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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	- Mr. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hanspeter Beier (Subject to approval of SECP) - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Shahab Bin Shahid - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Fund Manager:	- Mr. Ather H. Medina
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi.
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 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	2 Star (Short term) / 4 Star (Long term) by PACRA

MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Islamic Fund (AGIF) is pleased to present its quarterly report on the affairs of AGIF for the nine months ended 31 March 2012.

Financial Performance

Net assets under management as on 31 March 2012 were Rs. 339.97 million. During the period units worth Rs.0.19 million were redeemed.

AGIF earned a total income of Rs. 42.19 million for the nine months ended 31 March 2012. Major sources of revenue were capital gain on sale of investment of Rs. 14.19 million, dividend income of Rs. 13.44 million, profit on bank deposits of Rs. 8.27 million and income from Sukuk certificates of Rs. 0.07 million. After accounting for expenses of Rs. 10.05 million, the net income from operating activities for the period stands at Rs. 32.14 million.

Market and Fund Performance

The fund ended the 3rd Quarter on March 31, 2012 showing a return of 9.15% versus its benchmark's return of 9.45% during the same period, thereby lagging the benchmark by 0.30% during the period.

The market went on a bull run in 3QFY12 and recorded a stellar 21% performance. Earlier, in 1HFY12 the volatility in the international markets, triggered by the investor fear of European debt crisis blowup had weighed in heavily on our equity market. KSE100, in 1HFY12, closed at a sluggish negative 9.19% amid anemic trading volumes.

Prima facie, the reason for the overwhelming bull equity market is the anticipation of relaxation in collection of the Capital Gains Tax mechanism, and the expected amnesty regarding the source of funds until 2014. However, a major driver of the increased volumes is also the return of retail investors after a prolonged absence. Trading volumes have more than tripled; from an average daily volume of 59 million shares in 1HFY12 to 196 million shares in 3QFY12. The foreign portfolio inflow has also changed course; a total of \$16 million inflow was recorded in 3QFY12 compared to an outflow of \$157 million in 1HFY12. A distinctive feature of this rally is that a major chunk of both performance and volume is coming from 2nd and 3rd tier stocks, with the blue chips actually lagging the market.

Asset Allocation

The asset allocation of AGIF as at 31 March 2012 was as follows:

Equity	47.01%
Cash / Bank Deposit	46.35%
Sukuk Certificates	4.52%
Others	2.12%
Total	<u>100.00%</u>

Investment Outlook

Uncertain outlook for the global economy and foreign portfolio inflows, rising fiscal deficit, and subdued private sector loan growth has made us cautious about the future prospects of the equity markets. Nevertheless, some positive triggers keep us hopeful to providing a short term boost to the capital markets. Not only the changes in the modalities of Capital gains tax have been encouraging, but also the E&P, fertilizer, and cement companies' profitability has been soaring remarkably. In the longer term, however, we see the domestic political environment and the US-Pak relationship as crucial factors.

Acknowledgement

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

For and on behalf of the Board

27 April 2012
Karachi

Abdul Aziz Anis
Chief Executive

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

	<i>Note</i>	31 March 2012 (Unaudited) (Rupees in '000)	30 June 2011 (Audited)
Assets			
Bank balances	5	160,490	143,621
Investments	6	178,417	184,223
Dividend and profit receivable		4,416	4,023
Deposits, prepayments and other receivables		2,635	2,600
Preliminary expenses and floatation costs		299	834
Total assets		346,257	335,301
Liabilities			
Payable against Purchase of Investments		-	2,269
Payable to Alfalah GHP Investment Management Limited - Management Company		741	605
Payable to Central Depository Company of Pakistan Limited - Trustee		62	59
Payable to Securities and Exchange Commission of Pakistan - Annual fee		228	314
Accrued expenses and other liabilities		5,259	4,657
Total liabilities		6,290	7,904
Contingencies and Commitments	8	-	-
Net assets		339,967	327,397
Unit holders' funds (as per statement attached)		339,967	327,397
		(Number of units)	
Number of units in issue		5,779,567	5,771,082
		(Rupees)	
Net asset value per unit		58.82	56.73

