

**ALFALAH GHP
MONEY MARKET FUND**
QUARTERLY REPORT March 2016



Alfalah Investments



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FUND'S INFORMATION

Management Company: Alfalah GHP Investment Management Limited
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4,
Clifton, Karachi.

Board of Directors of the Management Company:

- Ms. Maheen Rahman
- Syed Ali Sultan
- Mr. Michael Hermann
- Mr. Hanspeter Beier
- Mr. Amin Dawood Saleh
- Mr. Abid Naqvi
- Mr. Tufail Jawed Ahmed

Chief Operating Officer, CFO and Company Secretary: - Mr. Noman Ahmed Soomro

Audit Committee:

- Syed Ali Sultan
- Mr. Abid Naqvi
- Mr. Amin Dawood Saleh

HR Committee:

- Syed Ali Sultan
- Mr. Michael Hermann
- Ms. Maheen Rahman

Turster: Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', SMCHS,
Main Shara-e-Faisal, Karachi

Fund Manager: - Mr. Mudassir Ahmed

Bankers to the Fund: Bank Alfalah Limited

Auditors: Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O.Box 15541, Karachi 75530
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
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4,
Clifton, Karachi.

Distributor: Bank Alfalah Limited

Rating: Stability Rating AA (f) by PACRA



MISSION STATEMENT

“To be the best money management company in Pakistan. We will hold our clients money in scared 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”.



DIRECTORS' REPORT FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2016

To our valued Unit Holders,

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Money Market Fund (AGMMF) for the nine months ended March 31, 2016. 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 continues to show positive economic performance and development over the 9MFY16 with improvement across the majority of indicators. In particular, inflation has dipped significantly with a resultant drop in interest rates, the currency remains stable and foreign exchange reserves have moved higher. On the fiscal front tax collection has been strong and at target while overall fiscal deficit was in control at 1.7% for the HYFY16. GDP Growth looks set to revive this year and the next, with a recovery from the Large Scale Manufacturing sector and overall higher contribution from the services sector.

Key concern areas are exports which have showed significant decline over the last nine months and weakening remittance trends from abroad. Any uptick in imports will leave the current account vulnerable to a widening deficit with subsequent inflow from Foreign Direct Investments or aid/grants. On the positive, real progress is being seen on the China Pakistan Economic Corridor with a number of initiatives and large projects now underway. This could help support the capital account and balance of payments over the coming months.

Inflation

Owing to low crude oil prices, headline inflation averaged at 2.63% over the period. Medium term crude oil prices are likely to remain range bound between USD35 - USD45 per barrel hence this scenario has benefited consumers as well as sectors using agricultural/ commodity linked inputs. Going forward inflation is expected to remain benign as the low base effect ends and commodity prices are expected to remain downward sticky.

Interest Rates

Despite an outlook of subdued inflation in the coming months, SBP is likely to maintain the policy rate at current level to prevent unnecessary pressure on Pak Rupee and to maintain a healthy real interest rate. A surprise rate cut over the remainder of the year cannot be entirely ruled out, however, as oil prices can potentially tumble further post failure of OPEC and non-OPEC members to reach an agreement over oil output freeze.

Fiscal Balance

According to the latest numbers released by Federal Bureau of Revenue (FBR) for 3QFY16, total revenue collection grew by 20% compared to the previous year, providing for a stronger chance of achieving an overall fiscal deficit target set at 4.3% for FY16. Fiscal consolidation efforts are bearing fruit with marked decline in fiscal deficit to GDP ratio to 1.7% in 1HFY16 from 2.2% in 1HFY15. The improvement largely originated from containment of current expenditures alongside robust growth in tax revenues. As of 9MFY16, tax revenue registered a growth of 18.2% to PKR1.9tn as against full year target of PKR3.1tn for FY16. Fiscal deficit to GDP seems to be headed in the right direction with positives such as growth in tax collection and contained fiscal spending are expected to drag the deficit down to 3.0% by FY18.



Balance of Payments

On the external side, the current account was reported to be in a deficit of USD 1,859 mn (8MFY16) as opposed to deficit of USD 1,947 mn last year (8MFY15). This progress was derived from improvement in the trade balance and remittances. This lower current account deficit coupled with capital flows pushed foreign exchange reserves to historical high level of USD 20.88 bn.

Key risks are slowdown in exports due to weak global demand and competition from the regional peers, along with weakness in workers' remittance from the middle eastern region due to the economic slowdown these economies are witnessing as the global oil prices remain lower for longer.

