

ALFALAH GHP CASH FUND

QUARTERLY REPORT March 2016



Alfalah Investments



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FUND'S INFORMATION

Management Company:	Alfalsh 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. Abid Naqvi- Mr. Tufail Jawed Ahmed
Chief Operating Officer, CFO and Company Secretary:	- Mr. Noman Ahmed Soomro
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. Kashif Kasim (Jr. Fund Manager)
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:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Stability Rating AA (f) 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”.



DIRECTORS' REPORT

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2016

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 nine months period ended 31 March, 2016. 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

Pakistan continues to show positive economic performance and development over the 9MFY16 with improvement across the majority of indicators. In particular, inflation has dipped significantly with a resultant drop in interest rates, the currency remains stable and foreign exchange reserves have moved higher. On the fiscal front tax collection has been strong and at target while overall fiscal deficit was in control at 1.7% for the HYFY16. GDP Growth looks set to revive this year and the next, with a recovery from the Large Scale Manufacturing sector and overall higher contribution from the services sector.

Key concern areas are exports which have showed significant decline over the last nine months and weakening remittance trends from abroad. Any uptick in imports will leave the current account vulnerable to a widening deficit with subsequent inflow from Foreign Direct Investments or aid/grants. On the positive, real progress is being seen on the China Pakistan Economic Corridor with a number of initiatives and large projects now underway. This could help support the capital account and balance of payments over the coming months.

Inflation

Owing to low crude oil prices, headline inflation averaged at 2.63% over the period. Medium term crude oil prices are likely to remain range bound between USD35 - USD45 per barrel hence this scenario has benefited consumers as well as sectors using agricultural/ commodity linked inputs. Going forward inflation is expected to remain benign as the low base effect ends and commodity prices are expected to remain downward sticky.

Interest Rates

Despite an outlook of subdued inflation in the coming months, SBP is likely to maintain the policy rate at current level to prevent unnecessary pressure on Pak Rupee and to maintain a healthy real interest rate. A surprise rate cut over the remainder of the year cannot be entirely ruled out, however, as oil prices can potentially tumble further post failure of OPEC and non-OPEC members to reach an agreement over oil output freeze.

Fiscal Balance

According to the latest numbers released by Federal Bureau of Revenue (FBR) for 3QFY16, total revenue collection grew by 20% compared to the previous year, providing for a stronger chance of achieving an overall fiscal deficit target set at 4.3% for FY16. Fiscal consolidation efforts are bearing fruit with marked decline in fiscal deficit to GDP ratio to 1.7% in 1HFY16 from 2.2% in 1HFY15. The improvement largely originated from containment of current expenditures alongside robust growth in tax revenues. As of 9MFY16, tax revenue registered a growth of 18.2% to PKR1.9tn as against full year target of PKR3.1tn for FY16. Fiscal deficit to GDP seems to be headed in the right direction with positives such as growth in tax collection and contained fiscal spending are expected to drag the deficit down to 3.0% by FY18.



Balance of Payments

On the external side, the current account was reported to be in a deficit of USD 1,859 mn (8MFY16) as opposed to deficit of USD 1,947 mn last year (8MFY15). This progress was derived from improvement in the trade balance and remittances. This lower current account deficit coupled with capital flows pushed foreign exchange reserves to historical high level of USD 20.88 bn.

Key risks are slowdown in exports due to weak global demand and competition from the regional peers, along with weakness in workers' remittance from the middle eastern region due to the economic slowdown these economies are witnessing as the global oil prices remain lower for longer.

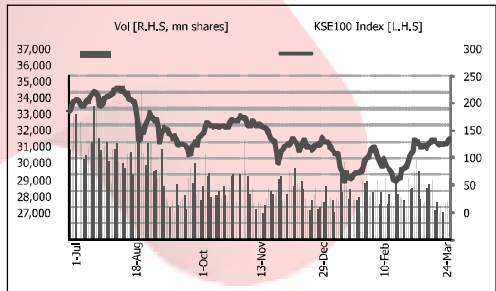
Key triggers to improve the current account balance would be a rise in the pace of foreign direct investment especially from China, in wake of upcoming CPEC projects along with an expected rise in portfolio investments as global markets are expected to cool off after the turmoil it witnessed in the first two months of CY16 coupled with Pakistan's inclusion in the MSCI Emerging Markets index.

