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**FUND'S INFORMATION**

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

### **MISSION STATEMENT**

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

### **VISION STATEMENT**

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

## DIRECTORS' REPORT

### *To our valued Unit Holders,*

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the half yearly report of Alfalah GHP Islamic Fund for the half year ended December 31, 2014.

### **Economic Review & Outlook**

#### ***Improving Balance of Payments offset by weak policy and fiscal constraints.***

Economic activity stayed mixed over 1HFY15, with improvements in current account and balance of payments offset by slippages on the fiscal front. Economic growth remained constrained due to energy shortages while tax targets were missed. Future prospects look promising as the economy will benefit greatly from the sharp reduction in international oil prices which should help ease inflationary pressures and reduce the oil import bill.

Current account deficit for 1HFY15 clocked in at USD 2.4bn, as opposed to USD 2.0bn witnessed in the previous period, mainly due to 13% jump in trade deficit. Financial account, however, rose to a healthy USD 2.4bn versus USD 0.25bn last year on account of issuance of Sukuk and conventional bonds to foreign investors. It is worth highlighting that current account posted a surplus of USD 76mn in Dec'14 (First Surplus over FY15 YTD) versus a deficit of USD568mn in Nov'14. Improvement was witnessed on most fronts with exports rising by a handsome 23% MoM and remittances soaring by 20% MoM in Dec 14. Current account deficit over 2HFY15 is expected to fall sharply as the full impact of lower oil prices gets priced into the import bill in the months to come.

The bulk of Pakistan's payments to the IMF have already been made between CY12-CY14; with receipts from new loan set to overtake repayments in the next two years. This was critical for reviving the assistance from multilateral agencies, which is now visible, and project based lending from World Bank, IDB, IFC and ADB has commenced from CY14 onwards.

On the fiscal and economic growth front, progress remains a challenge, efforts to raise Tax-to-GDP ratio have not yielded the desired results so far. The government missed its half-year tax collection target by a margin of PKR 90bn or 5.7%, a gap that is expected to widen further over the fiscal year. On the other hand, the fiscal deficit was indicated at 2.4% for 1HFY15 as compared to an overall full year target of 4.9%. This is primarily due to privatization and other inflows and reduction in PSDP. While this may reflect a positive trend it does not account for the heavy buildup of circular debt which will need to be cleared out over the next few months to avoid worsening of the energy situation.

#### **Privatization and Foreign Bond Sale supported Pak Rupee and Reserves**

In order to curtail budget deficit and raise foreign exchange reserves, which is one of the requirements of the International Monetary Fund's EFF program, the Privatization Commission (PC) divested part of its holding in Pakistan Petroleum Limited (5% stake), Allied Bank (11% stake) and United Bank Limited (20% stake). The government was able to raise a total of 67 bn, from the said divestments which reflects a positive return to the privatization agenda after a period of eight years.

In addition to raising proceeds via privatization, the Ministry of Finance was successful in issuing Eurobonds amounting to USD 2bn. The success of the issuance may be judged from the fact that the issue was oversubscribed 14 times (USD 7bn against USD0.5bn), and the government raised USD 2bn against its pre-sale target of USD 0.5bn. Furthermore, the government also sold USD 1bn in Sukuk bond to foreign investors against pre-sale target of USD 0.5bn.

These positive developments helped raise foreign exchange reserves from USD 10bn (Mar'14) to USD 15bn (Dec'14). These measures also reflected in a stable PKR/USD rate, wherein the Pak Rupee appreciated by 2% over 2QFY15.

#### **Policy delays may impact industry output and growth projections.**

After witnessing rise of 6.8% over 1HFY14, full year FY14 LSM growth slowed down to 4% due to resurgence of energy issues. Given early indications of unimpressive growth numbers from agriculture, GDP growth is expected to remain below its FY15 target of 5%.

On the industrial front, various ministries progressed slowly on policy development, due to which policies governing certain key sectors were delayed. Clear direction on such policy matters, with special emphasis on addressing energy shortages, will be needed to push overall industrial output higher.

#### **Inflation and interest rate outlook**

Over the period under review, headline inflation touched an 11-year low by posting 3.96% YoY in Nov'14. Inflation for Dec'14 clocked in at 4.3% YoY and helped curtail 1HFY15 inflation to 6.1% as opposed to 8.9% in the previous period. Going forward, inflation is anticipated to remain subdued should the current drop in crude oil prices prove to be a sustainable one. We expect CPI to clock in below 5% over 2HFY15 and real interest rates to remain positively strong. In light of this, we feel the stage is set for 100-150bps cut in the key policy rate over the remaining year.

#### **Equity Review**

The equity market continued its robust uptrend over 1HFY15, with the benchmark KSE-100 index rising from 29,653 points to 32,131 points. This translates into a return of 8.4%, majority of which was generated in 2QFY15 as the market closed flat over 1QFY15 owing to heightened political noise. Foreigners remained the key net buyers over 1HFY15, with net buying of USD 113mn.

Automobile sector, Pharmaceutical sector, Commercial Banks and Construction plays outperformed the broader index by a significant margin during the period. On the flip side, the heavy weight Oil & Gas sector was the major underperformer during the period due to hefty dip in international crude oil prices. With approximately 60% decline in price of the benchmark Arab light crude oil, Oil & Gas Exploration & Production companies bore the brunt of the negativity within the Oil & Gas sector. The entire sector contributes over 19% to the index and was a major factor in curtailing the performance of the index despite considerable upside witnessed in multiple sectors across the board.

We remain optimistic about the macroeconomic environment over 2HFY15 and anticipate that the government's ability to implement its economic agenda - which includes deficit reduction and privatization of SOEs - will serve as one of the key market drivers. Within this context, oil price has been a blessing for the economy as it has resulted in lower imports, slowdown in current account deficit and disinflation; and should lead to further monetary easing by the Central Bank. The plunge in oil price also ought to greatly benefit industries that consume the fuel either as a power source or as raw material. These major players within such industries (e.g. Glass, Paper & Board, Polyester Films, Transport etc.) should rally over the latter half of the ongoing fiscal year.

Furthermore, this is an opportune time for the government to reduce the subsidy given to the power sector and slowdown accretion of circular debt which has plagued the energy sector. Going forward, we expect the market to be driven by (i) implementation of government's economic agenda (ii) monetary easing (iii) higher corporate earnings growth for some sectors and (iv) improvement in health of the economy. In the near future though, global crude oil price trend and monetary policies should weigh most heavily on the market.

