

ALFALAH GHP SOVEREIGN FUND

QUARTERLY REPORT SEPTEMBER 30, 2016



Alfalah Investments



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FUND'S INFORMATION

Management Company:	Alfalsh 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. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Abid Naqvi- Mr. Tufail Jawed Ahmed
Audit Committee:	<ul style="list-style-type: none">- Mr. Abid Naqvi- Syed Ali Sultan- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Tufail Jawed Ahmed- Ms. Maheen Rahman
Chief Operating Officer, and Company Secretary:	- Mr. Noman Ahmed Soomro
Chief Financial Officer:	- Mr. Muhammad Shehzad Dhedhi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Fund Manager:	- Mr. Nabeel Malik
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O. Box 4716 Karachi.
Legal Advisor:	Bawaney & Partners Room No.404,4th Floor Beaumont Plaza,6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA-(f) by PACRA



MISSION STATEMENT

"To be the best money management company in Pakistan. We will hold our clients money in scared trust that has to be actively protected and sustainably nurtured so as to achieve client objectives".

VISION STATEMENT

"To be the leading wealth management firm by offering global investment advice trust services, family estate planning etc for all Pakistani clients whether based in Pakistan or abroad".



DIRECTORS' REPORT FOR THE QUARTER ENDED 30 SEPTEMBER, 2016

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalsh GHP Sovereign Fund (AGSOF) for the first quarter ended September 30, 2016.

Economy Overview

GDP, Inflation and Interest rates:

Pakistan's economic performance continued to remain stable during the quarter, helped by a low inflationary environment and overall improvement in economic activity. Inflation averaged 3.94% for the quarter, within the revised SBP target of 3 to 4 percent, while interest rates and the exchange rates remained stable.

Recent shortfall in tax collection suggests government may need to impose new measures during the year to meet fiscal deficit target of 3.80% of GDP. In addition, the government has committed to reduce current expenditure and non-critical development expenditure further, to compensate for shortfalls as projected. The SBP has maintained its policy rate at 5.75% given overall stability in inflation.

Trade balance and Foreign Exchange:

Trade and current account headwinds appear to have increased due to persistently weakening exports. The trade deficit for Jul-Aug FY17 increased by 27.28% YoY, despite the relief provided by low oil prices. Similarly, worker remittances witnessed a decline of 3.19% YoY while FDI and FPI numbers were also reduced.

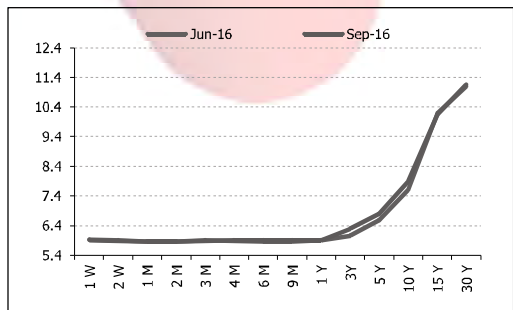
At present, the balance of payment has not impacted the exchange rates as foreign exchange reserves strengthened to historic levels of US\$23 billion as on Sep 02, 2016, resulting in a stable rupee, which posted an appreciation of 0.30% against USD for the 1st quarter FY17.

Evolution from IMF:

The IMF approved and transferred the last tranche of USD 102 million under the Extended Fund Facility (EFF). This will represent a significant milestone in terms of economic stability. Pakistan has indicated that it will now enter a monitoring phase.

Money Market Review

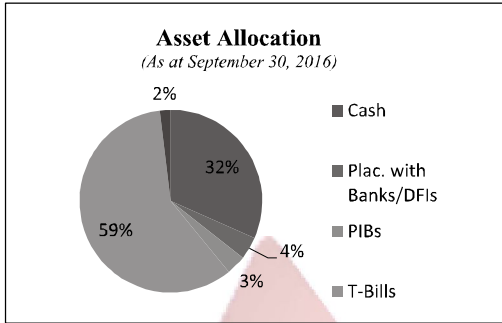
The SBP maintained its discount rate at 6.25% and policy rate at 5.75% during the quarter. During the first quarter, yield curve shifted slightly upwards due to interbank market's expectations of interest rates bottoming out. Overall CPI trend is expected to hover around 4.00% for the 1st half. Any upward shift in international oil prices coupled with currency devaluation could exert upward pressure on the interest rates in the 2nd half of FY17.





