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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:	<ul style="list-style-type: none">- Mr. Abdul Aziz Anis- Mr. Hanspeter Beier- Syed Ali Sultan- Mr. Shakil Sadiq- Mr. Shahab Bin Shahid
CFO & Company Secretary Of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	<ul style="list-style-type: none">- Mr. Shahab Bin Shahid- Syed Ali Sultan- Mr. Shakil Sadiq
HR Committee:	<ul style="list-style-type: none">- Mr. Shakil Sadiq- Shahab bin Shahid- Abdul Aziz Anis
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 quarter ended 31 March 2013.

Financial Performance

Net assets under management as on March 31, 2013 were Rs. 316.91 million. During the period units worth Rs. 36.50 million were issued and units worth Rs. 0.023 million were redeemed.

AGIMF earned total Income of Rs. 31.189 million for the nine months ended March 31, 2013 including net impairment loss on value of investments of Rs.34.55 million. Major sources of revenue were income from sukuk certificates of Rs. 13.476 million, income from profit on bank deposits of Rs. 1.066 million, income from government securities of Rs. 12.184 million. After accounting for expenses of Rs. 4.906 million the net income from operating activities for the period stands at Rs. 26.283 million.

Market & Fund's Performance

The fund ended 9M FY13 showing an annualized return of 13.66% as compared to its benchmark's (1 Year KIBOR) annualized return of 10.40% showing an outperformance of 3.26%.

In 9M FY13, SBP cumulatively announced a Treasury bill auction target of PKR 3,750.00 billion versus maturity of PKR 3,725.607 billion, while the SBP actually raised PKR 3,843.344 billion against the participation of PKR 6,090.887 billion. During the period, 3 months cut off yield has decreased by 250.87 bps, 6 months by 251.40 bps and 12 months by 252.92 bps and settled at 9.4114%, 9.4280% and 9.4230% respectively. Likewise, 10 year benchmark PIB cut off yield has decreased by 190.87 bps to 11.4209%.

Asset Allocation

The asset allocation of AGIMF as at March 31, 2013 was as follows:

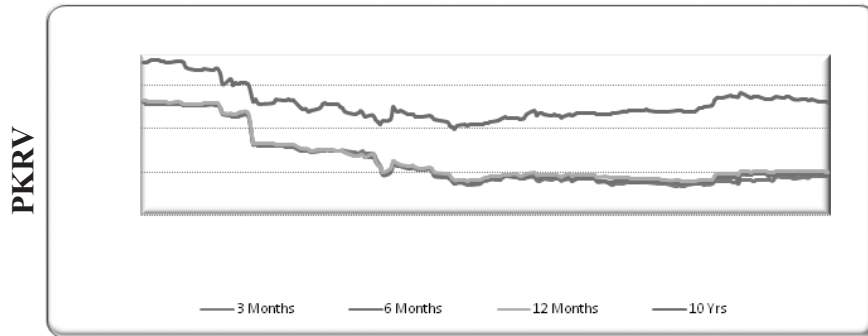
Cash / Bank Deposit	2.90%
TFC's / Sukuks	20.29%
T-Bills	72.28%
Others	4.53%
Total	<u>100.00%</u>

Investment Outlook

While concerns linger regarding the deteriorating macroeconomic fundamentals, weak law and order situation, and the possibility of no political party getting a clear mandate in the upcoming general election, the very fact that the country is heading into a general election with the previous assembly having completed its full term is a huge positive.

However, apart from the structural issues in the economy we see monetary tightening from the last quarter i.e. 4QFY13 onwards. Additionally, strong external account pressure will keep the rupee dollar parity under pressure.

Our preferred portfolio mix will be tilted towards government securities having mid-term maturity profile i.e. less than 6 months. With regards to corporate paper, we will maintain a cautious approach while restricting the exposure to high rated floating instruments.



