

ALFALAH GHP CASH FUND



QUARTERLY REPORT MARCH 31, 2011

Managed by



Sponsor Shareholders



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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 (Formerly The Royal Bank of Scotland)
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 (Category: Money Market)

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 for the nine months ended March 31, 2011.

Financial Performance

Net assets under management as on March 31, 2011 were Rs.1,148.99 million. During the period units worth Rs.1,838.21 million were issued and units worth Rs. 1,362.45 million were redeemed.

AGCF earned a total income of Rs. 93.69 million for the nine months ended March 31, 2011. Major sources of revenue were income from Government Securities of Rs. 74.18 million and markup on bank deposits of Rs.12.46 million, markup from term deposit receipts of Rs. 5.50 million and Income from placement of Rs.1.6 million. After accounting for expenses of Rs.12.61 million, the net income from operating activities for the period stands at Rs. 81.09 million.

Income Distribution

The Chief Executive Officer of Alfalah GHP Investment Management Limited (AGIM) on behalf of Board of Directors of the management company has approved following Payouts during the period.

Date	Rate (per unit)	Bonus (No. of units)	Bonus Amount (Rs. In '000)	Cash Distribution (Rs. In '000)	Total (Rs. In '000)
27 July 2010	3.72	7,895	3,984	1,139	5,123
27 August 2010	4.24	9,531	4,810	1,304	6,114
27 September 2010	4.18	8,978	4,531	1,280	5,811
27 October 2010	4.81	15,820	7,910	1,501	9,411
27 November 2010	4.53	13,734	6,867	1,640	8,507
27 December 2010	4.11	17,379	8,689	1,693	10,382
27 January 2011	5.17	21,564	10,782	2,131	12,913
28 February 2011	4.96	19,404	9,702	2,044	11,746
28 March 2011	4.36	21,144	10,572	2,014	12,586
Total	40.08	135,449	67,847	14,746	82,593

Market & Fund's Performance

The Fund ended the quarter on March 31, 2011 showing an annualized return of 12.03% as compared to its benchmark (70% of 3 Month PKRV + 30% Average of 3 Month Bank Deposit rate - Fund's allowable expenses) showing an annualized return of 9.91%. Hence, the fund outperformed its benchmark by 2.12% during the period. In the 1QCY 2011, SBP cumulatively announced a target of PKR 980 billion for the treasury bills against the maturity of PKR 882.8 billion. Against the participation in the Treasury bill's auctions during the period, SBP raised PKR 996.8 billion. At quarter end, 3 months cut off yield remained unchanged at 13.2542% whereas 6 months and 12 months cut off yields were increased by 18 bps and 3 bps to 13.6441% and 13.8035% respectively.

Asset Allocation

The asset allocation of the AGCF as at March 31, 2011 was as follows:

T-Bills	90.84%
Cash / Bank Deposit	8.87%
Others	0.29%
Total	<u>100.00%</u>

Investment Outlook

Despite the improvements witnessed on the external side, as the country posted current account surplus of \$99 Million, stable PKR/US parity and record collection of remittances which showed a growth of 22% in 9MFY11, we have a cautious outlook on the sustainability of these improvements. On the basis of the relative stability on the macro-economic front observed during the 1QCY11, SBP has maintained the status quo in the last two monetary policies. We believe that in the absence of structural improvements in the overall fiscal system ranging from increasing the tax net to the resolution of circular debt and supply side issues of essential commodities, the present trend will not last for much longer. The immediate risk comes from the high international oil prices which account for a substantial portion of the import bill and will also put additional pressures on inflation and foreign currency reserves. Therefore, we remain cautious in the deployment of the fund's assets and will prefer to remain on the lower to mid term side of the interest rate curve.

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

22 April 2011
Karachi

Abdul Aziz Anis
Chief Executive

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES(UNAUDITED)
AS AT 31 MARCH 2011**

	Note	31 March 2011	30 June 2010
		(Un-Audited)	(Audited)
		----(Rupees in '000)----	
Assets			
Bank balances		102,467	91,095
Investments	5	1,049,595	517,213
Profit receivable		687	1,452
Prepayments		205	186
Preliminary expenses and floatation costs		2,514	2,992
Total assets		1,155,468	612,938
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company		1,188	3,454
Payable to Central Depository Company of Pakistan Limited - Trustee		170	117
Payable to Securities and Exchange Commission of Pakistan -Annual fee		556	159
Accrued expenses and other liabilities		4,563	858
Total liabilities		6,477	4,588
Contingencies and Commitments	6	-	-
Net assets		1,148,991	608,350
Unit holders' funds (as per statement attached)		1,148,991	608,350
		(Number of units)	
Number of units in issue		2,294,724	1,205,412
		(Rupees)	
Net asset value per unit		500.71	504.68

