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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:	<ul style="list-style-type: none">- Mr. Sarfraz Ali Sheikh- Mr. Abdul Aziz Anis- Mr. Shahid Hosain Kazi- Mr. Hanspeter Beier (Subject to approval of SECP)- Mr. Shakil Sadiq- Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	<ul style="list-style-type: none">- Mr. Shahab Bin Shahid- Mr. Shahid Hosain Kazi- Mr. Shakil Sadiq
Fund Manager:	- Mr. Zeeshan Khalil
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Bankers to the Fund:	Bank Alfalah Limited Deutsche Bank AG
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530.
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Stability rating BBB+(f) by PACRA

MISSION STATEMENT

Alfalah GHP Income Multiplier Fund aims to provide its unit holders with sustainable, consistent and inflation protected returns over a period of time through investment in income and money market instruments and securities.

VISION STATEMENT

Alfalah GHP Income Multiplier Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable, consistent and inflation protected returns over the long term through investment exposure to income and money market instruments and securities.

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 Income Multiplier Fund (AGIMF) is pleased to present its half yearly report on the affairs of AGIMF along with report of the trustee and auditor's review report to the unit holders for the half year ended December 31, 2011.

Financial Performance

Net assets under management as on December 31, 2011 were Rs. 226.93 million. During the period units worth Rs 9.3 million were redeemed.

AGIMF incurred total loss of Rs. 47.36 million for the half year ended December 31, 2011 due to impairment in value of investment classified as 'available for sale' of Rs. 57.43 million. Major sources of revenue were income from term finance certificate of Rs. 2.04 million, income from sukuk certificates of Rs. 4.87 million, profit on bank deposits of Rs. 0.58 million, income from government securities of Rs. 2.58 million. After accounting for expenses of Rs. 3.33 million, the net loss from operating activities for the period stands at Rs. 50.69 million.

Market & Fund's Performance

The fund ended the half year on December 31, 2011 showing an annualized return of -29.48% as compared to its benchmark's (1 Year KIBOR) annualized return of 13.22%. The performance of the fund continued to remain dismal due to the ongoing need to take provisions against non performing corporate papers. Apart from the distressed and unfavorable economic situation, severe energy shortage, decline in foreign direct investment and deteriorating law and order situation are the contributing factors in the financial woes of the issuers of corporate papers.

In 1HFY11, SBP cumulatively announced a treasury bill auction target of PKR 1,775.00 billion versus maturity of PKR 1,663.312 billion, while the SBP actually raised PKR 1,955.323 billion against the participation of PKR 3,224.992 billion. During the period, 3 months cut off yield has declined by 165.7 bps, 6 months by 206.4 bps and 12 months by 200.6 bps and settled at 11.8283%, 11.672% and 11.9019% respectively. Likewise, 10 year benchmark PIB cut off yield has declined by 138.8 bps to 12.6993%.

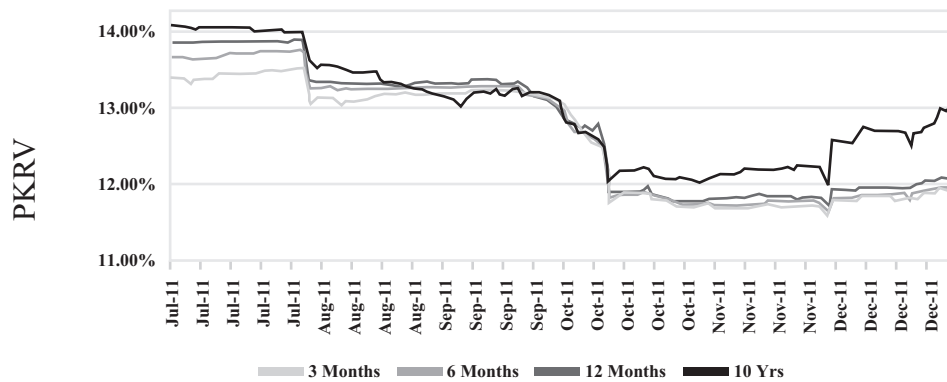
Asset Allocation

The asset allocation of AGIMF as at December 31, 2011 was as follows:

Cash / Bank Deposit	15.42%
TFC's / Sukuks	56.48%
T-Bills	17.81%
Others	10.29%
TOTAL	<u>100.00%</u>

Investment Outlook

In the first half of FY12 SBP adopted a loose monetary stance, cutting the discount rate by 200 bps to 12% in the wake of comfortable external account position with declining inflationary pressures. However, going forward we foresee price pressures to re-emerge due to spillover effects of rising energy costs and weak currency. On top of that, heavy subsidies to power sector, low tax to GDP ratio and declining foreign flows for budgetary support will keep the fiscal deficit on the higher side. Considering these risks we believe that going forward SBP may have to consider adopting a tighter monetary stance, which nonetheless, may be difficult due to the approaching general elections early next year at the latest.



