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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:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. Michael Hermann- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Abid Naqvi- Syed Tariq Husain
Chief Operating Officer, CFO and Company Secretary:	- Mr. Noman Ahmed Soomro
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abid Naqvi- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Michael Hermann- Ms. Maheen Rahman
Trustee:	MCB Financial Services Limited 3rd Floor, Adamjee House, I.I. Chundrigarh Road, Karachi.
Fund Manager:	Nabeel Malik
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:	CP2

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 & c for all Pakistani clients whether based in Pakistan or abroad".

DIRECTORS' REPORT

To our valued Unit Holders,

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the half yearly report of the Alfalah GHP Capital Preservation Fund for the half year ended December 31, 2015.

Economic Review & Outlook

Pakistan observed substantial economic progress over 1HFY16, with improvement seen across a majority of economic 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 at 2.07% YoY over the period. On monthly basis, inflation settled as low as 1.31% (Sep'15) - a multi-decade low level for Pakistan. Low oil prices not only lowered the overall import bill (-10% YoY) and improved trade deficit (-9%YoY), but also kept incremental circular debt in check. With no formal agreement between oil exporters, significantly higher oil prices seen unlikely in the medium term.

The current account deficit of USD 1,267mn (1HFY16) as opposed to deficit of USD 2,463mn last year (1HFY15) reflected an improvement of 49%, derived from a 9% improvement in the trade balance and a 6% improvement in remittances. Low current account deficit coupled with foreign flows (from IMF and bilateral partners), Eurobond issuance and privatization proceeds pushed foreign exchange reserves to historical high level of USD 21bn.

The country saw its credit rating upgraded in May by Moody's and S&P's to B3 and B-, respectively, on the back of ongoing economic reforms at the federal level, improving macroeconomic indicators, rising foreign exchange reserves, and higher investment expected from the China Pakistan Economic Corridor (CPEC). Outlook on the country was also changed from stable to positive by the rating agencies. This improvement in sovereign rating enabled Pakistan to successfully launch another 10-year Eurobond worth USD 500m in Sep'16 at a rate of 8.25%, after having raised USD 2.0bn in Eurobond and USD 1.0bn in USD-denominated Sukuk in 2014.

During 1HFY16, 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. Together with the 250bps cut that took place earlier over 2HFY15, the easing also helped industries, businesses and individual borrowers reduce their financing costs and avail cheaper financing for expansions. While manufacturers welcomed the recent easing, commercial banks were impacted negatively due to compressed interest spread.

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 attention include fiscal deficit, tax-to-GDP ratio/tax targets and privatization of state-owned entities including Pakistan International Airlines, Pakistan Steel Mills and power distribution companies.

Equity Review

The local equity market posted a contraction of 4.6% over 1HFY16 as the KSE-100 index fell from 34,399 points to 32,816 points on the back of global equity pressure, falling crude oil prices, US Fed rate hike anticipation and local regulatory issues. The index still outperformed MSCI EM (-18.3%), MSCI FM (-12.4%) and MSCI Pakistan (-16.1%) on the back of performance generated by non-mainstream sectors, which are largely excluded from the three MSCI large-cap indices above. Average daily volumes at the bourse were only marginally up (+3.5%) from 258mn shares (2HFY15) to 267mn shares (1HFY16) owing to caution exercised by investors on the back of aforementioned foreign and local factors.

The downward trend at the local bourse can be attributed to a steep decline in the index heavy weight Oil and Gas sector (1HFY16: -26%) and the Banking sector (1HFY16: -5%). Banking sector, the heaviest weighted sector in the index, bipped on account of interest spread compression and slowdown in deposit growth. The Oil and Gas sector, on the other hand, remained under pressure due to falling international crude oil prices and OPEC's decision to not curtail oil supply. The resolution of the Iranian nuclear issue also dragged oil prices lower as it would mean greater oil supply in the future.

