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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. Hanspeter Beier (Subject to approval of SECP) - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary Of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Shahab Bin Shahid - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Fund Manager:	-Mr. Zeeshan Khalil
Trustee:	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Bankers to the Fund:	Bank Alfalah Limited Faysal Bank Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530.
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:	BBB+ (f)

MISSION STATEMENT

Alfalah GHP Income Multiplier Fund aims to provide its unit holders with sustainable, consistent and inflation protected returns over a period of time through investment in income and money market instruments and securities.

VISION STATEMENT

Alfalah GHP Income Multiplier Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable, consistent and inflation protected returns over the long term through investment exposure to income and money market instruments and securities.

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 Income Multiplier Fund (AGIMF) is pleased to present its quarterly report on the affairs of AGIMF to the unit holders for the nine months ended March 31, 2012.

Financial Performance

Net assets under management as on March 31, 2012 were Rs. 251.02 million. During the period units worth Rs. 4.42 million were issued and units worth Rs. 13.83 million were redeemed.

AGIMF incurred total loss of Rs. 15.56 million for the nine months ended March 31, 2012 including net impairment loss on value of investments of Rs.55.82 million. Major sources of revenue were income from sukuk certificates of Rs. 11.29 million, income from term finance certificates of Rs. 23.15 million, profit on bank deposits of Rs. 0.99 million, income from government securities of Rs. 4.88 million. After accounting for expenses of Rs. 4.75 million the net loss from operating activities for the period stands at Rs. 20.31 million.

Market & Fund's Performance

The fund ended the third quarter on March 31, 2012 showing an annualized return of 42.6% as compared to its benchmark's (1 Year KIBOR) annualized return of 12.27%. The outperformance of the fund is due to the recovery of amounts from issuers of defaulted corporate papers in the fund's portfolio.

In 3QFY12, SBP cumulatively announced a Treasury bill auction target of PKR 575.00 billion versus maturity of PKR 505.493 billion, while the SBP actually raised PKR 5495.225 billion against the participation of PKR 1,045.411 billion. During the period, 3 months cut off yield has increased by 4.59 bps, 6 months by 26.98 bps and 12 months by 3.77 bps and settled at 11.8742%, 11.9420% and 11.9396% respectively. Likewise, 10 year benchmark PIB cut off yield has increased by 50.06 bps to 13.1999%.

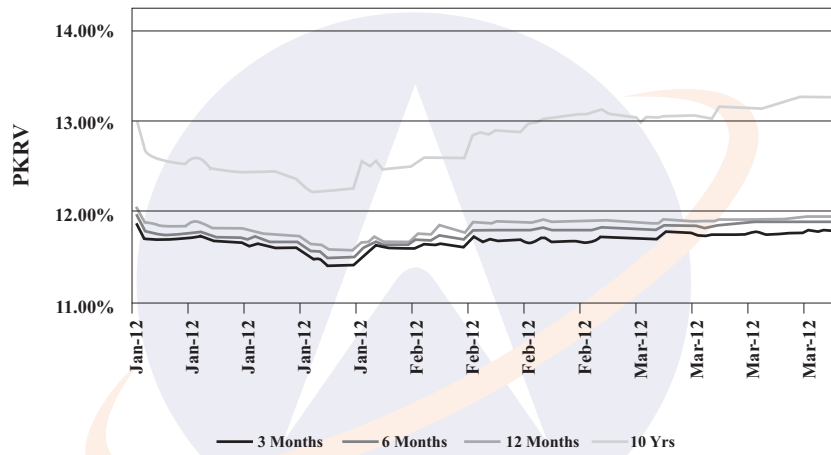
Asset allocation

The asset allocation of AGIMF as on March 31, 2012 as follows:

Cash / Bank Deposits	13.51%
TFCs / Sukuks	41.73%
T-Bills	35.41%
Others	9.35%
Total	<u>100.00%</u>

Investment Outlook

Going forward, we foresee uptrend in inflation, government borrowing and fiscal deficit. Government has breached its zero quarterly borrowing commitment to State Bank at the end of March 31, 2012 quarter due to the burgeoning expenditure on security and subsidies. External account is expected to remain vulnerable and sluggish inflows could hamper financing putting a drag on foreign reserves and exchange rate. Although, Government seems eager to materialize Etisalat-PTCL, 3G license auction, and Coalition Support Fund (CSF) inflows, yet each one of these has uncertain dynamics. The recent wave of oil and electricity price pass-on could further add to inflation forcing the central bank to cease any monetary easing in the remaining part of the CY 2012.



