

Quarterly Report March 31, 2011



ALFALAH GHP Value Fund

Managed by



ALFALAH GHP

Sponsor Shareholders



BANK ALFALAH



GHP Arbitrium AG
FINANCIAL SERVICES

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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. Hani Theodor Karl- Mr. Shakil Sadiq- Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	<ul style="list-style-type: none">- Mr. Omer Bashir Mirza
Audit Committee:	<ul style="list-style-type: none">- Mr. Sarfraz Ali Sheikh- Mr. Shahid Hosain Kazi- Mr. Shakil Sadiq
Fund Manager:	<ul style="list-style-type: none">- Mr. Ather H. Medina
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
Auditors:	Rahman Sarfaraz Rahim Iqbal Rafiq & Co. Chartered Accountants Plot No 180, Block A, S.M.C.H.S., Karachi -74400 Pakistan.
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:	4 Star by PACRA (Category: Asset Allocation)

MISSION STATEMENT

Alfalah GHP Value fund aims to provide its unit holders with sustainable return over a period through active asset allocation strategies.

VISION STATEMENT

Alfalah GHP Value Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable and consistent return over the long term through investment exposure to various asset classes.

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 Value Fund (AGVF) is pleased to present its quarterly report on the affairs of AGVF for the nine months ended March 31, 2011.

Financial Performance

Net assets under management as on March 31, 2011 were Rs. 436.44 million. During the period units worth Rs. 0.26 million were issued and units worth Rs. 49.91 million were redeemed.

AGVF earned a total income of Rs. 71.14 million for the nine months ended March 31, 2011. Major sources of revenue were capital gains on sale of investments of Rs. 39.78 million, dividend income of Rs. 17.05 million and profit on bank deposits of Rs. 9.03 million. After accounting for expenses of Rs. 34.30 million, including an impairment loss in value of investment of Rs. 21.00 million, the net income from operating activities for the period stands at Rs. 36.85 million.

Asset Allocation

The asset allocation of AGVF as at March 31, 2011 was as follows:

Equity	55.25%
TFCs / Sukuks	15.43%
Cash / Bank deposits	26.74%
Others	2.58%
TOTAL	<u>100.00%</u>

Market Performance

The equity market rally that had started in September 2010 finally ran out of steam when the KSE 100 peaked at 12,681 points in mid-January. Thereafter, a dearth of triggers dried up interest, along with volumes, and the KSE 100 witnessed an 11.5% decline to 11,223 points by end-February. Average daily turnover of the market was influenced by Index direction, with declining volumes as the Index headed south. For the Jan-Mar period, the KSE 100 Index registered a net decline of 1.8% to 11,809 points, with an average daily turnover of 99.9 million shares.

Future Outlook

We expect strong earnings growth to drive the market in the later part of the year on the back of rising oil and fertilizer prices and declining non-performing loan charges. The KSE 100 is expected to maintain a positive trend, with relatively cheaper valuations available on the KSE continuing to attract foreign investment flows, especially in the Oil & Gas, Fertilizer and Banking sectors. However, any adverse taxation measures in the upcoming budget 2011/12, and / or drying up of regional investment flows, could pose a significant risk to these expectations.

Additionally, we see interest rates remaining on the higher side, with the central bank continuing its tight monetary policy as the growing fiscal deficit fuels the government's appetite for funds.

Acknowledgement

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

For and on behalf of the Board

April 22, 2011
Karachi

Abdul Aziz Anis
Chief Executive



**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT MARCH 31, 2011**

		31 March 2011 (Un-Audited) (Rupees in '000)	30 June 2010 (Audited)
Assets	Note		
Bank balances		119,451	139,118
Investments	5	315,765	320,959
Dividend and profit receivable		7,910	3,000
Advances, deposits, prepayments and other receivables		3,635	3,700
Preliminary expenses and floatation costs		-	165
Total assets		446,761	466,942
Liabilities			
Payable against Purchase of Investment		2,515	-
Payable to Alfalah GHP Investment Management Limited -Management Company		748	978
Payable to Central Depository Company of Pakistan Limited - Trustee		75	78
Payable to Securities and Exchange Commission of Pakistan -Annual fee		326	244
Accrued expenses and other liabilities		6,657	5,775
Total liabilities		10,321	7,075
Contingencies and Commitments	7	-	-
Net Assets		436,440	459,867
Unitholders' Funds (as per statement attached)		436,440	459,867
		(Number of units)	
Number of units in issue		8,314,240	9,061,542
		(Rupees)	
Net Asset Value per unit		52.49	50.75

