposit accounts maintained with various banks carrying mark-up rate of 5 % to 10.5% per annum .

6. INVESTMENTS
At fair value through profit or loss - held for trading

	Note	30 September 2011 (Unaudited) (Rupees in '000)	30 June 2010 (Audited) (Rupees in '000)
Quoted equity securities	6.1	299,164	225,943
Market Treasury Bills	6.2	-	-
		299,164	225,943
Available for sale			
Quoted equity securities	6.4	617	691
Investment in term finance certificates	6.5	15,986	17,486
Investment in sukuk certificates	6.6	46,976	46,976
		63,580	65,153
		362,743	291,095

6.1 Quoted equity securities - held for trading

Name of the investee company	As at 01 July 2011	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 30 Sep 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Market value as a percentage of net assets	Percentage of total investments	Percentage of paid up capital of the investee company
	Note ----- Number of shares -----					(Rupees in '000)				
Banks										
Askari Bank Limited	350,000	-	-	-	350,000	5,657	3,252	0.77%	0.90%	0.05%
Habib Metropolitan Bank Limited	222,000	-	-	-	222,000	5,296	4,063	0.96%	1.12%	0.02%
MCB Bank Limited	45,000	90,500	-	20,000	115,500	21,349	20,013	4.75%	5.52%	0.01%
Summit Bank Limited (formerly My Bank Limited)	1,550,600	-	-	-	1,550,600	23,728	4,094	0.97%	1.13%	0.14%
National Bank of Pakistan	295,000	235,000	-	67,000	463,000	23,242	21,205	5.03%	5.85%	0.03%
United Bank Limited	110,000	10,000	-	20,000	100,000	6,744	6,014	1.43%	1.66%	0.01%
						<u>86,015</u>	<u>58,640</u>			
Construction and Material										
D. G. Khan Cement Company Limited	-	550,000	-	50,000	500,000	10,401	10,285	2.44%	2.84%	0.11%
Lucky Cement Limited	-	255,648	-	255,648	-	-	-	-	-	-
						<u>10,401</u>	<u>10,285</u>			
Electricity										
Hub Power Company Limited	6.1.2	800,000	-	50,000	750,000	14,639	31,125	7.39%	8.58%	0.06%
Kot Addu Power Company Limited	-	50,000	-	-	50,000	2,286	2,255	0.54%	0.62%	0.01%
						<u>16,924</u>	<u>33,380</u>			
Oil and Gas										
Attock Petroleum Limited	-	4,841	-	4,841	-	-	-	-	-	-
National Refinery Limited	-	4,500	-	4,500	-	-	-	-	-	-
Oil and Gas Development Company Limited	131,718	61,218	-	-	192,936	29,335	25,495	6.05%	7.03%	0.00%
Pakistan Oilfields Limited	6.1.2	67,080	59,510	-	39,510	87,080	29,343	32,077	7.62%	8.84%
Pakistan Petroleum Limited	110,000	10,000	10,650	13,500	117,150	22,271	22,208	5.27%	6.12%	0.01%
Pakistan State Oil Company Limited	72,000	35,000	-	15,000	92,000	25,005	23,421	5.56%	6.46%	0.05%
						<u>105,954</u>	<u>103,201</u>			
Fixed Line Telecommunication										
Wateen Telecom Limited (Related party)	331,518	-	-	-	331,518	3,315	517	0.12%	0.14%	0.05%
						<u>3,315</u>	<u>517</u>			
Chemicals										
Engro Corporation Limited	120,422	55,000	-	-	175,422	28,851	25,154	5.97%	6.93%	0.04%
Fauji Fertilizer Bin Qasim Limited	90,000	260,000	-	130,000	220,000	10,016	12,910	3.06%	3.56%	0.02%
Fauji Fertilizer Company Limited	101,367	70,000	-	10,000	161,367	22,194	26,125	6.20%	7.20%	0.02%
Fatima Fertilizer Company Limited	20,000	87,190	-	107,190	-	-	-	-	-	-
ICI Pakistan Limited	77,000	30,000	-	-	107,000	15,962	15,539	3.69%	4.28%	0.08%
Lotte Pakistan	-	400,000	-	400,000	-	-	-	-	-	-
						<u>77,024</u>	<u>79,727</u>			
Personal Goods										
Nishat (Chunian) Limited	25,000	25,000	-	-	50,000	1,246	1,057	0.25%	0.29%	0.03%
Nishat Mills Limited	134,000	160,000	-	175,000	119,000	5,640	5,723	1.36%	1.58%	0.03%
						<u>6,886</u>	<u>6,779</u>			
General Industries										
Thal Limited	65,000	8,000	-	-	73,000	8,322	6,635	1.58%	1.83%	0.24%
						<u>8,322</u>	<u>6,635</u>			
Grand total						<u>314,841</u>	<u>299,164</u>			

6.1.1 All shares have a face value of Rs. 10 each, except for Thal Ltd. of Rs 5 each.

6.1.2 Investment includes 250,000 shares of Hub Power Company Limited and 15,000 shares of Pakistan Oilfields Limited, which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and mark to market losses for settlement of the Fund's trades as allowed in Circular no.11 dated 23 October 2007 issued by Securities and Exchange Commission of Pakistan.

