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**FUND'S INFORMATION**

<b>Management Company:</b>	Alfalsh 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>	<ul style="list-style-type: none"><li>- Ms. Maheen Rahman</li><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Mr. Hanspeter Beier</li><li>- Mr. Amin Dawood Saleh</li><li>- Mr. Abid Naqvi</li></ul>
<b>Head of Finance:</b>	- Syed Hyder Raza Zaidi
<b>Chief Operating Officer &amp; Company Secretary:</b>	- Noman Ahmed Soomro
<b>Audit Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Abid Naqvi</li><li>- Mr. Amin Dawood Saleh</li></ul>
<b>HR Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Ms. Maheen Rahman</li></ul>
<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. Muddasir Ahmed
<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>	Alfalsh 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>	4 Star (short term) and 3 Star (long term) 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".*

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**REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY  
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2015**

*To our valued Unit Holders,*

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Alpha Fund (AFAF) for the three months ended 30 September, 2015. The Financial Statements of the Scheme prepared by the Management Company present true and fair view of the state of affairs of the Scheme and results of its operations, cash flows and movement in unit holders' funds.

***Economic Review***

Pakistan observed substantial economic progress over 1QFY16, with improvement seen across the majority of indicators. Much of this improvement is owed to the prevalent low commodity cycle, which mainly benefits trade deficit countries like Pakistan that import commodities.

Owing to low crude oil prices, headline inflation averaged 1.66% YoY over the quarter under review - a multi-decade low inflation level for Pakistan. Support was mainly seen in the import bill, which saw a decline of 17% YoY. Low oil prices not only improved the trade deficit by 25% YoY over 1QFY16, but also kept incremental circular debt in check. However, concrete and long-term efforts are required to keep the import bill lower as oil prices are still very volatile and continually fluctuating. Any material increase in commodity price might tilt the import bill again to previously higher levels. For now, the situation is very compatible as reflected in the low current account deficit coupled with foreign flows (from IMF and bilateral partners) and Eurobond issuance. This has pushed foreign exchange reserves to a historical high level of USD 20bn.

CPI also saw support emanating from low food prices on the back of depressed agro-economics. This does impact farm income however the effects may be balanced out via sectors using agricultural inputs. Lower CPI has also resulted in historically low levels of interest rates which should boost investment and consumption spend.

During the quarter, the State Bank of Pakistan revised the key policy rate down by 50bps to 6.5%, and reduced the overnight target rate to 6.0%. The move came in light of record-low inflation and more than comfortable real rate of return, and was aimed at lifting private credit off-take and providing impetus to economic growth.

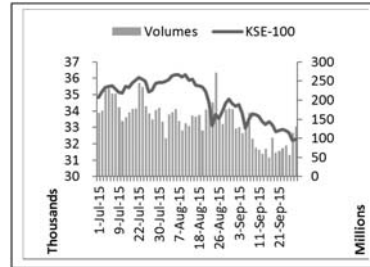
While manufacturers welcomed the recent easing, commercial banks could face some pressure as in the absence of private sector credit off take this could result in shrinkage of interest spreads. Furthermore, the government's attempt to tax banking transactions at 0.6% to widen the tax net was met with heavy criticism during the quarter. A direct impact was also seen on bank deposits, wherein total banking deposits fell from PKR 9.14tn in June to PKR 9.02tn in August (down by PKR 120bn), before recovering to PKR 9.06tn owing to aggressive quarter-end deposit mobilization. The governments continued reliance on indirect taxation methods to boost tax revenue points to a more regressive tax regime for the year.

Going forward, Pakistan is likely to continue to observe improvement in macroeconomic indicators, especially current account, foreign exchange reserves and inflation. Areas that still need significant attention include fiscal deficit, tax-to-GDP ratio/tax targets and faster privatization of state-owned entities.

**Capital Markets Review**

**EQUITIES REVIEW**

The quarter under review saw significant selloffs in regional and global equity markets. The Benchmark KSE100 also exhibited a similar trend and ended 6.1% lower on the back of an anticipation of a US Federal Reserve rate hike, regional currency devaluation, ensuing global equity slump, foreign selling and economic slowdown in China. Adding to the issues were rumors of SECP and NAB crackdown on local brokers and overall tighter liquidity in the interbank market.



The benchmark KSE-100 index rose from 34,398 points to a high of 36,228 points during August, before succumbing to selling pressure, to settle lower at 32,287 points.