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

16 April 2013
Karachi.

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 31 MARCH 2013**

		31 March 2013 (Unaudited) (Rupees in '000)	30 June 2012 (Audited)
Assets			
Bank balances	5	9,265	25,769
Investments	6	293,356	212,114
Income and profit receivable		16,711	18,080
Advances, deposits and other receivables		2,610	2,600
Total assets		321,942	258,563
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		369	304
Payable to Central Depository Company of Pakistan Limited - Trustee		51	49
Payable to Securities and Exchange Commission of Pakistan - Annual fee		149	195
Accrued expenses and other liabilities		4,464	4,140
Total liabilities		5,033	4,688
Contingencies and Commitments	8	-	-
Net assets		316,909	253,875
Unit holders' funds (as per statement attached)		316,909	253,875
		(Number of units)	
Number of units in issue		6,243,358	5,514,548
		(Rupees)	
Net asset value per unit		50.7594	46.0373

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 2013**

	Nine months period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	----(Rupees in '000)----		----(Rupees in '000)----	
Income				
Income from term finance certificate - net of amortization of premium /discount	(713)	23,150	125	21,111
Income from government securities - net of amortization of discount	12,184	4,877	4,118	2,296
Income from sukuk certificates	13,476	11,287	2,954	6,415
Profit on deposit accounts with banks	1,066	988	427	410
Capital loss on sales of investment	(29,300)	-	(534)	-
Unrealised (diminution) in the value of investments - 'at fair value through profit or loss'	(69)	(39)	(289)	(31)
Impairment in the value of investments classified as 'available for sale'	(15,481)	(77,898)	(574)	(20,472)
Reversal of impairment in the value of investment classified as 'available for sale'	50,026	22,078	4,682	22,078
Total (loss) / income	31,189	(15,557)	10,909	31,807
Expenses				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	2,488	2,462	870	734
Sales tax on Management fee	398	394	139	117
Remuneration of Central Depository Company of Pakistan Limited - Trustee	450	451	147	149
Annual fee - Securities and Exchange Commission of Pakistan	149	148	52	44
Transaction cost	11	1	4	-
Bank and Settlement charges	20	31	9	15
Fees and subscriptions	215	205	77	66
Auditor's remuneration	453	440	114	99
Legal Charges	68	70	23	25
Amortization of preliminary expenses and floatation cost	-	439	-	145
Worker's welfare fund	536	-	188	-
Printing and related cost	118	109	29	30
Total expenses	4,906	4,750	1,652	1,424
Net income / (loss) from operating activities	26,283	(20,307)	9,257	30,383
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	-	(76)	(1)	(233)
Net income / (loss) for the period	26,283	(20,383)	9,256	30,150

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 2013**

	Nine months period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Net income / (loss) for the period	26,283	(20,383)	9,256	30,150

Note -----(Rupees in '000)-----

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).		36	80	36	119
Net unrealised Appreciation / (diminution) during the period in fair value of investments classified as 'available for sale'	6.3	274	5,165	(10)	(6,169)
Other comprehensive Income / (loss) for the period		310	5,245	26	(6,050)
Total comprehensive (loss) / income for the period		<u>26,593</u>	<u>(15,138)</u>	<u>9,282</u>	<u>24,100</u>

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 DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2013**

	Nine months period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Undistributed (loss) brought forward				
- Realized	(21,595)	(2,928)	(4,847)	(62,409)
- Unrealized	(59)	44	220	(8)
	(21,654)	(2,884)	(4,627)	(62,417)
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)	36	80	36	119
Net (loss) / income for the period	26,283	(20,383)	9,256	30,150
Final distribution for the year ended 30 June 2012:				
- Cash distribution: Rs. Nil per unit (2011: Rs 1.59 per unit)	-	(8,715)	-	-
- Issue of Nil bonus units (2011: 5,038 units)	-	(246)	-	-
	26,319	(29,264)	9,292	30,269
Undistributed (loss) carried forward				
- Realized	4,734	(32,109)	4,954	(32,117)
- Unrealized	(69)	(39)	(289)	(31)
	4,665	(32,148)	4,665	(32,148)