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

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

Chief Executive

Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended		Quarter ended	
	31 March 2011	2010	31 March 2011	2010
Note	(Rupees in '000)		(Rupees in '000)	
Income				
Capital Gain / (loss) on sale of investments	39,783	89,198	11,909	11,828
Dividend income	17,051	21,113	8,290	9,313
Profit on deposit accounts with banks	9,027	7,445	2,616	1,480
Unrealised appreciation / (diminution) in the value of investments at 'fair value through profit or loss'	1,550	28,237	(18,395)	16,013
Income from term finance / sukuk Certificates - net of amortization of premium / discount	3,731	6,593	256	2,405
Total income / (loss)	71,142	152,586	4,676	41,039
Expenses				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7,624	10,674	2,223	3,332
Remuneration of Central Depository Company of Pakistan Limited - Trustee fee	687	855	223	267
Annual fee - Securities and Exchange Commission of Pakistan	326	406	105	127
Amortisation of preliminary expenses and floatation costs	165	375	-	123
Bank and settlement charges	232	188	81	70
Auditors' remuneration	433	408	131	175
Brokerage	2,388	2,494	944	529
Provision for Workers Welfare Fund	701	-	(359)	-
Impairment in the value of Investment classified as 'available for sale'	21,003	20,260	3,914	-
Other charges	738	642	348	110
Total expenses	34,297	36,302	7,610	4,733
Net income / (loss) from operating activities	36,845	116,284	(2,935)	36,306
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(2,500)	(21,490)	(1,580)	3,055
Net income / (loss) for the period carried forward for distribution	34,345	94,794	(4,515)	39,361

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended		Quarter ended	
	31 March	2010	31 March	2010
	2011		2011	
	(Rupees in '000)		(Rupees in '000)	
Net Income for the period	34,345	94,794	(4,515)	39,361

Other comprehensive income:

Net unrealised appreciation / (diminution) during the period in fair value of investments classified as 'available for sale'	(4,836)	7,331	(250)	(2,441)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing unrealized capital gains / (losses)	1,420	(3,496)	719	33
Other comprehensive Income for the period	(3,416)	3,835	469	(2,408)
Total comprehensive Income for the period	30,929	98,629	(4,046)	36,953

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

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

Chief Executive

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March		Quarter ended 31 March	
	2011	2010	2011	2010
	(Rupees in '000)		(Rupees in '000)	
Undistributed (loss) / income brought forward				
- Realized	9,560	17,398	1,810	132,134
- Unrealized	(10,375)	22,207	19,945	(40,625)
	(815)	39,605	21,755	91,509
Element of (loss) / gains and capital (losses) / gains included in prices of units sold less those in units repurchased - amount representing unrealized capital (losses) / gains	1,420	(3,496)	719	33
Net income for the period	34,345	94,794	(4,516)	39,361
Interim distribution for the period ended December 31, 2010:				
- Cash Distribution: Rs. 2.00 per unit (2009:Nil)	(5,779)	-	-	-
- Issue of 213,244 bonus Units at 3.94% (2009:Nil)	(11,212)	-	-	-
Final Distribution of Bonus Units declared for the year ended December 31, 2009: 1,698,253 units of Rs. 10.64 per Unit	-	(91,570)	-	(91,570)
	18,774	(272)	(3,797)	(52,176)
Undistributed (loss) / income brought forward				
- Realized	16,409	11,096	36,354	23,320
- Unrealized	1,550	28,237	(18,395)	16,013
	17,959	39,333	17,959	39,333

