

**ALFALAH GHP
ISLAMIC STOCK FUND**
(FORMERLY ALFALAH GHP ISLAMIC FUND)
QUARTERLY REPORT March 2016



Alfalah Investments



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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. Michael Hermann- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Abid Naqvi- Mr. Tufail Jawed Ahmed
Chief Operating Officer, CFO and Company Secretary:	- Mr. Noman Ahmed Soomro
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abid Naqvi- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Michael Hermann- Ms. Maheen Rahman
Turster:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi
Fund Manager:	- Imran Altaf
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No.404,4th Floor Beaumont Plaza,6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	4 Star (long term) and 3 Star (short term) by PACRA



MISSION STATEMENT

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

VISION STATEMENT

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



DIRECTORS' REPORT FOR THE NINE MONTH PERIOD ENDED 31 MARCH, 2016

To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of **Alfalah GHP Islamic Stock Fund (AGIF) (formerly Alfalah GHP Islamic Fund)** for the nine months ended 31 March, 2016. The Financial Statements of the Schemes prepared by the Management Company present true and fair view of the state of affairs of the Schemes and results of their operations, cash flows and movement in unit holders' funds.

Economic Review

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

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

Inflation

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

Interest Rates

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

Fiscal Balance

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



Balance of Payments

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

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

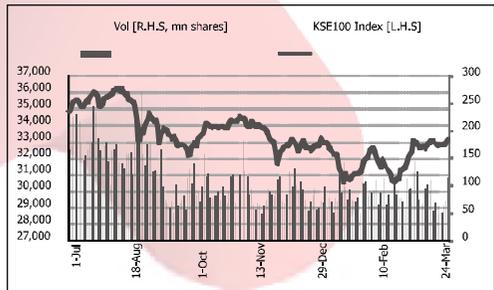
Key triggers to improve the current account balance would be a rise in the pace of foreign direct investment especially from China, in wake of upcoming CPEC projects along with an expected rise in portfolio investments as global markets are expected to cool off after the turmoil it witnessed in the first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

Forward outlook

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

EQUITIES REVIEW

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



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

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

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

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

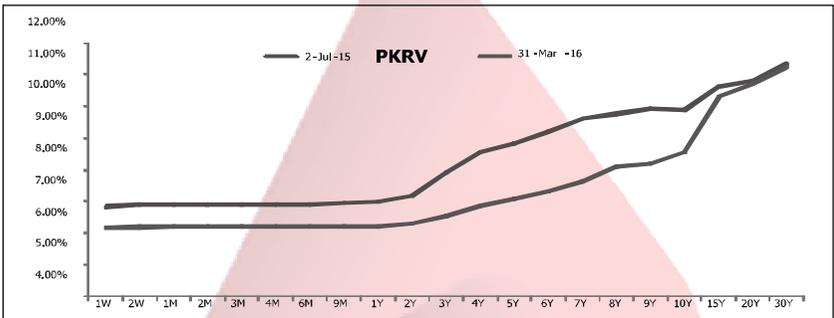


MONEY MARKET REVIEW

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

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

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

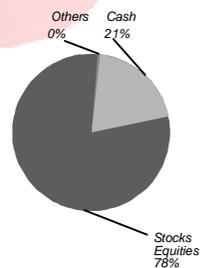


Fund Operations and Performance

During the period under review, the Fund posted an appreciation of 10.15% with net assets of PKR 861 million. The Fund successfully beat the benchmark return (KMI 30 Index) which stood at 1.65%, on the back of active asset allocation and focused stock selection. Exposure was built in sectors that were to benefit from low commodity prices and/or were expected to observe improvement in sector-specific factors. Construction & Material Sector, Pharmaceutical sector, Electricity sector, Engineering Sector and certain plays

Asset Allocation

(As at March 31, 2016)



within the Oil & Gas sector provided majority of the gains. AGISF had a relatively higher exposure to equities to benefit from sector-specific plays. This increased exposure level combined with focused stock selection allowed the fund to post robust performance against its benchmark, and post leading performance within the peer group.