Acknowledgement

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

For and on behalf of the Board

16 February 2012
Karachi

Abdul Aziz Anis
Chief Executive

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office**

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
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TRUSTEE REPORT TO THE UNIT HOLDERS**ALFALAH GHP INCOME MULTIPLIER FUND****Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

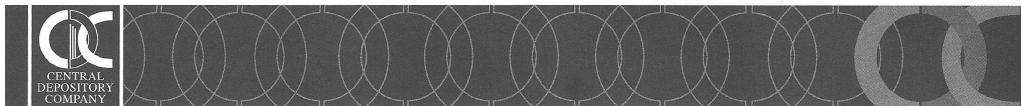
We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2011 in accordance with the provisions of the following:

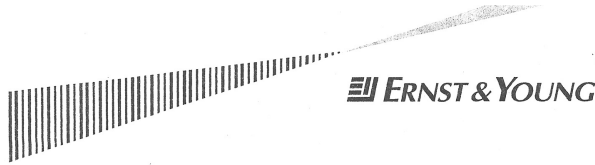
- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.



Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 24, 2012





Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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**AUDITORS' REPORT TO THE UNIT HOLDERS ON
REVIEW OF INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ALFALAH GHP INCOME MULTIPLIER FUND (the Fund)** as at **31 December 2011**, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flow and condensed interim statement of movement in unit holders' funds together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the six months period then ended. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The financial statements of the Fund for the six months ended 31 December 2010 and for the year ended 30 June 2011 were reviewed and audited by another firm of Chartered Accountants, whose review report dated 25 February 2011 and audit report dated 25 August 2011 expressed an unmodified conclusion and unmodified opinion on those statements respectively.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

16 February 2012

Karachi

A member firm of Ernst & Young Global Limited

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2011**

		31 December 2011 (Un-audited)	30 June 2011 (Audited)
Assets	<i>Note</i>	-----(Rupees in '000)----	
Bank balances	5	35,701	13,679
Investments	6	171,993	244,242
Income and profit receivable		19,936	26,856
Advances, deposits and other receivables		3,620	3,600
Preliminary expenses and floatation costs		265	558
Total assets		231,515	288,935
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		328	277
Payable to Central Depository Company of Pakistan Limited - Trustee		51	49
Payable to Securities and Exchange Commission of Pakistan -Annual fee		104	271
Accrued expenses and other liabilities		4,106	4,046
Total liabilities		4,589	4,643
Contingencies and Commitments	8	-	-
Net assets		226,926	284,292
Unit holders' funds (as per statement attached)		226,926	284,292
		(Number of Units)	
Number of units in issue		5,562,798	5,746,146
		(Rupees)	
Net asset value per unit		40.7935	49.4753

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

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

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Income	----(Rupees in '000)----		----(Rupees in '000)----	
Income from term finance certificate - net of amortization of premium/discount	2,039	6,831	952	2,756
Income from government securities - net of amortization of discount	2,580	3,254	1,230	2,275
Income from clean placements	-	31	-	-
Income from term deposit receipts	-	72	-	-
Income from sukuk certificates	4,873	6,352	7,087	4,996
Profit on deposit accounts with banks	578	3,857	341	1,262
Capital loss on sales of investments - net	-	(11,199)	-	(5,952)
Unrealised (diminution) / appreciation in the value of investments -at fair value through profit or loss' 6.6	(8)	36	8	(20)
Impairment in the value of investments classified as 'available for sale'	(57,426)	(45,047)	(57,426)	(45,047)
Reversal of impairment in the value of investments classified as 'available for sale'	-	22,823	-	22,823
Total Loss	(47,364)	(12,990)	(47,808)	(16,907)
Expenses				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	1,728	2,724	847	1,204
Sales tax on Management fee 7	277	-	135	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	302	436	151	193
Annual fee - Securities and Exchange Commission of Pakistan	104	163	51	72
Transaction cost	1	18	-	3
Bank and settlement charges	16	13	11	6
Fees and subscriptions	138	158	67	79
Auditors remuneration	343	317	169	161
Legal Charges	45	59	23	46
Amortization of preliminary expenses and floatation cost	293	294	147	147
Printing and related cost	79	-	79	-
Total expenses	3,326	4,182	1,680	1,911
Net (loss) from operating activities	(50,690)	(17,172)	(49,488)	(18,818)
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed - net	157	(3,146)	159	44
Net (loss) for the period	(50,533)	(20,318)	(49,329)	(18,774)