While lower commodity prices hurt commodity producers, they impacted import-oriented sectors positively as multiyear low raw material prices of Copper, Steel, Aluminum, Oil, Coal, Rubber etc. propped up gross margins and lifted bottom-line of material intensive companies. In this connection, Industrial Metals & Mining (+72.4%), Pharmaceuticals (+20.3%), Industrial Transportation (+10.7%) and Construction Sector (+0.8%) among others outperformed the broader index during the period. Notable appreciation was witnessed in the Software and Computer Services sector, which appreciated by 39.4% on the back of rapidly developing global clientele and more frequent orders from such clients.

We remain cautiously optimistic about the equity market over 2HFY16 and expect the market to leverage improving economic indicators. This improvement shall emanate from low commodity prices, government's economic reform agenda and demand coming from CPEC projects. Costs shall remain low for majority of manufacturing concerns, especially costs pertaining to raw material and financial leverage. Pakistan's re-entry into the emerging market (from frontier market) remains an eagerly anticipated trigger for 2016-17 as the reclassification could open avenues from which considerable foreign inflow could be realized. That said, regional equity performance coupled with regional currency movement will be a key influencing factor for the local market.

Money Market Review

On account of record low inflation (CPI), which touched a low of 1.31% in Sep'15 and averaged 2.07% for the period under discussion, the State Bank of Pakistan cut the discount rate further by 50bps to 6.5%. With price levels under control, the easing by the regulator was aimed at boosting aggregate demand and demand for loanable funds.

1HFY16 continued to be generous to bond fund managers who maintained high duration PIB exposures. Yields slipped substantially on these longer-tenor instruments, generating multi-year high returns. The easing cycle brought down bond yields by 69bps (3Y), 57bps (5Y) and 64bps (10Y) over 1HFY16. The government continued to fund its fiscal gap via longer-tenor PIBs as opposed to T-bills. The SBP conducted six PIB auctions over 1HFY16 and targeted PKR 300bn in borrowings.

To protect depositors and keep banking deposits attractive enough, the State Bank of Pakistan raised the minimum deposit rate on PLS account by 50bps by narrowing the interest rate corridor. While the move gave depositors some benefit against the backdrop of falling deposit rates, interest rate margins of Commercial Banks, especially ones with low current accounts, were impacted negatively. This contributed further in reducing banking NIMs.

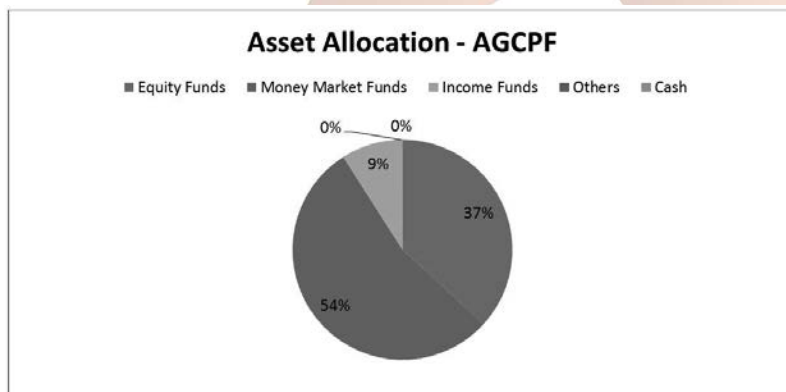
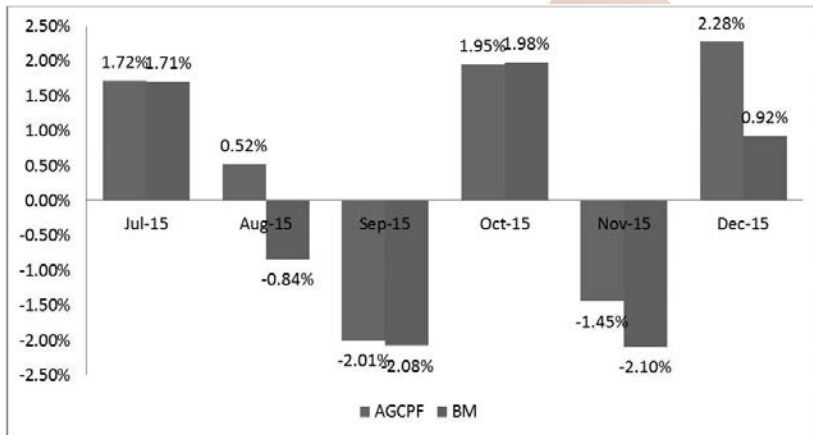
With inflation having reversed from its low of 1.31% in Sep'15, further monetary easing has come to a halt. Courtesy of globally low commodity prices and deflating domestic food prices (due to depressed agro-economics), CPI is expected to remain within a stable range, allowing for healthy real returns to depositors and stable yields to fixed income investors.

