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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. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B' S.M.C.H.S., Main Shahra-e-Faisal Karachi.
Fund Manager:	- Mr. Ather. H. Medina
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Bldg. No. 2 Beaumont Road P.O. Box 8517, Karachi.
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Rating:	4 Star by PACRA

MISSION STATEMENT

Alfalah GHP Alpha Fund aims to provide its unit holders with stock market linked returns over a period of time through investments in various value, growth and dividend paying stocks.

VISION STATEMENT

Alfalah GHP Alpha Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve stock market based returns over the medium to long term through exposure to a basket of value, growth and dividend paying stocks.

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 Alpha Fund (AGAF) is pleased to present its quarterly report on the affairs of AGAF to the units holders for the quarter ended 30 September 2011.

Financial Performance

Net assets under management as on 30 September 2011 were Rs.114.65 million. During the period units worth Rs. 0.003 million were issued.

AGAF earned a total income of Rs.1.52 million for the quarter ended 30 September 2011. Major sources of revenue were dividend income of Rs.1.14 million, capital gains of Rs. 0.58 million and profit on bank deposits of Rs. 0.38 million. After accounting for expenses of Rs.1.65 million, the net loss from operating activities for the period stands at Rs. 0.13 million.

Market Performance

The equity market has had a tumultuous 1QFY12, with a relatively steady performance in July followed by a sharp decline in August, which saw the KSE 100 Index bottoming at 10,842 points on August 23rd, down 13.2% since the start of the quarter. The slide was triggered by global investor fears of a European debt crises blowup and weakening growth in developed economies. The global equity markets rebounded in September on steps taken by US and European leaders to address the economic issues in those economies. Subsequently, the KSE 100 rallied by as much as 8.5% from the August lows to close the quarter at 11,761 points, a net decline of 5.9% during the quarter.

Asset Allocation

The asset allocation of AGAF as at 30 September 2011 was as follows:

Equity	88.08%
Cash / Bank Deposits	8.67%
Others	3.25%
Total	<u>100.00%</u>

Investment Outlook

We remain bullish on the prospects of the domestic equity market in the current year. The KSE-100 is expected to provide a total yield (Dividend yield plus capital appreciation) of 16-18% in FY12. Attractive valuations in Oil & Gas (E&P), Fertilizer and Banking sectors, improving GDP growth of 3-4%, declining inflation and consequent monetary easing constitute the basis of such expectations. Corporate earnings growth is expected at 15% on the back of rising oil and fertilizer prices and declining non-performing loan charges.

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 cooperation 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

31 October 2011
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 30 SEPTEMBER 2011**

	<i>Note</i>	30 September 2011 (Unaudited)	30 June 2011 (Audited)
		----(Rupees in '000)----	
Assets			
Bank balances	5	10,392	17,200
Investments	6	105,514	109,821
Dividend and profit receivable		608	593
Deposits and other receivables		2,700	2,700
Preliminary expenses and floatation costs		<u>586</u>	<u>661</u>
Total assets		119,800	130,975
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		396	278
Payable to Central Depository Company of Pakistan Limited - Trustee		58	58
Payable to Securities and Exchange Commission of Pakistan - Annual fee		175	148
Payable against purchase of investments		1,841	-
Accrued expenses and other liabilities		<u>2,682</u>	<u>2,490</u>
Total liabilities		5,152	2,974
Contingencies and commitments	7	-	-
Net assets		<u>114,648</u>	<u>128,001</u>
Unit holders' funds (as per statement attached)		<u>114,648</u>	<u>128,001</u>
		(Number of units)	
Number of units in issue		<u>2,078,998</u>	<u>2,057,613</u>
		(Rupees)	
Net asset value per unit		<u>55.15</u>	<u>62.21</u>

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	----(Rupees in '000)----	
Income		
Capital gain on sale of investments	583	6,359
Dividend income	1,141	1,390
Profit on deposit accounts with banks	376	1,422
Unrealised (diminution) in the value of investments - 'at fair value through profit or loss'	6.2 (581)	(395)
Total Income	<u>1,519</u>	<u>8,776</u>
Expenses		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	728	1,113
Sales tax on Management fee	116	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	176	176
Annual fee - Securities and Exchange Commission of Pakistan	27	43
Amortisation of preliminary expenses and floatation costs	76	76
Bank and settlement charges	92	110
Auditors' remuneration	189	169
Brokerage	200	323
Fees and subscriptions	45	184
Worker's Welfare Fund	8 -	12
Total expenses	<u>1,649</u>	<u>2,206</u>
Net (loss) / Income from operating activities	<u>(130)</u>	<u>6,570</u>
Net element of gain / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased	111	(6,003)
Net (loss) / income for the period	<u>(19)</u>	<u>567</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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