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March		Quarter ended 31 March	
	2011	2010	2011	2010
	(Rupees in '000)		(Rupees in '000)	
Net assets at the beginning of the period	459,867	596,332	460,178	526,120
Issue of 4846 Units (140,376 units) and 9 Units (139,450 Units) for the nine months and quarter respectively	256	9,054	1	9,002
Redemption of 965,392 units (3,700,652 units) and 394,091 Units (1,061,989 units) for the nine months and quarter respectively	(49,913)	(218,712)	(20,554)	(58,698)
	(49,657)	(209,658)	(20,553)	(49,696)
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	2,500	21,490	1,580	(3,055)
- amount representing unrealised capital (gains) / losses transferred directly to the Distribution Statement	(1,420)	3,496	(719)	(33)
	1,080	24,986	861	(3,088)
Net unrealised gains / (losses) during the period on revaluation of investments classified as 'available-for-sale'	(4,836)	7,331	(250)	(2,441)
Interim Distribution for the period ended December 31, 2010: - Issue of 213,244 bonus Units at 3.94% (2009 Nil units)	11,212	-	-	-
Final Distribution of Bonus Units declared for the year ended December 31, 2009: 1,698,253 units of Rs. 10.64 per Unit	-	91,570	-	91,570
Net Income for the period	34,345	94,794	(4,516)	39,361
Element of (loss) / gains and capital (losses) / gains included in prices of units sold less those in units repurchased - amount representing unrealized capital (losses) / gains	1,420	(3,496)	719	33
Interim Distribution for the period ended 31 December 2010: - Cash Distribution: Rs. 2.00 per unit (2009:Nil) - Issue of 213,244 bonus Units at 3.94% (2009:Nil)	(5,779) (11,212)	- -	- -	- -
Final Distribution of Bonus Units declared for the year ended December 31, 2009: 1,698,253 units of Rs. 10.64 per Unit	-	(91,570)	-	(91,570)
Net income / (loss) for the period less distribution	18,774	(272)	(3,797)	(52,176)
Net assets at the end of the period	436,440	510,289	436,440	510,289
			----(Rupees)----	
Net asset value per unit at the beginning of the period	50.75	53.05	52.85	61.15
Net asset value per unit at the end of the period	52.49	54.41	52.49	54.41

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

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March 2011		Quarter ended 31 March 2011	
	2011	2010	2011	2010
	(Rupees in '000)		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	34,345	94,794	(4,515)	39,361
Adjustments for:				
Dividend income	(17,051)	(21,113)	(8,290)	(16,013)
Profit on deposit accounts with banks	(9,027)	(7,445)	(2,616)	(9,313)
Income from term finance / sukuk certificates - net of amortization of premium / discount	(3,731)	-	(256)	-
Unrealised appreciation / (diminution) in the value of investment 'at fair value through profit or loss'	(1,550)	(28,237)	18,395	(1,480)
Impairment in the value of investments classified as 'available for sale'	21,003	20,260	3,914	-
Amortisation of preliminary expenses and floatation cost	165	375	-	123
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	2,500	21,490	1,580	(3,055)
	(7,691)	(14,670)	12,728	(29,738)
	26,654	80,124	8,213	9,623
(Increase)/ decrease in assets				
Receivable against sale of investment	-	-	12,501	-
Investments	(19,094)	(26,976)	41,112	20,325
Deposits, prepayments and other receivables	65	(3,310)	168	(4,468)
	(19,029)	(30,286)	53,781	15,857
Increase/ (decrease) in liabilities				
Payable against Purchase of Investment	2,515	(1,787)	2,515	(18,298)
Payable to Alfalah GHP Investment Management Limited - Management Company	(230)	(259)	(33)	(3)
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	(28)	(3)	1
Payable to Securities and Exchange Commission of Pakistan - Annual fee	82	406	105	127
Accrued expenses and other liabilities	882	14,236	(953)	14,303
	3,246	12,568	1,631	(3,870)
Dividend received	11,638	16,572	1,661	3,180
Profit received on TFC/Sukuk certificates	4,696	-	3,170	-
Profit received on bank deposit	8,564	9,101	2,283	1,954
	24,898	25,673	7,114	5,134
Net cash (used in) / from operating activities	35,769	88,079	70,739	26,744
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	256	23,437	1	9,002
Payment against redemption of units	(49,913)	(218,712)	(20,554)	(58,698)
Cash dividend Paid	(5,779)	(22,708)	(5,779)	-
Net cash from / (used in) financing activities	(55,436)	(217,983)	(26,332)	(49,696)
Net (decrease) / increase in cash and cash equivalents during the period	(19,667)	(129,904)	44,407	(22,952)
Cash and cash equivalents at the beginning of the period	139,118	158,640	75,044	51,688
Cash and cash equivalents at the end of the period	119,451	28,736	119,451	28,736