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 2013**

	Nine months period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Note	----(Rupees in '000)----		----(Rupees in '000)----	
Net assets at the beginning of the period	253,875	284,292	271,167	226,927
Issue 729,294 units (2012: 105,495 units) and 729,294 units (2012 105,495) for the nine months and quarter respectively.	36,500	4,419	36,500	4,419
Redemption 484 units (2012: 293,998) and 104 units (2012: 105,611 units) for the nine months and quarter respectively.	(23)	(13,833)	(5)	(4,539)
	36,477	(9,414)	36,495	(120)
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	1	233
- amount representing unrealised capital loss / (gains) - transferred directly to the Distribution Statement	(36)	(80)	(36)	(119)
	(36)	(4)	(35)	114
Final bonus distribution of 5,038 bonus units declared for the year ended 30 June 2011	-	246	-	-
Net unrealised (Appreciation) on revaluation of investments classified as 'available-for-sale'	274	5,165	(10)	(6,169)
Capital loss on sale of investments	(29,300)	-	(534)	-
Unrealised (diminution) in the value of investments -'at fair value through profit or loss'	(69)	(39)	(289)	(31)
Other net (loss) / income for the period	55,652	(20,344)	10,079	30,181
Element of loss / income and capital (losses) / gains included in prices of units sold less those in units repurchase	36	80	36	119
Final distribution for the year ended 30 June 2012:				
- Cash distribution: Rs. Nil per unit (2011: Rs 1.59 per unit)	-	(8,715)	-	-
- Issue of Nil bonus units (2011: 5,038 units)	-	(246)	-	-
Net (loss) / income for the period less distribution	26,319	(29,264)	9,292	30,269
Net assets at the end of the period	316,909	251,021	316,909	251,021
			----(Rupees)----	
Net asset value per unit at the beginning of the period	46.0373	49.4753	49.1764	40.7935
Net asset value per unit at the end of the period	50.7594	45.1259	50.7594	45.1259

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 2013**

	Nine months period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	----(Rupees in '000)----		----(Rupees in '000)----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) / income for the period	26,283	(20,383)	9,256	30,150
Adjustments for:				
Unrealised (appreciation) /diminution in the value of investments				
-at fair value through profit or loss'	69	39	289	31
Impairment in the value of investments classified as 'available for sale'	15,481	77,898	574	20,472
Reversal of impairment in the value of investment classified as 'available for sale'	(50,026)	(22,078)	(4,682)	(22,078)
Income from sukuk certificates	(13,476)	(11,287)	(2,954)	(6,414)
Profit on deposit accounts with banks	(1,066)	(988)	(427)	(410)
Amortisation of preliminary expenses and floatation costs	-	439	-	146
Income from term finance certificate - net of amortization of premium /discount	713	(23,150)	(125)	(21,111)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	76	1	233
	(22,022)	566	1,932	1,019
(Increase) / decrease in assets				
Investments	(46,492)	(3,608)	(47,114)	(29,756)
Deposits & Prepayments	(10)	990	10	1,010
	(46,502)	(2,618)	(47,104)	(28,746)
Increase / (decrease) in liabilities				
Payable to Alfalah GHP Investment Management Limited - Management Company	65	20	39	(31)
Payable to Central Depository Company of Pakistan Limited - Trustee	2	2	-	-
Payable to Securities and Exchange Commission of Pakistan -Annual fee	(46)	(123)	52	44
Accrued expenses and other liabilities	324	28	7	(32)
	345	(73)	98	(19)
Profit received on investments	15,198	41,115	4,405	26,705
Net cash from / (used in) operating activities	(52,981)	38,990	(40,669)	(1,041)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	36,500	4,419	36,518	4,419
Payment against redemption of units	(23)	(13,833)	(23)	(4,539)
Cash dividend Paid	-	(8,715)	-	-
Net cash from / (used in) financing activities	36,477	(18,129)	36,495	(120)
Net (decrease) / increase in cash and cash equivalents during the period	(16,504)	20,861	(4,174)	(1,161)
Cash and cash equivalents at beginning of the period	25,769	13,679	13,439	35,701
Cash and cash equivalents at end of the period	9,265	34,540	9,265	34,540

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 2013**

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 aggressive fixed income scheme and can invest in debt and money market securities as authorized in Fund Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Negative) to the Management Company in its rating report dated 17 May 2012 and BBB+(f) Stability Rating to the fund in its rating report dated 09 January 2013.

