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**FUND'S INFORMATION**

<b>Management Company:</b>	Alfalalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi..
<b>Board of Directors of the Management Company:</b>	- Ms. Maheen Rahman - Syed Ali Sultan - Mr. Michael Hermann - Mr. Hanspeter Beier - Mr. Amin Dawood Saleh - Mr. Muhammad Asif Saad - Mr. Abid Naqvi
<b>Head of Finance:</b>	- Syed Hyder Raza Zaidi
<b>Company Secretary:</b>	- Moinuddin
<b>Audit Committee:</b>	- Syed Ali Sultan - Mr. Abid Naqvi - Mr. Amin Dawood Saleh
<b>HR Committee:</b>	- Syed Ali Sultan - Mr. Michael Hermann - Ms. Maheen Rahman
<b>Trustee:</b>	MCB Financial Services Limited 3rd Floor, Adamjee House, I.I. Chundrigarh Road, Karachi.
<b>Fund Manager:</b>	- Mr. Imran Altaf
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
<b>Legal Advisor:</b>	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalalah GHP Investment Management Limited 8-B,8th Floor,Executive Tower,Dolmen City,Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	Stability Rating AAA 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 advise, 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 Cash Fund (AGCF), 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.

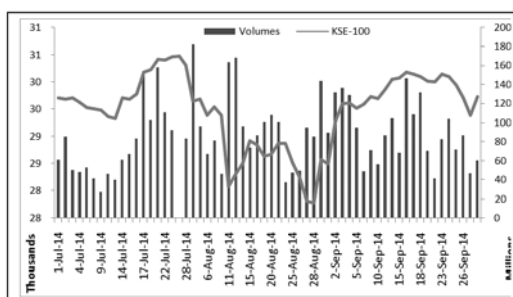
Delays in IMF tranche and privatization proceeds have brought down US\$306mn in Sep-14 at US\$13.3bn. The IMF has clubbed payments of Sept & Dec review together and is expected to disburse US\$1.1bn in Dec easing pressure on rupee and foreign exchange reserves. Furthermore issuance of US\$500mn Sukuk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

### ***Capital Markets Review***

#### **EQUITIES REVIEW**

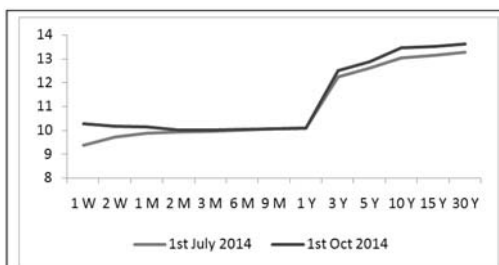
The KSE-100 remained range bound in the 1QFY15, with a 0.25% return for the period. The major reason for the relatively lackluster performance during 1QFY15 was primarily driven by political turmoil in the capital which began mid Aug and continued till the end of the quarter. Once politics took the front 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.

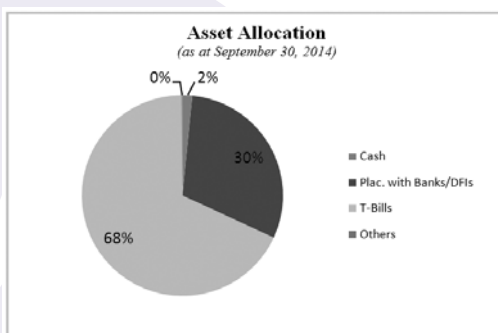


With monetary easing opportunities left behind, the State Bank is now widely expected to maintain a stable monetary policy till inflation picks up at the start of the next calendar year.

**Fund Operations and Performance**
**Alfalah GHP Cash Fund**

During 1QFY15, Alfalah GHP Cash Fund (AGCF) generated a return of 8.25% while the benchmark of the fund generated 7.67% during the same period.

Placements with DFIs/Banks having high credit rating were increased during the period to raise daily accrual of the fund. With a stable interest rate outlook for 1HFY15, the fund maintained steady exposure to 3-month and lower tenor T-bills. Duration of the fund varied between 30 - 45 days in line with the AAA rating framework of the fund as stipulated by PACRA.



Going forward, the fund is positioned to benefit from September 30, 2014 quarter end placements that emanated from deposit mobilization drive of financial institutions. With an optimal mix of placements, deposits and treasury bills, the fund aims to maintain a portfolio with a reasonable duration and higher yield.