#### **Money Market Review**

Over 1HFY15, the State Bank of Pakistan reduced the discount rate by 50bps. This can be attributed to a very comfortable real interest rate and a sharp decline in monthly inflation numbers, which slipped to as low as 3.96% in November - breaking a 10-year record. Prior to the cut in the policy rate, the real interest rate had increased from 212bps (July) to an unprecedented 604bps (November), which warranted monetary easing.

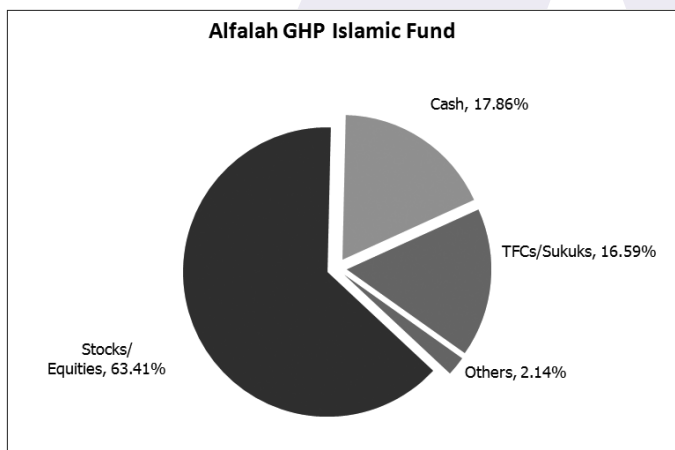
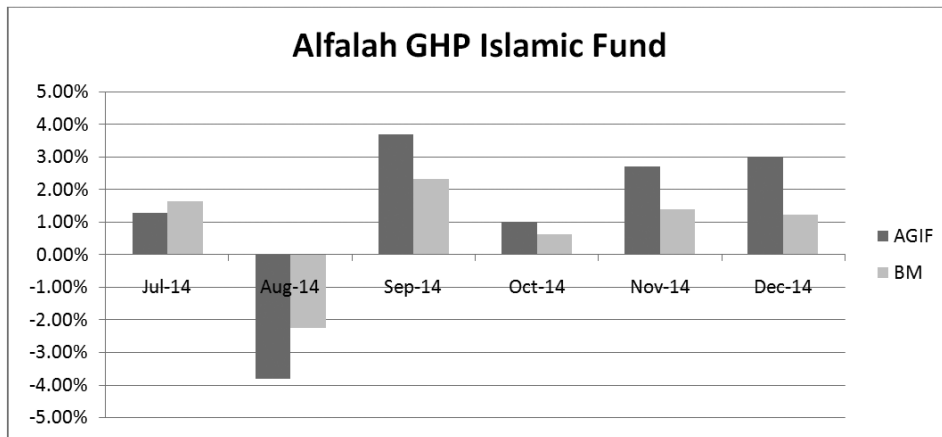
With commodity prices continuing their sharp descent globally, we expect further price easing within the local economic environment. We believe this will keep inflation in check and allow for further monetary easing over 2HFY15.

#### **FUND PERFORMANCE AND REVIEW**

##### ***Alfalah GHP Islamic Fund: Fund Operations and Performance***

During the period under review, the Fund posted an appreciation of 7.90% and completed the year with net assets of PKR 376 million. The Fund successfully beat the benchmark return (50% KMI 30 Index + 50% 6M deposit rates) by 297 basis

points on the back of exposure to Construction & Material Sector, Automobile sector, Electricity sector and Chemical Sector. During the period under review, AGIF maintained an optimal mix of equities and Shariah compliant fixed income securities to achieve a competitive return.



**Key Financial Data**

(Rupees in millions)

| Description                           | Six month period ended 31 December 2014 | Six month period ended 31 December 2013 |
|---------------------------------------|-----------------------------------------|-----------------------------------------|
| Net Assets at end of the period       | 376.23                                  | 364.69                                  |
| Gross income                          | 34.16                                   | 43.74                                   |
| Total Comprehensive Income            | 27.56                                   | 31.54                                   |
| Net Assets Value per Unit (Rs.)       | 58.68                                   | 64.83                                   |
| Issuance of units during the period   | 25.00                                   | 20.64                                   |
| Redemption of units during the period | 7.74                                    | 40.66                                   |


**Future Outlook**

Going forward, the fund plans to maintain its equity exposure in the range of 65-75% to capitalize on anticipated monetary easing and improvement expected within the economy. Although equity exposure will include stocks mostly from the KMI-30 benchmark index as outperforming the benchmark remains the primary goal, some stocks from outside the benchmark will also be focused to generate a healthy investment alpha.

**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

February 02, 2015  
Karachi**Maheen Rahman**  
Chief Executive Officer

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED****Head Office**

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**TRUSTEE REPORT TO THE UNIT HOLDERS****Alfalah GHP Islamic Fund****Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance  
Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2014 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.



**Aftab Ahmed Diwan**  
Officiating Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 19, 2015





## AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Islamic Fund** (the Fund) as at 31 December 2014, the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of matter

We draw attention to note 1.2 to the accompanying interim financial information. As more fully explained in the said note, a single unit holder holds 87.18% of the units in issue of the Fund as of 31 December 2014. Therefore, the future operations of the Fund are dependent upon the continuity of the said unit holder.

Our opinion is not qualified in respect of the above matter.

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: February 02, 2015  
Karachi

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2014**

|                                                                          |      | (Unaudited)<br>December 31,<br>2014 | (Audited)<br>June 30,<br>2014 |
|--------------------------------------------------------------------------|------|-------------------------------------|-------------------------------|
|                                                                          | Note | ----- (Rupees) -----                |                               |
| <b>Assets</b>                                                            |      |                                     |                               |
| Bank balances                                                            | 5    | 69,557,403                          | 77,746,619                    |
| Investments                                                              | 6    | 311,473,335                         | 300,815,593                   |
| Security deposits                                                        |      | 2,600,000                           | 2,600,000                     |
| Prepayments and other receivables                                        |      | 3,391,074                           | 3,727,602                     |
| Receivable against sale of investments                                   |      | <u>2,295,428</u>                    | <u>43,227,731</u>             |
| <b>Total assets</b>                                                      |      | <b>389,317,240</b>                  | <b>428,117,545</b>            |
| <b>Liabilities</b>                                                       |      |                                     |                               |
| Payable to the Management Company                                        | 7    | <u>2,910,058</u>                    | 2,269,614                     |
| Remuneration payable to the Trustee                                      |      | <u>63,867</u>                       | 131,010                       |
| Annual fee payable to the Securities and Exchange Commission of Pakistan |      | <u>166,593</u>                      | 357,647                       |
| Provision for Workers' Welfare Fund                                      | 8    | <u>8,897,790</u>                    | 8,336,338                     |
| Distribution payable                                                     |      | -                                   | 83,806,778                    |
| Accrued and other liabilities                                            | 9    | <u>1,048,005</u>                    | 1,242,403                     |
| <b>Total liabilities</b>                                                 |      | <b>13,086,313</b>                   | <b>96,143,790</b>             |
| <b>Net assets attributable to unit holders</b>                           |      | <b><u>376,230,927</u></b>           | <b><u>331,973,755</u></b>     |
| <b>Unit holders' fund</b>                                                |      | <b><u>376,230,927</u></b>           | <b><u>331,973,755</u></b>     |
|                                                                          |      | ---- (Number of Units) ----         |                               |
| <b>Number of units in issue</b>                                          |      | <b><u>6,411,862</u></b>             | <b><u>6,104,848</u></b>       |
|                                                                          |      | ----- (Rupees) -----                |                               |
| <b>Net assets value per unit</b>                                         |      | <b><u>58.68</u></b>                 | <b><u>54.38</u></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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014 (UN-AUDITED)**