Forward outlook

Going forward, Pakistan is likely to continue to observe improvement in macroeconomic indicators, especially current account, foreign exchange reserves and GDP growth. Few areas that still need government's attention include fiscal deficit, tax-to-GDP ratio/tax targets and privatization of troubled state-owned entities including Pakistan Steel Mills, Pakistan International Airlines, and power distribution companies. Building of the various projects under CPEC will provide business opportunity to local industries while local banks will get the opportunity to provide credit. The subsequent increase in power production, once the power projects come online, will help all energy starved local industries, thereby improving productivity and output.

EQUITIES REVIEW

The KSE-100 index lost around a thousand points (-3.7%) in the first nine months of FY16 to close just above the psychological level of 33,000. The negative sentiment throughout most of the period can be attributed to the downward trend in the index heavy Oil and Gas as well as the Banking Sectors. The Banking Sector, the heaviest weighted sector in the index, dipped on account of interest spread



compression and a slowdown in deposit growth. The Oil and Gas sector, on the other hand, remained under pressure due to falling international crude oil prices.

Anticipation of US Federal Reserve rate hike, regional currency devaluation, global equity slump, and economic slowdown in China also restrained the local equity market. These international factors prompted a selloff in Emerging and Frontier markets, including Pakistan. Foreign investors sold stocks worth USD 341mn over the nine month period; however, their disinvestment appeared to taper off by the end of the third quarter of FY16.

Certain sectors managed to outperform the equity market during the nine month period, including Cements, Engineering and Pharmaceutical Sectors. Low fuel prices as well as excitement over CPEC projects helped the Cements Sector, as well as certain Engineering stocks. Meanwhile, the Pharmaceutical Sector was up due to price hike as well as uptick in sales of new drugs.

Going forward we expect increased excitement related to Pakistan's possible inclusion in MSCI's Emerging Markets' Index ahead of the annual market classification review in June. The positive sentiment for reclassification to EM status, however, is likely to be somewhat countered by the upcoming announcement of the FY17 Federal Budget and the uncertainty associated with it.

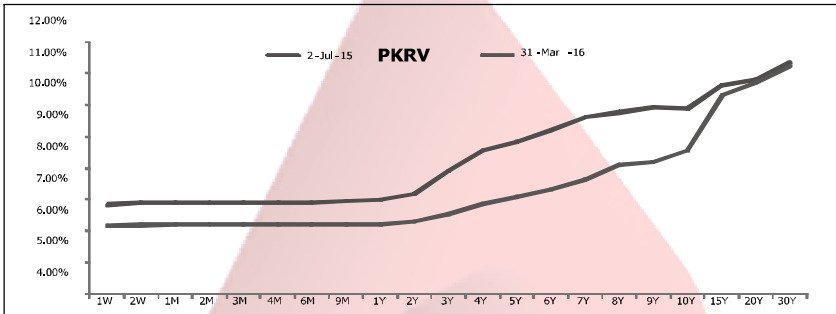


MONEY MARKET REVIEW

The State Bank reduced its discount rate by 50bps in 1QFY16 and held it constant in the second and third quarter of the year. In the anticipation of a relatively benign inflation outlook, the yields in the secondary market came off significantly during these 9 months across all tenors during the period, be it the short term T-bills or the long term PIBs. However, most interest by market participants was seen in the medium to long-term PIBs which witnessed a drop of approx. 135-195 bps in their market yields. The declining trend in the yield curve along with flattening of the same over medium term can be seen in the graph below.

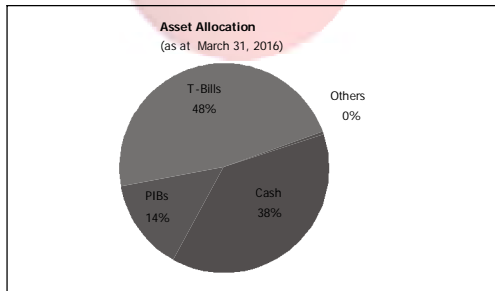
During the 9-months period the SBP had set a cumulative target of PKR 4.3 tr against a maturity of PKR 3.8 tr and accepted PKR 3.9 tr in scheduled T-Bill auctions. Total PIB maturity amount during the period stood at PKR 656 bn against which the SBP had set a target of PKR 625 bn; total amount accepted in PIB auction during this period stood at PKR 954 bn.

