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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. Michael Hermann- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Muhammad Asif Saad- Mr. Abid Naqvi
Head of Finance:	- Syed Hyder Raza Zaidi
Company Secretary:	- Moinuddin
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abid Naqvi- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Michael Hermann- Ms. Maheen Rahman
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi
Fund Manager:	Mr. Muddasir Ahmed
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Stability Rating 1 Star by PACRA

MISSION STATEMENT

"To be the best money management company in Pakistan. We will hold our clients money in sacred trust that has to be actively protected and sustainably nurtured so as to achieve client objectives".

VISION STATEMENT

"To be the leading wealth management firm by offering global investment advice, trust services, family estate planning etc for all Pakistani clients whether based in Pakistan or abroad".

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER, 2014

To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Alpha Fund (AGAF), for the three months ended 30 September, 2014. The Financial Statements of the Schemes prepared by the Management Company present true and fair view of the state of affairs of the Schemes and results of their operations, cash flows and movement in unit holders' funds.

Economic Review

Inflationary pressure eased off slightly in 1QFY15, with CPI for the quarter declining to 7.5% versus 8.1% in 1QFY14. SBP kept the discount rate unchanged at 10% in its mid-Sep bi-monthly MPS in line with market expectations. SBP cited increased risk to (1) CPI due to monsoon floods and (2) balance of payments owing to delay in IMF tranche and consequent bilateral and multilateral flows. 6M KIBOR averaged at 10.18% during Sep-14, steady since Apr-14.

Trade deficit posted an adverse trend over the quarter, increasing by 45% to US\$6.5bn. The deficit rose particularly high over August, clocking in higher by 96% on MoM basis and by 77% on YoY basis to US\$2.8bn (a multi-year high). The higher statistic was primarily led by 40% MoM increase in imports, which rose to US\$4.7bn. Oil imports increased by 66% MoM and 12.5% YoY mainly led by higher volume. In this connection, softer global crude oil prices should alleviate the oil import bill in the coming months, providing some cushion to the balance of payments. Lower prices have already started to make an impact, as trade deficit for September clocked in lower at US\$2.4bn owing to 3% drop in import value.

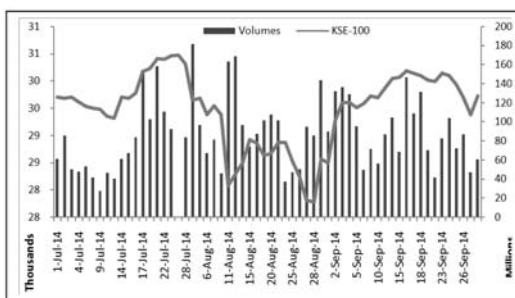
Delays in IMF tranche and privatization proceeds have brought down US\$306mn in Sep-14 at US\$13.3bn. The IMF has clubbed payments of Sept & Dec review together and is expected to disburse US\$1.1bn in Dec easing pressure on rupee and foreign exchange reserves. Furthermore issuance of US\$500mn Sukuk and secondary offering of OGDC are both in the pipeline and will be positive, however, the timing remains uncertain.

Capital Markets Review

EQUITIES REVIEW

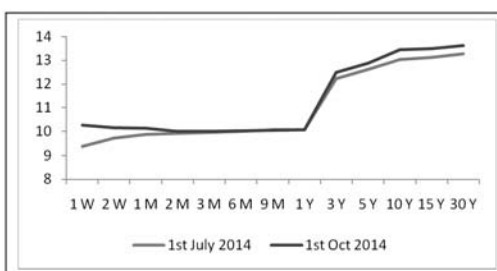
The KSE-100 remained range bound in the 1QFY15, with a 0.25% return for the period. The major reason for the relatively lackluster performance during 1QFY15 was primarily driven by political turmoil in the capital which began mid Aug and continued till the end of the quarter. Once politics took the front seat, economic reform agenda was put on the back burner and expectation of derailment of the economic reform process led to lack of confidence within equity investors.

