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**FUND'S INFORMATION**

<b>Management Company:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi..
<b>Board of Directors of the Management Company:</b>	- Ms. Maheen Rahman - Syed Ali Sultan - Mr. Michael Hermann - Mr. Hanspeter Beier - Mr. Amin Dawood Saleh - Mr. Muhammad Asif Saad - Mr. Abid Naqvi
<b>Head of Finance:</b>	- Syed Hyder Raza Zaidi
<b>Company Secretary:</b>	- Moinuddin
<b>Audit Committee:</b>	- Syed Ali Sultan - Mr. Abid Naqvi - Mr. Amin Dawood Saleh
<b>HR Committee:</b>	- Syed Ali Sultan - Mr. Michael Hermann - Ms. Maheen Rahman
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi
<b>Fund Manager:</b>	Mr. Nabeel Malik
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
<b>Legal Advisor:</b>	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	Stability Rating A- (f) by PACRA

***MISSION STATEMENT***

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

***VISION STATEMENT***

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

**REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY  
FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER, 2014**

*To our valued Unit Holders,*

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), for the three months ended 30 September, 2014. The Financial Statements of the Schemes prepared by the Management Company present true and fair view of the state of affairs of the Schemes and results of their operations, cash flows and movement in unit holders' funds.

***Economic Review***

Inflationary pressure eased off slightly in 1QFY15, with CPI for the quarter declining to 7.5% versus 8.1% in 1QFY14. SBP kept the discount rate unchanged at 10% in its mid-Sep bi-monthly MPS in line with market expectations. SBP cited increased risk to (1) CPI due to monsoon floods and (2) balance of payments owing to delay in IMF tranche and consequent bilateral and multilateral flows. 6M KIBOR averaged at 10.18% during Sep-14, steady since Apr-14.

Trade deficit posted an adverse trend over the quarter, increasing by 45% to US\$6.5bn. The deficit rose particularly high over August, clocking in higher by 96% on MoM basis and by 77% on YoY basis to US\$2.8bn (a multi-year high). The higher statistic was primarily led by 40% MoM increase in imports, which rose to US\$4.7bn. Oil imports increased by 66% MoM and 12.5% YoY mainly led by higher volume. In this connection, softer global crude oil prices should alleviate the oil import bill in the coming months, providing some cushion to the balance of payments. Lower prices have already started to make an impact, as trade deficit for September clocked in lower at US\$2.4bn owing to 3% drop in import value.

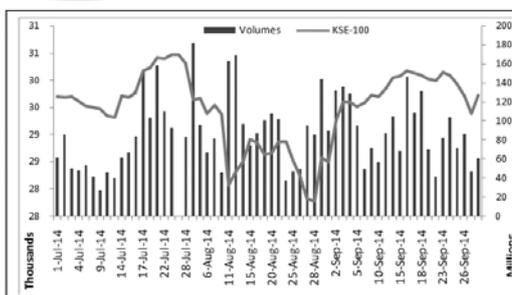
Delays in IMF tranche and privatization proceeds have brought down US\$306mn in Sep-14 at US\$13.3bn. The IMF has clubbed payments of Sept & Dec review together and is expected to disburse US\$1.1bn in Dec easing pressure on rupee and foreign exchange reserves. Furthermore issuance of US\$500mn Sukuk and secondary offering of OGDC are both in the pipeline and will be positive, however, the timing remains uncertain.

***Capital Markets Review***

**EQUITIES REVIEW**

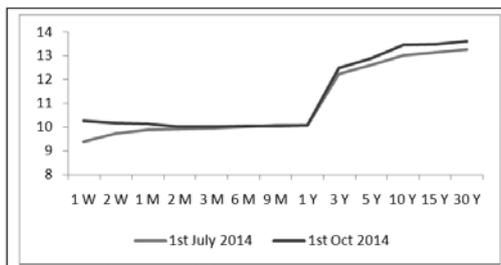
The KSE-100 remained range bound in the 1QFY15, with a 0.25% return for the period. The major reason for the relatively lackluster performance during 1QFY15 was primarily driven by political turmoil in the capital which began mid Aug and continued till the end of the quarter. Once politics took the front seat, economic reform agenda was put on the back burner and expectation of derailment of the economic reform process led to lack of confidence within equity investors.

