

# **ALFALAH GHP INCOME MULTIPLIER FUND**

QUARTERLY REPORT March 2016



Alfalah Investments



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## FUND'S INFORMATION

|  |   |
|--|---|
| <b>Management Company:</b>                                 | Alfalsh GHP Investment Management Limited<br>8-B, 8th Floor, Executive Tower, Dolmen City, Block-4,<br>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. Michael Hermann</li><li>- Mr. Hanspeter Beier</li><li>- Mr. Amin Dawood Saleh</li><li>- Mr. Abid Naqvi</li><li>- Mr. Tufail Jawed Ahmed</li></ul> |
| <b>Chief Operating Officer, CFO and Company Secretary:</b> | - Mr. Noman Ahmed Soomro  |
| <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>HR Committee:</b>                                       | <ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Ms. Maheen Rahman</li></ul>   |
| <b>Trustee:</b>  | Central Depository Company of Pakistan Limited<br>CDC House, 99-B, Block 'B', SMCHS,<br>Main Share-e-Faisal, Karachi  |
| <b>Fund Manager:</b>                                       | - Mr. Nabeel Malik  |
| <b>Bankers to the Fund:</b>                                | Bank Alfalah Limited  |
| <b>Auditors:</b>   | Ernst & Young Ford Rhodes Sidat Hyder<br>Chartered Accountants<br>Progressive Plaza, Beaumont Road<br>P.O.Box 15541, Karachi 75530<br>Pakistan  |
| <b>Legal Advisor:</b>                                      | Bawaney & Partners<br>Room No.404,4th Floor<br>Beaumont Plaza,6-cl-10<br>Beaumont Road, Civil Lines<br>Karachi.   |
| <b>Registrar:</b>  | Alfalsh GHP Investment Management Limited<br>8-B, 8th Floor, Executive Tower, Dolmen City, Block-4,<br>Clifton, Karachi.  |
| <b>Distributor:</b>  | Bank Alfalah Limited  |
| <b>Rating:</b>   | Stability Rating A+ (f) by PACRA  |



### **MISSION STATEMENT**

*“To be the best money management company in Pakistan. We will hold our clients money in scared 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 Income Multiplier Fund (AGIMF) for the nine months ended 31 March, 2016. The Financial Statements of the Scheme prepared by the Management Company present true and fair view of the state of affairs of the Schemes and results of its 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.

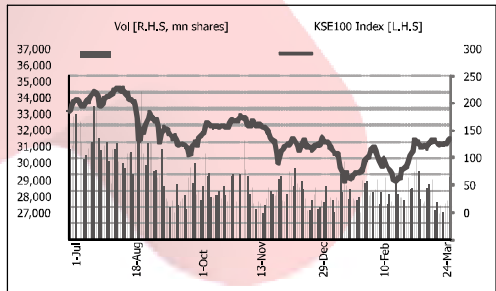
Key triggers to improve the current account balance would be a rise in the pace of foreign direct investment especially from China, in wake of upcoming CPEC projects along with an expected rise in portfolio investments as global markets are expected to cool off after the turmoil it witnessed in the first 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 through 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.

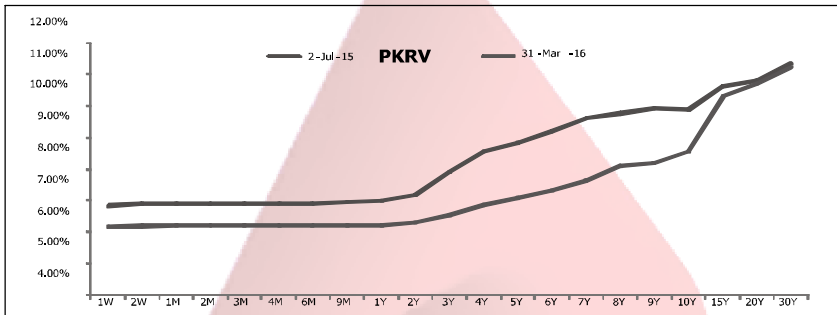


MONEY MARKET REVIEW

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.

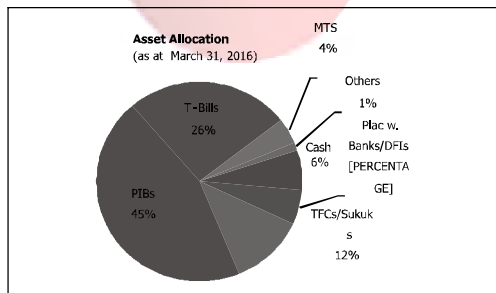
During the 9-months period the SBP had set a cumulative target of PKR 4.3 tr against a maturity of PKR 3.8 tr and accepted PKR 3.9 tr in scheduled T-Bill auctions. Total PIB maturity amount during the period stood at PKR 656 bn against which the SBP had set a target of PKR 625 bn; total amount accepted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

During the period under review the Fund posted an appreciation of 8.26% in NAV. During the same period the benchmark return (12M Kibor) was 6.92%. The performance resulted primarily on the back of revaluation gains on its government securities holding coupled with gradual increase in market prices of the corporate bonds/SUKUKS. The Fund followed a strategy of maintaining low cash levels and focus remained on medium to long term government treasuries. The bottom line was supported by capturing placements with banks and DFI's at competitive rates.



The fund's credit rating stands at "A+ (f)" by PACRA. The fund size on March 31, 2016 stood at PKR 2,651 bn.



| Description                           | Nine months period ended<br>31 March 2016 | Nine months period ended<br>31 March 2015 |
|---------------------------------------|---|---|
| Net Assets at end of the period       | 2,650.51                                  | 3,069.856                                 |
| Gross income earned                   | 191.72                                    | 294.160                                   |
| Net comprehensive income              | 150.874                                   | 342.126                                   |
| Net Assets Value per Unit (Rs.)       | 53.7815                                   | 54.1173                                   |
| Issuance of units during the period   | 2,463.88                                  | 2,143.900                                 |
| Redemption of units during the period | 1,676.94                                  | 895.896                                   |

**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,<br>2016<br>(Unaudited) | March 31,<br>2016<br>(Unaudited) |
|--|----------------------------------|----------------------------------|
| Note   | ----(Rupees)----                 |                                  |
| <b>Assets</b>  |                                  |                                  |
| Bank balances  | 5. 169,661,276                   | 180,146,284                      |
| Investments  | 6. 2,429,998,939                 | 2,003,303,635                    |
| Security deposits  | 2,850,000                        | 2,600,000                        |
| Prepayments and other receivables  | 32,387,237                       | 94,054,969                       |
| Receivable against Margin Trading System (MTS)                                     | 113,339,509                      | -                                |
| <b>Total assets</b>  | <b>2,748,236,961</b>             | <b>2,280,104,888</b>             |
| <b>Liabilities</b>   |                                  |                                  |
| Payable to the Management Company  | 7. 19,186,898                    | 11,546,423                       |
| Remuneration payable to the Trustee  | 513,732                          | 190,671                          |
| Annual fee payable to the Securities and<br>Exchange Commission of Pakistan (SECP) | 1,491,913                        | 1,766,264                        |
| Provision for Workers' Welfare Fund  | 11,471,327                       | 11,471,327                       |
| Accrued and other liabilities  | 8. 64,839,912                    | 28,600,146                       |
| Redemption payable   | 215,237                          | 520,527,894                      |
| <b>Total liabilities</b>   | <b>97,719,019</b>                | <b>574,102,725</b>               |
| <b>Net assets</b>  | <b>2,650,517,942</b>             | <b>1,706,002,163</b>             |
| <b>Unit holders' fund</b>  | <b>2,650,517,942</b>             | <b>1,706,002,163</b>             |
| <b>Contingencies and Commitments</b>   | 10 -                             | -                                |
|  | ----- (Number of units) -----    |                                  |
| <b>Number of units in issue</b>  | <b>49,283,095</b>                | <b>33,696,096</b>                |
|  | ----- (Rupees) -----             |                                  |
| <b>Net assets value per unit</b>   | <b>53.7815</b>                   | <b>50.6291</b>                   |