Foreigners sold stocks worth USD 105mn over the period owing to the aforementioned factors. The downward trend in the index was led by the Oil and Gas sector (-26.9%) and the Banking sector (-6.3%). While lower commodity prices hurt commodity producers, they impacted import-oriented sectors positively as multiyear low raw material prices propped up gross margins and lifted bottom-line of material intensive companies. In this connection, Pharmaceutical sector (+9.3%), Industrial Metals (+2.9%), Engineering sector (+1.0%), Food Producers (+1.8%) among others outperformed the broader index during the period. Notable appreciation was witnessed in the Software and Computer Services sector, which appreciated by an impressive 26% on the back of rapidly developing global clientele of locally listed sector constituents and frequent orders from such clients.

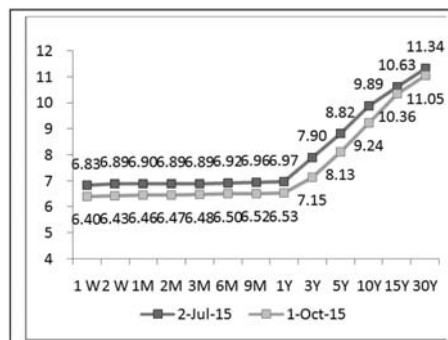
While the KSE100 Index has dropped over the quarter we maintain that Pakistan is a net beneficiary of global events in the commodities and inflation space. Further CPEC projects are now seen to be materializing actively on the ground. This combined with a far more stable current and fiscal account will yield benefits overall. As a result, we remain optimistic about the equity market over the remaining fiscal year and expect the market to leverage improving economic indicators.

Pakistan's re-entry into the emerging market (from frontier market) remains an eagerly anticipated trigger as the reclassification by MSCI could open avenues from which considerable foreign inflow could be realized. Primary risks to our view stem from further Chinese devaluation in the Yuan which could trigger further currency pressures regionally and force equities to correct thereby negatively impact both the PKR and the stock market.

Going forward, we expect the market to be driven by (i) implementation of government's economic reform agenda (ii) corporate earnings growth for selected sectors and (iii) categorization of the Index within emerging markets.

**MONEY MARKET REVIEW**

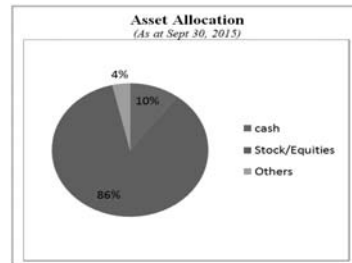
On the account of low inflation averaging at 1.66% YoY, SBP curtailed its discount rate at 6.5% and policy rate to 6.0% in the month of September. During the first quarter, yield curve shifted downwards by approximately 70bp across medium to longer tenors. Dryer liquidity was also witnessed in the interbank market due to a deposit outflow of approximately PKR 80bn during the quarter. Overall CPI appears benign but heavily dependent on the future movement of oil prices.



**Fund Operations and Performance**
**Alfalsh GHP Alpha Fund**

During 1QFY16, AGAF outperformed its benchmark with a return of -2.07% versus the benchmark (KSE-100) return -6.14% during the same period.

Throughout the quarter under review, the Fund maintained heavy presence in equities (average exposure of approx. 90%). The investment focus was maintained at sectors with favorable fundamentals; showing strong potential for earnings growth. The positive view on Fertilizer/Chemicals, Cements, and IPPs played major role in reporting such a significant outperformance whereas low allocation to index heavy weight Oil & Gas sector favored the fund as lower international prices kept adversely affected the majority of local players.



Going forward, the Fund plans to alter its portfolio in line with changing fundamentals of the economy. The easing cycle in oil prices may have bottomed out which can pave way for shifting allocation towards select stocks in index heavy-weight Oil & Gas sector. Given the positive outlook with reference to commencement of CPEC, focus will remain on manufacturing sector such as Cements along with Automobiles & Parts, & IPPs.