Going forward, we expect the market to consolidate around current index level with valuations and earnings growth in specific sectors warrants focus on a selected group of stocks rather than the broader index.



MONEY MARKET REVIEW

In the monetary policy conducted in September, the State Bank of Pakistan maintained the discount rate at 10% to strike a balance between fiscal factors and growth considerations. Although the policy decision did not have any bearing on the money market, secondary market yields climbed, nevertheless, and stayed high during a large part of September as liquidity remained constrained and OMO injections were less generous.



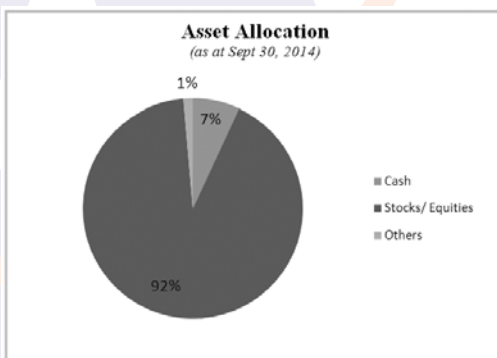
With monetary easing opportunities left behind, the State Bank is now widely expected to maintain a stable monetary policy till inflation picks up at the start of the next calendar year.

Fund Operations and Performance

Alfalah GHP Alpha Fund

During 1QFY15, AGAF outperformed its benchmark with a return of 2.31% versus the benchmark (KSE-100) return of 0.25% during the same period.

Throughout the quarter under review, the Fund maintained heavy presence in equities (average exposure of approx. 92%). The investment focus was maintained at sectors with favorable fundamentals; showing strong potential for earnings growth. The positive view on Chemicals, Cements, Banks and IPPs played major role in reporting such a significant outperformance.



Going forward, the Fund plans to restructure its portfolio in line with changing fundamentals of the economy. The easing oil prices and strengthening forex parity paved way for shifting allocation away from index heavy-weight Oil & Gas to manufacturing sector such as Automobiles & Parts, Chemicals and Cements.

Key Financial Data

Description	Rs. In million	
	Three month period ended 30 September 2014	Three month period ended 30 September 2013
Net Assets at end of the period	209.706	110.705
Gross income earned	7.151	5.235
Net comprehensive income	4.817	1.909
Net Assets Value per Unit (Rs.)	58.88	57.90
Issuance of units during the period	19.665	6.599
Redemption of units during the period	18.741	8.239

Future Outlook

Going forward, we believe the market shall continue to perform well on the back of strong overall corporate results. We believe investors will benefit more from bottom-up investment philosophy as good opportunities are available in selected scrips that carry high return potential. Hence the equity linked funds should remain with heavy market exposure.

Interest rate stability will make medium to long term bond more attractive than short term instruments hence the focus will be to maximize duration on all fixed income portfolios.

Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance, and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.



For and on behalf of the Board

Chief Executive Officer

Date: October 27, 2014

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES
AS AT 30 SEPTEMBER 2014**

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	Note	----(Rupees)----
Assets		
Bank balances	5	27,257,613
Investments	6	164,828,330
Dividend and profit receivable		219,118
Deposits, prepayments and other receivables		5,160,000
Receivable against sale of Investments		42,359,420
Total assets		239,824,481
Liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company		1,168,194
Payable to Central Depository Company of Pakistan Limited - Trustee		57,680
Payable to Securities and Exchange Commission of Pakistan -Annual fee		145,850
Provision for Workers' Welfare Fund		3,697,869
Accrued expenses and other liabilities		31,103,808
Total liabilities		36,173,401
Contingencies and Commitments		-
Net assets	9	203,651,080
Unit holders' funds (as per statement attached)		203,651,080
		(Number of units)
Number of units in issue		3,538,513
		(Rupees)
Net asset value per unit		57.55