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

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

Chief Executive

Director

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

	Note	Nine months ended		Quarter ended	
		31 March 2012 (Rupees in '000)	31 March 2011	31 March 2012 (Rupees in '000)	31 March 2011
Income					
Capital gain / (loss) on sale of investments		14,189	35,335	7,225	8,703
Income from sukuku certificates	6.2.2	70	2,073	1,187	368
Dividend income		13,442	13,200	4,206	5,653
Profit on deposit accounts with banks		8,270	6,115	3,303	1,236
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	6.5	6,221	5,012	15,252	(20,955)
Impairment in the value of investments classified as 'available for sale'		-	(2,095)	-	-
Total income / (loss)		42,192	59,640	31,173	(4,995)
Expenses					
Remuneration of Alfalah GHP Investment Management Limited - Management Company		5,395	5,609	1,827	1,824
Sales tax on Management fee	7	863	-	292	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		526	525	174	172
Annual fee - Securities and Exchange Commission of Pakistan		228	237	77	77
Amortisation of preliminary expenses and floatation costs		535	533	177	175
Bank and settlement charges		293	327	120	126
Auditors' remuneration		573	607	151	201
Brokerage		760	972	381	428
Provision for workers welfare fund	9	656	992	558	(173)
Fees and subscriptions		105	140	35	35
Printing and related cost		117	145	33	145
Total expenses		10,051	10,087	3,825	3,010
Net income / (loss) from operating activities		32,141	49,553	27,348	(8,005)
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed		23	103	(2)	(2)
Net income / (loss) for the period		32,164	49,656	27,346	(8,007)

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

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

Chief Executive

Director

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

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March</u> <u>2012</u> <u>(Rupees in '000)</u>	<u>31 March</u> <u>2011</u>	<u>31 March</u> <u>2012</u> <u>(Rupees in '000)</u>	<u>31 March</u> <u>2011</u>
Net income / (loss) for the period	32,164	49,656	27,346	(8,007)
Other comprehensive income / (loss):				
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealized capital gains / (losses).	-	(11)	-	(1)
Net unrealised appreciation / (diminution) during the period in fair value of investments classified as 'available for sale' 6.3	179	(20,884)	1,144	(2,219)
Other comprehensive income / (loss) for the period	179	(20,895)	1,144	(2,220)
Total comprehensive income / (loss) for the period	32,343	28,761	28,490	(10,227)

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

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

Chief Executive

Director

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

	Nine months ended		Quarter ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(Rupees in '000)		(Rupees in '000)	
Undistributed income / (loss) brought forward:				
Realised	24,536	16,922	23,167	8,542
Unrealised	4,981	(5,243)	(9,031)	25,967
	29,517	11,679	14,136	34,509
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealized capital gains / (losses).	-	(11)	-	(1)
Net income / (loss) for the period	32,164	49,656	27,346	(8,007)
Final distribution for the year ended 30 June 2011:				
- Cash distribution of Rs.3.50 per unit (2010: Rs.2.00 per unit)	(19,565)	(11,180)	-	-
- Issue of 11,902 bonus units (2010: 7,311 units)	(634)	(415)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. Nil (2011: Rs: 4 per unit)	-	(22,360)	-	-
- Issue of nil bonus units (2011: 15,545 units)	-	(868)	-	-
	11,965	14,822	27,346	(8,008)
Undistributed income / (loss) carried forward:				
Realised	35,261	21,489	26,230	47,456
Unrealised	6,221	5,012	15,252	(20,955)
	41,482	26,501	41,482	26,501