Going forward, we expect the market to consolidate around current index level with valuations and earnings growth in specific sectors warrants focus on a selected group of stocks rather than the broader index.



**MONEY MARKET REVIEW**

In the monetary policy conducted in September, the State Bank of Pakistan maintained the discount rate at 10% to strike a balance between fiscal factors and growth considerations. Although the policy decision did not have any bearing on the money market, secondary market yields climbed, nevertheless, and stayed high during a large part of September as liquidity remained constrained and OMO injections were less generous.

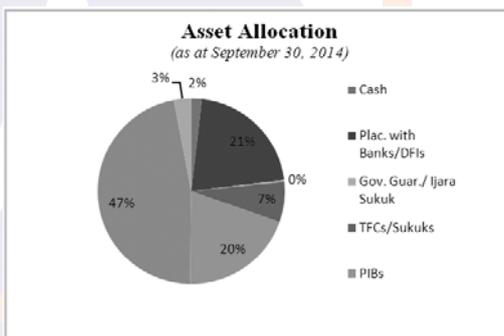


With monetary easing opportunities left behind, the State Bank is now widely expected to maintain a stable monetary policy till inflation picks up at the start of the next calendar year.

**Fund Operations and Performance**
**Alfalah GHP Income Multiplier Fund**

During the period, Alfalah GHP Income Multiplier Fund generated a return of 9.37% while the benchmark stood at 10.48% during the same period.

The policy rate was expected to remain unchanged in the MPS and therefore government securities' rates stabilized. As the fund grew in size more concentration was skewed towards the government securities especially treasury bills.



Going forward, the Fund plans to increase exposure towards medium-long term instruments as well as high yielding good quality TFCs while availing trading opportunities to boost yields.

**Key Financial Data**

Rs. In million

Description	Three month period ended 30 September 2014	Three month period ended 30 September 2013
Net Assets at end of the period	2,162.833	340.023
Gross income earned	51.007	8.269
Net comprehensive income	54.277	6.281
Net Assets Value per Unit (Rs.)	49.2097	48.2353
Issuance of units during the period	734.972	-
Redemption of units during the period	-181.052	-0.005

**Future Outlook**

Going forward, we believe the market shall continue to perform well on the back of strong overall corporate results. We believe investors will benefit more from bottom-up investment philosophy as good opportunities are available in selected scrips that carry high return potential. Hence the equity linked funds should remain with heavy market exposure.

Interest rate stability will make medium to long term bond more attractive than short term instruments hence the focus will be to maximize duration on all fixed income portfolios.

**Acknowledgement**

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



For and on behalf of the Board

Chief Executive Officer

Date: October 27, 2014

**CONDENSED INTERIM STATEMENT OF  
ASSETS AND LIABILITIES  
AS AT 30 SEPTEMBER 2014**

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
<i>Note</i>	----(Rupees)----	
<b>Assets</b>		
Bank balances	5 <b>41,221,534</b>	166,046,127
Investments	6 <b>2,129,983,444</b>	1,401,940,553
Income and profit receivable	<b>38,307,640</b>	23,346,208
Advances, deposits and other receivables	<b>4,092,833</b>	2,600,000
Receivable against sale of Investment	<b>24,542,163</b>	-
<b>Total assets</b>	<b>2,238,147,615</b>	1,593,932,888
<b>Liabilities</b>		
Payable against Purchase of Investment	<b>49,790,416</b>	-
Payable to Alfalah GHP Investment Management Limited - Management Company	<b>12,816,968</b>	3,711,464
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>169,971</b>	113,529
Payable to Securities and Exchange Commission of Pakistan - Annual fee	<b>889,653</b>	544,923
Provision for Workers' Welfare Fund	<b>7,871,456</b>	6,857,114
Accrued expenses and other liabilities	<b>3,776,145</b>	16,752,162
<b>Total liabilities</b>	<b>75,314,610</b>	27,979,192
<b>Contingencies and Commitments</b>	9 -	-
<b>Net assets</b>	<b>2,162,833,005</b>	1,565,953,696
<b>Unit holders' funds (as per statement attached)</b>	<b>2,162,833,005</b>	1,565,953,696
	(Number of units)	
<b>Number of units in issue</b>	<b>43,951,363</b>	32,573,743
	(Rupees)	
<b>Net asset value per unit</b>	<b>49.2097</b>	48.0741