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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March		Quarter ended 31 March	
	2011	2010	2011	2010
Note	(Rupees in '000)		(Rupees in '000)	
Income				
Capital gain on sale of investments	151	-	141	-
Profit on deposit accounts with banks	12,460	2,551	4,211	2,551
Profit from term deposit receipts	5,504	-	3,804	-
Income from placements	1,600	-	682	-
Unrealised (diminution) / appreciation in the value of investments - 'at fair value through profit or loss'	(206)	1	(97)	1
5.1				
Income from government securities - treasury bills	74,181	1,096	31,952	1,096
Total income	93,690	3,648	40,693	3,648
Expenses				
Remuneration of Alfalah GHP Investment Management Limited - Management Company	7,529	359	3,196	359
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,319	57	475	57
Annual fee - Securities and Exchange Commission of Pakistan	556	22	234	22
Amortisation of preliminary expenses and floatation costs	478	33	157	33
Bank and settlement charges	58	14	21	14
Auditors' remuneration	466	55	137	55
Brokerage	96	4	47	4
Provision for Workers Welfare Fund	1,746	-	717	-
8				
Other charges	357	10	156	10
Total expenses	12,605	554	5,140	554
Net income from operating activities	81,085	3,094	35,553	3,094
Net element of income and capital gains included in prices of units issued less those in units redeemed	6,194	50	930	50
Net income for the period	87,279	3,144	36,483	3,144