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2012**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March 2012</u>	<u>31 March 2011</u>	<u>31 March 2012</u>	<u>31 March 2011</u>
<i>Note</i>	(Rupees in '000)		(Rupees in '000)	
Net assets at the beginning of the period	327,397	328,896	311,485	334,037
Issue of nil units (2011: 55 units) and nil units (2011: Nil) for the nine months and quarter respectively	-	3	-	-
Redemption of 3,417 units (2011: 3,989 units) and 401 units (2011: 183) for the nine months and quarter respectively	(185)	(225)	(10)	(10)
	(185)	(222)	(10)	(10)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:				
- amount representing accrued (income) / loss and realised capital (gains) / losses - transferred to the Income Statement	(23)	(103)	2	2
- amount representing unrealised capital (gains) / (losses) - transferred directly to the Distribution Statement	-	11	-	1
	(23)	(92)	2	3
Final distribution of 11,902 bonus units declared for the year ended 30 June 2011 (2010: 7,311 units)	634	415	-	-
Interim distribution of nil bonus units for the period (2011: 15,545 units)	-	868	-	-
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'available-for-sale'	6.3 179	(20,884)	1,144	(2,219)
Capital gain / (loss) on sale of investments	14,189	35,335	7,225	8,703
Unrealised appreciation / (diminution) in the value of investments -at fair value through profit or loss'	6,221	5,012	15,252	(20,955)
Other net income / (loss) for the period	11,754	9,309	4,869	4,245
Element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealized capital gains / (losses).	-	(11)	-	(1)
Final distribution for the year ended 30 June 2011:				
- Cash distribution of Rs.3.50 per unit (2010: Rs.2.00 per unit)	(19,565)	(11,180)	-	-
- Issue of 11,902 bonus units (2010: 7,311 units)	(634)	(415)	-	-
Interim distribution for the period:				
- Cash distribution of Rs. Nil (2011: Rs: 4 per unit)	-	(22,360)	-	-
- Issue of nil bonus units (2011: 15,545 units)	-	(868)	-	-
Net income / (loss) for the period less distribution	11,965	14,822	27,346	(8,008)
Net assets at the end of the period	339,967	323,803	339,967	323,803
	56.73	56.73	53.89	57.43
Net asset value per unit at the beginning of the period	58.82	55.67	58.82	55.67
Net asset value per unit at the end of the period				

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

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

Chief Executive

Director

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

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31 March 2012</u>	<u>31 March 2011</u>	<u>31 March 2012</u>	<u>31 March 2011</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	32,164	49,656	27,346	(8,007)
Adjustments for:				
Unrealised appreciation / (diminution) in the value of investments				
- 'at fair value through profit or loss'	(6,221)	(5,012)	(15,252)	20,955
Impairment in the value of investments classified as 'available for sale'	-	2,095	-	-
Dividend income	(13,442)	(13,200)	(4,206)	(5,653)
Profit on deposit accounts with banks	(8,270)	(6,115)	(3,303)	(1,236)
Amortisation of preliminary expenses and floatation costs	535	533	177	175
Income / (loss) from sukuk certificates	(70)	(2,073)	(1,187)	(368)
Provision for worker welfare fund	656	992	558	(173)
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	(23)	(103)	2	2
	5,329	26,773	4,135	5,695
(Increase) / decrease in assets				
Investments	12,206	(51,883)	19,928	44,675
Receivable against sale of Investments	-	(1,637)	-	16,899
Deposits, prepayments and other receivables	(35)	65	35	168
	12,171	(53,455)	19,963	61,742
Increase / (decrease) in liabilities				
Payable against purchase of investments	(2,269)	-	-	-
Payable to Alfalah GHP Investment Management Limited - Management Company	136	-	43	(26)
Payable to Central Depository Company of Pakistan Limited - Trustee	3	2	2	-
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(86)	77	77	77
Accrued expenses and other liabilities	(54)	91	36	(11,109)
	(2,270)	170	158	(11,058)
Dividend and profit received	21,389	16,144	5,617	1,351
Net cash flow from / (used in) operating activities	36,619	(10,368)	29,873	57,730
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	-	3	-	-
Payment against redemption of units	(185)	(225)	(10)	(10)
Cash dividend paid	(19,565)	(33,540)	-	-
Net cash flow from / (used in) from financing activities	(19,750)	(33,762)	(10)	(10)
Net increase / (decrease) in cash and cash equivalents during the period	16,869	(44,130)	29,863	57,720
Cash and cash equivalents at beginning of the period	143,621	142,888	130,627	41,038
Cash and cash equivalents at end of the period	160,490	98,758	160,490	98,758

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

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

Chief Executive

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the Trustee"). The Trust Deed was executed on 11th April, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 ("NBFC Rules"), on 29th March, 2007.

