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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	- Mr. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Fund Manager:	Mr. Ather H. Medina
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	4 Star by PACRA

MISSION STATEMENT

Alfalah GHP Islamic Fund aims to provide its unit holders with sustainable, consistent and Shariah compliant return over a period of time through active asset allocation strategies towards equity and income asset classes.

VISION STATEMENT

Alfalah GHP Islamic Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable, consistent and Shariah compliant return over the long term through investment exposure to equity and income asset classes.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the Management Company of Alfalah GHP Islamic Fund (AGIF) is pleased to present its quarterly report on the affairs of AGIF to the units holders for the quarter ended 30 September 2011.

Financial Performance

Net assets under management as on 30 September 2011 were Rs. 315.08 million. During the period units worth Rs. 0.112 million were redeemed.

AGIF earned a total income of Rs.10.18 million for the quarter ended 30 September 2011. Major sources of revenue were dividend income of Rs. 3.70 million and profit on bank deposits of Rs. 2.23 million. After accounting for expenses of Rs. 3.08 million, the net income from operating activities for the period stands at Rs. 7.10 million.

Market Performance

The equity market has had a tumultuous 1QFY12, with a relatively steady performance in July followed by a sharp decline in August, which saw the KMI 30 Index bottoming at 19,436 points on August 19th, down 7.2% since the start of the quarter. The slide was triggered by global investor fears of a European debt crises blowup, and weakening growth in developed economies. The equity markets rebounded in September on steps taken by US and European leaders to address the economic issues in those economies. The KMI 30 rallied by as much as 9.7% from the August lows to close the quarter at 21,313 points, a net increase of 1.8% during the quarter.

Asset Allocation

The asset allocation of AGIF as at 30 September 2011 was as follows:

Equity	68.40%
Cash / Bank Deposit	24.92%
Sukuk Certificates	4.87%
Others	1.81%
Total	<u>100.00%</u>

Investment Outlook

We remain bullish on the prospects of the domestic equity market in the current year. The equity market is expected to provide a total yield (Dividend yield plus capital appreciation) of 16-18% in FY12. Attractive valuations in Oil & Gas (E&P), and Fertilizer sectors, improving GDP growth of 3-4%, declining inflation and consequent monetary easing constitute the basis of such expectations. Corporate earnings growth is expected at 15% on the back of rising oil and fertilizer prices.

Acknowledgement

The Board is thankful to the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee, Central Depository Company of Pakistan Limited and the management of Karachi Stock Exchange (Guarantee) Limited for their continued co-operation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

For and on behalf of the Board

31 October 2011
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 30 SEPTEMBER 2011**

	<i>Note</i>	30 September 2011 (Unaudited) (Rupees in '000)	30 June 2011 (Audited)
Assets			
Bank balances	5	80,059	143,621
Investments	6	235,385	184,223
Dividend and profit receivable		2,546	4,023
Deposits, prepayments and other receivables		2,600	2,600
Preliminary expenses and floatation costs		655	834
Total assets		321,245	335,301
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		664	605
Payable to Central Depository Company of Pakistan Limited -Trustee		57	59
Payable to Securities and Exchange Commission of Pakistan -Annual fee		388	314
Payable against purchase of investments		-	2,269
Accrued expenses and other liabilities		5,052	4,657
Total liabilities		6,161	7,904
Contingencies & Commitments	7	-	-
Net Assets		315,084	327,397
Unit holders' Funds (as per statement attached)		315,084	327,397
		(Number of units)	
Number of units in issue		5,780,884	5,771,082
		(Rupees)	
Net Asset Value per unit		54.50	56.73

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	(Rupees in '000)	
Income		
Capital (loss) / gain on sale of investments	(1,414)	14,449
Dividend income	3,701	4,636
Profit on deposit accounts with banks	2,232	2,574
Unrealised appreciation in the value of investments		
- 'at fair value through profit or loss'	6.5 7,916	9,432
Impairment in the value of investments classified as 'available-for-sale'	-	(1,064)
Income from Sukuk certificates	6.2.2 (2,257)	356
Total income	10,178	30,383
Expenses		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	1,754	1,906
Sales tax on Management fee	280	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	176	176
Annual fee - Securities and Exchange Commission of Pakistan	74	80
Amortisation of preliminary expenses and floatation costs	179	179
Bank and settlement charges	81	102
Auditors' remuneration	211	183
Fees and subscriptions	35	52
Brokerage	142	280
Worker's Welfare Fund	8 145	548
Total expenses	3,077	3,506
Net income from operating activities	7,101	26,877
Net element of income and capital gains included in prices of units sold less those in units repurchased	31	-
Net income for the period	7,132	26,877