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

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

Chief Executive

Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value 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 19th May, 2005 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 13th May, 2005.

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 Value Fund is listed on the Karachi Stock Exchange. The units of the fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the fund. The fund offers two types of units Growth and Income. Growth unit holders are entitled to bonus unit and Income unit holders are entitled to cash dividend at the time of distribution by fund.

The fund is categorized as an asset allocation scheme and can invest in equity, debt and money market securities as authorized in Fund 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 4 Star (short term) and 4-Star (long term) to the fund in its rating report dated September 27, 2010.

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

These financial statements comprise of the condensed interim statement of assets and liabilities as at March 31, 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 period ended March 31, 2011.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements of the Fund for the year end June 30, 2010. 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 financial statements have been prepared on the basis of historical cost convention except that certain investments and derivative financial instruments have been included at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand of rupees.

2.4 Use of estimates and judgments

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 June 30, 2010.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2010.

3.1 Earning per unit

Earning per unit (EPU) has not been disclosed 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 June 30, 2010.

5. INVESTMENTS

		31 March 2011 (Unaudited)	30 June 2010 (Audited)
	Note	(Rupees in '000)	
At fair value through profit or loss - held for trading			
Quoted equity securities - held for trading	5.1	246,204	224,622
Available for sale			
Quoted equity securities	5.2	609	12,259
Investment in term finance certificates	5.3	19,984	31,600
Investment in sukuk bonds	5.4	48,968	52,478
		69,561	96,337
		315,765	320,959