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 QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	Note	----(Rupees)----
<b>Income</b>		
Income from term finance certificate - net of amortization of premium /discount	1,059,960	190,005
Income from government securities - net of amortization of discount	31,545,613	5,594,000
Income from clean placements	3,392,676	108,493
Income from term deposit receipts	4,340,110	-
Income from sukuk certificates	5,728,926	3,396,738
Profit on deposit accounts with banks	1,945,040	321,781
Capital gain on sales of investment	3,566,602	-
Unrealised (diminution) / appreciation in the value of investments -at fair value through profit or loss'	6.6 (593,338)	(168,018)
Impairment in the value of investments classified as 'available for sale'	-	(3,500,600)
Reversal of impairment in the value of investment classified as 'available for sale'	6,462	2,327,022
Other income	14,543	-
<b>Total Income / (loss)</b>	<b>51,006,594</b>	<b>8,269,421</b>
<b>Expenses</b>		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	5,745,426	1,052,000
Sales tax on Management fee	7 1,002,186	195,304
FED on Management fee	8 919,264	168,365
Remuneration of Central Depository Company of Pakistan Limited - Trustee	604,933	143,111
Annual fee - Securities and Exchange Commission of Pakistan	344,730	63,137
Transaction cost	39,976	8,000
Bank and Settlement charges	13,243	3,026
Fees and subscriptions	138,433	70,565
Auditor's remuneration	133,216	154,000
Worker's welfare fund	10 1,066,643	128,265
Printing and related cost	50,411	-
<b>Total expenses</b>	<b>10,058,461</b>	<b>1,985,772</b>
<b>Net Income / (loss) from operating activities</b>	<b>40,948,132</b>	<b>6,283,649</b>
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	10,871,044	-
<b>Net Income / (loss) for the period</b>	<b>51,819,177</b>	<b>6,283,649</b>

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 QUARTER ENDED 30 SEPTEMBER 2014**

	<b>30 September 2014</b>	<b>30 September 2013</b>
	<i>Note</i>	<b>-----(Rupees)-----</b>
Net Income / (loss) for the period	<b>51,819,177</b>	6,283,649
<b>Other comprehensive income:</b>		
Element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - amount representing unrealised gains	<b>446,320</b>	-
Net unrealised (diminution) / appreciation during the period in fair value of investments classified as 'available for sale'	<i>6.9</i> <b>2,011,534</b>	(2,394)
Other comprehensive (loss) / Income for the period	<b>2,457,854</b>	(2,394)
<b>Total comprehensive Income / (loss) for the period</b>	<b><u>54,277,031</u></b>	<b><u>6,281,255</u></b>

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 QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	----(Rupees)----	
Undistributed (loss) brought forward		
- Realized	<b>(18,880,294)</b>	(18,880,000)
- Unrealized	<b>149,134</b>	149,000
	<b>(18,731,160)</b>	(18,731,000)
Element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - amount representing unrealised gains	<b>446,320</b>	-
Net Income / (loss) for the period	<b>51,819,177</b>	6,283,649
Undistributed (loss) carried forward		
- Realized	<b>33,681,355</b>	(12,279,333)
- Unrealized	<b>(593,338)</b>	(168,018)
	<b><u>33,088,017</u></b>	<u>(12,447,351)</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 STATEMENT OF  
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	-----(Rupees)----	
Net assets at the beginning of the period	1,565,953,696	333,746,576
Issue 15,233,843 units (2013: Nil units)	734,971,501	-
Redemption 3,856,222 units (2013: 106 units)	(181,051,859)	(5,032)
	553,919,643	(5,032)
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	(10,871,044)	-
Element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - amount representing unrealised gains	(446,320)	-
Net unrealised (diminution) / appreciation during the period in fair value of investments classified as 'available for sale'	2,011,534	(2,394)
Capital gain on sale of investments	3,566,602	-
Unrealised (diminution) / appreciation in the value of investments - 'at fair value through profit or loss'	(593,338)	(168,018)
Element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - amount representing unrealised gains	446,320	-
Other net Income / (loss) for the period	48,845,913	6,451,667
Net Income / (loss) for the period less distribution	52,265,497	6,283,649
<b>Net assets at the end of the period</b>	<b>2,162,833,005</b>	<b>340,022,799</b>
	----- (Rupees) -----	
Net asset value per unit at the beginning of the period	48.0741	47.3441
Net asset value per unit at the end of the period	49.2097	48.2353

