

Half Yearly Report December 31, 2010



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:	- Mr. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid - Mr. Omer Mohammad Khan
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Fund Manager:	- 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 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 half yearly report on the affairs of AGVF along with the report of the Trustee and Auditors' review report to the unit holders for the half year ended December 31, 2010.

Financial Performance:

Net assets under management as on December 31, 2010 were Rs. 460.17 million. During the period units worth Rs. 0.26 were issued and units worth Rs. 29.36 million were redeemed.

AGVF earned a total income of Rs. 66.47 million for the half year ended December 31, 2010. Major sources of revenue were capital gains on sale of investments of Rs. 27.87 million, profit on bank deposits of Rs. 6.41 million and dividend income of Rs. 8.76 million. After accounting for expenses of Rs. 26.69 million, the net income from operating activities for the period stands at Rs. 39.78 million.

Income Distribution:

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the Management Company of Alfalah GHP Value Fund in its meeting held on December 30, 2010 have declared Interim distribution for the half year ended December 31, 2010 in the form of bonus units and cash dividend at the rate of Rs. 2.0 per unit, i.e., 3.94% of the Ex-NAV of Rs. 50.75 at the beginning of the period.

Asset Allocation

The Fund's asset allocation as at December 31, 2010 was as follows:

Equity	65.18%
TFCs / Sukuks	15.35%
Cash / Bank deposits	15.81%
Others	3.66%
TOTAL	<u>100.00%</u>

Market Performance

Despite trouble on the macro front in the aftermath of the worst ever floods in the country's history, and subsequent deterioration in economic fundamentals, the equity markets defied expectations and experienced a strong bull run during 1HFY11, with a rally that started in end-August continuing till year end to take the KSE 100 Index to 12,022 points on December 31, an increase of 2,300 points (23.66%) for the half year. The major factor driving the market rally continued to be foreign inflows as the KSE remains attractively valued on a regional perspective.

The per unit Net Asset Value of AGVF appreciated by 7.42% during the period under review versus an appreciation of 15.12% in the fund's benchmark (50% KSE 100 + 50% 6 Month Kibor), during the same period.

Future Outlook

Rising oil prices, matched with high inflation and a seeming political inability to pass on the burden to consumers is creating a huge fiscal deficit, and crowding out the private sector, which makes us cautious about the longer term prospects of the equity market. Nevertheless, the continuing inflows on account of foreign portfolio investment have been driving the KSE ever higher, with strong corporate earnings growth providing a boost. Recent steps by the major political players to acknowledge the deterioration in economic numbers, and the efforts to address the problem could provide the incentive to keep the rally going.

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.

Karachi

For and on behalf of the Board

Abdul Aziz Anis
Chief Executive

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

The Alfalah GHP Value Fund (the Fund), an open-end fund was established under a trust deed dated May 19, 2005, executed between Alfalah GHP Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the six month period ended December 31, 2010 in accordance with the provisions of the following:

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

For the purpose of information the attention of the unit holders is drawn towards the following facts:

1. The directives of the Securities and Exchange Commission of Pakistan (SECP) issued vide Circulars # 1 of 2009 and 3 of 2010, require that the debt securities shall only be reclassified as performing on receipt of all arrears i.e. principal as well as interest for the next two installments. The sukuk certificates of Maple Leaf Cement Factory Limited were classified as performing in September 2010 based on restructured plan approved in March 2010.

The Management Company while complying the same has reclassified these sukuk certificates as performing, however, has not accrued the deferred mark - up (till December 31, 2010). The Management Company has informed us that the same has been done on prudence basis, considering the risk of realisability of the deferred mark-up which will be received in future periods.

2. Management Company had requested the SECP to grant additional period to regularize the excess exposure in terms of the prescribed limits as provided under Regulation 55 (5) of the NBFC Regulations, in security of Maple Leaf Cement Factory Limited. However, SECP had declined to approve the same.