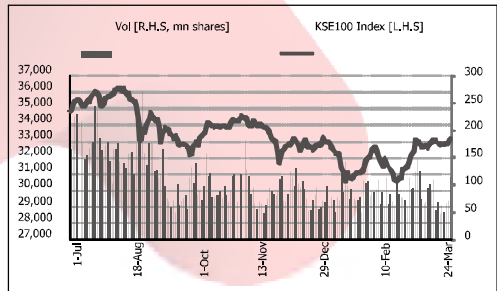
Key triggers to improve the current account balance would be a rise in the pace of foreign direct investment especially from China, in wake of upcoming CPEC projects along with an expected rise in portfolio investments as global markets are expected to cool off after the turmoil it witnessed in the first two months of CY16 coupled with Pakistan's inclusion in the MSCI Emerging Markets index.

Forward outlook

Going forward, Pakistan is likely to continue to observe improvement in macroeconomic indicators, especially current account, foreign exchange reserves and GDP growth. Few areas that still need government's attention include fiscal deficit, tax-to-GDP ratio/tax targets and privatization of troubled state-owned entities including Pakistan Steel Mills, Pakistan International Airlines, and power distribution companies. Building of the various projects under CPEC will provide business opportunity to local industries while local banks will get the opportunity to provide credit. The subsequent increase in power production, once the power projects come online, will help all energy starved local industries, thereby improving productivity and output.

EQUITIES REVIEW

The KSE-100 index lost around a thousand points (-3.7%) in the first nine months of FY16 to close just above the psychological level of 33,000. The negative sentiment through most of the period can be attributed to the downward trend in the index heavy Oil and Gas as well as the Banking Sectors. The Banking Sector, the heaviest weighted sector in the index, dipped on account of interest spread



compression and a slowdown in deposit growth. The Oil and Gas sector, on the other hand, remained under pressure due to falling international crude oil prices.

Anticipation of US Federal Reserve rate hike, regional currency devaluation, global equity slump, and economic slowdown in China also restrained the local equity market. These international factors prompted a selloff in Emerging and Frontier markets, including Pakistan. Foreign investors sold stocks worth USD 341mn over the nine month period; however, their disinvestment appeared to taper off by the end of the third quarter of FY16.

Certain sectors managed to outperform the equity market during the nine month period, including Cements, Engineering and Pharmaceutical Sectors. Low fuel prices as well as excitement over CPEC projects helped the Cements Sector, as well as certain Engineering stocks. Meanwhile, the Pharmaceutical Sector was up due to price hike as well as uptick in sales of new drugs.

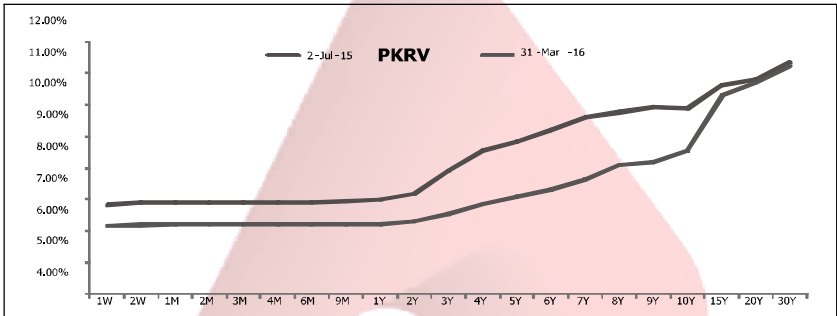
Going forward we expect increased excitement related to Pakistan's possible inclusion in MSCI's Emerging Markets' Index ahead of the annual market classification review in June. The positive sentiment for reclassification to EM status, however, is likely to be somewhat countered by the upcoming announcement of the FY17 Federal Budget and the uncertainty associated with it.

MONEY MARKET REVIEW

The State Bank reduced its discount rate by 50bps in 1QFY16 and held it constant in the second and third quarter of the year. In the anticipation of a relatively benign inflation outlook, the yields in the secondary market came off significantly during these 9 months across all tenors during the period, be it the short term T-bills or the long term PIBs. However, most interest by market participants was seen in the medium to long-term PIBs which witnessed a drop of approx. 135-195 bps in their market yields. The declining trend in the yield curve along with flattening of the same over medium term can be seen in the graph below.