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 2013 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim statement of cash flows and notes thereto, for the nine months period ended 31 March 2013.

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, 2012. 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 end for the year ended 30 June 2012.

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 2012 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:

- IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)
- IAS 12 - Income Tax - Recovery of Underlying Assets (Amendment)

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

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at end for the year ended 30 June 2012.

5. BANK BALANCES	<i>Note</i>	31 March 2013 (Unaudited)	30 June 2012 (Audited)
		(Rupees in '000)	
Deposit accounts	5.1	<u>9,265</u>	<u>25,769</u>

- 5.1 These balances in saving deposit accounts bear profit rates ranging from 8% to 9% per annum (30 June 2012: 5% to 11% per annum). This includes Rs. 9.23 million (30 June 2012: 1.153 million) with a related party that carry markup ranging from 8% to 9% per annum.

6. INVESTMENTS	Note	31 March	30 June
		2013	2012
		(Unaudited) (Audited)	
		(Rupees in '000)	
Available for sale			
Investment in term finance certificates	6.1	14,024	18,855
Investment in sukuk certificates	6.2	44,181	69,475
		58,205	88,330
At fair value through profit or loss			
Market treasury bills	6.7	229,062	123,784
Investment in term finance certificates	6.5	6,089	-
		235,151	123,784
		293,356	212,114

6.1 INVESTMENTS

Name of the investee company	Notes	Maturity	Profit/ Mark-up Percentage	As at 01 July 2012	Purchases during the period	Sales/ Mature during the period	Redemption during the period	As at 31 March 2013	Cost as at 31 March 2013	Market value as at 31 March 2013	Impairment in the Value of Investment in the value of investments	Appreciation /(Diminution) 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		(Rupees in '000)					
Listed term finance certificates															
Financial Receivable Securitization Limited	6.1.1	January 2014	6M KIBOR + 2%	1,992	-	-	-	1,992	1,660	1,668	-	8	1.42	0.53	0.57
Trust Investment Bank Limited	6.1.2	July 2013	6M KIBOR + 1.85%	8,000	-	-	-	8,000	14,994	11,246	(3,765)	-	6.67	3.55	3.83
Unlisted term finance certificates															
Security Leasing Corporation Limited	6.1.3	January 2022	6%	2,000	-	-	-	2,000	1,794	1,110	(685)	-	2.00	0.35	0.38
Agritech Ltd (Formerly Pak American Fertilizer Limited)	6.1.4	November 2017	6M KIBOR + 1.75%	17,950	-	-	-	17,950	89,666	-	(89,675)	-	6.33	-	-
Agritech Ltd-IV (Formerly Pak American Fertilizer Limited)	6.1.5	January 2015	Zero Coupon	4,094	-	-	-	4,094	20,470	-	(20,470)	-	2.27	-	-
Invest Capital Investment Bank Ltd (Formerly Al-Zamin Leasing Modaraba)		November 2013	6M KIBOR + 1.90%	10,000	-	10,000	-	-	-	-	-	-	-	-	-
									128,584	14,024	(114,595)	8			

- 6.1.1 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 2% per annum, receivable semi-annually in arrears with a floor of 8% and cap of 16%. These term finance certificates are secured against hypothecation charge on the future receivables under "agreement to sell and purchase receivables".