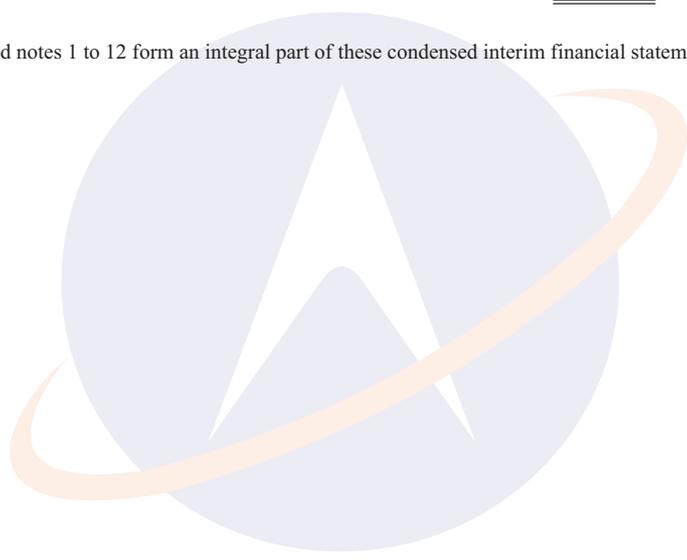
Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited) ----(Rupees in '000)----	30 September 2010 (Unaudited)
Net (loss) / Income for the period	(19)	567
Other comprehensive Income for the period	-	-
Total comprehensive (loss) / Income for the period	<u>(19)</u>	<u>567</u>

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited) ----(Rupees in '000)----	30 September 2010 (Unaudited)
Undistributed income brought forward:		
- Realized	28,267	11,842
- Unrealized	(3,147)	(331)
	25,120	11,511
 Net income for the period	 (19)	 567
Final distribution declared for the year ended 30 June 2011:		
- Cash distribution: Rs. 7.00 per unit dated 07 July 2011 (2010: Nil)	(13,226)	-
- Issue of 21,316 bonus units dated 07 July 2011 (2010: Nil)	(1,177)	-
	(14,422)	567
Undistributed income carried forward :		
- Realized	11,279	12,473
- Unrealized	(581)	(395)
	10,698	12,078

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited) ----(Rupees in '000)----	30 September 2010 (Unaudited)
Net assets at the beginning of the period	128,001	184,119
Issue of 69 units (2010: 11,861 units)	3	660
Redemption of Nil units (2010: 1,006,557 units)	-	(56,398)
	3	(55,738)
Net element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased	(111)	6,003
Final distribution of 21,316 bonus units declared for the year ended 30 June 2011 (2010: Nil)	1,177	-
Capital gain on sale of investments	583	6,359
Net unrealised diminution in the value of investments - 'at fair value through profit or loss'	(581)	(395)
Other net (loss) for the period	(21)	(5,397)
Final distribution declared for the year ended 30 June 2011:		
- Cash distribution: Rs. 7.00 per unit dated 07 July 2011 (2010: Nil)	(13,226)	-
- Issue of 21,316 bonus units dated 07 July 2011 (2010: Nil)	(1,177)	-
Net (loss) / income for the period less distribution	(14,422)	567
Net assets at the end of the period	114,648	134,951
	(Rupees)	
Net asset value per unit at the beginning of the period	62.21	53.33
Net asset value per unit at the end of the period	55.15	54.91

The annexed notes 1 to 12 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 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	-----	-----
	-----(Rupees in '000)----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	(19)	567
Adjustments for:		
Unrealised (diminution) in the value of investments - 'at fair value through profit or loss'	581	395
Dividend income	(1,141)	(1,390)
Profit on deposit accounts with banks	(376)	(1,422)
Workers' welfare fund	-	12
Amortisation of preliminary expenses and floatation costs	76	76
Net element of gain /(loss) and capital gains / (losses) included in prices of units sold less those in units repurchased	(111)	6,003
	(990)	4,241
(Increase) / decrease in assets		
Investments	3,726	45,242
Deposits and other receivables	-	(51)
	3,726	45,191
Increase / (decrease) in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	118	149
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(1)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	27	(49)
Payable against purchase of investments	1,841	115
Accrued expenses and other liabilities	192	268
	2,178	482
Dividend received	990	904
Profit on deposit accounts received	511	1,445
	1,501	2,349
Net cash flows from operating activities	6,415	52,263
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	3	660
Payment against redemption of units	-	(56,398)
Cash dividend paid	(13,226)	-
Net cash (used in) financing activities	(13,223)	(55,738)
Net increase in cash and cash equivalents during the period	(6,808)	(3,475)
Cash and cash equivalent at the beginning of the period	17,200	54,372
Cash and cash equivalent at the end of the period	10,392	50,897

The annexed notes 1 to 12 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 2011****1. LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Alpha 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 27 December 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 29 February 2008 .