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	(Rupees in '000)	
Net Income for the period	7,132	26,877
Other comprehensive income:		
Net unrealised appreciation / (diminution) during the period in the value of investments classified as 'available for sale'	263	(20,035)
Other comprehensive Income / (loss) for the period	263	(20,035)
Total comprehensive Income for the period	7,395	6,842

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited) (Rupees in '000)	30 September 2010 (Unaudited)
Undistributed income brought forward:		
- Realized	24,536	20,747
- Unrealized	4,981	(9,068)
	29,517	11,679
Net income for the period	7,132	26,877
Final distribution for the year ended 30 June 2011:		
- Cash distribution: Rs. 3.50 per unit dated 07 July 2011 (2010: Nil)	(19,565)	-
- Issue of 11,902 bonus units dated 07 July 2011 (2010: Nil)	(634)	-
	(13,067)	26,877
Undistributed income carried forward		
- Realized	8,534	29,124
- Unrealized	7,916	9,432
	16,450	38,556

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited) (Rupees in '000)	30 September 2010 (Unaudited)
Net assets at the beginning of the period	327,397	328,896
Issue of Nil units (2010:55 units)	-	3
Redemption of 2100 units (2010: Nil units)	(112)	-
	(112)	3
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units repurchased:		
- amount representing accrued (income) / loss and realised capital (gains) / losses - transferred to the Income Statement	(31)	-
	(31)	-
Final bonus distribution of 11,902 units for the year ended 30 June 2011 (2010: Nil)	634	-
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	263	(20,035)
Capital gain on sale of investments	(1,414)	14,449
Unrealised appreciation in the value of investments		
- 'at fair value through profit or loss'	7,916	9,432
Other net income for the period	630	2,996
Final distribution for the year ended 30 June 2011:		
- Cash distribution: Rs. 3.50 per unit dated 07 July 2011 (2010: Nil)	(19,565)	-
- Issue of 11,902 bonus units dated 07 July 2011 (2010: Nil)	(634)	-
Net income for the period less distribution	(13,067)	26,877
Net assets at the end of the period	315,084	335,741
	(Rupees)	
Net asset value per unit at the beginning of the period	56.73	56.73
Net asset value per unit at the end of the period	54.50	57.91

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	7,132	26,877
Adjustments for:		
Dividend income	(3,701)	(4,636)
Profit on deposit accounts with banks	(2,232)	(2,574)
Unrealised appreciation in the value of investments - 'at fair value through profit or loss'	(7,916)	(9,432)
Impairment in the value of investments classified as 'available-for-sale'	-	1,064
Income from Sukuk certificates	2,257	(356)
Amortization of preliminary expenses and floatation cost	179	179
Workers' welfare fund	145	548
Net element of income and capital gains included in prices of units sold less those in units repurchased	(31)	-
	(4,167)	11,670
(Increase)/ decrease in assets		
Investments	(42,983)	6,614
Deposits, prepayments and other receivables	-	(15)
	(42,983)	6,599
Increase/ (decrease) in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	59	6
Payable to Central Depository Company of Pakistan Limited -Trustee	(2)	5
Payable to Securities and Exchange Commission of Pakistan -Annual fee	74	81
Payable against purchase of investments	(2,269)	-
Accrued expenses and other liabilities	250	230
	(1,888)	322
Dividend received	2,296	487
Profit received on saving accounts with banks	2,823	2,455
Income received on sukuk certificates	34	35
	5,153	2,977
Net cash flows (used in) / from operating activities	(43,885)	21,568
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	-	3
Payment against redemption of units	(112)	-
Cash dividend Paid	(19,565)	-
Net cash flow froms from / (used in) financing activities	(19,677)	3
Net increase in cash and cash equivalents during the period	(63,562)	21,571
Cash and cash equivalents at the beginning of the period	143,621	142,888
Cash and cash equivalents at the end of the period	80,059	164,459

The annexed notes 1 to 12 form an integral part of these condensed inetrim financial statements.

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalaha 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 11th April, 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 29th March, 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 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

Alfalaha GHP Islamic Fund is listed on the Karachi Stock Exchange. The Units of the Fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund offers two types of Units Growth and Income. Growth Unit Holders are entitled to bonus unit and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund.

The Fund is categorized as shariah compliant asset allocation scheme and can invest in equity, debt and money market securities as authorized in Fund's Offering Documents .