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

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

The Fund is categorized as an open ended shariah compliant asset allocation scheme. 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 'AM3' (Outlook: Positive) to the Management Company in its rating report dated 22 February 2011 and 2 Star (Short term) and 4 star (long term) rating to the fund in its rating report dated 31 October, 2011.

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

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

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisory Board of the Fund.

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 ended 30 June 2011. These condensed interim financial statements are unaudited.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgment

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

New and amended standards and interpretations

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

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

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

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

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements except for the enhanced disclosure requirements of the amended IAS 34 regarding transfers between different levels of fair value hierarchy as disclosed in note 12 to 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 and for the year ended 30 June 2011.

		31 March 2012 (Unaudited)	30 June 2011 (Audited)
	<i>Note</i>	(Rupees in '000)	
5. BANK BALANCES			
Deposit accounts	5.1	160,302	143,597
Current account		188	24
		<u>160,490</u>	<u>143,621</u>

5.1 This represents saving deposit accounts maintained with various banks carrying mark-up rate of 5.33 % to 8.95% (30 June 2011: 5.33 % to 9.27%) per annum. This includes Rs.160.255 million (30 June 2011: Rs. 143.569 million) with a related party that carry mark-up ranging from 5.33 % to 8.95% per annum.

		31 March 2012 (Unaudited)	30 June 2011 (Audited)
	<i>Note</i>	(Rupees in '000)	
6. INVESTMENTS			
- Available for sale			
In quoted equity securities	6.1	14,610	23,558
In sukuk certificates	6.2	15,649	15,659
		<u>30,259</u>	<u>39,217</u>
- At fair value through profit or loss-held for trading			
In quoted equity securities	6.4	148,158	145,006
		<u>178,417</u>	<u>184,223</u>

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

Name of the investee company	Note	As at 01 July 2011	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 31 March 2012	Cost as at 31 March 2012	Market value as at 31 March 2012	Market value as a percentage of:		Par value as a percentage of issued capital of the investee company
									net assets	total investments	
						(Rupees in '000)					
Banks		----- Number of shares -----									
BankIslami Pakistan Limited		400,000	-	-	400,000	-	-	-	-	-	-
Electricity											
Kohinoor Energy Limited		475,000	-	-	475,000	-	-	-	-	-	-
Oil and Gas											
Pakistan Oilfields Limited		40,000	-	-	-	40,000	5,470	14,610	4.30	8.19	0.00
Grand total							<u>5,470</u>	<u>14,610</u>			

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

6.2 Investment in sukuk certificates

Name of the Investee company	Note	Maturity	Mark-up Percentage	As at 01 Jul 2011	Purchases during the period	Sales during the period	Redemption during the period	As at 31 March 2012	Cost as at 31 March 2012	Market value as at 31 March 2012	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
											net assets	investment	
										(Rupees in '000)			
----- Number of certificates -----													
Maple Leaf Cement Factory Ltd.-I	6.2.2	Dec 2018	3 M+1.0%	5,000	-	-	-	5,000	24,952	15,649	4.60	8.77	0.62
Maple Leaf Cement Factory Ltd.-II	6.2.3	Mar 2013	3 M+1.0%	188	-	-	-	188	940	-	-	-	0.3
Total									<u>25,892</u>	<u>15,649</u>			
Total Investment									<u>31,362</u>	<u>30,259</u>			