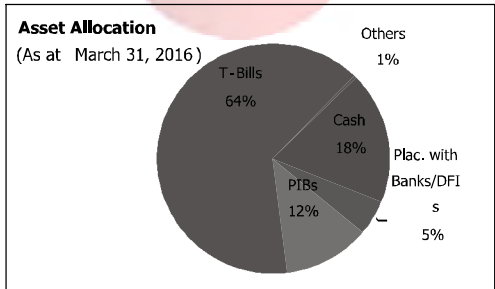
During the 9-months period the SBP had set a cumulative target of PKR 4.3 tr against a maturity of PKR 3.8 tr and accepted PKR 3.9 tr in scheduled T-Bill auctions. Total PIB maturity amount during the period stood at PKR 656 bn against which the SBP had set a target of PKR 625 bn; total amount accepted in PIB auction during this period stood at PKR 954 bn.

Along with scheduled T-Bill and PIB auctions the SBP conducted two IjaraSukuk auctions and introduced fixed rate IjaraSukuks. Due to dearth of Islamic instruments availability the participation was pronounced and the first 3-year IjaraSukuk issued during the year yielded a cut off rate of 6.10% and the SBP accepted PKR 116bn against the participation of PKR 245 bn whereas the second Ijara was issued at 5.59% and the SBP mopped PKR 80 bn against total participation of PKR 199 bn.



Fund Operations and Performance

For the period ended March 31, 2015 the Fund posted an appreciation of 5.52% in NAV against the benchmark return (avg. 3M Deposit rates of 3 “AA” rated banks) of 4.79% and completed the period with net assets amounting to PKR 2,057 million. The Fund maintained a strategy of chasing higher yielding T-Bills and bank deposit rates which resulted in significant outperformance over benchmark. The higher deposit rates offered by Banks in the month of December and March helped the bottom-line.



Going forward, IGI MMF will look to maintain this strategy as interest rates are expected to ease off further. The Fund’s stability rating is ‘AA (f)’ (Double A – fund rating) by Pakistan Credit Rating Agency (PACRA).

**Key Financial Data**

Description	Nine month period ended 31 March 2016	Nine month period ended 31 March 2015
Net Assets at end of the period	2,056.695	2,962.997
Gross income	96.291	238.448
Net Comprehensive income	82.413	180.248
Net Assets Value per Unit (Rs.)	105.0148	107.4537
Issuance of units during the period	5,245.145	3,910.791
Redemption of units during the period	6,051.285	3,967.817

Future Outlook

Going forward, the focus will be on active allocation of the fund between equity and fixed income components in order to target a higher return while aiming to preserve the capital.

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

Date: April 27, 2016

Maheen Rehman
Chief Executive Officer



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) AS AT 31 MARCH 2016

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
Note	----(Rupees)----	
Assets		
Bank balances	5 380,206,252	363,084,315
Investments	6 1,690,140,089	2,622,321,240
Accrued interest on bank deposits	-	2,807,883
Prepayments and Other receivables	7,314,881	-
Total assets	2,077,661,222	2,988,213,438
Liabilities		
Payable to the Management Company	7 12,593,091	12,183,496
Remuneration payable to the Trustee	207,073	240,004
Annual fee payable to Securities and Exchange Commission of Pakistan	1,059,983	2,423,712
Amount payable on redemption of units	-	173,189,674
Provision for Worker's Welfare Fund	5,612,930	5,612,930
Accrued and other liabilities	1,492,988	8,699,067
Total liabilities	20,966,065	202,348,883
Contingency	9	
Net assets attributable to unitholders	2,056,695,157	2,785,864,555
Unit holders' funds	2,056,695,157	2,785,864,555
Number of units in issue	19,584,811	27,632,467
Net assets value per unit	105.0148	100.8185

The annexed notes from 1 to 15 are an integral part of this condensed interim financial information.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