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

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

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	Note	----(Rupees)----
Income		
Capital (loss)/ gain on sale of investments	(597,478)	13,343,850
Dividend income	1,584,158	1,301,150
Profit on deposit accounts with banks	468,677	237,302
Unrealised appreciation / (diminution) in the value of investment - 'at fair value through profit or loss'	6.3 5,695,987	(9,647,464)
Total income / (loss)	7,151,344	5,234,838
Expenses		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7 922,405	897,946
Sales tax on Management fee	161,091	166,656
Federal Excise Duty on Management Fee	147,577	143,068
Remuneration of Central Depository Company of Pakistan Limited - Trustee	176,456	176,438
Annual fee - Securities and Exchange Commission of Pakistan	48,344	28,762
Amortisation of preliminary expenses and floatation costs	-	59,316
Bank and settlement charges	74,881	93,243
Auditors' remuneration	133,242	115,945
Brokerage	163,074	1,167,651
Provision for workers' welfare fund	98,314	38,959
Fees and subscriptions	10 45,595	42,219
Printing and related charges	49,868.00	-
Total expenses	2,020,847	2,930,203
Net income from operating activities	5,130,497	2,304,635
Net element of (loss) / income and capital gains/(losses) included in prices of units issued less those in units redeemed	(313,129)	(395,629)
Net income for the period	4,817,368	1,909,006

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	----(Rupees)----	
Net income for the period	<i>Note</i> 4,817,368	1,909,006
Other comprehensive gain for the period	-	-
Total comprehensive income for the period	<u>4,817,368</u>	<u>1,909,006</u>

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



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

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	----- (Rupees) -----	
Undistributed income / (loss) brought forward:		
Realised	26,733,197	20,425,202
Unrealised	(10,928,388)	(7,220,303)
	15,804,809	13,204,899
Net income for the period	4,817,368	1,909,006
	4,817,368	1,909,006
Undistributed income / (loss) carried forward:		
Realised	14,926,190	24,761,369
Unrealised	5,695,987	(9,647,464)
	20,622,177	15,113,905

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	----(Rupees)----	
Net assets at the beginning of the period	203,651,080	110,041,466
Issue of 336,241 units (2013-106, 234 units)	19,665,336	6,599,073
Redemption of 313,262 units (2013: 131, 136 units)	(18,741,283)	(8,239,791)
	924,053	(1,640,718)
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	313,129	395,629
Capital gain on sale of investments	(597,478)	13,343,850
Unrealised appreciation / (diminution) in the value of investment - 'at fair value through profit or loss'	5,695,987	(9,647,464)
Other net income for the period	(281,141)	(1,787,380)
Net income for the period less distribution	4,817,368	1,909,006
Net assets at the end of the period	209,705,630	110,705,383
	(Rupees)	
Net asset value per unit at the beginning of the period	57.55	56.82
Net asset value per unit at the end of the period	58.88	57.90

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	-----(Rupees)----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	4,817,368	1,909,006
Adjustments for:		
Unrealised appreciation / (diminution) in the value of investment -at fair value through profit or loss'	(5,695,987)	9,647,464
Dividend income	(1,584,158)	(1,301,150)
Profit on deposit accounts with banks	(468,677)	(237,302)
Amortisation of preliminary expenses and floatation costs	-	59,316
Provision for workers' welfare fund	98,314	38,959
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	313,128	395,629
	(7,337,380)	8,602,916
	(2,520,012)	10,511,922
(Increase) / decrease in assets		
Investments	(26,215,616)	(1,042,525)
Receivable against sale of Investments	42,359,420	16,238,692
Deposits, prepayments and other receivables	2,467,118	(22,439)
	18,610,922	15,173,728
Increase / (decrease) in liabilities		
Payable against purchase of investments	-	1,177,500
Payable to Alfalah GHP Investment Management Limited - Management Company	190,713	58,507
Payable to Central Depository Company of Pakistan Limited - Trustee	710	64,012
Payable to Securities and Exchange Commission of Pakistan -Annual fee	(97,506)	(93,899)
Accrued expenses and other liabilities	(30,167,184)	(20,657,582)
	(30,073,267)	(19,451,462)
Dividend and profit received	658,930	239,000
Net cash flows from operating activities	(13,323,427)	6,473,189
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	19,665,336	6,599,073
Payment against redemption of units	(18,741,283)	(8,239,791)
Cash dividend	-	-
Net cash flows from / (used in) financing activities	924,053	(1,640,718)
Net increase in cash and cash equivalents during the period	(12,399,374)	4,832,471
Cash and cash equivalents at beginning of the period	27,257,613	7,443,208
Cash and cash equivalents at end of the period	14,858,239	12,275,679