6.2 Treasury Bills

Issue Date	Tenor	Face Value					Quantity as at 30 Sep 2011	Cost as at 30 Sep 2011	Fair Value as at 30 Sep 2011	App / (Dimm) in the value of investment	Fair value as a percentage of	
		As at 01 Jul 2011	Purchases during the period	Sales during the period	Matured during the period	As at 30 Sep 2011					net asset	total investments
(Rupees in '000)												
05 May 2011	3 Months	-	50,000	-	50,000	-	-	-	-	-	-	
10 February 2011	6 Month	-	100,000	50,000	50,000	-	-	-	-	-	-	

30 September 2011
(Unaudited)
(Rupees in '000)

6.3 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'

Market value of investments	299,164	225,943
Less: Carrying value of investments	(314,841)	(238,185)
	(15,677)	(12,242)
Net unrealised (appreciation) in the value of investment at the beginning of the period / year	12,242	1,803
Realised on disposal during the period / year	605	7,619
	12,847	9,422
Net unrealised (diminution) in the value of investment for the period / year	(2,830)	(2,820)

6.4 Quoted equity securities - Available for sale

Name of the investee company	As at 01 July 2011	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 30 Sep 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Market value as a percentage of		Percentage of paid up capital of investee company
								net asset	total investments	
Number of shares (Rupees in '000)										
Banks										
Summit Bank Limited (formerly My Bank Limited)	11,000	-	-	-	11,000	160	29	0.01%	0.01%	0.00%
						<u>160</u>	<u>29</u>			
Oil & Gas										
Oil & Gas Development Company Limited	3,282	-	-	-	3,282	164	433	0.10%	0.12%	0.00%
Pakistan Oilfields Limited	420	-	-	-	420	43	155	0.04%	0.04%	0.00%
						<u>207</u>	<u>588</u>			
Grand Total						<u>367</u>	<u>617</u>			

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

6.5 Investment in Term Finance Certificates available for sale

Name of the Investee company	Maturity	Profit / Mark-up Percentage	As at 01 July 2011	Purchases during the period	Sales during the period	Redemption during the period	As at 30 Sep 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Market value as a percentage of		Outstanding principal value as a percentage of issued debt capital
										net asset	total investments	
Number of certificates (Rupees in '000)												
Unlisted Term Finance Certificates	<i>Note</i>											
Agritech Limited (I issue) (formerly Pak American Fertilizer Limited)	6.5.1 Nov 2014	6M KIBOR+ 1.75%	5,000	-	-	-	5,000	24,562	9,991	2.37%	2.75%	1.67%
Agritec limited (II issue) (formerly Pak American Fertilizer Limited)	6.5.2 Jan 2015	6M KIBOR+ 1.75%	3,000	-	-	-	3,000	14,988	5,995	1.42%	1.65%	0.22%
								<u>39,550</u>	<u>15,986</u>			

Provision for impairment as at Sep 30 2011

1,499

6.5.1 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.75% per annum, receivable semi-annually in arrears. These term finance certificates are secured against first pari passu charge over all present and future fixed assets with a 25% margin. Agritech Limited (formerly Pak American Fertilizers Limited) defaulted its principal and mark-up payment due on 29 May 2010. Accordingly, its TFCs has been classified as non performing by MUFAP. In line with the requirements of circular 01 of 2009 issued by the SECP, the Fund has not accrued any mark up during the period. Total default on account of principal and markup since the security is classified as non performing is Rs. 7.494 million and Rs. 6.702 million respectively.

The issuer recently entered into a financial restructuring agreement with the TFC investors in August 2011.

6.5.2 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.75% per annum, receivable semi-annually in arrears. These term finance certificates are secured against first pari passu charge over all present and future fixed assets with a 25% margin. Agritech Limited (formerly Pak American Fertilizers Limited) defaulted its principal and mark-up payment due on 14 July 2010. Accordingly, its TFCs has been classified as non performing by MUFAP. In line with the requirements of circular 01 of 2009 issued by the SECP, the Fund has not accrued any mark up during the period. Total default on account of principal and markup since the security is classified as non performing is Rs.4.496 million and Rs.2.722 million respectively.