Fund Operations and Performance

During 1QFY17, Alfalsh GHP Sovereign Fund generated a return of 4.61% while the fund's benchmark returned 5.41% during the same period.



Key Financial Data

Rupees in millions

Description	Three month period ended 30 September 2016	Three month period ended 30 September 2015
Net Assets at end of the period	4,924.54	7,671.017
Gross income /(loss)	77.2595	181.393
Net Comprehensive income /(loss)	56.6069	156.839
Net Assets Value per Unit (Rs.)	107.0181	104.9614
Issuance of units during the period	3,284.4050	1,969.937
Redemption of units during the period	-1,404.9443	-1,686.770

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

Chief Executive Officer
Date: October 31, 2016



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 SEPTEMBER 2016 (UN-AUDITED)

		September 30, 2016 (Unaudited)	June, 30 2016 (Audited)
	Note	----- (Rupees) -----	
Assets			
Bank balances	4	1,579,523,317	686,696,910
Investments	5	3,324,532,062	2,351,303,822
Deferred formation cost	6	1,000,145	1,096,799
Prepayments and mark-up receivable	7	21,835,033	62,131,364
Receivable Against Sale of Investment		54,375,034	-
Receivable Against Sale of Units		16,100,000	-
Total assets		4,997,365,594	3,101,228,895
Liabilities			
Payable to the Management Company	8	32,083,781	32,038,523
Payable to the Trustee		1,030,246	1,119,099
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		995,968	6,040,329
Provision for Workers' Welfare Fund (WWF)	9	15,107,679	15,107,679
Accrued and other liabilities	11	23,610,756	59,796,884
Total liabilities		72,828,433	114,102,514
Net assets attributable to unit holders		4,924,537,160	2,987,126,381
Unit holders' funds (as per the statement attached)		4,924,537,160	2,987,126,381
Contingencies and commitments	17	----- (Number of units) -----	
Number of units in issue		46,015,907	28,236,636
		----- (Rupees) -----	
Net asset value per unit		107.0181	105.7890

The annexed notes from 1 to 19 form an integral part of these financial statements.

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER, 2016

	Note	Quarter ended	
		September 30, 2016	September 30, 2015
----- (Rupees) -----			
Income			
Finance income	12	90,103,690	162,961,880
'At fair value through profit or loss' - held-for-trading			
- Net gain on sale of investments		106,274,331	3,595,505
- Net unrealised gain on revaluation of investments		(119,118,763)	14,835,696
Total income		77,259,258	181,393,081
Expenses			
Remuneration of the Management Company	8.1	13,173,356	18,527,700
Sales tax on management fee		1,712,540	3,008,899
Federal excise duty on management fee	13	-	2,964,429
Remuneration of the Trustee		1,183,141	1,563,588
Sales tax on Trustee fee		153,806	218,683
Annual fee to the SECP		995,993	1,389,579
Brokerage expense		366,176	136,451
Bank charges		16,598	31,658
Amortisation of deferred formation cost		96,655	96,656
Amortisation of MTS Annual Fee		19,431	-
Registration Charges of MTS		5,000	-
Auditors' remuneration		136,386	117,808
Annual listing fee		13,740	10,080
Annual rating fee		69,355	64,332
Printing charges		37,717	37,795
Expenses allocated by the Management Company	8.2	1,329,269	-
Total expenses		19,309,162	28,167,658
Net income from operating activities		57,950,096	153,225,423
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net		(1,343,171)	3,613,573
Net income for the year before taxation		56,606,925	156,838,996
Taxation	15	-	-
Net income for the year after taxation		56,606,925	156,838,996

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**
FOR THE QUARTER ENDED 30 SEPTEMBER, 2016

	Quarter ended	
	September 30, 2016	September 30, 2015
Net income for the year after taxation	56,606,925	156,838,996
Other comprehensive income for the year	-	-
Total comprehensive income for the year	56,606,925	156,838,996

The annexed notes from 1 to 19 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER, 2016