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

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014****1. LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Alpha 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 December 27, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 (NBFC Rules), on February 29, 2008.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-5, Clifton, Karachi.

Alfalah GHP Alpha 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 Fund.

Alfalah GHP Alpha Fund (AGAF) is open-end Equity Fund. The primary investment objective of the Fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

The Fund has three classes of units. Class A (restricted / core) units were issued to core investors with no sales load. These units cannot be redeemed for a period of two years from the date of initial public offer and shall be charged no sales load. Class B units were offered and issued during the private placement and initial period of offer and shall be charged no sales load. Class C units were offered and issued after the initial period of offer and shall be issued with sales load.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3+'(Outlook: Stable) to the Management Company in its rating report dated 20 June 2014 and 1 Star (short term) and 2 Star (long term) to the fund in its rating report dated 27 November 2013.

'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 2014 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 2014.

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 2014. 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.

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 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2014.

3.1 Earnings per unit

Earnings per unit (EPU) for the quarter ended September 30, 2014 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 2014.

5. BANK BALANCES

Deposit accounts

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
<i>Note</i>	----(Rupees)----	

5.1	<u>14,858,239</u>	<u>27,257,613</u>
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5.1 The deposit accounts with the banks carry profit at rates ranging from 7% to 9.25% per annum (June 30, 2014: 7% to 9.25% per annum).