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Positive) to the Management Company in its rating report dated 22 February 2011 and 4 Star to the fund in its rating report dated 25 October, 2010.

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.

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 30 September 2011 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim statement of cash flows and notes thereto, for the quarter ended 30 September 2011.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011. These condensed interim financial statements are unaudited.

The Directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

2.2 Functional and presentation currency

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

2.3. Use of estimates and judgments

The preparation of condensed interim financial information requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Management in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended 30 June 2011.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2011.

3.1 Earnings / (loss) per unit

Earnings per unit (EPU) for the quarter ended 30 September 2011 has not been disclosed in these condensed interim financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

4. FINANCIAL RISK MANAGEMENT

The fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2011.

5. BANK BALANCES	<i>Note</i>	30 September 2011 (Unaudited) (Rupees in '000)	30 June 2011 (Audited)
Deposit accounts	5.1	80,041	143,597
Current account		18	24
		<u>80,059</u>	<u>143,621</u>

5.1 These balances in saving deposit accounts bear profit rates ranging from 5.33% to 9.10% per annum.

6. INVESTMENTS
- Available for sale

 In quoted equity securities
 In sukuk certificates

	30 September 2011	30 June 2011
	(Unaudited)	(Audited)
	(Rupees in '000)	
<i>Note</i>		
6.1	23,821	23,558
6.2	15,659	15,659
	39,480	39,217

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

In quoted equity securities

6.4	195,905	145,006
	235,385	184,223

6.1 Investment in quoted equity securities - 'available for sale'

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 30 Sept 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Unrealized appreciation / (diminution) in the value of investments	Market value as a percentage of net assets	Percentage of total investments	Par value as percentage of issued share capital
	----- Number of shares -----				----- (Rupees in '000) -----						
Banks											
BankIslami Pakistan Limited	400,000	-	-	-	400,000	2,699	1,368	(1,331)	0.43	0.58	0.34
						<u>2,699</u>	<u>1,368</u>	<u>(1,331)</u>			
Electricity											
Kohinoor Energy Limited	475,000	-	-	-	475,000	9,919	7,719	(2,200)	2.45	3.28	1.63
						<u>9,919</u>	<u>7,719</u>	<u>(2,200)</u>			
Oil and Gas											
Pakistan Oilfields Limited	40,000	-	-	-	40,000	5,470	14,734	9,264	4.68	6.26	36.84
						<u>5,470</u>	<u>14,734</u>	<u>9,264</u>			
Grand total						<u>18,088</u>	<u>23,821</u>	<u>5,733</u>			

6.1.1 All shares have a face value of Rs. 10 each.

6.2 Investment in sukuk certificates

Name of the investee company	Credit rating	Expected profit rates	As at 01 July 2010	Purchases during the period	Sales during the period	As at 30 Sept 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Unrealized appreciation / (diminution) in the value of investments	Market value as a percentage of net assets	Percentage of total investments	Par value as percentage of issued share capital
	----- Number of shares -----				----- (Rupees in '000) -----							
Maple Leaf Cement Factory Limited	6.2.2	BB+ 3Months KIBOR+1.0%	5,000	-	-	5,000	24,968	15,659	(9,309)	4.97	6.65	0.00
Maple Leaf Cement Factory Limited	6.2.3	BB+ 3Months KIBOR+1.0%	188	-	-	188	940	-	(940)	0.00	0.00	0.00
Total							<u>25,908</u>	<u>15,659</u>	<u>(10,249)</u>			
Total Investment							<u>43,996</u>	<u>39,480</u>	<u>(4,516)</u>			

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

6.2.2 This represents investment in sukuk certificates of Maple Leaf Cement Factory Limited (MLCF), secured against first pari passu charge over all present and future fixed assets with a 25% margin. MLCFL had to pay the installment comprising of profit on the said sukuk certificates on 3 December 2009 which it was unable to pay due to the financial difficulties being faced by it. Considering this it was classified as non-performing debt security by MUFAP.

Subsequently, MLCFL entered into a financial restructuring agreement with the sukuk investors in February 2010. The revised terms include payment of principal amount on a quarterly basis in arrears from 3 March 2010 with final redemption on 3 December 2018. Further payment of markup for the period from December 2009 to March 2011 equal to 0.5% of the mark-up amount due on their respective due dates is to be on quarterly installments. Remaining 99.5% mark up for the above period to be paid by the borrower during March 2012 to December 2017 in 24 equal quarterly installments. The mark-up for the period due from March 2011 to December 2018 to be collected on their respective quarterly due dates except that the mark up for the June 2011 quarter shall be payable along with the September 2011 quarter.