Along with scheduled T-Bill and PIB auctions the SBP conducted two IjaraSukuk auctions and introduced fixed rate IjaraSukuks. Due to dearth of Islamic instruments availability the participation was pronounced and the first 3-year IjaraSukuk issued during the year yielded a cut off rate of 6.10% and the SBP accepted PKR 116bn against the participation of PKR 245 bn whereas the second Ijara was issued at 5.59% and the SBP mopped PKR 80 bn against total participation of PKR 199 bn.



Fund Operations and Performance

For the period ended March 31, 2016 the fund posted a return of 5.31%. During the same period the benchmark return (avg. 3M deposits rates of 3 "AA" rated banks) was 4.79%. AGCF is focused on delivering consistent, volatility-free returns to unit holders by reducing interest rate risk to a minimal. Majority of net assets were invested in treasury bills at attractive rates. Along with T-bill exposure, the fund also allocated investments to high yielding TDRs with financial institutions having high credit ratings. The fund size on March 31, 2016 stood at PKR 693 mn. Going forward, AGCF shall continue to maintain an optimal mix of higher duration T-bills and term placements to benefit from further easing, if any.



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



Description	Nine months period ended 31 March 2016	Nine months period ended 31 March 2015
Net Assets at end of the period	692.772	2,170.236
Gross income earned	45.495	179.117
Net comprehensive income	26.627	129.273
Net Assets Value per Unit (Rs.)	520.99	534.50
Issuance of units during the period	122.686	3,998.647
Redemption of units during the period	510.607	4,084.567

Future Outlook

Going forward, the focus will be on active allocation of the fund between equity and fixed income components in order to target a higher return while aiming to preserve the capital.

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 behalf of the Board

Date: April 27, 2016

Maheen Rehman
Chief Executive Officer



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2016

		March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	Note	----(Rupees)----	
Assets			
Bank balances	5	274,498,260	85,151,305
Investments	6	445,562,305	1,149,427,061
Prepayments and other receivables		316,437	294,393
Mark-up receivable		3,244,823	1,957,789
Total assets		723,621,825	1,236,830,548
Liabilities			
Payable to the Management Company	7	11,610,107	12,314,858
Remuneration payable to the Trustee		63,462	165,032
Annual fee payable to the Securities and Exchange Commission of Pakistan		485,450	1,799,590
Distribution payable		-	48,715,600
Redemption payable		-	108,657,022
Provision for Workers' Welfare Fund	8	17,794,505	17,794,505
Accrued expenses and other liabilities		896,488	851,012
Total liabilities		30,850,012	190,297,619
Net assets attributable to unit holders		692,771,813	1,046,532,929
Unit holders' fund		692,771,813	1,046,532,929
		----- (Number of units) -----	
Number of units in issue		1,329,728	2,089,041
		----- (Rupees) -----	
Net asset value per unit		520.99	500.96