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>31 December</u> <u>2011</u>	<u>31 December</u> <u>2010</u>	<u>31 December</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Net (loss) for the period	<i>Note</i> <u>(50,533)</u>	<u>(20,318)</u>	<u>(49,329)</u>	<u>(18,774)</u>
Other comprehensive income:				
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - amount representing unrealized capital (losses) / gains	(39)	138	(38)	701
Net unrealised appreciation during the period in fair value of investments classified as 'available for sale' ^{6.3}	11,333	9,903	10,959	8,538
Other comprehensive income for the period	11,294	10,041	10,921	9,239
Total comprehensive (loss) for the period	<u>(39,239)</u>	<u>(10,277)</u>	<u>(38,408)</u>	<u>(9,535)</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

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	----(Rupees in '000)----		----(Rupees in '000)----	
Undistributed (loss) brought forward				
- Realized	(2,928)	(7,118)	(13,035)	(9,225)
- Unrealized	44	(56)	(15)	(56)
	(2,884)	(7,174)	(13,050)	(9,281)
Element of (loss) / income and capital (losses) / gains included prices of units sold less those in units redeemed - amount representing unrealized capital (losses) / gains	(39)	138	(38)	701
Net (loss) for the period	(50,533)	(20,318)	(49,329)	(18,774)
Final distribution for the year ended 30 June 2011:				
- Cash distribution: Rs. 1.59 per unit dated 26 Aug 2011 (2010: Nil)	(8,715)	-	-	-
- Issue of 5,038 bonus units dated 26 Aug 2011 (2010: Nil)	(246)	-	-	-
	(59,533)	(20,180)	(49,367)	(18,073)
Undistributed (loss) carried forward				
- Realized	(62,409)	(27,390)	(62,425)	(27,334)
- Unrealized	(8)	36	8	(20)
	(62,417)	(27,354)	(62,417)	(27,354)

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	----(Rupees in '000)----		----(Rupees in '000)----	
Net assets at the beginning of the period	284,292	588,956	269,134	391,731
Issue of Nil units (2010: Nil units)	-	-	-	-
Redemption of 188,386 units (2010: 4,200,659) and 76,004 units (2010: 270,994 units) for the six months and quarter respectively	(9,294)	(213,041)	(3,679)	(12,805)
	(9,294)	(213,041)	(3,679)	(12,805)
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 losses /(gains) - transferred to the Income Statement	(157)	3,146	(159)	(44)
- amount representing unrealised capital loss / (gains) - transferred directly to the Distribution Statement	39	(138)	38	(701)
	(118)	3,008	(121)	(745)
Final bonus distribution of 5,038 bonus units declared for the year ended 30 June 2011 (2010: Nil)	246	-	-	-
Net unrealised appreciation in the value of investments classified as 'available-for-sale'	11,333	9,903	10,959	8,538
Capital loss on sale of investments - net	-	(11,199)	-	(5,952)
Unrealised (diminution) / appreciation in the value of investments -'at fair value through profit or loss'	(8)	36	8	(20)
Other net loss for the period	(50,525)	(9,155)	(49,337)	(12,802)
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains	(39)	138	(38)	701
Final distribution for the year ended 30 June 2011:				
- Cash distribution: Rs. 1.59 per unit dated 26 Aug 2011 (2010: Nil)	(8,715)	-	-	-
- Issue of 5,038 bonus units dated 26 Aug 2011 (2010: Nil)	(246)	-	-	-
Net (loss) for the period less distribution	(59,533)	(20,180)	(49,367)	(18,073)
Net assets at the end of the period	226,926	368,646	226,926	368,646
			----(Rupees)----	
Net asset value per unit at the beginning of the period	49.4753	48.5182	49.4753	47.7185
Net asset value per unit at the end of the period	40.7935	46.4394	40.7935	46.4394

