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**VISION**

The Company shall be a trusted provider of fund management solutions and services which focus on best serving the investments interests of its clients.

**MISSION**

Our vision will be realized by:

Providing solutions to client investment requirements which adhere to the highest ethical standards while meeting long-term objectives and short-term needs.

Attracting and retaining talent that shares our core values of integrity and excellence being responsible corporate citizen.

**VALUES**

Integrity, Professionalism, Focus on Sustainable Growth

## FUND'S INFORMATION

<b>Management Company:</b>	Alfalsh 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>	<ul style="list-style-type: none"><li>- Ms. Maheen Rahman</li><li>- Syed Ali Sultan</li><li>- Mr. David Burlison</li><li>- Mr. Hanspeter Beier</li><li>- Mr. Amin Dawood Saleh</li><li>- Mr. Muhammad Asif Saad</li><li>- Mr. Abid Naqvi</li></ul>
<b>CFO &amp; Company Secretary Of the Management Company:</b>	- Syed Muhammad Zeeshan
<b>Audit Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Abid Naqvi</li><li>- Mr. Amin Dawood Saleh</li></ul>
<b>Fund Manager:</b>	-Mr. Syed Saifullah Kazmi
<b>Trustee:</b>	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530.
<b>Legal Advisor:</b>	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalsh 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>	4 Star (Long term) / 5 Star (Short term)

## DIRECTORS' REPORT

For the nine month period ended 31 March, 2014

### To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of IGI Stock Fund (IGISF), for the nine months ended 31 March, 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

Economic indicators have begun to signal the beginnings of a turnaround in economic activity.

Overall growth in Large Scale Manufacturing (LSM) at 6.05% for the 7 month period Jul '13 - Jan '14 was driven mainly by exceptionally strong growth in Food, Beverage, and Tobacco sector, and the Fertilizer sector, which benefitted from increased supply of gas during the period. FY14 LSM growth will remain steady at 5% and resultantly, this improvement should deliver a higher GDP growth of over 4.5% as compared to the IMF's original target of 2.5%.

Inflation remained in check during 3QFY14 with the monthly CPI number down to 8.5% in March 2014. Core inflation further dipped in March to 7.6%, and Cumulative 9MFY14 CPI numbers now stand at 8.6%. Thus, the real interest rate stands at approximately 1.4%.

Current account for the month of Feb '14 posted a surplus of USD 164 million, taking the 8MFY14 current account deficit to USD 2 billion compared to USD 0.8 billion during the same period last year. Recently released data for Trade deficit (-5%MoM) and Remittances (+11%MoM) suggest further surplus in Mar'14.

Meanwhile, the PKR has shown appreciation against the USD during the period, and is expected to gain further strength going forward as USD inflows have picked up and further inflows are expected on account of Pakistan Development Fund, auction of 3G/4G licenses, Eurobond issue, Coalition Support Fund, and positive response from multilateral donor agencies .

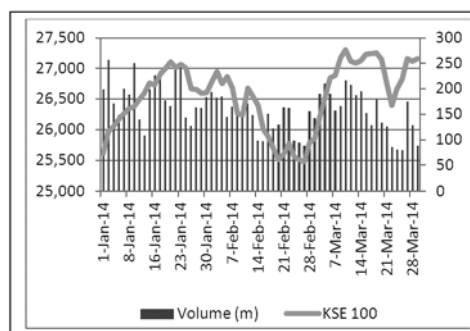
With no immediate risk to inflation, controlled parity, rising reserves, and manageable balance of payments as expected inflows are likely to finance the decline in exports, the SBP may get room to cut interest rates in CY14.

The pace of this recovery and its sustainability hinges on the governments continued ability to raise external financing to fund the budget deficit, given that tax revenues have fallen short of targets over this period. Positive efforts have been seen in this regard; should this sustain, domestic economic environment can be expected to improve with resultant positive benefits on capital markets.

### Capital Markets Review

#### EQUITIES REVIEW

Despite a bearish spell from end-Jan to end-Feb which saw the KSE-100 dip 6%, the market recorded another appreciable performance in 3QFY14 as a 5.3% increase in March took the KSE-100's net return to 7.5% for the period taking the 9MFY14 gain to 29.3%. The February market decline was mostly driven by foreign selling, as foreign investors booked gains which accrued to them due to the sharp appreciation in the PKR. Overall, the quarter closed positive due to improving macro situation and news of Pakistan's increased weightage in MSCI FM index.