Going forward, AGCF will look to maintain its duration near the 45-day mark as interest rates are expected to remain stable.

The Fund's stability rating is 'AAA (f)' (Tripple A - fund rating) by Pakistan Credit Rating Agency (PACRA).

**Key Financial Data**

Rs. In million

Description	Three month period ended 30 September 2014	Three month period ended 30 September 2013
Net Assets at end of the period	2,298,507	2,969,401
Gross income earned	57.231	65.802
Net comprehensive income	46.838	53.446
Net Assets Value per Unit (Rs.)	513.11	500.33
Issuance of units during the period	402.869	438.837
Redemption of units during the period	-259.884	-382.563

**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)
	<i>Note</i>	----(Rupees)----	
<b>Assets</b>			
Bank balances	5	306,671,718	2,872,515
Investments	6	2,015,259,864	2,130,864,042
Profit receivable		2,916,578	1,746,745
Prepayments		309,896	507,694
Preliminary expenses and floatation costs		282,586	443,125
<b>Total assets</b>		<b>2,325,440,642</b>	2,136,434,121
<b>Liabilities</b>			
Payable to Alfalah GHP Investment Management Limited - Management Company		8,576,275	7,409,958
Payable to MCB Financial Services Limited - Trustee		168,927	156,929
Payable to Securities and Exchange Commission of Pakistan -Annual fee		432,763	2,048,464
Accrued expenses and other liabilities		17,756,074	18,387,956
<b>Total liabilities</b>		<b>26,934,039</b>	28,003,307
<b>Contingencies and Commitments</b>	9	-	-
<b>Net assets</b>		<b>2,298,506,603</b>	2,108,430,814
<b>Unit holders' funds (as per statement attached)</b>		<b>2,298,506,603</b>	2,108,430,814
		(Number of units)	
<b>Number of units in issue</b>		<b>4,479,521</b>	4,194,560
		(Rupees)	
<b>Net asset value per unit</b>		<b>513.11</b>	502.66

The annexed notes 1 to 15 form an integral part of these 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)-----
<b>Income</b>		
Capital gain on sale of investments	67,221	72,533
Profit from term deposit receipts	909,864	4,916,438
Income from placements	5,604,593	2,141,918
Profit on deposit accounts with banks	1,863,455	4,936,815
Unrealised appreciation in the value of investments		
-'at fair value through profit or loss'	6.2 (434,128)	(1,156,310)
Income from government securities	49,220,376	54,890,291
<b>Total income</b>	<b>57,231,381</b>	<b>65,801,685</b>
<b>Expenses</b>		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	5,770,175	7,512,046
Sales tax on Management fee	7 1,004,010	1,394,236
FED on Management fee	8 923,233	1,201,927
Remuneration of MCB Financial Services Limited (Trustee)	497,443	601,956
Annual fee - Securities and Exchange Commission of Pakistan	432,763	563,403
Amortisation of preliminary expenses and floatation costs	160,540	160,520
Bank and settlement charges	12,221	14,733
Legal and Professional Charges	103,572	-
Auditors' remuneration	108,376	108,383
Brokerage	28,407	63,729
Provision for workers' welfare fund	10 955,874	1,090,714
Fees and subscriptions	94,226	69,064
Printing and related cost	49,862	49,411
<b>Total expenses</b>	<b>10,140,702</b>	<b>12,830,122</b>
<b>Net income from operating activities</b>	<b>47,090,679</b>	<b>52,971,563</b>
Net element of (loss) and capital (gain)		
included in prices of units issued less those in units redeemed	(252,876)	474,395
<b>Net income for the period</b>	<b>46,837,803</b>	<b>53,445,958</b>