|                                                                                                                                   | Half year ended      |                      | Quarter ended        |                      |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                                                   | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2014 | December 31,<br>2013 |
| Note                                                                                                                              | ------(Rupees)-----  |                      | ------(Rupees)-----  |                      |
| <b>Income</b>                                                                                                                     |                      |                      |                      |                      |
| Profit on bank and other deposits                                                                                                 | 2,072,285            | 4,818,985            | 1,190,523            | 2,698,819            |
| Dividend income from equity securities<br>At fair value through<br>profit or loss - held-for-trading                              | 7,065,842            | 8,876,139            | 3,560,217            | 5,161,600            |
| - net loss on sale of investments                                                                                                 | (8,694,657)          | (324,397)            | (5,734,294)          | (8,675,892)          |
| - net unrealised appreciation in the<br>value of investments                                                                      | 29,161,042           | 30,367,360           | 26,741,751           | 43,735,018           |
| Income from sukuk certificates                                                                                                    | 4,552,159            | -                    | 1,981,866            | -                    |
| <b>Total income</b>                                                                                                               | <b>34,156,671</b>    | <b>43,738,087</b>    | <b>27,740,063</b>    | <b>42,919,545</b>    |
| <b>Expenses</b>                                                                                                                   |                      |                      |                      |                      |
| Remuneration of the Management Company                                                                                            | 3,506,709            | 3,748,515            | 1,824,151            | 1,822,845            |
| Sales tax on management fee                                                                                                       | 610,243              | 695,725              | 317,439              | 338,321              |
| Federal excise duty on management fee                                                                                             | 561,073              | 599,762              | 291,864              | 291,655              |
| Remuneration of the Trustee                                                                                                       | 360,111              | 374,639              | 183,656              | 182,072              |
| Annual fee to the Securities and Exchange<br>Commission of Pakistan                                                               | 166,594              | 178,056              | 86,662               | 86,587               |
| Brokerage expense, federal excise duty<br>and capital value tax                                                                   | 492,144              | 1,086,653            | 332,166              | 391,146              |
| Bank and settlement charges                                                                                                       | 5,367                | 2,072                | 3,175                | 1,072                |
| Auditors' remuneration                                                                                                            | 318,939              | 277,268              | 185,723              | 138,638              |
| Printing charges                                                                                                                  | 75,000               | 110,627              | 24,584               | 110,627              |
| Legal and professional charges                                                                                                    | -                    | -                    | -                    | -                    |
| Clearing charges                                                                                                                  | 133,565              | 114,539              | 68,790               | 39,986               |
| CDS transaction fee                                                                                                               | 22,681               | 27,438               | 9,058                | 27,438               |
| Annual listing fee                                                                                                                | 20,096               | 15,119               | 12,552               | 15,119               |
| Annual rating fee                                                                                                                 | 55,384               | 50,412               | 27,692               | 25,207               |
| Provision for Workers' Welfare Fund                                                                                               | 561,452              | 645,913              | 491,820              | 638,352              |
| Charity                                                                                                                           | 263,741              | 371,345              | 263,741              | -                    |
| <b>Total expenses</b>                                                                                                             | <b>7,153,099</b>     | <b>8,298,083</b>     | <b>4,123,073</b>     | <b>4,109,065</b>     |
| <b>Net income from operating activities</b>                                                                                       | <b>27,003,572</b>    | <b>35,440,004</b>    | <b>23,616,990</b>    | <b>38,810,480</b>    |
| Element of income / (loss) and capital gains /<br>(losses) included in prices of units sold<br>less those in units redeemed - net | 558,025              | (3,901,590)          | 532,652              | (4,416,669)          |
| <b>Net income for the period before taxation</b>                                                                                  | <b>27,561,597</b>    | <b>31,538,414</b>    | <b>24,149,642</b>    | <b>34,393,811</b>    |
| Taxation                                                                                                                          | 11                   | -                    | -                    | -                    |
| <b>Net income for the period after taxation</b>                                                                                   | <b>27,561,597</b>    | <b>31,538,414</b>    | <b>24,149,642</b>    | <b>34,393,811</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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014 (UN-AUDITED)**

|                                                      | Half year ended          |                      | Quarter ended            |                      |
|------------------------------------------------------|--------------------------|----------------------|--------------------------|----------------------|
|                                                      | December 31,<br>2014     | December 31,<br>2013 | December 31,<br>2014     | December 31,<br>2013 |
|                                                      | ----- (Rupees) -----     |                      | ----- (Rupees) -----     |                      |
| <b>Net income for the period</b>                     | <b>27,561,597</b>        | 31,538,414           | <b>24,149,642</b>        | 34,393,811           |
| <b>Total comprehensive<br/>income for the period</b> | <b><u>27,561,597</u></b> | <u>31,538,414</u>    | <b><u>24,149,642</u></b> | <u>34,393,811</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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014 (UN-AUDITED)**