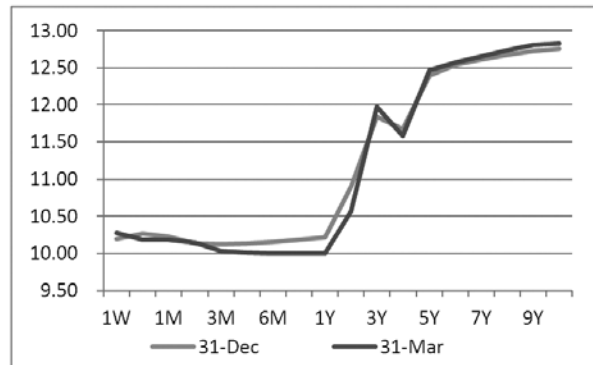
The 6.97% appreciation in the value of the PKR, while a boon for import dependent sectors, has proved a bane for exporting sectors, thus valuations for the Textile sector have been revised downwards, while Autos and Pharmaceutical companies have had their earnings forecasts revised upwards.

With the interest rate outlook having stabilized, there are increasing expectations of a cut in the benchmark discount rate in the next Monetary Policy Statement due to be announced in May 2014. If this happens, it could provide a further boost to the equity markets.

### MONEY MARKET REVIEW

SBP having tightened the monetary policy in 1HFY14 due to inflationary pressures and external side issues opted to maintain the discount rate steady at 10% in anticipation of improvement in macroeconomic indicators and a better foreign exchange reserve position.

Thereon, lower than expected inflation numbers, improving exchange rate, and a generally improving macro-economic picture has led to a stable outlook on interest rates for the remaining part of the current fiscal year.



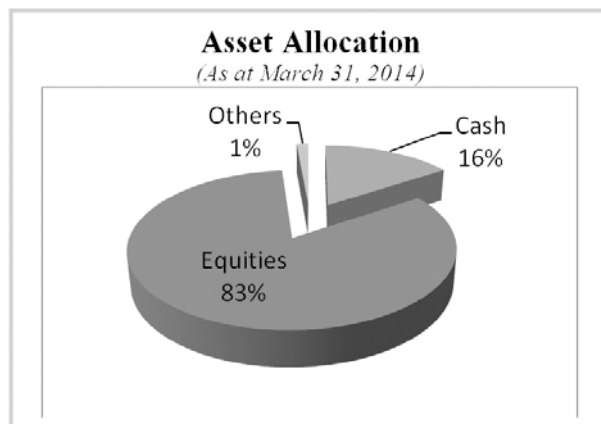
### Fund Operations and Performance

#### IGI Stock Fund

During 3QFY14, IGI Stock Fund (IGISF) generated a return of 5.08% versus the benchmark return of 7.52%, taking the 9MFY14 return to 14.95%.

The fund reduced its equity exposure during the period on the back of profit taking in scrips which had attained their respective target price.

Going forward, the fund will be building up exposure in sectors that have better future earnings prospects, and are thus expected to outperform the broader market i.e., Banks, Autos, and Pharmaceuticals.



The Pakistan Credit Rating Agency (PACRA) has upgraded the Fund's performance rating to '4 Star / 5 Star' Long Term / Short Term.

**Key Financial Data***Rs. in million*

Description	Nine month period ended 31 March 2014	Nine month period ended 31 March 2013
Net Assets at end of the period	545.11	226.32
Gross income	68.69	90.28
Net Comprehensive Income	97.74	67.07
Net Assets Value per Unit (Rs.)	136.9924	147.8553
Issuance of units during the period	417.12	389.41
Redemption of units during the period	324.49	502.38

**Future Outlook**

There has been definitive progress on the macroeconomic front during the tenure of the present government. 7MFY14 LSM growth of above 6% is encouraging and raises our expectations of GDP growth of above 4% for the year. Inflation has been kept in check while the PKR has shown strong appreciation during 3QFY14. Consequently, we expect the equity markets to stay strong for the remainder of the current fiscal year with further USD inflows expected on account of PDF, Eurobond issue, bandwidth auction, etc., and a stable to declining view on interest rates. Our top picks in this scenario would be Commercial Banks, Pharmaceuticals, and Auto stocks.