5.1 Quoted equity securities - held for trading

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 31 March 2011	Carrying value as at 31 March 2011	Market value as at 31 March 2011	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as a percentage of issued share capital
	----- Number of shares -----					(Rupees in '000)				
Commercial Banks										
Allied Bank Limited	-	189,200	-	189,200	-	-	-	-	-	-
Askari Bank Limited	-	500,000	30,000	200,000	330,000	5,439	4,131	0.95	1.31	0.05
Bank Al-Falah Limited	-	250,000	-	250,000	-	-	-	-	-	-
Faysal Bank Limited	-	100,000	-	100,000	-	-	-	-	-	-
Habib Bank Limited	-	100,000	7,000	30,000	77,000	8,815	8,599	1.97	2.72	0.01
Habib Metropolitan Bank Limited	-	185,000	37,000	-	222,000	5,296	4,373	1.00	1.38	0.02
KASB Bank Limited	-	235,941	-	235,941	-	-	-	-	-	-
MCB Bank Limited	-	203,350	1,000	193,350	11,000	2,192	2,283	0.52	0.72	0.00
MyBank Limited	1,938,250	-	-	-	1,938,250	23,728	4,070	0.93	1.29	0.37
National Bank of Pakistan	100,000	725,000	75,000	550,000	350,000	19,094	19,957	4.57	6.32	0.02
Silk Bank Limited	300,000	-	-	300,000	-	-	-	-	-	-
United Bank Limited	25,000	790,000	-	645,000	170,000	11,567	10,455	2.40	3.31	0.01
						<u>76,131</u>	<u>53,868</u>			
Non-Life Insurance										
Adamjee Insurance Company Limited	-	20,000	-	20,000	-	-	-	-	-	-
						<u>-</u>	<u>-</u>			
Construction and materials										
D. G. Khan Cement Company Limited	-	700,000	-	700,000	-	-	-	-	-	-
Lucky Cement Limited	-	569,092	-	519,092	50,000	3,366	3,374	0.77	1.07	0.02
						<u>3,366</u>	<u>3,374</u>			
Electricity										
Hub Power Company Limited	1,425,000	-	-	425,000	1,000,000	19,518	37,640	8.62	11.92	0.09
Kot Addu Power Company Limited	464,500	100,000	-	564,500	-	-	-	-	-	-
Nishat Power Limited	-	200,000	-	200,000	-	-	-	-	-	-
Kohinoor Energy Limited	212,900	-	-	212,900	-	-	-	-	-	-
						<u>19,518</u>	<u>37,640</u>			
Oil and Gas										
Byco Petroleum	-	25,000	-	25,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	80,000	432,544	-	403,044	109,500	32,171	30,387	6.96	9.62	0.06
Attock Petroleum Limited	10,000	184,300	-	194,300	-	-	-	-	-	-
Attock Refinery Limited	-	136,427	-	136,427	-	-	-	-	-	-
Mari Gas Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
National Refinery Limited	-	51,700	-	51,700	-	-	-	-	-	-
Oil and Gas Development Company Limited	164,400	256,380	-	299,062	121,718	19,823	16,514	3.78	5.23	0.00
Pakistan Oilfields Limited	99,580	295,700	-	323,200	72,080	20,915	23,433	5.37	7.42	0.03
Pakistan Petroleum Limited	100,000	428,100	2,000	430,100	100,000	20,912	21,141	4.84	6.70	0.01
						<u>93,821</u>	<u>91,475</u>			
Industrial Engineering										
Pakistan Engineering Company Limited	8,400	-	-	8,400	-	-	-	-	-	-
						<u>-</u>	<u>-</u>			
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited	200,050	369,259	-	569,309	-	-	-	-	-	-
Wateen Telecom Limited	1,000,000	-	-	668,482	331,518	3,315	945	0.22	0.30	0.05
						<u>3,315</u>	<u>945</u>			
Chemicals										
Engro Chemical (Pakistan) Limited	125,043	535,379	7,000	616,000	51,422	9,399	10,582	2.42	3.35	0.01
Fauji Fertilizer Bin Qasim Limited	-	700,000	-	605,000	95,000	4,004	3,935	0.90	1.25	0.01
Fauji Fertilizer Company Limited	125,000	332,617	31,250	387,500	101,367	12,261	13,976	3.20	4.43	0.01
ICI Pakistan Limited	25,000	323,200	-	248,200	100,000	15,242	16,518	3.78	5.23	0.07
Lotte Pakistan	100,000	250,000	-	225,000	125,000	2,010	2,018	0.46	0.64	0.01
						<u>42,916</u>	<u>47,029</u>			
Personal Goods										
Nishat (Chunian) Limited	-	600,000	-	600,000	-	-	-	-	-	-
Nishat Mills Limited	-	221,163	-	121,163	100,000	6,487	6,499	1.49	9.34	0.03
Amtext Limited	100,000	-	-	100,000	-	-	-	-	-	-
						<u>6,487</u>	<u>6,499</u>			
General Industries										
ECOPACK Limited	472,500	-	-	472,500	-	-	-	-	-	-
Packages Limited	-	105,000	-	105,000	-	-	-	-	-	-
Thall Limited	-	86,000	9,000	45,000	50,000	6,034	5,374	1.23	1.70	0.16
						<u>6,034</u>	<u>5,374</u>			
Grand total						<u>251,588</u>	<u>246,204</u>			