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

27 April 2012
Karachi.

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 31 MARCH 2012**

	<i>Note</i>	31 March 2012 (Unaudited)	30 June 2011 (Audited)
		(Rupees in '000)	
Assets			
Bank balances	5	34,540	13,679
Investments	6	197,155	244,242
Income and profit receivable		21,166	26,856
Advances, deposits and other receivables		2,610	3,600
Preliminary expenses and floatation costs		120	558
Total assets		255,591	288,935
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		297	277
Payable to Central Depository Company of Pakistan Limited - Trustee		51	49
Payable to Securities and Exchange Commission of Pakistan - Annual fee		148	271
Accrued expenses and other liabilities		4,074	4,046
Total liabilities		4,570	4,643
Contingencies and Commitments	8	-	-
Net assets		251,021	284,292
Unit holders' funds (as per statement attached)		251,021	284,292
		(Number of units)	
Number of units in issue		5,562,681	5,746,146
		(Rupees)	
Net asset value per unit		45.1259	49.4753

The annexed notes 1 to 14 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2012**

	Note	Nine months period ended		Quarter ended	
		31 March 2012	31 March 2011	31 March 2012	31 March 2011
		----(Rupees in '000)----		----(Rupees in '000)----	
Income					
Income from term finance certificate - net of amortization of premium /discount		23,150	8,245	21,111	1,414
Income from government securities - net of amortization of discount		4,877	4,392	2,296	1,138
Income from clean placements		-	31	-	-
Income from sukuk certificates	6.2.1	11,287	9,034	6,415	2,682
Profit on deposit accounts with banks		988	4,803	410	946
Capital loss on sales of investment		-	(11,203)	-	(4)
Unrealised (diminution) in the value of investments					
-'at fair value through profit or loss'	6.8	(39)	39	(31)	3
Income from term deposit receipts		-	72	-	-
Impairment in the value of investments classified as 'available for sale'		(77,898)	(45,047)	(20,472)	-
Reversal of impairment in the value of investment classified as 'available for sale'		22,078	22,823	22,078	-
Total (loss) / income		(15,557)	(6,811)	31,807	6,179
Expenses					
Remuneration of Alfalah GHP Investment Management Limited - Management Company		2,462	3,662	734	938
Sales tax on Management fee	7	394	-	117	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		451	585	149	149
Annual fee - Securities and Exchange Commission of Pakistan		148	220	44	57
Transaction cost		1	24	-	6
Bank and Settlement charges		31	20	15	7
Fees and subscriptions		205	219	66	61
Auditor's remuneration		440	466	99	149
Legal Charges		70	126	25	67
Amortization of preliminary expenses and floatation cost		439	438	145	144
Worker's welfare fund	9	-	-	-	-
Printing and related cost		109	136	30	136
Total expenses		4,750	5,896	1,424	1,714
Net (loss) / income from operating activities		(20,307)	(12,707)	30,383	4,465
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed		(76)	8,078	(233)	11,224
Net (loss) / income for the period		(20,383)	(4,629)	30,150	15,689

The annexed notes 1 to 14 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2012**

	Nine months period ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	<i>Note</i>		<i>----</i> (Rupees in '000) <i>-----</i>	
Net (loss) / income for the period	(20,383)	(4,629)	30,150	15,689

Other comprehensive income:

Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains / (losses).		80	(4,861)	119	(4,999)
Net unrealised Appreciation during the period in fair value of investments classified as 'available for sale'	6.5	5,165	7,414	(6,169)	(2,489)
Other comprehensive Income / (loss) for the period		5,245	2,553	(6,050)	(7,488)
Total comprehensive (loss) / income for the period		<u>(15,138)</u>	<u>(2,076)</u>	<u>24,100</u>	<u>8,201</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