**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 of Directors

Chief Executive Officer  
Date April 24, 2014

**IGI STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
*AS AT MARCH 31, 2014*

		<b>March 31, 2014 (Un-audited)</b>	June 30, 2013 (Audited)
	Note	----- (Rupees) -----	
<b>Assets</b>			
Bank balances	5	<b>85,851,929</b>	20,728,218
Investments	6	<b>457,215,141</b>	424,009,922
Deferred formation cost		-	10,045
Security deposits		<b>2,600,000</b>	2,600,000
Other receivable and prepayments		<b>5,212,143</b>	615,526
<b>Total assets</b>		<b>550,879,213</b>	447,963,711
<b>Liabilities</b>			
Payable to the Management Company	7	<b>2,353,417</b>	2,749,562
Remuneration payable to the Trustee		<b>91,014</b>	71,480
Annual fee payable to the Securities and Exchange Commission of Pakistan		<b>324,761</b>	252,875
Accrued and other liabilities	8	<b>2,996,739</b>	913,463
<b>Total liabilities</b>		<b>5,765,931</b>	3,987,380
<b>Net assets</b>		<b>545,113,282</b>	443,976,331
<b>Unit holders' fund</b>		<b>545,113,282</b>	443,976,331
<b>Contingencies and commitments</b>	9	-	-
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>3,979,150</b>	2,599,028
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>136.9924</b>	170.8240

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director

**IGI STOCK FUND**  
**CONDENSED INTERIM INCOME STATEMENT**

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Nine months period ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Note	----- (Rupees) -----		----- (Rupees) -----	
<b>Income</b>				
Interest income on bank and other deposits	2,254,429	817,163	956,259	305,990
Dividend income from equity securities	16,062,920	17,921,453	8,137,500	6,656,344
Net gain / (loss) on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	13,287,880	44,027,454	22,720,186	16,164,884
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	37,090,537	27,517,384	(2,149,052)	15,861,506
<b>Total income</b>	<b>68,695,766</b>	<b>90,283,454</b>	<b>29,664,893</b>	<b>38,988,724</b>
<b>Expenses</b>				
Remuneration of the Management Company	6,836,601	3,543,342	2,448,505	1,148,038
Sales tax on management fee	1,268,872	566,928	454,445	183,680
Federal excise duty on management fee	1,093,857	-	391,764	-
Remuneration of the Trustee	684,181	525,532	244,870	172,620
Annual fee to the Securities and Exchange Commission of Pakistan	324,750	168,309	116,308	54,532
Brokerage expense and federal excise duty	2,840,712	1,933,964	695,627	519,788
Bank and settlement charges	41,493	13,105	20,408	3,782
Amortisation of deferred formation cost	10,045	194,266	-	63,810
Auditors' remuneration	328,102	340,320	65,070	80,260
Annual listing fee	22,468	23,270	7,380	6,750
Annual rating fee	90,968	81,385	29,880	18,450
Clearing charges	96,359	271,034	(43,319)	150,892
CDS transaction fee	202,184	38,364	128,923	18,920
Printing charges	108,778	93,708	35,730	30,780
Worker Welfare Fund	8.1 1,912,321	-	882,584	-
<b>Total expenses</b>	<b>15,861,691</b>	<b>7,793,527</b>	<b>5,478,175</b>	<b>2,452,302</b>
<b>Net income / (loss) from operating activities</b>	<b>52,834,075</b>	<b>82,489,927</b>	<b>24,186,718</b>	<b>36,536,422</b>
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net	44,908,821	(15,411,183)	21,014,646	(9,831,315)
<b>Net income / (loss) for the period before taxation</b>	<b>97,742,896</b>	<b>67,078,744</b>	<b>45,201,364</b>	<b>26,705,107</b>
Taxation	11. -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>97,742,896</b>	<b>67,078,744</b>	<b>45,201,364</b>	<b>26,705,107</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Director



**IGI STOCK FUND****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME***FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)*