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

Karachi

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and Liabilities of **ALFALAH GHP VALUE FUND** as at December 31, 2010, and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund together with notes forming part thereof (here-in-after referred to as 'condensed interim financial information'), for the half year ended December 31, 2010. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on over review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund for the quarter ended December 31, 2010 and 2009 have not been reviewed, as we are required to review only cumulative figures of the half year ended December 31, 2010.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi
Dated:

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Waseem

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT DECEMBER 31, 2010**

		December 31 2010 (Un-Audited)	June 30 2010 (Audited)
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances		75,044	139,118
Investments	4	382,249	320,959
Dividend and profit receivable	5	1,049	3,000
Advances, deposits, prepayments and other receivables		3,803	3,700
Preliminary expenses and floatation costs		-	165
Receivable against sale of investments		12,501	-
Total assets		474,646	466,942
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		781	978
Payable to Central Depository Company of Pakistan Limited - Trustee		78	78
Payable to Securities and Exchange Commission of Pakistan -Annual fee		221	244
Accrued expenses and other liabilities	6	13,388	5,775
Total liabilities		14,468	7,075
Contingencies and Commitments	7	-	-
Net Assets		460,178	459,867
Unit holders' Funds (as per statement attached)		460,178	459,867
		(Number of units in '000)	
Number of units in issue		8,708	9,061
		(Rupees)	
Net Asset Value per unit		52.85	50.75

The annexed notes 1 to 11 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2010**

	Note	Six months		Quarter	
		ended December 31 2010	2009	ended December 31 2010	2009
(Rupees in '000)					
Income					
Capital Gain on sale of investments		27,874	77,371	22,719	3,086
Income from term finance / Sukuk certificates - net of amortization of premium / discount		3,475	4,188	3,170	(1,302)
Dividend income		8,761	11,800	3,861	4,941
Profit on deposit accounts with banks		6,411	5,965	3,192	2,865
Unrealized (diminution)/appreciation in the value of investment 'at fair value through profit or loss'	4.2	19,945	12,224	24,742	(7,866)
Total income		66,466	111,548	57,684	1,724
Expenses					
Remuneration of Alfalah GHP Investment Management Limited - Management Company		5,401	7,342	2,441	3,506
Remuneration of Central Depository Company of Pakistan Limited - Trustee		464	588	227	281
Annual fee - Securities and Exchange Commission of Pakistan		221	279	109	133
Amortization of preliminary expenses and floatation costs		164	252	38	126
Bank and settlement charges		151	118	84	73
Auditors' remuneration		302	233	151	145
Brokerage		1,444	1,965	971	649
Impairment in the value of investments classified as 'available for sale'	4.7	17,089	20,260	17,089	20,260
Other charges		390	532	271	258
Total expenses		25,626	31,569	21,381	25,431
		40,840	79,979	36,303	(23,707)
Provision for worker welfare fund		1,060	-	971	-
Net income / (loss) from operating activities		39,780	79,979	35,332	(23,707)
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		(920)	(24,545)	(819)	(4,987)
Net income / (loss) for the period		38,860	55,434	34,513	(28,694)

The annexed notes 1 to 11 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2010**

		<u>Six months</u>		<u>Quarter</u>	
		<u>ended December 31</u>		<u>ended December 31</u>	
		2010	2009	2010	2009
		<u>----- (Rupees in '000) -----</u>			
Net income / (loss) for the period	Note	38,860	55,433	34,513	(28,695)
Other comprehensive income:					
Net unrealized appreciation / (diminution) during the period in fair value of investments classified as 'available for sale'	4.7	(4,586)	9,772	(2,103)	7,142
Element of income and capital gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains.		701	(3,529)	689	(546)
Other comprehensive income / (loss) for the period		(3,885)	6,243	(1,414)	6,596
Total comprehensive income / (loss) for the period		<u>34,975</u>	<u>61,676</u>	<u>33,099</u>	<u>(22,099)</u>

The annexed notes 1 to 11 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2010**

	Six months ended December 31		Quarter ended December 31	
	2010	2009	2010	2009
------(Rupees in '000)-----				
Undistributed income / (loss) brought forward				
- Realized	218,989	246,169	228,145	302,053
- Unrealized	(219,804)	(206,564)	(224,601)	(181,303)
	(815)	39,605	3,544	120,750
Element of income/ (loss) and capital gains/ (loss) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains/ (losses)	701	(3,529)	689	(546)
Net income / (loss) for the period	38,860	55,433	34,513	(28,695)
Interim distribution for the period ended December 31, 2010:				
- Cash distribution: Rs. 2.00 per unit (2009:Nil)	(5,779)	-	(5,779)	-
- Issue of 213,244 bonus units at 3.94% (2009:Nil units)	(11,212)	-	(11,212)	-
	22,570	51,904	18,211	(29,241)
Undistributed income / (loss) carried forward				
- Realized	1,810	79,285	(2,987)	99,375
- Unrealized	19,945	12,224	24,742	(7,866)
	21,755	91,509	21,755	91,509