30 September 30 June
2014 2014
(Unaudited) (Audited)

Note -----(Rupees)-----

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

6.1 196,739,933 164,828,330

6.1 In quoted equity securities - 'Held for trading'

Name of the investee company	As at 01 July 2014	Purchases during the period	Bonus / Demerger/ rights Issue during the period	Sales during the period	As at 30 Sept 2014	Cost as at 30 Sept 2014	Market value as at 30 Sept 2014	Market value as a percentage of:	
								net assets	total investments
	Number of shares				(Rupees)				
Chemicals									
Engro Corporation Limited	54,600	6,000	-	28,000	32,600	5,827,106	5,383,564	2.57	2.74
Engro Fertilizer Limited	-	64,500	-	-	64,500	3,476,780	3,457,845	1.65	1.76
ICI Pakistan Limited	33,900	-	-	-	33,900	13,232,526	17,969,712	8.57	9.13
						<u>22,536,412</u>	<u>26,811,121</u>		
Banks									
Bank Alfalah Limited	187,000	119,000	-	-	306,000	8,540,245	8,684,280	4.14	4.41
Bank Al-habib Limited	161,000	63,000	-	-	224,000	10,148,025	10,140,480	4.84	5.15
MCB Bank Limited	35,200	9,800	-	16,000	29,000	8,704,700	8,194,530	3.91	4.17
United Bank Limited	57,933	2,000	-	26,000	33,933	5,721,743	6,390,941	3.05	3.25
National Bank of Pakistan	86,000	39,000	-	-	125,000	7,698,975	7,562,500	3.61	3.84
Allied Bank Limited	31,000	10,000	-	5,000	36,000	4,933,176	4,070,520	1.94	2.07
Habib Bank Limited	19,700	26,000	-	-	45,700	8,796,685	9,559,526	4.56	4.86
Habib Metropolitan Bank	191,500	-	-	55,000	136,500	4,393,935	4,299,750	2.05	2.19
Askari Bank Limited	-	150,000	-	-	150,000	3,280,350	3,232,500	1.54	1.64
						<u>62,217,833</u>	<u>62,135,027</u>		
Construction and Materials									
D.G.Khan Cement Company Limited	73,500	60,000	-	50,500	83,000	7,096,451	6,615,100	3.15	3.36
Kohat Cement	5,000	-	-	-	5,000	639,100	604,400	0.29	0.31
Lucky Cement Limited	29,600	-	-	-	29,600	12,144,880	11,887,064	5.67	6.04
Fauji Cement	102,000	25,000	-	-	127,000	2,484,890	2,475,230	1.18	1.26
Lafarge Pakistan Cement	-	200,000	-	-	200,000	3,499,090	3,302,000	1.57	1.68
Maple Leaf Cement Company Limited	90,000	-	-	55,000	35,000	1,051,750	951,650	0.45	0.48
						<u>26,916,161</u>	<u>25,835,444</u>		
Electricity									
The Hub Power Company Limited	121,500	51,000	-	-	172,500	10,275,015	11,036,550	5.26	5.61
Kot Addu Power	-	70,000	-	-	70,000	4,197,100	4,500,300	2.15	2.29
K-Electric Limited	233,000	-	-	-	233,000	1,978,170	1,798,760	0.86	0.91
						<u>16,450,285</u>	<u>17,335,610</u>		
Automobile & Parts									
Indus Motor	-	14,000	-	-	14,000	9,053,293	10,306,380	4.91	5.24
Pak Suzuki Motor Company	39,000	-	-	26,000	13,000	3,560,570	3,695,640	1.76	1.88
						<u>12,613,863</u>	<u>14,002,020</u>		
Industrial Engineering									
Millat Tractors	5,600	-	-	-	5,600	2,795,128	3,097,696	1.48	1.57
						<u>2,795,128</u>	<u>3,097,696</u>		
Oil & Gas									
Pakistan Petroleum Limited	-	15,000	-	-	15,000	3,364,260	3,390,750	1.62	1.72
Mari Gas company Limited	-	13,000	-	13,000	-	-	-	-	-
Pakistan State Oil Company Limited	12,300	-	-	-	12,300	4,782,855	4,433,535	2.11	2.25
Oil & Gas Development Company Limited	41,600	5,300	-	10,000	36,900	9,701,098	9,116,514	4.35	4.63
Sui Northern Gas Pipelines Limited	-	100,000	-	100,000	-	-	-	-	-
Pakistan Oilfields Limited	8,000	3,300	-	1,100	10,200	5,913,255	5,420,688	2.58	2.76
						<u>23,761,468</u>	<u>22,361,487</u>		

Name of the investee company	Note	As at 01 July 2014	Purchases during the period	Bonus / Demerger/ rights issue during the period	Sales during the period	As at 30 Sept 2014	Cost as at 30 Sept 2014	Market value as at 30 Sept 2014	Market value as a percentage of:	
									net assets	total investments
						(Rupees)				
----- Number of shares -----										
Non-Life Insurance										
Adamjee Insurance Company Limited		114,432	-	-	-	114,432	<u>5,237,553</u>	<u>5,472,138</u>	2.61	2.78
							<u>5,237,553</u>	<u>5,472,138</u>		
Food Products										
Engro Foods		50,000	9,000	-	-	59,000	<u>6,135,102</u>	<u>5,956,640</u>	2.84	3.03
							<u>6,135,102</u>	<u>5,956,640</u>		
Pharma & Bio Technology										
The Searle Company		15,000	-	-	-	15,000	<u>2,618,100</u>	<u>3,674,250</u>	1.75	1.87
							<u>2,618,100</u>	<u>3,674,250</u>		
Personal Goods										
Nishat Mills Limited		47,000	-	-	-	47,000	<u>5,260,240</u>	<u>5,593,000</u>	2.67	2.84
Gul Ahmed Textile		30,000	-	-	-	30,000	<u>1,920,300</u>	<u>2,030,400</u>	0.97	1.03
Artistic Denim		30,000	-	-	-	30,000	<u>2,581,500</u>	<u>2,435,100</u>	1.16	1.24
							<u>9,762,040</u>	<u>10,058,500</u>		
Total							<u><u>191,043,946</u></u>	<u><u>196,739,933</u></u>		

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

6.1.2 Investment includes 50,000 Hub Power shares of Pakistan Petroleum Limited, 25,000 shares of Oil and Gas Development Company Limited and 18,000 which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and MTM losses for settlement of the Fund's trades as allowed in Circular number 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.16 million (30 June 2014: Rs. 0.525 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

8. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

9. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 September 2014.

10. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been

brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. In March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the WWF Ordinance through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011. However, as mentioned above, the constitutional petition challenging the applicability of WWF on mutual funds is still pending adjudication and not yet decided. The Management Company has considered the implications of the above judgment of SHC and is of the view that the matter will eventually be settled in its favor and WWF will not be levied on the Fund.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

In view of the uncertainty on the applicability of WWF to mutual funds, the Management Company as a matter of prudence, has decided to continue to maintain the provision for WWF amounting to Rs.3.796 million (September 30, 2013: Rs.2.724 million) up to September 30, 2014. Had the provision not been made, the NAV per unit would have been higher by Rs.1.07 (1.82%) per unit (September 30, 2013: Rs.1.42 (2.45%) per unit).

11. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2014 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial statements for the quarter ended 30 September 2014.

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons.

The transactions with connected persons are in the normal course of business, at contractual rates and terms determined in accordance with market rates.

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

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

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	----- (Rupees) -----	
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	1,168,194	727,477
Remuneration for the period / year	922,405	3,283,798
Sindh sales tax on Management fee for the period / year	161,091	525,379
Federal Excise Duty on Management Fee	147,577	608,429
	1,231,073	4,417,606
Amount paid during the period / year	(1,040,360)	(3,976,889)
Balance at the end of the period / year	1,358,907	1,168,194
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	57,680	62,892
Remuneration for the period / year	176,456	700,037
CDS charges for the period / year	-	36,164
	176,456	736,201
Amount paid during the period / year	(201,441)	(741,413)
Balance at the end of the period / year	32,695	57,680
Bank Alfalah Limited		
Deposits at the end of the period / year	14,850,494	27,257,613
Profit receivable at the end of the period / year	140,574	83,914
Profit on deposit accounts at the end of the period / year	468,677	1,506
Bank Charges	3,335	6,770

12.2 Unit Holder's Fund

	September 30, 2014									
	As at 01 July 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 Sept 2014	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at September 30, 2014
	----- (Units) -----				----- (Rupees) -----					
Associated Companies / Undertakings										
Nil	-	-	-	-	-	-	-	-	-	-
Other related parties										
Bank Alfalah Limited - Employees Provident Fund	1,388,889	-	-	-	1,388,889	79,930,556	-	-	-	81,777,778
Bank Alfalah Limited - Employees Gratuity Fund	500,000	-	-	-	500,000	28,775,000	-	-	-	29,440,000
Key Management Personnel										
Employees	8,866	5,342	-	-	14,208	817,675	-	-	-	836,572
Unit holder holding 10% or more Units										
Syed Babar Ali	870,576	-	-	-	870,576	50,101,673	-	-	-	51,259,539

	September 30, 2013									
	As at 01 July 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 Sept 2013	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at September 30, 2013
	(Units)				(Rupees)					
Associated Companies / Undertakings										
Nil										
Other related parties										
Bank Alfalah Limited - Employees Provident Fund	1,388,889	-	-	-	1,388,889	78,916,667	-	-	-	80,416,667
Bank Alfalah Limited - Employees Gratuity Fund	500,000	-	-	-	500,000	28,410,000	-	-	-	28,950,000
Key Management Personnel										
Employees	-	5,179		2,507	2,672	-	305,933	-	153,771	154,695

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 27, 2014 by the Board of Directors of Management company.

14 GENERAL

Figures have been rounded off to the nearest rupees.

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

Chief Executive

Director