	Nine months period ended		Quarter ended	
	March, 31, 2014	March, 31, 2013	March, 31, 2014	March, 31, 2013
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net income for the period</b>	<b>97,742,896</b>	<b>67,078,744</b>	<b>45,201,364</b>	<b>26,705,107</b>
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><b>97,742,896</b></u>	<u><b>67,078,744</b></u>	<u><b>45,201,364</b></u>	<u><b>26,705,107</b></u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

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

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

\_\_\_\_\_  
Director

**IGI STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014 (UN-AUDITED)

	Nine months period ended	
	March 31, 2014	March 31, 2013
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	97,742,896	67,078,744
<b>Adjustments for:</b>		
Net (gain) / loss on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	(13,287,880)	(44,027,454)
Net unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	(37,090,537)	(27,517,384)
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	(44,908,821)	15,411,183
Amortisation of deferred formation cost	10,045	194,266
	<u>2,465,702</u>	<u>11,139,355</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	17,173,198	97,045,544
Receivable against sale of shares	-	45,534,309
Other receivable and prepayments	(4,596,617)	(4,453,461)
	<u>12,576,581</u>	<u>138,126,392</u>
<b>Increase / (decrease) in liabilities</b>		
Amount payable on redemption of units	-	-
Payable to the Management Company	(396,145)	35,118
Remuneration payable to the Trustee	19,534	2,068
Annual fee payable to the Securities and Exchange Commission of Pakistan	71,886	(103,719)
Accrued and other liabilities	2,083,276	821,449
	<u>1,778,551</u>	<u>754,916</u>
<b>Net cash generated from / (used in) operating activities</b>	<b>16,820,835</b>	<b>150,020,663</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(44,335,351)	(23,853,482)
Amount received on issuance of units	417,129,922	389,418,346
Payment made against redemption of units	(324,491,695)	(502,389,591)
<b>Net cash (used in) / generated from financing activities</b>	<b>48,302,876</b>	<b>(136,824,727)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>65,123,711</b>	<b>13,195,936</b>
Cash and cash equivalents at beginning of the period	20,728,218	9,854,686
<b>Cash and cash equivalents at end of the period</b>	<b>5</b> <u>85,851,929</u>	<u>23,050,622</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

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

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

\_\_\_\_\_  
Director

**IGI STOCK FUND**  
**CONDENSED INTERIM DISTRIBUTION STATEMENT**

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Nine months periods ended		Quarter ended	
	March 31, 2014 ----- (Rupees) -----	March 31, 2013 ----- (Rupees) -----	March 31, 2014 ----- (Rupees) -----	March 31, 2013 ----- (Rupees) -----
<b>Undistributed income brought forward</b>	<b>184,073,376</b>	49,523,033	<b>102,320,287</b>	46,547,873
Total comprehensive income for the period	<b>97,742,896</b>	67,078,744	<b>45,201,364</b>	26,705,107
Final distribution of bonus @ 43.3654 units for every 100 units held, approved on: July 05, 2013 (2012: @ 18.2666 units for every 100 units held, approved on July 05, 2012)	<b>(89,959,270)</b>	(19,495,315)	-	-
Final distribution of cash dividend @ Rs.51.6711 per unit held, approved on: July 05, 2013 (2012: @ 18.7546 per unit held, approved on July 05, 2012)	<b>(44,335,351)</b>	(23,853,482)	-	-
<b>Undistributed income carried forward</b>	<b><u>147,521,651</u></b>	<u>73,252,980</u>	<b><u>147,521,651</u></b>	<u>73,252,980</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director