	<u>Quarter ended</u>	
	<u>September</u> 30, 2016	<u>September</u> 30, 2015
	----(Rupees)----	
Undistributed income carried forward:		
- Realised gains	87,409,720	38,651,642
- Unrealised gains / (losses)	66,967,540	154,288,252
	154,377,260	192,939,894
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	97,204,042	-
Total comprehensive income for the year	56,606,925	156,838,996
Undistributed income carried forward	<u>308,188,227</u>	<u>349,778,890</u>
Undistributed income carried forward:		
- Realised gains	427,306,990	334,943,194
- Unrealised gains	(119,118,763)	14,835,696
	<u>308,188,227</u>	<u>349,778,890</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND
FOR THE QUARTER ENDED 30 SEPTEMBER, 2016**

	<u>Quarter ended</u>	
	September 30, 2016	September 30, 2015
	----(Rupees)----	
Net assets at beginning of the Period	2,987,126,381	7,234,406,464
Amount realised on issuance of 30,996,143 units (2015: 19,191,140 units)	3,284,405,071	1,969,937,005
Amount paid / payable on redemption of 13,216,872 units (2015: 61,722,845 units)	(1,404,944,388) 4,866,587,064	(1,686,551,459) 7,517,792,010
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	1,343,171	(3,613,573)
Total comprehensive income for the Period before capital gains - realised and unrealised	69,451,357	138,407,795
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	106,274,331	3,595,505
Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading	(119,118,763)	14,835,696
Total comprehensive income for the Period	56,606,925	156,838,996
Net assets at end of the Period	4,924,537,160	7,671,017,433

The annexed notes from 1 to 19 form an integral part of these financial statements.

	(Rupees)	
Net asset value per unit at the beginning of the period	<u>105.7890</u>	<u>102.8124</u>
Net asset value per unit at the end of the period	<u>107.0181</u>	<u>104.9614</u>

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

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER, 2016

	Quarter ended	
	September 30, 2016	September 30, 2015
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	56,606,925	156,838,996
Adjustments for:		
Amortisation of deferred formation cost	96,655	96,656
Provision for Workers' Welfare Fund (WWF)	-	-
Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading	116,102,710	(14,835,696)
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	(106,274,331)	(3,595,505)
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	1,343,171	(3,613,573)
Amortisation of (premium) / discount on investments	3,016,053	-
	70,891,183	134,890,878
Decrease / (increase) in assets		
Investments - net	235,555,437	(1,035,893,563)
Profit and other receivable	40,296,331	112,738,019
Receivable Against Sale of Investment	(54,375,034)	-
Receivable Against Sale of Units	(16,100,000)	-
	205,376,734	(923,155,544)
(Decrease) / increase in liabilities		
Payable to the Management Company	45,258	31,035,537
Payable to the Trustee	(88,853)	31,946
Annual fee payable to SECP	(5,044,361)	(1,022,753)
Distribution payable	-	(28,004,222)
Accrued and other liabilities	(36,186,128)	(75,165,335)
	(41,274,084)	(73,124,827)
Net cash generated from / (used in) operating activities	234,993,833	(861,389,493)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	3,284,405,071	1,969,937,005
Payments made against redemption of units	(1,404,944,388)	(1,686,551,459)
Net cash (used in) / generated from financing activities	1,879,460,683	283,385,546
Net (decrease) / increase in cash and cash equivalents during the Period	2,114,454,516	(578,003,947)
Cash and cash equivalents at the beginning of the Period	1,237,766,020	920,882,900
Cash and cash equivalents at end of the Period	14 3,352,220,536	342,878,953

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

Chief Executive Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Sovereign Fund (the Fund) was constituted under Trust Deed dated April 21, 2014 between Alfalah GHP Investment Management Limited (AGIML) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust deed was registered with Sub-Registrar on May 06, 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. SCD/AMCW/IGIFL/261/2012 dated September 11, 2012 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/DD-ZRK/AFGIML/961/2014 dated April 21, 2014.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2' to the Management Company in its rating report dated June 08, 2016 and AA-(f) to the Fund in its rating report dated December 31, 2015.

The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan (CDC) as the Trustee of the Fund.

2. BASIS OF PRESENTATION

The condensed interim financial statements 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, 2016.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year 30 June 2016.