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

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

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

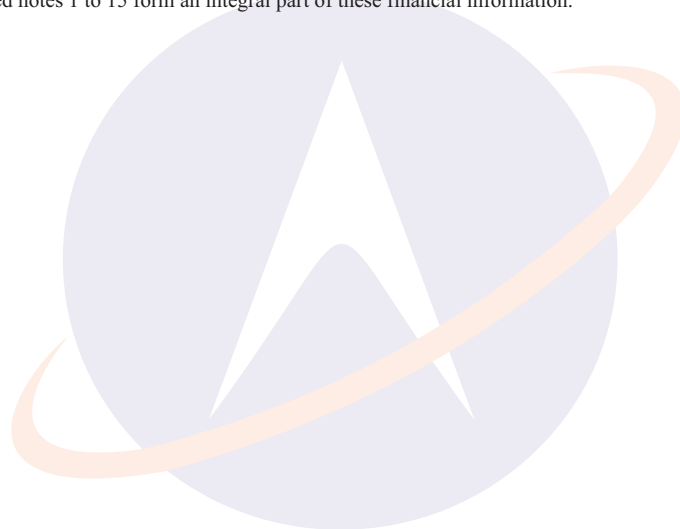
\_\_\_\_\_  
Director



**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	46,837,803	53,445,958
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>46,837,803</u>	<u>53,445,958</u>

The annexed notes 1 to 15 form an integral part of these 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**

	<b>30 September 2014</b>	30 September 2013
	----- <b>(Rupees)</b> -----	
Undistributed income brought forward:		
Realised	<b>10,723,192</b>	442,810
Unrealised	<b>283,903</b>	1,413,640
	<b>11,007,095</b>	1,856,450
 Net income for the period	 <b>46,837,803</b>	 53,445,958
Interim distribution for the period ended 30 September 2014:		
- Cash distribution of Nil (2013: Rs. 8.90 per unit)	-	(27,785,554)
- Issue of Nil bonus units (2013: 51,068 units)	-	(25,534,849)
	<b>46,837,803</b>	125,555
Undistributed income carried forward:		
Realised	<b>58,279,026</b>	3,138,315
Unrealised	<b>(434,128)</b>	(1,156,310)
	<b>57,844,898</b>	1,982,005

The annexed notes 1 to 15 form an integral part of these 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**

	<b>30 September 2014</b>	<b>30 September 2013</b>
	----(Rupees)----	
Net assets at the beginning of the period	<b>2,108,430,814</b>	2,887,941,051
Issue of 796,888 units (2013: 874,086 units)	<b>402,869,044</b>	438,837,221
Redemption of 511,927 units (2013: 762,489 units)	<b>(259,883,934)</b>	(382,563,103)
	<b>142,985,110</b>	56,274,118
Net Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased	<b>252,876</b>	(474,395)
Interim bonus distribution of Nil units for the period (2013: 51,068 units)	-	25,534,849
Capital gain on sale of investments	<b>67,221</b>	72,533
Unrealised appreciation in the value of investments		
- 'at fair value through profit or loss'	<b>(434,128)</b>	(1,156,310)
Other net income for the period	<b>47,204,710</b>	54,529,735
Interim distribution for the period ended 30 September 2014:		
- Cash distribution of Nil (2013: Rs. 8.90 per unit)	-	(27,785,554)
- Issue of Nil bonus units (2013: 51,068 units)	-	(25,534,849)
Net (gain) for the period less distribution	<b>46,837,803</b>	125,555
<b>Net assets at the end of the period</b>	<b><u>2,298,506,603</u></b>	<u>2,969,401,178</u>
	(Rupees)	
Net asset value per unit at the beginning of the period	<b><u>502.66</u></b>	<u>500.32</u>
Net asset value per unit at the end of the period	<b><u>513.11</u></b>	<u>500.33</u>

The annexed notes 1 to 15 form an integral part of these 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) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	46,837,803	53,445,958
<b>Adjustments for:</b>		
Unrealised appreciation in the value of investments - 'at fair value through profit or loss'	434,128	1,156,310
Profit on deposit accounts with banks	(1,863,455)	(4,936,815)
Amortisation of preliminary expenses and floatation costs	160,540	160,520
Profit from term deposit receipts	(909,864)	(4,916,438)
Income from placements	(5,604,593)	(2,141,918)
Provision for workers' welfare fund	955,874	1,090,714
Net element of (loss) and capital (losses) included in prices of units issued less those in units redeemed	252,876	(474,395)
	<u>40,263,309</u>	<u>43,383,936</u>
<b>(Increase) / decrease in assets</b>		
Investments	115,170,050	(414,156,800)
Prepayments	197,798	39,871
	<u>115,367,848</u>	<u>(414,116,929)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Alfalah GHP Investment Management Limited - Management Company	1,166,317	1,560,469
Payable to MCB Financial Services Limited - Trustee	11,998	8,360
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(1,615,701)	(1,659,871)
Accrued expenses and other liabilities	(1,587,756)	(13,718,078)
	<u>(2,025,142)</u>	<u>(13,809,120)</u>
Profit received	7,208,078	14,281,316
<b>Net cash flows from operating activities</b>	<u>160,814,093</u>	<u>(370,260,797)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	402,869,044	438,837,221
Payment against redemption of units	(259,883,934)	(382,563,103)
Cash dividend paid	-	(27,785,554)
<b>Net cash flows from financing activities</b>	<u>142,985,110</u>	<u>28,488,564</u>
Net (decrease)/increase in cash and cash equivalents during the period	<u>303,799,203</u>	<u>(341,772,233)</u>
Cash and cash equivalents at beginning of the period	2,872,515	931,051,000
Cash and cash equivalents at end of the period	<u>306,671,718</u>	<u>589,278,767</u>