**Key Financial Data**

Rs. In million

Description	Three month period ended 30 September 2015	Three month period ended 30 September 2014
Net Assets at end of the period	720.308	209.706
Gross income earned	-14.205	7.151
Net comprehensive income	-15.185	4.817
Net Assets Value per Unit (Rs.)	64.87	58.88
Issuance of units during the period	121.386	19.665
Redemption of units during the period	-179.844	-18.741

**Future Outlook**

Going forward, we believe the market shall continue to perform well on the back of strong overall corporate results. Although there is a strong correlation between turmoil in the international markets and the KSE100, the downside was still muted as compared to international markets. We believe Pakistan has its own set of advantages in the current global climate and a bottom up bottom-up investment philosophy on stock picking will yield good Opportunities. Interest rate easing cycle will make medium to long term bond more attractive than short term instruments hence the focus is to maintain a medium term portfolio of securities.

**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 behalf of the Board**
**Chief Executive Officer**
**Date: October 29, 2015**

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)  
AS AT SEPTEMBER 30, 2015**

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	----- (Rupees)-----	
<b>Assets</b>		
Bank balances	5 <b>75,800,595</b>	105,407,962
Investments	6 <b>637,927,668</b>	707,015,020
Dividend and profit receivable	<b>7,028,523</b>	1,120,427
Deposits, prepayments and other receivables	<b>8,777,893</b>	2,705,447
Receivable against sale of Investments	<b>9,595,233</b>	12,350,751
<b>Total assets</b>	<b>739,129,911</b>	828,599,607
<b>Liabilities</b>		
Payable to Alfalah GHP Investment Management Limited	<b>9,398,985</b>	7,819,969
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>141,670</b>	130,979
Payable to Securities and Exchange Commission of Pakistan -Annual fee	<b>206,577</b>	511,524
Provision for Workers' Welfare Fund	<b>7,288,665</b>	7,288,665
Accrued expenses and other liabilities	<b>1,785,620</b>	11,628,334
<b>Total liabilities</b>	<b>18,821,517</b>	27,379,471
<b>Net assets</b>	<b>720,308,394</b>	801,220,136
<b>Unit holders' funds (as per statement attached)</b>	<b>720,308,394</b>	801,220,136
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	<b>11,103,606</b>	12,095,856
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	<b>64.87</b>	66.24

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 Officer

\_\_\_\_\_  
Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	For the quarter ended	
	September 30, 2015	September 30, 2014
	----(Rupees)----	
<b>Income</b>		
Capital gain on sale of investments	(5,190,489)	(597,478)
Dividend income	7,059,725	1,584,158
Profit on deposit accounts with banks	1,563,063	468,677
Unrealised appreciation / (diminution) in the value of investment	(17,637,252)	5,695,987
- 'at fair value through profit or loss'	6.3 (14,204,952)	7,151,344
<b>Total income / (loss)</b>		
<b>Expenses</b>	4,294,944	922,405
Remuneration of Alfalah GHP Investment Management Limited	697,499	161,091
Sales tax on Management fee	7 687,191	147,577
Federal Excise Duty on Management Fee	479,571	176,456
Remuneration of Central Depository Company of Pakistan Limited - Trustee	206,603	48,344
Annual fee - Securities and Exchange Commission of Pakistan	144,634	74,881
Bank and settlement charges	168,572	133,242
Auditors' remuneration	1,475,657	163,074
Brokerage	-	98,314
Provision for workers' welfare fund	10 56,200	45,595
Fees and subscriptions	37,812	49,868
Printing and related charges	8,248,681	2,020,847
<b>Total expenses</b>	(22,453,634)	5,130,497
<b>Net income from operating activities</b>		
Net element of income / (loss) and capital gains/(losses)	7,268,556	(313,129)
included in prices of units issued less those in units redeemed	(15,185,078)	4,817,368
<b>Net income for the period</b>		

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 Officer

\_\_\_\_\_  
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	<u>For the quarter ended</u>	
	<u>September 30, 2015</u>	<u>September 30, 2014</u>
	<u>-----(Rupees)-----</u>	
Net income for the period	<i>Note</i> <b>(15,185,078)</b>	4,817,368
Other comprehensive gain for the period	-	-
<b>Total comprehensive income for the period</b>	<u><b>(15,185,078)</b></u>	<u>4,817,368</u>

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 Officer

\_\_\_\_\_  
Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	<u>For the quarter ended</u>	
	<u>September 30, 2015</u>	<u>September 30, 2014</u>
	----(Rupees)----	
Undistributed income / (loss) brought forward:		
Realised income	<b>4,876,421</b>	26,733,197
Unrealised income / (loss)	<b>10,928,388</b>	(10,928,388)
	<b>15,804,809</b>	15,804,809
 Net income for the period	<b>(15,185,078)</b>	4,817,368
	<b>619,731</b>	20,622,177
Undistributed income / (loss) carried forward:		
Realised income	<b>18,256,983</b>	14,926,190
Unrealised income / (loss)	<b>(17,637,252)</b>	5,695,987
	<b>619,731</b>	20,622,177