The annexed notes 1 to 11 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' FUND (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2010**

	Six months ended December 31		Quarter ended December 31	
	2010	2009	2010	2009
	----- (Rupees in '000) -----			
Net assets at the beginning of the period	459,867	596,332	458,987	569,470
Issue of 4,837 units (926 units) and Nil units (71 units) for the six months and quarter respectively	255	52	-	4
Redemption of 571,301 units (2,638,660 units) and 511,320 units (425,090 units) for the six months and quarter respectively	(29,359)	(160,014)	(26,258)	(26,788)
	(29,104)	(159,962)	(26,258)	(26,784)
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 realized capital (gains) / losses - transferred to the Income Statement	920	24,545	819	4,987
- amount representing unrealized capital (gains) / losses - transferred directly to the Distribution Statement	(701)	3,529	(689)	546
	219	28,074	130	5,533
Net unrealized appreciation / (diminution) on revaluation of investments classified as 'available-for-sale'	4.7 (4,586)	9,772	(2,103)	7,142
Interim distribution for the period ended December 31, 2010: - Issue of 213,244 bonus units at 3.94% (2009: Nil units)	11,212	-	11,212	-
Net income for the period	38,860	55,434	34,513	(28,694)
Element of income/(loss) and capital gains/losses included in prices of units sold less those in units redeemed	701	(3,529)	688	(546)
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 units)	(5,779) (11,212)	- -	(5,779) (11,212)	- -
Net income / (loss) for the period less distribution	22,570	51,905	18,210	(29,240)
Net assets at the end of the period	460,178	526,121	460,178	526,121
	----- (Rupees) -----			
Net asset value per unit at the beginning of the period	50.75	53.05	50.96	63.07
Net asset value per unit at the end of the period	52.85	61.15	52.85	61.15

The annexed notes 1 to 11 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2010

	Six months ended December 31		Quarter ended December 31	
	2010	2009	2010	2009
----- (Rupees in '000) -----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	38,860	55,433	34,513	(28,695)
Adjustments for:				
Unrealised (diminution)/appreciation in the value of investment 'at fair value through profit or loss'	(19,945)	(12,224)	(24,742)	7,866
Impairment in the value of investments classified as 'available for sale'	17,089	20,260	17,089	20,260
Dividend income	(8,761)	(11,800)	(3,861)	(4,941)
Profit on deposit accounts with banks	(6,411)	(5,965)	(3,192)	(2,865)
Income from term finance / sukuk certificates - net of amortization of premium / discount	(3,475)	(4,188)	(3,170)	1,302
Amortization of preliminary expenses and floatation cost	164	252	38	126
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	920	24,545	819	4,987
	(20,418)	10,880	(17,019)	26,735
	18,441	66,313	17,494	(1,960)
(Increase)/ decrease in assets				
Investments	(60,206)	(47,301)	(78,776)	(146,848)
Deposits, prepayments and other receivables	(103)	1,158	(1,329)	3,240
Receivable against Sale of Investment	(12,501)	-	(12,501)	2,066
	(72,810)	(46,143)	(92,606)	(141,542)
Increase/ (decrease) in liabilities				
Payable against Purchase of Investment	-	16,511	(1,163)	4,758
Payable to Alfalah GHP Investment Management Limited - Management Company	(197)	(256)	(177)	(61)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	(29)	2	(2)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(23)	279	(135)	133
Accrued expenses and other liabilities	1,835	(67)	1,538	(489)
	1,615	16,438	65	4,339
Dividend received	9,977	13,392	8,950	8,650
Profit received on TFC/sukuk certificates	1,526	4,188	1,526	(1,302)
Profit received on bank deposit	6,281	7,147	3,103	3,123
	17,784	24,727	13,579	10,471
Net cash generated from operating activities	(34,970)	61,335	(61,468)	(128,692)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	255	14,435	-	4
Payment against redemption of units	(29,359)	(160,014)	(26,258)	(26,788)
Cash dividend Paid	-	(22,708)	-	-
Net cash used in financing activities	(29,104)	(168,287)	(26,258)	(26,784)
Net increase / (decrease) in cash and cash equivalents during the period	(64,074)	(106,952)	(87,726)	(155,476)
Cash and cash equivalents at the beginning of the period	139,118	158,640	162,770	207,164
Cash and cash equivalents at the end of the period	75,044	51,688	75,044	51,688

The annexed notes 1 to 11 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value Fund was established under a Trust Deed executed between Alfalah GHP Investments Management Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on May 19, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 13, 2005 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

Alfalah GHP Value Fund is an open-ended mutual fund (Asset Allocation) and is listed on the Karachi 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.

