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## FUND'S INFORMATION

<b>Management Company:</b>	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. Imran Altaf
<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".*

**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 Islamic Stock Fund (Formerly Alfalah GHP Islamic Fund) for the three months ended 30 September, 2015. The Financial Statements of the Schemes prepared by the Management Company present true and fair view of the state of affairs of the Schemes and results of their operations, cash flows and movement in unit holders' funds.

**Economic Review**

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.

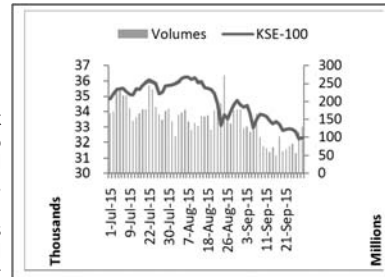
While manufacturers welcomed the recent easing, commercial banks could face some pressure as in the absence of private sector credit off take this could result in shrinkage of interest spreads. Furthermore, the government's attempt to tax banking transactions at 0.6% to widen the tax net was met with 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.



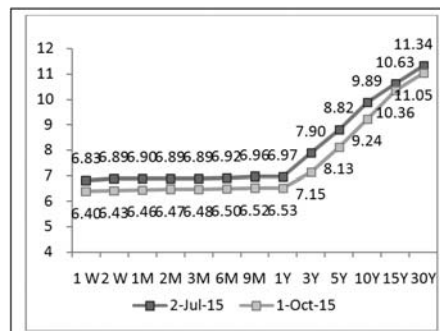
The downward trend in the index was led by the Oil and Gas sector (-26.9%) and the Banking sector (-6.3%). While lower commodity prices hurt commodity producers, they impacted import-oriented sectors positively as multiyear low raw material prices propped up gross margins and lifted bottom-line of material 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.



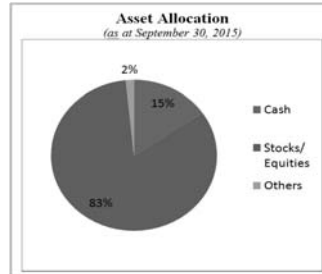
**Alfalsh GHP Islamic Stock Fund (Formerly Alfalah GHP Islamic Fund)**

In 1QFY16, AGISTF earned a return of -1.64% (negative) while its benchmark earned a return of -5.56% (negative) during the same period.

The fund maintained 80% - 90% exposure to equities in order to gain maximum benefit from a robust market that yielded handsome returns over Jul-August.

September saw some erosion in gains however the fund reduced overall equity exposure and hedged the downside through lower beta stocks ending the quarter with significant outperformance against the Index.

The fund maintained relatively higher exposure to, IPPs, Ferts/Chemicals, Construction & Material, and Automobile & Parts. Given the current economic outlook the fund plans to follow its existing strategy along with taking selective bets in the Oil and Gas sector.


**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	620.954	341.487
Gross income earned	-7.277	6.417
Net comprehensive income	10.364	3.412
Net Assets Value per Unit (Rs.)	58.9769	54.93
Issuance of units during the period	66.113	8.211
Redemption of units during the period	-11.941	-2.084

**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 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 (UNAUDITED)  
AS AT 30 SEPTEMBER 2015**

	30 September 2015 (Unaudited)	30 June 2015 (Audited)
Note	----(Rupees)----	
<b>Assets</b>		
Bank balances	5 <b>99,031,750</b>	77,305,388
Investments	6 <b>531,266,790</b>	520,271,528
Security Deposit	<b>2,600,000</b>	2,600,000
Dividend and other receivables	<b>6,249,648</b>	10,059,279
Receivable against sale of Investments	-	31,433,535
<b>Total assets</b>	<b>639,148,188</b>	641,669,730
<b>Liabilities</b>		
Payable to Alfalah GHP Investment Management Limited - Management Company	<b>4,515,885</b>	4,576,163
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>112,068</b>	93,526
Payable to Securities and Exchange Commission of Pakistan -Annual fee	<b>152,390</b>	412,550
Provision for Workers' Welfare Fund	<b>10,801,934</b>	10,801,934
Accrued and other liabilities	<b>2,611,691</b>	5,044,414
Distribution payable	-	40,867,871
<b>Total liabilities</b>	<b>18,193,968</b>	61,796,458
	9	-
<b>Contingencies and Commitments</b>	-	-
<b>Net assets</b>	<u><b>620,954,220</b></u>	<u>579,873,272</u>
<b>Unit holders' funds (as per statement attached)</b>	<u><b>620,954,220</b></u>	<u>579,873,272</u>
	<b>(Number of units)</b>	
<b>Number of units in issue</b>	<u><b>10,528,767</b></u>	<u>9,670,766</u>
	<b>(Rupees)</b>	
<b>Net asset value per unit</b>	<u><b>58.9769</b></u>	<u>59.9615</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 INCOME STATEMENT (UNAUDITED)**  
**FOR QUARTER ENDED 30 SEPTEMBER 2015**