|                                                               | Half year ended                             |                      | Quarter ended                               |                      |
|---------------------------------------------------------------|---------------------------------------------|----------------------|---------------------------------------------|----------------------|
|                                                               | December 31,<br>2014<br>------(Rupees)----- | December 31,<br>2013 | December 31,<br>2014<br>------(Rupees)----- | December 31,<br>2013 |
| <b>Undistributed income brought forward</b>                   |                                             |                      |                                             |                      |
| Realised (losses) / gains                                     | <b>(4,060,312)</b>                          | (18,397,198)         | <b>27,100,130</b>                           | 62,004,208           |
| Unrealised gains / (losses)                                   | <b>29,060,278</b>                           | 69,888,770           | <b>1,311,791</b>                            | (13,368,033)         |
|                                                               | <b>24,999,966</b>                           | 51,491,572           | <b>28,411,921</b>                           | 48,636,175           |
| <br>Net income for the period after taxation                  | <br><b>27,561,597</b>                       | <br>31,538,414       | <br><b>24,149,642</b>                       | <br>34,393,811       |
| <b>Undistributed income carried forward</b>                   | <b>52,561,563</b>                           | 83,029,986           | <b>52,561,563</b>                           | 83,029,986           |
| <br><b>Undistributed income carried forward at period end</b> |                                             |                      |                                             |                      |
| Realised gains                                                | <b>23,400,521</b>                           | 52,662,626           | <b>25,819,812</b>                           | 39,294,968           |
| Unrealised gains                                              | <b>29,161,042</b>                           | 30,367,360           | <b>26,741,751</b>                           | 43,735,018           |
|                                                               | <b>52,561,563</b>                           | 83,029,986           | <b>52,561,563</b>                           | 83,029,986           |

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014 (UN-AUDITED)**

|                                                                                                                                                                            | Half year ended      |                      | Quarter ended        |                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                                                                                            | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2014 | December 31,<br>2013 |
|                                                                                                                                                                            | ------(Rupees)-----  |                      | ------(Rupees)-----  |                      |
| <b>Net assets at beginning of the period</b>                                                                                                                               | <b>331,973,755</b>   | 349,282,800          | <b>341,486,903</b>   | 346,198,004          |
| Amount realised / unrealised on issuance of 441,583 units (December 31, 2013: 329,152 units) and 291,591 units (2013: 5,454 units) for six months and quarter respectively | <b>24,997,903</b>    | 20,640,798           | <b>16,787,218</b>    | 99,048               |
| Issuance of Nil bonus units in respect of final distribution (December 31, 2013: Nil units)                                                                                | -                    | -                    | -                    | -                    |
| Amount paid / payable on redemption of 134,569 units (December 31, 2013: 651,951 units) and 614,151 units (2013: 647,931 units) for six months and quarter respectively    | <b>(7,744,303)</b>   | (40,669,577)         | <b>(5,660,184)</b>   | (20,413,507)         |
|                                                                                                                                                                            | <b>349,227,355</b>   | 329,254,021          | <b>352,613,937</b>   | 325,883,545          |
| Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed                                                    | <b>(558,025)</b>     | 3,901,590            | <b>(532,652)</b>     | 4,416,669            |
| Total comprehensive income / (loss) before capital gain / (loss) - realised and unrealised                                                                                 | <b>7,095,212</b>     | 1,495,451            | <b>3,142,185</b>     | (665,315)            |
| Net capital (loss) / gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'                                                   | <b>(8,694,657)</b>   | (324,397)            | <b>(5,734,294)</b>   | (8,675,892)          |
| Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'                                           | <b>29,161,042</b>    | 30,367,360           | <b>26,741,751</b>    | 43,735,018           |
| Total comprehensive income for the period                                                                                                                                  | <b>27,561,597</b>    | 31,538,414           | <b>24,149,642</b>    | 34,393,811           |
| <b>Net assets at end of the period</b>                                                                                                                                     | <b>376,230,927</b>   | 364,694,025          | <b>376,230,927</b>   | 364,694,025          |

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 CASH FLOWS STATEMENT  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014 (UN-AUDITED)**

| Note                                                                                                                        | Half year ended      |                      | Quarter ended        |                      |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                                                             | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2014 | December 31,<br>2013 |
|                                                                                                                             | ------(Rupees)-----  |                      | ------(Rupees)-----  |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                                 |                      |                      |                      |                      |
| Net income for the period before taxation                                                                                   | 27,561,597           | 31,538,414           | 24,149,642           | 34,393,811           |
| <b>Adjustments for:</b>                                                                                                     |                      |                      |                      |                      |
| Net capital loss on sale of investments classified as 'at fair value through profit or loss - held-for-trading'             | 8,694,657            | 324,397              | 6,841,794            | 8,675,893            |
| Dividend income from equity securities                                                                                      | (7,065,842)          | (8,876,139)          | (3,560,217)          | (5,161,600)          |
| Profit on bank and other deposits                                                                                           | (2,072,285)          | (4,818,985)          | (1,193,999)          | (2,698,819)          |
| Income from sukuk certificates                                                                                              | (4,552,159)          | -                    | (1,981,866)          | -                    |
| Provision for Workers' Welfare Fund                                                                                         | 561,452              | 645,913              | 491,820              | 638,352              |
| Net unrealised appreciation in value of investments classified as 'at fair value through profit or loss - held-for-trading' | (29,161,042)         | (30,367,360)         | (27,849,251)         | (43,735,019)         |
| Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed     | (558,025)            | 3,901,590            | (532,652)            | 4,416,669            |
|                                                                                                                             | <b>(6,591,647)</b>   | <b>(7,652,170)</b>   | <b>(3,634,729)</b>   | <b>(3,470,713)</b>   |
| <b>Decrease / (increase) in assets</b>                                                                                      |                      |                      |                      |                      |
| Investments - net                                                                                                           | 9,808,643            | 72,862,952           | (11,048,606)         | 45,580,175           |
| Prepayments and other receivables                                                                                           | 40,912,481           | (341,181)            | (2,315,250)          | 2,382,778            |
|                                                                                                                             | <b>50,721,124</b>    | <b>72,521,771</b>    | <b>(13,363,856)</b>  | <b>47,962,953</b>    |
| <b>(Decrease) / increase in liabilities</b>                                                                                 |                      |                      |                      |                      |
| Payable against purchase of investments                                                                                     | -                    | -                    | (1,533,302)          | -                    |
| Payable to the Management Company                                                                                           | 640,444              | 477,990              | 264,680              | 349,233              |
| Remuneration payable to the Trustee                                                                                         | (67,143)             | (4,624)              | 6,672                | (77,196)             |
| Annual fee payable to the Securities and Exchange Commission of Pakistan                                                    | (191,054)            | (152,712)            | 86,661               | 86,587               |
| Distribution payable                                                                                                        | (83,806,778)         | -                    | (83,806,778)         | -                    |
| Accrued and other liabilities                                                                                               | (194,398)            | (44,240,242)         | (2,219,978)          | (552,580)            |
|                                                                                                                             | <b>(83,618,929)</b>  | <b>(43,919,588)</b>  | <b>(87,202,045)</b>  | <b>(193,956)</b>     |
| <b>Net cash (used in) / generated from operating activities</b>                                                             | <b>(39,489,452)</b>  | <b>20,950,013</b>    | <b>(104,200,630)</b> | <b>44,298,284</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                                 |                      |                      |                      |                      |
| Dividend and profit received                                                                                                | 14,046,636           | 13,695,124           | 8,514,136            | 7,860,419            |
| Cash dividend paid                                                                                                          | -                    | -                    | 83,806,285           | -                    |
| Amount received on issuance of units                                                                                        | 24,997,903           | 20,640,798           | 16,787,218           | 99,048               |
| Payment against redemption of units                                                                                         | (7,744,303)          | (40,669,577)         | (5,660,184)          | (20,413,507)         |
| <b>Net cash generated from / (used in) financing activities</b>                                                             | <b>31,300,236</b>    | <b>(6,333,655)</b>   | <b>103,447,455</b>   | <b>(12,454,040)</b>  |
| <b>Net (decrease) / increase in cash and cash equivalents during the period</b>                                             | <b>(8,189,216)</b>   | <b>14,616,358</b>    | <b>(753,175)</b>     | <b>31,844,244</b>    |
| Cash and cash equivalents at beginning of the period                                                                        | 77,746,619           | 116,939,917          | 70,310,578           | 99,712,031           |
| <b>Cash and cash equivalents at end of the period</b>                                                                       | <b>69,557,403</b>    | <b>131,556,275</b>   | <b>69,557,403</b>    | <b>131,556,275</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 NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UN-AUDITED)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alfalah GHP Islamic 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 April 11, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 29, 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 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