**Key Financial Data**

Description	Nine month period ended 31 March 2016	Nine month period ended 31 March 2015
Net Assets at end of the period	861.017	478.538
Gross income earned	85.605	30.048
Net comprehensive income	79.443	31.476
Net Assets Value per Unit (Rs.)	66.0469	58.1414
Issuance of units during the period	380.770	148.542
Redemption of units during the period	166.625	20.476

Future Outlook

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

Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance, and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and behalf of the Board

Date: April 27, 2016

Maheen Rehman
Chief Executive Officer



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

		March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	Note	----(Rupees)----	
Assets			
Bank balances	5	187,219,876	77,305,388
Investments	6	691,247,310	520,271,528
Security deposits		2,600,000	2,600,000
Prepayments and other receivables		10,931,307	10,059,279
Receivable against sale of investments		-	31,433,535
Total assets		891,998,493	641,669,730
Liabilities			
Payable to the Management Company	7	7,361,535	4,576,163
Remuneration payable to the Trustee		288,176	93,526
Annual fee payable to the Securities and Exchange Commission of Pakistan		493,057	412,550
Provision for Workers' Welfare Fund	8	10,801,934	10,801,934
Distribution payable		-	40,867,871
Payable against purchase of investments		9,525,219	-
Accrued and other liabilities		2,511,256	5,044,414
Total liabilities		30,981,177	61,796,458
Net assets attributable to unit holders		861,017,316	579,873,272
Unit holders' fund		861,017,316	579,873,272
		----- (Number of units) -----	
Number of units in issue		13,036,454	9,670,766
		----- (Rupees) -----	
Net assets value per unit		66.0469	59.9615

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
Income				
Profit on bank and other deposits	3,761,794	3,100,927	2,176,566	1,028,642
Dividend income from equity securities At fair value through profit or loss - held-for-trading	22,313,770	14,327,542	9,758,375	7,261,700
- net (loss) / gain on sale of investments - net unrealised appreciation in the value of investments	20,781,658	(6,310,683)	5,423,864	2,383,974
Income from sukuk certificates	38,747,725	12,636,822	12,023,752	(16,524,220)
Total income	85,604,947	30,047,860	29,382,557	(4,108,811)
Expenses				
Remuneration of the Management Company	10,377,430	5,908,317	3,786,362	2,401,608
Sales tax on management fee	1,685,483	1,028,171	615,094	417,928
Federal excise duty on management fee	1,660,384	945,329	605,814	384,256
Remuneration of the Trustee	1,037,853	593,090	378,673	232,979
Sales tax on Trustee fee	145,292	-	53,014	-
Annual fee to the Securities and Exchange Commission of Pakistan	493,057	280,677	179,848	114,083
Brokerage expense, federal excise duty and capital value tax	1,865,700	928,188	528,505	436,044
Bank and settlement charges	9,974	7,961	-	2,594
Auditors' remuneration	587,715	474,909	155,970	155,970
Printing charges	113,025	111,990	37,255	36,990
Clearing charges	253,183	208,732	77,255	75,167
CDS transaction fee	66,189	37,892	14,206	15,211
Annual listing fee	56,008	29,996	33,511	9,900
Annual rating fee	96,250	95,756	31,850	40,372
Provision for Workers' Welfare Fund	-	634,320	-	72,868
Fees and Expenses various services reimbursable to management Company	157,784	-	157,784	-
Charity	-	263,741	-	-
Total expenses	18,605,327	11,549,069	6,655,141	4,395,970
Net income from operating activities	66,999,620	18,498,791	22,727,416	(8,504,781)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - net	12,443,601	12,977,019	10,475,122	12,418,994
Net income for the period before taxation	79,443,221	31,475,810	33,202,538	3,914,213
Taxation	10	-	-	-
Net income for the period after taxation	79,443,221	31,475,810	33,202,538	3,914,213

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

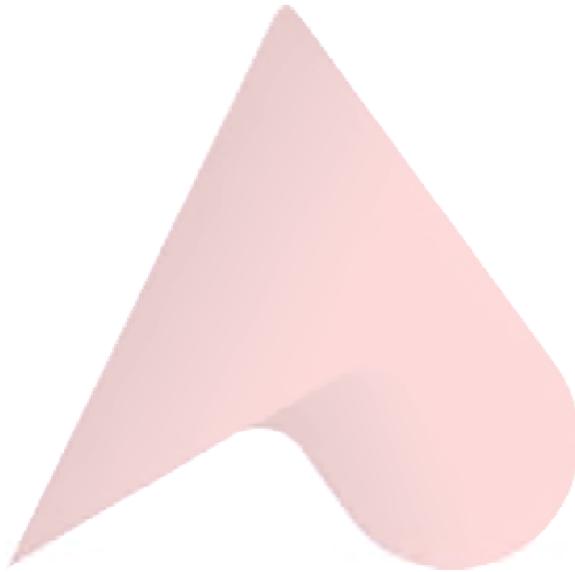
Director



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

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period	79,443,221	31,475,810	33,202,538	3,914,213
Total comprehensive income for the period	<u>79,443,221</u>	<u>31,475,810</u>	<u>33,202,538</u>	<u>3,914,213</u>