**CONDENSED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)**

	Note	Nine months period ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Income					
Finance Income	10	97,734,753	233,587,735	30,557,267	75,177,899
Net gain/ (loss) on sale of investments classified as 'at fair value through profit or loss - held for trading		484,817	1,756,274	(935)	1,547,000
Net unrealised (diminution) in fair value of investments classified as 'at fair value through profit or loss		(1,928,680)	3,103,554	(1,066,899)	2,091,263
		<u>96,290,890</u>	<u>238,447,563</u>	<u>29,489,433</u>	<u>78,816,162</u>
Expenses					
Remuneration to the Management Company		11,310,353	19,419,751	3,635,218	6,560,460
Sales tax on management fee		1,836,137	3,379,036	589,695	1,141,521
Federal excise duty on management fee	8	1,809,009	3,107,160	580,987	1,049,675
Remuneration to the Trustee		1,624,038	2,383,681	527,275	800,000
Sales tax on Trustee fee		227,286	-	73,817	-
Annual fee to the Securities and Exchange Commission of Pakistan		1,059,983	1,820,607	340,804	615,049
Brokerage expense		87,534	158,369	29,647	47,491
Bank and settlement charges		41,039	104,362	16,274	29,146
Amortisation of deferred formation cost		-	261,155	-	85,781
Auditors' remuneration		504,658	349,119	166,996	83,517
Credit rating fee		205,889	181,665	65,497	59,671
Printing charges		75,494	150,137	55,330	49,315
Annual listing fee		30,137	30,028	(21,252)	9,863
Fee & Expenses various services reimbursable to management company		507,958	-	507,958	-
Worker' Welfare Fund		-	3,581,350	-	709,751
Total expenses		<u>19,319,515</u>	<u>34,926,420</u>	<u>6,568,246</u>	<u>11,241,240</u>
Net income from operating activities		<u>76,971,375</u>	<u>203,521,143</u>	<u>22,921,187</u>	<u>67,574,922</u>
Element of income/ (loss) and capital (losses)/ gains included in prices of units sold less those in units redeemed - net		5,441,278	(23,272,825)	3,558,696	(28,034,975)
Net income for the period before taxation		<u>82,412,653</u>	<u>180,248,318</u>	<u>26,479,883</u>	<u>39,539,947</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>82,412,653</u>	<u>180,248,318</u>	<u>26,479,883</u>	<u>39,539,947</u>

The annexed notes from 1 to 15 are an integral part of this condensed interim financial information.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Net income for the period	82,412,653	180,248,318	26,479,883	39,539,947
Other comprehensive income:	-	-	-	-
Total comprehensive income / (loss) for the period	<u>82,412,653</u>	<u>180,248,318</u>	<u>26,479,883</u>	<u>39,539,947</u>

The annexed notes from 1 to 15 are an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOWS STATEMENT FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

Note	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	82,412,653	180,248,318	26,479,883	39,539,947
Adjustments for:				
Net unrealised (diminution) in fair value of investments classified as 'at fair value through profit or loss	1,928,680	(3,103,554)	2,414,432	(2,091,263)
Net gain/ (loss) on sale of investments classified as 'at fair value through profit or loss - held for trading	(484,817)	(1,756,274)	(1,346,598)	(1,547,000)
Element of (loss)/ income and capital (losses)/ gains included in prices of units sold less those in units redeemed - net	(5,441,278)	23,272,825	(3,558,696)	28,034,975
Provision for Worker's Welfare Fund	-	3,581,350	-	709,751
Amortization of deferred formation cost	-	261,155	-	85,781
	78,415,238	202,503,820	23,989,021	64,732,191
(Increase) / decrease in assets				
Investments - net	1,894,530,846	1,322,240,214	359,095,497	3,638,262
Receivable against sale Units	-	(50,000,000)	-	(50,000,000)
Receivable against sale of investments	-	(99,356,600)	-	(99,356,600)
Prepayments and Other receivables	(4,506,998)	228,273	(2,450,147)	(207,298)
	1,890,023,848	1,173,111,887	356,645,350	(145,925,636)
Decrease in liabilities				
Payable to the Management Company	409,595	3,853,572	1,207,574	807,760
Remuneration payable to the Trustee	(32,931)	26,354	51,049	(32,559)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(1,363,729)	(302,920)	340,804	615,049
Amount payable on redemption of units	(173,189,674)	(56,490)	-	(12,000,000)
Accrued and other liabilities	(7,206,079)	460,205	584,059	(700,757)
	(181,382,818)	3,980,721	2,183,486	(11,310,507)
Net cash (used in) / generated from operating activities	1,787,056,268	1,379,596,428	382,817,857	(92,503,952)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received on issue of units	5,245,144,570	3,910,790,676	1,787,334,372	2,332,044,844
Payment against redemption of units	(6,051,285,343)	(3,967,816,898)	(1,763,238,334)	(2,799,203,206)
Net cash generated from / (used in) financing activities	(806,140,773)	(57,026,222)	24,096,038	(467,158,362)
Net increase in cash and cash equivalents during the period	980,915,495	1,322,570,206	406,913,895	(559,662,314)
Cash and cash equivalents at beginning of the period	1,189,449,152	1,511,278,209	1,763,450,752	3,393,510,729
Cash and cash equivalents at end of the period 11	2,170,364,647	2,833,848,415	2,170,364,647	2,833,848,415