5.1.1 All shares have a face value of Rs. 10, except for thall Ltd of Rs. 5 each.

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

31 March 2011 **30 June 2010**
(Unaudited) **(Audited)**
(Rupees in '000)

Net unrealized appreciation / (diminution) in the value of investments at the beginning of the period	(1,803)	25,405
Net unrealized appreciation / (diminution) in the value of investments for the period	1,550	(10,375)
Realized on disposals during the period	(5,131)	(16,833)
Net unrealized appreciation / (diminution) in the value of investments at the end of the period	<u>(5,384)</u>	<u>(1,803)</u>

5.2 Quoted equity securities - available for sale

Name of the investee company	As at 01 July 2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 31 March 2011	Carrying value as at 31 March 2011	Market value as at 31 March 2011	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as a percentage of issued share capital
----- Number of shares -----						(Rupees in '000)				
Commercial Banks										
MyBank Limited	13,750	-	-	-	13,750	159	29	0.01	0.01	0.00
						<u>159</u>	<u>29</u>			
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	85,600	-	-	82,318	3,282	164	445	0.10	0.14	0.00
Pakistan Oilfields Limited	420	-	-	-	420	43	135	0.03	0.04	0.00
						<u>207</u>	<u>580</u>			
Grand Total						<u>366</u>	<u>609</u>			

5.2.1 All shares have a face value of Rs. 10 each.

5.3 Investment in Term Finance Certificates - available for sale

Name of the Investee company	Note	Maturity	Profit/ Mark-up Percentage	As at 01 July 2010	Purchases during the period	Sales during the period	Redemption during the period	As at 31 March 2011	Carrying value as at 31 March 2011	Market value as at 31 March 2011	Unrealized Appreciation / Diminution in the Value of Investment	Investment as a percentage of net assets	Market value as a percentage of total investments	Outstanding principal as a percentage of issued debt capital
----- Number of certificates -----										(Rupees in '000)				
Unlisted Term Finance Certificates														
AgriTech Ltd. (I issue)	5.3.1	Nov 2014	6M KIBOR+ 1.75%	5,000	-	-	-	5,000	24,513	12,490	(12,023)	2.86	3.96	1.67
AgriTech Ltd. (II issue)	5.3.2	Jan 2015	6M KIBOR+ 1.75%	3,000	-	-	-	3,000	14,988	7,494	(7,494)	1.72	2.37	0.22
									<u>39,501</u>	<u>19,984</u>	<u>(19,517)</u>			

5.3.1 AgriTech Limited (formerly Pak American Fertilizer Limited) has defaulted in its payment of principal and mark-up due on 29 May 2010 and MUFAP has classified such TFC in 'non performing'. Accordingly, unrealized loss amounting to Rs 4.996 million was transferred to Income Statement during the current period.

5.3.2 AgriTech Limited II (formerly Pak American Fertilizer Limited) has defaulted in its payment of principal and mark-up due on 14 July 2010 and MUFAP has classified such TFC in 'non performing'. Accordingly, unrealized loss amounting to Rs 7.494 million was transferred to Income Statement during the current period.

5.4 Investment in unquoted sukuk bonds - available for sale

Name of the Investee company	Note	Maturity	Profit / Mark-up Percentage	As at 01 July 2010	Purchases during the period	Sales during the period	Redemption during the period	As at 31 March 2011	Carrying value as at 31 March 2011	Market value as at 31 March 2011	Unrealized Appreciation / Diminution in the Value of Investment	Investment as a percentage of net assets	Market value as a percentage of total investments	Outstanding principal as percentage of issued debt capital
-----Number of certificates----- (Rupees in '000)														
Meaple Leaf Cement Factory Limited	5.4.1	Dec 2013	6M KIBOR+ 1.70%	15,000	-	-	-	15,000	73,230	46,986	(26,244)	10.77	14.88	0.94
Malpe Leaf Cement Factory Limited	5.4.2	Mar-2010	6M KIBOR+ 1%	-	563	-	-	563	2,815	1,982	(833)	0.45	0.63	0.94
									<u>76,045</u>	<u>48,968</u>	<u>(27,077)</u>			

5.4.1 This represents investment in sukuk certificates of Maple Leaf Cement Factory Limited (MLCF), secured against first pari passu charge over all present and future fixed assets with a 25% margin. These sukuk were restructured on March 30, 2010. The issuer continued to comply with the term of restructuring of the issue as disclosed in the financial statements of June 30, 2010. However due to decline in fair value of these sukuk certificates from 69.97 to 62.71 during the period an impairment amounting to Rs. 7.68 million has been charged to the income statement for the period.