## IGI STOCK FUND

### CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Nine months period ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net assets at beginning of the period</b>	<b>443,976,331</b>	280,660,096	<b>439,208,429</b>	228,145,296
Amount realised / unrealised on issuance of 3,224,197 units (March 31, 2013: 3,136,929 units) and 667,616 units (March 31, 2013: 580,348 units) for nine months and quarter respectively	<b>417,129,922</b>	389,418,346	<b>172,198,909</b>	79,603,774
Issuance of 754,990 bonus units in respect of final distribution (March 31, 2013: 189,881 units)	<b>89,959,270</b>	19,495,315	-	-
Amount paid / payable on redemption of 2,599,065 units (March 31, 2013: 4,107,457 units) and 663,933 units (March 31, 2013: 865,598 units) for nine months and quarter respectively	<b>(324,491,695)</b>	(502,389,591)	<b>(90,480,774)</b>	(117,960,196)
	<b>626,573,828</b>	187,184,166	<b>520,926,564</b>	189,788,874
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	<b>(44,908,821)</b>	15,411,183	<b>(21,014,646)</b>	9,831,315
Total comprehensive income before capital gain - realised and unrealised	<b>47,364,478</b>	(4,466,094)	<b>24,630,230</b>	(5,321,283)
Net gain / (loss) on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>13,287,880</b>	44,027,454	<b>22,720,186</b>	16,164,884
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>37,090,537</b>	27,517,384	<b>(2,149,052)</b>	15,861,506
Total comprehensive income / (loss) for the period	<b>97,742,896</b>	67,078,744	<b>45,201,364</b>	26,705,107
<b>Distributions made during the period</b>				
Final distribution of bonus units	<b>(89,959,270)</b>	(19,495,315)	-	-
Final distribution of cash dividend	<b>(44,335,351)</b>	(23,853,482)	-	-
<b>Net assets at end of the period</b>	<b>545,113,282</b>	226,325,296	<b>545,113,282</b>	226,325,296

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director

**IGI STOCK FUND**  
**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014 (UN-AUDITED)*

**1. LEGAL STATUS AND NATURE OF BUSINESS**

IGI Stock Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on June 06, 2008. It has been constituted under a Trust Deed, dated June 10, 2008 between IGI Funds Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Fund is an open ended fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange Limited (LSE). The Fund was launched on July 15, 2008.

The Fund seeks to generate long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its corpus in debt and money market securities in order to meet liquidity requirements from time to time. The Fund is categorised as an equity scheme as specified by SECP and is subject to the guidelines prescribed by SECP.

Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

During the current period dated October 15, 2013, the management rights of the Fund have been transferred from IGI Funds Limited (Previous Management Company of the Fund) to AlfalahGHP Investment Management Limited (Management Company of the Fund) by means of Securities & Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The principal office of the Management Company is situated at 8-B 8th Floor, Executive Tower, Domen city, Block 4 Clifton, Karachi.

The Pakistan Credit Rating Agency Limited has assigned 4 star/5star long term/short term.

**2. BASIS OF PRESENTATION**

The condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting'.

These condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2013.

**3. ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies and basis of accounting estimates applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2013.

**4. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2013.

		<b>March 31, 2014 (Un-audited)</b>	June 30, 2013 (Audited)
	Note	----- (Rupees) -----	
<b>5. BANK BALANCES</b>			
Bank balances - local currency	5.1	<u><b>85,851,929</b></u>	<u>20,728,218</u>

**5.1** The deposit accounts with the banks carry profit at rates ranging from 6% to 8.50% per annum (June 30, 2013: 6% to 8.50% per annum).

## **6. INVESTMENTS**

**Financial assets classified as 'at fair value through profit or loss' - held-for-trading**

Equity securities - quoted	6.1	<u><b>457,215,141</b></u>	<u>424,009,922</u>
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6.1 Equity securities - quoted