On 13 October 2010, these sukuk certificates were classified as performing by MUFAP on payment of two installments as per the restructured terms. In line with SECP directives, the Fund has recognized the present value of mark-up for the period from 13 October to 3 March 2011 amounting to Rs.1.094 million and mark-up for the period from 4 March 2011 to 30 June 2011 amounting to Rs. 1.197 million as income on 30 June 2011.

However the issuer defaulted again on agreed installment payment of markup due as per revised schedule for the June 2011 and September 2011 quarter. Consequently the management reversed accrued markup amounting to Rs. 3.08 million including markup accrued for the period from 13 October to 3 March 2011 amounting to Rs. 1.093 million and markup amounting to Rs. 1.197 million for the period from 4 March 2011 to 30 June 2011.

6.2.3 This represents additional sukuk of MLCF received by the fund through restructuring agreement reached between lenders and MLCF. Under such agreement outstanding mark up due on December 03 2009 amounting to Rs. 5.81 million was settled partially in cash and partially in the form of sukuk certificates valuing Rs. 0.094 million. These investments have been recorded as 100% impaired since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation.

6.2.4 Detail of non-compliant investments with the investment criteria prescribed in the circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan

As per circular 7 of 2009, minimum credit rating of the debt instrument in which investment is placed should not be lower than A- (A minus). However, following investment is non-compliant, since the investment grading as per PACRA is lower than A- (A minus)

Name of Non Complaint Investment	Type Of Investment	Value of Investment before provision	Provision held if any	Value after provision	Fair Value as a % of net assets	Fair Value as a % of gross assets	Credit Rating
----- (Rupees in '000) -----							
Maple Leaf Cement Factory Limited	Sukuk Certificates	24,968	9,309	15,659	4.97	4.88	BB+
					30 September 2011	30 June 2011	
					(Unaudited)	(Audited)	

6.3 Net unrealised appreciation / (diminution) in the value of investments classified as 'available-for-sale'

Note (Rupees in '000)

Fair value of investments classified as 'available for sale'	39,480	39,217
Less: Cost of investments classified as 'available for sale'	(43,996)	(43,996)
Net unrealized appreciation / (diminution) in the value of investments	<u>(4,516)</u>	<u>(4,779)</u>
Impairment charged to income statement	6.3.1 -	4,838
	(4,516)	59
Net unrealized (appreciation) / diminution in the value of investments at the beginning of the period / year	4,779	(18,075)
Net unrealised appreciation / (diminution) in the value of investments at the end of the period / year	<u>263</u>	<u>(18,016)</u>

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

Opening balance	13,753	8,915
Impairment realized during the period / year on sale of investment	-	-
Charge for the period / year	-	4838
Closing balance	<u>13,753</u>	<u>13,753</u>

6.4 Investment in quoted equity securities - 'at fair value through profit or loss'

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus / rights Issue during the period	Sales during the period	As at 30 Sept 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Unrealized appreciation / (diminution) in the value of investments	Market value as a percentage of net assets	total percentage of investments	Par value as percentage of issued share capital
	Number of shares				(Rupees in '000)						
Electricity											
Hub Power Company Limited	692,303	-	-	50,000	642,303	18,636	26,656	8,020	8.46	11.32	4.15
Kohinoor Energy Limited	10,000	-	-	-	10,000	299	163	(136)	0.05	0.07	1.63
						<u>18,935</u>	<u>26,819</u>	<u>7,884</u>			
Oil and Gas											
Pakistan State oil Company Limited	57,500	30,000	-	15,000	72,500	19,189	18,457	(732)	5.86	7.84	25.46
Oil & Gas Development Company Limited	114,000	61,000	-	-	175,000	26,019	23,125	(2,894)	7.34	9.82	13.21
Pakistan Oilfields Limited	12,500	35,000	-	12,500	35,000	12,624	12,893	269	4.09	5.48	36.84
Pakistan Petroleum Limited	80,000	10,000	8,000	10,000	88,000	16,104	16,682	578	5.29	7.09	18.96
						<u>73,936</u>	<u>71,157</u>	<u>(2,779)</u>			
Chemicals											
Fauji Fertilizer Bin Qasim Limited	200,000	225,000	-	80,000	345,000	15,111	20,245	5,134	6.43	8.60	5.87
Fauji Fertilizer Company Limited	185,000	65,000	-	20,000	230,000	33,121	37,237	4,116	11.82	15.82	16.19
ICI Pakistan Limited	30,000	30,000	-	-	60,000	8,684	8,713	29	2.77	3.70	14.52
						<u>56,916</u>	<u>66,195</u>	<u>9,279</u>			
Construction and Materials											
D.G Khan Cement Company Ltd	-	450,000	-	-	450,000	9,345	9,256	(89)	2.94	3.93	2.06
Lucky Cement Limited	-	125,000	-	125,000	-	-	-	-	-	-	-
						<u>9,345</u>	<u>9,256</u>	<u>(89)</u>			
Automobile and Parts											
Indus Motor Company Limited	35,000	-	-	-	35,000	7,864	6,755	(1,109)	2.14	2.87	19.30
						<u>7,864</u>	<u>6,755</u>	<u>(1,109)</u>			
General Industrials											
Thal Limited	165,000	8,000	-	-	173,000	17,971	15,723	(2,248)	4.99	6.68	18.18
						<u>17,971</u>	<u>15,723</u>	<u>(2,248)</u>			
Grand total						<u>184,967</u>	<u>195,905</u>	<u>10,938</u>			