	30 September 2016 (Unaudited)	30 June 2016 (Audited)		
4. BANK BALANCES	<i>Note</i>	----(Rupees)----		
Bank balances	4.1	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; padding: 0 10px;">1,579,523,317</td> <td style="border-bottom: 1px solid black; padding: 0 10px;">686,696,910</td> </tr> </table>	1,579,523,317	686,696,910
1,579,523,317	686,696,910			



- 4.1 These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 5.50% to 6.45% (2016: 5.50% to 6.70%) per annum. This includes Rs. 33,021 million placed with bank Alfalah limited (a related party).

5. INVESTMENTS

30 September
2016
(Unaudited) 30 June
2016
(Audited)

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

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

Market treasury bills	5.1	2,952,494,576	-
Pakistan Investment Bonds	5.2	170,790,630	1,800,234,712

Held to maturity

Certificate of Investment	5.3	201,246,857	-
Term Deposit Receipts	5.4	-	551,069,110
		<u>3,324,532,062</u>	<u>2,351,303,822</u>

5.1 Market Treasury bills - 'at fair value through profit or loss' - held-for-trading

	Face value			As at 30 September 2016	Cost as at September 30, 2016	Market value as at 30 September 2016	Unrealised gain / (loss) on revaluation	% of net assets on the basis of market value	% of total investment on the basis of market value
	As at 01 July 2016	Purchased during the period	Sold / matured during the period						
	(Number of certificates)			(Rupees)		(%)		(%)	
Market Treasury Bills - 3 months	-	23,500,000	17,500,000	6,000,000	596,179,416	596,158,453	(20,963)	12%	18%
Market Treasury Bills - 6 months	-	18,110,000	110,000	18,000,000	1,767,116,298	1,766,685,382	(430,916)	36%	53%
Market Treasury Bills - 12 months	-	22,967,975	17,000,000	5,967,975	589,710,894	589,650,741	(60,153)	12%	18%
Total as at September 30, 2016	-	64,577,975	34,610,000	29,967,975	2,953,006,608	2,952,494,576	(512,032)		
Total as at June 30, 2016		20,550,000	165,816,000	186,366,000	-	-	-		

- 5.1.1 These represent treasury bills having face value of Rs. 600 million (June 30, 2016: NIL) and carrying purchase yield ranging from 5.84% to 5.88 (June 30, 2016: NIL) per annum. These treasury bills have maturity upto Nov 10, 2016 (June 30, 2016: NIL).

- 5.1.2 These represent treasury bills having face value of Rs.1,800 million (June 30, 2016: NIL) and carrying purchase yield ranging from 5.84% to 5.9046 (June 30, 2016: NIL) per annum. These treasury bills have maturity upto March 02, 2017 (June 30, 2016: NIL).

- 5.1.3 These represent treasury bills having face value of Rs.596.7975 million (June 30, 2016: NIL) and carrying purchase yield ranging from 5.84% to 5.89 (June 30, 2016: NIL) per annum. These treasury bills have maturity upto January 19, 2017 (June 30, 2016: NIL).

5.2 Pakistan Investment Bonds - 'at fair value through profit or loss' - held-for-trading

Note	Face value			As at 30 September 2016	Cost as at September 30, 2016	Market value as at 30 September 2016	Unrealised gain / (loss) on revaluation	% of net assets on the basis of market value	% of total investment on the basis of market value
	As at 01 July 2016	Purchased during the period	Sold / matured during the period						
	(Number of certificates)			(Rupees)		(%)		(%)	
Pakistan Investment Bonds - 3 years	5.2.1	2,900,000	-	2,900,000	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 5 years	5.2.2	6,100,000	-	6,100,000	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 10 years	5.2.3	6,850,000	250,000	5,600,000	162,223,886	170,790,630	8,566,744	3.47%	5.14%
Total as at September 30, 2016		15,850,000	250,000	14,600,000	1,500,000	162,223,886	170,790,630	8,566,744	
Total as at June 30, 2016		40,050,000	21,650,000	45,850,000	15,850,000	1,676,134,480	1,800,234,712	124,100,232	



5.2.3 These represent Pakistan Investment Bonds having face value of Rs.150 million (2016: Rs.685 million) carrying purchase yield ranging between 8.20% to 8.52% (2016: 6.87% to 7.58%) per annum. These Pakistan Investment Bonds will mature between March 26, 2015 and March 26, 2025 (2016: July 19, 2022 and April 21, 2026).