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 Alpha 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 units and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund.

Alfalah GHP Alpha Fund (AGAF) is open-end Equity Fund. The primary investment objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

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 4 Star (short term) to the fund in its rating report dated 25 October 2010.

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 2011 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 quarter ended 30 September 2011.

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 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. 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.

3.1 Earnings per unit

Earnings per unit (EPU) for the quarter ended 30 September 2011 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 2011.

		30 September 2011	30 June 2011
		(Unaudited)	(Audited)
		(Rupees in '000)	
5. BANK BALANCES	<i>Note</i>		
Deposit accounts	5.1	<u>10,392</u>	<u>17,200</u>

5.1 These balances in saving deposit accounts bears mark-up rates ranging from 10.50 % to 11.50% per annum.

6. INVESTMENTS
30 September 2011 **30 June 2011**
(Unaudited) **(Audited)**
'At fair value through profit or loss'
Note **(Rupees in '000)**

Investment in quoted equity securities - 'Held for trading'

6.1 **105,514** **109,821**
6.1 In quoted equity securities - 'Held for trading'

	As at 01 Jul 2011	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 30 Sep 2011	Cost as at 30 Sep 2011	Market value as at 30 Sep 2011	Unrealized appreciation / (diminution) in the value of investments	Market value as a percentage of net assets	total investments	Par value as a percentage of issued share capital
	Number of shares				(Rupees in '000)						
Chemicals											
ICI Pakistan Limited	25,000	-	-	-	25,000	4,188	3,631	(557)	0.03	3.44	0.02
Engro Corporation Limited	57,500	10,000	-	10,000	57,500	9,899	8,245	(1,654)	7.19	7.81	0.01
Fauji Fertilizer Bin Qasim Limited	90,000	110,000	-	115,000	85,000	3,543	4,988	1,445	4.35	4.73	0.01
Fauji Fertilizer Company Limited	39,500	30,000	-	10,000	59,500	8,214	9,633	1,419	8.40	9.13	0.01
Lotte Pakistan PTA Limited	91,552	-	-	91,552	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	100,000	-	-	100,000	1,841	1,885	44	1.64	1.79	0.01
						<u>27,684</u>	<u>28,381</u>	<u>697</u>			
Banks											
United Bank Limited	75,000	10,000	-	20,000	65,000	4,178	3,909	(269)	3.41	3.70	0.01
National Bank of Pakistan	100,250	105,000	-	95,000	110,250	5,263	5,049	(213)	4.40	4.79	0.01
MCB Bank Limited	42,500	15,000	-	20,000	37,500	7,394	6,498	(896)	5.67	6.16	0.00
						<u>16,834</u>	<u>15,456</u>	<u>(1,378)</u>			
Insurance											
Adamjee Insurance Company Limited	35,000	-	-	35,000	-	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>			
Oil & Gas											
Oil & Gas Development Company Limited	42,000	15,000	-	-	57,000	7,564	7,532	(32)	6.57	7.14	0.00
Pakistan Oilfields Limited	30,000	25,000	-	30,000	25,000	8,854	9,209	355	8.03	8.73	0.01
Pakistan Petroleum Limited	57,500	5,000	3900	23,500	42,900	8,266	8,133	(133)	7.09	7.71	0.00
Pakistan State Oil Company Limited	34,380	10,000	-	15,000	29,380	8,017	7,480	(538)	6.52	7.09	0.02
Attock Petroleum Limited	-	2,500	-	2,500	-	-	-	-	-	-	-
						<u>32,700</u>	<u>32,353</u>	<u>(347)</u>			
Electricity											
Hub Power Company Limited	200,000	-	-	25,000	175,000	3,080	7,263	4,183	6.33	6.88	0.02
Nishat Chunian Power Limited	50,000	15,000	-	-	65,000	1,048	928	(120)	0.81	0.88	0.02
						<u>4,128</u>	<u>8,190</u>	<u>4,062</u>			
Personal Goods											
Nishat (Chunian) Limited	25,000	25,000	-	-	50,000	1,246	1,057	(190)	0.92	1.00	0.03
Nishat Mills Limited	160,000	100,000	-	95,000	165,000	8,778	7,935	(844)	6.92	7.52	0.05
						<u>10,025</u>	<u>8,991</u>	<u>(1,033)</u>			
Construction and Materials											
D.G.Khan Cement Company Limited	155,000	350,000	-	205,000	300,000	6,202	6,171	(31)	5.38	5.85	0.07
Lucky Cement Limited	-	303,534	-	303,534	-	-	-	-	-	-	-
						<u>6,202</u>	<u>6,171</u>	<u>(31)</u>			
General Industries											
Thal Limited	65,690	-	-	-	65,690	7,735	5,971	(1,765)	5.21	5.66	0.21
						<u>7,735</u>	<u>5,971</u>	<u>(1,765)</u>			
Total						<u>105,309</u>	<u>105,514</u>	<u>205</u>			

