

Quarterly Report September 30, 2010



ALFALAH GHP Value Fund

Managed By



ALFALAH GHP

Sponsor Shareholders



BANK ALFALAH



GHP Arbitrium AG
FINANCIAL SERVICES

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FUND'S INFORMATION

Management Company:	Alfalalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	- Mr. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid - Mr. Omer Mohammad Khan
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Fund Manager:	- Mr. Akhter H. Madina
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
Auditors:	Rahman Sarfaraz Rahim Iqbal Rafiq & Co. Chartered Accountants Plot No 180, Block A, S.M.C.H.S., Karachi -74400 Pakistan.
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited.
Rating:	4 Star By PACRA (Category: Asset Allocation)

MISSION STATEMENT

Alfalah GHP Value fund aims to provide its unit holders with sustainable return over a period through active asset allocation strategies.



VISION STATEMENT

Alfalah GHP Value Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable and consistent return over the long term through investment exposure to various asset classes.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the Management Company of Alfalah GHP Value Fund (AGVF) is pleased to present its quarterly report together with the financial statements for the quarter ended September 30, 2010.

Financial Performance

Net assets under management as on September 30, 2010 were Rs.458.99 million. During the period units worth Rs. 0.26 million were issued and units worth Rs. 3.10 million were redeemed.

AGVF earned a total income of Rs. 8.78 million for the quarter ended September 30, 2010. Major sources of revenue were capital gains on sale of investment of Rs. 5.15 million, dividend income of Rs. 4.90 million and profit on bank deposits of Rs.3.22 million. After accounting for expenses of Rs. 4.33 million, the net income from operating activities for the period stands at Rs. 4.45 million.

Economic Review

Pakistan's fragile recovery and ongoing stabilization of twin deficits post 2008 financial crisis was hit hard by August 2010 super flood. Even before the flood the expensive war on terror and increasing political instability had adversely affected the pace of recovery. Specifically, growing revenue-expenditure gap coupled with inadequate resource mobilization fueled inflation through deficit monetization. CPI inflation reversed the declining trend observed during the last few months in August 2010 when it hit 13.2% YoY and further increased by 2.56% MoM to settle at 15.71% YoY in September 2010, on the back of sharp increase in food prices. CPI inflation forecasts for FY11 are now revised to 14.5% up from initial target of 9.5% and compared with 11.7% for FY10. Pressure has already started to build-up on current account deficit (CAD) with 2-month Jul-Aug FY11 CAD increasing 47% to 944 million USD versus 635 million USD in July-August FY10.

Moreover, July-August 2010 FBR revenue collection growth of only 7.5% compared to targeted 25.6% for the full year, and July-September 1Q FY11 budget deficit of 1.6% (annual interpolation 6.4%) of GDP does not inspire too much confidence that the final numbers will remain within 5.2% budgeted deficit target. As a consequence, State Bank of Pakistan citing deteriorating macro variables on September 29, 2010, raised the discount rate by 50 bps for the second time in a row. Furthermore, official economic estimates have revised FY11 GDP growth downward to 2.5% from 4.5%.

Fund Performance

During the 1QFY11 the fund's NAV appreciated by 1.69% versus an increase of 3.10% in its benchmark during the same period.

AGVF Return	Benchmark -Return	Above / (Under) Performance
1.69%	3.10%	(1.41%)

Asset Allocation

The asset allocation of the fund as at September 30, 2010 was as follows:

Equity	45.71%
TFC / Sukuk	17.40%
Cash / Bank Deposit	34.81%
Others	2.08%
Total	<u>100.00%</u>

Future Outlook

The recent floods have caused large scale destruction to infrastructure, agriculture, and livestock. Consequently, revenue collection is expected to fall below target, while expenses will be higher than projected, leading to a worsening fiscal deficit. The central bank has already indicated that curbing inflation is a higher priority for it than reviving growth, and the benchmark policy discount rate has been increased by 50 bps in each of the previous two monetary policy statements. We expect the central bank to continue its tight monetary policy as inflation will remain on the higher side, thus interest rates are expected to trend higher. Even though liquidity flows from abroad have kept the equity market buoyant, we feel that going forward the deteriorating macro situation will start getting factored in thus leading to a volatile equity market in the near term.