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 Officer

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	<u>For the quarter ended</u>	
	<u>September 30, 2015</u>	<u>September 30, 2014</u>
	----(Rupees)----	
<b>Net assets at the beginning of the period</b>	<b>801,220,136</b>	<b>203,651,080</b>
Issue of 1,744,168 units (2014: 336,241 units)	<b>121,386,318</b>	19,665,336
Redemption of 2,736,418 units (2014: 313,262 units)	<b>(179,844,427)</b>	(18,741,283)
	<b>(58,458,109)</b>	924,053
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	<b>(7,268,556)</b>	313,129
Capital gain on sale of investments	<b>(5,190,489)</b>	(597,478)
Unrealised appreciation / (diminution) in the value of investment - 'at fair value through profit or loss'	<b>(17,637,252)</b>	5,695,987
Other net income for the period	<b>7,642,663</b>	(281,141)
Net income for the period less distribution	<b>(15,185,078)</b>	4,817,368
<b>Net assets at the end of the period</b>	<b>720,308,394</b>	<b>209,705,630</b>
Net asset value per unit at the beginning of the period	<b>66.24</b>	57.55
Net asset value per unit at the end of the period	<b>64.87</b>	58.88

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

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

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

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	For the quarter ended	
	September 30, 2015	September 30, 2014
Note	-----(Rupees)----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	(15,185,078)	4,817,368
<b>Adjustments for:</b>		
Unrealised appreciation / (diminution) in the value of investment -'at fair value through profit or loss'	17,637,252	(5,695,987)
Dividend income	(7,059,725)	(1,584,158)
Profit on deposit accounts with banks	(1,563,063)	(468,677)
Provision for workers' welfare fund	-	98,314
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	(7,268,556)	313,128
	<u>1,745,907</u>	<u>(7,337,380)</u>
	<b>(13,439,170)</b>	<b>(2,520,012)</b>
<b>(Increase) / decrease in assets</b>		
Investments	51,450,101	(26,215,616)
Receivable against sale of Investments	2,755,518	42,359,420
Deposits, prepayments and other receivables	(6,072,446)	2,467,118
	<b>48,133,173</b>	<b>18,610,922</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to Alfalah GHP Investment Management Limited	1,579,016	190,713
Payable to Central Depository Company of Pakistan Limited - Trustee	10,691	710
Payable to Securities and Exchange Commission of Pakistan -Annual fee	(304,947)	(97,506)
Accrued expenses and other liabilities	(9,842,714)	(30,167,184)
	<b>(8,557,953)</b>	<b>(30,073,267)</b>
Dividend and profit received	2,714,692	658,930
<b>Net cash flows from operating activities</b>	<b>28,850,741</b>	<b>(13,323,427)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	121,386,318	19,665,336
Payment against redemption of units	(179,844,427)	(18,741,283)
<b>Net cash flows from / (used in) financing activities</b>	<b>(58,458,109)</b>	<b>924,053</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>(29,607,367)</b>	<b>(12,399,374)</b>
Cash and cash equivalents at beginning of the period	105,407,962	27,257,613
<b>Cash and cash equivalents at end of the period</b>	<b>75,800,595</b>	<b>14,858,239</b>

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 Officer

\_\_\_\_\_  
Director

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015****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 December 27, 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 February 29, 2008.

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-4, Clifton, 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 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 sales load.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2-' (Outlook: Stable) to the Management Company in its rating report dated April 15, 2015 and 4 Star (short term) and 3 Star (long term) to the Fund in its rating report dated August 13, 2015.

'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.

**2. BASIS OF PRESENTATION**

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 30 September 2015 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 2015.

**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 2015. These condensed interim financial statements are unaudited.

### 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 2015.

#### 3.1 Earnings per unit

Earnings per unit (EPU) for the quarter ended September 30, 2015 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 2015.

### 5. BANK BALANCES

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	Note	----(Rupees)----
Deposit accounts	5.1 <u>75,800,595</u>	<u>105,407,962</u>

5.1 The deposit accounts with the banks carry profit at rates ranging from 6.25% to 7.0% per annum (June 30, 2015: 6.25% to 9.25% per annum).