FUND PERFORMANCE AND REVIEW

Alfalsh GHP Capital Preservation Fund: Fund Operations and Performance

The Fund posted a return of 2.96% for the period ended December 31st, 2015. During the same period the benchmark return was -0.50%. The Fund operates on a CPPI based structure and at the end of the period under review stood between 30%-40% invested in the equity component whereas the remaining was allocated to cash/money market and sovereign income component.

The net assets of the fund stood at 1,773 million as on December 31, 2015.



Key Financial Data

(Rupees in millions)

Description	Six month period ended 31 December 2015	Six month period ended 31 December 2014
Net Assets at end of the period	1,772.90	1,688.19
Gross income	53.33	62.27
Total Comprehensive Income	50.43	60.12
Net Assets Value per Unit (Rs.)	106.7255	103.6927
Issuance of units during the period	-----	1,628.324
Redemption of units during the period	39.35	0.256

Future Outlook

The fund intends to ride out the volatility in equity markets by actively monitoring the equity allocation and once we feel there's stability in the market the allocation to equities shall rise to maximum allowable limits in order to generate alpha and competitive returns for the investors.

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

 February 25, 2016
 Karachi

 Maheen Rahman
 Chief Executive Officer

**REPORT OF THE TRUSTEE TO THE UNIT HOLDERS
ALFALAH GHP CAPITAL PRESERVATION FUND****Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

Alfalah GHP Capital Preservation Fund, an open-end Scheme established under a Trust Deed dated August 28, 2014 executed between Alfalah GHP Investment Management Limited, as the Management Company and MCB Financial Services Limited (MCBFSL), as the Trustee. The trust deed was approved by Securities and Exchange Commission of Pakistan (Commission) on August 19, 2014.

1. Alfalah GHP Investment Management Limited, the Management Company of Alfalah GHP Capital Preservation Fund has in all material respects managed Alfalah GHP Capital Preservation Fund during the period ended 31st December 2015 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: February 10, 2016

**AUDITORS' REPORT TO THE UNIT HOLDERS ON
REVIEW OF INTERIM FINANCIAL INFORMATION****Introduction**

We have reviewed the accompanying interim statement of assets and liabilities of **Alfalah GHP Capital Preservation Fund** (the Fund) as at 31 December **2015**, the related interim income statement, interim statement of comprehensive income, interim statement of cash flows, interim distribution statement and interim statement of movement in unit holders' fund and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: February 25, 2016
Karachi

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2015

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
Note	----- (Rupees) -----	
Assets		
Bank balances	5 1,270,013	410,484
Investments	6 1,786,370,278	1,775,273,519
Deferred formation cost	7 457,749	755,645
Mark-up receivable	5,254	12,560
Receivable against sale of investment	-	10,000,000
Total assets	<u>1,788,103,294</u>	<u>1,786,452,208</u>
Liabilities		
Payable to the Management Company	8 2,550,767	2,550,767
Payable to the Trustee	170,887	144,351
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	672,057	859,426
Provision for Workers' Welfare Fund (WWF)	9 3,380,644	3,380,644
Accrued and other liabilities	10 8,425,548	18,221,393
Total liabilities	15,199,903	25,156,581
Net assets attributable to unit holders	<u>1,772,903,391</u>	<u>1,761,295,627</u>
Unit holders' fund	<u>1,772,903,391</u>	<u>1,761,295,627</u>
Contingencies and commitments	11	
	---- (Number of Units) ----	
Number of units in issue	<u>16,611,813</u>	<u>16,986,398</u>
	----- (Rupees) -----	
Net assets value per unit	<u>106.7255</u>	<u>103.6886</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015 (UN-AUDITED)