The annexed notes from 1 to 15 are an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director



**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Undistributed income brought forward				
Realised gains	20,552,630	24,241,165	78,216,765	163,840,383
Unrealised (losses) / gains	869,584	(96,862)	(861,781)	1,012,291
	21,422,214	24,144,303	77,354,984	164,852,674
Total comprehensive income for the period	82,412,653	180,248,318	26,479,883	39,539,947
Undistributed income carried forward	<u>103,834,867</u>	<u>204,392,621</u>	<u>103,834,867</u>	<u>204,392,621</u>
Undistributed income carried forward at end of the period				
- Realized gains	105,763,547	201,289,067	104,901,766	202,301,358
- Unrealized gains	(1,928,680)	3,103,554	(1,066,899)	2,091,263
	<u>103,834,867</u>	<u>204,392,621</u>	<u>103,834,867</u>	<u>204,392,621</u>

The annexed notes from 1 to 15 are an integral part of this condensed interim financial information.

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

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)**

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Net assets at beginning of the period	2,785,864,555	2,816,501,795	2,009,677,932	3,362,580,156
Amount realized / unrealized on issuance of 50,804,658 units (31 March 2015 : 37,206,184 units) and 17,150,214 units (31 March 2015 : 21,941,788 units) for the nine months and quarter ended respectively	5,245,144,570	3,910,790,676	1,787,334,372	2,332,044,844
Amount paid / payable on redemption of 58,852,314 units (31 March 2015: 37,540,637) and 16,946,478 units (31 March 2015: 26,298,065) for the nine months and quarter respectively	(6,051,285,343)	(3,967,816,898)	(1,763,238,334)	(2,799,203,206)
Element of (loss)/ income and capital (losses)/ gains included in prices of units sold less those in units redeemed - net	1,979,723,782	2,759,475,573	2,033,773,970	2,895,421,794
	(5,441,278)	23,272,825	(3,558,696)	28,034,975
Total comprehensive income for the period before capital gains - realised and unrealised	83,856,516	175,388,490	27,547,717	35,901,684
Net gain/ (loss) on sale of investments classified as 'at fair value through profit or loss - held for trading	484,817	1,756,274	(935)	1,547,000
Net unrealised (diminution) in fair value of investments classified as 'at fair value through profit or loss	(1,928,680)	3,103,554	(1,066,899)	2,091,263
Total comprehensive income for the period	82,412,653	180,248,318	26,479,883	39,539,947
Net income less distributions for the period	82,412,653	180,248,318	26,479,883	39,539,947
Net assets at end of the period	<u>2,056,695,157</u>	<u>2,962,996,716</u>	<u>2,056,695,157</u>	<u>2,962,996,716</u>

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2016****1. LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Money Market Fund (the Fund) was constituted under Trust Deed dated March 04, 2010, between IGI Funds Limited (Former Management Company), incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust deed was registered with Sub-Registrar on March 04, 2010.

On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited (Former Management Company) to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities & Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

The SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGMMF/238/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Money Market Fund (formerly IGI Money Fund).

The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a notified entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 "NBFC Regulations" vide its letter No. NBFC-II/AD/IGI/MMF/218 dated March 18, 2010 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. NBFC-II/JE/IGI/MMF/354 dated May 03, 2010. The Fund was initially offered for public subscription from May 25, 2010 to May 27, 2010.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund primarily invests in Government Securities, Certificates of Investment, Certificates of Deposit, Certificates of Musharaka, Term Deposit Receipts, Commercial Papers, reverse repurchase transactions, etc. The Fund primarily is categorised as Money Market Scheme and is subject to guidelines prescribed by SECP.

Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2-' (Outlook: Stable) rating to the Management Company as of March 31, 2016.

PACRA has assigned a rating of AA(f) to the scheme as of December 31, 2015

2. BASIS OF PRESENTATION**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

These condensed interim financial statements are unaudited and do not include all information and disclosures required in the annual financial statements 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 being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and Notified Entities Regulations.



2.2 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of these condensed interim financial statements are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2015.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2015.

The Funds' 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.

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
5 BANK BALANCES	Note	----(Rupees)---
Bank balances - local currency	<u>380,206,252</u>	<u>363,084,315</u>

5.1 The deposit accounts with the banks carry profit at the rate ranging from 5.75% to 6.70% per annum (June 30, 2015: 6.00% to 7.00% per annum.)