The annexed notes from 1 to 13 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 NINE MONTHS PERIOD ENDED AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees) -----		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	79,443,221	31,475,810	33,202,538	3,914,213
Adjustments for:				
Net capital loss on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	(20,781,658)	6,310,683	(5,423,864)	(2,383,974)
Dividend income from equity securities	(22,313,770)	(14,327,542)	(9,758,375)	(7,261,700)
Profit on bank and other deposits	(3,761,794)	(3,100,927)	(2,176,566)	(1,028,642)
Income from sukuk certificates	-	(6,293,252)	-	(1,741,093)
Provision for Workers' Welfare Fund	-	634,320	-	72,868
Net unrealised appreciation in value of investments classified as 'at fair value through profit or loss - held-for-trading'	(38,747,725)	(12,636,822)	(12,023,752)	16,524,220
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(12,443,601)	(12,977,019)	(10,475,122)	(12,418,994)
	<u>(18,605,327)</u>	<u>(10,914,749)</u>	<u>(6,655,141)</u>	<u>(4,323,102)</u>
Decrease / (increase) in assets				
Investments - net	(111,446,399)	(90,413,901)	(102,869,605)	(100,222,544)
Receivable against sale of investments	31,433,535	22,599,729	31,433,535	22,599,729
Conversion of units	8,350,000	-	-	-
Prepayments and other receivables	(57,850)	(41,848)	(29,269,877)	(40,954,329)
	<u>(71,720,714)</u>	<u>(67,856,020)</u>	<u>(100,705,947)</u>	<u>(118,577,144)</u>
(Decrease) / increase in liabilities				
Payable against purchase of investments	9,525,219	-	9,525,219	-
Payable to the Management Company	2,785,372	1,519,820	1,693,501	879,376
Remuneration payable to the Trustee	194,650	(52,781)	167,941	14,362
Annual fee payable to the Securities and Exchange Commission of Pakistan	80,507	(76,971)	179,848	114,083
Distribution payable	(40,867,871)	(83,806,778)	-	-
Accrued and other liabilities	(2,533,158)	(89,236)	547,499	105,162
	<u>(30,815,281)</u>	<u>(82,505,946)</u>	<u>12,114,008</u>	<u>1,112,983</u>
Net cash (used in) / generated from operating activities	<u>(121,141,322)</u>	<u>(161,276,715)</u>	<u>(95,247,080)</u>	<u>(121,787,263)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend and profit received	16,911,386	19,365,742	2,186,165	5,319,106
Amount received on issuance of units	380,769,913	148,541,637	176,134,780	123,543,734
Payment against redemption of units	(166,625,489)	(20,476,439)	(18,094,296)	(12,732,136)
Net cash generated from / (used in) financing activities	<u>231,055,810</u>	<u>147,430,940</u>	<u>160,226,649</u>	<u>116,130,704</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>109,914,488</u>	<u>(13,845,775)</u>	<u>64,979,569</u>	<u>(5,656,559)</u>
Cash and cash equivalents at beginning of the period	77,305,388	77,746,619	122,240,307	69,557,403
Cash and cash equivalents at end of the period	<u>5</u> <u>187,219,876</u>	<u>63,900,844</u>	<u>187,219,876</u>	<u>63,900,844</u>

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

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

Chief Executive Officer

Director



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

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Undistributed income brought forward				
Realised (losses) / gains	935,291	(4,060,312)	98,506,099	23,400,521
Unrealised gains / (losses)	79,924,680	29,060,278	26,723,973	29,161,042
	78,989,389	24,999,966	125,230,072	52,561,563
Net income for the period after taxation	79,443,221	31,475,810	33,202,538	3,914,213
Undistributed income carried forward	<u>158,432,610</u>	<u>56,475,776</u>	<u>158,432,610</u>	<u>56,475,776</u>
Undistributed income carried forward at period end				
Realised gains	119,684,885	43,838,954	146,408,858	72,999,996
Unrealised gains	38,747,725	12,636,822	12,023,752	(16,524,220)
	<u>158,432,610</u>	<u>56,475,776</u>	<u>158,432,610</u>	<u>56,475,776</u>