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

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2012**

	Nine months period ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Undistributed (loss) brought forward				
- Realized	(2,928)	(7,118)	(62,409)	(27,390)
- Unrealized	44	(56)	(8)	36
	(2,884)	(7,174)	(62,417)	(27,354)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains / (losses)	80	(4,861)	119	(4,999)
Net (loss) / income for the period	(20,383)	(4,629)	30,150	15,689
Final distribution for the year ended 30 June 2011:				
- Cash distribution of Rs. 1.59 per unit dated 26 Aug 2011 (2010: Nil)	(8,715)	-	-	-
- Issue of 5,038 bonus units dated 26 Aug 2011 (2010: Nil)	(246)	-	-	-
	(29,264)	(9,490)	30,269	10,690
Undistributed (loss) carried forward				
- Realized	(32,109)	(16,703)	(32,117)	(16,667)
- Unrealized	(39)	39	(31)	3
	(32,148)	(16,664)	(32,148)	(16,664)

The annexed notes 1 to 14 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2012**

	Nine months period ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
Note	----(Rupees in '000)----		----(Rupees in '000)----	
Net assets at the beginning of the period	284,292	588,956	226,927	368,646
Issue 105,495 units (2010: Nil units)	4,419	-	4,419	-
Redemption 293,998 units (2011: 6,061,668) and 105,611 units (2011: 1,861,009 units) for the nine months and quarter respectively.	(13,833)	(299,009)	(4,539)	(85,968)
	(9,414)	(299,009)	(120)	(85,968)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:				
- amount representing accrued loss / (income) and realised capital losses / (gains) - transferred to the Income Statement	76	(8,078)	233	(11,224)
- amount representing unrealised capital loss / (gains) - transferred directly to the Distribution Statement	(80)	4,861	(119)	4,999
	(4)	(3,217)	114	(6,225)
Final bonus distribution of 5,038 bonus units declared for the year ended 30 June 2011 (2010: Nil)	246	-	-	-
Net unrealised (Appreciation) on revaluation of investments classified as 'available-for-sale'	5,165	7,414	(6,169)	(2,489)
Capital loss on sale of investments	-	(11,203)	-	(4)
Unrealised (diminution) in the value of investments				
- 'at fair value through profit or loss'	(39)	39	(31)	3
Other net (loss) / income for the period	(20,344)	6,535	30,181	15,690
Element of loss / income and capital (losses) / gains included in prices of units sold less those in units repurchase	80	(4,861)	119	(4,999)
Final distribution for the year ended 30 June 2011:				
- Cash distribution of Rs. 1.59 per unit dated 26 Aug 2011 (2010: Nil)	(8,715)	-	-	-
- Issue of 5,038 bonus units dated 26 Aug 2011 (2010: Nil)	(246)	-	-	-
Net (loss) / income for the period less distribution	(29,264)	(9,490)	30,269	10,690
Net assets at the end of the period	251,021	284,654	251,021	284,654
		----(Rupees)----		
Net asset value per unit at the beginning of the period	49.4753	48.5182	40.7935	46.4394
Net asset value per unit at the end of the period	45.1259	46.8396	45.1259	46.8396

The annexed notes 1 to 14 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2012**