	30 September 2015	30 September 2014
	Note	
<b>Income</b>		
Capital gain on sale of investments - HFT	3,995,978	(2,813,363)
Capital gain / (loss) on sale of investments - AFS	-	960,500
Income from sukuk certificates	-	2,570,293
Dividend income	5,239,260	3,505,625
Profit on deposit accounts with banks	658,264	878,286
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	6.2 (17,178,453)	1,311,791
Other Income	7,737	3,476
<b>Total income</b>	<b>(7,277,214)</b>	<b>6,416,608</b>
<b>Expenses</b>		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7 3,205,355	1,682,558
Sindh sales tax on Management fee	520,655	292,804
Federal excise duty on management fee	512,858	269,209
Remuneration of Central Depository Company of Pakistan Limited - Trustee	365,448	176,455
Annual fee - Securities and Exchange Commission of Pakistan	152,390	79,932
Bank and settlement charges	107,756	80,588
Auditors' remuneration	119,064	133,216
Brokerage	750,645	159,978
Provision for workers' welfare fund	9 -	69,632
Fees and subscriptions	42,289	35,236
Printing and related cost	37,812	50,416
<b>Total expenses</b>	<b>5,814,274</b>	<b>3,030,024</b>
<b>Net loss from operating activities</b>	<b>(13,091,488)</b>	<b>3,386,584</b>
Net element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	2,726,751	25,373
<b>Net income/ (loss) for the period</b>	<b>(10,364,737)</b>	<b>3,411,957</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 (UNAUDITED)  
FOR QUARTER ENDED 30 SEPTEMBER 2015**

	<b>30 September 2015</b>	30 September 2014
	<i>Note</i>	
Net income/ (loss) for the period	<b>(10,364,737)</b>	3,411,957
	<input type="text"/>	<input type="text"/>
Other comprehensive income for the period	-	-
	-	-
<b>Total comprehensive income/loss for the period</b>	<b><u>(10,364,737)</u></b>	<b><u>3,411,957</u></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 DISTRIBUTION STATEMENT (UNAUDITED)  
FOR QUARTER ENDED 30 SEPTEMBER 2015**

	30 September 2015	30 September 2014
Undistributed income/ (loss) brought forward		
Realised	<b>(935,291)</b>	(4,060,312)
Unrealised	<b>79,924,680</b>	29,060,278
	<b>78,989,389</b>	24,999,966
 Net income/ (loss) for the period	 <b>(10,364,737)</b>	 3,411,957
Undistributed income / (loss) carried forward	<b>(10,364,737)</b>	3,411,957
Realised	<b>85,803,106</b>	27,100,132
Unrealised	<b>(17,178,453)</b>	1,311,791
	<b><u>68,624,652</u></b>	<u>28,411,923</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 STATEMENT OF  
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)  
FOR QUARTER ENDED 30 SEPTEMBER 2015**

	30 September 2015	30 September 2014
Net assets at the beginning of the period	579,873,272	331,973,755
Issue of 1,049,337 units (2014: 149,992 units)	66,113,203	8,210,685
Redemption of 191,336 units (2014: 37,800 units)	(11,940,768)	(2,084,121)
	54,172,435	6,126,564
- amount representing accrued (income) / loss and realised capital (gains) / losses - transferred to the Income Statement	-	(25,373)
	-	(25,373)
Net element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	(2,726,751)	-
Capital gain on sale of investments	3,995,978	(1,852,863)
Unrealised appreciation / (diminution) in the value of investments -'at fair value through profit or loss'	(17,178,453)	1,311,791
Other net income for the period	2,817,738	3,953,029
Net income/(loss) for the period less distribution	(10,364,737)	3,411,957
<b>Net assets at the end of the period</b>	<b>620,954,220</b>	<b>341,486,903</b>
	----(Rupees)----	
Net asset value per unit at the beginning of the period	59.9615	58.7200
Net asset value per unit at the end of the period	58.9769	54.9300