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
Income				
Profit on deposit accounts with banks	9,671,334	6,783,718	3,460,705	1,700,311
Interest income on investments classified as held-for-trading				
- income from government securities	32,570,673	147,191,657	7,991,498	44,149,967
Interest income on investments classified as held to maturity				
- profit from term deposit receipts	3,373,589	4,816,212	1,211,175	82,163
- income from letters of placement	-	10,476,078	-	109,587
- income from certificates of investment	298,610	6,380,137	-	2,835,629.00
At fair value through profit or loss - held-for-trading'				
- net gain / (loss) on sale of investments	196,737	2,109,353	2,630	1,560,589
- net unrealised appreciation / (diminution)	(616,372)	1,359,969	(442,023)	728,328
Total income	45,494,572	179,117,125	12,223,985	51,166,573
Expenses				
Remuneration of the Management Company	6,475,122	17,989,607	1,812,098	5,293,739
Sales tax on management fee	1,051,161	3,130,192	294,282	923,826
Federal excise duty on management fee	1,035,634	2,878,337	289,935	844,279
Remuneration of the Trustee	766,960	1,515,925	217,453	451,707
Sales tax on trustee fee	107,374	-	30,443	-
Annual fee to the Securities and Exchange Commission of Pakistan	485,450	1,349,220	135,908	397,030
Amortisation of preliminary expenses and floatation cost	-	443,126	-	122,046
Bank and settlement charges	17,152	30,430	4,119	7,400
Auditors' remuneration	603,709	406,739	199,785	106,175
Legal and professional charges	128,066	384,163	4,352	194,939
Brokerage expense	44,445	142,538	7,417	57,758
Provision for Workers' Welfare Fund	-	2,638,216	-	646,089
Fees and subscriptions	292,082	334,146	96,335	108,270
Printing and publication charges	89,854	149,590	35,233	49,316
Fees and Expenses-various services-reimbursable to management Company	238,248	-	238,248	-
Total expenses	11,335,258	31,392,226	3,365,608	9,202,571
Net income from operating activities	34,159,314	147,724,898	8,858,377	41,964,002
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(7,532,747)	(18,452,327)	(2,835,561)	(10,305,650)
Net income for the period before taxation	26,626,566	129,272,571	6,022,816	31,658,352
Taxation	-	-	-	-
Net income for the period after taxation	26,626,566	129,272,571	6,022,816	31,658,352

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

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>
	<u>----- (Rupees) -----</u>		<u>----- (Rupees) -----</u>	
<i>Note</i>				
Net income for the period	26,626,566	129,272,571	6,022,816	31,658,352
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>26,626,566</u>	<u>129,272,571</u>	<u>6,022,816</u>	<u>31,658,352</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

 Chief Executive Officer

 Director



**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Undistributed income brought forward:				
Realised gains	7,384,791	10,723,192	27,878,941	107,638,421
Unrealised gains / (losses)	84,508	283,903	194,108	982,893
	<u>7,469,299</u>	<u>11,007,095</u>	<u>28,073,049</u>	<u>108,621,314</u>
Net income for the period	26,626,566	129,272,571	6,022,816	31,658,352
Undistributed income carried forward	<u>34,095,865</u>	<u>140,279,666</u>	<u>34,095,865</u>	<u>140,279,666</u>
Undistributed income carried forward at period end				
Realised gains	34,712,237	138,919,697	34,537,887	139,551,338
Unrealised gains / (losses)	(616,372)	1,359,969	(442,023)	728,328
	<u>34,095,865</u>	<u>140,279,666</u>	<u>34,095,865</u>	<u>140,279,666</u>