	Nine months period ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	----(Rupees in '000)----		----(Rupees in '000)----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) / income for the period	(20,383)	(4,629)	30,150	15,689
Adjustments for:				
Unrealised (appreciation) / diminution in the value of investments				
- 'at fair value through profit or loss'	39	(39)	31	(3)
Impairment in the value of investments classified as 'available for sale'	77,898	45,047	20,472	-
Reversal of impairment in the value of investment classified as 'available for sale'	(22,078)	(22,823)	(22,078)	-
Income from sukuk certificates	(11,287)	(9,034)	(6,414)	(2,682)
Profit on deposit accounts with banks	(988)	(4,803)	(410)	(946)
Amortisation of preliminary expenses and floatation costs	439	438	146	144
Income from term finance certificate - net of amortization of premium / discount	(23,150)	(8,245)	(21,111)	(1,414)
Income from Term deposit receipts	-	(72)	-	-
Income from clean placements	-	(31)	-	-
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	76	(8,078)	233	(11,224)
	566	(12,269)	1,019	(436)
(Increase) / decrease in assets				
Investments	(3,608)	241,971	(29,756)	24,907
Deposits & Prepayments	990	166	1,010	144
	(2,618)	242,137	(28,746)	25,051
Increase / (decrease) in liabilities				
Payable to Alfalah GHP Investment Management Limited - Management Company	20	(336)	(31)	(103)
Payable to Central Depository Company of Pakistan Limited - Trustee	2	(51)	-	(13)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(123)	(14)	44	57
Accrued expenses and other liabilities	28	(77)	(32)	25
	(73)	(478)	(19)	(34)
Profit received on investments	41,115	26,086	26,705	5,966
Net cash flows from operating activities	38,990	255,476	(1,041)	30,547
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	4,419	-	4,419	-
Payment against redemption of units	(13,833)	(299,009)	(4,539)	(85,968)
Cash dividend paid	(8,715)	-	-	-
Net cash (used in) financing activities	(18,129)	(299,009)	(120)	(85,968)
Net (decrease) / increase in cash and cash equivalents during the period	20,861	(43,533)	(1,161)	(55,421)
Cash and cash equivalents at beginning of the period	13,679	66,098	35,701	77,986
Cash and cash equivalents at end of the period	34,540	22,565	34,540	22,565

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2012**

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

Alfalah GHP Income Multiplier Fund is listed on the Karachi Stock Exchange. The units of the fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the fund. The fund 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 the fund.

The fund is categorized as an asset allocation scheme and can invest in equity, debt and money market securities as authorized in Fund Offering Document.

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 BBB+(f) Stability Rating to the fund in its rating report dated 10 January 2011.

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

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 31 March 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim statement of cash flows and notes thereto, for the nine months and quarter ended 31 March 2012.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgment

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2011 except as follows:

New and amended standards and interpretations

The Fund has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosure (Revised)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instrument Disclosures
 - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements
 - Clarification of statement of changes in equity
- IFRIC 13 - Presentation of Financial Statements
 - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements except for the enhanced disclosure requirements of the amended IAS 34 regarding transfers between different levels of fair value hierarchy.

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>	31 March 2012 (Unaudited) (Rupees in '000)	30 June 2011 (Audited)
Deposit accounts	5.1	<u>34,540</u>	<u>13,679</u>

5.1 These balances in saving deposit accounts bear profit rates ranging from 5% to 10.5% per annum (30 June 2011: 5% to 10.5% per annum). This includes Rs. 2.02 million (30 June 2011: 13.586 million) with a related party that carry markup ranging from 9.5% to 10.5% per annum.

6. INVESTMENTS	<i>Note</i>	31 March 2012 (Unaudited) (Rupees in '000)	30 June 2011 (Audited)
Available for sale			
Investment in term finance certificates	6.1	<u>19,020</u>	91,729
Investment in sukuk certificates	6.2	<u>87,634</u>	127,640
		<u>106,654</u>	219,369
At fair value through profit or loss			
Market treasury bills	6.7	<u>90,501</u>	24,873
		<u>90,501</u>	24,873
		<u>197,155</u>	244,242