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 QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income / (loss) for the period	51,819,177	6,283,649
<b>Adjustments for:</b>		
Unrealised (diminution) / appreciation in the value of investments		
'-at fair value through profit or loss'	593,338	168,018
Impairment in the value of investments classified as 'available for sale'	-	3,500,600
Reversal of impairment in the value of investment classified as 'available for sale'	(6,462)	(2,327,022)
Income from sukuk certificates	(5,728,926)	(3,396,738)
Profit on deposit accounts with banks	(1,945,040)	(321,781)
Income from term finance certificate - net of amortization of premium /discount	(1,059,960)	(190,005)
Income from clean placements	(3,392,676)	-
Income from term deposit receipts	(4,340,110)	-
Income from government securities - net of amortization of premium /discount	(31,545,613)	-
Provision for Workers' Welfare Fund	1,066,643	-
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(10,871,044)	-
	(5,410,674)	3,716,721
<b>(Increase) / decrease in assets</b>		
Investments	(726,618,233)	(105,816,526)
Receivable against sale of Investment	(24,542,163)	-
Deposits & Prepayments	(1,492,833)	(22,439)
	(752,653,229)	(105,838,965)
<b>Increase / (decrease) in liabilities</b>		
Payable against purchase of investments	49,790,416	-
Payable to Alfalah GHP Investment Management Limited - Management Company	9,105,504	178,458
Payable to Central Depository Company of Pakistan Limited - Trustee	56,442	(5,084)
Payable to Securities and Exchange Commission of Pakistan -Annual fee	344,730	(149,855)
Accrued expenses and other liabilities	(12,976,017)	(20,821,003)
	46,321,076	(20,797,485)
Profit received on investments	32,998,591	4,910,000
<b>Net cash (used in) / from operating activities</b>	(678,744,236)	(118,009,728)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	734,971,501	-
Payment against redemption of units	(181,051,859)	(5,032)
<b>Net cash (used in) financing activities</b>	553,919,645	(5,032)
Net (decrease) / increase in cash and cash equivalents during the period	(124,824,593)	(118,014,760)
Cash and cash equivalents at beginning of the period	166,046,127	128,636,000
Cash and cash equivalents at end of the period	41,221,534	10,621,240

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 QUARTER ENDED 30 SEPTEMBER 2014****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 08 March 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 14 February 2007.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-5, Clifton, 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 Fund.

The Fund is categorized as an aggressive fixed income scheme and can invest in debt and money market securities as authorized in the Funds' Offering Document.

The Fund has three classes of units. Class A (restricted / core) units were issued to core investors with no sales load. These units cannot be redeemed for a period of two years from the date of initial public offer and shall be charged no sales load. Class B units were offered and issued during the private placement and initial period of offer and shall be charged no sales load. Class C units were offered and issued after the initial period of offer and shall be issued with or without sales load.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3+' (Outlook: Stable) to the Management Company in its rating report dated June 20, 2014 and A-(f) Stability Rating to the Fund in its rating report dated March 13, 2014.

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 30 September 2014 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 period ended 30 September 2014.

**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, 2014. 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.

## 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 2014.

## 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 2014.

### 3.1 Earnings per unit

Earnings per unit (EPU) for the period ended September 30, 2014 has not been disclosed in these condensed interim financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

## 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 2014.

	<b>30 September 2014 (Unaudited)</b>	<b>30 June 2013 (Audited)</b>
	<i>Note</i>	----(Rupees)----
<b>5. BANK BALANCES</b>		
in deposit accounts	5.1	
	<u><b>41,221,534</b></u>	<u>166,046,127</u>
	<u><b>41,221,534</b></u>	<u>166,046,127</u>

5.1 These balances in saving deposit accounts bear profit rates ranging from 7% to 9.25% per annum (30 June 2014: 7% to 9.25% per annum). This includes Rs.41.204 million (30 June 2014: 166.029 million) with related party that carry markup ranging from 8% to 9.00% per annum.