### 6. INVESTMENTS

<b>At fair value through profit or loss - held for trading</b>		
Quoted equity securities	6.1 <u>637,927,668</u>	<u>707,015,020</u>

**6.1 Equity securities - quoted**

Name of the investee company	As at July 01, 2015	Purchases / right issue / bonus shares received during the year	Bonus / Demerger / rights issue during the year	Sold during the year	As at September 30, 2015	Carrying Cost Per Share Sep 30, 2015	Market value as at September 30, 2015	Market value as a percentage of:		Investee company paid-up capital
								Net assets	Total investments	
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise						(Rupees)	(%)	(%)		
						(Number of shares)				
<b>Chemicals</b>										
I.C.I. Pakistan Limited	46,900	-	-	-	46,900	20,114,003	22,572,501	3.1%	3.5%	0.0%
<b>Fertilizer</b>										
Engro Corporation Limited	176,100	-	-	79,000	97,100	28,819,280	28,972,698	4.0%	4.6%	0.0%
Engro Fertilizers Limited	597,500	-	-	392,000	205,500	18,225,795	18,453,900	2.6%	2.9%	0.0%
Fatima Fertilizer Company Limited	464,500	75,000	-	55,000	484,500	19,609,814	22,422,660	3.1%	3.5%	0.0%
Fauji Fertilizer Company	125,000	-	-	125,000	-	-	-	-	0.0%	0.0%
Fauji Fertilizer Bin Qasim Limited	0	479,500	0	479,000	500	29,129	30,075	0.0%	0.0%	0.0%
						66,684,018	69,879,333	9.7%	11.0%	0.0%
<b>Commercial banks</b>										
Allied Bank Limited	-	262,500	-	115,800	146,700	15,463,204	13,643,100	1.9%	2.1%	0.0%
Bank Al-Falah Limited (a related party)	-	966,000	-	966,000	-	-	-	0.0%	0.0%	0.0%
Habib Bank Limited	144	107,300	-	107,444	-	-	-	0.0%	0.0%	0.0%
MCB Bank Limited	-	97,700	-	97,700	-	-	-	0.0%	0.0%	0.0%
United Bank Limited	-	25,000	-	25,000	-	-	-	0.0%	0.0%	0.0%
						15,463,204	13,643,100	2%	2%	0%
<b>Cement</b>										
D.G. Khan Cement Company Limited	322,500	50,000	-	208,000	164,500	23,568,011	22,539,790	3.1%	3.5%	0.0%
Kohat Cement Limited	123,900	30,000	-	36,000	117,900	24,117,341	22,514,184	3.1%	3.5%	0.0%
Lucky Cement Limited	84,200	1,600	-	45,500	40,300	20,964,389	21,226,010	2.9%	3.3%	0.0%
Fauji Cement Company Limited	634,000	3,000	-	637,000	-	-	-	0.0%	0.0%	0.0%
Maple Leaf Cement Factory Limited	541,500	100,000	-	353,000	288,500	22,308,730	19,773,790	2.7%	3.1%	0.0%
Fecto Cement Limited	272,000	-	-	30,500	241,500	16,791,495	19,283,775	2.7%	3.0%	0.0%
Cherat Cement Company Limited	-	191,500	-	191,500	-	-	-	0.0%	0.0%	0.0%
Pioneer Cement	-	308,000	-	29,000	279,000	25,856,515	24,200,460	3.4%	3.8%	0.0%
						133,606,481	129,538,009	18%	20%	0%
<b>Power generation and distribution</b>										
Pakgen Power Limited	-	770,000	-	300,000	470,000	14,451,248	13,136,500	1.8%	2.1%	0.0%
Lalpur Power Limited	-	859,500	-	-	859,500	28,262,890	25,071,615	3.5%	3.9%	0.0%
Hub Power Company Limited	576,000	-	-	173,000	403,000	37,708,710	39,590,720	5.5%	6.2%	0.0%