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 CASH FLOWS (UNAUDITED)  
FOR QUARTER ENDED 30 SEPTEMBER 2015**

	30 September 2015	30 September 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income/ (loss) for the period	<b>(10,364,737)</b>	3,411,957
<b>Adjustments for:</b>		
Unrealised appreciation / (diminution) in the value of investments		
- 'at fair value through profit or loss'	<b>17,178,453</b>	(1,311,791)
Dividend income	<b>(5,239,260)</b>	(3,505,625)
Profit on deposit accounts with banks	<b>(658,264)</b>	(878,286)
Income from sukuk certificates	-	(2,570,293)
Provision for workers' welfare fund	-	69,632
Net element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed	<b>(2,726,751)</b>	(25,373)
	<b>(1,810,558)</b>	(4,809,779)
<b>(Increase) / decrease in assets</b>		
Investments	<b>(28,173,716)</b>	22,710,113
Receivable against sale of Investments	<b>31,433,535</b>	43,227,731
Conversion of units	<b>8,350,000</b>	-
	<b>11,609,819</b>	65,937,844
<b>Increase / (decrease) in liabilities</b>		
Payable against Purchase of Investment	-	1,533,302
Payable to Alfalah GHP Investment Management Limited - Management Company	<b>(60,278)</b>	375,764
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>18,542</b>	(73,815)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	<b>(260,160)</b>	(277,715)
Distribution payable	<b>(2,432,723)</b>	2,025,580
	<b>(2,734,618)</b>	3,583,116
Dividend and profit received	<b>1,357,155</b>	5,532,500
<b>Net cash flow from / (used in) operating activities</b>	<b>8,421,798</b>	70,243,681
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	<b>66,113,203</b>	8,210,685
Payment against redemption of units	<b>(11,940,768)</b>	(2,084,121)
Cash dividend paid	<b>(40,867,871)</b>	(83,806,285)
<b>Net cash flow from / (used in) financing activities</b>	<b>13,304,564</b>	(77,679,721)
Net increase / (decrease) in cash and cash equivalents during the period	<b>21,726,362</b>	(7,436,040)
Cash and cash equivalents at beginning of the period	<b>77,305,388</b>	77,746,618
Cash and cash equivalents at end of the period	<b>99,031,750</b>	70,310,578

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR QUARTER ENDED 30 SEPTEMBER 2015****1. LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Alfalah GHP Islamic Fund is an open-end collective investment scheme (the Fund) established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 11, 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 March 29, 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 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

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

The SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund).

The Fund is categorized as an open ended shariah compliant asset allocation scheme. The primary objective of the Fund is to seek long term capital appreciation and income from a diversified portfolio developed in accordance with the principles of Shariah. The investments of the Fund are diversified both in terms of securities within an asset class as well as across asset classes. All activities of the Fund are undertaken in accordance with the Islamic Shariah as per the guidelines given by the Shariah Advisory Board of the Fund.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned '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.

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

**2. BASIS OF PRESENTATION**

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

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the requirement of approved accounting standards as applicable in Pakistan, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2015. 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 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 2015.

## 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 nine months and quarter ended 30 September 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

	<b>30 September 2015 (Unaudited)</b>	<b>30 June 2015 (Audited)</b>
	----(Rupees)----	
	<b>40,523,350</b>	47,904,326
Deposit accounts	5.1 <b>58,508,400</b>	<u>29,401,062</u>
Current account	<b>99,031,750</b>	<u>77,305,388</u>

5.1 This represents saving deposit accounts maintained with various Islamic banks or Islamic banking division of conventional banks carrying profit rate of 5.66% (June 30, 2015: 5.66% to 8.60%) per annum.