6.1 INVESTMENTS

Name of the investee company	Note	Maturity	Profit / Mark-up Percentage	As at 01 July 2011	Purchases during the period	Sales / Mature during the period	Redemption during the period	As at 31 March 2012	Cost as at 31 March 2012	Market value as at 31 March 2012	Appreciation value as at 31 March in the value of investments	Market value as a percentage of		Outstanding principal value as a percentage of issued debt capital
												net assets	total investments	
----- Number of shares -----														
Listed term finance certificates														
Financial Receivable Securitization Limited		January 2014	6M KIBOR + 2%	1,992	-	-	-	1,992	3,319	3,332	13	1.33	1.69	1.42
Trust Investment Bank Limited		July 2013	6M KIBOR + 1.85%	8,000	-	-	-	8,000	14,994	14,271	(723)	5.69	7.24	6.67
Unlisted term finance certificates														
Security Leasing Corporation Limited		March 2014	6%	2,000	-	-	-	2,000	2,013	1,417	(596)	0.56	0.72	2.00
Agritech Ltd (Formerly Pak American Fertilizer Limited)	6.1.1	November 2014	6M KIBOR + 1.75%	19,000	-	-	-	19,000	94,911	-	(94,911)	-	-	6.33
Agritech Ltd-IV (Formerly Pak American Fertilizer Limited)	6.1.2	January 2015	Zero Coupon	-	4,094	-	-	4,094	20,470	-	(20,470)	-	-	2.27
Invest Capital Investment Bank Ltd formally (Al-Zamin Leasing Modaraba)	6.1.3	November 2013	6M KIBOR + 1.90%	10,000	-	-	-	10,000	38,924	-	(38,924)	-	-	7.14
Trakker (Private) Limited		September 2011	6M KIBOR + 2.85%	200	-	200	-	-	-	-	-	-	-	-
SME Leasing Limited		July 2011	3M KIBOR + 1.50%	3,000	-	3,000	-	-	-	-	-	-	-	-
									<u>174,631</u>	<u>19,020</u>	<u>(155,612)</u>			

- 6.1.1 Agritech Limited defaulted on its payment of principal and markup due on 29 May 2010. Consequently, the security was classified as non-performing by MUFAP on 14 June 2010 and accrual on the same was suspended. Accordingly, the security has been fully provided (including Rs. 37.965 million provided in the current period) in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.
- 6.1.2 This represents additional TFC's of Agritech Ltd (Formaly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lenders and Agritech Ltd. Under such agreement outstanding mark up due on 29 May 2011 amounting to Rs. 20.4725 million was settled in the form TFC's valuing Rs. 20.4725 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.
- 6.1.3 Invest Capital Investment Bank Limited defaulted on its payment of principal and markup due on 12 August 2010. Consequently, the security was classified as non-performing by MUFAP on 26 August 2010 and accrual on the same was suspended. Accordingly, the security has been fully provided (including Rs. 19.462 million provided in the current period) in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

6.2 Investment in unquoted Sukuk bonds - available for sale

Name of the Investee company	Note	Maturity	Profit/ Mark-up Percentage	As at 01 Jul 2011	Purchases during the period	Sales during the period	Redemption during the period	As at 31 March 2012	Cost as at 31 March 2012	Market value as at 31 March 2012	Appreciation /(Diminution) in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
												net	total	
				----- Number of certificates -----				(Rupees in '000)						
Maple Leaf Cement Factory Limited	6.2.1	December 2018	3M KIBOR +1%	15,000	-	-	-	15,000	74,857	46,946	(27,911)	18.70	23.81	1.88
Maple Leaf Cement Factory Limited-II	6.2.2	March 2013	3M KIBOR +1%	562	-	-	-	562	2,810	-	(2,810)	-	-	0.94
Kohat Cement Company Limited	6.2.3	September 2016	3M KIBOR +1.50%	25,000	-	-	-	25,000	54,250	40,688	(13,562)	16.21	20.64	5.00
									<u>131,917</u>	<u>87,634</u>	<u>(44,283)</u>			
									<u>306,548</u>	<u>106,654</u>	<u>(199,895)</u>			

- 6.2.1 Maple Leaf Cement Factory (MLCF) defaulted on the installment due on 13 September 2011 as per the restructured agreement. Consequently, the security was classified as non-performing by MUFAP on 19 September 2011 and accrual amounting to Rs. 9.235 million on the same was reversed. Accordingly, provision has been made in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.
- 6.2.2 This represents additional sukuk's of MLCF received by the Fund through restructuring agreement reached between lenders and MLCF. Under such agreement outstanding mark up due on 03 December 2009 amounting to Rs. 5.806 million was settled partially in cash and partially in the form sukuk's certificates valuing Rs. 2.810 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.
- 6.2.3 During the period, the Sukuk issued by Kohat Cement Company Limited was restructured. As per the revised terms:
- The maturity date of the Sukuk will be increased to September 2016 from Dec 2015. All current markup will go into frozen account from September 2011 to June 2012
 - From September 2012 current markup will be paid on the respective due dates
 - From September 2014 payment of frozen markup will be started. All the accumulated balance in frozen account will be paid off till June 2016.
 - The current markup rate will be 3 months KIBOR plus 1.5%.