The annexed notes 1 to 15 form an integral part of these 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**

Alfalalah GHP Cash Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the trustee"). The Trust Deed was executed on 23 October 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on 07 October 2009.

The first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed between the MCB Financial Services Limited as the new Trustee. The Securities and Exchange Commission of Pakistan authorised the constitution of the Trust Deed on 13 June 2012 and it was executed on 21 June 2012 in accordance with the NBFC Regulations.

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 8th Floor (8-B), Executive Tower, Dolmen City, Block-4, Clifton, Karachi.

Alfalalah GHP Cash 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.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of 'AM3+' (outlook stable) to the Management Company in its rating report dated 20 June 2014 and AAA (f) to the Fund in its credit rating report dated 24 February 2014.

The 'Title' to the assets of the Fund are held in the name of MCB Financial Services 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 period 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 end 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 are measured at fair value.

## 2.3 Functional and presentation currency

These condensed interim financial statements 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 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. 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) has not been disclosed 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

	<b>30 September 2014 (Unaudited)</b>	<b>30 June 2014 (Audited)</b>
	<i>Note</i>	<b>----(Rupees)----</b>
In deposit accounts	5.1	36,672,275
In term deposit receipts	5.2	2,872,515
		<u>270,000,000</u>
		<u>306,672,275</u>
		<u>2,872,515</u>

- 5.1 These balances in saving deposit accounts maintained with various banks carrying mark-up rates of 6.00% to 9.25% (2014: 6.00% to 9.25%) per annum. This Includes Rs.36.68 million (2014: Rs. 2.862 million) with a related party that carry mark-up ranging from 6% to 9.25%.
- 5.2 This represents term deposit receipt maintained with Allimed Bank Limited carrying mark-up rate of 10.25% per annum and having maturity dates upto 20 October 14.

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
Note	----(Rupees)----	
<b>6. INVESTMENTS</b>		
<b>At fair value through profit or loss - held for trading</b>		
Market Treasury bills	6.1 <b>1,580,259,864</b>	1,930,864,042
<b>Loans and receivables</b>		
Letter of placement	6.3 <b>435,000,000</b>	200,000,000
	<b>2,015,259,864</b>	<b>2,130,864,042</b>

**6.1 Treasury Bills**

Issue Date	As at 01 July 2014	Purchases during the period	Sold/ matured during the period	Balance as at 30 September 2014	Carrying value as at 30 September 2014	Market value as at 30 September 2014	Unrealised gain / (loss) on revaluation	% of net assets on the basis of market value	% of total investment on the basis of market value
	----- (No. of Certificates) -----			----- (Rupees) -----					
<b>Treasury bills face value - face value of Rs. 100 each issued on</b>									
Maturity upto 3 months	14,347,154	24,262,846	22,650,000	15,960,000	1,580,604,157	1,580,259,864	(344,293)	0.69	0.78
Maturity upto 6 months	5,000,000	2,500,000	7,500,000	-	-	-	-	-	-
	<b>30,150,000</b>			<b>15,960,000</b>	<b>1,580,604,157</b>	<b>1,580,259,864</b>	<b>(344,293)</b>		

- 6.1.1 These represents Market treasury bills having face value of Rs. 1,596 million (30 June 2014: Rs. 1,450 million) and carrying purchase yield ranging between 9.85% to 9.96% (30 June 2014: 9.85% to 9.99%) per annum. These Treasury bills have maturity upto 27 November 2014 (30 June 2014: 18 September 2014).