		<b>30 September 2015 (Unaudited)</b>	<b>30 June 2015 (Audited)</b>
	<i>Note</i>	----- <b>(Rupees)</b> -----	
<b>6. INVESTMENTS</b>			
- At fair value through profit or loss-held for trading			
Equity securities - quoted	<b>6.1</b>	<b>531,266,789</b>	514,739,454
Quoted units		-	5,532,074
		<u><b>531,266,789</b></u>	<u>520,271,528</u>

**6.1 Investment in quoted equity securities - 'at fair value through profit or loss' - held-for-trading**

Name of the investee company	As at July 01, 2015	Purchased during the year	Bonus / rights issue during the year	Sold during the year	As at September 30, 2015	Cost as at September 30, 2015	Market value as at September 30, 2015	Market value as a percentage of:	
								Net assets	Total investment
	----- (Number of shares) -----				----- (Rupees) -----				
<b>Fertilizer</b>									
Fauji Fertilizer Bin Qasim Limited	-	266,000	-	266,000	-	-	-	-	-
Fauji Fertilizer Company Limited	320,500	-	-	320,500	-	-	-	-	-
Fatima Fertilizer Company Limited	172,500	302,000	-	60,000	414,500	18,672,954	19,183,060	3.09%	3.62%
Engro Fertilizer Limited	299,500	9,000	-	64,000	244,500	21,772,493	21,956,100	3.54%	4.14%
Engro Corporation	122,000	-	-	-	122,000	36,209,600	36,402,360	5.86%	6.87%
						<u>76,655,047</u>	<u>77,541,520</u>		
<b>Cement</b>									
D.G Khan Cement Company Limited	149,500	-	-	-	149,500	21,344,115	20,484,490	3.30%	3.86%
Fauji Cement Company Limited	340,000	-	-	340,000	-	-	-	-	-
Kohat Cement Limited	90,900	-	-	-	90,900	18,166,365	17,358,264	2.80%	3.28%
Maple Leaf Cement Company Limited	417,500	30,000	-	79,000	368,500	28,740,310	25,256,990	4.07%	4.77%
Pioneer Cement	-	197,000	-	-	197,000	18,717,515	17,087,780	2.75%	3.22%
Cherat Cement Company Limited	-	135,500	-	-	135,500	12,734,685	11,682,810	1.88%	2.20%
Lucky Cement Limited	67,850	-	-	19,300	48,550	25,227,551	25,571,285	4.12%	4.82%
Fecto Cement	71,000	-	-	-	71,000	4,936,630	5,669,350	0.91%	1.07%
						<u>129,867,171</u>	<u>123,110,969</u>		
<b>Power Generation &amp; Distribution</b>									
Hub Power Company Limited	548,500	-	-	173,000	375,500	35,135,535	36,889,120	5.94%	6.96%
Lalpir Power Limited	-	716,500	-	-	716,500	23,764,860	20,900,305	3.37%	3.94%
Pakgen Power Limited	-	606,000	-	381,000	225,000	7,086,269	6,288,750	1.01%	1.19%
Kot Addu Power Company Limited	529,000	-	-	120,500	408,500	35,147,340	38,705,375	6.23%	7.30%
						<u>101,134,004</u>	<u>102,783,550</u>		
<b>Oil and Gas Marketing Companies</b>									
Hascol Petroleum Limited	226,840	70,000	42,568	84,000	255,408	25,810,938	30,544,243	4.92%	5.76%
<b>Oil and Gas Exploration Companies</b>									
Pakistan State Oil Company Limited	31,500	-	-	31,500	-	-	-	-	-
Oil & Gas Development Company Limited	-	120,000	-	-	120,000	18,067,063	14,960,400	2.41%	2.82%
Attock Refinery Limited	28,000	-	-	28,000	-	-	-	-	-
Pakistan Oilfields Limited	-	30,000	-	30,000	-	-	-	-	-
Natioanl Refinery Limited	52,500	-	-	52,500	-	-	-	-	-
Byco Petroleum Pakistan Limited	-	125,000	-	125,000	-	-	-	-	-
						<u>18,067,063</u>	<u>14,960,400</u>		
<b>Automobile Assembler</b>									
Pak Suzuki Motor Company Limited	67,100	10,000	-	77,100	33,954,393	31,963,347	5.15%	6.03%	
Indus Motor Company Limited	-	10,000	-	10,000	12,378,595	10,014,000	1.61%	1.89%	
						<u>46,332,988</u>	<u>41,977,347</u>		