5.4.2 At the time of signing of the first addendum on 30 March 2010, between MLCF and the investment agent of the sukuk certificates, the fund received an amount of Rs 2.815 million representing approximately 50% of the markup due upto 03 December 2009 and the repayment of the balance markup was settled by issuance of additional sukuk certificates. These additional units of sukuk certificates have been transferred to the fund's security account maintained with the CDC and accordingly have been recorded in the books of the fund during the period. However the fair value of these sukuk certificates have declined during the current period from Rs 75 to Rs 70.41 and accordingly the fund has recognized the unrealized loss on these sukuk certificates amounting to Rs. 0.833 million to income statement for the period.

5.5 Details of Non-Compliant Investment with the investment criteria as specified by the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Asset Allocation Scheme' and the same has been approved by the SECP.

Clause 55(5) of the non-banking finance companies and notified entities regulation 2008 (NBFC Regulations 2008) requires that not more than 10% of Net Assets shall be invested in a single entity. Investment parameters contained in clause 2.2.1(d)(iv) of offering document of the fund requires that the rating of secured debt securities of private sector entities shall not be lower than 'BBB+'. However, as at March 31, 2011, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

Type of investment	Name of Non-compliant investment	Notes	Value before provision	Provision held, if any	Value of investment after provision	Fair value as a percentage of net assets	Fair value as a percentage of gross assets
----- (Rupees in '000) -----							
Sukuk Certificate	Maple Leaf Cement Factory Ltd - I	5.5.1	74,936	(27,940)	46,996	10.77%	9.90%
Sukuk Certificate	Maple Leaf Cement Factory Ltd - II	5.5.1	2,815	(833)	1,982	0.45%	0.42%
TFC	Agritech limited - I	5.5.1	24,980	(12,490)	12,490	2.86%	2.63%
TFC	Agritech limited - II	5.5.1	14,988	(7,494)	7,494	1.72%	2.40%

5.5.1 At the time of purchase / investment, the TFCs and Sukuk 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.

5.6 Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'	31 March 2011	30 June 2010
	(Unaudited)	(Audited)
	(Rupees in '000)	
Net unrealized appreciation / (diminution) in the value of investments at the beginning of the period	(20,512)	(16,191)
Net unrealized appreciation / (diminution) in the value of investments for the period	(4,836)	3,167
Realized on disposals during the period	-	6
Impairment Charged During the period	(21,003)	(7,494)
Net unrealized appreciation / (diminution) in the value of investments at the end of the period	<u>(46,351)</u>	<u>(20,512)</u>

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

Opening Balance	33,775	26,281
Charged for the period	<u>21,003</u>	<u>7,494</u>
Closing balance	<u>54,778</u>	<u>33,775</u>

6. INTERIM DISTRIBUTION

The fund has made following distribution during the period.

Date	Per Unit	Units	Bonus Amount	Cash Distribution	Total
-----Rupees in '000-----					
27-Dec-10	2.00	213,244	11,212	5,779	16,991
			<u>11,212</u>	<u>5,779</u>	<u>16,991</u>

7 CONTINGENCIES & COMMITMENTS

There are no contingencies and commitments as at March 31, 2011.

8 TAXATION

The income of the Fund is exempt from income tax under clause 99 of part I of the second schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed among the unit holders.

9 PROVISION FOR WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letters dated 8 July and 15 July 2010 issued advice and clarifications that the WWF Ordinance 1971 does not have any provisions for the applicability on Mutual Funds because they are ruled and governed by separate laws and the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*.