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

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

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

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Net assets at beginning of the period	579,873,272	331,973,755	680,249,416	376,230,927
Amount realised / unrealised on issuance of 6,008,836 units (March 31, 2015: 2,468,120 units) and 2,755,855 units (2015: 2,026,537 units) for nine months and quarter respectively	380,769,913	148,541,637	176,134,780	123,543,734
Amount paid / payable on redemption of 2,643,148 units (March 31, 2015: 342,384 units) and 283,531 units (2015: 207,815 units) for nine months and quarter respectively	(166,625,489)	(20,476,439)	(18,094,296)	(12,732,136)
	794,017,696	460,038,953	838,289,900	487,042,525
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	(12,443,601)	(12,977,019)	(10,475,122)	(12,418,994)
Total comprehensive income / (loss) before capital gain / (loss) - realised and unrealised	19,913,838	25,149,671	15,754,922	18,054,459
Net capital (loss) / gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	20,781,658	(6,310,683)	5,423,864	2,383,974
Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	38,747,725	12,636,822	12,023,752	(16,524,220)
Total comprehensive income for the period	79,443,221	31,475,810	33,202,538	3,914,213
Net assets at end of the period	861,017,316	478,537,744	861,017,316	478,537,744

The annexed notes from 1 to 13 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Islamic Stock Fund (formerly 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 Stock Fund (formerly Alfalah GHP Islamic Fund) is listed on the Pakistan Stock Exchange Limited (PSE). 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 SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund).

The Fund is categorized as an open ended shariah compliant Islamic Equity Fund. 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 'AM2-' (Outlook: Stable) to the Management Company in its rating report dated March 31, 2016 and 4-Star (long-term) and 3-Star (short-term) to the Fund in its rating report dated August 13, 2015.

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.

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, 2015.

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, 2015.

**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, 2015.

		March 31, 2016	June 30, 2015
		(Unaudited)	(Audited)
5. BANK BALANCES	<i>Note</i>	----(Rupees)----	
Deposit accounts - local currency	5.1	<u>187,219,876</u>	<u>77,305,388</u>

5.1 The deposit accounts with the banks carry profit at rates ranging from 5.66% to 6.5% per annum (June 30, 2015: 5.00% to 6.45%) per annum.

		March 31, 2016	June 30, 2015
		(Unaudited)	(Audited)
6. INVESTMENTS	<i>Note</i>	----(Rupees)----	
Financial assets classified as 'at fair value through profit or loss' - held-for-trading			
Equity securities - quoted	6.1	686,001,638	514,739,454
Quoted units	6.2	<u>5,245,672</u>	<u>5,532,074</u>
		<u>691,247,310</u>	<u>520,271,528</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	Purchased	Bonus / rights		As at March	Cost as at	Market value	Market value as a percentage of		
	01, 2015	during	Issue during	Sold during	31, 2016	March	as at	Net assets	Total	
		----- (No. of certificates) -----					----- (Rupees) -----			
Fertilizer										
Fauji Fertilizer Bin Qasim Limited	-	266,000	-	266,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	320,500	-	-	320,500	-	-	-	-	-	-
Fatima Fertilizer Company Limited	172,500	436,000	-	608,500	-	-	-	-	-	-
Engro Fertilizer Limited	299,500	135,000	-	434,500	-	-	-	-	-	-
Engro Corporation Limited	122,000	34,000	-	156,000	-	-	-	-	-	-
Cement										
D.G Khan Cement Company Limited	149,500	198,500	-	-	348,000	53,473,930	60,489,360	7.03%	8.75%	
Fauji Cement Company Limited	340,000	-	-	340,000	-	-	-	-	-	-
Kohat Cement Limited	90,900	91,500	-	48,000	134,400	28,555,362	34,949,376	4.06%	5.06%	
Maple Leaf Cement Company Limited	417,500	150,000	-	368,500	199,000	15,000,212	18,349,790	2.13%	2.65%	
Pioneer Cement Limited	-	571,000	-	-	571,000	52,558,860	56,483,320	6.56%	8.17%	
Cherat Cement Company Limited	-	270,500	-	100,000	170,500	17,013,493	18,398,655	2.14%	2.66%	
Lucky Cement Limited	67,850	77,500	-	67,850	77,500	38,249,544	41,703,525	4.84%	6.03%	
Fecto Cement Limited	71,000	226,500	-	-	297,500	23,711,515	29,636,950	3.44%	4.29%	
						<u>228,562,916</u>	<u>260,010,976</u>			
Power generation and distribution										
Hub Power Company Limited	548,500	355,000	-	188,000	715,500	70,394,826	74,798,370	8.69%	10.82%	
Lalpir Power Limited	-	886,500	-	381,000	505,500	16,688,261	12,617,280	1.47%	1.83%	
Pakgen Power Limited	-	616,000	-	381,000	235,000	7,388,269	6,340,300	0.74%	0.92%	
Kot Addu Power Company Limited	529,000	286,500	-	160,500	655,000	54,405,500	50,546,350	5.87%	7.31%	
						<u>148,876,856</u>	<u>144,302,300</u>			