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

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

Note	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	26,626,566	129,272,571	6,022,816	31,658,352
Adjustments for:				
investments classified as 'at fair value through profit or loss - held-for-trading'	616,372	(1,359,969)	442,023	(728,328)
Net (gain) / loss on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	(196,737)	-	(196,737)	-
Profit on deposit accounts with banks	(9,671,334)	(6,783,718)	(3,460,705)	(1,700,311)
Amortisation of preliminary expenses and floatation costs	-	443,126	-	122,045
Profit from term deposit receipts	(3,373,589)	(4,816,212)	(1,211,175)	(82,163)
Income from placements	(298,610)	(16,856,215)	-	(2,945,216)
Provision for Workers' Welfare Fund	-	2,638,216	-	646,089
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net	7,532,747	18,452,327	2,835,561	10,305,650
	<u>21,235,415</u>	<u>120,990,126</u>	<u>4,431,783</u>	<u>37,276,119</u>
Decrease in assets				
Investments - net	537,897,406	(73,157,813)	(346,638,696)	(205,095,176)
Receivable against sale of Investment	-	(99,356,600)	-	(99,356,600)
Receivable against sale of Units	-	(50,000,000)	-	(50,000,000)
Prepayments	(22,044)	169,585	(291,505)	173,184
	<u>537,875,362</u>	<u>(222,344,828)</u>	<u>(346,930,201)</u>	<u>(354,278,592)</u>
(Decrease) / increase in liabilities				
Payable to the Management Company	(704,751)	3,228,242	293,474	543,103
Remuneration payable to the Trustee	(101,570)	(9,974)	(6,056)	(36,359)
Annual fee payable to Securities and Exchange Commission of Pakistan	(1,314,140)	(699,244)	135,908	397,030
Distribution payable	(48,715,600)	-	-	-
Redemption payable	(108,657,022)	-	-	-
Accrued and other liabilities	45,476	(1,645,921)	422,244	137,900
	<u>(159,447,607)</u>	<u>873,104</u>	<u>845,569</u>	<u>1,041,675</u>
Profit received on bank deposits	12,056,499	28,772,808	5,139,806	5,044,353
Net cash from operating activities	<u>411,719,670</u>	<u>(71,708,790)</u>	<u>(336,513,043)</u>	<u>(310,916,446)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	122,686,246	3,998,646,961	-	1,450,395,140
Payment against redemption of units	(510,606,676)	(4,084,567,052)	(87,845,205)	(1,705,944,605)
Cash dividend paid	-	-	-	-
Net cash generated from / (used in) financing activities	<u>(387,920,430)</u>	<u>(85,920,091)</u>	<u>(87,845,205)</u>	<u>(255,549,465)</u>
Net increase in cash and cash equivalents during the period	<u>23,799,240</u>	<u>(157,628,881)</u>	<u>(424,358,248)</u>	<u>(566,465,911)</u>
Cash and cash equivalents at beginning of the period	350,242,630	203,955,270	798,400,117	612,792,300
Cash and cash equivalents at end of the period	<u>374,041,870</u>	<u>46,326,389</u>	<u>374,041,870</u>	<u>46,326,389</u>

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

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

Chief Executive Officer

Director



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
Net assets at the beginning of the period	1,046,532,929	2,108,430,814	771,758,640	2,383,821,083
Issue of 240,737 units (2015: 7,684,211 units) and NIL (2015: 2,738,118 units)	122,686,246	3,998,646,961	-	1,450,395,141
Redemption of 1,000,051 units (2015: 7,818,432 units) and 169,689 units (2015: 3,226,010 units)	(510,606,676)	(4,084,567,052)	(87,845,205)	(1,705,944,605)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed:	(387,920,430)	(85,920,091)	(87,845,205)	(255,549,464)
- Amount representing accrued loss / (income) and realised capital losses / (gains) - transferred to the Income Statement	7,532,747	18,452,327	2,835,561	10,305,650
Total comprehensive income for the period before capital gains - realised and unrealised	27,046,201	125,803,249	(442,023)	728,328
Unrealised appreciation / (diminution) in the value of investments - at fair value through profit or loss ¹	196,737	2,109,353	2,630	1,560,589
Net capital gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading	(616,372)	1,359,970	6,462,209	29,369,436
	<u>26,626,566</u>	<u>129,272,572</u>	<u>6,022,816</u>	<u>31,658,352</u>
Net income / (loss) for the period less distribution	26,626,566	129,272,572	6,022,816	31,658,352
Net assets at the end of the period	<u>692,771,813</u>	<u>2,170,235,622</u>	<u>692,771,813</u>	<u>2,170,235,622</u>

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

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

Chief Executive Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Cash 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 October 23, 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 October 07, 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 June 13, 2012 and it was executed on June 21, 2012 in accordance with the NBFC Regulations.

Alfalah 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 the Fund. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

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 'AM2-' (outlook stable) to the Management Company in its rating report dated March 31, 2016 and AA (f) to the Fund in its credit rating report dated December 31, 2015.

The 'Title' to the assets of the Fund is held in the name of MCB Financial Services Limited as the trustee of the Fund.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

These condensed interim financial statements 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, 2015.

2.2 Basis of measurement

These condensed interim financial information have been prepared under the historical cost convention, except that investments held at 'fair value through profit or loss' category are measured at fair value.

2.3 Functional and presentation currency

These condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Fund and have been rounded off to the nearest thousand of Rupees.



2.4. Use of estimates and judgment

The preparation of condensed interim financial information requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Management in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended 30 June 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements of the Fund for the year ended June 30, 2015 .