	30 September 2014 (Unaudited)	30 June 2013 (Audited)
Note	----(Rupees)----	
<b>6. INVESTMENTS</b>		
<b>At fair value through profit or loss</b>		
Market treasury bills	6.1 <b>1,047,622,882</b>	1,063,142,688
Investment in Pakistan Investment Bonds	6.2 <b>442,653,755</b>	-
Investment in GOP Ijara Sukuks	6.3 <b>7,091,700</b>	-
Investment in term finance certificates	6.4 <b>35,855,261</b>	35,862,603
Investment in term finance certificates - Pre IPO	<b>50,000,000</b>	-
Investment in sukuk certificates	6.5 <b>25,707,000</b>	50,624,000
	<b>1,608,930,598</b>	1,149,629,291
<b>Available for sale</b>		
Investment in term finance certificates	6.7 <b>963,215</b>	973,680
Investment in sukuk certificates	6.8 <b>45,089,631</b>	44,936,170
	<b>46,052,846</b>	45,909,850
<b>Held to maturity</b>		
Certificates of investment	<b>170,000,000</b>	100,398,880
Term deposit receipt	<b>305,000,000</b>	106,002,532
	<b>475,000,000</b>	206,401,412
	<b>2,129,983,444</b>	1,401,940,553

6 INVESTMENTS										
6.1 Investment in Treasury Bills - 'held for trading'										
Issue Date	Note	Face value				As at 30 September 2014	Cost as at 30 September 2014	Fair Value as at 30 Sep 2014	Market value as a percentage of:	
		As at 01 July 2014	Purchases during the year	Sales during the period	Mature during the year				net assets	total investments
----- (Number of Certificates) -----						----- (Rupees) -----				
Maturity upto 3 months	6.1.1	3,550,000	3,850,000	2,700,000	850,000	3,850,000	381,748,276	381,689,874	18	18
Maturity upto 6 months	6.1.2	5,820,000	1,000,000	1,600,000	-	5,220,000	515,427,916	515,258,326	24	24
Maturity upto 12 months	6.1.3	1,600,000	-	-	-	1,600,000	150,995,230	150,674,682	7	7
		<b>10,970,000</b>	<b>4,850,000</b>	<b>4,300,000</b>	<b>850,000</b>	<b>10,670,000</b>	<b>1,048,171,422</b>	<b>1,047,622,882</b>		

6.1.1 These represent treasury bills having face value of Rs.385 million (June 30, 2014: Rs. 355 million) and carrying purchase yield of 9.95% to 9.97% (June 30, 2014: 9.93% to 9.96%) per annum. These treasury bills have maturity upto November 27, 2014 (June 30, 2014: September 04, 2014).

6.1.2 These represent treasury bills having face value of Rs.522 million (June 30, 2014: Rs.582 million) and carrying purchase yield of 9.94% to 10.05% (June 30, 2014: 9.98% to 10.02%) per annum. These treasury bills have maturity upto January 22, 2015 (June 30, 2014: November 13, 2014).

6.1.3 These represent treasury bills having face value of Rs.160 million (June 30, 2014: Rs.160 million) and carrying purchase yield of 9.96% (June 30, 2014: 9.98%) per annum. These treasury bills have maturity of May 14, 2015 (June 30, 2014: May 14, 2015).

6.2 Investment in Pakistan Investment Bonds - 'held for trading'										
Issue Date	Note	Face value				As at 30 September 2014	Cost as at 30 September 2014	Fair Value as at 30 Sep 2014	Market value as a percentage of:	
		As at 01 July 2014	Purchases during the year	Sales during the period	Mature during the year				net assets	total investments
----- (Number of Certificates) -----						----- (Rupees) -----				
Maturity upto 3 years	6.2.1	-	3,500,000	-	-	3,500,000	345,029,777	347,387,555	16.06	16.31
Maturity upto 5 years	6.2.2	-	1,000,000	-	-	1,000,000	95,097,538	95,266,200	4.40	4.47
		-	<b>4,500,000</b>	-	-	<b>4,500,000</b>	<b>440,185,934</b>	<b>442,653,755</b>		

6.2.1 These represent Pakistan investment bonds having face value of Rs.350 million (June 30, 2014: Rs. Nil) and carrying purchase yield of 12% to 12.2038% (June 30, 2014: Nil) per annum. These Pakistan investment bonds have maturity upto July 17, 2017 (June 30, 2014: Nil).

6.2.2 These represent Pakistan investment bonds having face value of Rs.100 million (June 30, 2014: Rs. Nil) and carrying purchase yield of 12.94% (June 30, 2014: Nil) per annum. These Pakistan investment bonds have maturity upto July 17, 2019 (June 30, 2014: Nil).