The issuer recently entered into a financial restructuring agreement with the TFC investors in August 2011.

6.6 Investment in unquoted Sukuk bonds - available for sale

Name of the Investee company	Maturity	Profit / Mark-up Percentage	As at 01 July 2011	Purchases during the period	Sales during the period	Redemption during the period	As at 30 Sep 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Market value as a percentage of net asset	Outstanding principal value as a percentage of issued debt capital
			----- Number of certificates -----					(Rupees in '000)			
Maple Leaf Cement Factory Limited	6.6.1	Dec 2018	3 M KIBOR+1%	15,000	-	-	15,000	73,478	46,976	11.15%	12.95%
Maple Leaf Cement Factory Limited II	6.6.2	March 2012	3 M KIBOR+1%	563	-	-	563	2,815	-	0.00%	0.19%
								<u>76,293</u>	<u>46,976</u>		

6.6.1 This represents investment in sukuk certificates of Maple Leaf Cement Factory Limited (MLCF), secured against first pari passu charge over all present and future fixed assets with a 25% margin. MLCFL had to pay the installment comprising of profit on the said sukuk certificates on 3 December 2009 which it was unable to pay due to the financial difficulties being faced by it. Considering this it was classified as non-performing debt security by MUFAP.

Subsequently, MLCFL entered into a financial restructuring agreement with the sukuk investors in February 2010. The revised terms include payment of principal amount on a quarterly basis in arrears from 3 March 2010 with final redemption on 3 December 2018. Further payment of markup for the period from December 2009 to March 2011 equal to 0.5% of the mark-up amount due on their respective due dates is to be on quarterly installments. Remaining 99.5% mark up for the above period to be paid by the borrower during March 2012 to December 2017 in 24 equal quarterly installments. The mark-up for the period due from March 2011 to December 2018 to be collected on their respective quarterly due dates except that the mark up for the June 2011 quarter shall be payable along with the September 2011 quarter.

On 13 October 2010, these sukuk certificates were classified as performing by MUFAP on payment of two installments as per the restructured terms. In line with SECP directives, the Fund has recognized the present value of mark-up for the period from 13 October to 3 March 2011 amounting to Rs. 3.288 million and mark-up for the period from 4 March 2011 to 30 June 2011 amounting to Rs. 3.592 million as income on 30 June 2011.

However the issuer defaulted again on agreed installment payment of markup due as per revised schedule for the June 2011 and September 2011 quarter. Consequently the management reversed accrued markup amounting to Rs. 9.23 million including markup accrued for the period from 13 October to 3 March 2011 amounting to Rs. 3.288 million and markup amounting to Rs. 3.592 million for the period from 4 March 2011 to 30 June 2011.

6.6.2 This represents additional sukuk of MLCF received by the fund through restructuring agreement reached between lenders and MLCF. Under such agreement outstanding mark up due on December 03 2009 amounting to Rs. 5.81 million was settled partially in cash and partially in the form sukuk certificates valuing Rs. 2.815 million. These investments have been recorded as 100% impaired since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation.

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

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated 6 March 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Asset Allocation Scheme' and the same has been approved by the SECP.

Clause 55(5) of the non-banking finance companies and notified entities regulation 2008 (NBFC Regulations 2008) requires that not more than 10% of Net Assets shall be invested in a single entity. Investment parameters contained in clause 2.2.1(d)(iv) of offering document of the fund requires that the rating of secured debt securities of private sector entities shall not be lower than 'BBB+'. More over clause 2(iv) of the circular 07 of 2009 require that rating of any invested debt security shall not be lower than A- (A minus) However, as at 30 September 2011, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

Type of investment	Name of Non-compliant investment	Value before provision before provision	Provision Balance as on 01 July 2011	Provision During the period	Provision held, if any	Value of investment after provision	Fair value as a percentage of net assets	Value of investment as a percentage of gross assets	Credit rating
Sukuk Certificate	Maple Leaf Cement Factory Ltd-I	74,916	(27,940)	-	(27,940)	46,976	11.15%	10.94%	BB+
Sukuk Certificate	Maple Leaf Cement Factory Ltd - II	-	-	-	-	-	0.00%	0.00%	BB+
TFC (1st issue)	Agritech limited	24,980	(14,989)	-	(14,989)	9,991	2.37%	2.33%	D
TFC (2nd issue)	Agritech limited	14,988	(7,494)	(1,499)	(8,993)	5,995	1.42%	1.40%	D