The Company has been regular on its payments as per the restructuring agreement. Furthermore, during the period the issuer by exercising Call option for early payment of outstanding principal amount made part payment representing 30% of principal amount due.

6.3 Details of Non-Compliant Investments with the investment criteria as specified by the Securities and Exchange Commission of Pakistan (SECP)

Circular no. 16 dated 07 July 2010 issued by the SECP requires details of investments not compliant with the investment criteria specified by the category assigned to open-end collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in these condensed interim financial statements of the Fund. Details of such non-compliant investments are given below:

6.4	Type of investment	Name of Non-compliant investment	Value of Investment before provision	Total Provision held, if any	Value of investment after provision	Fair value as a percentage of net assets	Sector wise percentage of net assets	Credit rating
Investment in construction and material sector								
----- (Rupees in '000) -----								
	Sukuk Certificate	Maple Leaf Cement Factory Limited	74,857	(27,911)	46,946	18.70	18.37	D
	Sukuk Certificate	Maple Leaf Cement Factory Limited II	2,810	(2,810)	-	-	34.91	D
	Sukuk Certificate	Kohat Cement Company Limited	54,250	(13,562)	40,688	16.21	15.92	Non rated

At the time of purchase / investment, Sukuks were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in NBFC Regulations or NBFC Rules. However, subsequently they were defaulted or downgraded to non investment grade or become non-compliant with investment restrictions parameters laid down in NBFC Regulations or NBFC Rules and with the requirements of Constitutive Documents.

6.5	Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'	31 March 2012 (Unaudited)	30 June 2011 (Audited)
(Rupees in '000)			
	Market value of investments	106,654	219,369
	Less: Cost of investments	(306,548)	(368,608)
		(199,895)	(149,239)
	Impairment charged during the period / year	77,898	57,179
	Reversal of impairment during the period / year	(22,078)	(22,836)
		(144,075)	(114,896)
	Net unrealized diminution in the value of investments at the beginning of the period / year	149,239	125,578
	Realized on disposals during the period / year	-	-
	Net unrealized (diminution)/appreciation in the value of investments at the end of the period / year	5,165	10,682
6.6	Particulars of impairment in the value of investments classified as 'available for sale'		
	Opening Balance	149,104	114,761
	Charged for the period / year	77,898	57,179
	Reversal during the period / year	(22,078)	(22,836)
	Closing balance	204,924	149,104

6.7	Market Treasury Bills Issue Date	Tenor	Face Value					Quantity as at 31 March 2012	Cost as at 31 March 2012	Fair Value as at 31 March 2012	Fair value as a percentage of:	
			As at 01 Jul 2011	Purchases during the period	Sales / Mature during the period	Matured during the period	As at 31 March 2012				net assets	total investment
----- (Rupees in '000) -----												
	21-Apr-11	3 Months	25,000	-	-	25,000	-	-	-	-	-	-
	14-Jul-11	3 Months	-	25,000	10,000	15,000	-	-	-	-	-	-
	10-Feb-11	6 Months	-	30,000	5,000	25,000	-	-	-	-	-	-
	11-Aug-11	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
	6-Oct-11	6 Months	-	7,000	-	-	7,000	1	6,991	6,989	3	4
	21-Apr-11	6 Months	-	10,000	-	10,000	-	-	-	-	-	-
	20-Oct-11	6 Months	-	10,000	-	-	10,000	1	9,945	9,939	4	5
	3-Nov-11	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
	20-Oct-11	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
	12-Jan-12	3 Months	-	25,000	-	-	25,000	1	24,968	24,959	10	13
	26-Jan-12	3 Months	-	25,000	-	-	25,000	1	24,861	24,846	10	13
	8-Sep-11	6 Months	-	20,000	-	20,000	-	-	-	-	-	-
	8-Mar-12	6 Months	-	25,000	-	-	25,000	1	23,787	23,768	9	12
									90,552	90,501		

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
6.8 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'		
	(Rupees in '000)	
Market value of investments	90,501	24,873
Less: Carrying value of investments	<u>(90,552)</u>	<u>(24,885)</u>
	(51)	(12)
Net unrealised (appreciation) in the value of investment at the beginning of the period / year	12	56
Realised on disposal during the period / year	-	-
	<u>12</u>	<u>56</u>
Net unrealised (diminution) in the value of investment for the period / year	<u>(39)</u>	<u>44</u>

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.394 million (31 March 2011: Rs. Nil) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2012.