- 6.1.2 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.85% per annum, receivable semi-annually in arrears with a floor of 6% and cap of 10%. These term finance certificates are secured against first charge on specified leased assets and associated lease receivables with a 40% margin. TIBL defaulted on its payment of principal and markup due on 04 July 2012. Consequently, the security was classified as non-performing by MUFAP on 18-Oct-2012. Accordingly accrual of markup on the same has been suspended and markup due amounting Rs. 1.437 million has been reversed and provision has been made amounting Rs. 3.765 million (including 2.921 million provided in the current period) in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

- 6.1.3 These term finance certificates carry fixed mark-up rate of 6.00% per annum, receivable monthly in arrears. These term finance certificates are secured against first charge on specific leased assets with related rentals receivables with 25% margin. SLCL had rescheduled its repayments through second supplemental Trust deed executed on May 18 2011. As per the supplemental deed, SLCL obtained the waiver from the obligation to pay the mark-up on the outstanding amount while the principal to be repaid in 36 equal installments starting from April 29, 2011 to March 29, 2014. In February 2011, SLCL had rescheduled its monthly repayment from Rs. 78,125/- to Rs. 16,927/- without any alteration in supplemental trust Deed subsequently the security was classified as 'non-performing' by MUFAP on 03 April 2012. Accordingly, provision has been made amounting Rs. 0.745 million in the current period in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning

policy. on 15-03-2013 the security was re-classified as Performing by MUFAP accordingly provision amounting Rs. 0.034 million was reversed.

- 6.1.4 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.75% per annum, receivable semi-annually in arrears. These term finance certificates are secured against first pari passu charge over all present and future fixed assets with a 25% margin. Agritech Limited (formerly Pak American Fertilizer Limited) defaulted on its payment of principal and markup due on 29 May 2010. In prior year, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from 29 November 2014 to 29 November 2017. 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 (Rs. nil in current period) in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.
- 6.1.5 This represents additional certificates of Agritech Limited received by the Fund through restructuring agreement reached between lenders and Agritech Limited. Under such agreement outstanding mark up due on May 29, 2011 and July 13, 2011 against 1st and 2nd Issue respectively amounting to Rs. 20.47 million was settled in the form of certificates valuing Rs. 20.47 million. These investments had been recorded as 100% impaired (Rs. nil in current period) since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation.

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 2012	Purchases during the period	Sales/ Mature during the period	Redemption during the period	As at 31 March 2013	Cost as at 31 March 2013	Market value as at 31 March 2013	Impairment of Investment	Appreciation/(Diminution) in the value of investments	Market value as a percentage of net assets investment	Outstanding value as a percentage of issued debt capital	
				----- Number of certificates -----				(Rupees in '000)							
Maple Leaf Cement Factory Limited	6.2.1	December 2018	3M KIBOR +1%	15,000	-	-	-	15,000	69,216	27,686	(41,565)	-	8.74	9.44	1.88
Maple Leaf Cement Factory Limited-II	6.2.2	March 2012	3M KIBOR +1%	562	-	562	-	-	-	-	-	-	-	-	-
Kohat Cement Company Limited	6.2.3	September 2016	3M KIBOR +1.50%	25,000	-	2,000	-	23,000	21,994	16,495	(5,498)	-	5.20	5.62	5.00
									91,210	44,181	(47,063)	-			
									219,794	58,205	(161,658)	8			

- 6.2.1 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. 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 had been made amounting Rs. 41.56 million (including Rs. 7.851 million provided in current period) in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy. During the period principal amounting Rs. 5.625 million was received accordingly provision amounting Rs. 3.375 million was reversed.
- 6.2.2 This represents additional sukus 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 sukus certificates valuing Rs. 2.81 million. These investments have been recorded as 100% impaired (Rs. Nil in current period) since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation. During the period suspended overdue markup amounting Rs. 2.81 million was received accordingly provision amounting Rs. 2.81 million was reversed.
- 6.2.3 This represents investment in sukuk certificates of Kohat Cement Company Limited (KCCL), secured against first pari passu hypothecation charge over all present and future fixed assets of the Company equivalent to the facility amount with a 25% margin and mortgage over all present and future immovable properties of KCCL with a 25% margin over the facility amount.