Further, the Secretary (Income Tax Policy) Federal Board of Revenue issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR in which reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been withdrawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarification letter dated 6 October 2010 on applicability of WWF on mutual funds. Following the withdrawal of FBR clarification letter the Department again issued show cause notices to number of mutual fund for payment of WWF charges. In this regard, a constitutional petition has been filed by certain mutual funds through their Trustee in Honorable High Court of Sindh, challenging the

applicability of WWF to mutual funds, which is pending adjudication. In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 5,490,000 up to 31 March 2011.

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited 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 the constitutive documents respectively.

Details of transactions with the connected persons for the nine months ended March 31, 2011 and balances with them at period end are as follows:

10.1 Transactions and balances with connected persons / related parties

	31 March 2011 (Unaudited) (Units in '000)	30 June 2010 (Audited)	31 March 2011 (Unaudited) (Rupees in '000)	30 June 2010 (Audited)
Units issued to:				
Alfalah GHP Investment Management Limited	-	139	-	9,219
Bonus units distributed to:				
Bank Alfalah Ltd	-	476	-	25,680
Bank Alfalah Ltd - Employees' Provident Fund	24	126	1,276	6,787
Bank Alfalah Ltd - Employees' Gratuity Fund	25	131	1,325	7,052
MAB Investment Incorporated	60	263	3,187	14,161
GHP Arbitrium AG	32	189	1,700	10,221
Alfalah GHP Investment Management Ltd	-	28	-	1,483
Units redeemed by:				
GHP Arbitrium AG	-	355	-	16,179
Bank Alfalah Limited - Employees' Provident Fund	-	126	-	6,787
Bank Alfalah Limited - Employees' Gratuity Fund	-	131	-	7,052
Alfalah GHP Investment Management Ltd	-	167	-	8,962
Units held by:			31 March 2011 (Unaudited)	30 June 2010 (Audited)
Bank Alfalah Limited			2,890	2,890
MAB Investment Incorporated			1,654	1,594
GHP Arbitrium AG			882	850
Bank Alfalah Limited - Employees' Provident Fund			662	638
Bank Alfalah Limited - Employees' Gratuity Fund			688	663
Dividend paid to:			(Rupees in '000)	
Bank Alfalah Limited			5,779	-

Alfalah GHP Investment Management Limited - Management Company	31 March 2011	30 June 2010		
	(Rupees in '000)			
Balance at the beginning of the period	978	1,156		
Remuneration for the period	7,624	6,420		
Sales load for the period	-	86		
	<u>8,602</u>	<u>7,662</u>		
Amount paid during the period	<u>(7,854)</u>	<u>(6,684)</u>		
Balance at end of the period	<u>748</u>	<u>978</u>		
Central Depository Company of Pakistan Limited				
Balance at the beginning of the period	78	95		
Remuneration for the period	687	514		
Central Depository Services charges for the period	31	20		
	<u>796</u>	<u>628</u>		
Amount paid during the period	<u>(721)</u>	<u>(550)</u>		
Balance at end of the period	<u>75</u>	<u>78</u>		
Deposit with Central Depository Company of Pakistan Limited	<u>200</u>	<u>200</u>		
Bank Alfalah Limited				
Profit on deposit accounts	9,027	4,172		
Balance in deposit accounts	119,412	139,078		
Bank charges	12	6		
Mark-up receivable on bank deposits	1,127	1,365		
Capital Gain on sale of securities	38	-		
	<u>121,613</u>	<u>144,621</u>		
Investment held by fund				
	31 March 2011	30 June 2010	31 March 2011	30 June 2010
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(No. of shares)		(Rupees in '000)	
Wateen Telecom Limited	<u>331,518</u>	<u>1,000,000</u>	<u>945</u>	<u>6,230</u>
Capital gain / (loss) on sale of securities			<u>(4,312)</u>	<u>-</u>

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 22, 2011 by the Board of Directors of the Management Company.

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Executive

Director

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