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

6.8 Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'

30 September 2011 **30 June 2011**
(Unaudited) (Audited)
(Rupees in '000)

Market value of investments	63,579	65,153
Less: Carrying value of investments	(116,210)	(116,056)
	(52,631)	(50,903)
Impairment charged during the period / year	1,499	25,605
	(51,132)	(25,298)
Net unrealized diminution in the value of investments at the beginning of the period / year	50,903	20,512
Realized on disposals during the period / year	-	10
Net unrealized (diminution)/appreciation in the value of investments at the end of the period / year	(229)	(4,776)

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

Opening Balance	59,380	33,775
Charged for the period / year	1,499	25,605
Closing balance	60,879	59,380

7. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 September 2011.

8. 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 8 July 2010 issued advice and clarifications which stated that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions including Mutual Funds because they are ruled and governed by separate laws. Further, in a subsequent letter dated 15 July 2010 the Ministry 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 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 formation for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been drawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. 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. On 14 December 2010, the Ministry filed its response to the constitutional petition pending in the Court. As per the legal counsel who is handling the case, there is contradiction between the above earlier letter and clarification of the Ministry and the response filed by the Ministry in the Court.

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. 5.952 million up to 30 September 2011.

9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than 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 2012 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 information for the quarter ended 30 September 2011.

10. 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.

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

	30 September 2011	30 June 2011
	(Unaudited)	(Audited)
	(Rupees in '000)	
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	720	978
Remuneration for the period / year	2,119	9,798
Sales tax on Management fee for the period / year	339	-
	<u>3,178</u>	<u>10,776</u>
Amount paid during the period / year	<u>(2,382)</u>	<u>(10,056)</u>
Balance at the end of the period / year	<u>796</u>	<u>720</u>

	30 September 2011 (Unaudited)	30 June 2011 (Audited)	
	(Rupees in '000)		
Central Depository Company of Pakistan Limited			
Balance at beginning of the period / year	72	78	
Remuneration for the period / year	212	904	
CDS Charges for the period / year	<u>6</u>	<u>40</u>	
	290	1,022	
Amount paid during the period / year	<u>(219)</u>	<u>(950)</u>	
Balance at the end of the period / year	<u>71</u>	<u>72</u>	
Deposit with Central Depository Company of Pakistan Limited	<u>100</u>	<u>100</u>	
Bank Alfalah Limited			
Profit on deposit accounts	<u>1,479</u>	<u>13,047</u>	
Balance in deposit accounts	<u>10,572</u>	<u>143,309</u>	
Bank charges	<u>3</u>	<u>13</u>	
Capital gain on sale of shares	<u>-</u>	<u>38</u>	
Mark-up receivable on bank deposits	<u>182</u>	<u>1,396</u>	
	30 September 2011 (Unaudited)	30 June 2011 (Audited)	
	(No. of shares)	(No. of shares)	(Rupees in '000)
Wateen Telecom Limited			
Investment held by fund	<u>331,518</u>	<u>331,518</u>	<u>690</u>
Capital loss on sale of securities	<u>-</u>	<u>668,482</u>	<u>(4,312)</u>
	(Units in '000)	(Units in '000)	(Rupees in '000)
Bonus units distributed to:			
Bank Alfalah Ltd - Employees' Provident Fund	<u>30</u>	<u>1,490</u>	<u>24</u>
Bank Alfalah Ltd - Employees' Gratuity Fund	<u>31</u>	<u>1,548</u>	<u>25</u>
MAB Investment Incorporated	<u>74</u>	<u>3,722</u>	<u>60</u>
GHP Arbitrium AG	<u>40</u>	<u>1,985</u>	<u>32</u>
	30 September 2011 (Unaudited)	30 June 2011 (Audited)	
	(Units in '000)		
Units held by:			
Bank Alfalah Limited	<u>2,890</u>	<u>2,890</u>	
MAB Investment Incorporated	<u>1,728</u>	<u>1,654</u>	
GHP Arbitrium AG	<u>922</u>	<u>882</u>	
Bank Alfalah Limited - Employees' Provident Fund	<u>692</u>	<u>662</u>	
Bank Alfalah Limited - Employees' Gratuity Fund	<u>719</u>	<u>688</u>	
	(Rupees in '000)		
Dividend paid to:			
Bank Alfalah Limited	<u>6,502</u>	<u>5,779</u>	

11. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 31 October 2011 by the Board of Directors of Management company.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.



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

Chief Executive

Director