These financial statements comprise of the condensed interim statement of assets and liabilities as at December 31, 2010 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim statement of cash flows and notes thereto, for the six months period ended December 31, 2010.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' to the Management Company in its rating report dated 10 February 2010 and 4 Star (short term) and 4-Star (long term) to the fund in its rating report dated September 27, 2010.

As per the Offering Document, the Fund shall invest in equity and money market securities.

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of 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). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP 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'.

These condensed interim financial statements are unaudited and have been reviewed by the statutory auditors of the fund and in compliance of code of corporate governance applicable to Fund.

3. BASIS OF MEASUREMENT & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of measurement and 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.

4. INVESTMENTS

	Note	December 31 2010 Unaudited (Rupees in '000)	June 30 2010 Audited
At fair value through profit or loss - held for trading			
Quoted equity securities - held for trading	4.1	308,649	224,622
Available for sale			
Quoted equity securities	4.3	724	12,259
Investment in term finance certificates	4.4	23,898	31,600
Investment in sukuk bonds	4.5	48,978	52,478
		73,600	96,337
		382,249	320,959

4.1 Quoted equity securities - held for trading

Name of the investee company	Movement during the period				As at December 31, 2010	Carrying value as at December 31 2010	Market value as at December 31 2010	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as a percentage of issued share capital
	As at July 01, 2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period						
	Number of shares				(Rupees in '000)					
Banks										
Allied Bank Limited	-	189,200	-	189,200	-	-	-	-	-	-
Bank Alfalah Limited (Related party)	-	50,000	-	50,000	-	-	-	-	-	-
Faysal Bank Limited	-	100,000	-	-	100,000	1,609	1,559	0.34	0.41	0.01
KASB Bank Limited	-	235,941	-	235,941	-	-	-	-	-	-
MCB Bank Limited	-	75,000	-	75,000	-	-	-	-	-	-
My Bank Limited	1,938,250	-	-	-	1,938,250	23,728	5,446	1.18	1.42	0.37
National Bank of Pakistan	100,000	725,000	-	435,000	390,000	26,596	29,960	6.51	7.84	0.03
Silk Bank Limited	300,000	-	-	300,000	-	-	-	-	-	-
United Bank Limited	25,000	580,000	-	555,000	50,000	2,877	3,411	0.74	0.89	0.00
						<u>54,810</u>	<u>40,376</u>			
Non-Life Insurance										
Adamjee Insurance Company Limited	-	20,000	-	20,000	-	-	-	-	-	-
Construction and Material										
D. G. Khan Cement Company Limited	-	600,000	-	600,000	-	-	-	-	-	-
Lucky Cement Limited	-	510,793	-	510,793	-	-	-	-	-	-
Electricity										
Hub Power Company Limited	1,425,000	-	-	226,892	1,198,108	23,385	44,821	9.74	11.73	0.10
Kot Addu Power Company Limited	464,500	-	-	264,500	200,000	7,025	8,136	1.77	2.13	0.02
Nishat Power Limited	-	200,000	-	200,000	-	-	-	-	-	-
Kohinoor Energy Limited	212,900	-	-	11,333	201,567	5,330	4,390	0.95	1.15	0.12
						<u>35,740</u>	<u>57,347</u>			
Oil and Gas										
Byco Petroleum	-	25,000	-	25,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	80,000	362,500	-	292,500	150,000	43,334	44,277	9.62	11.58	0.09
Attock Petroleum Limited	10,000	84,300	-	64,300	30,000	9,980	10,035	2.18	2.63	0.04
Attock Refinery Limited	-	11,427	-	11,427	-	-	-	-	-	-
Mari Gas Company Limited	-	5,000	-	5,000	-	-	-	-	-	-
National Refinery Limited	-	51,700	-	51,700	-	-	-	-	-	-
Oil and Gas Development Company Limited	164,400	223,880	-	194,977	193,303	31,674	33,022	7.18	8.64	0.00
Pakistan Oilfields Limited	99,580	228,200	-	188,200	139,580	34,361	41,310	8.98	10.81	0.06
Pakistan Petroleum Limited	100,000	313,100	2,000	275,000	140,100	26,987	30,423	6.61	7.96	0.01
						<u>146,336</u>	<u>159,067</u>			
Industrial Engineering										
Pakistan Engineering Company Limited	8,400	-	-	11	8,389	2,668	2,097	0.46	0.55	0.15
						<u>2,668</u>	<u>2,097</u>			