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

October 21, 2010
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 30 SEPTEMBER 2010**

	30 September 2010 (Unaudited)	30 June 2010 (Audited)
Note	----- Rupees in '000 -----	
Assets		
Bank balances	162,770	139,118
Investments	5 295,109	320,959
Dividend and profit receivable	5,945	3,000
Advances, deposits, prepayments and other receivables	3,750	3,700
Preliminary expenses and floatation costs	38	165
Total assets	467,612	466,942
Liabilities		
Payable against purchase of investments	1,163	-
Payable to Alfalah GHP Investment Management Limited - Management Company	958	978
Payable to Central Depository Company of Pakistan Limited - Trustee	76	78
Payable to Securities and Exchange Commission of Pakistan - Annual fee	356	244
Accrued expenses and other liabilities	6,072	5,775
Total liabilities	8,625	7,075
Net assets	458,987	459,867
Unit holders' funds (as per statement attached)	458,987	459,867
	----- (Number of units) -----	
Number of units in issue	9,006,399	9,061,542
	----- (Rupees) -----	
Net asset value per unit	50.96	50.75

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	
Note	----- Rupees in '000 -----	
Income		
Capital gain on sale of investments	5,154	74,285
Dividend income	4,900	6,859
Profit on deposit accounts with banks	3,219	3,100
Unrealised appreciation / (diminution) on re-measurement of investments "at fair value through profit and loss"	5.2 (4,797)	20,090
Other income	305	5,490
	<u>8,781</u>	<u>109,824</u>
Expenses		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	2,960	3,836
Remuneration of Central Depository Company of Pakistan Limited - Trustee	237	307
Securities and Exchange Commission of Pakistan - Annual Fee	112	146
Brokerage	473	1,316
Bank and settlement charges	67	45
Auditors' remuneration	151	88
Amortisation of preliminary expenses and floatation costs	126	126
Provision for workers welfare fund	89	-
Other charges	118	274
Total expenses	<u>4,333</u>	<u>6,138</u>
Net income from operating activities	4,448	103,686
Net element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units repurchased	(101)	(19,558)
Net income carried forward for distribution	<u>4,347</u>	<u>84,128</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	----- (Unaudited) -----
	----- Rupees in '000 -----	----- Rupees in '000 -----
Net Income for the period carried forward for distribution	4,347	84,128
Other comprehensive income:		
Element of (loss) / gain and capital (losses) / gains included in prices of units sold less those in units repurchased - amount representing unrealised capital (losses) / gains	12	13,325
Net unrealised appreciation / (diminution) in fair value of investments classified as 'available for sale'	(2,483)	2,630
Other comprehensive income for the period	(2,471)	15,955
Total comprehensive income for the period	<u>1,876</u>	<u>100,083</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	----- (Unaudited) -----
	----- Rupees in '000 -----	----- Rupees in '000 -----
Undistributed income / (loss) brought forward		
- Realized	218,989	240,998
- Unrealized	(219,804)	(201,393)
	<u>(815)</u>	<u>39,605</u>
Element of (loss) / gain and capital (losses) / gains included in prices of units sold less those in units repurchased - amount representing unrealised capital (losses) / gains	12	(2,983)
Net income for the period	4,347	84,128
	4,359	81,145
Undistributed income / (loss) carried forward		
- Realized	228,145	302,053
- Unrealized	(224,601)	(181,303)
	<u>3,544</u>	<u>120,750</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) ----- ----- Rupees in '000 -----	
Net assets at the beginning of the period	459,868	596,332
Issue of 4,837 units (2009: 857 units)	255	48
Redemption of 59,980 units (2009: 2,213,572 units)	(3,101) (2,846)	(133,226) (133,178)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:		
- amount representing accrued (gains) / loss and realised capital (gains) / losses- transferred to the income statement	101	19,558
- amount representing unrealised capital (gains) / losses - transferred directly to the Distribution Statement	(12) 89	2,983 22,541
Net unrealised (appreciation) / diminution on revaluation of investments classified as 'available for sale'	(2,483)	2,630
Capital gain on sale of investments	5,154	74,285
Unrealised appreciation / (diminution) in the value of investments	(4,797)	20,090
Other net income / (loss) for the period	3,990	(10,247)
- amount representing unrealised capital (gains) / losses - transferred directly to the Distribution Statement	12	(2,983)
Net income / (loss) for the period less distribution	4,359	81,145
Net assets at the end of the period	458,987	569,470
	----- Rupees -----	
Net asset value per unit at the beginning of the period	50.75	53.05
Net asset value per unit at the end of the period	50.96	63.07