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

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director



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

|  | Note | Nine months period ended |                      | Quarter ended        |                      |
|--|------|--------------------------|----------------------|----------------------|----------------------|
|  |      | March 31, 2016           | March 31, 2015       | March 31, 2016       | March 31, 2015       |
|  |      | ----- (Rupees) -----     | ----- (Rupees) ----- | ----- (Rupees) ----- | ----- (Rupees) ----- |
| <b>Income</b>  |      |                          |                      |                      |                      |
| Finance income   | 9.   | 168,829,136              | 166,267,874          | 52,937,284           | 62,855,713           |
| Net gain on sale / redemption of investments classified as 'at fair value through profit or loss - held-for-trading'   |      | 25,296,656               | 959,593              | 11,566,155           | 396,604              |
| Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading (Impairment) / reversal in impairment of investments classified as 'available for sale' |      | (2,399,824)              | 118,362,350          | 6,959,589            | 65,731,681           |
|  |      | -                        | 8,570,476            | -                    | 3,976,149            |
| <b>Total income</b>  |      | <b>191,725,968</b>       | <b>294,160,293</b>   | <b>71,463,028</b>    | <b>132,960,147</b>   |
| <b>Expenses</b>  |      |                          |                      |                      |                      |
| Remuneration of the Management Company   |      | 24,865,634               | 19,975,376           | 8,002,406            | 7,937,788            |
| Sales tax on management fee  |      | 4,040,499                | 3,478,199            | 1,301,911            | 1,381,181            |
| Federal excise duty on management fee  | 7.1  | 3,980,782                | 3,196,063            | 1,282,665            | 1,270,047            |
| Remuneration of the Trustee  |      | 2,329,528                | 1,996,405            | 755,502              | 749,358              |
| Sales tax on Trustee fee   |      | 326,134                  | -                    | 105,768              | -                    |
| Annual fee to the Securities and Exchange Commission of Pakistan   |      | 1,491,938                | 1,198,528            | 480,144              | 476,267              |
| Brokerage expense  |      | 228,804                  | 175,381              | 81,439               | 80,579               |
| Bank and settlement charges  |      | 58,102                   | 43,896               | 23,652               | 20,089               |
| Auditors' remuneration   |      | 495,000                  | 448,935              | 163,800              | 147,914              |
| Annual listing fee   |      | 37,675                   | 37,510               | 12,467               | 12,330               |
| Annual rating fee  |      | 248,083                  | 183,306              | 80,827               | 60,210               |
| Clearing charges   |      | 481,607                  | 191,107              | 270,089              | 55,861               |
| CDS transaction fee  |      | 11,355                   | 5,232                | 4,691                | 1,500                |
| Printing charges   |      | 140,395                  | 112,603              | 32,725               | 36,987               |
| Fees and Expenses-various services-reimbursable to management Company  |      | 665,574                  | -                    | 665,574              | -                    |
| Worker welfare fund  | 8.1  | -                        | 6,946,561            | -                    | 4,063,991            |
| <b>Total expenses</b>  |      | <b>39,401,110</b>        | <b>37,989,102</b>    | <b>13,263,660</b>    | <b>16,294,102</b>    |
| <b>Net income from operating activities</b>  |      | <b>152,324,858</b>       | <b>256,171,191</b>   | <b>58,199,368</b>    | <b>116,666,045</b>   |
| Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net  |      | (1,450,731)              | 85,954,628           | (3,023,559)          | 84,231,432           |
| <b>Net income for the period before taxation</b>   |      | <b>150,874,127</b>       | <b>342,125,819</b>   | <b>55,175,809</b>    | <b>200,897,477</b>   |
| Taxation   | 13   | -                        | -                    | -                    | -                    |
| <b>Net income for the period after taxation</b>  |      | <b>150,874,127</b>       | <b>342,125,819</b>   | <b>55,175,809</b>    | <b>200,897,477</b>   |

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

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director



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

|  | Nine months period ended  |                           | Quarter ended            |                           |
|--|---------------------------|---------------------------|--------------------------|---------------------------|
|  | March 31,<br>2016         | March 31,<br>2015         | March 31,<br>2016        | March 31,<br>2015         |
|  | ----- (Rupees) -----      |                           | ----- (Rupees) -----     |                           |
| <b>Net income for the period</b>   | <b>150,874,127</b>        | <b>342,125,819</b>        | <b>55,175,809</b>        | <b>200,897,477</b>        |
| Net unrealised appreciation / (diminution) in fair value of investments classified as available for sale | <b>5,247,321</b>          | 8,297,756                 | <b>225,864</b>           | 4,955,595                 |
| Recycle through income statement on appreciation / sale on impairment                                    | -                         | (8,570,476)               | -                        | (3,976,149)               |
|  | -                         | (8,570,476)               | -                        | (3,976,149)               |
| Other comprehensive income for the year  | <b>5,247,321</b>          | (272,720)                 | <b>225,864</b>           | 979,446                   |
| Total comprehensive income for the period  | <u><b>156,121,448</b></u> | <u><b>341,853,099</b></u> | <u><b>55,401,673</b></u> | <u><b>201,876,923</b></u> |

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

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

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

\_\_\_\_\_  
Director



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

|   | Nine months period ended |                     | Quarter ended        |                    |
|---|--------------------------|---------------------|----------------------|--------------------|
|   | March 31,<br>2016        | March 31,<br>2015   | March 31,<br>2016    | March 31,<br>2015  |
| Note  | ----- (Rupees) -----     |                     | ----- (Rupees) ----- |                    |
| Accumulated loss brought forward  |                          |                     |                      |                    |
| Realised losses   | 1,966,162                | (13,724,247)        | 192,157,450          | 75,742,772         |
| Unrealised gains / (losses)   | 85,133,557               | 869,346             | (9,359,413)          | 52,630,669         |
|   | <u>87,099,719</u>        | <u>(12,854,901)</u> | <u>182,798,037</u>   | <u>128,373,441</u> |
| Element of income / (loss) and capital gains (losses) included in price of units sold less those in units redeemed representing unrealised capital gains / (losses) | -                        | -                   | -                    | -                  |
| Net income for the period after taxation  | 150,874,127              | 342,125,819         | 55,175,809           | 200,897,477        |
| Accumulated gain / (loss) carried forward   | <u>237,973,846</u>       | <u>329,270,918</u>  | <u>237,973,846</u>   | <u>329,270,918</u> |
| Accumulated gain / (loss) carried forward at period end   |                          |                     |                      |                    |
| Realised losses   | 240,373,670              | 210,908,568         | 231,014,257          | 263,539,237        |
| Unrealised (losses) / gains   | (2,399,824)              | 118,362,350         | 6,959,589            | 65,731,681         |
|   | <u>237,973,846</u>       | <u>329,270,918</u>  | <u>237,973,846</u>   | <u>329,270,918</u> |