Kot Addu Power Company Limited	726,500	-	-	225,000	501,500	43,149,060	47,517,125	6.6%	7.5%	0.0%
Nishat Power Limited	298,000	-	-	298,000	-	-	-	0.0%	0.0%	0.0%
Nishat Chunian Power Limited	258,000	-	-	258,000	-	-	-	0.0%	0.0%	0.0%
						123,571,908	125,315,960	15.6%	17.6%	0.0%
<b>Oil and gas marketing companies</b>										
Pakistan State Oil Company Limited	42,000	-	-	42,000	-	-	-	0.0%	0.0%	0.0%
Oil and Gas Development Company Limited	-	211,800	-	-	211,800	31,537,094	26,405,106	3.7%	4.1%	0.0%
Pakistan Oilfields Limited	17,000	29,000	-	46,000	-	-	-	0.0%	0.0%	0.0%
Hascol Petroleum Limited	127,650	90,000	41,530	10,000	249,180	24,762,805	29,799,436	4.1%	4.7%	0.0%
Attock Refinery Limited	50,000	-	-	50,000	-	-	-	0.0%	0.0%	0.0%
National Refinery Limited	79,700	-	-	79,700	-	-	-	0.0%	0.0%	0.0%
						56,299,899	56,204,542	7.8%	8.8%	0.0%
<b>Engineering</b>										
Crecent Steel	-	225,000	-	-	225,000	27,321,750	18,679,500	2.6%	2.9%	0.0%
Crecent Steel LoR	-	-	56,250	-	56,250	-	1,607,063	0.2%	0.3%	0.0%
						27,321,750	20,286,563	2.8%	3.2%	0.0%
<b>Automobile assembler</b>										
Honda Atlas Cars (Pakistan) Limited	-	36,000	-	-	36,000	9,252,000	8,292,240	1.2%	1.3%	0.0%
Pak Suzuki Motor Company Limited	58,500	15,000	-	-	73,500	32,599,925	30,470,895	4.2%	4.8%	0.0%
Indus Motor Company Limited	-	14,300	-	-	14,300	17,253,998	14,320,020	2.0%	2.3%	0.0%
						59,105,923	53,083,155	7.4%	8.3%	0.0%
<b>Food and personal care products</b>										
Engro Foods Limited	158,000	-	-	10,000	148,000	22,413,120	21,809,280	3.0%	3.4%	0.0%
						22,413,120	21,809,280	3.0%	3.4%	0.0%
<b>Pharmaceuticals</b>										
The Searle Company Limited	1,000	42,000	-	-	43,000	16,686,701	17,213,760	2.4%	2.7%	0.0%
						16,686,701	17,213,760	2.4%	2.7%	0.0%
<b>Textile composite</b>										
Gul Ahmed Textile Mills Limited	500	-	-	-	500	24,525	19,460	0.0%	0.0%	0.0%
						24,525	19,460	0.0%	0.0%	0.0%
<b>Technology and communication</b>										
Systems Limited	-	604,500	-	68,000	536,500	32,608,374	35,446,555	4.9%	5.6%	0.0%
Hum Network Limited (Face value of Re.1 each)	600,000	410,000	-	80,000	930,000	15,427,544	15,177,600	2.1%	2.4%	0.0%
						48,035,918	50,624,155	7.0%	8.0%	0.0%
<b>Paper and board</b>										
Packages Limited	28,500	-	-	-	28,500	16,931,280	15,204,750	2.1%	2.4%	0.0%
						16,931,280	15,204,750	2.1%	2.4%	0.0%
<b>Cable and electrical goods</b>										
Pak Elektron Limited	647,000	100,000	-	157,000	590,000	49,306,189	42,533,100	5.9%	6.7%	0.0%
						49,306,189	42,533,100	5.9%	6.7%	0.0%
<b>Total listed equity securities as at June 30, 2015</b>	<b>7,056,594</b>	<b>6,104,200</b>	<b>97,780</b>	<b>5,769,144</b>	<b>7,489,430</b>	<b>655,564,919</b>	<b>637,927,668</b>			
<b>Total listed equity securities as at June 30, 2014</b>	<b>3,960,827</b>	<b>13,865,405</b>	<b>-</b>	<b>15,921,167</b>	<b>1,905,065</b>	<b>153,899,942</b>	<b>164,828,330</b>			

