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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
CFO & Company Secretary of the Management Company	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Fund Manager:	Mr. Zeeshan Khalil
Bankers to the Fund:	Bank Alfalah Limited Faysal Bank Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
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:	Stability rating AA+ by PACRA

MISSION STATEMENT

Alfalah GHP Cash Fund will invest its assets in a prudent mix of short-term Government securities, placements and bank deposits so as to optimize the returns for its unit holders while maintaining liquidity and capital preservation as its primary goals

VISION STATEMENT

Alfalah GHP Cash Fund aims to become a preferred investment choice for investors having requirement of regular and steady income stream with preference on capital preservation and liquidity

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 Cash Fund (AGCF) is pleased to present its quarterly report on the affairs of AGCF to the units holders for the quarter ended 30 September 2011.

Financial Performance

Net assets under management as on 30 September 2011 were Rs. 1,297.87 million. During the period units worth Rs. 495.68 million were issued and units worth Rs. 671.88 million were redeemed.

AGCF earned a total income of Rs. 53.03 million for the quarter ended 30 September, 2011. Major sources of revenue were income from government securities of Rs. 48.18 million and markup on bank deposits of Rs. 2.63 million, markup from term deposit receipts of Rs. 1.50 million and income from placement of Rs. 0.26 million. After accounting for expenses of Rs. 8.01 million, the net income from operating activities for the period stands at Rs. 45.03 million.

Income Distribution

The company has approved following Payouts during the period.

Date	Rate	Bonus	Bonus Amount	Cash Distribution	Total
	(per unit)	(No. of units)	(Rs. In '000)	(Rs. In '000)	(Rs. In '000)
27 July 2011	3.94	23,072	11,537	1,821	13,358
27 August 2011	5.08	24,620	12,310	2,856	15,166
27 September 2011	4.72	22,332	11,165	2,984	14,149
Total	13.74	70,024	35,012	7,661	42,673

Market & Fund's Performance

The fund ended the quarter on 30 September 2011 showing an annualized return of 11.47% as compared to its benchmark (70% of 3 months PKRV + 30% 3 Months deposit rate of AA rated Banks minus SECP approved fund's expenses) showing an annualized return of 9.43%. Hence, the fund outperformed its benchmark by 2.04% during the period.

In the 1QFY 2012, SBP cumulatively announced a treasury bills' auction target of PKR 750 billion versus a maturity of PKR 701.706 billion. Participation in the auctions was in the amount of PKR 1,206.195 billion, against which the SBP raised PKR 852.415 billion. By the quarter end, 3 months cut off yield has declined by 41.54 bps, 6 months by 50.26 bps and 12 months by 59.50 bps and settled at 13.0697%, 13.2331% and 13.3124% respectively. Likewise, 10 year benchmark PIB cut off yield has declined by 83.69 bps to 13.2504%.

Asset Allocation

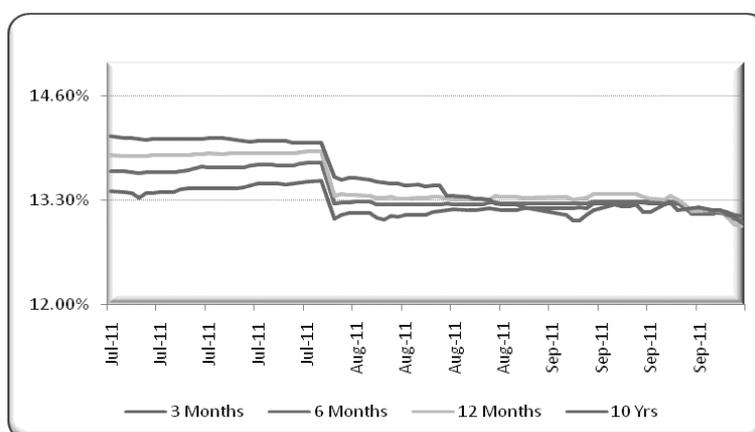
The asset allocation of the fund as at 30 September 2011 was as follows:

T-Bills	89.68%
Cash / Bank Deposit	10.01%
Others	0.31%
Total	<u>100.00%</u>

Investment Outlook

For the remaining part of the fiscal year 2012, external account balance, fiscal balance and inflation will remain the key areas of focus. In the wake of large scale flooding for a second consecutive year, Pakistan may miss out on some of its key crop production targets, i.e., cotton and sugar cane, which will put an additional pressure on the balance of payments as the shortfall will have to be imported from the international markets. With substantial reduction in the foreign aid and foreign direct investment, rehabilitation and rebuilding will be a challenge for the government as the financing will need to be arranged domestically which will increase the government borrowing from the banking system including both SBP and the domestic banks.