6.1.1 All shares have a face value of Rs. 10 each except for thal Ltd of Rs. 5 each.

6.2 Net unrealised appreciation fair value of investments classified as 'at fair value through profit or loss'
30 September 2011 **30 June 2011**
(Unaudited) **(Audited)**
----(Rupees in '000)----

Fair value of investments	105,514	109,821
Cost of investments	(105,309)	(110,096)
Unrealised appreciation / (diminution) in the value of investments	205	(275)
Net unrealised diminution in the value of investments at the beginning of the period / year	275	331
Realized on disposal during the period / year	(1,061)	(3,203)
	(786)	(2,872)
Net unrealised (diminution) in the value of investments at the end of the period / year	(581)	(3,147)

- 6.3 Investments includes shares with market value of Rs. 7.26 million 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.

7. CONTINGENCIES AND COMMITMENT

There are no contingencies and commitments as at 30 September 2011.

8. PROVISION FOR WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of Collective Investment Schemes (CISs) through their Trustee on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 8 July 2010 issued advice and clarifications which stated that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions including Mutual Funds because they are ruled and governed by separate laws. Further, in a subsequent letter dated 15 July 2010 the Ministry clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formation for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been withdrawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds. On 14 December 2010, the Ministry filed its response to the constitutional petition pending in the Court. As per the legal counsel who is handling the case, there is contradiction between the above earlier letter

and clarification of the Ministry and the response filed by the Ministry in the Court.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 1.803 million up to 30 September 2011.

9. 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 realised or unrealised 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 information for the quarter ended 30 September 2011.

10. 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, 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 the connected persons / related parties 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 NBFC Rules 2003, NBFC Regulations 2008 and the Constitutive Documents respectively.

10.1 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:

30 September 2011 30 June 2011
(Unaudited) (Audited)
----- (Rupees in '000) -----

Alfalah GHP Investment Management Limited - Management Company

Balance at beginning of the period / year	278	283
Remuneration for the period / year	496	2,733
Performance fee for the period / year	232	1,159
Sales tax on Management fee for the period / year	116	-
	<u>1,122</u>	<u>4,175</u>
Amount paid during the period / year	(726)	(3,897)
Balance at the end of the period / year	<u>396</u>	<u>278</u>

Central Depository Company of Pakistan Limited

Balance at beginning of the period / year	58	59
Remuneration for the period / year	176	700
CDS charges for the period / year	4	24
	<u>238</u>	<u>783</u>
Amount paid during the period / year	(180)	(725)
Balance at the end of the period / year	<u>58</u>	<u>58</u>

Security deposit at the end of the period / year

200 200

Bank Alfalah Limited

Profit receivable at the end of the period / year	106	242
Balance at the end of the period / year	<u>10,385</u>	<u>17,193</u>
Profit on deposit accounts at the end of the period / year	<u>375</u>	<u>3,358</u>

30 September 2011 30 June 2011
(Unaudited) Audited
(Units in '000) (Rupees in '000) (Units in '000) (Rupees in '000)

Units sold to:

Alfalah GHP Investment Management Limited - Staff Provident Fund	-	-	48	3,000
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Units redeemed by:

Alfalah GHP Investment Management Limited - Management Company	-	-	1,007	56,397
Alfalah GHP Investment Management Limited - Staff Provident Fund	-	-	48	3,154

30 September 2011 30 June 2011
(Unaudited) (Audited)
----- (Units in '000) -----

Units held by:

Bank Alfalah Limited - Employees' Provident Fund	1,389	1,389
Bank Alfalah Limited - Employees' Gratuity Fund	500	500

Cash dividend distributed:

Bank Alfalah Limited - Employees' Provident Fund	9,722	694
Bank Alfalah Limited - Employees' Gratuity Fund	3,500	250

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 31 October 2011 by the Board of Directors of the Management Company..

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.



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

Chief Executive

Director