	Note	Half year ended	From September 19, 2014 to	Quarter ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		----- (Rupees) -----		----- (Rupees) -----	
Income					
Profit on deposits accounts with banks		112,272	7,051,444	29,707	7,051,444
At fair value through profit or loss - held-for-trading					
- Net gain on sale of investments		26,655,299	7,307,870	30,723,150	7,307,870
- Net unrealised appreciation in the value of investments		24,603,463	47,894,829	17,153,182	47,894,829
Other income		1,956,853	16,009	1,128,213	16,009
Total income		53,327,887	62,270,152	49,034,252	62,270,152
Expenses					
Remuneration to the Management Company		-	1,001	-	1,001
Sales tax on management fee		-	174	-	174
Federal excise duty on management fee	12	-	160	-	160
Remuneration of the Trustee		896,109	289,738	446,901	289,738
Sales tax on trustee fee		125,452	-	86,597	-
Annual fee to SECP		672,082	217,303	335,178	217,303
Bank charges		920	6,336	-	6,336
Amortization of deferred formation cost		297,896	168,316	148,948	168,316
Auditors' remuneration		166,339	127,509	83,169	127,509
Annual rating fee		128,642	60,863	64,321	60,863
Annual listing fee		10,094	5,248	5,047	5,248
Printing charges		75,624	38,730	37,812	38,730
Provision for Workers' Welfare Fund		-	1,228,373	-	1,228,373
Total expenses		2,373,158	2,143,751	1,207,973	2,143,751
Net income from operating activities		50,954,729	60,126,401	47,826,279	60,126,401
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		(528,967)	(5,971)	(234,743)	(5,971)
Net income for the period before taxation		50,425,762	60,120,430	47,591,536	60,120,430
Taxation	13	-	-	-	-
Net income for the period after taxation		50,425,762	60,120,430	47,591,536	60,120,430

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	Half year ended	From September 19, 2014 to	Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- (Rupees) -----		----- (Rupees) -----	
Net income for the period	50,425,762	60,120,430	47,591,536	60,120,430
Other comprehensive income during the period	-	-	-	-
Total comprehensive income for the period	<u>50,425,762</u>	<u>60,120,430</u>	<u>47,591,536</u>	<u>60,120,430</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOWS STATEMENT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015 (UN-AUDITED)