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

	30 September 2010	30 September 2009
	----- (Unaudited) -----	----- (Unaudited) -----
	----- Rupees in '000 -----	----- Rupees in '000 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	4,347	84,128
Adjustments for:		
Unrealised (appreciation) /diminution on investments - 'at fair value through profit or loss account'	4,797	(20,090)
Dividend income	(4,900)	(6,859)
Profit on deposit accounts with banks	(3,219)	(3,100)
Amortisation of preliminary expenses and floatation costs	126	126
Other income	(305)	-
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units repurchased	101	19,558
	<u>947</u>	<u>73,763</u>
(Increase) / decrease in assets		
Investments	18,570	99,547
Deposits, prepayments and other receivables	1,226	(4,148)
	<u>19,796</u>	<u>95,399</u>
Increase / (decrease) in liabilities		
Payable against purchase of investments	1,163	11,753
Payable to Alfalah GHP Investment Management Limited - Management Company	(20)	(195)
Payable to Central Depository Company of Pakistan Limited - Trustee	(2)	(27)
Payable to Securities and Exchange Commission of Pakistan - Annual Fee	112	146
Accrued expenses and other liabilities	297	422
	<u>1,550</u>	<u>12,099</u>
Dividend received	1,027	4,742
Mark up received on deposit accounts with banks	3,178	4,024
Net cash from / (used in) operating activities	<u>26,498</u>	<u>190,027</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	255	14,431
Payment against redemption of units	(3,101)	(133,226)
Cash dividend paid	-	(22,708)
Net cash (used in) / from financing activities	<u>(2,846)</u>	<u>(141,503)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>23,652</u>	<u>48,524</u>
Cash and cash equivalents at beginning of the period	139,118	158,640
Cash and cash equivalents at end of the period	<u>162,770</u>	<u>207,164</u>

The annexed notes 1 to 8 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 STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value Fund was 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 and is authorized under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Deed was executed on 19 May 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC Rules, on 13 May 2005. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

Alfalah GHP Value Fund is an open-end collective investment scheme and is listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

As per the Offering Document, the Fund shall invest in equity, money market and fixed income securities.

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

These condensed interim financial statements comprise of condensed interim statement of assets and liabilities as at 30 September 2010 and the related condensed interim income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' funds, statement of cash flows and notes thereto, for the first quarter ended 30 September 2010.

The comparative in the statement of assets and liabilities presented in these financial statements as at 30 September 2010 has been extracted from the audited financial statements of the fund for the year ended 30 June 2010.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, the requirements of Non-Banking Finance Companies and Notified Entities Regulations 2008 and the Directives issued by the SECP. The disclosures made in these condensed Interim financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements as at and for the year ended 30 June 2010. Approved accounting standards comprise of such IASs and International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of these standards, the requirements of the Non Banking Finance Companies & Notified Entities Regulations 2008 and the said Directives differ with requirements of these standards, the requirements of the Non Banking Finance Companies & Notified Entities Regulations 2008 and the said Directives take precedence. These condensed interim financial statements are unaudited.

3. 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 2010.

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus / rights Issue during the period	Sales during the period	As at 30 September 2010	Cost as at 30 September 2010	Market value as at 30 September 2010	Unrealized appreciation/ (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as percentage of issued share capital
	----- Number of shares -----					----- (Rupees in '000) -----					
CHEMICALS											
Engro Corporation Limited	125,043	75,957	-	(201,000)	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	150,000	-	(150,000)	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	125,000	-	-	(50,000)	75,000	6,612	7,863	1,251	1.71	2.66	0.01
ICI Pakistan Limited	25,000	75,000	-	-	100,000	13,049	11,710	(1,339)	2.55	3.97	0.07
Lotte Pakistan	100,000	-	-	-	100,000	1,178	839	(339)	0.18	0.28	0.01
						<u>20,839</u>	<u>20,412</u>	<u>(427)</u>			
GENERAL INDUSTRIALS											
EcoPack Limited	472,500	-	-	-	472,500	2,598	917	(1,681)	0.20	0.31	2.06
						<u>2,598</u>	<u>917</u>	<u>(1,681)</u>			
Grand total						<u>207,747</u>	<u>201,147</u>	<u>(6,600)</u>			