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

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

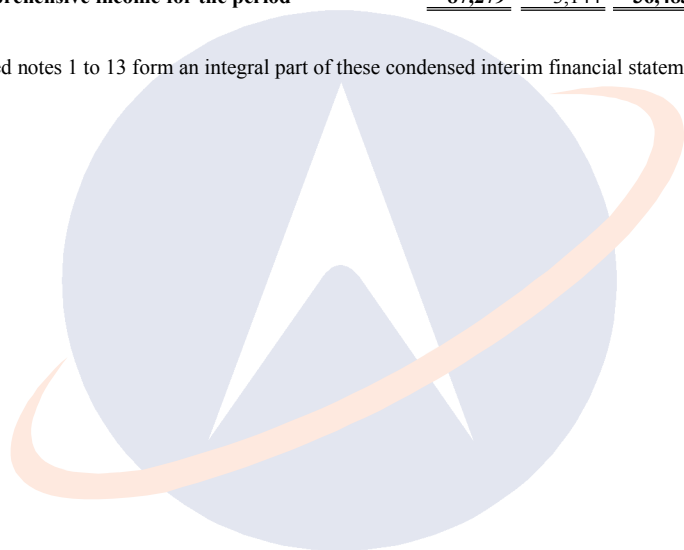
Chief Executive

Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March 2011		Quarter ended 31 March 2011	
	2010	(Rupees in '000)	2010	(Rupees in '000)
Net Income for the period	3,144	87,279	3,144	36,483
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>3,144</u>	<u>87,279</u>	<u>3,144</u>	<u>36,483</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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Note	Nine months ended 31 March		Quarter ended 31 March	
		2011	2010	2011	2010
		(Rupees in '000)		(Rupees in '000)	
Undistributed income brought forward					
- Realized Gain		5,912	-	2,492	-
- Unrealized (loss)		(269)	-	(109)	-
		5,643	-	2,383	-
Net income for the period		87,279	3,144	36,483	3,144
Interim distribution for the month ended 31 March 2010:					
- Cash distribution: Rs. 2.15 per unit dated 27 March 2010		-	(553)	-	(553)
- Issue of 3,569 bonus units dated 27 March 2010		-	(1,785)	-	(1,785)
Final distribution for the year ended 30 June 2010:					
- Cash distribution: Rs. 4.68 per unit		(1,461)	-	-	-
- Issue of 14,376 bonus units		(7,247)	-	-	-
Interim distribution for the month ended 31 July 2010:					
- Cash distribution: Rs. 3.72 per unit dated 27 July 2010	7	(1,139)	-	-	-
- Issue of 7,895 bonus units dated 27 July 2010		(3,984)	-	-	-
Interim distribution for the month ended 31 August 2010:					
- Cash distribution: Rs. 4.24 per unit dated 27 August 2010	7	(1,304)	-	-	-
- Issue of 9,531 bonus units dated 27 August 2010		(4,810)	-	-	-
Interim distribution for the month ended 30 September 2010:					
- Cash distribution: Rs. 4.18 per unit dated 27 September 2010	7	(1,280)	-	-	-
- Issue of 8,978 bonus units dated 27 September 2010		(4,531)	-	-	-
Interim distribution for the month ended 31 October 2010:					
- Cash distribution: Rs. 4.81 per unit dated 27 October 2010	7	(1,501)	-	-	-
- Issue of 15,820 bonus units dated 27 October 2010		(7,910)	-	-	-
Interim distribution for the month ended 30 November 2010:					
- Cash distribution: Rs. 4.53 per unit dated 27 November 2010	7	(1,640)	-	-	-
- Issue of 13,734 bonus units dated 27 November 2010		(6,867)	-	-	-
Interim distribution for the month ended 31 December 2010:					
- Cash distribution: Rs. 4.11 per unit dated 27 December 2010	7	(1,693)	-	-	-
- Issue of 17,379 bonus units dated 27 December 2010		(8,689)	-	-	-
Interim distribution for the month ended 31 January 2011:					
- Cash distribution: Rs. 5.17 per unit dated 27 January 2011	7	(2,131)	-	(2,131)	-
- Issue of 21,564 bonus units dated 27 January 2011		(10,782)	-	(10,782)	-
Interim distribution for the month ended 28 February 2011:					
- Cash distribution: Rs. 4.96 per unit dated 28 February 2011	7	(2,044)	-	(2,044)	-
- Issue of 19,404 bonus units dated 28 February 2011		(9,702)	-	(9,702)	-
Interim distribution for the month ended 31 March 2011:					
- Cash distribution: Rs. 4.36 per unit dated 28 March 2011	7	(2,014)	-	(2,014)	-
- Issue of 21,143 bonus units dated 28 March 2011		(10,572)	-	(10,572)	-
		(4,022)	806	(762)	806
Undistributed income carried forward					
- Realized Gain		1,827	805	1,718	805
- Unrealized (loss)		(206)	1	(97)	1
		1,621	806	1,621	806

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
UNITHOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March 2011 (Rupees in '000)		Quarter ended 31 March 2010 (Rupees in '000)	
Net assets at the beginning of the period	608,350	-	1,061,027	-
Issue of units 3,649,004 (2010: 1,448,346 units) and 1,424,209 units for the nine months and quarter respectively	1,838,209	724,570	715,239	724,570
Redemption 2,709,517 units (2010: 249,686 units) and 1,304,871 units for the nine months and quarter respectively	(1,362,446)	(125,190)	(656,639)	(125,190)
	475,763	599,380	58,600	599,380
Interim distribution of Rs. 3,569 bonus units for the first quarter ended 31 March 2010	-	1,785	-	1,785
Issue of 14,376 bonus units for the year ended 30 June 2010.	7,247	-	-	-
Issue of 135,449 bonus units for the nine months period ended 31 March 2011	67,847	-	31,056	-
Net element of income and capital gains included in prices of units issued less those in units redeemed	(6,194)	(50)	(930)	(50)
Capital gain on sale of investments	151	-	141	-
Unrealised diminution in the value of investments at 'fair value through profit or loss'	(206)	1	(97)	1
Other net income for the period	87,334	3,143	36,439	3,143
Interim distribution for the month ended 31 March 2010:				
- Cash distribution: Rs. 2.15 per unit dated 27 March 2010	-	(553)	-	(553)
- Issue of 3,569 bonus units dated 27 March 2010	-	(1,785)	-	(1,785)
Final distribution for the year ended 30 June 2010:				
- Cash distribution: Rs. 4.68 per unit	(1,461)	-	-	-
- Issue of 14,376 bonus units	(7,247)	-	-	-
Interim distribution for the month ended 31 July 2010:				
- Cash distribution: Rs. 3.72 per unit dated 27 July 2010	(1,139)	-	-	-
- Issue of 7,895 bonus units dated 27 July 2010	(3,984)	-	-	-
Interim distribution for the month ended 31 August 2010:				
- Cash distribution: Rs. 4.24 per unit dated 27 August 2010	(1,304)	-	-	-
- Issue of 9,531 bonus units dated 27 August 2010	(4,810)	-	-	-
Interim distribution for the month ended 30 September 2010:				
- Cash distribution: Rs. 4.18 per unit dated 27 September 2010	(1,280)	-	-	-
- Issue of 8,978 bonus units dated 27 September 2010	(4,531)	-	-	-
Interim distribution for the month ended 31 October 2010:				
- Cash distribution: Rs. 4.81 per unit dated 27 October 2010	(1,501)	-	-	-
- Issue of 15,820 bonus units dated 27 October 2010	(7,910)	-	-	-
Interim distribution for the month ended 30 November 2010:				
- Cash distribution: Rs. 4.53 per unit dated 27 November 2010	(1,640)	-	-	-
- Issue of 13,734 bonus units dated 27 November 2010	(6,867)	-	-	-
Interim distribution for the month ended 31 December 2010:				
- Cash distribution: Rs. 4.11 per unit dated 27 December 2010	(1,693)	-	-	-
- Issue of 17,379 bonus units dated 27 December 2010	(8,689)	-	-	-
Interim distribution for the month ended 31 January 2011:				
- Cash distribution: Rs. 5.17 per unit dated 27 January 2011	(2,131)	-	(2,131)	-
- Issue of 21,564 bonus units dated 27 January 2011	(10,782)	-	(10,782)	-
Interim distribution for the month ended 28 February 2011:				
- Cash distribution: Rs. 4.96 per unit dated 28 February 2011	(2,044)	-	(2,044)	-
- Issue of 19,404 bonus units dated 28 February 2011	(9,702)	-	(9,702)	-
Interim distribution for the month ended 31 March 2011:				
- Cash distribution: Rs. 4.36 per unit dated 28 March 2011	(2,014)	-	(2,014)	-
- Issue of 21,143 bonus units dated 28 March 2011	(10,572)	-	(10,572)	-
Net income for the period less distribution	(4,022)	806	(762)	806
Net assets at the end of the period	1,148,991	601,921	1,148,991	601,921
		(Rupees)		
Net asset value per unit at the beginning of the period	504.68	-	501.13	-
Net asset value per unit at the end of the period	500.71	500.67	500.71	500.67

