CONTENTS

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. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hanspeter Beier - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary Of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Shahab Bin Shahid - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Fund Manager:	-Mr. Zeeshan Khalil
Trustee:	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Bankers to the Fund:	Bank Alfalah Limited Faysal Bank Limited
Auditors:	Ernst &Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530.
Legal Advisor:	Bawany & 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 BBB+ (f)by PACRA

MISSION STATEMENT

Alfalah GHP Income Multiplier Fund aims to provide its unit holders with sustainable, consistent and inflation protected returns over a period of time through investment in income and money market instruments and securities.

VISION STATEMENT

Alfalah GHP Income Multiplier Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable, consistent and inflation protected returns over the long term through investment exposure to income and money market instruments and securities.

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 Income Multiplier Fund (AGIMF) is pleased to present its annual report on the affairs of AGIMF along with the audited accounts, report of the trustee and auditors' report to the Units holders for the year ended June 30, 2012.

Financial Performance
Net assets under management as on June 30, 2012 were Rs. 253.875 million. During the period units worth Rs. 4.419 million were issued and units worth Rs. 16.008 million were redeemed.

AGIMF incurred total loss of Rs. 3.926 million for the year ended 30 June 2012 due to impairment in value of investment classified as 'available for sale' of Rs. 47.100 million. Major sources of revenue were income from term finance certificates of Rs. 23.78 million, income from government securities of Rs. 8.265 million, profit on bank deposits of Rs. 1.301 million, income from sukuk certificates of Rs. 13.016 million. After accounting for expenses of Rs. 6.119 million the net loss from operating activities for the year stands at Rs. 10.045 million.

Comments on Auditors Qualification

As at period end 2011 & 2012 all debt securities in portfolio of Fund are valued at MUFAP prices as required under circular 1 of 2009 and circular 3 of 2010. The amount of reversal of impairment provision of debt securities classified as available for sale from non-performing to performing during the periods are reversed through profit and loss account after calculating the difference between the acquisition cost (net of any principal repayments) and the fair value of security as announced by MUFAP on reclassification, less any impairment losses on debt securities earlier made on time based provision criteria of SECP circular 1. The management is of the opinion that accounting treatment adopted by Management for valuing debt securities and their subsequent reversals are in compliance with SECP circulars and within the laid down accounting procedures of IAS 39 and further as per AMC Board approved provision policy. For clarification the matter was referred to Trustee of the Fund ("CDC - Trustee") and SECP. The CDC-Trustee in their opinion informed management that the issue does not pertain to the non-compliance of the SECP circulars as the securities were valued by the Management Company (AGIM) at the rates specified by the MUFAP. The SECP in its response directed management to approach MUFAP for resolution of the said matter in light of the Regulatory Framework. In response to the SECP suggestion the management plans to take up the matter with MUFAP.

Economic Review

FY12 was another difficult year for the policymakers as the economy missed almost all the major targets set by the government including growth, deficits etc. GDP growth of 3.7% was less than the target of 4.2%, primarily driven by growth in the agriculture and services sectors as growth in manufacturing sectors remained subdued due to severe shortages of electricity/gas. Additionally, the Pak Rupee depreciated by ~9% during the year as the country's foreign exchange reserves depleted by USD 3 billion to USD 15.2 billion.

Despite strong growth in foreign remittances (USD 13.186 billion, up 17.7% from USD 11.200 billion in the previous year) the country's external side continued to face pressure on the back of prevailing uncertainty in European countries, non-materialization of 3G auction proceeds, and delays in reimbursement of Collation Support Fund (CSF) due to the continued and prolonged closure of the NATO supply route.

In order to make up for external funding squeeze and fiscal deficit financing, the government budgetary borrowing requirement stepped up substantially. Subsidies to the power sector jumped up by over 35% y-o-y to PKR 464.256 billion in FY12 from PKR 343.144 billion in FY11.

During FY12 net government budgetary borrowing for budgetary support increased by 103% to PKR 1.144 trillion. Around 55.6% of the borrowing needs were met through commercial banks and the rest 44.4% were met through SBP. The overall effect of this increased the Net Domestic Assets (NDA) by 20% to PKR 7.115 trillion. Heavy borrowing reliance on commercial banks also crowded out the private sector credit off take, which during the FY12 showed a mere ~7% growth or addition of PKR 235 billion.