Name of security	As at July 01, 2013	Purchases / bonus shares received during the period	Sold / matured during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2014	% of net assets on the basis of market value	% of investment on the basis of market value
	----- (Shares) -----			----- (Rupees) -----		----- (%) -----		
<b>Banks</b>								
Askari Bank Limited	-	1,100,000	-	1,100,000	18,433,610	19,085,000	3.50%	4.17%
Bank Al-Falah Limited	1,000,000	760,000	580,000	1,180,000	25,909,726	31,529,600	5.78%	6.90%
Bank Al-Habib Limited	-	704,000	-	704,000	27,193,050	26,125,440	4.79%	5.71%
Habib Bank Limited	-	165,000	-	165,000	27,570,363	28,761,150	5.28%	6.29%
MCB Bank Limited	22,700	177,700	200,400	-	-	-	-	-
National Bank of Pakistan	-	980,000	980,000	-	-	-	-	-
United Bank Limited	113,000	540,000	423,000	230,000	30,371,344	37,220,900	6.83%	8.14%
					129,478,093	142,722,090	26.18%	31.22%
<b>Electricity</b>								
Hub Power Company Limited	644,367	105,000	749,367	-	-	-	-	-
Kot Addu Power Company Limited	316,500	354,000	670,500	-	-	-	-	-
Nishat Chunian Power Limited	991,726	-	991,726	-	-	-	-	-
Nishat Power Limited	973,500	164,000	1,137,500	-	-	-	-	-
					-	-	-	-
<b>Oil and gas</b>								
Oil & Gas Development Company Limited	125,000	147,100	150,700	121,400	30,412,573	29,273,182	5.37%	6.40%
Pakistan Oilfields Limited	17,800	125,650	102,000	41,450	20,130,120	22,556,261	4.14%	4.93%
Pakistan Petroleum Limited	58,000	241,000	182,400	116,600	24,805,643	26,090,416	4.79%	5.71%
Pakistan State Oil Company Limited	128,500	156,000	203,100	81,400	26,784,188	34,734,194	6.37%	7.60%
					102,132,524	112,654,053	20.67%	24.64%
<b>Chemicals</b>								
Engro Corporation Pakistan Limited	-	460,000	285,000	175,000	31,253,356	32,632,250	5.99%	7.14%
Engro Fertilizer Limited	-	17,500	-	17,500	1,011,500	1,044,750	0.19%	0.23%
Fauji Fertilizer Company Limited	-	698,500	698,500	-	-	-	-	-
					32,264,856	33,677,000	6.18%	7.37%
<b>Fixed Line Telecommunication</b>								
Pakistan Telecommunication Company Limited	-	1,425,000	1,425,000	-	-	-	-	-
<b>Construction and material</b>								
Attock Cement Pakistan Limited	85,500	240,500	326,000	-	-	-	-	-
D.G. Khan Cement	366,500	393,000	731,000	28,500	2,137,628	2,622,570	0.48%	0.57%
Dewan Cement	1,183,000	-	1,183,000	-	-	-	-	-
Fecto Cement Limited	279,500	378,000	657,500	-	-	-	-	-
Kohat Cement	135,000	650,500	506,000	279,500	30,030,548	32,707,090	6.00%	7.15%
Lucky Cement Limited	147,846	224,500	274,300	98,046	26,340,186	31,075,680	5.70%	6.80%
Maple Leaf Cement Factory Limited	529,500	1,585,000	999,500	1,115,000	30,032,029	32,814,450	6.02%	7.18%
					88,540,391	99,219,790	18.20%	21.70%
<b>Food products</b>								
Engro Foods Limited	124,500	-	124,500	-	-	-	-	-
<b>Personal goods</b>								
Artistic Denim	-	39,000	-	39,000	3,776,070	3,088,800	0.57%	0.68%
Gul Ahmed Textile	-	164,500	39,500	125,000	7,552,811	6,232,500	1.14%	1.36%
Nishat Chunian Limited	-	1,423,000	1,423,000	-	-	-	-	-
Nishat Mills Limited	396,000	430,000	577,400	248,600	26,529,780	28,974,330	5.32%	6.34%
					37,858,661	38,295,630	7.03%	8.38%
<b>Pharma &amp; Bio Technology</b>								
The Searle Company	-	59,000	59,000	-	-	-	-	-
					-	-	-	-
<b>Automobile &amp; Parts</b>								
Pak Suzuki Motor Company	-	150,000	-	150,000	29,850,000	30,646,500	5.62%	6.70%
					29,850,000	30,646,500	5.62%	6.70%
	<b>7,638,439</b>	<b>14,057,450</b>	<b>15,679,893</b>	<b>6,015,996</b>	<b>420,124,603</b>	<b>457,215,141</b>		

	<b>March 31, 2014 (Un-audited)</b>	<b>June 30, 2013 (Audited)</b>
Note	-----	-----
<b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>		
Remuneration payable to the Management Company	<b>910,176</b>	714,744
Sales tax payable on management fee	<b>275,790</b>	124,575
Federal excise duty on management fee	7.1 <b>1,157,695</b>	63,838
Sales load payable	<b>9,756</b>	1,846,405
	<u><b>2,353,417</b></u>	<u>2,749,562</u>

**7.1** 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, which 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. In view of the pending decision, as a matter of abundant caution, the remuneration of the Management Company charged to the Fund during the period includes the imposed FED.