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2015.

		March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		----(Rupees)----	
5. BANK BALANCES	<i>Note</i>		
Deposit accounts - local currency	5.1	274,498,260	85,151,305
		274,498,260	85,151,305

5.1 This represents balances in saving deposit accounts maintained with various banks carrying mark-up rates of 5.75% to 6.70% (June 30, 2015: 6.00% to 7.00%) per annum.

6. INVESTMENTS

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

Treasury bills	6.1	344,118,769	884,335,736
Pakistan Investment Bond (PIB)	6.2	101,443,536	-

Held to maturity

Certificates of Investment	6.3	-	265,091,325
Letters of placement	6.4	-	-
		445,562,305	1,149,427,061

6.1 Market Treasury Bills

Issue date	Maturity date	Yield	As at July 01, 2015	Purchased during the period	Sold / matured during the period	As at March 31, 2016	Carrying amount as at March 31, 2016	Market value as at March 31, 2016	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) -----			----- (%) -----	
Treasury bills - having face value of Rs.100 each											
Maturity upto 3 months			4,650,000	14,100,000	17,750,000	1,000,000	99,545,226	99,543,610	(1,616)	14.37%	22.34%
Maturity upto 6 months			4,250,000	12,922,000	14,672,000	2,500,000	244,594,765	244,575,159	(19,606)	35.30%	54.89%
Maturity upto 12 months			-	2,170,000	2,170,000	-	-	-	-		
			8,900,000	29,192,000	34,592,000	3,500,000	344,139,991	344,118,769	(21,222)		

**6.2 Pakistan Investment Bond - at fair value through profit or loss - held-for-trading**

	As at July 01, 2015	Purchased during the period	Sold / matured during the period	As at March 31, 2016	Carrying amount as at March 31, 2016	Market value as at March 31, 2016	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) -----			----- (%) -----	
Pakistan Investment Bonds - 03 years	-	1,000	-	1,000	101,396,649	101,443,536	46,887		
	-	1,000	-	1,000	101,396,649	101,443,536	46,887		

6.3 Term Deposit Receipts - held to maturity

Name of the investee company	Rate of Return per annum	As at July 01, 2015	Face value			Carrying amount as at March 31, 2016	Maturity	Face value as percentage of total investments	Face value as percentage of net assets
			Purchased during the period	Matured during the period	As at March 31, 2016				
----- (Rupees) -----									
Bank Alfalah Limited (a related party)	7.25%	-	70,000,000	70,000,000	-	-	29-Feb-16	-	-
Allied Bank Limited	7.00%	-	60,000,000	60,000,000	-	-	4-Feb-16	-	-

6.4 Certificates of Investment - held to maturity

Name of the investee company	Rate of Return per annum	As at July 01, 2015	Face value			Carrying amount as at March 31, 2016	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
			Purchased during the period	Matured during the period	As at March 31, 2016					
----- (Rupees) -----										
Pak Brunei Investment Company Limited	8.4% to 10.35%	130,000,000	-	130,000,000	-	-	July 09, 2015	AA+ / A1+	-	-
Pak Oman Investment Company Limited	8.32%	130,000,000	-	130,000,000	-	-	July 03, 2015	AA+ / A1+	-	-
								March 31, 2016 (Unaudited)	June 30, 2015 (Audited)	

7. PAYABLE TO THE MANAGEMENT COMPANY

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

Management fee Payable		610,370	2,244,306
Sales Tax Payable on Management Fee		1,492,768	1,599,266
FED Payable on Management Fee	10	9,506,970	8,471,286
		11,610,107	12,314,858

8. PROVISION OF WORKERS' WELFARE FUND

There is no change in the status of the petition with the Honourable Sindh High Court as reported in note 11 to the annual financial statements of the Fund for the year ended June 30, 2015.

The Fund maintained a provision for WWF as on March 31, 2016 amounting to Rs.17.795 million (June 30, 2015: Rs. 17.795 million). Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.11.87 (2.31%) (June 30, 2015: Rs.8.52 (1.70%)) per unit.