#### 6.3 Investment in GOP Ijara Sukuks

Name of the Investee company	Maturity	Profit / Mark-up Percentage	As at 01 Jul 2014	Purchases during the year	Sales / Mature during the period	Redemption during the year	As at 30 September 2013	Cost as at 30 September 2014	Market value as at 30 Sep 2013	(Impairment) in the value of investments	Appreciation / (Diminution) in the value of investments	Market value as a percentage of:		
												net assets	total investments	
(Units)								(Rupees)						
GOP Ijara Sukuks	June 2015	9.98%	7,000,000	-	-	-	7,000,000	7,140,000	7,091,700	-	(48,300)	14.24	0.33	
								<b>7,140,000</b>	<b>7,091,700</b>	<b>-</b>	<b>(48,300)</b>			

#### 6.4 Investment in quoted Term Finance Certificate - Held for Trading

Name of the Investee company	Maturity	Profit / Mark-up Percentage	As at 01 Jul 2014	Purchases during the year	Sales / Mature during the period	Redemption during the year	As at 30 September 2014	Cost as at 30 September 2014	Market value as at 30 Sep 2014	(Impairment) in the value of investments	Appreciation / (Diminution) in the value of investments	Market value as a percentage of:		
												net assets	total investments	
Number of certificates								(Rupees)						
Listed term finance certificates														
Bank Alfalah Limited - V	March 2021	6M KIBOR+1.25%	1,225	-	-	-	1,225	6,121,325	6,140,411	-	19,086	0.28	0.29	
Engro Fertilizer Limited III	November 2015	6M KIBOR+1.55%	6,000	-	-	-	6,000	29,917,510	29,714,850	-	(202,660)	1.37	1.40	
								<b>36,038,835</b>	<b>35,855,261</b>	<b>-</b>	<b>(183,574)</b>			

#### 6.5 Investment in Sukuk Certificates - Held for Trading

Name of the Investee company	Maturity	Profit / Mark-up Percentage	As at 01 Jul 2014	Purchases during the year	Sales / Mature during the period	Redemption during the year	As at 30 September 2014	Cost as at 30 September 2014	Market value as at 30 Sep 2014	(Impairment) in the value of investments	Appreciation / (Diminution) in the value of investments	Market value as a percentage of:		
												net assets	total investments	
Number of certificates								(Rupees)						
Listed term finance certificates														
K - Electric Sukuk II	March 2017	3M KIBOR+2.25%	1,225	-	-	-	1,225	25,737,500	25,707,000	-	(30,500)	1.19	1.21	
								<b>25,737,500</b>	<b>25,707,000</b>	<b>-</b>	<b>(30,500)</b>			
<b>Total Investment at 'fair value through profit and loss'</b>								<b>1,557,273,691</b>	<b>1,558,930,598</b>					

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

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	----(Rupees)----	
Market value of investments	<b>1,558,930,598</b>	1,149,629,291
Less: Carrying value of investments	<b>(1,557,273,691)</b>	(1,148,681,936)
	<b>1,656,907</b>	947,355
Net unrealised (appreciation) in the value of investment at the beginning of the period / year	<b>(947,355)</b>	(78,009)
Realised on disposal during the period / year	<b>(1,302,890)</b>	-
	<b>(2,250,245)</b>	(78,009)
Net unrealised (diminution) in the value of investment for the period / year	<b>(593,338)</b>	869,346

**6.7 Investment in term finance certificate - 'available for sale'**

Name of the Investee company	Notes	Maturity	Profit / Mark-up Percentage	As at 01 Jul 2014	Purchases during the year	Sales / Mature during the period	Redemption during the year	As at 30 September 2014	Cost as at 30 September 2014	Market value as at 30 Sep 2014	(Impairment) in the value of investments	Appreciation / (Diminution) in the value of investments	Market value as a percentage of net assets	total investments
										Number of certificates				
										(Rupees)				
<b>Listed term finance certificates</b>														
Trust Investment Bank Limited	6.7.1	July 2013	6M KIBOR + 1.85%	8,000	-	-	-	8,000	14,994,000	-	(14,994,000)	-	-	-
<b>Unlisted term finance certificates</b>														
Security Leasing Corporation Limited	6.7.2	January 2022	6%	2,000	-	-	-	2,000	1,557,300	963,215	(594,085)	-	0.04	0.05
Agritech Ltd (Formerly Pak American Fertilizer Limited)	6.7.3	November 2017	6M KIBOR + 1.75%	17,950	-	-	-	17,950	89,666,353	-	(89,666,353)	-	-	-
Agritech Ltd-IV (Formerly Pak American Fertilizer Limited)	6.7.4	January 2015	Zero Coupon	4,094	-	-	-	4,094	20,470,000	-	(20,470,000)	-	-	-
									<b>126,687,653</b>	<b>963,215</b>	<b>(125,724,438)</b>	<b>-</b>		