All shares have a face value of Rs. 10 each

30 September 2010
(Unaudited)
----- Rupees in '000 -----

30 June 2010
(Audited)

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

Net unrealised appreciation / (diminution) in the value of investments at the beginning of the period / year	1,803	25,405
Net unrealised appreciation / (diminution) in the value of investments for the period / year	(6,600)	(10,375)
Realised on disposals during the period / year	-	(16,833)
Net unrealised appreciation / (diminution) in the value of investments at the end of the period / year	<u>(4,797)</u>	<u>(1,803)</u>

5.3 Quoted equity securities - available for sale

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus / rights Issue during the period	Sales during the period	As at 30 September 2010	Carrying Value as at 30 September 2010	Market value as at 30 September 2010	Unrealized appreciation/ (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as percentage of issued share capital
	----- Number of shares -----					----- (Rupees in '000) -----					
BANKS											
MyBank Limited	13,750	-	-	-	13,750	160	29	(131)	0.01	0.01	0.00
						<u>160</u>	<u>29</u>	<u>(131)</u>			
OIL AND GAS											
Oil & Gas Development Company Limited	85,600	-	-	-	85,600	4,278	12,472	8,194	2.72	4.23	0.00
Pakistan Oilfields Limited	420	-	-	-	420	43	100	57	0.02	0.03	0.00
						<u>4,321</u>	<u>12,572</u>	<u>8,251</u>			
Grand Total						<u>4,481</u>	<u>12,601</u>	<u>8,120</u>			

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

5.4 Investment in unquoted term finance certificate - available for sale

Name of the investee company	Maturity	Profit / Mark-up Percentage	As at 01 July 2010	Purchases during the period	Sales during the period	Redemption during the period	As at 30 September 2010	Carrying value as at 30 Sep 2010	Market value as at 30 September 2010	Unrealized appreciation/ (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Outstanding principal as percentage of issued debt capital
----- (Number of Certificates) -----							----- (Rupees in '000) -----						
Unlisted Term Finance Certificates													
Agritech I (Formerly Pak American Fertilizer Ltd)	Nov	6M KIBOR					5,000	24,470	17,486	(6,984)	3.81	5.93	1.67
Agritech II (Formerly Pak American Fertilizer Ltd)	Jan	6M KIBOR	5,000	-	-	-	3,000	14,988	11,408	(3,580)	2.49	3.87	0.22
			3,000	-	-	-		<u>39,458</u>	<u>28,894</u>	<u>(10,564)</u>			

5.5 Investment in unquoted Sukuk Bonds - available for sale

Name of the investee company	Maturity	Profit / Mark-up Percentage	As at 01 July 2010	Purchases during the period	Sales during the period	Redemption during the period	As at 30 September 2010	Carrying value as at 30 Sep 2010	Market value as at 30 September 2010	Unrealized appreciation/ (diminution) in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments	Outstanding principal as percentage of issued debt capital
----- (Number of Sukuk bonds) -----							----- (Rupees in '000) -----						
Maple Leaf Cement Factory Limited													
	Dec	6M KIBOR					15,000	73,018	52,467	(20,551)	11.43	17.78	1.88
	2013	+1.70%	15,000	-	-	-		<u>73,018</u>	<u>52,467</u>	<u>(20,551)</u>			

5.6 Detail of non-compliant investments with the investment criteria prescribed in the Non-Banking Finance Companies and Notified Entities Regulations, 2008

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

Type of investment	Value of investment before provision	Provision held if any	Value of investment after provision	Fair value as a percentage of net assets	Fair value as a percentage of gross assets	Credit rating
----- (Rupees in '000) -----						
Agritech I (Formerly Pak American Fertilizer Ltd)	24,470	(6,984)	17,486	3.81%	3.74%	BBB-
Agritech II (Formerly Pak American Fertilizer Ltd)	11,408	-	11,408	2.49%	2.44%	BBB-
Maple Leaf Cement Factory Limited	73,018	(20,551)	52,467	11.43%	11.22%	BB