	<b>March 31, 2014 (Un-audited)</b>	<b>June 30, 2013 (Audited)</b>
Note	-----	-----
<b>8. ACCRUED AND OTHER LIABILITIES</b>		
Brokerage expense and federal excise duty payable	<b>309,111</b>	445,289
Auditors' remuneration	<b>308,102</b>	264,000
Annual rating fee payable	<b>90,968</b>	110,000
Clearing charges payable	<b>32,459</b>	37,008
Printing charges payable	<b>83,778</b>	55,000
Capital gains tax payable	-	2,166
Payable against redemption	<b>260,000</b>	-
Worker welfare fund payable	8.1 <b>1,912,321</b>	-
	<u><b>2,996,739</b></u>	<u>913,463</u>

#### **8.1 PROVISION FOR WORKER 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 (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 a similar case whereby the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. However, during March 2013, the larger bench of the Honourable High Court of Sindh issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled the judgement passed by a single-member Lahore High Court bench issued in August 2011.

MUFAP's legal counsel is of the view that the stay granted to mutual funds in respect of recovery of WWF remains intact and the constitutional petition filed by the mutual funds / Collective Investment Schemes to challenge the Workers' Welfare Fund contribution has not been affected by the Judgment passed by the larger bench of the Honourable High Court of Sindh.

However as a matter of abundant caution, with effect from July 01, 2013, the fund has commenced making provision in respect of contribution to WWF prospectively. Accordingly, a provision for WWF amounting to RS. 1.912 million has been made in these financial statements.

The aggregate unrecognised amount of WWF upto June 30, 2013 amounted to Rs. 8.729 million. As per the Share Purchase Agreement (SPA) signed by IGI Investment Bank Limited (the Bank) and Alfalah GHP Investment Management Limited (AGIML), the Bank has agreed to indemnify AGIML against unrecognised WWF contribution exposure in the Fund upto June 30, 2013.

#### **9. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at March 31, 2014.

#### **10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS**

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively.

10.1 Unit Holders' Fund

Nine months period ended 31 March 2014 ( Un audited)

	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed/ conversion out / transfer out	As at March 31, 2014	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed/ conversion out / transfer out	NAV as at March 31, 2014
	----- Units -----					----- (Rupees) -----				
<b>Associated Companies / Undertakings</b>										
<b>Key Management Personnel - Management Company</b>										
Employees	3,226	26,625	1,399	31,250	-	551,006	3,415,242	166,669	3,940,527	-
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Ltd - Employees Provident Fund Trust	-	1,146,502	-	-	1,146,502	-	146,640,396	-	-	157,062,106
Packages Limited - Management Staff Pension Fund	625,788	-	88,927	-	714,715	106,899,627	-	10,595,912	-	97,910,539
Packages Limited - Employees Provident Fund	398,831	-	-	-	398,831	68,129,898	-	-	-	54,636,809

Nine months period ended 31 March 2013 ( Un audited)

	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed/ conversion out / transfer out	As at March 31, 2013	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed/ conversion out / transfer out	NAV as at March 31, 2013
	----- Units -----					----- (Rupees) -----				
<b>Connected persons</b>										
Packages Limited - Employees Provident Fund	486,556	398,831	-	486,556	398,831	59,080,464	50,000,000	-	57,854,673	58,969,269
Packages Limited - Management Staff Pension Fund	677,710	-	20,884	698,594	-	82,291,614	-	2,144,219	84,580,899	-
Packages Limited - Employees Gratuity Fund	337,049	-	21,027	183,462	174,614	40,926,554	-	2,158,878	23,000,000	25,817,676
<b>Other related parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	-	96,627	-	96,627	-	-	12,048,781	-	13,727,302	-
Tri Pack Films Limited - Employees Provident Fund	-	129,082	-	129,082	-	-	16,048,781	-	18,337,904	-
<b>Key Management Personnel - Management Company</b>										
Employees	-	6,281	-	6,281	-	-	772,745	-	842,146	-
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Limited Employees Provident Fund Trust	-	397,664	-	-	397,664	-	50,000,000	-	-	58,796,674

Quarter ended March 31, 2014 (Un-audited)