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

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

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

\_\_\_\_\_  
Director



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

|  | Nine months period ended |                      | Quarter ended        |                      |
|--|--------------------------|----------------------|----------------------|----------------------|
|  | March 31,<br>2016        | March 31,<br>2015    | March 31,<br>2016    | March 31,<br>2015    |
|  | ----- (Rupees) -----     |                      | ----- (Rupees) ----- |                      |
| <b>Net assets at beginning of the period</b>   | <b>1,706,002,163</b>     | <b>1,565,953,696</b> | <b>2,699,467,970</b> | <b>2,047,470,264</b> |
| Amount realised / unrealised on issuance of<br>47,680,649 units (March 31, 2015: 15,847,273<br>units) and 9,346,452 units (March 31,<br>2015: 8,984,355 units) for the nine months<br>and quarter ended respectively | <b>2,463,884,824</b>     | 2,143,900,051        | <b>499,096,463</b>   | 1,056,127,243        |
| Amount paid / payable on redemption of<br>32,093,411 units (March 31, 2015: 1,689,733<br>units) and 11,401,332 units (March 31,<br>2015: 934,120 units) for the nine months<br>and quarter ended respectively        | <b>(1,676,941,224)</b>   | (895,896,382)        | <b>(606,471,723)</b> | (151,387,162)        |
|  | <b>2,492,945,763</b>     | 2,813,957,365        | <b>2,592,092,710</b> | 2,952,210,345        |
| Element of loss / (income) and capital losses /<br>included in prices of units sold less those in<br>units repurchased   |                          |                      |                      |                      |
| amount representing accrued loss / (income) &<br>realised losses / (gains) transferred directly to the<br>income statement   | <b>1,450,731</b>         | (85,954,628)         | <b>3,023,559</b>     | (84,231,432)         |
| amount representing unrealised capital loss/(gains)<br>transferred directly to the income statement  | -                        | -                    | -                    | -                    |
|  | <b>1,450,731</b>         | (85,954,628)         | <b>3,023,559</b>     | (84,231,432)         |
| Total comprehensive income for the period<br>before gains - realised and unrealised  | <b>128,237,026</b>       | 214,233,400          | <b>36,909,796</b>    | 130,793,043          |
| Net gain on sale / redemption of investments<br>classified as 'at fair value through<br>profit or loss - held-for-trading'   | <b>25,296,656</b>        | 959,593              | <b>11,566,155</b>    | 396,604              |
| Element of (loss) / income and capital (losses) /<br>gains included in prices of units sold<br>less those in units redeemed - net  | -                        | -                    | -                    | -                    |
| (Provision) / reversal for non-performing financial assets   | -                        | 8,570,476            | -                    | 3,976,149            |
| Net unrealised appreciation / (diminution) in<br>fair value of investments classified as 'at Available<br>for-sale'  | <b>5,247,321</b>         | (272,720)            | <b>14,606,734</b>    | (52,903,389)         |
| Net unrealised appreciation / (diminution) in<br>fair value of investments classified as 'at fair<br>value through profit or loss - held-for-trading'  | <b>(2,399,824)</b>       | 118,362,350          | <b>(7,421,281)</b>   | 119,614,516          |
| Total comprehensive income for the period  | <b>156,121,448</b>       | 341,853,099          | <b>55,401,673</b>    | 201,876,923          |
|  | -                        | -                    | -                    | -                    |
| Net total comprehensive (loss) / income<br>less distributions for the period   | <b>156,121,448</b>       | 341,853,099          | <b>55,401,673</b>    | 201,876,923          |
| <b>Net assets at end of the period</b>   | <b>2,650,517,942</b>     | <b>3,069,855,836</b> | <b>2,650,517,942</b> | <b>3,069,855,836</b> |

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

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

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

\_\_\_\_\_  
Director



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

|   | Nine months period ended |                      | Quarter ended        |                      |
|---|--------------------------|----------------------|----------------------|----------------------|
|   | March 31,<br>2016        | March 31,<br>2015    | March 31,<br>2016    | March 31,<br>2015    |
| Note  | ----- (Rupees) -----     | ----- (Rupees) ----- | ----- (Rupees) ----- | ----- (Rupees) ----- |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                      |                      |                      |
| Net income for the period before taxation   | 150,874,127              | 342,125,819          | 55,175,809           | 200,897,477          |
| <b>Adjustments for:</b>   |                          |                      |                      |                      |
| Net gain on sale / redemption of investments classified as 'at fair value through profit or loss - held-for-trading'                            | (25,296,656)             | (959,593)            | (11,566,155)         | (396,604)            |
| Net unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss - held-for-trading' | 2,399,824                | (118,362,350)        | (6,959,589)          | (65,731,681)         |
| Loss on asset acquired in settlement of placement with financial institution  | -                        | -                    | -                    | -                    |
| Provision for non-performing financial assets   | -                        | (8,570,476)          | -                    | (3,976,149)          |
| Provision for Workers' Welfare Fund   | -                        | 6,894,260            | -                    | 4,137,790            |
| Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net                     | 1,450,731                | (85,954,628)         | 3,023,559            | (84,231,432)         |
|   | <u>129,428,026</u>       | <u>135,173,032</u>   | <u>39,673,624</u>    | <u>50,699,401</u>    |
| <b>(Increase) / decrease in assets</b>  |                          |                      |                      |                      |
| Investments - net   | 49,990,248               | (1,013,118,513)      | 147,204,909          | (522,172,995)        |
| Deposits, prepayments and other receivables   | 61,417,732               | (37,791,761)         | 45,787,539           | 1,166,421            |
| Receivable against Margin Trading System  | (113,339,509)            | -                    | (113,339,509)        | -                    |
|   | (1,931,529)              | (1,050,910,274)      | 79,652,939           | (521,006,574)        |
| <b>Increase / (decrease) in liabilities</b>   |                          |                      |                      |                      |
| Payable to the Management Company   | 7,640,475                | 12,963,477           | 4,139,992            | 8,517,470            |
| Remuneration payable to the Trustee   | 323,061                  | 126,564              | 254,012              | 79,608               |
| Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)   | (274,351)                | 653,605              | 480,144              | 476,268              |
| Accrued and other liabilities   | (484,072,891)            | (15,485,563)         | 60,430,290           | 410,043              |
|   | (476,383,706)            | (1,741,917)          | 65,304,438           | 9,483,389            |
| <b>Net cash (used in) / generated from operating activities</b>   | <b>(348,887,209)</b>     | <b>(917,479,159)</b> | <b>184,631,001</b>   | <b>(460,823,784)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                          |                      |                      |                      |
| Dividend paid   | -                        | -                    | -                    | -                    |
| Amounts received on issue of units  | 2,462,244,426            | 2,143,900,051        | 497,456,065          | 1,056,127,243        |
| Payment made against redemption of units  | (1,675,300,826)          | (895,896,382)        | (604,831,325)        | (151,387,162)        |
| <b>Net cash used in financing activities</b>  | <b>786,943,600</b>       | <b>1,248,003,669</b> | <b>(107,375,260)</b> | <b>904,740,081</b>   |
| <b>Net (decrease) / increase in cash and cash equivalents during the period</b>   | <b>438,056,391</b>       | <b>330,524,510</b>   | <b>77,255,741</b>    | <b>443,916,297</b>   |
| Cash and cash equivalents at beginning of the period  | 180,146,284              | 556,975,258          | 540,946,934          | 443,583,471          |
| <b>Cash and cash equivalents at end of the period</b>   | <b>618,202,675</b>       | <b>887,499,768</b>   | <b>618,202,675</b>   | <b>887,499,768</b>   |

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

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

Chief Executive Officer

Director



## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalsh GHP Income Multiplier Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalsh GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the Trustee"). The Trust Deed was executed on 19th May, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 ("NBFC Rules"), on 14th Feb, 2007.