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2011**

	Six months period ended		Quarter ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
CASH FLOWS FROM OPERATING ACTIVITIES	-----(Rupees in '000)----		-----(Rupees in '000)----	
Net (loss) for the period	(50,533)	(20,318)	(49,329)	(18,774)
Adjustments for:				
Unrealised diminution / (appreciation) in the value of investments - 'at fair value through profit or loss'	8	(36)	(8)	20
Impairment in the value of investments classified as 'available for sale'	57,426	45,047	57,426	45,047
Reversal of impairment in the value of investment classified as 'available for sale'	-	(22,823)	-	(22,823)
Income from sukuk certificates	(4,873)	(6,352)	(7,087)	(4,996)
Profit on deposit accounts with banks	(578)	(3,857)	(341)	(1,262)
Amortisation of preliminary expenses and floatation costs	293	294	147	147
Income from term finance certificate - net of amortization of premium /discount	(2,039)	(6,831)	(960)	(2,756)
Income from term deposit receipts	-	(72)	-	-
Income from clean placements	-	(31)	-	-
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed	(157)	3,146	(159)	(44)
	(453)	(11,833)	(311)	(5,441)
Decrease / (increase) in assets				
Investments	26,148	217,064	31,125	(8,347)
Receivable against sale of Investment	-	-	-	21,245
Advances, deposits and other receivables	(20)	22	(20)	35
	26,128	217,086	31,105	12,933
Increase / (decrease) in liabilities				
Payable to Alfalah GHP Investment Management Limited - Management Company	51	(233)	3	(22)
Payable to Central Depository Company of Pakistan Limited - Trustee	2	(38)	2	(4)
Payable to Securities and Exchange Commission of Pakistan -Annual fee	(167)	(71)	(220)	72
Accrued expenses and other liabilities	60	(102)	(141)	(239)
	(54)	(444)	(356)	(193)
Profit received on investments and bank deposits	14,410	20,120	3,408	9,769
Net cash from operating activities	40,031	224,929	33,846	17,068
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment against redemption of units	(9,294)	(213,041)	(3,679)	(12,805)
Cash dividend Paid	(8,715)	-	-	-
Net cash used in financing activities	(18,009)	(213,041)	(3,679)	(12,805)
Net increase in cash and cash equivalents during the period	22,022	11,888	30,167	4,263
Cash and cash equivalents at beginning of the period	13,679	66,098	5,534	73,723
Cash and cash equivalents at end of the period	35,701	77,986	35,701	77,986

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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Multiplier Fund ("the Fund") is an open-end collective investment scheme 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 office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road 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 units and Income unit holders are entitled to cash dividend at the time of distribution by the Fund.

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

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 BBB+(f) Stability Rating to the fund in its rating report dated 10 January 2011.

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 31 December 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 six months period ended 31 December 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 for interim financial reporting, 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 30 June 2011. These condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

2.2 Basis of measurement

These condensed interim financial information have been prepared under the historical cost convention, except that investments which are stated at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgment

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

New and amended standards and interpretations

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

IFRS 7 - Financial Instruments: Disclosures

IAS 24 - Related Party Disclosure (Revised)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

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

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

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements except for the enhanced disclosure requirements of the amended IAS 34 regarding transfers between different levels of fair value hierarchy.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 30 June 2011.

5. BANK BALANCES

		31 December 2011 (Unaudited)	30 June 2011 (Audited)
	<i>Note</i>	-----(Rupees in '000)----	
Deposit accounts	5.1	<u>35,701</u>	<u>13,679</u>

5.1 These balances in saving deposit accounts bear profit rates ranging from 5 % to 10.5% per annum (30 June 2011: 5 % to 10.5% per annum). This includes Rs. 35.610 million (30 June 2011: 13.586 million) with a related party that carry markup ranging from 9.5% to 10.5% per annum.