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

- 6.2.2 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 markup amounting to Rs. 3.076 million on the same was reversed. Accordingly, provision has been made in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.
- 6.2.3 This represents additional sukuk of MLCF received by the Fund through restructuring agreement reached between lenders and MLCF. Under such agreement, the outstanding mark up due on 03 December 2009 amounting to Rs. 1.935 million was settled partially in cash and partially in the form sukuk certificates valuing Rs. 0.94 million. These investments have been recorded as 100% impaired since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation.
- 6.2.4 **Detail of non-compliant investments with the investment criteria as specified by the Securities and Exchange Commission of Pakistan (SECP).**

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

Type of investment	Name of Non-compliant investment	Value of Investment before provision	Provision held, if any	Value of investment after provision	Fair value as a percentage of:		Credit rating
		(Rupees in '000)			net assets	total investment	
Sukuk Certificate	Maple Leaf Cement Factory Ltd.-I	24,952	9,303	15,649	4.60	4.52	D
Sukuk Certificate	Maple Leaf Cement Factory Ltd - II	940	940	-	-	-	D

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

6.3 Net unrealised appreciation / (diminution) in the value of investments classified as 'available-for-sale'	31 March 2012	30 June 2011
	(Unaudited)	(Audited)
	(Rupees in '000)	
Fair value of investments classified as 'available for sale'	30,259	39,217
Less: Cost of investments classified as 'available for sale'	(31,362)	(43,996)
Net unrealized appreciation / (diminution) in the value of investments	(1,103)	(4,779)
Impairment charged to income statement	-	4,838
Reversal of impairment	(3,497)	-
	(4,600)	59
Net unrealized (appreciation) / diminution in the value of investments at the beginning of the period / year	4,779	(18,075)
Net unrealized appreciation / (diminution) in the value of investments at the end of the period / year	179	(18,016)

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

Opening balance	13,753	8,915
Charge for the period / year	-	4,838
Reversal for the period / year	(3,497)	-
Closing balance	10,256	13,753

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

Name of the investee company	Note	As at 01 July	Purchases	Bonus/ Rights Issue	Sales during	As at 31	Cost as	Market	Market value as a		Par value as a percentage of issued capital of the investee company
		2011	during the period		the period	March 2012	at 31 March 2012	value as at 31 March 2012	percentage of net assets	total investments	
						Number of shares	(Rupees in '000)				
Chemicals											
Fauji Fertilizer Bin Qasim Limited		200,000	225,000	-	425,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited		185,000	215,000	60,000	235,000	225,000	24,561	28,089	8.26	15.74	0.00
ICI Pakistan Limited		30,000	51,796	-	60,000	21,796	3,097	2,798	0.82	1.57	0.00
							<u>27,658</u>	<u>30,887</u>			
Banks											
BankIslami Pakistan Limited		-	700,000	-	700,000	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			
Construction and Materials											
D.G Khan Cement Company Ltd		-	1,113,258	-	1,113,258	-	-	-	-	-	-
Lucky Cement Limited		-	634,025	-	634,025	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			
Electricity											
Hub Power Company Limited	6.4.2	692,303	-	-	150,000	542,303	15,735	20,407	6.00	11.44	0.01
Kohinoor Energy Limited		10,000	-	-	10,000	-	-	-	-	-	-
							<u>15,735</u>	<u>20,407</u>			
Oil and Gas											
Attock Refinery Limited		-	25,000	-	25,000	-	-	-	-	-	-
Pakistan Petroleum Limited		80,000	50,000	8,000	70,000	68,000	12,062	12,430	3.66	6.97	0.00
Pakistan State oil Company Limited		57,500	72,000	-	35,000	94,500	24,457	23,561	6.93	13.21	0.00
Oil & Gas Development Company Limited		114,000	159,000	-	80,000	193,000	30,169	32,357	9.52	18.14	0.00
Pakistan Oilfields Limited		12,500	95,000	-	87,500	20,000	7,214	7,305	2.15	4.09	0.00
							<u>73,902</u>	<u>75,653</u>			
Automobile and Parts											
Indus Motor Company Limited		35,000	1,891	-	36,891	-	-	-	-	-	-
							<u>-</u>	<u>-</u>			
Fixedline Telecom											
Pakistan Telecommunication Company Limited		-	271,447	-	10,000	261,447	3,190	3,218	0.95	1.80	0.01
							<u>3,190</u>	<u>3,218</u>			
General Industrials											
Thal Limited		165,000	8,000	34,600	-	207,600	17,971	17,993	5.29	10.08	0.03
							<u>17,971</u>	<u>17,993</u>			
Grand total							<u>138,456</u>	<u>148,158</u>			