We believe recent decline in inflation figures will spur the central bank to further cut the policy discount rate, nevertheless, the widening fiscal deficit will limit the room for monetary easing.


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 co-operation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

For and on behalf of the Board

31 October 2011
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UNAUDITED)
AS AT 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 June 2011 (Audited)
	----(Rupees in '000)----	
Assets		
Bank balances	5 130,740	269,180
Investments	6 1,170,820	1,172,107
Profit receivable	1,752	1,318
Prepayments	50	101
Preliminary expenses and floatation costs	2,195	2,355
Total assets	1,305,557	1,445,061
Liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	1,777	1,346
Payable to Central Depository Company of Pakistan Limited - Trustee	174	177
Payable to Securities and Exchange Commission of Pakistan - Annual fee	1,129	831
Accrued expenses and other liabilities	4,605	3,511
Total liabilities	7,685	5,865
Contingencies and Commitments	7 -	-
Net assets	<u>1,297,872</u>	<u>1,439,196</u>
Unit holders' funds (as per statement attached)	<u>1,297,872</u>	<u>1,439,196</u>
	(Number of units)	
Number of units in issue	<u>2,592,537</u>	<u>2,847,408</u>
	(Rupees)	
Net asset value per unit	<u>500.62</u>	<u>505.44</u>

The annexed notes 1 to 13 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 QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	<i>Note</i> -----(Rupees in '000)-----	
Income		
Capital gain on sale of investments	16	9
Profit on deposit accounts with banks	2,626	3,783
Profit from term deposit receipts	1,496	470
Income from placements	263	698
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	6.2 446	(51)
Income from government securities	48,184	16,738
Total income	53,031	21,647
Expenses		
Remuneration of Alfalah GHP Investment Management Limited - Management Company	4,964	1,891
Sales tax on Management fee	795	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	551	360
Annual fee - Securities and Exchange Commission of Pakistan	298	135
Amortisation of preliminary expenses and floatation costs	161	161
Bank and settlement charges	23	21
Auditors' remuneration	192	169
Brokerage	12	28
Workers' Welfare Fund	9 901	361
Other charges	108	100
Total expenses	8,005	3,226
Net income from operating activities	45,026	18,421
Net element of (loss) and capital (losses) included in prices of units sold less those in units repurchased	(865)	(353)
Net income for the period	44,161	18,068

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

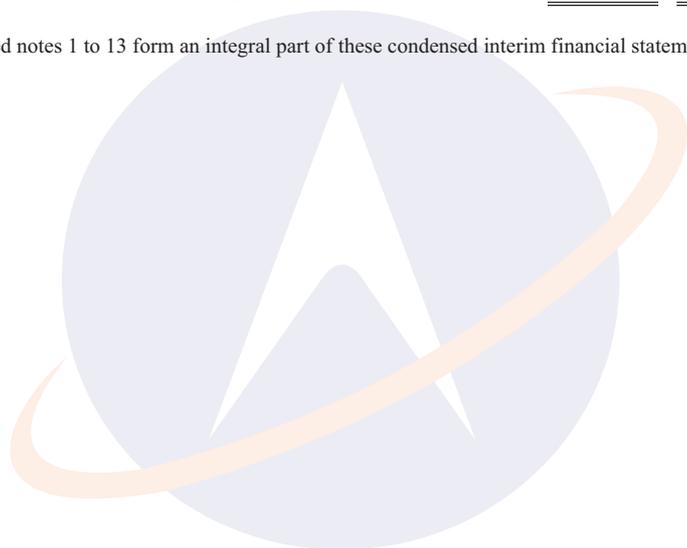
Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited) ----(Rupees in '000)----	30 September 2010 (Unaudited)
Net Income for the period	44,161	18,068
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u><u>44,161</u></u>	<u><u>18,068</u></u>