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	----(Rupees)----	
<b>6.2 Net unrealized diminution in the value of investments classified as 'at fair value through profit or loss'</b>		
Fair value of investments classified as 'at fair value through profit or loss'	<b>1,580,259,864</b>	1,930,864,042
Cost of investments classified as 'at fair value through profit or loss'	<b>(1,580,604,157)</b>	(1,930,774,207)
Net unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss'	<b>(344,293)</b>	89,835
Net unrealised (appreciation) / diminution in the value of investments at the beginning of the period	<b>(89,835)</b>	194,068
Net unrealised appreciation / diminution in the value of investments at the end of the period	<b>(434,128)</b>	283,903

**6.3 Letter of Placement**

- 6.3.1 This letter of placement with Pak Brunei Investment Company carries mark-up rate of 10.25% per annum and will mature on 11 November 2014 and has a credit rating of AA+. Investment in letter of placement represents 11.16% of total investments on the basis of face value and 9.79% of net assets on the basis of face value.
- 6.3.2 This letter of placement with Pak Oman Investment Company carries mark-up rate of 10.25% per annum and will mature on 31 October 2014 and has a credit rating of AA+. Investment in letter of placement represents 10.42% of total investments on the basis of face value and 9.14% of net assets on the basis of face value.

**7. SALES TAX ON MANAGEMENT FEE**

During the current period, an amount of Rs. 1.004 million (30 September 2013: Rs. 1.3942) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

**8. FED ON MANAGEMENT FEE**

As per Finance Act 2013, the description and duty on all types of financial services has been clubbed and extended under table II serial # 08 16% in FED Act 2005, with effect from 13 June 2013. During the current period, an amount of Rs. 0.923 million (30 September 2013: Rs 1.2019) was charged on account of FED on management fee.

**9. CONTINGENCIES & 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 Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year ended June 30, 2012, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 17.028 million (including Rs 0.956 million for the current quarter) in these financial statements.

**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 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 2014 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these financial information for the year 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, MAB Investment Incorporated being associated companies of Management



Company, Alfalah Insurance Company Limited, 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 MCB Financial Services Limited (MCBFSL) being the trustee of the Fund, and other associated companies and connected persons.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules 2003, NBFC Regulations 2008 and the Constitutive Documents 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 financial statements, are as follows:

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	----(Rupees)----	
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Balance at beginning of the period / year	7,409,958	2,950,420
Remuneration for the period / year	5,770,175	27,312,750
Sales tax on Management fee for the period / year	1,004,010	5,069,250
FED on Management fee for the period / year	923,233	4,370,047
	7,697,418	36,752,047
Amount paid during the period / year	(6,531,151)	(32,292,509)
Balance at the end of the period / year	<u>8,576,225</u>	<u>7,409,958</u>
<b>MCB Financial Services Limited - Trustee</b>		
Balance at beginning of the period / year	156,929	188,506
Remuneration for the period / year	497,443	2,238,766
	654,372	2,427,272
Amount paid during the period / year	(485,445)	(2,270,343)
Balance at the end of the period / year	<u>168,927</u>	<u>156,929</u>
<b>Bank Alfalah Limited</b>		
Deposits at the end of the period / year	36,672,275	2,861,485
Term deposits receipts at the end of the period / year	-	-
Market Treasury bills	-	1,930,864,042
Purchase market treasury bills	1,917,880,000	-
Profit receivable on term deposits receipts at the end of the period / year	-	-
Profit on deposit accounts at the end of the period / year	1,863,455	663,688
Profit receivable on deposit account at the end of the period / year	-	659,050
Profit on term deposit receipts at the end of the period / year	-	-
Income from placements at the end of the period / year	-	12,723,425
Bank charges at the end of the period / year	12,221	73,909
<b>Alfalah GHP Income Multiplier Fund</b>		
Purchase market treasury bills	24,945,600	-
<b>Alfalah GHP Sovereign Fund</b>		
Purchase market treasury bills	147,238,800	-
<b>IGI Income Fund</b>		
Sale market treasury bills	39,890,400	-
<b>Dividend paid to:</b>		
Bank Alfalah Limited	-	91,708,081
Bank Alfalah Limited - Gratuity Fund	-	3,668,780