	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
6. INVESTMENTS	Note	----(Rupees)---
At fair value through profit or loss - held-for-trading		
Treasury Bills	6.1 1,336,512,941	1,795,956,403
Pakistan Investment Bond (PIB)	<u>253,608,842</u>	-
	1,590,121,783	1,795,956,403
Held to maturity		
Term Deposit Receipts	6.2 100,018,306	500,098,637
Certificates of Investment	-	326,266,200
Letters of Placement	6.3 <u>-</u>	-
	<u>100,018,306</u>	826,364,837
	<u>1,690,140,089</u>	<u>2,622,321,240</u>



6.1 Treasury Bills

Issue date	Maturity date	Yield	Note	As at	Purchased	Sold / matured	As at	Carrying value	Market value	Unrealised	% of net assets	% of total
				01 July 2015	during the period	during the period	March 31, 2016	as at 31 March 2016	as at 31 March 2016	gain / (loss) on revaluation	on the basis of market value	investment on the basis of market value
				----- (Number of certificates) -----			----- (Rupees) -----			----- (%) -----		
Treasury bills - having face value of Rs.100 each												
	Maturity upto 3 months			-	20,550,000	18,750,000	1,800,000	178,209,733	178,204,847	(4,886)	8.66%	10.54%
6.1.1	Maturity upto 6 months			18,275,000	26,580,000	35,145,000	9,710,000	959,288,473	959,220,874	(67,599)	46.64%	56.75%
	Maturity upto 12 months			-	11,000,000	9,000,000	2,000,000	199,090,535	199,087,220	(3,315)	9.68%	11.78%
				<u>18,275,000</u>	<u>58,130,000</u>	<u>62,895,000</u>	<u>13,510,000</u>	<u>1,386,588,741</u>	<u>1,336,512,941</u>	<u>(75,800)</u>	<u>64.98%</u>	<u>79.07%</u>

6.2 Pakistan Investment Bond - at fair value through profit or loss - held-for-trading

Issue date	As at	Purchased	Sold / matured	As at	Cost as at	Market value	Unrealised	% of net assets	% of total	
	01 July 2015	during the period	during the period	March 31, 2016	March 31, 2016	as at 31 March 2016	gain / (loss) on revaluation	on the basis of market value	investment on the basis of market value	
		----- (Number of certificates) -----			----- (Rupees) -----					
Pakistan Investment Bonds - 03 years										
	-	2,500	-	2,500	253,492,497	253,608,842	116,345			
	-	2,500	-	2,500	253,492,497	253,608,842	116,345			

6.3 Term Deposit Receipts - held to maturity

Name of the investee company	Rate of Return per annum	As at July 01, 2015	Face value		As at March 31, 2016	Carrying amount as at March 31, 2016	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
			Purchased during the period	Matured during the period						
----- (Rupees) -----										
Allied Bank Limited	6.70%	-	190,000,000	90,000,000	100,000,000	100,018,306.00	31-May-16	AA+	-	-
Bank Alfalah Limited	7.25%	-	100,000,000	100,000,000	-	-	29-Feb-16	-	-	-
			<u>-</u>	<u>290,000,000</u>	<u>190,000,000</u>	<u>100,018,306</u>				

March 31, 2016
(Unaudited) June 30, 2015
(Audited)

7 PAYABLE TO THE MANAGEMENT COMPANY

-----(Rupees)----

Remuneration payable to the Management Company	1,331,040	1,998,831
Sales tax payable on management fees	680,171	540,966
Federal excise duty payable on management fee	10,580,559	8,771,550
Sales load payable	1,321	872,149
	<u>12,593,091</u>	<u>12,183,496</u>

8 FEDERAL EXCISE DUTY ON MANAGEMENT FEE

There is no change in the status of the petition pending with the Honourable Sindh High Court as reported in note 17 to the annual financial statements of the Fund for the year ended June 30, 2015.

**9. CONTINGENCY**

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 a similar case whereby the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. However, during March 2013, the larger bench of the Honourable High Court of Sindh 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 the judgement passed by a single-member Lahore High Court bench issued in August 2011.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

However, as a matter of abundant caution, with effect from July 01, 2013, the Fund has started making provision in respect of contribution to WWF prospectively. Accordingly, a provision for WWF amounting to Rs.7.229 million has been made in these condensed interim financial statements. Had the provision not been made, the net asset value per unit of the Fund would have been higher by Re.0.27 (0.29%) (June 30, 2014: Re 0.16 (0.15%)) per unit.