Note	Half year ended	From September 19, 2014 to	Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- (Rupees) -----		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	50,425,762	60,120,430	47,591,536	60,120,430
Adjustments for:				
Amortization of deferred formation cost	297,896	168,316	148,948	168,316
Net unrealised gain in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	(24,603,463)	(47,894,829)	(17,153,182)	(47,894,829)
Provision for Workers' Welfare Fund	-	1,228,373	-	1,228,373
Element of loss and capital losses included in prices of units sold less those in units redeemed	528,967	5,971	234,743	5,971
	<u>26,649,162</u>	<u>13,628,261</u>	<u>30,822,045</u>	<u>13,628,261</u>
Decrease / (increase) in assets				
Investments - net	13,506,704	(1,646,307,869)	(7,723,151)	(1,646,307,869)
Mark-up receivable	7,306	(31,058)	10,443	(31,058)
Receivable against sale of investments	10,000,000	(185,889)	-	(185,889)
	<u>23,514,010</u>	<u>(1,646,524,816)</u>	<u>(7,712,708)</u>	<u>(1,646,524,816)</u>
(decrease) / increase in liabilities				
Payable to the Management Company	-	1,500,335	-	1,500,335
Payable to the Trustee	26,536	141,485	5,867	141,485
Annual fee to the Securities and Exchange Commission of Pakistan	(187,369)	217,303	335,178	217,303
Accrued and other liabilities	(9,795,845)	9,934,860	98,227	9,934,860
	<u>(9,956,678)</u>	<u>11,793,983</u>	<u>439,272</u>	<u>11,793,983</u>
Net cash generated / (used in) from operating activities	<u>40,206,494</u>	<u>(1,621,102,572)</u>	<u>23,548,609</u>	<u>(1,621,102,572)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Amounts received on issue of units	-	1,628,324,463	-	1,628,324,463
Payment made against redemption of units	(39,346,965)	(256,022)	(22,774,186)	(256,022)
Net cash (used in) / generated financing activities	<u>(39,346,965)</u>	<u>1,628,068,441</u>	<u>(22,774,186)</u>	<u>1,628,068,441</u>
Net increase in cash and cash equivalents during the period	<u>859,529</u>	<u>6,965,869</u>	<u>774,423</u>	<u>6,965,869</u>
Cash and cash equivalents at beginning of the period	410,484	-	495,590	-
Cash and cash equivalents at end of the period	<u>1,270,013</u>	<u>6,965,869</u>	<u>1,270,013</u>	<u>6,965,869</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	Half year ended	From September 19, 2014 to	Quarter ended	
	December 31, 2015 ------(Rupees)-----	December 31, 2014 -----	December 31, 2015 ------(Rupees)-----	December 31, 2014 -----
Undistributed income brought forward				
Realised gains	128,675,929	-	59,090,163	-
Unrealised (losses) / gains	(64,969,711)	-	7,450,281	-
	63,706,218	-	66,540,444	-
Total comprehensive income for the period	50,425,762	60,120,430	47,591,536	60,120,430
Undistributed income carried forward	<u>114,131,980</u>	<u>60,120,430</u>	<u>114,131,980</u>	<u>60,120,430</u>
Undistributed income carried forward at period end				
Realised gains	89,528,517	12,225,601	96,978,798	12,225,601
Unrealised gains	24,603,463	47,894,829	17,153,182	47,894,829
	<u>114,131,980</u>	<u>60,120,430</u>	<u>114,131,980</u>	<u>60,120,430</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	Half year ended	From September 19, 2014 to	Quarter ended	
	December 31, 2015 ----- (Rupees) -----	December 31, 2014	December 31, 2015 ----- (Rupees) -----	December 31, 2014
Net assets at beginning of the period	1,761,295,627	-	1,747,851,298	-
Amount realized on issuance of Nil units (December 31, 2014: 16,283,245 units)	-	1,628,324,463	-	1,628,324,463
Amount paid / payable on redemption of 374,585 units (December 31, 2014: 2,501 units) and 156,992 units for the six months and quarter ended respectively	(39,346,965)	(256,022)	(22,774,186)	(256,022)
	1,721,948,662	1,628,068,441	1,725,077,112	1,628,068,441
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	528,967	5,971	234,743	5,971
Net unrealised gain in fair value of investments classified as 'at fair value through profit or loss- held for trading'	24,603,463	47,894,829	17,153,182	47,894,829
Others	25,822,299	12,225,601	30,438,354	12,225,601
Total comprehensive income for the period	50,425,762	60,120,430	47,591,536	60,120,430
Net assets at end of the period	1,772,903,391	1,688,194,842	1,772,903,391	1,688,194,842

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Capital Preservation Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and MCB Financial Services Limited (the Trustee). The Trust Deed was executed on August 28, 2014 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 August 19, 2014.

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.

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. NBFCL/II/DD/AGPPF-III/461/2010 dated June 01, 2010 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGCPF/65/2014 dated August 19, 2014.