6. INVESTMENTS

		31 December 2011 (Unaudited)	30 June 2011 (Audited)
	<i>Note</i>	-----(Rupees in '000)----	
Available for sale			
Investment in term finance certificates	6.1	<u>24,854</u>	91,729
Investment in sukuk certificates	6.2	<u>105,909</u>	127,640
		<u>130,763</u>	219,369
At fair value through profit or loss			
Market treasury bills	6.5	<u>41,230</u>	24,873
		<u>171,993</u>	<u>244,242</u>

6.1 INVESTMENTS

Name of the Investee company	Note	Maturity	Profit / Mark-up Percentage	As at 01 July 2011	Purchases during the period	Sales/ Redemption during the period	As at 31 December 2011	Cost as at 31 December 2011	Market value as at 31 Dec 2011	Unrealised diminution in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
											net assets	total investments	
				----- (Number of Certificates) -----				----- (Rupees in '000) -----					
Listed term finance certificates													
Financial Receivable Securitization Limited (Class A)		January 2014	6M KIBOR + 2%	1,992	-	-	1,992	4,148	4,127	(21)	1.82	2.40	1.42
Trust Investment Bank Limited		July 2013	6M KIBOR + 1.85%	8,000	-	-	8,000	19,992	19,189	(803)	8.46	11.16	6.67
Unlisted term finance certificates													
Security Leasing Corporation Ltd.		March 2014	6%	2,000	-	-	2,000	2,187	1,538	(649)	0.68	0.89	2.00
Agritech Limited	6.1.1	November 2014	6M KIBOR + 1.75%	19,000	-	-	19,000	94,911	-	(94,911)	-	-	6.33
Invest Capital Investment Bank Ltd formerly (Al-Zamin Leasing Modaraba)	6.1.2	November 2013	6M KIBOR + 1.90%	10,000	-	-	10,000	38,924	-	(38,924)	-	-	7.14
Trakker (Private) Limited		September 2011	6M KIBOR + 2.85%	200	-	200	-	-	-	-	-	-	-
SME Leasing Limited		July 2011	3M KIBOR + 1.50%	3,000	-	3,000	-	-	-	-	-	-	-
								<u>160,162</u>	<u>24,854</u>	<u>(135,308)</u>			

6.1.1 Agritech Limited defaulted on its payment of principal and markup due on 29 May 2010. 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 (including Rs. 37.965 million provided in the current period) in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

6.1.2 Invest Capital Investment Bank Limited defaulted on its payment of principal and markup due on 12 August 2010. Consequently, the security was classified as non-performing by MUFAP on 26 August 2010 and accrual on the same was suspended. Accordingly, the security has been fully provided (including Rs. 19.462 million provided in the current period) in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

6.2 Investment in unquoted Sukuk bonds - available for sale

Name of the Investee company	Note	Maturity	Profit / Mark-up Percentage	As at 01 July 2011	Purchases during the period	Sales/ Redemption during the period	As at 31 December 2011	Cost as at 31 December 2011	Market value as at 31 Dec 2011	Diminution in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
											net assets	total investments	
				----- (Number of Certificates) -----				----- (Rupees in '000) -----					
Maple Leaf Cement Factory Limited - I	6.2.1	December 2018	3M KIBOR + 1%	15,000	-	-	15,000	74,873	46,956	(27,917)	20.69	27.30	1.88
Maple Leaf Cement Factory Limited - II	6.2.2	March 2012	3M KIBOR + 1%	562	-	-	562	2,810	-	(2,810)	-	-	0.94
Kohat Cement Company Limited	6.2.3	September 2016	3M KIBOR + 1.50%	25,000	-	-	25,000	88,250	58,953	(29,297)	25.98	34.28	5.00
								<u>165,933</u>	<u>105,909</u>	<u>(60,024)</u>			

6.2.1 Maple Leaf Cement Factory (MLCF) defaulted on the installment due on 13 September 2011 as per the restructured agreement. Consequently, the security was classified as non-performing by MUFAP on 19 September 2011 and accrual amounting to Rs. 9.235 million on the same was reversed. Accordingly, provision has been made in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

6.2.2 This represents additional sukuk of MLCF received by the Fund through restructuring agreement reached between lenders and MLCF. Under such agreement outstanding mark up due on 03 December 2009 amounting to Rs. 5.806 million was settled partially in cash and partially in the form sukuk certificates valuing Rs. 2.810 million. These investments have been recorded as 100% impaired since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation.