Name of the investee company	Movement during the period					Carrying value as at December 31 2010	Market value as at December 31 2010	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as a percentage of issued share capital
	As at July 01,2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at December 31, 2010					
Number of shares						(Rupees in '000)				
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited	200,050	369,259	-	569,309	-	-	-	-	-	-
Wateen Telecom Limited	1,000,000	-	-	-	1,000,000	10,000	3,640	0.79	0.95	0.16
						<u>10,000</u>	<u>3,640</u>			
Chemicals										
Engro Chemical (Pakistan) Limited	125,043	305,957	-	281,000	150,000	28,224	29,072	6.32	7.61	0.05
Fauji Fertilizer Bin Qasim Limited	-	450,000	-	450,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	125,000	22,500	-	147,500	-	-	-	-	-	-
ICI Pakistan Limited	25,000	98,200	-	123,200	-	-	-	-	-	-
Lotte Pakistan	100,000	-	-	100,000	-	-	-	-	-	-
						<u>28,224</u>	<u>29,072</u>			
Personal Goods										
Nishat (Chunian) Limited	-	500,000	-	-	500,000	11,435	11,360	2.47	2.97	0.31
Nishat Mills Limited	-	50,000	-	50,000	-	-	-	-	-	-
Amtex Limited	100,000	-	-	100,000	-	-	-	-	-	-
						<u>11,435</u>	<u>11,360</u>			
General Industries										
Ecopack Limited	472,500	-	-	472,500	-	-	-	-	-	-
Packages Limited	-	25,000	-	-	25,000	3,228	3,215	0.70	0.84	0.03
Thall Limited	-	55,000	9,000	45,000	19,000	2,073	2,475	0.54	0.65	0.00
						<u>5,301</u>	<u>5,690</u>			
Grand total						<u>294,514</u>	<u>308,649</u>			

4.1.1 All shares have a face value of Rs. 10 each except Thall Ltd of Rs. 5 each.

4.1.2 Investment includes 250,000 shares of Hub Power Company Limited, which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and mark to market losses for settlement of the Fund's trades as allowed in Circular no.11 dated 23 October 2007 issued by Securities and Exchange Commission of Pakistan.

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

	December 31 2010	June 30 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	19,944	(10,375)
Realized on disposals during the period	(4,006)	(16,833)
Net unrealized appreciation / (diminution) in the value of investments at the end of the period	<u>14,135</u>	<u>(1,803)</u>

4.3 Quoted equity securities - Available for sale

Name of the investee company	Movement during the period					Carrying value as at December 31 2010	Market value as at December 31 2010	Investment as a percentage of net assets	Market value as a percentage of total investments	Par value as a percentage of issued share capital
	As at July 01,2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at December 31, 2010					
Number of shares						(Rupees in '000)				
Banks										
My Bank Limited	13,750	-	-	-	13,750	159	39	0.01	0.01	0.00
						<u>159</u>	<u>39</u>			
Oil & Gas										
Oil & Gas Development Company Limited	85,600	-	-	82,318	3,282	164	561	0.12	0.15	0.00
Pakistan Oilfields Limited	420	-	-	-	420	43	124	0.03	0.03	0.00
						<u>207</u>	<u>685</u>			
Grand Total						<u>366</u>	<u>724</u>			

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

4.4 Investment in Term Finance Certificates available for sale

Name of the Investee company	Note	Maturity	Profit / Mark-up Percentage	Movement during the period				As at Dec 31, 2010	Carrying value as at Dec 31 2010	Market value as at Dec 31 2010	Unrealized Appreciation/ (Diminution) In the value of investment	Investments as a percentage of net assets	Market value as a percentage of total investment	Outstanding principal value as a percentage of issued debt capital
				As at July 01, 2010	Purchases during the period	Sales during the period	Redemption during the period							
				Number of certificates				(Rupees in '000)						
Unlisted Term Finance Certificates														
Agritech Limited (I issue) (formerly Pak American Fertilizer Limited)-secured														
4.4.1	Nov 2014	6M KIBOR+ 1.75%	5,000	-	-	-	5,000	24,491	12,490	(12,001)	2.71	3.27	1.67	
Agritech limited (II issue) formerly Pak American Fertilizer Limited)-secured														
4.4.2	Jan 2015	6M KIBOR+ 1.75%	3,000	-	-	-	3,000	14,988	11,408	(3,580)	2.48	2.98	0.22	
								<u>39,479</u>	<u>23,898</u>	<u>(15,581)</u>				