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

6.4.2 Investments includes 200,000 shares of Hub Power Company Limited which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and MTM losses for settlement of the Fund's trades as allowed in Circular number 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

	31 March 2012	30 June 2011
	(Unaudited)	(Audited)
	(Rupees in '000)	
6.5 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'		
Market value of investments	148,158	145,006
Less: Cost of investments	(138,456)	(138,756)
	<u>9,702</u>	<u>6,250</u>
Net unrealised (appreciation) / diminution in the value of investment at the beginning of the period / year	(6,250)	5,243
Realised on disposal during the period / year	<u>2,769</u>	<u>(6,512)</u>
	<u>(3,481)</u>	<u>(1,269)</u>
Net unrealised appreciation / (diminution) in the value of investment for the period / year	<u>6,221</u>	<u>4,981</u>

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.863 million (31 March 2011: Rs. Nil) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

8. CONTINGENCIES AND COMMITMENTS

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

9. PROVISIONS FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it is alleged that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

During last year, a clarification was issued by the Ministry of Labor and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) vide its letter dated 06 October 2010 to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. However, the FBR vide its letter dated 04 January 2011 have cancelled its earlier letter dated 06 October 2010 ab initio 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 the current period, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC.

However, keeping in view the uncertainty on the applicability of WWF to mutual fund, the management company as a matter of prudence has decided to continue to maintain the provision for WWF amounting to Rs.4.513 million (30 June 2011: Rs. 3.856) up to 31 March 2012.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2012 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial statements for the nine months and quarter ended 31 March 2012.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund,

Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons.

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

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

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

	31 March 2012	30 June 2011
	(Unaudited)	(Audited)
	(Rupees in '000)	
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	605	616
Remuneration for the period / year	5,395	7,429
Sales tax on Management fee for the period / year	863	-
	6,863	8,045
Amount paid during the period / year	(6,122)	(7,440)
Balance at the end of the period / year	<u>741</u>	<u>605</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	59	57
Remuneration for the period / year	526	700
CDS Charges for the period / year	8	1
	534	701
Amount paid during the period / year	(531)	(699)
Balance at the end of the period / year	<u>62</u>	<u>59</u>
Deposit with Central Depository Company of Pakistan Limited	<u>100</u>	<u>100</u>
Bank Alfalah Limited-Islamic Banking Division		
Deposits at the end of the period / year	<u>160,468</u>	<u>143,563</u>
Profit on deposit accounts for the period / year	<u>8,270</u>	<u>9,098</u>
Bank charges for the period / year	<u>5</u>	<u>3</u>
	(Units in '000)	
Units held by	<u>5,590</u>	<u>5,590</u>
	(Rs. in '000)	
Cash dividend paid to	<u>19,565</u>	<u>33,540</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Level 1 : Quoted prices in active markets for identical assets or liabilities.

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	31 March 2012			
	Level 1	Level 2	Level 3	Total
At fair value through profit or loss	(Rupees in '000)			
- Equity securities	148,158	-	-	148,158
Available for sale investments				
- Equity securities	14,610	-	-	14,610
- Debt securities	-	-	15,649	15,649
	<u>162,768</u>	<u>-</u>	<u>15,649</u>	<u>178,417</u>

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

Transfers from Level 3 to Level 2	-
Transfers from Level 2 to Level 3	<u>15,649</u>

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 use 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 provisioning criteria prescribed by the abovementioned circular and are hence classified as Level 3.

Therefore, 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 transfer from Level 3 to Level 2.

13. DATE OF AUTHORIZATION FOR ISSUE

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

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director