Alfalah GHP Islamic Fund is listed on the Karachi Stock Exchange Limited (KSE). 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 open ended shariah compliant asset allocation scheme. The primary objective of the Fund is to seek long term capital appreciation and income from a diversified portfolio developed in accordance with the principles of Shariah. The investments of the Fund are diversified both in terms of securities within an asset class as well as across asset classes. All activities of the Fund are undertaken in accordance with the Islamic Shariah as per the guidelines given by the Shariah Advisory Board of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3+' (Outlook: Stable) to the Management Company in its rating report dated June 20, 2014 and 4-Star (short-term) and 4-Star (long-term) to the Fund in its rating report dated November 21, 2014.

The 'Title' to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

- 1.2** As at December 31, 2014, Bank Alfalah Limited (the Bank) held 5,590,077 (June 30, 2014: 5,590,077) units representing 87.18% (June 30, 2014: 91.57%) of the units in issue of the Fund as at that date. The Management Company of the Fund based on discussions with the Bank considers that the Bank will continue its investment in the Fund, as the Fund has made profit during this period and is confident that this trend will continue in the future.

### 2. BASIS OF PRESENTATION

The condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', 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, 2014.

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors.

### 3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the



preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2014, except as described in note 3.1 below:

### 3.1 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following revised standards, amendments and interpretations of IFRSs which became effective during the current period:

IAS 19 – Employee Benefits - Employee Contributions (Amendment)

IAS 32 – Financial Instruments: Presentation – (Amendment)  
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)  
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)  
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. Such improvements to the standards do not have any impact on the Fund's financial statements for the period.

## 4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2014.

|                                   |             | (Un-audited)<br>December 31,<br>2014 | (Audited)<br>June 30,<br>2014 |
|-----------------------------------|-------------|--------------------------------------|-------------------------------|
|                                   | <i>Note</i> | ------(Rupees)-----                  |                               |
| <b>5. BANK BALANCES</b>           |             |                                      |                               |
| Deposit accounts - local currency | 5.1         | <u>69,557,403</u>                    | <u>77,746,619</u>             |

5.1 The deposit accounts with the banks carry profit at rates ranging from 6% to 9.8% per annum (June 30, 2014: 7% to 9.80% per annum) and include balances of Rs.11.3 million (June 30, 2014: Rs.1.1 million) with Bank Alfalah Limited, a related party.

## 6. INVESTMENTS

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

|                            |     |                    |                    |
|----------------------------|-----|--------------------|--------------------|
| Equity securities - quoted | 6.1 | 246,881,745        | 193,434,793        |
| Sukuk certificates         | 6.2 | <u>64,591,590</u>  | <u>107,380,800</u> |
|                            |     | <u>311,473,335</u> | <u>300,815,593</u> |