On a positive note, for the fiscal year 2011-12 policy makers have succeeded in containing inflation within the target annual period average CPI of 11%. Declining commodity prices coupled with weak international oil prices were primarily responsible for containing inflationary levels over FY12, aided in part by ingenious statistical reconfiguration.

Money Market Review

In FY12 the market saw very few IPOs of corporate papers. Askari Bank, Engro, Summit Bank and Mobilink cumulatively raised PKR 6.4 billion by issuing term finance certificates. Majority of the remaining activity was largely concentrated in government securities. T-Bill and PIB yields witnessed downward trend in FY12 in the wake of discount rate cut of 200 bps. The cut off yields on 3, 6 & 12 Months T-Bill during the year decreased by 156.50 bps, 179.37 bps, and 195.52 bps respectively to 11.9201%, 11.9420% and 11.9522%, while the cut-off yield on 10-year PIBs decreased by 70 bps to 13.3847% in FY12. The government also raised a sizeable amount of PKR 186.790 billion in Ijara Sukuk against a target of PKR 150 billion at par with 6 Month T-bill cut off yield.

Asset allocation as on June 30, 2012

Cash / Bank Deposits	9.97%
TFCs / Sukuks	34.16%
T-Bills	47.87%
Others	8.00%
Total	**100.00%**

Future Outlook

Declining foreign inflows, huge government borrowing, escalating current expenditure and uncertain inflationary outlook will keep the future of the economy grim.

Structural reforms started during the IMF program will continue to remain on halt as the government will focus on popular decisions instead of taking tough decisions, this being an election year. This will further intensify the problems of the energy sector which is currently draining liquidity from the banking sector and keeping the government borrowing on the higher side. Therefore, we are not expecting any improvement in the fiscal side for FY13. Further domestic issues such as law and order, power shutdowns, government borrowing for energy sector and subsidies, falling foreign inflows except receipt of some of the pending dues from US will continue to keep up inflationary pressures in medium to long term.

We remain cautious in the deployment of fund's assets and will not further increase our exposure in private sector corporate papers. Preference will remain on the risk free government securities as it currently provides healthy yields with principal security.

Statement of Compliance:

- The financial statements prepared by the management present fairly its affairs and the results of its operations, cash flows and movement in unit holders' funds.

- The Fund has maintained proper books of accounts.

- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

- International Accounting Standards, as applicable in Pakistan, provisions of the Non Banking Financial Companies (Establishment and Regulation) Rules, 2003, Non Banking Finance Companies (NBFC) Regulations 2008, requirements of the Trust Deed and directives of Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements.

- The system of internal control is sound in design and has been effectively implemented and monitored.

- There are no significant doubts upon Funds' ability to continue as a going concern.

- There has been no material departure from the best practices of corporate governance, as detailed in the Karachi Stock Exchange (KSE) Listing Regulations.

- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.

- Pattern of share holding of units is given in annexure of the annual report.

Attendance of Board Meetings:

Statement showing attendance of Board meetings of the Management Company - Alfalah GHP Investment Management Limited is given in annexure of the annual report.

Appointment of External Auditors

As recommended by the Audit Committee, the Board of Directors of the Management Company has appointed M/s Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants as the Fund's Auditors for the year ending June 30, 2013.

Acknowledgement:

The Board is thankful to the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee, Central Depository Company of Pakistan Limited and the management of Karachi Stock Exchange (Guarantee) Limited for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

For and on behalf of the Board

16 October, 2012
Karachi

Abdul Aziz Anis
Chief Executive

REPORT OF THE FUND MANAGER

Investment objective

The primary investment objective of the Fund is to aim to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.

Objective accomplishment

The per unit Net Asset Value of AGIMF has decreased by 3.90% p.a. in FY12. The performance of the fund remained subdued during the period due to the heavy provisioning and impairment losses in the prices of corporate papers. Majority of the corporate issuers belong to cement, fertilizer and NBFC sectors. Weak economic fundamentals, and deteriorating law and order situation are the focal reasons behind the non performance of the industry.

In the absence of fresh inflows into the fund no new investments were made in any corporate papers. Recoveries made from the non performing assets were diverted towards risk free short to medium term government securities as the investment objective is tilted towards safety instead of yield enhancement.

Benchmark relevant to the fund

The benchmark for this Fund is 12M KIBOR.

Funds' performance with benchmark

FY'12 Return	Benchmark	Relative Performance
-3.90%	12.78%	-16.68%

During the period, AGIMF there were no significant fresh inflows in the fund as large portion of nonperforming assets in the fund led to lagging performance.