The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited (Formerly Lahore Stock Exchange (Guarantee) Limited). Units were offered for public subscription upto the end of the public offering period. The Fund commenced its operations from October 29, 2014 and the duration of the Fund is twenty five months. The Fund shall stand automatically dissolved after thirty (30) business days of the life of the Fund. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

The objective of the Fund is to earn a potentially high return through dynamic asset allocation between equities and sovereign income / money market based collective investment schemes in order to provide capital preservation of the initial investment value at completion of the duration of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of 'AM2-' (Outlook: Stable) to the Management Company in its rating report dated April 15, 2015 & CP2 in its rating report dated February 18, 2016 respectively.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

The condensed interim financial statements for the six months period ended December 31, 2015, have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

These condensed interim financial statements do not include all the 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 June 30, 2015.

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2015, except as described in note 3.1 below:

3.1 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above amendments to accounting standards did not have any effect on the condensed interim financial information, except for IFRS 13, which requires additional disclosure (see note 15).

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Fund believes that such improvements to the standards do not have any impact on the Fund's financial statements for the period.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund as at and for the period ended from June 30, 2015.

	<i>Note</i>	(Un-audited) December 31, 2015 ----- (Rupees) -----	(Audited) June 30, 2015 -----
5. BANK BALANCES			
Deposit accounts	5.1	1,270,013	410,484
		<u>1,270,013</u>	<u>410,484</u>

5.1 This represents balance in deposit accounts with banks and carries profit rate ranging from 5.75% to 6.25% per annum (June 30, 2015: 6% to 7% per annum).

6. INVESTMENTS

Financial assets at fair value through profit or loss - held-for-trading

Units of Mutual Funds - Open ended	6.1	1,786,370,278	1,775,273,519
		<u>1,786,370,278</u>	<u>1,775,273,519</u>

6.1 Units of Mutual Funds - Open ended - At fair value through profit or loss - held-for-trading

Name of security	As at July 01, 2015	Purchased during the period	Sold during the period	As at December 31, 2015	Carrying amount as at December 31, 2015	Market value as at December 31, 2015	% of net assets on the basis of market value	% of total investment on the basis of market value
	----- (No. of Units) -----				----- (Rupees) -----		----- % -----	
Alfalah GHP Cash Fund *	713,732	89,098	722,540	80,290	40,256,497	41,326,226	2%	2%
Alfalah GHP Stock Fund (formerly IGI Stock Fund) *	2,644,886	1,286,930	1,235,909	2,695,907	320,572,331	332,447,176	19%	19%
Alfalah GHP Alpha Fund *	4,589,361	2,278,880	2,190,503	4,677,738	315,377,766	325,570,569	18%	18%
Alfalah GHP Sovereign Fund *	4,157,003	17,686,432	20,339,263	1,504,172	159,517,750	160,169,094	9%	9%
Alfalah GHP Money Market Fund (formerly IGI Money Fund) *	3,748,433	21,600,487	16,410,428	8,938,492	926,042,471	926,857,213	52%	52%
	<u>15,853,415</u>	<u>42,941,827</u>	<u>40,898,643</u>	<u>17,896,599</u>	<u>1,761,766,815</u>	<u>1,786,370,278</u>		

* These represent investments held in related parties i.e. funds under common management.

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- (Rupees) -----	
7. DEFERRED FORMATION COST		
Unamortized formation cost	755,645	1,217,000
Amortised to the income statement during the period	<u>(297,896)</u>	<u>(461,355)</u>
Unamortised cost at the end of the period	<u>457,749</u>	<u>755,645</u>
8. PAYABLE TO MANAGEMENT COMPANY		
Remuneration payable	1,335	1,335
Formation cost payable	1,217,000	1,217,000
Federal excise duty and sales tax payable on front end load	1,050,432	1,050,432
Other payables	<u>282,000</u>	<u>282,000</u>
	<u>2,550,767</u>	<u>2,550,767</u>
9. PROVISION FOR WORKERS' WELFARE FUND		

There is no change in the status of the petition pending with the Honourable Sindh High Court as reported in note 11 to the annual financial statements of the Fund for the year ended June 30, 2015.

The Fund maintained a provision for WWF as on December 31, 2015 amounting to Rs.3.381 million (June 30, 2015: Rs.3.381 million). Had the provision not been made, the net assets value per unit of the Fund would have been higher by Re.0.20 (0.19%) per unit (June 30, 2015: Re.0.20 (0.19%) per unit).