The annexed notes 1 to 13 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 QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	----- (Rupees in '000) -----	
Undistributed income brought forward	<i>Note</i>	
- Realized	16,037	5,912
- Unrealized	(553)	(269)
	15,484	5,643
 Net income for the period	 44,161	 18,068
Final distribution for the year ended 30 June 2011:		
- Cash distribution: Rs. 5.40 per unit (2010: Nil)	(2,496)	-
- Issue of 25,759 bonus units (dated: 02 July 2011) (2010: Nil)	(12,880)	-
 Interim distribution for the period:	 <i>8</i>	
- Cash distribution	(7,661)	(3,723)
- Issue of 70,024 bonus units (2010: 26,404 units)	(35,012)	(13,325)
	(13,888)	1,020
Undistributed income carried forward		
- Realized	1,150	6,714
- Unrealized	446	(51)
	1,596	6,663

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

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

Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN
UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	----- (Rupees in '000) -----	
Net assets at the beginning of the period	1,439,196	608,350
Issue of 987,971 units (2010: 467,261 units)	495,684	236,557
Redemption 1,338,625 units (2010: 497,376 units)	(671,877)	(252,090)
	(176,193)	(15,533)
Net element of (loss) and capital (losses) included in prices of units sold less those in units repurchased	865	353
Final distribution of 25,759 bonus units declared for the year ended 30 June 2010 (2010: Nil)	12,880	-
Interim bonus distribution of 70,024 units for the period (2010: 26,404 units)	35,012	13,325
Capital gain on sale of investments	16	9
Unrealised appreciation / (diminution) in the value of investments		
- 'at fair value through profit or loss'	446	(51)
Other net income for the period	43,699	18,110
Final distribution for the year ended 30 June 2011:		
- Cash distribution: Rs.5.40 per unit (2010: Nil)	(2,496)	-
- Issue of 25,759 bonus units (dated: 02 July 2011) (2010: Nil)	(12,880)	-
Interim distribution for the period:		
- Cash distribution	(7,661)	(3,723)
- Issue of 70,024 bonus units (2010: 26,404 units)	(35,012)	(13,325)
Net (loss) / Income for the period less distribution	(13,888)	1,020
Net assets at the end of the period	<u>1,297,872</u>	<u>607,515</u>
	(Rupees)	
Net asset value per unit at the beginning of the period	<u>505.44</u>	<u>504.68</u>
Net asset value per unit at the end of the period	<u>500.62</u>	<u>505.55</u>

The annexed notes 1 to 13 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 QUARTER ENDED 30 SEPTEMBER 2011**

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	44,161	18,068
Adjustments for:		
Unrealised appreciation/ (diminution) in the value of investment - 'at fair value through profit or loss'	(446)	51
Amortisation of preliminary expenses and floatation costs	161	161
Profit on deposit accounts with banks	(2,626)	(3,783)
Profit from term deposit receipts	(1,496)	(470)
Income from placements	(263)	(698)
Workers' Welfare Fund	901	361
Net element of (loss) and capital (losses) included in prices of units sold less those in units repurchased	865	353
	41,257	14,043
(Increase) / decrease in assets		
Investments	1,733	24,191
Prepayments	50	93
	1,783	24,284
Increase / (decrease) in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	431	153
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	6
Payable to Securities and Exchange Commission of Pakistan - Annual fee	298	(24)
Accrued expenses and other liabilities	193	845
	919	980
Profit received on deposit accounts with banks	2,700	3,749
Profit received on term deposit receipts	988	504
Income received on placements	263	697
	3,951	4,950
Net cash (used in) from operating activities	47,910	44,257
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	495,684	236,557
Payment against redemption of units	(671,877)	(252,090)
Cash dividend paid	(10,157)	(3,723)
Net cash flows from financing activities	(186,350)	(19,256)
Net increase in cash and cash equivalents during the period	(138,440)	25,001
Cash and cash equivalents at beginning of the period	269,180	91,095
Cash and cash equivalents at end of the period	130,740	116,096

The annexed notes 1 to 13 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 QUARTER ENDED 30 SEPTEMBER 2011**

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Cash Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the trustee"). The Trust Deed was executed on 23 October 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) on 07 October 2009.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

Alfalah GHP Cash Fund is listed on the Karachi Stock Exchange. The Units of the Fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund offers two types of Units, Growth and Income. Growth Unit Holders are entitled to bonus units and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund.