Decline in the net assets of the fund from PKR 284.29 Million on June 30, 2011 to PKR 253.87 Million on June 30, 2012 is due to the impairments in the corporate securities. However, AGIMF succeeded in reducing the exposure in corporate securities during the period, with its exposure in TFCs reduced from PKR 219.37 Million to PKR 88.33 Million. The liquidity freed up by reducing the TFC exposure was placed in short dated government securities. The fund has avoided taking any further exposure in long term avenues and in corporate papers.

Asset allocation (As at 30 June 2012)

TFC's / PPTFCs / Sukuk	34.16%
Cash / Bank deposits	9.97%
Treasury bills	47.87%
Other	8.00%
TOTAL	100.00%

Any Significant changes in the state of affairs of fund.

NIL

Fund's Performance

On Size

As on June 30, 12	As on June, 30, 11	% Change
253,875	284,292	-10.70%

On Price ^

As on June 30, 12	As on June, 30, 11	% Change **
46.0373	49.4753	-3.90%

^ Annualised Return based on Adjusted Prices
** Return calculated after incorporating distribution during the period

Disclosure on the Markets

The Fund mainly invests in the following markets:

- **Clean Market (TDRs, COIs, CODs, & LOPs)**
  Clean Market placements are done with large commercial banks at attractive deposit rates.

- **Repo Market**
  Repo lending is done to financial institutions on the basis of assets which serve as collateral for such lending.

- **Bonds / Bills Market (Govt. Sector)**
  Investments in bonds / bills are made in risk free government bonds / bills at attractive rates.

- **Corporate Paper (Private Sector)**
  Investment in Corporate papers (e.g., TFCs etc) issued by private and semi-private companies and corporate are made. This paper can either be listed or unlisted, secured or unsecured. The Fund seeks to invest here in line with overall investment parameters as set out in the Offering Document.

A full list of investment avenues for the Fund can be obtained from the Fund's Offering Document.

Markets and their Returns

- **Clean / Call Market**
  The volumes in the call and clean market remained lackluster during most part of the year. Rates were on average in the range of 9.10% to 13.90% for overnight placements.

- **Repo Market**
  With the introduction of interest rate corridor by SBP the repo rates for the overnight funds move within a band of 300 bps from the discount rate i.e., with the discount rate at 12.00% (at Jun 30. 12), the repo rate moved within the band of 9.00% to 12.00%.

- **Bond Market (PIB & Treasury Bills)**
  During the period, government had set a target to raise PKR 3,345 billion in Treasury bills against the maturity of PKR 3,133.137 billion. Against the target, PKR 3,069.38 billion was actually raised. The cut off yields on 3, 6 & 12 Months T-Bill during the year decreased by 156.5 bps, 179.37 bps, and 195.52 bps respectively to 11.9201%, 11.9420% and 11.9522%, while the cut-off yield on 10-year PIBs decreased by 70.26 bps to 13.3847% in FY 12. The government also raised a sizeable amount of PKR 186.790 billion in Ijara Sukook against a target of PKR 150 billion at par with 6 Month T-bill cut off yield.

- **Corporate Paper**
  In FY 12 fixed income market saw very few numbers of IPOs of corporate papers. Askari Bank, Engro, Summit Bank and Mobilink cumulatively raised around PKR 6.4 billion by issuing term finance certificates. The secondary market for corporate papers showed volatility and majority trading was witnessed in Banks, telecommunication & Fertilizer sector.

Disclosure of Other Remunerations

NIL

Performance Table

Key financial data is disclosed in notes to the financial statements

Risk Disclosure

Investors in the Fund must realize that all investment in mutual funds and securities are subject to market risks. Our target return / dividend payout cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is subject to interest rates, money market and stock market fluctuations and other risks inherent in all such investments.

Disclaimer

Prices of the Units of the Fund and income from them may go up or down.

Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of redemptions, invoke a queue system or announce winding-up. In such events the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed and Offering Document for more detailed information regarding this clause.

The Units of the Trust are not the bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the Management Company, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institutions.