10. FINANCIAL INCOME

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----		----- (Rupees) -----	
Interest income on:				
Investments classified as at fair value through profit or loss - held-for-trading				
Treasury Bills	69,097,139	197,114,074	18,533,698	70,348,791
Pakistan Investment Bond (PIB)	2,851,027	-	2,851,027	-
Held to maturity				
Term deposits	9,860,258	11,354,638	1,776,512	82,192
Letters of placement	-	6,745,027	-	381,163
Certificates of Investment	367,531	10,957,861	-	1,701,360
Bank deposits	15,558,798	7,416,135	7,396,030	2,664,393
	<u>97,734,753</u>	<u>233,587,735</u>	<u>30,557,267</u>	<u>75,177,899</u>



	Note	Nine months period ended	
		March 31, 2016	March 31, 2015
----(Rupees)----			
11. CASH AND CASH EQUIVALENTS			
Balances with bank		380,206,252	84,417,922
Treasury Bills with maturity within 3 months		1,690,140,089	2,749,430,493
Term Deposit Receipts with maturity within 3 months		100,018,306	-
		<u>2,170,364,647</u>	<u>2,833,848,415</u>

12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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.

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:

	Nine months ended March 31, 2016 (Un-audited)										
	As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2016	As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at March 31, 2016	
	-----Units-----				----- (Rupees) -----						
Associated companies / undertakings											
MCBFSL-Trustee Alfalah GHP Capital Preservation Fund	3,748,433	29,764,186	-	25,750,840	7,761,779	377,911,392	585,500,000	-	2,661,000,000	815,101,630	
CDC Trustee Alfalah GHP Prosperity Planning Fund	-	3,304,792	-	1,525,991	1,778,801	-	339,000,000	-	157,082,858	186,800,431	
Key Management Personnel Management Company											
Fund Manager	-	5,857	-	-	5,857	-	535,000	-	-	615,072	
Unit holder holding 10% or more units											
Pakistan Petroleum Limited	-	2,681,575	-	-	2,681,575	-	110,000,000	-	-	282,655,210	



	Nine months period ended 31 march, 2015 (Un-audited)									
	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at March 31, 2015
	----- Units -----				----- (Rupees) -----					
Associated companies / undertakings										
Bank Alfalah Limited	5,165,658	-	-	4,683,477	482,181	521,302,708	-	-	500,000,000	51,812,133
Alfalsh Insurance Company Limited	362,519	-	-	-	362,519	36,584,330	-	-	-	38,954,008
MCBFSU-Trustee Alfalah GHP Capital Preservation Fund	-	5,549,831	-	2,856,210	2,693,621	-	585,500,000	-	303,000,000	289,439,543
Key Management Personnel										
Employees	6,898	5,020	-	6,726	5,192	696,125	535,000	-	691,762	557,900
Unit holder holding 10% or more units										
Pakistan Petroleum Limited	2,327,298	1,068,396	-	-	3,395,694	234,863,932	110,000,000	-	-	364,879,884
Fauji Kabinwala Power Co. Ltd (FKPCL)	-	3,759,275	-	-	3,759,275	-	400,000,000	-	-	403,948,008
Quarter ended March 31, 2016 (Un-audited)										
	As at January 01, 2016	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2016	As at January 01, 2016	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at March 31, 2016
----- Units -----				----- (Rupees) -----						
Associated companies / undertakings										
MCBFSU-Trustee Alfalah GHP Capital Preservation Fund	8,938,492	8,163,699	-	9,340,412	7,761,779	926,857,263	861,093,465	-	970,000,000	815,101,630
Key Management Personnel										
Management Company										
Fund Manager	5,857	-	-	-	5,857	607,329	-	-	-	615,072
Unit holder holding 10% or more units										
Pakistan Petroleum Limited	2,691,575	-	-	-	2,691,575	279,096,948	-	-	-	282,655,210



	Quarter ended March 31, 2015 (Un-audited)									
	As at January 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at March 31, 2015	As at January 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed/ conversion out / transfer out	Net asset value as at March 31, 2015
	Units				(Rupees)					
Associated companies / undertakings										
Bank Alfalah Limited	5,165,658	-	-	4,683,477	482,181	521,302,708	-	-	500,000,000	51,812,133
Alfalsh Insurance Company Limited	362,519	-	-	-	362,519	36,584,330	-	-	-	38,954,008
MCBFSI-Trustee Alfalah GHP Capital Preservation Fund	2,618,606	2,665,216	-	2,590,201	2,693,621	264,261,862	285,500,000	-	275,000,000	288,438,543
Personnel										
Employees										
	791	4,588	-	187	5,192	79,825	490,000	-	20,000	557,900
Unit holder holding 10% or more units										
Pakistan Petroleum Limited	3,395,694	-	-	46,789	3,348,905	342,683,251	-	-	5,000,000	359,852,233
Fauji Kabinwala Power Co. Ltd (FKPCL)	-	3,759,275	-	-	3,759,275	-	400,000,000	-	-	403,948,008