**6.1.1** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

	30 September 2015	30 June 2015
	----- (Number of shares) -----	
Lucky Cement Limited	28,000	28,000
Hub Power Company Limited	50,000	50,000
	<u>78,000</u>	<u>78,000</u>

**6.1.2** The investments include bonus shares having market value of Rs.0.458 million withheld by the investee companies during the period as issuance of bonus shares has been made taxable through Finance Act, 2014. Consequently, bonus shares equivalent to 5 percent representing tax impact of the bonus announcement have been withheld by the investee companies.

The management of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in the Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case.

**7. SALES TAX ON MANAGEMENT FEE**

During the current period, an amount of Rs. 0.69 million (June 30, 2015: Rs. 1.88 million) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

**8. FEDERAL EXCISE DUTY 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 2015.

**10. PROVISION 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 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'.

As per the legal counsel handling the case, the constitutional petition filed by the CIS to challenge the WWF contribution has not been affected by SHC judgment.



The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

**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 quarter ended 30 September 2015.

**12. 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.

**12.1** 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:

	30 September 2015 (Unaudited)	30 June 2015 (Audited)
	----- (Rupees) -----	
<b>Alfalsh GHP Investment Management Limited - Management Company</b>		
Balance at beginning of the period / year	7,819,969	1,168,194
Remuneration for the period / year	4,294,944	10,837,599
Sindh sales tax on Management fee for the period / year	697,499	1,885,742
Federal Excise Duty on Management Fee	687,191	2,874,157
Front end load payable	3,042,044	1,734,016
	8,721,678	17,331,514
Amount paid during the period / year	(7,142,662)	(10,679,739)
Balance at the end of the period / year	<u>9,398,985</u>	<u>7,819,969</u>
<b>Central Depository Company of Pakistan Limited</b>		
Balance at beginning of the period / year	130,979	57,680
Remuneration for the period / year	479,571	1,178,939
CDS charges for the period / year	42,786	106,592
	522,357	1,285,531
Amount paid during the period / year	(511,666)	(1,212,232)
Balance at the end of the period / year	<u>141,670</u>	<u>130,979</u>
Security deposit at the end of the period / year	<u>200,000</u>	<u>200,000</u>
<b>Bank Alfalah Limited</b>		
Deposits at the end of the period / year	75,800,595	105,512,483
Profit receivable at the end of the period / year	333,366	219,482
Profit on deposit accounts at the end of the period / year	1,563,063	4,479,019
Bank Charges	2,783	12,968

**12.2 Unit Holder's Fund**

	September 30, 2015									
	As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at September 30, 2015	As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at September 30, 2015
	(Units)				(Rupees)					
<b>Associated Companies / Undertakings</b>										
Nil	-	-	-	-	-	-	-	-	-	-
<b>Other related parties</b>										
Bank Alfalah Limited - Employees Provident Fund	1,388,889	-	-	-	1,388,889	92,000,000	-	-	-	90,097,222
MCBFSL-Trustee Alfalah GHP Capital Preservation Fund	4,589,362	4,545,757	-	5,511,080	3,624,039	303,999,311	308,709,014	-	368,709,014	235,091,390
Alfalsh GHP Investment Management Limited - Staff Provident Fund	57,021	5,922	-	42,942	20,001	3,777,090	400,000	2,908,891	-	1,297,453
<b>Key Management Personnel</b>										
Head of Finance	4,553	-	-	-	4,553	301,594	-	-	-	295,356
<b>Unit holder holding 10% or more Units</b>										
MCBFSL-Trustee Alfalah GHP Capital Preservation Fund	4,589,362	4,545,757	-	5,511,080	3,624,039	303,999,311	308,709,014	-	368,709,014	235,091,390
Bank Alfalah Limited - Employees Provident Fund	1,388,889	-	-	0	1,388,889	92,000,000	-	-	0	90,097,222
Sindh General Provident Investment Fund	3,139,864	-	-	0	3,139,864	207,984,580	-	-	0	203,682,967

	September 30, 2014									
	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at September 30, 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>										
Nil	-	-	-	-	-	-	-	-	-	-
<b>Other related parties</b>										
Bank Alfalah Limited - Employees Provident Fund	1,388,889	-	-	-	1,388,889	79,930,556	-	-	-	81,777,778
Bank Alfalah Limited - Employees Gratuity Fund	500,000	-	-	-	500,000	28,775,000	-	-	-	29,440,000
<b>Key Management Personnel</b>										
Employees	8,866	5,342	-	-	14,208	817,675	-	-	-	836,572
<b>Unit holder holding 10% or more Units</b>										
Syed Babar Ali	870,576	-	-	-	870,576	50,101,673	-	-	-	51,259,539

**13 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on 29th October 2015 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 Officer








\_\_\_\_\_  
Director










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