**6.1 Investment in quoted equity securities - 'at fair value through profit or loss' - held-for-trading**

| Name of the investee company               | As at July 01, 2014           | Purchases during the period | Bonus / Demerger / rights Issue during the period | Sales during the period | As at December 31, 2014 | Cost as at December 31, 2014 | Market value as at December 31, 2014 | Market value as a percentage of net total assets investment |       |
|--------------------------------------------|-------------------------------|-----------------------------|---------------------------------------------------|-------------------------|-------------------------|------------------------------|--------------------------------------|-------------------------------------------------------------|-------|
|                                            | ----- (Numer of shares) ----- |                             |                                                   |                         |                         | ----- (Rupees) -----         |                                      | ----- % -----                                               |       |
| <b>Chemicals</b>                           |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Fauji Fertilizer Bin Qasim Limited         | 80,000                        | -                           | -                                                 | -                       | 80,000                  | 3,181,600                    | 3,616,800                            | 0.96                                                        | 1.16  |
| Fauji Fertilizer Company Limited           | 210,500                       | -                           | -                                                 | 91,000                  | 119,500                 | 13,413,875                   | 13,994,645                           | 3.72                                                        | 4.49  |
| Fatima Fertilizer Company Limited          | 167,500                       | -                           | -                                                 | 167,500                 | -                       | -                            | -                                    | -                                                           | -     |
| ICI Pakistan Limited                       | -                             | 3,000                       | -                                                 | -                       | 3,000                   | 1,355,675                    | 1,387,380                            | 0.37                                                        | 0.45  |
|                                            |                               |                             |                                                   |                         |                         | <u>17,951,150</u>            | <u>18,998,825</u>                    |                                                             |       |
| <b>Construction and materials</b>          |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| D.G Khan Cement Company Limited            | 80,000                        | 35,500                      | -                                                 | -                       | 115,500                 | 10,451,815                   | 12,766,215                           | 3.39                                                        | 4.10  |
| Fauji Cement Company Limited               | 159,500                       | 154,500                     | -                                                 | -                       | 314,000                 | 6,617,810                    | 8,113,760                            | 2.16                                                        | 2.60  |
| Kohat Cement Limited                       | 20,000                        | 12,000                      | -                                                 | 24,500                  | 7,500                   | 923,789                      | 1,431,525                            | 0.38                                                        | 0.46  |
| Maple Leaf Cement Company Limited          | 59,500                        | 401,000                     | -                                                 | 109,500                 | 351,000                 | 13,965,155                   | 15,531,750                           | 4.13                                                        | 4.99  |
| Lafarge Pakistan Cement Limited            | 150,000                       | 363,000                     | -                                                 | -                       | 513,000                 | 8,700,730                    | 8,900,550                            | 2.37                                                        | 2.86  |
| Cherat Cement Company Limited              | -                             | 23,500                      | -                                                 | 23,500                  | -                       | -                            | -                                    | -                                                           | -     |
| Attock Cement (Pakistan) Limited           | -                             | 34,100                      | -                                                 | -                       | 34,100                  | 6,754,958                    | 6,655,297                            | 1.77                                                        | 2.14  |
| Lucky Cement Limited                       | 44,900                        | 36,200                      | -                                                 | 38,050                  | 43,050                  | 16,639,065                   | 21,537,054                           | 5.72                                                        | 6.91  |
|                                            |                               |                             |                                                   |                         |                         | <u>64,053,322</u>            | <u>74,936,151</u>                    |                                                             |       |
| <b>Electricity</b>                         |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Hub Power Company Limited                  | 275,000                       | 198,000                     | -                                                 | -                       | 473,000                 | 31,041,740                   | 37,064,280                           | 9.85                                                        | 11.90 |
| Kot Addu Power Company Limited             | -                             | 446,000                     | -                                                 | -                       | 446,000                 | 30,932,045                   | 35,207,240                           | 9.36                                                        | 11.30 |
|                                            |                               |                             |                                                   |                         |                         | <u>61,973,785</u>            | <u>72,271,520</u>                    |                                                             |       |
| <b>Oil and gas</b>                         |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Pakistan Petroleum Limited                 | 98,220                        | 20,500                      | -                                                 | 118,720                 | -                       | -                            | -                                    | -                                                           | -     |
| Pakistan State Oil Company Limited         | 41,298                        | -                           | -                                                 | 41,298                  | -                       | -                            | -                                    | -                                                           | -     |
| Oil & Gas Development Company Limited      | 99,100                        | 9,500                       | -                                                 | 108,600                 | -                       | -                            | -                                    | -                                                           | -     |
| Attock Refinery Limited                    | 9,600                         | -                           | -                                                 | -                       | 9,600                   | 2,037,984                    | 1,802,592                            | 0.48                                                        | 0.58  |
| Shell Pakistan Limited                     | 8,000                         | -                           | -                                                 | -                       | 8,000                   | 2,210,240                    | 2,071,040                            | 0.55                                                        | 0.66  |
| Pakistan Oilfields Limited                 | 29,700                        | 4,800                       | -                                                 | 34,500                  | -                       | -                            | -                                    | -                                                           | -     |
|                                            |                               |                             |                                                   |                         |                         | <u>4,248,224</u>             | <u>3,873,632</u>                     |                                                             |       |
| <b>Automobile and parts</b>                |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Pak Suzuki Motor Company Limited           | 39,900                        | 69,400                      | -                                                 | 42,800                  | 66,500                  | 20,480,959                   | 24,679,480                           | 6.56                                                        | 7.92  |
| Indus Motor Company Limited                | -                             | 24,700                      | -                                                 | 16,100                  | 8,600                   | 5,605,564                    | 7,570,752                            | 2.01                                                        | 2.43  |
| Honda Atlas Cars (Pakistan) Limited        | -                             | 84,500                      | -                                                 | 16,000                  | 68,500                  | 13,497,196                   | 13,575,330                           | 3.61                                                        | 4.36  |
| Ghandhara Nissan Limited                   | -                             | 71,500                      | -                                                 | -                       | 71,500                  | 4,918,546                    | 3,750,890                            | 1.00                                                        | 1.20  |
|                                            |                               |                             |                                                   |                         |                         | <u>44,502,265</u>            | <u>49,576,452</u>                    |                                                             |       |
| <b>Fixedline telecom</b>                   |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Pakistan Telecommunication Company Limited | -                             | 185,500                     | -                                                 | -                       | 185,500                 | 4,817,980                    | 4,272,065                            | 1.14                                                        | 1.37  |
| <b>General industrials</b>                 |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Packages Limited                           | 10,600                        | -                           | -                                                 | -                       | 10,600                  | 5,316,642                    | 7,189,874                            | 1.91                                                        | 2.31  |
| <b>Personal goods</b>                      |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Nishat Mills Limited                       | 78,700                        | 39,800                      | -                                                 | 71,000                  | 47,500                  | 5,453,170                    | 5,747,025                            | 1.53                                                        | 1.85  |
| Kohinoor Textile Mills Limited             | -                             | 175,000                     | -                                                 | -                       | 175,000                 | 6,325,900                    | 6,133,750                            | 1.63                                                        | 1.97  |
|                                            |                               |                             |                                                   |                         |                         | <u>11,779,070</u>            | <u>11,880,775</u>                    |                                                             |       |
| <b>Industrial engineering</b>              |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Millat Tractors Limited                    | -                             | 14,000                      | -                                                 | 14,000                  | -                       | -                            | -                                    | -                                                           | -     |
| Al-Ghazi Tractors Limited                  | -                             | 16,500                      | -                                                 | 6,700                   | 9,800                   | 3,448,735                    | 3,596,796                            | 0.96                                                        | 1.15  |
|                                            |                               |                             |                                                   |                         |                         | <u>3,448,735</u>             | <u>3,596,796</u>                     |                                                             |       |
| <b>Pharma and bio tech</b>                 |                               |                             |                                                   |                         |                         |                              |                                      |                                                             |       |
| Ferozsons Laboratories Limited             | -                             | 6,400                       | -                                                 | 5,900                   | 500                     | 277,320                      | 285,655                              | 0.08                                                        | 0.09  |
| <b>Grand total</b>                         |                               |                             |                                                   |                         |                         | <u>218,368,493</u>           | <u>246,881,745</u>                   |                                                             |       |

6.1.1 Investments include 30,000 shares of Lucky Cement Limited which have been deposited with National Clearing Company Limited as collateral against exposure margin and MTM losses for settlement of the Fund's trades as allowed in Circular number 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