6.2.3 During the period, the Sukuk issued by Kohat Cement Company Limited was restructured. As per the revised terms:

- The maturity date of the Sukuk has been increased to September 2016 from Dec 2015. All current markup will go into frozen account from September 2011 to June 2012
- From September 2012 current markup will be paid on the respective due dates
- From September 2014 payment of frozen markup will be started. All the accumulated balance in the frozen account will be paid off till June 2016.
- The current markup rate will be 3 months KIBOR plus 1.5%.

The Company has been regular on its payments as per the restructuring agreement. Furthermore, during the period the issuer by exercising Call option for early payment of outstanding principal amount made part payment representing 10% of principal amount due.

6.2.4 Details of Non-Compliant Investments with the investment criteria as specified by the Securities and Exchange Commission of Pakistan (SECP)

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

Type of investment	Name of Non-compliant investment	Value of investment before provision	Total Provision held, if any	Value of investment after provision	Fair value as a percentage of:		Sector wise percentage of net assets	Credit rating
					Net assets	Gross assets		
		----- (Rupees in '000) -----						
Investment in construction and material sector								
Sukuk Certificate	Maple Leaf Cement Factory Limited - I	74,873	(27,917)	46,956	20.69	20.29		D
Sukuk Certificate	Maple Leaf Cement Factory Limited - II	2,810	(2,810)	-	-	-	46.67	Non investment grade
Sukuk Certificate	Kohat Cement Company Limited	88,250	(29,297)	58,953	25.98	25.46		Non rated

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

	31 December 2011 (Unaudited)	30 June 2011 (Audited)
6.3 Net unrealized appreciation in the value of investments classified as 'available for sale'		
	----(Rupees in '000)----	
Market value of investments	130,763	219,369
Less: Carrying value of investments	<u>(326,095)</u>	<u>(368,608)</u>
	(195,332)	(149,239)
Impairment charged during the period / year	57,426	57,179
Reversal of impairment during the period / year	<u>-</u>	<u>(22,836)</u>
	(137,906)	(114,896)
Net unrealized diminution in the value of investments at the beginning of the period / year	<u>149,239</u>	<u>125,578</u>
Net unrealized appreciation in the value of investments at the end of the period / year	<u><u>11,333</u></u>	<u><u>10,682</u></u>

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

Opening Balance	149,104	114,761
Charged for the period / year	57,426	57,179
Reversal during the period / year	<u>-</u>	<u>(22,836)</u>
Closing balance	<u><u>206,530</u></u>	<u><u>149,104</u></u>

6.5 Treasury Bills

Issue Date	Tenor	Face Value				As at 31 December 2011	Quantity as at 31 Dec 2011	Cost as at 31 December 2011	Market value as at 31 Dec 2011	Market value as a percentage of:	
		As at 01 July 2011	Purchases during the period	Sales/ matured during the period	Matured during the period					net assets	total investments
		----- (Rupees in 000) -----						----- (Rupees in '000) -----			
21-Apr-11	3 Months	25,000	-	-	25,000	-	-	-	-	-	-
14-Jul-11	3 Months	-	25,000	10,000	15,000	-	-	-	-	-	-
10-Feb-11	6 Months	-	30,000	5,000	25,000	-	-	-	-	-	-
11-Aug-11	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
6-Oct-11	6 Months	-	7,000	-	-	7,000	1	6,782	6,787	2.99	3.95
21-Apr-11	6 Months	-	10,000	-	10,000	-	-	-	-	-	-
20-Oct-11	6 Months	-	10,000	-	-	10,000	1	9,665	9,653	4.25	5.61
3-Nov-11	3 Months	-	25,000	-	-	25,000	1	24,803	24,790	10.92	14.41
								<u>41,250</u>	<u>41,230</u>		

	31 December 2011 (Unaudited)	30 June 2011 (Audited)
6.6 Net unrealized diminution / (appreciation) in the value of investments classified as 'at fair value through profit or loss'		
	----(Rupees in '000)----	
Market value of investments	41,230	24,873
Less: Carrying value of investments	<u>(41,250)</u>	<u>(24,885)</u>
	(20)	(12)
Net unrealised diminution in the value of investment at the beginning of the period / year	<u>12</u>	<u>56</u>
Net unrealized diminution / (appreciation) in the value of investment for the period / year	<u><u>(8)</u></u>	<u><u>44</u></u>

7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.277 million (31 December 2010: Rs. Nil) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 December 2011.