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

Alfalsh GHP Income Multiplier 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 is categorized as an aggressive fixed income scheme and can invest in debt and money market securities as authorized in Fund Offering Document. The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2-' (Outlook: Stable) to the Management Company in its rating report dated April 15, 2015 and 'A+(f)' Stability Rating to the fund in its rating report dated December 31, 2015. The "Title" to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 31 March 2016 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 nine months period ended 31 March 2016.

### 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 June 30, 2015. These condensed interim financial statements are unaudited.

#### 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. ACCOUNTING POLICIES AND ESTIMATES**

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 2015.

**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 2015.

|  | March 31,<br>2016<br>(Unaudited) | June 30,<br>2015<br>(Audited) |
|--|----------------------------------|-------------------------------|
|  | ----(Rupees)----                 |                               |
| <b>5. BANK BALANCES</b>  | <i>Note</i>                      |                               |
| In deposit accounts  | 5.1 <u>169,661,276</u>           | <u>180,146,284</u>            |
|  | <u>169,661,276</u>               | <u>180,146,284</u>            |
| 5.1 These balances in saving deposit accounts bear profit rates ranging from 5.25% to 7% per annum (30 June 2015: 6% to 7% per annum). |                                  |                               |
| <b>6. INVESTMENTS</b>  | March 31,<br>2016<br>(Unaudited) | June 30,<br>2015<br>(Audited) |
| <b>Financial assets classified as 'at fair value through profit or loss'</b>   | <i>Note</i> ----(Rupees)----     |                               |
| <b>Held-for-trading</b>  |                                  |                               |
| Term finance certificates  | 6.1 <u>76,535,755</u>            | 25,830,091                    |
| Sukuk certificates   | 6.2 <u>232,306,056</u>           | 137,255,410                   |
| GOP Ijarah sukuks  | 6.3 -                            | 52,405,500                    |
| Treasury bills   | 6.4 <u>718,778,520</u>           | 297,564,337                   |
| Pakistan investment bonds  | 6.5 <u>1,236,154,212</u>         | 1,463,206,568                 |
|  | <u>2,263,774,543</u>             | 1,976,261,906                 |
| <b>Available-for-sale</b>  |                                  |                               |
| Sukuk certificates   | 6.7 <u>16,196,862</u>            | 27,041,729                    |
| Term finance certificates  | 6.8 -                            | -                             |
|  | <u>16,196,862</u>                | 27,041,729                    |
| <b>Held to maturity</b>  |                                  |                               |
| Term deposit receipt   | 6.9 <u>150,027,534</u>           | -                             |
|  | <u>150,027,534</u>               | -                             |
|  | <u>2,429,998,939</u>             | <u>2,003,303,635</u>          |





6.1 Term finance certificates - held-for-trading

| Name of the Investee company               | Maturity           | Profit / mark-up rate | As at                    | Purchased         | Redeemed* /            | As at          | Carrying                   | Market value         | % of net assets              | % of total                              | Investment as % of issue size |
|--|--------------------|-----------------------|--------------------------|-------------------|------------------------|----------------|----------------------------|----------------------|------------------------------|---|-------------------------------|
|  |                    |                       | July 01, 2015            | during the period | sold during the period | March 31, 2016 | value as at March 31, 2016 | as at March 31, 2016 | on the basis of market value | investment on the basis of market value |                               |
|  |                    |                       | (Number of certificates) |                   |                        | (Rupees)       |                            |                      | (%)                          |   |                               |
| Bank Al-Falah Limited - V(a related party) | February 20, 2021  | 6M NBOR + 1.25%       | 1,225                    | -                 | -                      | 1,225          | 6,117,650                  | 6,262,944            | 0.24%                        | 0.26%                                   | 0.13%                         |
| NIB Bank Limited                           | June 19, 2022      | 6M NBOR + 1.15%       | -                        | 4,000             | -                      | 4,000          | 19,818,000                 | 19,928,036           | 0.75%                        | 0.82%                                   | 0.50%                         |
| Askari Bank Limited                        | September 30, 2024 | 6M NBOR + 1.20%       | -                        | 10,000            | -                      | 10,000         | 50,094,975                 | 50,344,775           | -                            | -                                       | -                             |
|  |                    |                       |                          |                   |                        |                | 76,030,625                 | 76,535,755           |                              |   |                               |

6.2 Sukuk certificates - held-for-trading

| Name of the Investee company | Maturity         | Profit / mark-up rate | As at                    | Purchased         | Redeemed* /            | As at          | Carrying                   | Market value         | % of net assets              | % of total                              | Investment as % of issue size |
|------------------------------|------------------|-----------------------|--------------------------|-------------------|------------------------|----------------|----------------------------|----------------------|------------------------------|---|-------------------------------|
|                              |                  |                       | July 01, 2015            | during the period | sold during the period | March 31, 2016 | value as at March 31, 2016 | as at March 31, 2016 | on the basis of market value | investment on the basis of market value |                               |
|                              |                  |                       | (Number of certificates) |                   |                        | (Rupees)       |                            |                      | (%)                          |   |                               |
| K-Electric Sukuk II          | March 19, 2017   | 3M NBOR + 2.25%       | 11,000                   | -                 | 800                    | 10,200         | 52,357,064                 | 52,096,500           | 1.97%                        | 2.14%                                   | 1.39%                         |
| Hascol Petroleum Limited     | January 07, 2022 | 3M NBOR + 1.50%       | -                        | 20,000            | -                      | 20,000         | 100,000,000                | 109,250,000          | 3.90%                        | 4.25%                                   | 5.16%                         |
| Engro Fertilizer Limited     | July 09, 2019    | 6M NBOR + 1.75%       | 16,000                   | -                 | -                      | 16,000         | 75,017,900                 | 76,959,556           | 2.90%                        | 3.17%                                   | 2.40%                         |
|                              |                  |                       |                          |                   |                        |                | 227,374,964                | 238,306,056          |                              |   |                               |

6.3 GOP Ijarah Sukuks - held-for-trading

| Name of the Investee company | Issue Date        | Profit / mark-up rate | As at                    | Purchased         | Redeemed* /            | As at          | Carrying                   | Market value         | % of net assets              | % of total                              | Investment as % of issue size |
|------------------------------|-------------------|-----------------------|--------------------------|-------------------|------------------------|----------------|----------------------------|----------------------|------------------------------|---|-------------------------------|
|                              |                   |                       | July 01, 2015            | during the period | sold during the period | March 31, 2016 | value as at March 31, 2016 | as at March 31, 2016 | on the basis of market value | investment on the basis of market value |                               |
|                              |                   |                       | (Number of certificates) |                   |                        | (Rupees)       |                            |                      | (%)                          |   |                               |
| GOP Ijarah Sukuk - IX        | June 28, 2012     | November 21, 2015     | 70,000                   | -                 | 70,000                 | -              | -                          | -                    | 0.00%                        | 0.00%                                   | 0.00%                         |
| GOP Ijarah Sukuk - XII       | December 26, 2011 | November 21, 2015     | 450,000                  | -                 | 450,000                | -              | -                          | -                    | 0.00%                        | 0.00%                                   | 0.00%                         |