The Fund is categorized as a 'money market scheme' and can invest in money market securities and placements as authorized in Fund Offering Documents.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of 'AM3' to the Management Company in its rating report dated 22 February 2011 and AA+ (f) to the Fund in its credit rating report dated 10 January 2011.

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

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at 30 September 2011 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds, condensed interim statement of cash flows and notes thereto, for the quarter ended 30 September 2011.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting' and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2011. These condensed interim financial statements are unaudited.

The Directors of the Asset Management Company declare that these condensed interim financial statements give a true and fair view of the Fund.

2.2 Basis of measurement

These condensed interim financial information have been prepared under the historical cost convention, except that investments held at 'fair value through profit or loss' category are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgment

The preparation of condensed interim financial information requires the Management Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Management in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended 30 June 2011.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2011.

3.1 Earnings per unit

Earnings per unit (EPU) for the quarter ended 30 September 2011 has not been disclosed in these condensed interim financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

4. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2011.

5. BANK BALANCES

	30 September 2011 (Unaudited)	30 June 2011 (Audited)
	(Rupees in '000)	
	<i>Note</i>	
In deposit accounts	5.1 55,740	219,180
In term deposit receipts	5.2 75,000	50,000
	<u>130,740</u>	<u>269,180</u>

5.1 These balances in saving deposit accounts maintained with various banks carrying mark-up rates of 11.50% to 11.70% per annum.

5.2 This represents term deposit receipt maintained with Bank Alfalah Limited carrying mark-up rate of 13.30% per annum and will mature on 17 November 2011.

6. INVESTMENTS

	30 September 2011 (Unaudited)	30 June 2011 (Audited)
	(Rupees in '000)	
	<i>Note</i>	
At fair value through profit or loss - held for trading		
Market Treasury Bills	6.1 <u>1,170,820</u>	<u>1,172,107</u>

6.1 Treasury Bills

Issue Date	Tenor	Face Value				Quantity as at 30 Sep 2011	Cost as at 30 Sep 2011	Fair value as at 30 Sep 2011	Appreciation / (Diminution) in the value of investments	Fair value as a percentage of		
		As at 01 July 2011	Purchases during the period	Sold during the period	Matured during the period					As at 30 Sep 2011	net assets	total investments
-----'(Rupees in '000)-----												
07 April 2011	06 Months	200,000	-	150,000	-	50,000	1	49,912	49,890	(22)	3.84	4.26
10 February 2011	06 Months	100,000	-	50,000	50,000	-	-	-	-	-	-	-
21 April 2011	03 Months	225,000	-	-	225,000	-	-	-	-	-	-	-
21 April 2011	06 Months	50,000	-	-	-	50,000	1	49,669	49,636	(33)	3.82	4.24
05 May 2011	06 Months	40,000	-	-	-	40,000	1	39,544	39,508	(36)	3.04	3.37
19 May 2011	03 Months	225,000	-	-	225,000	-	-	-	-	-	-	-
02 June 2011	03 Months	50,000	50,000	-	100,000	-	-	-	-	-	-	-
02 June 2011	06 Months	75,000	100,000	-	-	175,000	1	171,243	171,148	(95)	13.19	14.62
16 June 2011	06 Months	100,000	-	-	-	100,000	1	97,363	97,331	(32)	7.50	8.31
16 June 2011	03 Months	100,000	-	-	100,000	-	-	-	-	-	-	-
30 June 2011	06 Months	40,000	135,000	-	-	175,000	1	169,533	169,524	(9)	13.06	14.48
05 May 2011	03 Months	-	50,000	-	50,000	-	-	-	-	-	-	-
26 January 2011	06 Months	-	50,000	-	50,000	-	-	-	-	-	-	-
14 July 2011	06 Months	-	100,000	-	-	100,000	1	96,372	96,410	38	7.43	8.23
14 July 2011	03 Months	-	135,000	125,000	-	10,000	1	9,982	9,978	(4)	0.77	0.85
29 July 2010	12 Months	-	50,000	-	50,000	-	-	-	-	-	-	-
24 March 2011	06 Months	-	250,000	-	250,000	-	-	-	-	-	-	-
28 July 2011	06 Months	-	50,000	-	-	50,000	1	47,936	47,977	41	3.70	4.10
28 July 2011	03 Months	-	100,000	-	-	100,000	1	99,317	99,272	(45)	7.65	8.48
11 August 2011	03 Months	-	225,000	-	-	225,000	1	222,427	222,234	(193)	17.12	18.98
25 August 2011	06 Months	-	25,000	-	-	25,000	1	23,763	23,761	(2)	1.83	2.03
22 September 2011	06 Months	-	100,000	-	-	100,000	1	94,135	94,151	16	7.25	8.04
Total		1,205,000	1,420,000	325,000	1,100,000	1,200,000		1,171,196	1,170,820	(376)		