6.7.1 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 October 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. 14.994 million in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

6.7.2 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 is to be repaid in 36 equal installments starting from April 29, 2011 to March 29, 2014. In February 2011, SLCL rescheduled its monthly repayment from Rs. 78,125/- to Rs. 16,927/- without any alteration in the supplemental trust Deed. Subsequently the security was classified as 'non-performing' and reclassified as performing by MUFAP on 03 April 2012 and 15 March 2013 respectively. However, during the current period the security was again classified as 'non-performing' by Mufap on August 15, 2014, accordingly, the security has been provided in accordance with the requirements of SECP circulars and the Board's approved provisioning policy.

6.7.3 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.

6.7.4 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.

**6.8 Investment in unquoted Sukuk bonds - available for sale**

Name of the Investee company	Notes	Maturity	Profit / Mark-up Percentage	As at 01 Jul 2014	Purchases during the year	Sales / Mature during the period	Redemption during the year	As at 30 September 2014	Cost as at 30 September 2014	Market value as at 30 Sep 2014	(Impairment) in the value of investments	Appreciation / (Diminution) in the value of investments	Market value as a percentage of: net assets total investments
				-----Number of certificates-----					(Rupees)				
Maple Leaf Cement Factory Limited	December 2018	3M KIBOR +1%	15,000	-	-	-	15,000	56,090,625	45,089,631	-	(11,000,994)	2.08	2.12%
Kohat Cement Company Limited	6.8.1 September 2016	3M KIBOR +1.50%	23,000	-	-	23,000	-	-	-	-	-	-	0.00%
								56,090,625	45,089,631		(11,000,994)		
								182,778,278	46,052,846	(125,724,438)	(11,000,994)		

6.8.1 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. During the year the sukuk issued by Kohat Cement Company Limited has been regular on its payments as per the restructuring agreement which resulted in reversal in provision by Rs. 1.183 Million. Accordingly the maturity date of the sukuk has been reduced to June 2016 from September 2016.

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	----(Rupees)----	
<b>6.9 Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'</b>		
Market value of investments	46,052,846	45,909,850
Less: Carrying value of investments	(182,778,278)	(184,670,205)
	(136,725,432)	(138,760,355)
Impairment charged during the period / year	-	3,498,600
Reversal of impairment during the period / year	(6,462)	(22,936,374)
	(136,731,894)	(158,198,129)
Net unrealized diminution in the value of investments at the beginning of the period / year	138,760,355	167,056,594
Realized on disposals during the period / year	(16,927)	-
Net unrealized (diminution) / appreciation in the value of investments at the end of the period / year	2,011,534	8,858,465

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

Opening Balance	147,618,820	167,056,594
Charged for the period / year	-	3,498,600
Realised during the period / year	-	(22,936,374)
Reversal due to disposals during the period / year	(6,462)	-
Impairment in the value of investments classified as 'available for sale' - net	(6,462)	(19,437,774)
Closing balance	147,612,358	147,618,820

**7. SALES TAX ON MANAGEMENT FEE**

During the current period, an amount of Rs. 1.002 million (30 September 2013: Rs. 0.195) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

**8. FED ON MANAGEMENT FEE**

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management

Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

## **9. CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at 30 September 2014.

## **10. WORKER 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 may be construed 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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. In March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the WWF Ordinance through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011. However, as mentioned above, the constitutional petition challenging the applicability of WWF on mutual funds is still pending adjudication and not yet decided. The Management Company has considered the implications of the above judgment of SHC and is of the view that the matter will eventually be settled in its favor and WWF will not be levied on the Fund.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

In view of the uncertainty on the applicability of WWF to mutual funds, the Management Company as a matter of prudence, has decided to continue to maintain the provision for WWF amounting to Rs.6.857 million (September 30, 2013: Rs.4.054 million) up to September 30, 2014. Had the provision not been made, the NAV per unit would have been higher by Rs.0.18 (0.36%) per unit (September 30, 2013: Rs.0.58 (1.19%) per unit).