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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2011**

	Nine months ended 31 March		Quarter ended 31 March	
	2011	2010	2011	2010
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	87,279	3,144	36,483	3,144
Adjustments for:				
Unrealised (diminution) in the value of investment 'at fair value through profit or loss'	206	(1)	97	(1)
Amortisation of preliminary expenses and floatation costs	478	33	157	33
Profit on deposit accounts with banks	(12,460)	(2,526)	(4,211)	(2,526)
Profit from term deposit receipts	(5,504)	-	(3,804)	-
Income from placements	(1,600)	-	(682)	-
Net element of loss and capital losses included in prices of units issued less those in units redeemed	(6,194)	(50)	(930)	(50)
	62,205	600	27,110	600
(Increase) / decrease in assets				
Investments	(532,588)	(49,869)	(309,847)	(49,869)
Amortisation of preliminary expenses and floatation costs	-	(3,184)	-	(3,184)
Prepayments	(19)	(190)	(190)	(190)
	(532,607)	(53,243)	(310,037)	(53,243)
Increase / (decrease) in liabilities				
Payable to Alfalah GHP Investment Management Limited - Management Company	(2,266)	3,508	265	3,508
Payable to Central Depository Company of Pakistan Limited - Trustee	53	57	(7)	57
Payable to Securities and Exchange Commission of Pakistan - Annual fee	397	22	234	22
Accrued expenses and other liabilities	3,705	25,883	1,713	25,883
	1,889	29,470	2,205	29,470
Profit received on deposit accounts with banks	13,191	-	4,333	-
Profit received on term deposit receipts	5,538	-	5,034	-
Income received on placements	1,600	-	682	-
	20,329	-	10,049	-
Net cash (used in) from operating activities	(448,184)	(23,173)	(270,673)	(23,173)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amount received on issue of units	1,838,209	724,570	715,239	724,570
Payment against redemption of units	(1,362,446)	(125,190)	(656,639)	(125,190)
Cash dividend paid	(16,207)	-	(6,189)	-
Net cash flows from financing activities	459,556	599,380	52,411	599,380
Net increase in cash and cash equivalents during the period	11,372	826,587	(218,262)	826,587
Cash and cash equivalents at the beginning of the period	91,095	-	320,729	-
Cash and cash equivalents at end the of the period	102,467	576,207	102,467	576,207

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 NINE MONTHS AND QUARTER ENDED 31 MARCH 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 unit and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund

The Fund is categorized as '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 manager rating of AM3' to the Management Company in its rating report dated 10 February 2010 and AA+ (f) to the Fund in its credit rating report 10 January 2011.