	31 March 2013 (Unaudited)	30 June 2012 (Audited)
	(Rupees in '000)	
6.3 Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'		
Market value of investments	58,205	88,330
Less: Carrying value of investments	(219,794)	(284,737)
	(161,589)	(196,407)
Impairment charged during the period / year	15,481	83,834
Reversal of impairment during the period / year	(10,198)	(31,489)
	(156,306)	(144,062)
Net unrealized diminution in the value of investments at the beginning of the period / year	196,407	149,239
Realized on disposals during the period / year	(39,827)	(5,245)
Net unrealized (diminution)/appreciation in the value of investments at the end of the period / year	274	(68)

6.4 Particulars of impairment in the value of investments classified as 'available for sale'		
Opening Balance	196,204	149,104
Charged for the period / year	15,481	83,834
Reversal during the period / year	(10,198)	(31,489)
Realized on disposals during the period / year	(39,829)	(5,245)
Closing balance	161,658	196,204

6.5 Investment in quoted TFC - held for trading															
Name of the Investee company	Note	Maturity	Profit/ Mark-up Percentage	As at 01 Jul 2012	Purchases during the period	Sales/ Mature during the period	Redemption during the period	As at 31 March 2013	Cost as at 31 March 2013	Market value as at 31 March 2013	Impairment in the Value of Investment	Appreciation (/Diminution) in the value of investments	Market value as a percentage of: net total assets investment	Outstanding principal value as a percentage of issued debt capital	
----- Number of certificates -----									(Rupees in '000)						
Listed term finance certificates															
Bank Alfalah Limited - V Issue	6.5.1	March 2021	6M KIBOR +1.25%	-	1,225	-	-	1,225	6,125	6,089	-	(36)	1.92	2.08	0.12
									<u>6,125</u>	<u>6,089</u>	<u>-</u>	<u>(36)</u>			

6.5.1 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate plus 1.25% per annum, receivable semi-annually in arrears.

	31 March 2013 (Unaudited)	30 June 2012 (Audited)
	(Rupees in '000)	
6.6 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'		
Market value of investments	6,089	-
Less: Carrying value of investments	(6,125)	-
	(36)	-
Net unrealised (appreciation) in the value of investment at the beginning of the period / year	-	-
Net unrealised (diminution) in the value of investment for the period / year	(36)	-

6.7	Market Treasury Bills Issue Date	Tenor	Face Value				Quantity as at 31 March 2013	Cost as at 31 March 2013	Fair Value as at 31 March 2013	Fair value as a percentage of:	
			As at 01 Jul 2012	Purchases during the period	Sales / Mature during the period	Matured during the period				As at 31 March 2013	net assets
			'(Rupees in '000)'				(Rupees in '000)				
T-Bill (19-Apr-12)	03Months	65,000	-	-	65,000	-	-	-	-	-	-
T-Bill (03-May-12)	03Months	28,000	-	-	28,000	-	-	-	-	-	-
T-Bill (31-May-12)	03Months	-	4,700	-	4,700	-	-	-	-	-	-
T-Bill (28-Jun-12)	03Months	7,000	-	-	7,000	-	-	-	-	-	-
T-Bill (26-Jul-12)	03Months	-	56,000	28,000	28,000	-	-	-	-	-	-
T-Bill (20-Sep-12)	03Months	-	15,000	-	15,000	-	-	-	-	-	-
T-Bill (18-Oct-12)	03Months	-	28,000	-	28,000	-	-	-	-	-	-
T-Bill (13-Dec-12)	03Months	-	25,000	-	25,000	-	-	-	-	-	-
T-Bill (10-Jan-13)	03Months	-	20,000	20,000	-	-	-	-	-	-	-
T-Bill (24-Jan-13)	03Months	-	75,000	75,000	-	-	-	-	-	-	-
T-Bill (07-Feb-13)	03Months	-	75,000	-	-	75,000	1	74,433	74,392	23	32
T-Bill (21-Feb-13)	03Months	-	5,000	-	-	5,000	1	4,944	4,942	2	2
T-Bill (07-Mar-13)	03Months	-	100,000	-	-	100,000	1	98,532	98,486	31	42
T-Bill (21-Mar-13)	03Months	-	40,000	-	-	40,000	1	39,267	39,254	12	17
T-Bill (08-Mar-12)	06Months	25,000	25,000	50,000	-	-	-	-	-	-	-
T-Bill (12-Jul-12)	06Months	-	135,000	135,000	-	-	-	-	-	-	-
T-Bill (26-Jul-12)	06Months	-	75,000	-	75,000	-	-	-	-	-	-
T-Bill (23-Aug-12)	06Months	-	110,000	105,000	5,000	-	-	-	-	-	-
T-Bill (06-Sep-12)	06Months	-	55,000	-	55,000	-	-	-	-	-	-
T-Bill (20-Sep-12)	06Months	-	40,000	-	40,000	-	-	-	-	-	-
T-Bill (04-Oct-12)	06Months	-	12,000	-	-	12,000	1	11,990	11,988	4	5
							<u>229,166</u>	<u>229,062</u>			