As per Circular 7 of 2009 required rating

AA-

As per Regulation 55(5) of NBFC 2008 requires exposure limit

10 % of Net Assets

	30 September 2010 (Unaudited)	30 June 2010 (Audited)
	----- Rupees in '000 -----	
5.6 Net unrealized (diminution) / appreciation in fair value of securities - classified as 'available for sale'		
Net unrealised appreciation / (diminution) in the value of investments at the beginning of the period / year	20,512	(16,191)
Net unrealised diminution in the value of investments for the period / year	(22,995)	3,167
Realised on disposals during the period / year	-	6
Impairment charged during the period / year	-	(7,494)
Net unrealised appreciation / (diminution) in the value of investments at the end of the period / year	<u>(2,483)</u>	<u>(20,512)</u>
5.7 Particulars of impairment in the value of investments classified as 'available for sale'		
Opening balance	33,775	26,281
Charge for the year / period	-	7,494
Closing balance	<u>33,775</u>	<u>33,775</u>

6. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds managed by the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated, being associated companies, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and directors and key management personnel of Alfalah GHP Investment Management Limited, Alfalah Securities having common directors with Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund. The transactions with connected persons are in the normal course of business, at contractual rates and terms determined in accordance with market rates.

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

	30 September 2010 (Unaudited)	30 June 2010 (Audited)	30 September 2010 (Unaudited)	30 June 2010 (Audited)
	----- Units in '000 -----		----- Rupees in '000 -----	
Units issued to:				
Alfalalah GHP Investment management Ltd.	-	139	-	9,219

	30 September 2010 (Unaudited) ----- Units in '000 -----	30 June 2010 (Audited)	30 September 2010 (Unaudited) ----- Rupees in '000 -----	30 June 2010 (Audited)
Units re-invested by:				
Bank Alfalah Limited - Employees' Provident Fund	-	-	-	-
Bank Alfalah Limited - Employees' Gratuity Fund	-	-	-	-
GHP Arbitrium AG	-	-	-	-
MAB Investment Incorporated	-	-	-	-
Bonus units distributed to:				
Bank Alfalah Limited	-	476	-	25,680
Bank Alfalah Limited - Employees' Provident Fund	-	126	-	6,787
Bank Alfalah Limited - Employees' Gratuity Fund	-	131	-	7,052
MAB Investment Incorporated	-	263	-	14,161
GHP Arbitrium AG	-	189	-	10,221
Alfalah GHP Investment management Ltd.	-	28	-	1,483
Units redeemed by:				
Bank Alfalah Limited - Employees' Provident Fund	-	126	-	6,787
Bank Alfalah Limited - Employees' Gratuity Fund	-	131	-	7,052
GHP Arbitrium AG	-	355	-	16,179
Alfalah GHP investment Management Ltd	-	167	-	8,962
Units held by:				
			30 September 2010 (Unaudited) ----- Units in '000 -----	30 June 2010 (Audited)
Bank Alfalah Limited			2,890	2,890
MAB Investment Incorporated			1,594	1,594
GHP Arbitrium AG			850	850
Bank Alfalah Limited - Employees' Provident Fund			638	638
Bank Alfalah Limited - Employees' Gratuity Fund			663	663

	30 September 2010 (Unaudited)	30 June 2010 (Audited)
	----- Rupees in '000 -----	
Dividend paid to:		
Bank Alfalah Limited	-	4,996
MAB Investment Incorporated	-	2,661
GHP Arbitrium AG	-	3,562
Bank Alfalah Limited - Employees' Provident Fund	-	1,320
Bank Alfalah Limited - Employees' Gratuity Fund	-	1,320
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	978	1,156
Remuneration for the period / year	2,959	6,420
Sales load for the period / year	(10)	86
	<u>3,927</u>	<u>7,662</u>
Amount paid during the period / year	(2,969)	(6,684)
Balance at end of the period / year	<u>958</u>	<u>978</u>
Central Depository Company of Pakistan Limited - Trustee		
Balance at beginning of the period / year	78	95
Remuneration for the period / year	237	514
Central Depository Services charges for the period / year	14	20
	<u>329</u>	<u>628</u>
Amount paid during the period / year	(253)	(550)
Balance at end of the period / year	<u>76</u>	<u>78</u>
Deposit with Central Depository Company of Pakistan Limited	<u>200</u>	<u>200</u>
Bank Alfalah Limited		
Profit on deposit accounts	<u>3,220</u>	<u>4,172</u>
Balance in deposit account at the end of the period / year	<u>162,725</u>	<u>139,078</u>
Bank charges	<u>3</u>	<u>6</u>
Mark-up receivable on bank deposits	<u>1,407</u>	<u>1,365</u>

7. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 21, 2010 by the Board of Directors of the Management Company.

8. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive**Director**

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