5.3 Certificate of Investment - held to maturity

Name of the investee company	Rate of return per annum	Face value				Carrying value as at September 30, 2016	Maturity	Rating	Face value as percentage of total investments ----- (%) -----	Face value as percentage of net assets ----- (%) -----
		As at 01 July 2016	Purchased during the period	Matured during the Period (Rupees)	As at 30 September 2016					
Pak Oman Investment Company Limited	6.15%	-	200,000,000	-	200,000,000	201,246,857	25-Oct-16	AA +	6%	4%
Total as at September 30, 2016		-	200,000,000	-	200,000,000	201,246,857				
Total as at June 30, 2016		-	-	-	-	-				

5.4 Term Deposit Receipts - held to maturity

Name of the investee company	Rate of return per annum	Face value				Carrying value as at September 30, 2016	Maturity	Rating	Face value as percentage of total investments ----- (%) -----	Face value as percentage of net assets ----- (%) -----
		As at 01 July 2016	Purchased during the period	Matured during the Period (Rupees)	As at 30 September 2016					
Bank Alfalah Limited (Related Party)	6.45% to 7.25%	550,000,000	-	550,000,000	-	-	August 22, 2016	AA/A1+	0.00%	0.00%
Total as at September 30, 2016		-	1,750,000,000	2,300,000,000	-	-				
Total as at June 30, 2016		-	2,980,000,000	2,430,000,000	550,000,000	551,069,110				

6. DEFERRED FORMATION COST

	30 September 2016 (Unaudited)	30 June 2016 (Audited)
	-----(Rupees)----	
Formation cost incurred	1,096,799	1,481,323
Amortised during the year	(96,654)	(384,524)
Unamortised cost at the end of the year	1,000,145	1,096,799

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from May 10, 2014, i.e. after the end of initial period of the Fund.



7. PREPAYMENTS AND MARK-UP RECEIVABLE		30 September 2016 (Unaudited)	30 June 2016 (Audited)
Prepayments:	<i>Note</i>	----(Rupees)----	
- Annual listing fee		58,379	17,119
- PACRA rating fee		116,382	185,737
- MTS ANNUAL FEE -PREPAYMENT		230,569	-
Advances			
ADVANCE AGAINST MTS-NCCPL		250,000	
Mark-up receivable on:			
- Bank balances		4,412,597	2,566,637
- Pakistan investment bonds		16,767,106	59,361,871
		<u>21,835,033</u>	<u>62,131,364</u>
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	8.1	4,979,389	6,073,218
Sales tax on management fee		2,278,557	2,474,326
Federal excise duty on management fee	14	18,099,657	18,099,657
Formation cost payable		5,000	5,000
Sales load payable		634,199	628,612
Expenses allocated by the Management Company	8.2	6,036,979	4,707,710
Other payables		50,000	50,000
		<u>32,083,781</u>	<u>32,038,523</u>

8.1 Remuneration of the Management Company

The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the NBFC Regulations, of an amount not exceeding three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the Management Fee is charged @ 1% (2016: 1%) of the average daily net assets of the Fund.

8.2 Expenses allocated by the Management Company

This represents the amount payable to the Management Company under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar, accounting, and other services related to CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less.

9. PROVISION FOR WORKERS' WELFARE FUND (WWF)

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, 2016.

10. TOTAL EXPENSE RATIO

Total expense ratio for September 30, 2016 is 0.37% which includes 0.0543% of government levy, worker's welfare fund and SECP fee.



11. ACCRUED AND OTHER LIABILITIES	30 September 2016 (Unaudited)	30 June 2016 (Audited)
	----(Rupees)----	
Capital gains tax	5,405,303	34,045,188
Withholding tax	1,058,480	9,277,841
Auditors' remuneration	534,123	420,661
Brokerage	212,517	233,482
Printing charges	95,788	58,071
Sales load	16,304,545	15,761,641
	<u>23,610,756</u>	<u>59,796,884</u>
12. FINANCE INCOME	30 September 2016	30 September 2015
Interest income on: -	----(Rupees)----	
Investments classified as 'at fair value through profit or loss' - held-for-trading		
- Market Treasury bills	35,950,177	-
- Pakistan investment bonds	33,736,602	158,575,718
	<u>69,686,779</u>	158,575,718
Held to maturity		
- Certificate of investment	1,246,857	-
- Term deposit receipts	5,053,973	1,595,369
	<u>6,300,830</u>	1,595,369
	<u>75,987,609</u>	160,171,087
Others		
- Bank deposits	14,116,081	2,790,793
	<u>90,103,690</u>	<u>162,961,880</u>

13. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.