6.8	Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'	31 March 2013 (Unaudited)	30 June 2012 (Audited)
		(Rupees in '000)	
	Market value of investments	229,062	123,784
	Less: Carrying value of investments	(229,166)	(123,855)
		(104)	(71)
	Net unrealised (appreciation) in the value of investment at the beginning of the period / year	71	12
	Net unrealised (diminution) in the value of investment for the period / year	(33)	(59)

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.398 million (31 March 2012: Rs. 0.394) 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 2013.

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 15 July 2010 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 (FBR) 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 formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. 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 and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During 2011, the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. Further, during the year, based on such decision of Honourable High Court, the Commissioner of Inland Revenue (Appeals - II) have declared the WWF demand raised by tax authorities against certain mutual funds managed by Asset Management Companies as illegal and without jurisdiction. The management company believes that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh. Further, based on the opinion from legal counsel of Mutual Funds Association of Pakistan (MUFAP), there are good chances for the Constitutional Petition to be decided in favour of the mutual funds and accordingly mutual funds need not to make a provision regarding WWF in their financial statements.

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. 3.8579 million up to 31 March 2013. If the same were not made the NAV per unit would have been higher by 0.62.

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 2013 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 2013.

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 2013 (Unaudited)	30 June 2012 (Audited)
(Rupees in '000)		
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	304	277
Remuneration for the period / year	2,488	3,249
Sales tax on Management fee for the period / year	398	520
	<u>3,190</u>	<u>4,046</u>
Amount paid during the period / year	<u>(2,821)</u>	<u>(3,742)</u>
Balance at the end of the period / year	<u>369</u>	<u>304</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	49	49
Remuneration for the period / year	450	600
CDS Charges for the period / year	5	6
	<u>504</u>	<u>655</u>
Amount paid during the period / year	<u>(453)</u>	<u>(606)</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>652</u>	<u>1,093</u>
Balance in deposit accounts	<u>9,217</u>	<u>1,153</u>
Bank charges	<u>20</u>	<u>37</u>
Mark-up receivable on bank deposits	<u>4</u>	<u>85</u>
(Units in '000)		
Units held by:		
Bank Alfalah Limited	<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 2013			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
At fair value through profit or loss				
- Market treasury bills	-	229,062	-	229,062
- Term Finance Certificates	-	6,089	-	6,089
Available-for-sale investments	-	2,778	11,246	14,024
- Term Finance Certificates	-	16,495	27,686	44,181
- Sukuk	-	254,424	38,932	293,356

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

Transfers from Level 3 to Level 2	1,110
Transfers from Level 2 to Level 3	27,686

There have been no transfers to and from Level 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 16 April 2013 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