6.4 Treasury bills-held for trading

| Issue date                                      | Note  | As at                    | Purchased         | Sold / matured    | As at          | Carrying value | Market value         | Unrealised                   | % of net assets              | % of total                              |  |
|---|-------|--------------------------|-------------------|-------------------|----------------|----------------|----------------------|------------------------------|------------------------------|---|--|
|   |       | July 01 2015             | during the period | during the period | March 31, 2016 | March 31, 2016 | as at March 31, 2016 | gain / (loss) on revaluation | on the basis of market value | investment on the basis of market value |  |
|   |       | (Number of certificates) |                   |                   | (Rupees)       |                |                      | (%)                          |                              |   |  |
| Treasury bills having face value of Rs.100 each |       |                          |                   |                   |                |                |                      |                              |                              |   |  |
| Maturity upto 3 months                          | 6.4.1 | -                        | 18,050,000        | 15,050,000        | 3,000,000      | 298,521,805    | 298,513,865          | (7,940)                      | 11.26%                       | 12.28%                                  |  |
| Maturity upto 6 months                          | 6.4.2 | 3,000,000                | 17,300,000        | 16,000,000        | 4,300,000      | 420,317,005    | 420,264,655          | (52,350)                     | 15.86%                       | 17.29%                                  |  |
| Maturity upto 12 months                         |       | -                        | 4,900,000         | 4,900,000         | -              | -              | -                    | -                            | 0.00%                        | 0.00%                                   |  |
|   |       | 3,000,000                | 40,250,000        | 35,950,000        | 7,300,000      | 718,838,810    | 718,778,520          | (60,290)                     |                              |   |  |

6.4.1 These represent market treasury bills having face value of Rs.300 million (June 30, 2015: Rs. Nil) carrying purchase yield of 6.20% to 6.26% (June 30, 2015: Nil) per annum. The treasury bills have maturity upto May 12, 2016 (June 30, 2015: Nil).

6.4.2 These represent market treasury bills having face value of Rs.430 million (June 30, 2015: Rs.300 million) carrying purchase yield ranging from 6.18% to 6.22% (June 30, 2015: 6.85% to 7.07%) per annum. The treasury bills have maturity upto September 01, 2016 (June 30, 2015: September 03, 2015).

6.5 Pakistan investment bonds - held-for-trading

| Issue date                            | Note  | As at                    | Purchased         | Sold / matured    | As at          | Carrying value | Market value         | Unrealised                   | % of net assets              | % of total                              |  |
|---------------------------------------|-------|--------------------------|-------------------|-------------------|----------------|----------------|----------------------|------------------------------|------------------------------|---|--|
|                                       |       | July 01 2015             | during the period | during the period | March 31, 2016 | March 31, 2016 | as at March 31, 2016 | gain / (loss) on revaluation | on the basis of market value | investment on the basis of market value |  |
|                                       |       | (Number of certificates) |                   |                   | (Rupees)       |                |                      | (%)                          |                              |   |  |
| PIBs having face value of Rs.100 each |       |                          |                   |                   |                |                |                      |                              |                              |   |  |
| Maturity upto 03 Years                | 6.5.1 | 5,750,000                | 3,200,000         | 3,500,000         | 5,450,000      | 550,628,445    | 564,344,723          | 13,716,278                   | 21.29%                       | 23.22%                                  |  |
| Maturity upto 05 Years                | 6.5.2 | 4,000,000                | 2,350,000         | 1,500,000         | 4,850,000      | 484,468,229    | 549,052,788          | 64,584,559                   | 20.71%                       | 22.59%                                  |  |
| Maturity upto 10 Years                | 6.5.3 | 3,750,000                | 1,500,000         | 4,250,000         | 1,000,000      | 122,752,382    | 122,756,701          | 4,319                        | 4.63%                        | 5.05%                                   |  |
|                                       |       | 13,500,000               | 7,050,000         | 9,250,000         | 11,300,000     | 1,157,849,056  | 1,236,154,212        | 78,305,156                   |                              |   |  |



**6.5.1** These represent Pakistan investment bonds having face value of Rs.545 million (June 30, 2015: Rs.575 million) carrying purchase yield ranging from 6.30% to 12.52% per annum (June 30, 2015: 7.30% to 12.52%). These Pakistan investment bonds have maturity upto March 26, 2018 (June 30, 2015: July 17, 2017).

**6.5.2** These represent Pakistan investment bonds having face value of Rs.485 million (June 30, 2015: Rs.400 million) carrying purchase yield ranging from 8.00% to 12.97% per annum (June 30, 2015: 9.38% to 12.97%). These Pakistan investment bonds have maturity upto March 26, 2020 (June 30, 2015: July 17, 2019).

**6.5.3** These represent Pakistan investment bonds having face value of Rs.100 million (June 30, 2015: Rs.375 million) carrying purchase yield ranging from 7.38% to 7.43% per annum (June 30, 2015: 10.20% to 10.52%). These Pakistan investment bonds have maturity upto July 17, 2024 (June 30, 2015: July 17, 2024).

|   | March 31,<br>2016<br>(Unaudited) | June 30,<br>2015<br>(Audited) |
|---|----------------------------------|-------------------------------|
| <b>6.6 Net unrealized (diminution) / appreciation in the value of investments classified as at fair value through profit or loss - held-for-trading</b> | ----(Rupees)----                 |                               |
| Market value of investments   | 2,263,774,543                    | 1,976,261,906                 |
| Less: Carrying value of investments   | (2,180,093,455)                  | (1,890,180,994)               |
|   | 83,681,088                       | 86,080,912                    |
| Net unrealised appreciation diminution in the value of investment at the beginning of the half year   | (86,080,912)                     | (947,355)                     |
| Net unrealised appreciation in the value of investment for the half year  | (2,399,824)                      | 85,133,557                    |

**6.7 Sukuk certificates - Available-for-sale**

| Name of the Investee company                               | Maturity      | Profit / mark-up rate | As at                                |                   | As at March 31, 2016 | Carrying value as at March 31, 2016 | Market value as at March 31, 2016 | % of net assets on the basis of market value | % of total investment  |                              |                               |
|--|---------------|-----------------------|--------------------------------------|-------------------|----------------------|-------------------------------------|-----------------------------------|--|------------------------|------------------------------|-------------------------------|
|  |               |                       | July 01, 2015                        | during the period |                      |                                     |                                   |  | sold during the period | on the basis of market value | Investment as % of issue size |
|  |               |                       | ----- (Number of certificates) ----- |                   |                      |                                     | ----- (Rupees) -----              |  | ----- (%) -----        |                              |                               |
| Maple Leaf Cement Factory Limited                          | December 2018 | 3M NBOR + 1%          | 15,000                               | -                 | -                    | 15,000                              | 16,092,186                        | 16,196,862                                   | 0.61%                  | 0.67%                        | -                             |
|  |               |                       |                                      |                   |                      | 16,092,186                          | 16,196,862                        |  |                        |                              |                               |
| Name of the Investee company                               | Maturity      | Profit / mark-up rate | As at                                |                   | As at March 31, 2016 | Carrying value as at March 31, 2016 | Market value as at March 31, 2016 | % of net assets on the basis of market value | % of total investment  |                              |                               |
|  |               |                       | July 01, 2015                        | during the period |                      |                                     |                                   |  | sold during the period | on the basis of market value | Investment as % of issue size |
|  |               |                       | ----- (Number of certificates) ----- |                   |                      |                                     | ----- (Rupees) -----              |  | ----- (%) -----        |                              |                               |
| Trust Investment Bank Limited                              | July 2013     | 6M NBOR + 1.85%       | 8,000                                | -                 | -                    | 8,000                               | 14,994,000                        | -  | 0.00%                  | 0.00%                        | -                             |
| Security Leasing Corporation Limited (S.L.C)               | March 2014    | 6.00%                 | 2,000                                | -                 | -                    | 2,000                               | 1,557,300                         | -  | 0.00%                  | 0.00%                        | 0%                            |
| AgriTech Ltd (Formerly Pak American Fertilizer Limited)    | November 2017 | 6M NBOR + 1.75%       | 17,950                               | -                 | -                    | 17,950                              | 89,666,353                        | -  | 0.00%                  | 0.00%                        | -                             |
| AgriTech Ltd-IV (Formerly Pak American Fertilizer Limited) | January 2015  | Zero Coupon           | 4,894                                | -                 | -                    | 4,894                               | 20,470,000                        | -  | 0.00%                  | 0.00%                        | -                             |
|  |               |                       |                                      |                   |                      | 126,687,693                         | -                                 |  |                        |                              |                               |