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

Fair value of investments classified as 'at fair value through profit or loss'
 Cost of investments classified as 'at fair value through profit or loss'
 Net unrealised (diminution) in the value of investments - 'at fair value through profit or loss'
 Net unrealised (appreciation) in the value of investments at the beginning of the period / year
 Net unrealised appreciation / (diminution) in the value of investments at the end of the period / year

	30 September 2011 (Unaudited)	30 June 2011 (Audited)
	(Rupees in '000)	
Fair value of investments classified as 'at fair value through profit or loss'	1,170,820	1,172,107
Cost of investments classified as 'at fair value through profit or loss'	1,171,196	1,172,929
Net unrealised (diminution) in the value of investments - 'at fair value through profit or loss'	(376)	(822)
Net unrealised (appreciation) in the value of investments at the beginning of the period / year	822	269
Net unrealised appreciation / (diminution) in the value of investments at the end of the period / year	446	(1,091)

7. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 September 2011.

8. DISTRIBUTION

The fund makes regular distribution on a monthly basis and has made following distribution during the period.

Date	Rate	Bonus		Cash Distribution	Total
		Units	Amount		
-----'(Rupees in '000)-----					
27 July 2011	3.94	23,072	11,537	1,821	13,358
27 August 2011	5.08	24,620	12,310	2,856	15,166
27 September 2011	4.72	22,332	11,165	2,984	14,149
Interim Distribution for the period	13.74	70,024	35,012	7,661	42,673

9. PROVISION OF WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of Collective Investment Schemes (CISs) through their Trustee on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 8 July 2010 issued advice and clarifications which stated that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions including Mutual Funds because they are ruled and governed by separate laws. Further, in a subsequent letter dated 15 July 2010 the Ministry clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*."

Further, the Secretary (Income Tax Policy) Federal Board of Revenue issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formation for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office for two mutual funds for payment of levy under WWF has been withdrawn. However, there have been instances whereby show cause notices under section 221 of the Income Tax Ordinance, 2001 have been issued to a number of mutual funds and MUFAP has requested Member Policy Direct Taxes for withdrawal of such show cause notices issued to such mutual funds. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled *ab-initio* clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds. On 14 December 2010, the Ministry filed its response to the constitutional petition pending in the Court. As per the legal counsel who is handling the case, there is contradiction between the above earlier letter and clarification of the Ministry and the response filed by the Ministry in the Court.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 3.892 million up to 30 September 2011.

10. 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 realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Management Company intends to distribute sufficient accounting income of the Fund for the year ending 30 June 2012 in order to comply with the above stated clause to enjoy the tax exemption. Accordingly, no tax provision has been made in these condensed interim financial information for the quarter ended 30 September 2011.