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
Head Office
CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

ISO 27001 Certified

TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME MULTIPLIER FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2012 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

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

Karachi: October 23, 2012

CENTRAL DEPOSITORY COMPANY

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2012

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulations No. 35 of listing regulations of Karachi Stock Exchange Limited (formerly Karachi Stock Exchange (Guarantee) Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Management Company has applied the principles contained in the Code in the following manner:

1 The Management Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Categories	Names
Independent Directors	None
Executive Director	Mr. Abdul Aziz Anis
Non-Executive Directors	Mr. Shakil Sadiq Mr. Shahid Hosain Kazi Mr. Shahab Bin Shahid

2 The directors have confirmed that none of them is serving as a director on more than ten listed companies, including this Management Company.

3 All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4 Casual vacancies occurred in the Board on 10 October 2011 and 27 April 2012, which is not filled to date.

5 The Management Company has prepared a 'Code of Conduct' which has been signed by all the directors and employees of the Company at the time of their appointment. However, it has not been placed on the Company's website.

6 The Board has developed a vision / mission statement and overall corporate strategy of the Management Company. A complete record of particulars of significant policies along with the dates will be developed and their record will be maintained.

7 All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and Company Secretary, have been taken by the Board.

8 The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9 The Board has not arranged training programs for its directors during the year.

10 There was no new appointment of Chief Financial Officer (CFO) and Company Secretary during the year.

11 The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12 The financial statements of the Fund were duly endorsed by the CEO and CFO before approval of the Board.

13 The directors, CEO and executive do not hold any interest in the units of the Fund

14 The Fund has complied with most of the corporate and financial reporting requirements of the Code.

15 The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors including the Chairman of the Committee who is not an independent director.

16 The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Fund as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17 The Management Company has formed Human Resource and Remuneration Committee in its Board meeting subsequent to year end.

18 The Board has outsourced the internal audit function to M. Yousuf Adil Saleem & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company. The Management Company has not appointed / designated any person as the head of internal audit.

19 The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21 The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the Net asset value of Fund, was not determined and intimated to directors, employees and stock exchange.

22 Material / price sensitive information has been disseminated among all market participants at once through stock exchange.

23 The company has not submitted Secretarial Compliance Certificate as per clause xxii of the Code, which the company intends to seek compliance by the end of the next year.

24 We confirm that all other material principles, except those mentioned above, contained in the Code have been complied with.

Chief Executive

ERNST & YOUNG

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan

Tel: +9221 3565 0007
Fax: +9221 3568 1965
www.ey.com

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Alfalah GHP Investment Management** (the Management Company) of **Alfalah GHP Income Multiplier Fund** (the Fund) to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Management Company's compliance with the provisions of the Code in respect of the Fund and report if it does not. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

Further, Sub-Regulation (x) of Listing Regulation 35 notified by the Karachi Stock Exchange Limited requires the Management Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Fund for the year ended 30 June 2012.

We draw your attention to clause 4, 5, 9 & 23 of the Statement which mention certain requirements of the Code in respect of which progress is being made by the Management Company to seek compliance by the end of next year.

Our conclusion is not qualified in respect of the above matter.

Ernst & Young Ford Rhodes

Chartered Accountants

Date: 16 October 2012

Karachi

ERNST & YOUNG

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan

Tel: +9221 3565 0007
Fax: +9221 3568 1965
www.ey.com

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Alfalah GHP Income Multiplier Fund (the Fund)**, which comprise the statement of assets and liabilities as at **30 June 2012** and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis of Qualified Opinion

During 2011, the Fund upgraded the classification of debt securities costing Rs. 220.6 million from non-performing to a performing debt securities in accordance with the requirements of Circular 1 dated 6 January 2009 issued by Securities and Exchange Commission of Pakistan (SECP). The Fund had made a provision for impairment against the above debt securities amounting to Rs. 91.7 million in prior years which was reversed partially to the extent of Rs. 22.6 million upon such reclassification. During the current year, the Fund has reversed the provision held against the above debt securities amounting to Rs. 30.6 million in the income statement. We consider that the partial reversal of provision in the year 2011 is not in line with the requirements of Circular 3 dated 20 January 2010 issued by SECP which requires that no provision should be held against a performing security. Had the Fund accounted for the reversals of provisions in 2011 in accordance with the requirements of above referred circulars, the net loss for the current year would have been higher by Rs. 58.8 million and the undistributed loss carried forward as of 30 June 2012 would have been lower by Rs. 10.3 million.