Name of the investee company	As at July 01, 2015	Purchase d during the year	Bonus / rights issue during the year	Sold during the year	As at September 30, 2015	Cost as at September 30, 2015	Market value as at September 30, 2015	Market value as a percentage of:	
								Net assets	Total investment
					(Number of shares)				
					(Rupees)				
<b>General industrials</b>									
Packages Limited	10,600	-	-	-	10,600	5,316,642	6,297,248	1.01%	1.19%
<b>Textile Composite</b>									
Nishat Mills Limited	137,000	-	-	77,600	59,400	6,785,262	5,897,826	0.95%	1.11%
Kohinoor Textile Mills Limited	202,000	-	-	60,500	141,500	9,191,840	9,982,825	1.61%	1.88%
						15,977,102	15,880,651		
<b>Engineering</b>									
Crescent Steel	-	365,500	-	190,500	175,000	21,250,250	14,528,500	2.34%	2.74%
Crescent Steel LOR	-	-	43,750	-	43,750	999,950	1,249,938		
						22,250,200	15,778,438		
<b>Pharmaceuticals</b>									
The Searle Company	-	26,000	-	-	26,000	9,972,875	10,408,320	1.68%	1.96%
<b>Cable &amp; Electrical Goods</b>									
Pak Electron	552,000	-	-	-	552,000	45,672,480	39,793,680	6.41%	7.51%
<b>Food &amp; Personal Care Products</b>									
Engro Foods	43,500	73,000	-	-	116,500	18,455,239	17,167,440	2.76%	3.24%
<b>Technology &amp; Communication</b>									
Systems Limited	62,000	397,500	-	-	459,500	26,934,555	30,359,165	4.89%	5.73%
<b>Real Estate Investment &amp; Services</b>									
Dolmen City REIT	502,459	-	-	-	502,459	5,532,074	5,305,967	0.85%	1.00%
<b>Paper &amp; Board</b>									
Packages Limited	10,600	-	-	-	10,600	6,297,248	5,655,100	0.91%	1.07%
<b>Total</b>	<b>5,044,249</b>	<b>3,489,000</b>	<b>86,318</b>	<b>2,502,900</b>	<b>6,116,667</b>	<b>548,958,985</b>	<b>531,266,789</b>		

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

	September 30, 2015	June 30, 2015
(Number of shares)		
Lucky Cement Limited	30,000	30,000
	30,000	30,000

## 7. SALES TAX ON MANAGEMENT FEE

During the current period, an amount of Rs. 0.521 million (30 September 2014: Rs. 0.293 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 Workers' Welfare Fund Ordinance, 1971 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.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the 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 ended 30 June 2015 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these financial statements for the year 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, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business and at contractual rates.

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the 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	4,576,163	2,269,614
Remuneration for the period / year	3,205,355	8,684,426
Front End Load	456,786	366,257
FED on Management Fee	512,858	1,389,508
Sindh sales tax on Management fee for the period / year	520,655	1,511,252
	4,695,655	11,951,443
Amount paid during the period / year	(4,755,933)	(9,644,894)
Balance at the end of the period / year	<u>4,515,885</u>	<u>4,576,163</u>
<b>Central Depository Company of Pakistan Limited</b>		
Balance at beginning of the period / year	93,526	131,010
Remuneration for the period / year	365,448	871,914
CDS Charges for the period / year	26,255	52,919
	391,703	924,833
Amount paid during the period / year	(373,161)	(962,317)
Balance at the end of the period / year	<u>112,068</u>	<u>93,526</u>
Deposit with Central Depository Company of Pakistan Limited	<u>100,000</u>	<u>100,000</u>
<b>Bank Alfalah Limited-Islamic Banking Division</b>		
Deposits at the end of the period / year	<u>62,766,515</u>	<u>33,292,628</u>
Profit on deposit accounts for the period / year	<u>51,878</u>	<u>691,325</u>
Bank charges for the period / year	<u>3,907</u>	<u>6,760</u>



## Unit Holders' 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>										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	335,189,415	-	-	-	329,685,425
<b>Key Management Personnel</b>										
Employees	15,705	2,758	-	-	18,463	941,676	885,000	-	-	1,088,895
<b>Unit holder holding 10% or more Units</b>										
Bank Alfalah Limited - Islamic Banking	5,590,077	-	-	-	5,590,077	335,189,415	-	-	-	329,685,425
Siddiq Leather Works (Pvt.) Ltd.	602,230	554,089	-	-	1,156,319	36,110,614	35,000,000	-	-	68,196,103
Syed Henna Babar Ali	2,006,839	-	-	-	2,006,839	120,333,086	-	-	-	118,357,152

	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>										
Bank Alfalah Limited - Islamic Banking Division	5,590,077	-	-	-	5,590,077	303,988,399	-	-	-	307,049,525
<b>Key Management Personnel</b>										
Employees	7,638	1,386	-	-	9,024	415,347	75,000	-	-	495,681

**13 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on October 29, 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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