Subsequent to the year end, the Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. The management is however of the view that since the Federal Government still has the right to appeal against the order, the previous balance of FED cannot be reversed. As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

The Management Company, in view of the pending decision and as a matter of abundant caution has made a provision for FED in the books of accounts of the Fund with effect from June 13, 2013 to September 30, 2016 aggregating to Rs.18.100 million (2016: Rs.18.100 million).

14. CASH AND CASH EQUIVALENTS	30 September 2016	30 September 2015
	----(Rupees)----	
Bank balances	1,579,523,317	342,878,953
Term Deposit Receipts - held to maturity	-	-
Treasury bills maturing within 3 months	1,772,697,219	-
	<u>3,352,220,536</u>	<u>342,878,953</u>

15. TAXATION

The income of the Fund is exempt from income tax under Clause (99) of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 (Clause 99) subject to the condition that not less than 90 percent of the accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed in cash amongst the unit holders. The Management Company has distributed in cash not less than 90 percent of its annual accounting income to avail the tax exemption. Accordingly, no provision for current and deferred tax has been made in these financial statements.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business and at contractual rates.

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.



16.1 Other transactions

	Quarter ended	
	30 September 2016	30 September 2015
Associated companies / undertakings	-----(Rupees)----	
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	<u>13,173,356</u>	<u>18,527,700</u>
Sales tax on management fee	<u>1,712,540</u>	<u>3,008,899</u>
Federal excise duty on management fee	<u>-</u>	<u>2,964,429</u>
Expenses allocated by the Management Company	<u>1,329,269</u>	<u>-</u>
Bank Alfalah Limited		
Mark-up on bank deposits	<u>3,161,351</u>	<u>2,790,793</u>
Bank charges	<u>14,289</u>	<u>31,658</u>
Market Treasury Bills - purchased	<u>1,172,640,000</u>	<u>290,852,500</u>
Market Treasury Bills - sold	<u>-</u>	<u>651,712,755</u>
Pakistan Investment Bonds - purchased	<u>26,585,000</u>	<u>139,469,500</u>
Term Deposit Receipt - Matured	<u>550,000,000</u>	<u>-</u>
Mark-up on Term Deposit Receipts	<u>6,123,082</u>	<u>-</u>
Alfalsh GHP Income Multiplier Fund - (Common Management)		
Market Treasury Bills - purchased	<u>-</u>	<u>178,030,060</u>
Alfalsh GHP Money Market Fund - (Common Management)		
Market Treasury Bills - purchased	<u>159,845,574</u>	<u>148,603,920</u>
Market Treasury Bills - sold	<u>-</u>	<u>199,014,900</u>
Alfalsh GHP Cash Fund - (Common Management)		
Market Treasury Bills - purchased	<u>198,409,900</u>	<u>-</u>
Alfalsh GHP Income Fund - (Common Management)		
Market Treasury Bills - purchased	<u>245,565,000</u>	<u>14,861,535</u>
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	<u>1,183,141</u>	<u>1,563,588</u>
Sales tax on Trustee fee	<u>153,806</u>	<u>218,683</u>



30 September
2016
(Unaudited)

30 June
2016
(Audited)

16.2 Other balances

----(Rupees)----

Associated companies / undertakings

Alfalsh GHP Investment Management Limited -
Management Company

Remuneration payable to the Management Company	<u>4,979,389</u>	<u>6,073,218</u>
Sales tax payable on management fee	<u>2,278,557</u>	<u>2,474,326</u>
Federal excise duty on management fee	<u>18,099,657</u>	<u>18,099,657</u>
Formation cost payable	<u>5,000</u>	<u>5,000</u>
Sales load payable	<u>634,199</u>	<u>628,612</u>
Other payables	<u>50,000</u>	<u>50,000</u>
Expenses allocated by the Management Company	<u>6,036,979</u>	<u>4,707,710</u>