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected Persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, MAB Investment Inc., being associated companies of management company, Bank Alfalah Limited - Employees' Gratuity Fund, Directors and Key Management Personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, Bank Alfalah Limited being the sub custodian of the fund and other associated companies and connected persons.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules 2003, NBFC Regulations 2008 and the Constitutive Documents respectively.

11.1 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:

	30 September 2011 (Unaudited)	30 June 2011 (Audited)
	----- (Rupees in '000) -----	
Alfalalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period / year	1,346	3,454
Remuneration for the period / year	4,964	11,266
Sales tax on Management fee for the period / year	795	-
	<u>7,105</u>	<u>14,720</u>
Amount paid during the period / year	<u>(5,328)</u>	<u>(13,374)</u>
Balance at the end of the period / year	<u>1,777</u>	<u>1,346</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the period / year	177	117
Remuneration for the period / year	551	1,842
	<u>728</u>	<u>1,959</u>
Amount paid during the period / year	<u>(554)</u>	<u>(1,782)</u>
Balance at the end of the period / year	<u>174</u>	<u>177</u>
Bank Alfalah Limited		
Deposits at the end of the period / year	<u>55,380</u>	<u>115,972</u>
Term deposits receipts at the end of the period / year	<u>75,000</u>	<u>50,000</u>
Profit receivable on term deposits receipts at the end of the period / year	<u>1,011</u>	<u>503</u>
Profit on deposit accounts at the end of the period / year	<u>1,607</u>	<u>11,582</u>
Profit receivable on deposit account at the end of the period / year	<u>741</u>	<u>781</u>
Profit on term deposit receipts at the end of the period / year	<u>1,495</u>	<u>3,720</u>
Income from placements at the end of the period / year	<u>54</u>	<u>107</u>
Bank charges at the end of the period / year	<u>22</u>	<u>71</u>

	30 September 2011 (Unaudited) <small>(Units in ' 000) (Rupees in ' 000)</small>		30 June 2011 (Audited) <small>(Units in ' 000) (Rupees in ' 000)</small>	
Units sold to:				
- Alfalah Insurance Company Limited	<u>70</u>	<u>35,016</u>	<u>79</u>	<u>40,000</u>
- Alfalah GHP Investment Management Limited				
-Management Company	<u>-</u>	<u>-</u>	<u>1,063</u>	<u>535,211</u>
- Chief Executive	<u>16</u>	<u>7,925</u>	<u>11</u>	<u>5,500</u>
- Other Executives	<u>2</u>	<u>1,295</u>	<u>5</u>	<u>2,440</u>
Units redeemed by:				
- Alfalah GHP Investment Management Limited				
-Management Company	<u>20</u>	<u>10,000</u>	<u>767</u>	<u>387,498</u>
- Chief Executive	<u>20.50</u>	<u>10,291</u>	<u>0.20</u>	<u>95</u>
- Other Executives	<u>2</u>	<u>674</u>	<u>2</u>	<u>919</u>
Bonus Units distributed				
- Alfalah Insurance Company Limited	<u>4</u>	<u>1,991</u>	<u>4</u>	<u>1,893</u>
- Alfalah GHP Investment Management Limited				
-Management Company	<u>22</u>	<u>11,256</u>	<u>37</u>	<u>18,281</u>
- Chief Executive	<u>0.50</u>	<u>277</u>	<u>0.20</u>	<u>115</u>
- Other Executives	<u>1</u>	<u>115</u>	<u>1</u>	<u>112</u>
Units held by:			30 September	30 June
- Bank Alfalah Limited - Employees' Gratuity Fund			2011	2011
- Alfalah Insurance Company Limited			(Unaudited)	Audited
- Alfalah GHP Investment Management Limited			-- (Units in ' 000) --	
-Management Company			<u>100</u>	<u>100</u>
- Chief Executive			<u>157</u>	<u>83</u>
- Other Executives			<u>589</u>	<u>587</u>
			<u>7</u>	<u>11</u>
			<u>6</u>	<u>5</u>
Dividend Paid to:			-- (Rupees in ' 000) --	
- Bank Alfalah Limited - Employees' Gratuity Fund			<u>1,914</u>	<u>5,433</u>

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 31 October 2011 by the Board of Directors of the Management Company.

13. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive

Director