9. WORKERS' WELFARE FUND

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

During last year, a clarification was issued by the Ministry of Labor and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) vide its letter dated 06 October 2010 to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. However, the FBR vide its letter dated 04 January 2011 have cancelled its earlier letter dated 06 October 2010 ab initio and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During the period, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC.

However, keeping in view the uncertainty on the applicability of WWF to mutual fund, the management company as a matter of prudence has decided to continue to maintain the provision for WWF amounting to Rs. 3.322 million (30 June 2011: Rs. 3.322 million) up to 31 December 2011.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the higher of accounting income and taxable income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2012 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial statements for the six months period ended 31 December 2011.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons.

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

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

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:

11.1 Transactions and balances with connected persons / related parties

	31 December 2011 (Unaudited)	30 June 2011 (Audited)
	----- (Rupees in '000) -----	
Alfalalah GHP Investment Management Limited		
- Management Company		
Balance at beginning of the period / year	277	636
Remuneration for the period / year	1,728	4,520
Sales tax on Management fee for the period / year	277	-
	<u>2,282</u>	<u>5,156</u>
Amount paid during the period / year	<u>(1,954)</u>	<u>(4,879)</u>
Balance at the end of the period / year	<u>328</u>	<u>277</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	49	102
Remuneration for the period / year	302	735
CDS Charges for the period / year	-	40
	<u>351</u>	<u>877</u>
Amount paid during the period / year	<u>(300)</u>	<u>(828)</u>
Balance at the end of the period / year	<u>51</u>	<u>49</u>
Deposit with Central Depository Company of Pakistan Limited	<u>100</u>	<u>100</u>
Bank Alfalah Limited		
Profit on deposit accounts for the period / year	<u>578</u>	<u>118</u>
Balance in deposit accounts at the end of the period / year	<u>35,667</u>	<u>13,645</u>
Bank charges for the period / year	<u>16</u>	<u>21</u>
Mark-up receivable on bank deposits for the period / year	<u>130</u>	<u>5,196</u>

	31 December 2011 (Unaudited)		30 June 2011 (Audited)	
	(Units in '000)	(Rupees in '000)	(Units in '000)	(Rupees in '000)
Distribution to:				
Bank Alfalah Limited	<u>179</u>	<u>8,715</u>	<u>-</u>	<u>-</u>
Units redeemed by:				
Bank Alfalah Limited	<u>-</u>	<u>-</u>	<u>6,306</u>	<u>310,586</u>
			31 December 2011 (Unaudited)	30 June 2011 (Audited)
Units held by:			----- (Rupees in '000) -----	
Bank Alfalah Limited			<u>5,481</u>	<u>5,481</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

- Level 1 : quoted prices in active markets for identical assets or liabilities.
- Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	31 December 2011			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
At fair value through profit or loss				
- Market treasury bills	-	41,230	-	41,230
Available-for-sale investments				
- Term Finance Certificates	-	24,854	-	24,854
- Sukuk	-	58,953	46,956	105,909
	<u>-</u>	<u>125,037</u>	<u>46,956</u>	<u>171,993</u>

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

Transfers from Level 3 to Level 2	-
Transfers from Level 2 to Level 3	<u>46,956</u>

There have been no transfers to and from Level 1 during the period.

In accordance with Circular No. 1 of 2009 issued by SECP, all traded debt securities are valued on the basis of their volume weighted average price during the last 15 days while thinly traded and non-traded debt securities are valued using a valuation methodology devised by MUFAP which includes variables including yields on government securities, Karachi Inter Bank Offer Rates and credit ratings. As the valuation techniques use inputs from observable market data, these securities are classified as Level 2. Rates for non-performing securities, however, are not quoted by MUFAP and are valued using the provisioning criteria prescribed by the abovementioned circular and are hence classified as Level 3.

Hence, default on installment amounts by investee companies results in transfer into Level 3 while subsequent classification of a defaulting security as performing will result in Level 3 to Level 2.

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 16 February 2012 by the Board of Directors of the Management Company.

14. GENERAL

14.1 Figures for the period ended December 31, 2011 and the corresponding figures for the quarter ended December 31, 2010 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

14.2 Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director