Bank Alfalsh Limited

Bank balance	<u>33,021,978</u>	<u>516,742,645</u>
Mark-up receivable	<u>202,368</u>	<u>1,243,173</u>

Other related parties

Central Depository Company
of Pakistan Limited - Trustee

Remuneration payable to the Trustee	<u>907,352</u>	<u>981,881</u>
Sales tax on Trustee fee	<u>122,894</u>	<u>137,218</u>

16.3 Unit Holders' Fund

Three Months Ended September 30, 2016

	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	As at September 30, 2016	As at July 01, 2016	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Net asset value as at September 30, 2016
	Units					(Rupees)				
Associated companies / undertakings										
Bank Alfalsh Limited	1,978,187	-	-	-	1,978,187	209,270,425	-	-	-	211,701,765
Alfalsh GHP Capital Preservation Fund *	5,387,608	-	-	-	5,387,608	569,949,663	-	-	-	576,571,648
Alfalsh GHP Prosperity Planning Fund	737,316	244,285	-	112,168	869,433	77,999,922	26,290,518	-	12,290,518	93,045,147
Alfalsh GHP Investment Management Limited	2,065,024	-	-	-	2,065,024	218,456,930	-	-	-	220,995,037
Key management personnel										
Head of Corporate Strategy	1,960	-	-	413	1,547	207,346	-	-	44,000	165,572
Unit holder holding 10% or more units										
Pakistan Petroleum Limited	-	4,907,786	-	-	4,907,786	-	527,832,757	-	-	525,445,757

* This unit holder also holds more than 10% units of the fund

16.3 Unit Holders' Fund

	Quarter ended September 30, 2015									
	As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	As at September 30, 2015	As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Net asset value as at September 30, 2015
	Units				(Rupees)					
Associated companies / undertakings										
Bank Alfalah Limited *	1,978,187	-	-	-	1,978,187	203,382,106	-	-	-	207,633,228
Alfalsh GHP Capital Preservation Fund	4,157,003	429,429	-	437,258	4,149,174	427,391,415	45,000,000	-	45,000,000	-
Alfalsh GHP Prosperity Planning Fund	-	1,240,121	-	-	1,240,121	-	130,000,000	-	-	130,164,812
Alfalsh GHP Investment Management Limited- Staff Provident Fund	24,127	4,325	-	-	28,452	2,480,574	450,000	-	-	2,986,353
Alfalsh GHP Investment Management Limited	1,912,990	-	-	-	1,912,990	196,679,123	-	-	-	200,790,139
Key management personnel										
Head of Corporate Strategy	6,887	1,215	-	8,102	-	708,075	125,000	-	844,256	-

* This unit holder also holds more than 10% units of the Fund

17. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2016.

18. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on 31, October 2016.

19. GENERAL
19.1 Figures are rounded off to the nearest rupee.

19.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

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

Chief Executive Officer

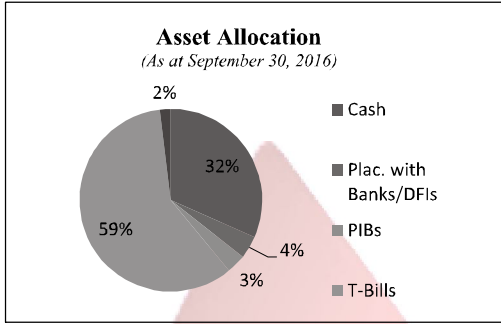
Director



فنڈ کی کارکردگی:

الفلاح جی ایچ پی سٹیٹ سٹیٹ فنڈ: فنڈ آپریشن اور اس کی کارکردگی:

سال کے پہلے سے ماہی کے دوران آپ کے فنڈ کی آمدنی نیٹج مارک 5.41% کے مقابلے میں 4.61% حاصل ہوئی۔



(ملین روپے)

ماہی تفصیلات:

تفصیل	برائے سہ ماہی ۳۰ ستمبر ۲۰۱۶ء	برائے سہ ماہی ۳۰ ستمبر ۲۰۱۵ء
اوپر صاف ہوا	4,924.54	7,671.017
مجموعی آمدنی	77.2595	181.393
کل آمدنی	56.6069	156.839
نی یونٹ صاف ہوا کی ویلیو (پاکستانی روپے)	107.0181	104.9614
سال کے دوران پوس کا اجراء	3,284.4050	1,969.937
سال کے دوران پوس کی کمی	-1,404.9443	-1,686.770

اظہار تشکر:

ڈائریکٹر سیکورٹیز ریٹری اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان کے تعاون پر ان کا شکریہ ادا کرتے ہیں اس کے علاوہ بورڈ نے انتظامی کمپنی کے ملازمین اور سٹیفٹ کا بھی شکریہ ادا کیا ہے جنہوں نے انتظامیہ پر مکمل اعتماد کرتے ہوئے محنت اور لگن سے کام کیا۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

مورخہ: 31 اکتوبر 2016ء



ڈائریکٹرز رپورٹ

برائے ۳۰ ستمبر ۲۰۱۶ء

بورڈ آف ڈائریکٹرز ۳۰ ستمبر ۲۰۱۶ء کی سہ ماہی رپورٹ پیش کر رہے ہیں۔

اقتصادی جائزہ

GDP، افراط زر اور شرح سود

افراط زر میں کمی اور بیرونی تجارت میں بہتری کی وجہ سے پاکستان کی اقتصادی کارکردگی سہ ماہی کے دوران مستحکم رہی۔ مہنگائی کی شرح اوسط سہ ماہی کے دوران 3.86 فیصد رہی۔

نیکس کی وصولی میں حالیہ شارٹ فال کی وجہ سے حکومت مالیاتی خسارہ 3.8 فیصد پورا کرنے کے لئے نئے اقدامات کر سکتی ہے۔ اس کے علاوہ حکومت متوقع طور پر شارٹ فال پورا کرنے کے لئے مزید اخراجات جاریہ اور غیر اہم تر قیامی اخراجات کو کم کرنے کے لئے مصروف عمل ہے۔ اسٹیٹ بینک نے اپنا پالیسی ریٹ مجموعی طور پر 5.75 فیصد پر برقرار رکھا ہے۔

تجارت کا توازن اور غیر ملکی کرنسی

برآمدات میں مسلسل ہونے والی کمی کی وجہ سے ٹریڈ اور کرنٹ اکاؤنٹ خسارے میں رہا۔ تیل کی کم قیمتوں کی طرف سے فراہم کردہ امداد کے باوجود تجارتی خسارہ 2016 Jul-Aug کے لئے 27.28 فیصد بڑھا اسی طرح کارکن ترسیلات میں 3.19 فیصد سے کمی دیکھی گئی۔ جبکہ FDI اور FPI نمبر زبھی کم رہے۔

زرمبادلہ کے ذخائر 23 ارب ڈالر کی بلند ترین سطح پر رہے جس کی وجہ سے روپے کی قدر میں 0.30 فیصد اضافہ دیکھا گیا اور ادائیگیوں کے توازن سے ڈالر کے مقابلے میں شرح مبادلہ جس میں کوئی فرق نہیں پڑا۔

آیو بی او ن فروم آئی ایم ایف

آئی ایم ایف کے منظور شدہ اور توسیعی فنڈ سہولت (EPF) کے تحت 102 ملین USD کے آخری قسط دی گئی جو کہ اہم سنگ میل ہے۔ پاکستان نے اس بات کا اشارہ دیا ہے کہ وہ Monitoring کے مرحلے میں داخل ہوگا۔

مٹی مارکیٹ

اسٹیٹ بینک نے سہ ماہی کے دوران ڈسکاؤنٹ ریٹ 6.25 فیصد اور پالیسی ریٹ 5.75 فیصد برقرار رکھا۔ انٹرنیشنل مارکیٹ کی توقعات کے پیش نظر سہ ماہی میں مجموعی طور پر CPI 4 فیصد رہنے کی توقع ہے۔ خام تیل کی بین القوامی قیمتوں میں کمی بھی اضافہ اور کرنسی کی قدر میں کمی بھی کی شرح سود پر اثر انداز ہو سکتے ہیں۔

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





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