Name of the investee company	As at	Purchased	Bonus / rights			Cost as at	Market value	Market value as a percentage of:	
	July	during	Issue during	Sold during	As at March	March	as at	Net assets	Total
	01, 2015	the year	the year	the year	31, 2016	31, 2016	March 31, 2016		
	----- (No. of certificates) -----					----- (Rupees) -----			
Oil and gas marketing companies									
Hascal Petroleum Limited	226,840	171,000	42,568	328,000	112,408	15,765,330	15,768,594	1.83%	2.28%
Pakistan State Oil Company Limited	31,500	85,000	-	58,000	58,500	19,596,694	20,547,540	2.39%	2.97%
						<u>35,362,024</u>	<u>36,316,134</u>		
Automobile parts and accessories									
The General Tyre & Rubber Company of Pakistan Limited	-	124,000	-	-	124,000	21,965,977	18,551,640	2.15%	2.68%
Oil and gas exploration companies									
Oil & Gas Development Company Limited	-	239,000	-	234,000	5,000	729,741	572,200	0.07%	0.08%
Attock Refinery Limited	28,000	-	-	28,000	-	-	-	-	-
Pakistan Oilfields Limited	-	53,000	-	30,000	23,000	6,005,256	5,934,230	0.69%	0.86%
National Refinery Limited	52,500	78,000	-	52,500	78,000	21,273,897	21,098,220	2.45%	3.05%
Byco Petroleum Pakistan Limited	-	125,000	-	125,000	-	-	-	-	-
Pakistan Petroleum Limited	-	48,500	-	-	48,500	6,219,485	6,213,820	0.72%	0.90%
Mari Gas Company Limited	-	96,000	-	62,000	34,000	15,289,680	23,883,980	2.77%	3.46%
						<u>49,518,059</u>	<u>57,702,450</u>		
Automobile assembler									
Pak Suzuki Motor Company Limited	67,100	14,000	-	81,100	-	-	-	-	-
Indus Motor Company Limited	-	11,950	-	9,000	2,950	3,550,515	2,794,358	0.32%	0.40%
Honda Atlas Cars (Pakistan) Limited	-	69,000	-	69,000	-	-	-	-	-
						<u>3,550,515</u>	<u>2,794,358</u>		
Textile composite									
Nishat Mills Limited	137,000	-	-	137,000	-	-	-	-	-
Kohinoor Textile Mills Limited	202,000	30,000	25,725	60,500	197,225	11,383,790	13,957,613	1.62%	2.02%
						<u>11,383,790</u>	<u>13,957,613</u>		
Engineering									
Crescent Steel & Allied Products Limited	-	409,250	-	190,500	218,750	23,787,750	25,720,625	2.99%	3.72%
Amerli Steel Limited	-	131,000	-	-	131,000	7,712,310	6,834,270	0.79%	0.99%
						<u>31,500,060</u>	<u>32,554,895</u>		
Sugar & Allied Industries									
Faran Sugar Mills Limited	-	32,500	-	-	32,500	3,472,625	3,315,650	0.39%	0.48%
Pharmaceuticals									
The Searle Company Limited	-	160,100	23,480	79,000	104,580	38,322,103	45,961,864	5.34%	6.65%
The Searle Company Limited - LoR	-	-	8,100	8,100	-	-	-	-	-
Ferozsons Laboratories Limited	-	13,600	-	13,600	-	-	-	-	-
Hignnoon Laboratories Limited	-	23,900	-	23,900	-	-	-	-	-
						<u>38,322,103</u>	<u>45,961,864</u>		
Cable and electrical goods									
Pak Elektron Limited	552,000	84,250	-	285,000	351,250	26,020,687	21,240,087	2.47%	3.07%
Food and personal care products									
Engro Foods Limited	43,500	73,000	-	116,500	-	-	-	-	-
Al Shaheer Corporation Limited	-	222,500	-	-	222,500	11,853,015	11,892,625	1.38%	1.72%
Technology and communication									
Systems Limited	62,000	446,000	-	174,500	333,500	19,577,885	20,383,520	2.37%	2.95%
Paper and board									
Packages Limited	10,600	22,000	-	-	32,600	17,000,998	17,017,526	1.98%	2.46%
Total	<u>4,541,790</u>	<u>7,363,050</u>	<u>99,873</u>	<u>5,985,550</u>	<u>6,019,163</u>	<u>646,967,510</u>	<u>686,001,638</u>		