4.4.1 On May 29, 2010 the issuer defaulted in payment of principal and markup then due amounting to Rs. 2.49 Million and Rs. 1.9 Million respectively. Accordingly the security had been classified as non -performing as on June 30, 2010 and provision to the extent of 30% amounting to Rs. 7.49 Million was made in the financial statement of June 30, 2010. As of December 31, 2010 the amount of provision was increased to Rs. 12.490 Million to the extent of 50% of the carrying value and markup accrued from the date of default to December 31, 2010 amounting to Rs. 2.09 Million has been suspended during the period in compliance with guidelines of the Circular No. 1 of SECP dated January 06, 2009.

4.4.2 On July 14, 2010 the issuer defaulted in the payment of principal then due amounting to Rs. 1.49 Million accordingly the security is classified as non-performing and provision to the extent of 23% of the book value of the security as of December 31, 2010 amounting to Rs. 3.58 Million is made in this financial information. The markup accrued for the period beginning from the date of default to the date of classification of asset as non performing amounting to Rs. 0.078 Million and further markup of Rs. 0.907 Million ,up to December 31, 2010 has not been taken to income in compliance with Circular No.1of SECP dated January 26, 2010.

4.5 Investment in unquoted sukuk bonds - available for sale

Name of the Investee company	Note	Maturity	Profit / Mark-up Percentage	Movement during the period				As at Dec 31, 2010	Carrying value as at Dec 31 2010	Market value as at Dec 31 2010	Unrealized Appreciation/ (Diminution) In the value of investment	Investments as a percentage of net assets	Market value as a percentage of total investment	Outstanding principal value as a percentage of issued debt capital
				As at July 01, 2010	Purchases during the period	Sales during the period	Redemption during the period							
				Number of certificates				(Rupees in '000)						
Maple Leaf Cement Factory Limited Sukuk-I Secured														
4.5.1	Dec 2018	6 M KIBOR+ 1.70%	15,000	-	-	-	15,000	73,127	46,996	(26,131)	10.21	12.29	0.94	
Maple Leaf Cement Factory Limited Sukuk-II Secured														
4.5.1	March 2012	3 M KIBOR+1%	-	563	-	-	563	2,815	1,982	(833)	0.43	0.52	0.94	
								<u>75,942</u>	<u>48,978</u>	<u>(26,964)</u>				

4.5.1 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 statement of June 30, 2010.

However, in view of market value of these Sukuk as of December 31, 2010, an impairment based on prolong decline in value of the security amounting to Rs. 8.5 million has been charged to profit and loss account for the period.

4.6 Detail of non-compliant investments

Name of investment	Note	Type of investment	Value of investment before provision	Provision balance as on 01 July 2010	Provisioning during the period	Provision balance as on December 31,2010	Value of investment after provision	Fair value as a percentage of net assets	Fair value as a percentage of gross assets	Credit rating
Maple Leaf Cement Factory Ltd.-I	4.6.1	Sukuk Certificate	74,936	(20,260)	(7,680)	(27,940)	46,996	10.21%	9.90%	BB+
Maple Leaf Cement Factory Ltd - II		Sukuk Certificate	2,815	-	(833)	(833)	1,982	0.43%	0.42%	BB+
Agritech limited		TFC (1st issue)	24,980	(7,494)	(4,996)	(12,490)	12,490	2.71%	2.63%	BBB-
Agritech limited		TFC (2nd issue)	14,988	-	(3,580)	(3,580)	11,408	2.48%	2.40%	BBB-

- As per Circular 7 of 2009 required rating: A-
 - As per Regulation 55(5) of NBFC 2008 requires exposure limit: 10% of Net asset

4.6.1 SECP has declined Company's request for relaxation of the requirement of regulation 55(5) of NBFC and notified entity Regulation 2008 relating to threshold limit for the purpose of investment in Sukuk bonds of Maple Leaf Cement Factory Limited, ordering it to regularize the excess exposure of 0.21% (Rs. 0.97 Million) in Maple Leaf Cement Factory Limited.