	As at January 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed/ conversion out / transfer out	As at March 31, 2014	As at January 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed/ conversion out / transfer out	NAV as at March 31, 2014
	----- Units -----					----- (Rupees) -----				
<b>Associated Companies / Undertakings</b>										
<b>Key Management Personnel - Management Company</b>										
Employees	125	-	-	125	-	16,352	-	-	17,031	-
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Ltd - Employees Provident Fund Trust	1,023,741	122,761	-	-	1,146,502	133,467,519	16,640,396	-	-	157,062,106
Packages Limited - Management Staff Pension Fund	714,715	-	-	-	714,715	93,179,053	-	-	-	97,910,539
Packages Limited - Employees Provident Fund	398,831	-	-	-	398,831	51,996,508	-	-	-	54,636,809

Quarter ended March 31, 2013 (Un-audited)

	As at January 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2013	As at January 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at March 31, 2013
	Units					(Rupees)				
<b>Connected persons</b>										
Packages Limited - Employees Provident Fund	398,831	-	-	-	398,831	50,106,169	-	-	-	58,969,269
Packages Limited - Management Staff Pension Fund	-	-	-	-	-	-	-	-	-	-
Packages Limited - Employees Gratuity Fund	174,614	-	-	-	174,614	21,937,270	-	-	-	25,817,676
<b>Other Related Parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	39,494	57,133	-	96,627	-	4,961,732	7,048,781	-	13,727,302	-
Tri Pack Films Limited - Employees Provident Fund	39,494	89,588	-	129,082	-	4,961,732	11,048,781	-	18,337,904	-
<b>Key Management Personnel - Management Company Employees</b>	3,174	2,982	-	6,156	-	389,759	390,649	-	827,146	-
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Limited Employees Provident Fund Trust	397,664	-	-	-	397,664	49,959,515	-	-	-	58,796,674

Nine months period ended

March 31, 2014      March 31, 2013

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

Quarter ended

March 31, 2014      March 31, 2013

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

10.2 Other transactions

**Connected persons**

**AlFalah GHP Investment Management Limited Management Company**

Remuneration of the Management Company	6,836,601	-	2,448,505	-
Sales tax on management fee	1,268,872	-	454,445	-
Federal excise duty on management fee	1,093,857	-	391,764	-
Sales load	2,132,827	-	451,504	-

**IGI Funds Limited - Management Company**

Remuneration of the Management Company	-	3,543,342	-	1,148,038
Sales tax on management fee	-	566,928	-	183,680
Sales load	-	2,849,874	-	565,139

**IGI Finex Securities Limited**

Brokerage expense	-	282,317	-	32,320
Federal excise duty	-	45,171	-	5,171

**Other related parties**

**Central Depository Company of Pakistan Limited - (Trustee of the Fund)**

Remuneration of the Trustee	684,181	525,532	244,870	172,620
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	<b>March 31, 2014 (Un-audited)</b>	<b>June 30, 2013 (Audited)</b>
	----- (Rupees) -----	
<b>10.3 Other balances</b>		
<b><i>Connected persons</i></b>		
<b>AlFalah GHP Investment Management Limited - Management Company</b>		
Remuneration payable to the Management Company	<u>910,176</u>	<u>-</u>
Sales tax payable on management fee	<u>275,790</u>	<u>-</u>
Federal excise duty payable on management fee	<u>1,157,695</u>	<u>-</u>
Sales load payable	<u>9,756</u>	<u>-</u>
<b>IGI Funds Limited - Management Company</b>		
Remuneration payable to the Management Company	<u>-</u>	<u>714,744</u>
Sales tax payable on management fee	<u>-</u>	<u>124,575</u>
Federal excise duty payable on management fee	<u>-</u>	<u>63,838</u>
Sales load payable	<u>-</u>	<u>1,846,405</u>
<b><i>Other related parties</i></b>		
<b>Central Depository Company of Pakistan Limited - (Trustee of the Fund)</b>		
Remuneration payable to the Trustee	<u>91,014</u>	<u>71,480</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

## 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. The Management Company intends to distribute not less than 90% of its annual accounting income, if any, to comply with the above clause at year end. Accordingly, no tax provision has been made in these condensed interim financial statements for the nine months ended March 31, 2014.

## 12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 24th April, 2014 by the Board of Directors of the Management Company.

## 13. GENERAL

Figures are rounded off to the nearest rupee.

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

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

\_\_\_\_\_  
Director