## 6.2 Investment in sukuk certificates

| Name of the investee company | Maturity date  | Profit / mark-up percentage | As at July 01, 2014                 | Purchase during the period | Sale during the period | Matured / redemption during the period | As at December 31, 2014 | Cost as at December 31, 2014 | Market value as at December 31, 2014 | Market value as a percentage of net total assets investment |      |
|------------------------------|----------------|-----------------------------|-------------------------------------|----------------------------|------------------------|----------------------------------------|-------------------------|------------------------------|--------------------------------------|-------------------------------------------------------------|------|
|                              |                |                             | ----- (Number of Sukuk bonds) ----- |                            |                        |                                        |                         | ----- (Rupees) -----         |                                      | ----- % -----                                               |      |
| GOP Ijara sukuk - IX         | Dec 26, 2014   | 9.97%                       | 3,000                               | -                          | -                      | 3,000                                  | -                       | -                            | -                                    |                                                             |      |
| GOP Ijara sukuk - X          | March 02, 2015 | 9.98%                       | 600                                 | -                          | -                      | -                                      | 600                     | 3,034,500                    | 3,007,500                            | 0.80                                                        | 0.97 |
| WAPDA Sukuk - III            | Oct 14, 2021   | 11.19%                      | 11,000                              | -                          | 11,000                 | -                                      | -                       | -                            | -                                    | -                                                           | -    |
| K-Electric Sukuk - II        | March 19, 2017 | 12.42%                      | 6,000                               | -                          | -                      | -                                      | 6,000                   | 30,885,000                   | 31,050,000                           | 8.25                                                        | 9.97 |
| Engro Fertilizer             | July 09, 2017  | 11.92%                      | -                                   | 6,000                      | -                      | -                                      | 6,000                   | 30,000,000                   | 30,534,090                           | 8.12                                                        | 9.80 |
| Total                        |                |                             |                                     |                            |                        |                                        |                         | <u>63,919,500</u>            | <u>64,591,590</u>                    |                                                             |      |

6.2.1 The nominal value of sukuk certificates is Rs.5,000 each.

|                                                | (Un-audited)<br>December 31,<br>2014 | (Audited)<br>June 30,<br>2014 |
|------------------------------------------------|--------------------------------------|-------------------------------|
|                                                | ------(Rupees)-----                  |                               |
| <b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>    |                                      |                               |
| Remuneration payable to the Management Company | 641,446                              | 696,203                       |
| Sales tax payable on management fee            | 184,087                              | 112,942                       |
| Federal excise duty payable on management fee  | 2,021,542                            | 1,460,469                     |
| Sales load payable                             | 62,983                               | -                             |
|                                                | <u>2,910,058</u>                     | <u>2,269,614</u>              |

## 8. PROVISION FOR WORKERS' WELFARE FUND

There is no change in the 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, 2014.

|                                                                      | (Un-audited)<br>December 31,<br>2014 | (Audited)<br>June 30,<br>2014 |
|----------------------------------------------------------------------|--------------------------------------|-------------------------------|
|                                                                      | ----- (Rupees) -----                 |                               |
| <b>9. ACCRUED AND OTHER LIABILITIES</b>                              |                                      |                               |
| Auditors' remuneration                                               | 430,739                              | 530,226                       |
| Brokerage expense, federal excise duty and capital value tax payable | 151,187                              | 205,487                       |
| Settlement charges                                                   | 21,379                               | 22,115                        |
| Charity payable                                                      | 263,742                              | 371,346                       |
| Others                                                               | 180,958                              | 113,229                       |
|                                                                      | <u>1,048,005</u>                     | <u>1,242,403</u>              |

#### 10. 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 14 to the annual financial statements of the Fund for the year ended June 30, 2014.

#### 11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. The Management Company intends to distribute not less than 90% of its annual accounting income, if any, to comply with the above clause at year end. Accordingly, no tax provision has been made in these condensed interim financial statements for the half year ended December 31, 2014.

|                                                       | Half yearly ended    |                      | Quarter ended        |                      |
|-------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                       | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2014 | December 31,<br>2013 |
|                                                       | ----- (Rupees) ----- |                      |                      |                      |
| <b>12. CASH AND CASH EQUIVALENTS</b>                  |                      |                      |                      |                      |
| Bank balances                                         | 69,557,403           | 31,530,248           | 69,557,403           | 31,530,248           |
| Term Deposit Receipts having maturity within 3 months | -                    | 100,026,027          | -                    | 100,026,027          |
|                                                       | <u>69,557,403</u>    | <u>131,556,275</u>   | <u>69,557,403</u>    | <u>131,556,275</u>   |

#### 13. TRANSACTIONS AND BALANCES 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, 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:

### 13.1 Unit Holders' Fund

|                                                 |  | Half year ended December 31, 2014 (Un-audited) |                    |       |          |                               |                              |                    |       |          |                                   |
|-------------------------------------------------|--|------------------------------------------------|--------------------|-------|----------|-------------------------------|------------------------------|--------------------|-------|----------|-----------------------------------|
|                                                 |  | As at<br>July 01,<br>2014                      | Issued<br>for cash | Bonus | Redeemed | As at<br>December<br>31, 2014 | As at<br>July 01,<br>2014    | Issued<br>for cash | Bonus | Redeemed | NAV as at<br>December<br>31, 2014 |
|                                                 |  | (Units)                                        |                    |       |          | (Rupees)                      |                              |                    |       |          |                                   |
| <b>Associated companies / undertakings</b>      |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division |  | 5,590,077                                      | -                  | -     | -        | 5,590,077                     | 303,988,387                  | -                  | -     | -        | 328,025,718                       |
| <b>Key Management Personnel</b>                 |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Employees                                       |  | 7,638                                          | 10,464             | -     | -        | 18,102                        | 415,354                      | 600,569            | -     | -        | 1,062,225                         |
| <b>Unit holder holding 10% or more Units</b>    |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division |  | 5,590,077                                      | -                  | -     | -        | 5,590,077                     | 303,988,387                  | -                  | -     | -        | 328,025,718                       |
|                                                 |  | Half year ended December 31, 2013 (Un-audited) |                    |       |          |                               |                              |                    |       |          |                                   |
|                                                 |  | As at<br>July 01,<br>2013                      | Issued<br>for cash | Bonus | Redeemed | As at<br>December<br>31, 2013 | As at<br>July 01,<br>2013    | Issued<br>for cash | Bonus | Redeemed | NAV as at<br>December<br>31, 2013 |
|                                                 |  | (Units)                                        |                    |       |          | (Rupees)                      |                              |                    |       |          |                                   |
| <b>Associated companies / undertakings</b>      |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division |  | 5,590,077                                      | -                  | -     | -        | 5,590,077                     | 328,249,321                  | -                  | -     | -        | 362,404,692                       |
| <b>Key Management Personnel</b>                 |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Employees                                       |  | -                                              | -                  | -     | -        | -                             | -                            | -                  | -     | -        | -                                 |
| <b>Unit holder holding 10% or more Units</b>    |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division |  | 5,590,077                                      | -                  | -     | -        | 5,590,077                     | 328,249,321                  | -                  | -     | -        | 362,404,692                       |
|                                                 |  | Quarter ended December 31, 2014 (Un-audited)   |                    |       |          |                               |                              |                    |       |          |                                   |
|                                                 |  | As at<br>October 01,<br>2014                   | Issued<br>for cash | Bonus | Redeemed | As at<br>December<br>31, 2014 | As at<br>October 01,<br>2014 | Issued<br>for cash | Bonus | Redeemed | NAV as at<br>December<br>31, 2014 |
|                                                 |  | (Units)                                        |                    |       |          | (Rupees)                      |                              |                    |       |          |                                   |
| <b>Associated companies / undertakings</b>      |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division |  | 5,590,077                                      | -                  | -     | -        | 5,590,077                     | 307,049,513                  | -                  | -     | -        | 328,025,718                       |
| <b>Key Management Personnel</b>                 |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Employees                                       |  | 9,024                                          | 9,078              | -     | -        | 18,102                        | 994,343                      | 525,569            | -     | -        | 1,062,225                         |
| <b>Unit holder holding 10% or more Units</b>    |  |                                                |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division |  | 5,590,077                                      | -                  | -     | -        | 5,590,077                     | 307,049,513                  | -                  | -     | -        | 328,025,718                       |