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- (Rupees) -----	
10. ACCRUED AND OTHER LIABILITIES		
Federal excise duty and sales tax payable on front end load	7,838,525	7,838,525
Withholding tax	5,464	9,921,941
Auditors' remuneration	343,294	211,521
Printing charges payable	99,507	249,406
Annual listing fee payable	10,083	-
Annual rating fee payable	128,675	-
	<u>8,425,548</u>	<u>18,221,393</u>

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2015.

12. 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 14 to the financial statements for the period ended June 30, 2015.

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 half year ended December 31, 2015.

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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:

	Half year ended December 31, 2015 (Un-audited)									
	As at July 01, 2015	Issued for cash	Bonus	Redeemed	As at December 31, 2015	As at July 01, 2015	Issued for cash	Bonus	Redeemed	As at December 31, 2015
	----- (Units) -----				----- (Rupees) -----					
14.1 Unit Holders' Fund										
Associated companies / undertakings										
Bank Alfalah Limited										
Employees Gratuity Fund Trust	1,886,033	-	-	-	1,886,033	195,562,762	-	-	-	201,287,868

From September 19, 2014 to December 31, 2014

	Issued for cash	Bonus	Redeemed	As at December 31, 2014	Issued for cash	Bonus	Redeemed	As at December 31, 2014
	(Units)				(Rupees)			
Associated companies / undertakings								
Bank Alfalah Limited								
Employees Gratuity Fund Trust	1,777,306	-	-	1,777,306	180,000,000	-	-	184,293,658

Quarter ended December 31, 2015

	As at October 01, 2015	Issued for cash	Bonus	Redeemed	As at December 31, 2015	As at October 01, 2015	Issued for cash	Bonus	Redeemed	As at December 31, 2015
	(Units)				(Rupees)					
Associated companies / undertakings										
Bank Alfalah Limited										
Employees Gratuity Fund Trust	1,886,033	-	-	-	1,886,033	195,877,782	-	-	-	201,287,868

	Half year ended (Un-audited)		Quarter ended (Un-audited)	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Rupees)		(Rupees)	

14.2 Other transactions
**Associated companies /
undertakings**
Bank Alfalah Limited

 Profit on deposit accounts
for the period

112,272	7,051,444	29,707	7,051,444
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Bank charges for the period

920	6,336	-	6,336
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MCB Financial Services Limited

Remuneration of the Trustee

896,109	289,738	446,901	-
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	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- (Rupees) -----	
14.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration payable to the Management Company	<u>1,001</u>	<u>1,001</u>
Sales tax payable on management fee	<u>174</u>	<u>174</u>
Federal excise duty payable on management fee	<u>160</u>	<u>160</u>
Formation cost payable to the Management Company	<u>1,217,000</u>	<u>1,217,000</u>
Other payable	<u>282,000</u>	<u>282,000</u>
Federal excise duty and sales tax payable on front end load	<u>1,050,432</u>	<u>1,050,432</u>
Bank Alfalah Limited		
Bank balance	<u>1,270,013</u>	<u>1,399,460</u>
Profit receivable	<u>5,254</u>	<u>12,560</u>
Other related parties		
MCB Financial Services Limited		
Trustee fee	<u>170,887</u>	<u>144,351</u>

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has not affected the condensed interim financial information.

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

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyse financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss' - held-for-trading				
Mutual Fund units - open ended	-	<u>1,786,370,278</u>	-	<u>1,786,370,278</u>

	June 30, 2015			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss' - held-for-trading				
Mutual Fund units - open ended	-	<u>1,775,273,519</u>	-	<u>1,775,273,519</u>

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 25, 2016 by the Board of Directors of the Management Company.

17. GENERAL

17.1 Figures for the quarters ended December 31, 2015 and December 31, 2014 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

17.2 Figures are rounded off to the nearest rupee.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director