**9. FEDERAL EXCISE DUTY ON MANAGEMENT FEE**

There is no change in status of the petition pending with the Honourable Sindh High Court as reported in note 11 to the annual financial statements of the Fund for the year ended June 30, 2015.

10. 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 in cash amongst the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending June 30, 2015 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 half year ended March 31, 2016.

11. CASH AND CASH EQUIVALENTS

	<u>Nine months period ended</u>	
	March 31, 2016	March 31, 2015
	----(Rupees)----	
Bank balances	274,498,260	46,326,389
Treasury Bills with maturity within 3 months	<u>99,543,610</u>	-
	<u>374,041,870</u>	<u>46,326,389</u>

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, 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 and at contractual rates.



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

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:

12.1. Unit Holder Fund

Nine months period ended March 31, 2016 (Un-audited)									
As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2016	As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	"Net asset value as at March 31, 2016"
Units				(Rupees)					
Unit Holders' Fund									
Associated Companies / Undertakings									
Bank Alfalah Limited	1,050,927	-	-	1,050,927	526,472,603	-	-	-	547,522,679
Quarter ended March 31, 2016 (Un-audited)									
As at January 01, 2016	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2016	As at January 01, 2016	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	"Net asset value as at March 31, 2016"
Units				(Rupees)					
Associated Companies / Undertakings									
Bank Alfalah Limited	1,050,927	-	-	1,050,927	550,812,082	-	-	-	547,522,679

Nine months period ended

March 31, 2016

March 31, 2015

Quarter ended

March 31, 2016

March 31, 2015

(Rupees)

(Rupees)

12.2 Other transactions

Balance as at period / year end:

Alfalsh GHP Investment Management Limited - Management Company

Remuneration to the Management Company	6,475,122	17,989,607	1,812,098	5,293,739
Sales tax on management fee	1,051,161	3,130,192	294,282	923,826
Federal excise duty on management fee	1,035,634	2,878,337	289,935	844,279

Bank Alfalah Limited

Treasury Bill - purchased	1,503,328,880	5,652,364,885	649,462,400	1,239,066,460
Treasury Bill - sold	297,851,100	2,466,008,410	-	1,150,214,590
Profit on bank deposit	1,883,010	6,783,718	400,406	1,700,311
Bank Charges	12,213	30,430	2,229	7,400
Term Deposit Receipts - purchased	70,000,000	-	70,000,000	-
Profits on TDR for the period	862,055	-	862,055	-

CDC - Trustee Alfalah GHP Income Multiplier Fund

Treasury Bill - purchased	69,541,670	221,267,000	-	97,994,500
Treasury Bill - sold	-	247,521,860	-	-

CDC - Trustee Alfalah GHP Sovereign Fund

Treasury Bill - sold	9,972,420	551,388,700	-	254,571,200
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	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
CDC - Trustee Alfalah GHP Value Fund				
Treasury Bill - purchased	-	73,048,500	-	-
Treasury Bill - sold	-	48,080,950	-	-
CDC - Trustee Alfalah GHP Income Fund				
Treasury Bill - purchased	39,774,360	49,716,250	-	-
Treasury Bill - sold	4,994,025	167,685,280	4,994,025	59,044,440
CDC - Trustee Alfalah GHP Money Market Fund				
Treasury Bill - purchased	16,974,839	24,913,475	16,974,839	24,913,475
Treasury Bill - sold	-	359,704,940	-	261,204,140
MCB Financial Services Limited - Trustee				
Trustee fee	766,960	766,960	140,521	451,707

March 31,
2016
(Unaudited) June 30,
2015
(Audited)
----- (Rupees) -----

12.3 Other balancesAssociated companies / undertakings**Alfalsh GHP Investment Management Limited - Management Company**

Remuneration payable to the Management Company	610,370	2,244,306
Sales tax payable on management fees	1,492,768	1,599,266
Federal excise duty on management fee	9,506,970	8,471,286

Bank Alfalah Limited

Bank balance	14,377,773	7,041,824
Profit receivable	214,156	1,953,377

Other related parties**MCB Financial Services**

Trustee fee payable	63,462	165,032
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13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 27 April, 2016 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Director



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Alfalah Investments

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