|                                                 | Quarter ended December 31, 2013 (Un-audited) |                    |       |          |                               |                              |                    |       |          |                                   |
|-------------------------------------------------|----------------------------------------------|--------------------|-------|----------|-------------------------------|------------------------------|--------------------|-------|----------|-----------------------------------|
|                                                 | As at<br>October 01,<br>2013                 | Issued<br>for cash | Bonus | Redeemed | As at<br>December<br>31, 2013 | As at<br>October 01,<br>2013 | Issued<br>for cash | Bonus | Redeemed | NAV as at<br>December<br>31, 2013 |
|                                                 | (Units)                                      |                    |       |          |                               | (Rupees)                     |                    |       |          |                                   |
| <b>Associated companies / undertakings</b>      |                                              |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division | 5,590,077                                    | -                  | -     | -        | 5,590,077                     | 325,556,022                  | -                  | -     | -        | 362,404,692                       |
| <b>Key Management Personnel</b>                 |                                              |                    |       |          |                               |                              |                    |       |          |                                   |
| Employees                                       | -                                            | -                  | -     | -        | -                             | -                            | -                  | -     | -        | -                                 |
| <b>Unit holder holding 10% or more Units</b>    |                                              |                    |       |          |                               |                              |                    |       |          |                                   |
| Bank Alfalah Limited - Islamic Banking Division | 5,590,077                                    | -                  | -     | -        | 5,590,077                     | 325,556,022                  | -                  | -     | -        | 362,404,692                       |

|  | Half year ended (Un-audited) |                      | Quarter ended (Un-audited) |                      |
|--|------------------------------|----------------------|----------------------------|----------------------|
|  | December 31,<br>2014         | December 31,<br>2013 | December 31,<br>2014       | December 31,<br>2013 |
|  | (Rupees)                     |                      | (Rupees)                   |                      |

### 13.2 Other transactions

#### Connected persons

##### Alfalah GHP Investment Management Limited - Management Company

|                                        |                  |                  |                  |                  |
|----------------------------------------|------------------|------------------|------------------|------------------|
| Remuneration of the Management Company | <u>3,506,709</u> | <u>3,748,515</u> | <u>1,824,151</u> | <u>1,822,845</u> |
| Sales tax on management fee            | <u>610,243</u>   | <u>695,725</u>   | <u>317,439</u>   | <u>338,321</u>   |
| Federal excise duty on management fee  | <u>561,073</u>   | <u>599,762</u>   | <u>291,864</u>   | <u>291,655</u>   |
| Sales load                             | <u>313,016</u>   | <u>5,236</u>     | <u>48,274</u>    | <u>-</u>         |

#### Other related parties

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

|                             |                |                |                |                |
|-----------------------------|----------------|----------------|----------------|----------------|
| Remuneration of the Trustee | <u>360,111</u> | <u>374,639</u> | <u>183,656</u> | <u>182,072</u> |
|-----------------------------|----------------|----------------|----------------|----------------|

##### Bank Alfalah Limited

|              |                |                  |                |                  |
|--------------|----------------|------------------|----------------|------------------|
| Bank profit  | <u>545,469</u> | <u>4,792,956</u> | <u>121,027</u> | <u>2,120,166</u> |
| Bank charges | <u>1,910</u>   | <u>2,072</u>     | <u>-</u>       | <u>1,028</u>     |

|                                                                                   | (Un-audited)<br>December 31,<br>2014 | (Audited)<br>June 30,<br>2014 |
|-----------------------------------------------------------------------------------|--------------------------------------|-------------------------------|
|                                                                                   | ------(Rupees)-----                  |                               |
| <b>13.3 Other balances</b>                                                        |                                      |                               |
| <i>Connected persons</i>                                                          |                                      |                               |
| <b>Alfalah GHP Investment Management Limited<br/>- Management Company</b>         |                                      |                               |
| Remuneration payable to the Management Company                                    | <u>641,446</u>                       | <u>696,203</u>                |
| Sales tax payable on management fee                                               | <u>184,087</u>                       | <u>112,942</u>                |
| Federal excise duty payable on management fee                                     | <u>2,021,542</u>                     | <u>1,460,469</u>              |
| Sales load payable                                                                | <u>62,983</u>                        | <u>-</u>                      |
| <i>Other related parties</i>                                                      |                                      |                               |
| <b>Central Depository Company of Pakistan Limited -<br/>(Trustee of the Fund)</b> |                                      |                               |
| Remuneration payable to the Trustee                                               | <u>63,867</u>                        | <u>131,010</u>                |
| Security deposit                                                                  | <u>100,000</u>                       | <u>100,000</u>                |
| <b>Bank Alfalah Limited</b>                                                       |                                      |                               |
| Bank balances                                                                     | <u>11,310,103</u>                    | <u>1,139,425</u>              |
| Mark-up receivable                                                                | <u>58,790</u>                        | <u>239,974</u>                |

#### 14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 02, 2015 by the Board of Directors of the Management Company.

#### 15. GENERAL

15.1 Figures for the quarters ended December 31, 2014 and December 31, 2013 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

15.2 Figures are rounded off to the nearest rupee.

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

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

\_\_\_\_\_  
Director