6.1.1 The investments include bonus shares having market value of Rs.1.072 million (June 30, 2015: 0.09 million) withheld by the investee companies during the period as issuance of bonus shares has been made taxable through Finance Act, 2014. Consequently, bonus shares equivalent to 5 percent representing tax impact of the bonus announcement have been withheld by the investee companies.

The management of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in the Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case.

	March 31,	June 30,
	2016	2015
	----- (Number of shares) -----	

6.1.2 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

Lucky Cement Limited	-	30,000
Pak Elektron Limited	200,000	-
	200,000	30,000

6.2 Name of the investee company	As at	Purchased	Bonus / rights		As at March	Cost as at	Market value	Market value as a percentage of:	
	July	during	Issue during	Sold during	31, 2016	March	as at	Net assets	investment
	01, 2015	the year	the year	the year		31, 2016	March 31, 2016		
	----- (No. of certificates) -----					----- (Rupees) -----			
Real estate investment and services									
Dolmen City REIT (Face value of Rs.10 each)	502,459	-	-	-	502,459	5,532,074	5,245,672	0.61%	0.92%
	502,459	-	-	-	502,459	5,532,074	5,245,672		

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

Market value of investments	691,247,310	520,271,528
Less: Cost of investments	(652,499,584)	(440,346,848)
	38,747,726	79,924,680
	March 31,	June 30,
	2016	2015
	(Unaudited)	(Audited)

7. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	1,385,066	998,006
Sales tax payable on management fee	830,733	553,876
Federal excise duty payable on management fee	4,318,408	2,658,024
Sales load payable	827,328	366,257
	7,361,535	4,576,163

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, 2015.

9. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

There is no change in status of the petition pending with the Honourable Sindh High Court as reported in note 14 to the annual financial statements of the Fund for the year ended June 30, 2015.

**10. TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule 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 nine months ended March 31, 2016.

11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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 Unit Holders' Fund

Nine months ended March 31, 2016 (Un-audited)										
	As at July 01, 2015	Issued for cash	Bonus	Redeemed	As at March 31, 2016	As at July 01, 2015	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2016
	Units				(Rupees)					
Associated companies / undertakings										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	335,189,402	-	-	-	369,207,257
Other Related Parties										
CDC-Trustee Alfalah GHP Prosperity Planning Fund	-	1,744,100	-	221,992	1,522,108	-	111,154,446	-	14,000,000	100,530,515
Key Management Personnel										
Chief Investment Officer	-	4,918	-	-	4,918	-	311,448	-	-	324,819
Employees	-	76	-	-	76	-	5,191	-	-	5,020
Unit holder holding 10% or more Units										
Siddiq Leather Works(Pvt.)Ltd.	602,230	1,032,092	-	-	1,634,322	36,110,614	68,315,445	-	-	107,941,902