**6.6.1** These term finance certificates carry fixed mark-up rate of 6.00% per annum, receivable monthly in arrears. These term finance certificates are secured against first charge on specific leased assets with related rentals receivables with 25% margin. SLCL had rescheduled its repayments through second supplemental Trust deed executed on May 18, 2011. As per the supplemental deed, SLCL obtained the waiver from the obligation to pay the mark-up on the outstanding amount while the principal is to be repaid in 36 equal installments starting from April 29, 2011 to March 29, 2014. In February 2011, SLCL rescheduled its monthly repayment from Rs.78,125 to Rs.16,927 without any alteration in the supplemental trust Deed. Subsequently the security was classified as 'non-performing' and reclassified as performing by MUFAP on April 03, 2012 and March 15, 2013 respectively. However, during the current period, the security was again classified as 'non-performing' by MUFAP on August 15, 2014 and, accordingly, was provided in accordance with the requirements of SECP circulars and the Board's approved provisioning policy.



6.9 This TDR carry mark-up rate @ 6.70% per annum having maturity upto May 31, 2016.

|   | March 31,<br>2016<br>(Unaudited) | June 30,<br>2015<br>(Audited) |
|---|----------------------------------|-------------------------------|
| <b>6.10 Net unrealised (diminution) / appreciation in the value of investments classified as 'available-for-sale'</b> | ----(Rupees)---                  |                               |
| Market value of investments   | 16,196,862                       | 27,041,729                    |
| Less: Carrying value of investments   | (16,092,186)                     | (32,184,374)                  |
|   | 104,676                          | (5,142,645)                   |
| Impairment charged during the year  | -                                | 963,215                       |
| Reversal of impairment during the year  | -                                | (21,896,828)                  |
|   | 104,676                          | (26,076,258)                  |
| Net unrealised diminution / appreciation in the value of investments at the beginning of the half year                | (5,142,645)                      | 12,072,702                    |
| Net unrealised appreciation / (diminution) in the value of investments at the end of the half year                    | 5,247,321                        | (14,003,556)                  |

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

|   |             |              |
|---|-------------|--------------|
| Opening balance   | 126,687,653 | 147,621,266  |
| Charged for the year  | -           | 963,215      |
| Reversal due to appreciation in the value of investments                                    | -           | (21,896,828) |
| Reversal of impairment in the value of investments classified as 'available-for-sale' - net | -           | (20,933,613) |
| Closing balance   | 126,687,653 | 126,687,653  |

|  | March 31,<br>2016<br>(Unaudited) | June 30,<br>2015<br>(Audited) |
|--|----------------------------------|-------------------------------|
| <b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>        | ----(Rupees)---                  |                               |
| Remuneration payable to the Management Company     | 2,724,245                        | 2,510,695                     |
| Sales tax payable on management fee                | 1,874,269                        | 1,310,164                     |
| Federal excise duty payable                        | 10,192,503                       | 6,211,721                     |
| Sales load and federal excise duty payable thereon | 4,395,881                        | 1,513,843                     |
|  | 19,186,898                       | 11,546,423                    |

7.1 There is no change in the status of the petition with the Honourable Sindh High Court as reported in note 15 to the annual financial statements of the Fund for the year ended June 30, 2015.

|   | March 31,<br>2016<br>(Unaudited) | June 30,<br>2015<br>(Audited) |
|---|----------------------------------|-------------------------------|
| <b>8. ACCRUED AND OTHER LIABILITIES</b> | ----(Rupees)---                  |                               |
| Auditors' remuneration                  | 556,079                          | 518,630                       |
| Brokerage expense payable               | 63,475                           | -                             |
| Withholding tax payable                 | 150,881                          | 22,016,378                    |
| Printing charges payable                | 146,260                          | 80,000                        |
| Rating fee payable                      | 123,121                          | 123,116                       |
| Settlement charges payable              | 395,492                          | -                             |
| Others                                  | 63,404,604                       | 5,862,022                     |
|   | 64,839,912                       | 28,600,146                    |

**8.1 PROVISION FOR WORKERS' WELFARE FUND**

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.

| 9. FINANCE INCOME                     | Nine months period ended |                    | Quarter ended (Un-audited) |                   |
|---------------------------------------|--------------------------|--------------------|----------------------------|-------------------|
|                                       | March 31,<br>2016        | March 31,<br>2015  | March 31,<br>2016          | March 31,<br>2015 |
|                                       | ----- (Rupees) -----     |                    | ----- (Rupees) -----       |                   |
| Interest income on:                   |                          |                    |                            |                   |
| <b>Investments classified as at</b>   |                          |                    |                            |                   |
| <b>Available-for-sale</b>             |                          |                    |                            |                   |
| - Sukuk and term finance certificates | 3,198,809                | 6,406,384          | 867,352                    | 1,745,403         |
| <b>Held for trading</b>               |                          |                    |                            |                   |
| - Government securities               | 141,169,867              | 116,345,877        | 41,905,827                 | 47,223,046        |
| - Sukuk and term finance certificates | 14,431,202               | 10,484,620         | 4,561,375                  | 2,864,997         |
|                                       | 155,601,069              | 126,830,497        | 46,467,202                 | 50,088,043        |
| <b>Held to maturity</b>               |                          |                    |                            |                   |
| - Term deposit receipts               | 3,675,479                | 10,125,200         | 2,503,565                  | 426,328           |
| - Placements                          | -                        | 13,830,258         | -                          | 5,381,876         |
|                                       | 3,675,479                | 23,955,458         | 2,503,565                  | 5,808,204         |
| <b>Others</b>                         |                          |                    |                            |                   |
| - Bank deposits                       | 4,793,601                | 9,007,279          | 1,573,141                  | 5,187,242         |
| - Others                              | 34,154                   | 68,256             | -                          | 26,821            |
| - Margin trading system               | 1,526,024                | -                  | 1,526,024                  | -                 |
|                                       | <u>168,829,136</u>       | <u>166,267,874</u> | <u>52,937,284</u>          | <u>62,855,713</u> |

**10. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at 31 March 2016.

| 11. CASH AND CASH EQUIVALENTS                  | Note | March 31,<br>2016  | June 30,<br>2015   |
|--|------|--------------------|--------------------|
|  |      | (Unaudited)        | (Audited)          |
|  |      | ----(Rupees)---    |                    |
| Bank balances                                  |      | 169,661,276        | 180,146,284        |
| Treasury bills maturing within 3 months        |      | 298,513,865        | -                  |
| Term deposit receipts maturing within 3 months |      | 150,027,534        | -                  |
| Letter of placements maturing within 3 months  |      | -                  | -                  |
|  |      | <u>618,202,675</u> | <u>180,146,284</u> |

**12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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, Bank Alfalah Limited being sub custodian, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business, at contractual rates and term determined in accordance with market rates.