4.7 Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'

	December 31 2010 Unaudited (Rupees in '000)	June 30 2010 Audited
Net unrealized appreciation / (diminution) in the value of investments at the beginning of the period	(20,512)	(16,191)
Net unrealized diminution in the value of investments for the period	(4,586)	3,167
Realized on disposals during the period	-	6
Impairment charged during the period	(17,089)	(7,494)
Net unrealized appreciation / (diminution) in the value of investments at the end of the period	<u>(42,187)</u>	<u>(20,512)</u>

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

Opening Balance	33,775	26,281
Charged for the period	17,089	7,494
Closing balance	<u>50,864</u>	<u>33,775</u>

5. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable	150	664
Profit receivable on deposits in banks	794	1,365
Profit receivable on TFC's	105	971
	<u>1,049</u>	<u>3,000</u>

	December 31 2010 Unaudited	June 30 2010 Audited
	(Rupees in '000)	
6. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	652	350
Withholding tax payable	124	78
Brokerage	396	40
Distribution payable	5,779	-
Mark-up payable to core investors	277	277
Worker welfare fund	5,849	4,789
Other payable	311	241
	<u>13,388</u>	<u>5,775</u>

7. CONTINGENCIES & COMMITMENTS

There are no contingencies and commitments as at December 31, 2010.

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. The Fund intends to comply with the said requirement for the year ending June 30, 2011.

9. 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.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Connected persons / related parties include

Parties

Bank Alfalah Limited
 Bank Alfalah Limited - Employees' Provident Fund
 Bank Alfalah Limited - Employees' Gratuity Fund
 Wateen Telecom Limited
 MAB Investment Incorporated
 GHP Arbitrium AG
 Alfalah GHP Investment Management Ltd
 Central Depository Company Limited

Relationship

Associated Companies
 Associated Companies
 Associated Companies
 Associated Companies
 Associated Companies
 Associated Companies
 Management Company
 Trustee

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

Details of transactions with the connected persons for the six months ended December 31, 2010 and balances with them at period end are as follows:

10.1 Transactions and balances with connected persons / related parties

	December 31 2010 Unaudited (Units in '000)	June 30 2010 Audited	December 31 2010 Unaudited (Rupees in '000)	June 30 2010 Audited
Units issued to:				
Alfalah GHP Investment Management Limited	-	139	-	9,219
Bonus units distributed to:				
Bank Alfalah Limited	-	476	-	25,680
Bank Alfalah Limited - Employees' Provident Fund	24	126	1,276	6,787
Bank Alfalah Limited - 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 Limited	-	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 Limited	-	167	-	8,962
December 31 2010 Unaudited (Units in '000)				
Units held by:			2,890	2,890
Bank Alfalah Limited			1,654	1,594
MAB Investment Incorporated			882	850
GHP Arbitrium AG			662	638
Bank Alfalah Limited - Employees' Provident Fund			688	663
Bank Alfalah Limited - Employees' Gratuity Fund				
(Rupees in '000)				
Dividend paid to:			5,779	-
Bank Alfalah Limited				

	December 31 2010 Unaudited	June 30 2010 Audited
	(Rupees in '000)	
Alfalah GHP Investment Management Limited		
- Management Company		
Balance at the beginning of the period	978	1,156
Remuneration for the period	5,401	6,420
Sales load for the period	-	86
	<u>6,379</u>	<u>7,662</u>
Amount paid during the period	(5,598)	(6,684)
Balance at end of the period	<u>781</u>	<u>978</u>
Central Depository Company of Pakistan Limited		
Balance at the beginning of the period	78	95
Remuneration for the period	464	514
Central Depository Services charges for the period	26	20
	<u>568</u>	<u>628</u>
Amount paid during the period	(490)	(550)
Balance at end of the period	<u>78</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	6,411	4,172
Balance in deposit accounts	75,008	139,078
Bank charges	9	6
Mark-up receivable on bank deposits	794	1,365
Capital Gain on sale of securities	33	-

	December 31 2010 Unaudited	June 30 2010 Audited	December 31 2010 Unaudited	June 30 2010 Audited
	(No. of shares)		(Rupees in '000)	
Investment held by fund				
Wateen Telecom Limited	<u>1,000,000</u>	<u>1,000,000</u>	<u>3,640</u>	<u>6,230</u>

11 DATE OF AUTHORIZATION FOR ISSUE

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

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

Chief Executive

Director

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