6.4.1 All shares have a face value of Rs. 10 each, except for Thal Ltd. of Rs 5 each.

6.5 Net unrealised (diminution) / appreciation in the value of investments 'at fair value through profit or loss'

	30 September 2011 (Unaudited)	30 June 2011 (Audited)
	(Rupees in '000)	
Fair value of investments classified as 'at fair value through profit or loss'	195,905	145,006
Cost of investments classified as 'at fair value through profit or loss'	(184,967)	(138,756)
Net unrealised appreciation in the value of investments	<u>10,938</u>	<u>6,250</u>
Net unrealised appreciation in the value of investments at the beginning of the period / year	(6,250)	5,243
Realised on disposal during the period / year	<u>3,228</u>	<u>(6,512)</u>
Net unrealised appreciation in the value of investments at the end of the period / year	<u>(3,022)</u>	<u>(1,269)</u>
	<u>7,916</u>	<u>4,981</u>

7. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 September 2011.

8. PROVISION FOR WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year.

A petition has been filed with the Honourable High Court of Sindh by some of Collective Investment Schemes (CISs) through their Trustee on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 8 July 2010 issued advice and clarifications which stated that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions including Mutual Funds because they are ruled and governed by separate laws. Further, in a subsequent letter dated 15 July 2010 the Ministry clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*."

Further, the Secretary (Income Tax Policy) Federal Board of Revenue issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formation for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been withdrawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds. On 14 December 2010, the Ministry filed its response to the constitutional petition pending in the Court. As per the legal counsel who is handling the case, there is contradiction between the above earlier letter and clarification of the Ministry and the response filed by the Ministry in the Court.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs.4.002 million up to 30 September 2011.

9. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2012 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial information for the quarter ended 30 September 2011.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons.

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

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

10.1 Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	30 September 2011 (Unaudited)	30 June 2011 (Audited)
(Rupees in '000)		
Alfalah GHP Investment Management Limited - Management Company		
Balance at the beginning of the period / year	605	616
Remuneration for the period / year	1,754	7,429
Sales tax on Management fee for the period / year	<u>280</u>	<u>-</u>
	2,639	8,045
Amount paid during the period / year	<u>(1,975)</u>	<u>(7,440)</u>
Balance at end of the period / year	<u>664</u>	<u>605</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	59	57
Remuneration for the period / year	176	700
CDS Charges	<u>3</u>	<u>1</u>
	238	758
Amount paid during the period / year	<u>(181)</u>	<u>(699)</u>
Balance at the end of the period / year	<u>57</u>	<u>59</u>
Deposit with Central Depository Company of Pakistan Limited	<u>100</u>	<u>100</u>
Bank Alfalah Limited-Islamic Banking Division		
Deposits at the end of the period / year	<u>79,956</u>	<u>143,563</u>
Profit on deposit accounts for the period / year	<u>2,232</u>	<u>9,098</u>
Bank charges for the period / year	<u>2</u>	<u>3</u>
	82,190	152,664
	Units in '000	Units in '000
Units held by	<u>5,590</u>	<u>5,590</u>
	(Rupees in '000)	(Rupees in '000)
Cash dividend distributed	<u>19,565</u>	<u>33,540</u>

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 31 October 2011 by the Board of Directors of the Management Company.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director