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

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:

|  | Nine months ended March 31, 2016 (Un-audited) |   |  |                      |                     |   |       |   |                                      |
|--|---|---|--|----------------------|---------------------|---|-------|---|--------------------------------------|
|  | As at July 01, 2015                           | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out | As at March 31, 2016 | As at July 01, 2015 | Issued for cash / conversion in / transfer in | Bonus | Issued for cash / conversion in / transfer in | Net asset value as at March 31, 2016 |
|  | Units   |   |  |                      | (Rupees)            |   |       |   |                                      |
| <b>Associated Companies / Undertakings</b>   |   |   |  |                      |                     |   |       |   |                                      |
| Bank Alfalah Limited   | 5,481,236                                     | -   | -  | 5,481,236            | 277,510,046         | -   | -     | -   | 294,789,094                          |
| <b>Other related parties</b>   |   |   |  |                      |                     |   |       |   |                                      |
| CDC - Trustee Alfalah GHP Prosperity Planning Fund                                     | -   | 4,034,484                                     | 1,725,400                                | 2,313,084            | -                   | 197,000,000                                   | -     | -   | 124,401,127                          |
| <b>Key Management Personal Employees</b>   |   |   |  |                      |                     |   |       |   |                                      |
| Head of sales and marketing  | -   | 13,799  | 9,946                                    | 3,853                | -                   | 708,049                                       | -     | -   | 207,236                              |
| Head of wealth management  | -   | 12,753  | 12,753                                   | -                    | -                   | 650,000                                       | -     | -   | -                                    |
| <b>Unit holder holding 10% or more Units</b>   |   |   |  |                      |                     |   |       |   |                                      |
| Society for the Promotion of Engineering Sciences and Technology in Pakistan (SOPREST) | 3,800,047                                     | 2,879,962                                     | 1,543,614                                | 5,136,395            | 192,392,960         | 150,000,000                                   | -     | 81,300,000                                    | 276,243,016                          |

|  | Quarter ended March 31, 2016 (Un-audited) |   |  |                      |                        |   |       |   |                                      |
|--|---|---|--|----------------------|------------------------|---|-------|---|--------------------------------------|
|  | As at January 01, 2016                    | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out | As at March 31, 2016 | As at January 01, 2016 | Issued for cash / conversion in / transfer in | Bonus | Issued for cash / conversion in / transfer in | Net asset value as at March 31, 2016 |
|  | Units                                     |   |  |                      | (Rupees)               |   |       |   |                                      |
| <b>Associated Companies / Undertakings</b>   |   |   |  |                      |                        |   |       |   |                                      |
| Bank Alfalah Limited   | 5,481,236                                 | -   | -  | 5,481,236            | 288,210,514            | -   | -     | -   | 294,789,094                          |
| <b>Other related parties</b>   |   |   |  |                      |                        |   |       |   |                                      |
| CDC - Trustee Alfalah GHP Prosperity Planning Fund                                     | -   | 2,669,812                                     | 356,728                                  | 2,313,084            | -                      | 197,000,000                                   | -     | -   | 124,401,127                          |
| <b>Key Management Personal Employees</b>   |   |   |  |                      |                        |   |       |   |                                      |
| Head of sales and marketing  | 5,824                                     | -   | 1,971                                    | 3,853                | 306,233                | -   | -     | 105,000                                       | 207,236                              |
| <b>Unit holder holding 10% or more Units</b>   |   |   |  |                      |                        |   |       |   |                                      |
| Society for the Promotion of Engineering Sciences and Technology in Pakistan (SOPREST) | 6,680,009                                 | -   | 1,543,614                                | 5,136,395            | 351,243,557            | -   | -     | -   | 276,243,016                          |

|  | Nine months ended March 31, 2015 (Un-audited) |   |  |                      |                     |   |       |   |                                      |
|--|---|---|--|----------------------|---------------------|---|-------|---|--------------------------------------|
|  | As at July 01, 2014                           | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out | As at March 31, 2015 | As at July 01, 2014 | Issued for cash / conversion in / transfer in | Bonus | Issued for cash / conversion in / transfer in | Net asset value as at March 31, 2015 |
|  | Units   |   |  |                      | (Rupees)            |   |       |   |                                      |
| <b>Associated Companies / Undertakings</b> |   |   |  |                      |                     |   |       |   |                                      |
| Bank Alfalah Limited                       | 5,481,236                                     | -   | -  | 5,481,236            | 263,505,467         | -   | -     | -   | 296,629,670                          |
| <b>Management Company</b>                  |   |   |  |                      |                     |   |       |   |                                      |
| Alfalsh GHP Investment Management Ltd      | 2,016,664                                     | -   | -  | 2,016,664            | 96,949,296          | -   | -     | -   | 109,136,398                          |



## Key Management Personal

## Employees

|            |       |   |   |   |       |        |   |   |   |        |
|------------|-------|---|---|---|-------|--------|---|---|---|--------|
| Moin Uddin | 1,396 | - | - | - | 1,396 | 67,122 | - | - | - | 75,548 |
|------------|-------|---|---|---|-------|--------|---|---|---|--------|

## Unit holder holding 10% or more Units

|                             |           |         |   |   |           |             |            |   |   |             |
|-----------------------------|-----------|---------|---|---|-----------|-------------|------------|---|---|-------------|
| Bank Alfalah Limited        | 5,481,236 | -       | - | - | 5,481,236 | 263,505,467 | -          | - | - | 296,629,670 |
| Attock Cement Pakistan Ltd, | 6,434,782 | 956,702 | - | - | 7,391,484 | 309,346,376 | 50,000,000 | - | - | 400,007,161 |

## Quarter ended March 31, 2015 (Un-audited)

| As at January 01, 2015 | Issued for cash / conversion in / transfer in | Redeemed / conversion out / transfer out | As at March 31, 2015 | As at January 01, 2015 | Issued for cash / conversion in / transfer in | Bonus | Issued for cash / conversion in / transfer in | Net asset value as at March 31, 2015 |
|------------------------|---|--|----------------------|------------------------|---|-------|---|--------------------------------------|
| Units                  |   |  |                      | (Rupees)               |   |       |   |                                      |

## Associated Companies / Undertakings

|                      |           |   |   |   |           |             |   |   |   |             |
|----------------------|-----------|---|---|---|-----------|-------------|---|---|---|-------------|
| Bank Alfalah Limited | 5,481,236 | - | - | - | 5,481,236 | 282,843,266 | - | - | - | 296,629,670 |
|----------------------|-----------|---|---|---|-----------|-------------|---|---|---|-------------|

## Management Company

|                                       |           |   |   |   |           |             |   |   |   |             |
|---------------------------------------|-----------|---|---|---|-----------|-------------|---|---|---|-------------|
| Alfalah GHP Investment Management Ltd | 2,016,664 | - | - | - | 2,016,664 | 104,064,085 | - | - | - | 109,136,398 |
|---------------------------------------|-----------|---|---|---|-----------|-------------|---|---|---|-------------|