Nine months ended March 31, 2015 (Un-audited)										
	As at July 01, 2014	Issued for cash	Bonus	Redeemed	As at March 31, 2015	As at July 01, 2014	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2015
	Units				(Rupees)					
Associated companies / undertakings										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	303,981,120	-	-	-	325,014,903
Key Management Personnel										
Ather Hussain Medina	7,638	12,916	-	-	20,554	415,345	750,569	-	-	1,195,038
Nabeel Malik	-	2,695	-	-	2,695	-	160,000	-	-	156,691
Unit holder holding 10% or more Units										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	303,981,120	-	-	-	325,014,903
Syeda Henna Bebar Ali	-	1,812,258	-	-	1,812,258	-	110,000,000	-	-	105,367,217



	Quarter ended March 31, 2016 (Un-audited)									
	As at January 01, 2016	Issued for cash	Bonus	Redeemed	As at March 31, 2016	As at January 01, 2016	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2016
	-----Units-----					----- (Rupees) -----				
Associated Companies / Undertakings										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	359,958,474	-	-	-	369,207,257
Other Related Parties										
CDC-Trustee Alfalah GHP Prosperity Planning Fund	1,194,995	437,949	-	110,836	1,522,108	76,948,596	29,154,446	-	7,000,000	100,530,515
Key Management Personnel Management Company										
Chief Investment Officer	-	4,918	-	-	4,918	-	311,448	-	-	324,819
Employees	-	76	-	-	76	-	5,191	-	-	5,020
Unit holder holding 10% or more units										
Siddiq Leather Workes(Pvt.)Ltd.	1,156,319	478,003	-	-	1,634,322	74,458,156	31,144,764	-	-	107,941,902

	Quarter ended March 31, 2015 (Un-audited)									
	As at January 01, 2015	Issued for cash	Bonus	Redeemed	As at March 31, 2015	As at January 01, 2015	Issued for cash	Bonus	Redeemed	NAV as at March 31, 2015
	-----Units-----					----- (Rupees) -----				
Associated companies / undertakings										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	328,025,718	-	-	-	325,014,903
Key Management Personnel										
Ather Hussain Medina	18,102	2,452	-	-	20,554	1,062,225	150,000	-	-	1,195,038
Nabeel Malik	-	2,695	-	-	2,695	-	160,000	-	-	156,691
Unit holder holding 10% or more Units										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	328,025,718	-	-	-	325,014,903
Syeda Henna Babar Ali	-	1,812,258	-	-	1,812,258	-	110,000,000	-	-	105,367,217

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	

11.2 Other transactions

Connected persons

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the

Management Company

Sales tax on management fee

Federal excise duty on management fee

Sales load

	10,377,430	5,908,317	3,786,362	2,401,608
	1,685,483	1,028,171	615,094	417,928
	1,660,384	945,329	605,814	384,256
	1,244,619	502,431	536,688	189,415



	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Other related parties				
Central Depository Company of Pakistan Limited - (Trustee of the Fund)				
Remuneration of the Trustee	<u>1,037,853</u>	<u>593,090</u>	<u>378,673</u>	<u>232,979</u>
Sales tax on Trustee fee	<u>145,292</u>	<u>-</u>	<u>53,014</u>	<u>-</u>
Bank Alfalah Limited				
Bank profit	<u>96,458</u>	<u>644,027</u>	<u>13,125</u>	<u>121,027</u>
Bank charges	<u>8,949</u>	<u>3,761</u>	<u>455</u>	<u>-</u>

11.3 Other balances

Connected persons

Alfalsh GHP Investment Management Limited
- Management Company

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
	-----(Rupees)----	
Remuneration payable to the Management Company	<u>1,385,066</u>	<u>998,006</u>
Sales tax payable on management fee	<u>830,733</u>	<u>553,876</u>
Federal excise duty payable on management fee	<u>4,318,408</u>	<u>2,658,024</u>
Sales load payable	<u>827,328</u>	<u>366,257</u>

Other related parties

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

Remuneration payable to the Trustee	<u>288,176</u>	<u>93,526</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

Bank Alfalah Limited

Bank balances	<u>49,416,166</u>	<u>33,292,628</u>
Mark-up receivable	<u>15,978</u>	<u>691,325</u>

12. DATE OF AUTHORISATION FOR ISSUE

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

13. GENERAL

13.1 Figures are rounded off to the nearest rupee.



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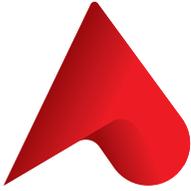


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