9. WORKER 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 drawn. 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. 3.322 million up to 31 March 2012.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized 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 statements for the nine months period ended 31 March 2012.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, 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 provision of the NBFC Rules 2003, the NBFC Regulations 2008 and Trust Deed respectively.

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

11.1 Transactions and balances with connected persons / related parties

	31 March 2012 (Unaudited)	30 June 2011 (Audited)
	(Rupees in '000)	
Alfalah GHP Investment Management Limited		
- Management Company		
Balance at beginning of the period / year	277	636
Remuneration for the period / year	2,462	4,520
Sales tax on Management fee for the period / year	394	-
	<u>3,133</u>	<u>5,156</u>
Amount paid during the period / year	<u>(2,836)</u>	<u>(4,879)</u>
Balance at the end of the period / year	<u>297</u>	<u>277</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	49	102
Remuneration for the period / year	451	735
CDS Charges for the period / year	-	40
	<u>500</u>	<u>877</u>
Amount paid during the period / year	<u>(449)</u>	<u>(828)</u>
Balance at the end of the period / year	<u>51</u>	<u>49</u>
Deposit with Central Depository Company of Pakistan Limited	<u>100</u>	<u>100</u>
Bank Alfalah Limited		
Profit on deposit accounts	<u>955</u>	<u>118</u>
Balance in deposit accounts	<u>2,024</u>	<u>13,645</u>
Bank charges	<u>30</u>	<u>21</u>
Mark-up receivable on bank deposits	<u>110</u>	<u>5,196</u>

	31 March 2012 (Unaudited)		30 June 2011 (Audited)	
	(No. of shares)	(Rs. in '000)	(No. of shares)	(Rs. in '000)
Cash distributed to:				
Bank Alfalah Limited	<u>179</u>	<u>8,715</u>	<u>-</u>	<u>-</u>
Units redeemed by:				
Bank Alfalah Limited	<u>-</u>	<u>-</u>	<u>6,306</u>	<u>310,586</u>
Units held by:			31 March	30 June
Bank Alfalah Limited			2012	2011
			(Unaudited)	(Audited)
			(Units in '000)	
			<u>5,481</u>	<u>5,481</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1 : quoted prices in active markets for identical assets or liabilities
- Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	31 March 2012			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
At fair value through profit or loss				
Market treasury bills	-	90,501	-	90,501
Available-for-sale investments				
-Term Finance Certificates	-	19,020	-	19,020
- Sukuk	-	40,688	46,946	87,634
	<u>-</u>	<u>150,209</u>	<u>46,946</u>	<u>197,155</u>

Presented below are the transfers between different levels of the fair value hierarchy.

Transfers from Level 3 to Level 2	<u>-</u>
Transfers from Level 2 to Level 3	<u>46,946</u>

There have been no transfers to and from levels 1 during the period.

In accordance with Circular No. 1 of 2009 issued by SECP, all traded debt securities are valued on the basis of their volume weighted average price during the last 15 days while thinly traded and non-traded debt securities are valued using a valuation methodology devised by MUFAP which includes variables including yields on government securities, Karachi Inter Bank Offer Rates and credit ratings. As the valuation techniques use inputs from observable market data, these securities are classified as Level 2. Rates for non-performing securities, however, are not quoted by MUFAP and are valued using the provisioning criteria prescribed by the abovementioned circular and are hence classified as Level 3.

Hence, default on installment amounts by investee companies results in transfer into Level 3 while subsequent classification of a defaulting security as performing will result in Level 3 to Level 2.

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 April 2012 by the Board of Directors of Management company.

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.



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

Chief Executive

Director