## Key Management Personal

## Employees

|            |       |   |   |   |       |        |   |   |   |        |
|------------|-------|---|---|---|-------|--------|---|---|---|--------|
| Moin Uddin | 1,396 | - | - | - | 1,396 | 72,048 | - | - | - | 75,548 |
|------------|-------|---|---|---|-------|--------|---|---|---|--------|

## Unit holder holding 10% or more Units

|                            |           |         |   |   |           |             |            |   |   |             |
|----------------------------|-----------|---------|---|---|-----------|-------------|------------|---|---|-------------|
| Bank Alfalah Limited       | 5,481,236 | -       | - | - | 5,481,236 | 282,843,266 | -          | - | - | 296,629,670 |
| Attock Cement Pakistan Ltd | 6,434,782 | 956,702 | - | - | 7,391,484 | 332,048,288 | 50,000,000 | - | - | 400,007,161 |

**Nine months period ended**  
**March 31,**  
**2016**

(Rupees)

**March 31,**  
**2015**

(Rupees)

**Quarter ended (Un-audited)**  
**March 31,**  
**2016**

(Rupees)

**March 31,**  
**2015**

(Rupees)

## 12.2 Other transactions

## Connected persons

## Alfalag GHP Investment Management Ltd - Management Company

|  |                   |            |                  |           |
|--|-------------------|------------|------------------|-----------|
| Remuneration of the Management Company | <u>24,865,634</u> | 19,975,376 | <u>8,002,406</u> | 7,937,788 |
| Sales tax on management fee            | <u>4,040,499</u>  | 3,478,199  | <u>1,301,911</u> | 1,381,181 |
| Federal excise duty on management fee  | <u>3,980,782</u>  | 3,196,063  | <u>1,282,665</u> | 1,270,047 |
| Sales load                             | <u>3,736,134</u>  | 231,204    | -                | -         |

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

|   |                      |             |                    |             |
|---|----------------------|-------------|--------------------|-------------|
| Remuneration of the Trustee                 | <u>2,329,528</u>     | 1,996,405   | <u>755,502</u>     | 749,358     |
| <b>Bank Alfalah Limited</b>                 |                      |             |                    |             |
| Mark-up income on deposit accounts          | <u>3,797,693</u>     | 9,007,279   | <u>983,589</u>     | 5,187,242   |
| Bank charges                                | <u>58,102</u>        | 40,537      | <u>23,652</u>      | 16,730      |
| Mark-up income on term finance certificates | <u>390,180</u>       | 513,690     | <u>121,925</u>     | 161,302     |
| Treasury bills - purchased                  | <u>1,566,036,000</u> | 594,124,270 | <u>664,246,000</u> | 348,386,000 |
| Treasury bills - sold                       | -                    | 79,728,080  | -                  | 79,728,080  |
| Pakistan investment bonds - purchased       | <u>124,824,000</u>   | 553,315,450 | <u>36,648,500</u>  | 239,687,000 |
| Pakistan investment bonds - sold            | <u>108,858,650</u>   | -           | <u>108,858,650</u> | -           |



|  | Nine months period ended |                   | Quarter ended (Un-audited) |                   |
|--|--------------------------|-------------------|----------------------------|-------------------|
|  | March 31,<br>2016        | March 31,<br>2015 | March 31,<br>2016          | March 31,<br>2015 |
| <b>Alfalsh GHP Income Fund (Formerly IGI Income Fund)</b><br>(common management)                 |                          |                   |                            |                   |
| Treasury bills - purchased   | 59,695,320               | 121,362,275       | -                          | -                 |
| Treasury bills - sold  | 9,918,790                | -                 | -                          | -                 |
| <b>Alfalsh GHP Money Market Fund (Formerly IGI Money Market Fund)</b><br>(common management)     |                          |                   |                            |                   |
| Treasury bills - purchased   | 68,968,480               | 168,943,730       | -                          | 79,506,560        |
| Treasury bills - sold  | -                        | 214,893,140       | -                          | 214,893,140       |
| <b>Alfalsh GHP Cash Fund</b><br>(common management)  |                          |                   |                            |                   |
| Treasury bills - purchased   | -                        | 247,521,860       | -                          | -                 |
| Treasury bills - sold  | 69,541,670               | 221,267,000       | -                          | 97,994,500        |
| <b>Alfalsh GHP Sovereign Fund</b><br>(common management)   |                          |                   |                            |                   |
| Pakistan investment bonds - purchased  | -                        | 49,346,700        | -                          | -                 |
| Treasury bills - purchased   | 209,565,940              | -                 | -                          | -                 |
| Treasury bills - sold  | 178,030,060              | 104,430,480       | -                          | 104,430,480       |
| <b>Alfalsh GHP Islamic Income Fund (Formerly IGI Islamic Income Fund)</b><br>(common management) |                          |                   |                            |                   |
| GOP Ijara Sukuk - purchased  | -                        | 7,140,000         | -                          | -                 |

**12.3 Other balances**

March 31,  
2016  
(Unaudited)

June 30,  
2015  
(Audited)

Note

----(Rupees)---

**Connected persons****Alfalsh GHP Investment Management Limited - Management Company**

|  |            |           |
|--|------------|-----------|
| Remuneration payable to the Management Company   | 7,120,126  | 2,510,695 |
| Sales tax payable on management fee              | 1,874,269  | 1,310,164 |
| FED payable on management fee                    | 10,192,503 | 6,211,721 |
| Sales load & federal excise duty payable thereon | 4,395,881  | 1,513,843 |

**Bank Alfalsh Limited**

|  |            |             |
|--|------------|-------------|
| Deposits                                       | 69,560,091 | 180,125,815 |
| Markup receivable on deposit accounts          | 968,543    | 765,653     |
| Markup receivable on term finance certificates | 52,256     | -           |

**Other related parties****Central Depository Company of Pakistan Limited  
(Trustee of the Fund)**

|                                     |         |         |
|-------------------------------------|---------|---------|
| Remuneration payable to the Trustee | 513,732 | 190,671 |
|-------------------------------------|---------|---------|



**13 TAXATION**

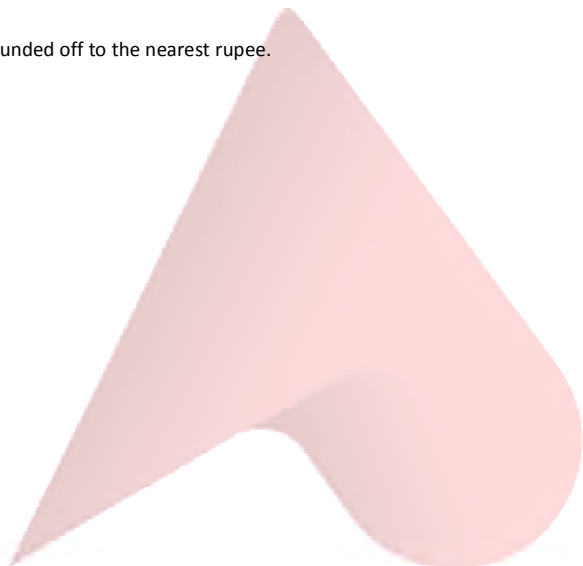
The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealised is distributed amongst the 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 and quarter ended March 31, 2016.

**14 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on April 27, 2106 by the Board of Directors of the Management Company.

**15 GENERAL**

**15.1** Figures are rounded off to the nearest rupee.



For Alfalsh GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director





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# Alfalah Investments

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