**12.2 Unit Holder's Fund**

	For the quarter ended 30 September 2014									
	As at 01 July 2014	Issued for cash	Bonus	Redeemed	As at 30 Sept 2014	As at July 01, 2014	Issued for cash	Bonus	Redeemed	NAV as at 30 September 2014
	(Units)				(Rupees)					
<b>Associated Companies / Undertakings</b>	<b>2,000,739</b>	-	-	-	<b>2,000,739</b>	<b>1,005,691,648</b>	-	-	-	<b>1,026,599,374</b>
Bank Alfalah Limited	-	-	-	-	-	-	-	-	-	-
Alfalalah GHP Investment Management Ltd	-	-	-	-	-	-	-	-	-	-
<b>Other Related Parties</b>	<b>154,918</b>	-	-	-	<b>154,918</b>	<b>77,870,965</b>	-	-	-	<b>79,489,856</b>
Alfalalah Insurance Company Limited	100,000	-	-	-	100,000	50,266,000	-	-	-	51,311,000
Bank Alfalah Limited - EGF	-	-	-	-	-	-	-	-	-	-
<b>Unit holder holding 10% or more Units</b>										
Habib Metropolitan Bank Limited	-	408,221	-	-	408,221	-	205,196,299	-	-	209,462,207
Fauji Fertilizer Bin Qasim Limited	-	411,196	-	-	411,196	-	206,691,964	-	-	210,988,966
Pakistan Petroleum Limited	449,920	48,772	-	-	498,692	226,156,998	25,000,000	-	-	255,884,028

	For the quarter ended 30 September 2013									
	As at 01 July 2014	Issued for cash	Bonus	Redeemed	As at 30 Sept 2014	As at July 01, 2014	Issued for cash	Bonus	Redeemed	NAV as at 30 September 2014
	(Units)				(Rupees)					
<b>Associated Companies / Undertakings</b>										
Bank Alfalah Limited	2,999,940	-	-	-	2,999,940	1,500,959,981	-	-	-	1,500,959,981
Alfalalah GHP Investment Management Ltd	653,823	-	11,469	19,960	645,332	327,127,191	-	5,735,000	10,000,000	322,878,918
<b>Other Related Parties</b>										
Alfalalah Insurance Company Limited	187,090	-	3,202	23,859	166,434	93,606,687	-	1,601,000	12,000,000	83,271,730
Bank Alfalah Limited - EGF	100,000	-	-	-	100,000	50,033,000	-	-	-	50,033,000
<b>Key Management Personal</b>										
Chief Executive	89	-	-	89	-	44,529	-	-	44,450	-
Other Executive	4,694	-	60	4,694	60	2,348,549	-	31,000	2,716,000	30,020

**13. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund's accounting policy on fair value measurements of its investments is discussed in note 3.1 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	30 September 2014			
	Level 1	Level 2	Level 3	Level 4
	----- (Rupees) -----			
<b>Financial assets at 'fair value through profit or loss'</b>				
Market treasury bills	-	<u>1,580,259,864</u>	-	<u>1,580,259,864</u>

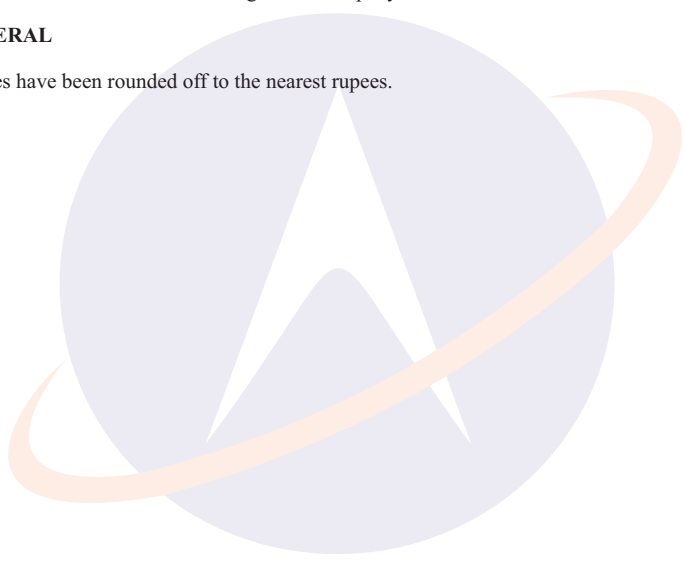
There have been no transfers to or from above levels during the period.

#### 14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 27, 2004 by the Board of Directors of the Management Company.

#### 15 GENERAL

Figures have been rounded off to the nearest rupees.



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

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

\_\_\_\_\_  
Director