Nine months period ended

Quarter ended (Un-audited)

March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
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12.2 Other transactions

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	<u>11,310,353</u>	<u>19,419,751</u>	<u>3,635,218</u>	<u>6,560,460</u>
Sales tax on management fee	<u>1,836,137</u>	<u>3,379,036</u>	<u>589,695</u>	<u>1,141,521</u>
Federal excise duty on management fee	<u>1,809,009</u>	<u>3,107,160</u>	<u>580,987</u>	<u>1,049,675</u>

Bank Alfalah Limited

Treasury Bill - purchased	<u>2,837,644,470</u>	<u>4,801,202,594</u>	<u>1,453,266,500</u>	<u>1,970,883,119</u>
Treasury Bill - sold	<u>1,385,899,045</u>	<u>1,401,518,181</u>	<u>-</u>	<u>844,152,191</u>
Profit on bank deposit	<u>6,237,909</u>	<u>6,784,633</u>	<u>2,957,825</u>	<u>2,471,165</u>
Bank Charges	<u>33,879</u>	<u>34,414</u>	<u>12,683</u>	<u>13,376</u>
Term deposit Receipts	<u>100,000,000</u>	<u>-</u>	<u>100,000,000</u>	<u>-</u>
Profit on TDR	<u>1,231,507</u>	<u>-</u>	<u>1,231,507</u>	<u>-</u>

Alfalsh GHP Income Multiplier Fund

Treasury Bill - purchased	<u>-</u>	<u>214,893,140</u>	<u>-</u>	<u>214,893,140</u>
Treasury Bill - sold	<u>68,968,480</u>	<u>168,943,730</u>	<u>-</u>	<u>79,506,560</u>

Alfalsh GHP Sovereign Fund

Treasury Bill - purchased	<u>209,003,220</u>	<u>49,370,350</u>	<u>-</u>	<u>-</u>
Treasury Bill - sold	<u>541,664,685</u>	<u>178,740,910</u>	<u>-</u>	<u>124,005,875</u>
Pakistan Investment Bond (PIB) - Purchased	<u>254,689,000</u>	<u>-</u>	<u>254,689,000</u>	<u>-</u>

Alfalsh GHP Income Fund

Treasury Bill - purchased	<u>-</u>	<u>64,471,225</u>	<u>-</u>	<u>-</u>
Treasury Bill - sold	<u>39,890,790</u>	<u>99,396,200</u>	<u>14,949,615</u>	<u>-</u>

Alfalsh GHP Cash Fund

Treasury Bill - purchased	<u>9,989,770</u>	<u>359,704,940</u>	<u>9,989,770</u>	<u>261,204,140</u>
Treasury Bill - sold	<u>16,974,839</u>	<u>24,913,475</u>	<u>16,974,839</u>	<u>24,913,475</u>



	Nine months period ended		Quarter ended (Un-audited)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
12.3 Other related parties				
Central Depository Company of Pakistan Limited Trustee fee	<u>1,624,038</u>	<u>2,383,681</u>	<u>527,275</u>	<u>751,296</u>
			March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
12.4 Other balances		<i>Note</i>	----(Rupees)----	
Associated companies / undertakings				
Alfalah GHP Investment Management Limited - Management Company				
Remuneration payable to the Management Company			<u>1,331,040</u>	<u>1,998,831</u>
Sales tax payable on management fees			<u>680,171</u>	<u>540,966</u>
Federal excise duty on management fee			<u>10,580,559</u>	<u>8,771,550</u>
Bank Alfalah Limited				
Bank balances			<u>7,401,062</u>	<u>49,880,380</u>
Profit receivable			<u>122,582</u>	<u>2,590,180</u>
Other related parties				
Central Depository Company of Pakistan Limited Trustee fee payable			<u>207,073</u>	<u>240,004</u>

13. 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. The Management Company intends to distribute not less than 90% of its annual accounting income, if any, to comply with the above clause at year end. Accordingly, no tax provision has been made in these condensed interim financial statements for the nine months ended March 31, 2016.

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 27, 2016 by the Board of Directors of the Management Company.

15. GENERAL

15.1 Figures are rounded off to the nearest rupee.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



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