The 'Title' to the assets of the Fund is 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 31 March 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 period ended 31 March 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 end June 30, 2010. 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 judgments

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 June 30, 2010.

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 period ended June 30, 2010.

3.1 Earnings per unit

Earnings per unit (EPU) for the period ended March 31, 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 period ended June 30, 2010.

5 INVESTMENTS

	31 March 2011	30 June 2010
Note	(Unaudited)	(Audited)
	(Rupees in '000)	

At fair value through profit or loss - held for trading
Market Treasury Bills

5.1	<u>1,049,595</u>	<u>517,213</u>
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5.1 Market Treasury Bills

Issue Date	Tenor	Face Value				As at 31 March 2011	Quantity as at 31 March 2011	Cost as at 31 March 2011	Fair value as at 31 March 2011	Appreciation / (Diminution) in the value of investments	Fair value as a percentage of net assets	Fair value as a percentage of total investments
		As at 01 July 2010	Purchases during the period	Sold during the period	Matured during the period							
-----'(Rupees in '000)-----												
22 April 2010	03 Months	75,000	-	75,000	-	-	-	-	-	-	-	
08 April 2010	03 Months	75,000	-	-	75,000	-	-	-	-	-	-	
20 May 2010	03 Months	75,000	-	-	-	-	-	-	-	-	-	
11 February 2010	06 Months	100,000	-	-	100,000	-	-	-	-	-	-	
03 June 2010	03 Months	75,000	25,000	-	-	-	-	-	-	-	-	
03 June 2010	06 Months	25,000	-	-	25,000	-	-	-	-	-	-	
17 June 2010	03 Months	100,000	-	-	100,000	-	-	-	-	-	-	
16 July 2009	12 Months	-	100,000	-	100,000	-	-	-	-	-	-	
06 May 2010	03 Months	-	50,000	-	50,000	-	-	-	-	-	-	
15 July 2010	03 Months	-	-	75,000	-	-	-	-	-	-	-	
29 July 2010	03 Months	-	150,000	-	150,000	-	-	-	-	-	-	
29 July 2010	06 Months	-	50,000	-	50,000	-	-	-	-	-	-	
27 August 2009	12 Months	-	75,000	-	75,000	-	-	-	-	-	-	
26 September 2009	12 Months	-	135,000	-	135,000	-	-	-	-	-	-	
13 August 2010	03 Months	-	250,000	150,000	100,000	-	-	-	-	-	-	
26 August 2010	03 Months	-	150,000	150,000	-	-	-	-	-	-	-	
10 September 2009	12 Months	-	50,000	50,000	-	-	-	-	-	-	-	
09 September 2010	03 Months	-	250,000	-	250,000	-	-	-	-	-	-	
06 May 2010	06 Months	-	50,000	-	50,000	-	-	-	-	-	-	
07 October 2010	03 Months	-	200,000	-	200,000	-	-	-	-	-	-	
22 October 2009	12 Months	-	100,000	-	100,000	-	-	-	-	-	-	
21 October 2010	03 Months	-	225,000	-	225,000	-	-	-	-	-	-	
04 November 2010	03 Months	-	275,000	100,000	175,000	-	-	-	-	-	-	
16 November 2010	03 Months	-	75,000	-	75,000	-	-	-	-	-	-	
02 December 2010	03 Months	-	275,000	-	275,000	-	-	-	-	-	-	
18 December 2010	03 Months	-	100,000	75,000	25,000	-	-	-	-	-	-	
13 January 2011	03 Months	-	300,000	-	300,000	1	299,357	299,225	(132)	26.04	28.51	
27 January 2011	03 Months	-	260,000	-	260,000	1	258,129	258,015	(114)	22.46	24.58	
10 February 2011	03 Months	-	225,000	-	200,000	25,000	1	24,695	24,685	(10)	2.15	2.35
24 February 2011	03 Months	-	275,000	-	275,000	1	270,285	270,172	(113)	23.51	25.74	
08 April 2010	12 Months	-	100,000	-	100,000	1	99,789	99,742	(47)	8.68	9.50	
10 March 2011	03 Months	-	100,000	-	100,000	1	97,815	97,756	(59)	8.51	9.31	
							<u>1,050,070</u>	<u>1,049,595</u>	<u>(475)</u>			

5.1 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 appreciation / (diminution) in the value of investments at fair value through profit or loss'
 Net unrealised appreciation / (diminution) in the value of investments at the beginning of the period
 Net unrealised appreciation / (diminution) in the value of investments at the end of the period

	31 March 2011 (Unaudited)	30 June 2010 (Audited)
	(Rupees in '000)	
	<u>1,049,595</u>	517,213
	<u>1,050,070</u>	<u>517,482</u>
	<u>(475)</u>	(269)
	<u>269</u>	-
	<u>(206)</u>	<u>(269)</u>

6 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2011.