## **11. 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 2014 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 three months period ended 30 September 2014.

**12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, 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, Bank Alfalah Limited being sub custodian, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business, at contractual rates and term 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:

**12.1 Transactions and balances with connected persons / related parties**

	30 September 2014 (Unaudited)	30 June 2014 (Audited)
	----(Rupees)----	
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Balance at beginning of the period / year	3,711,464	458,732
Remuneration for the period / year	5,745,426	9,082,144
Sales tax on Management fee for the period / year	1,002,186	1,444,501
FED on Management fee for the period / year	919,264	1,694,294
	<u>11,378,340</u>	<u>12,679,671</u>
Amount paid during the period / year	<u>(6,076,366)</u>	<u>(8,968,207)</u>
Balance at the end of the period / year	<u>5,301,974</u>	<u>3,711,464</u>
<b>Central Depository Company of Pakistan Limited</b>		
Balance at beginning of the period / year	113,529	49,053
Remuneration for the period / year	604,933	1,179,053
CDS Charges for the period / year	500	6,229
	<u>718,962</u>	<u>1,234,335</u>
Amount paid during the period / year	<u>(548,991)</u>	<u>(1,120,806)</u>
Balance at the end of the period / year	<u>169,971</u>	<u>113,529</u>
Deposit with Central Depository Company of Pakistan Limited	<u>200,000</u>	<u>200,000</u>
<b>Bank Alfalah Limited</b>		
Balance in deposit accounts at the end of the period / year	<u>41,204,008</u>	<u>166,028,600</u>
Mark-up receivable on bank deposits	<u>866,620</u>	<u>306,304</u>
Bank charges	<u>12,743</u>	<u>72,307</u>
Profit on deposit accounts at the end of the period / year	<u>1,945,040</u>	<u>3,338,367</u>
Pakistan investment bonds - Purchases	<u>96,334,184</u>	<u>-</u>
Treasury bills - Purchases	<u>245,738,270</u>	<u>-</u>
<b>Alfalah GHP Cash Fund</b>		
Treasury bills - Sales	<u>24,945,600</u>	<u>-</u>
<b>IGI Money Market Fund</b>		
Treasury bills - Purchases	<u>29,724,210</u>	<u>-</u>
<b>IGI Income Fund</b>		
Treasury bills - Purchases	<u>96,634,300</u>	<u>-</u>

**12.2 Unit Holder's Fund**

September 30, 2014									
As at 01 July 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 Sept 2014	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at September 30, 2014
(Units)				(Rupees)					
<b>Associated Companies / Undertakings</b>									
Bank Alfalah Limited	5,481,236	-	-	5,481,236	263,505,467	-	-	-	269,729,958
Management Company	2,016,664	-	-	2,016,664	96,949,296	-	-	-	99,239,419
<b>Key Management Personal Employees</b>									
	-	1,396	-	1,396	-	67,122	-	-	68,697
<b>Unit holder holding 10% or more Units</b>									
Archroma Pakistan Limited - Employees Gratuity Fund	1,518,744	-	-	1,518,744	73,012,270	-	-	-	74,736,957
Attock Cement Pakistan Limited	6,434,782	-	-	6,434,782	309,346,376	-	-	-	316,653,715
Habib Metropolitan Bank Limited	3,332,029	-	-	3,332,029	160,184,301	-	-	-	163,968,153

September 30, 2013									
As at 01 July 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 Sept 2013	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at September 30, 2014
(Units)				(Rupees)					
<b>Associated Companies / Undertakings</b>									
Bank Alfalah Limited	5,481,236	-	-	5,481,236	259,504,165	-	-	-	264,389,042
Management Company	-	-	-	-	-	-	-	-	-
<b>Unit holder holding 10% or more Units</b>									
Archroma Pakistan Limited - Employees Gratuity Fund	965,475	-	-	965,475	45,709,542	-	-	-	46,569,973

**13 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on October 27th, 2014 by the Board of Directors of Management company.

**14 GENERAL**

Figures have been rounded off to the nearest rupees.

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

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director