7 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-Jul-10	3.72	7,895	3,984	1,139	5,123
27-Aug-10	4.24	9,531	4,810	1,304	6,114
27-Sep-10	4.18	8,978	4,531	1,280	5,811
27-Oct-10	4.81	15,820	7,910	1,501	9,411
27-Nov-10	4.53	13,734	6,867	1,640	8,507
27-Dec-10	4.11	17,379	8,689	1,693	10,382
27-Jan-11	5.17	21,564	10,782	2,131	12,913
28-Feb-11	4.96	19,404	9,702	2,044	11,746
28-Mar-11	4.36	21,144	10,572	2,014	12,586
Interim Distribution for the nine months ended March 2011	40.08	135,449	67,847	14,746	82,593

8 PROVISION FOR 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. Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letters dated 8 July and 15 July 2010 issued advice and clarifications that the WWF Ordinance 1971 does not have any provisions for the applicability on Mutual Funds because they are ruled and governed by separate laws and 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 which 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*. 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 clarification letter dated 6 October 2010 on applicability of WWF on mutual funds. Following the withdrawal of FBR clarification letter the Department again issued show causes notices to number of mutual fund for payment of WWF charges. In this regard, a constitutional petition has been filed by certain mutual funds through their Trustee in Honorable High Court of Sindh, challenging the applicability of WWF to mutual funds, which is pending adjudication.

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. 2,154,000 up to 31 March 2011.

9 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 realised or unrealised, is distributed among the unit holders.

10 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

Under the provisions of NBFC Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the life of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter, of an amount equal to the two percent of such assets of the Fund. Currently, the Management Fee is charged @ 1.25% of the average daily net assets of the Fund less charge of workers' welfare fund (WWF) calculated on daily basis. WWF has been determined at period end and any change from WWF recorded on daily basis has been adjusted with management fee for the period.

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, Bnak 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 condensed interim financial statements, are as follows:

	31 March 2011	30 June 2010
	(Un-Audited)	(Audited)
	----- (Rupees in '000) -----	
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the period	3,454	-
Remuneration for the period	7,529	2,176
Payable against formation cost	-	3,184
Other payable	-	15
	10,983	5,375
Amount paid during the period	(9,795)	(1,921)
Balance at the end of the period	1,188	3,454
Central Depository Company of Pakistan Limited		
Balance at beginning of the period	117	-
Remuneration for the period	1,319	424
	1,436	424
Amount paid during the period	(1,266)	(307)
Balance at the end of the period	170	117
Bank Alfalah Limited		
Deposits at the end of the period	11,734	41,082
Term deposits receipts at the end of the period	-	50,000
Profit receivable on term deposits receipts at the end of the period	-	34
Profit on deposit accounts at the end of the period	9,605	8,829
Profit receivable on deposit account at the end of the period	658	1,418
Profit on term deposit receipts at the end of the period	2,733	1,033
Income from placements at the end of the period	17	-
Bank charges at the end of the period	56	44

	31 March 2011		30 June 2010	
	(Units in ' 000)	(Rupees in ' 000)	(Units in ' 000)	(Rupees in ' 000)
Units sold to:				
- Bank Alfalah Limited - Employees' Gratuity Fund	-	-	100	50,000
- Alfalah Insurance Company Limited	79	40,000	-	-
- Alfalah GHP Investment Management Limited Management Company	1,063	535,211	250	125,000
Units redeemed by:				
- Alfalah GHP Investment Management Limited Management Company	761	384,498	-	-
Bonus Units distributed				
- Alfalah Insurance Company Limited	3	1,032	-	-
- Alfalah GHP Investment Management Limited Management Company	26	12,744	4	2,258

	31 March 2011	30 June 2010
	Un-Audited	Audited
Units held by:		
- Bank Alfalah Limited - Employees' Gratuity Fund	100	100
- Alfalah Insurance Company Limited	82	-
- Alfalah GHP Investment Management Limited Management Company	582	254
Dividend Paid to:		
- Bank Alfalah Limited - Employees' Gratuity Fund	4,476	1,028

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 22, 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

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