EYFRSH

A member firm of Ernst & Young Global Limited

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Qualified Opinion

In our opinion, except for the effect of the matter described in paragraph above, the financial statements give a true and fair view of the state of the Fund's affairs as at **30 June 2012** and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

The financial statements of the fund for the year ended 30 June 2011 were audited by another firm of Chartered Accountants whose report dated 25 August 2011 expressed an unqualified opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations, 2008.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Engagement Partner: Omer Chughtai
Date: 16 October 2012
Karachi

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2012

	Note	30 June 2012	30 June 2011
		(Rupees in '000)	
Assets			
Bank balances	4	**25,769**	13,679
Investments	5	**212,114**	244,242
Income and profit receivable	6	**18,080**	26,856
Advances, deposits and other receivables	7	**2,600**	3,600
Preliminary expenses and floatation costs	8	**-**	558
Total assets		**258,563**	288,935
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	**304**	277
Payable to Central Depository Company of Pakistan Limited - Trustee	10	**49**	49
Payable to Securities and Exchange Commission of Pakistan -Annual fee	11	**195**	271
Accrued expenses and other liabilities	12	**4,140**	4,046
Total liabilities		**4,688**	4,643
Contingencies and Commitments	13	**-**	-
Net assets		**253,875**	284,292
Unit holders' funds (as per statement attached)		**253,875**	284,292
		(Number of units)	
Number of units in issue	15	**5,514,548**	5,746,146
		(Rupees)	
Net asset value per unit		**46.0373**	49.4753

The annexed notes from 1 to 22 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	30 June 2012	30 June 2011
		(Rupees in '000)	
Income			
Income from term finance certificate - net of amortization of premium /discount		**23,781**	9,562
Income from government securities - net of amortization of discount		**8,265**	5,255
Income from clean placements		**-**	31
Income from term deposit receipts		**-**	72
Income from sukuk certificates		**13,016**	32,311
Profit on deposit accounts with banks		**1,301**	5,197
Capital gain / (loss) on sales of investment - HFT		**17**	(3)
Capital loss on sales of investment - AFS		**(3,147)**	(11,200)
Unrealised (diminution)/appreciation in the value of investments -'at fair value through profit or loss'	*5.2*	**(59)**	44
Impairment in the value of investments classified as 'available for sale'		**(83,834)**	(57,179)
Reversal of impairment in the value of investment classified as 'avaliable for sale'		**36,734**	22,836
Total (loss) / income		**(3,926)**	6,926
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	*9*	**3,249**	4,520
Sales tax on Management fee		**520**	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	*10*	**600**	735
Annual fee - Securities and Exchange Commission of Pakistan	*11*	**195**	271
Transaction cost		**5**	24
Bank and Settlement charges		**38**	22
Fees and subscriptions		**251**	291
Auditor's remuneration	*16*	**481**	564
Legal Charges		**92**	222
Amortization of preliminary expenses and floatation cost	*8*	**558**	584
Provision for workers' welfare fund	*14*	**-**	203
Printing and related cost		**130**	157
Total Expenses		**6,119**	7,593
Net (loss) from operating activities		**(10,045)**	(667)
Net element of income / (loss) and capital gains/(losses) included in prices of units issued less those in units redeemed		**201**	10,585
Net (loss) / income for the year		**(9,844)**	9,918

The annexed notes from 1 to 22 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	**30 June 2012**	30 June 2011
		(Rupees in '000)	
Net (loss) / income for the year		**(9,844)**	9,918
Other comprehensive income:			
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains / (losses)		**35**	(5,628)
Net unrealised (diminution) / appreciation during the year in fair value of investments classified as 'available for sale'	5.7	**(68)**	10,682
Other comprehensive (loss) / income for the year		**(33)**	5,054
Total comprehensive (loss) / income for the year		**(9,877)**	14,972

The annexed notes from 1 to 22 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive | **Director**

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	30 June 2012	30 June 2011
	(Rupees in '000)	
Undistributed (loss) brought forward		
- Realized	**(2,928)**	(7,118)
- Unrealized	**44**	(56)
	(2,884)	(7,174)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains / (losses)	**35**	(5,628)
Net (loss) / income for the year	**(9,844)**	9,918
Final distribution for the year ended 30 June 2011 as on 26 August 2011		
- Cash distribution: Rs. 1.59 per unit	**(8,715)**	-
- Issue of 5,038 bonus units	**(246)**	-
	(18,770)	4,290
Undistributed (loss) carried forward		
- Realized	**(21,595)**	(2,928)
- Unrealized	**(59)**	44
	(21,654)	(2,884)

The annexed notes from 1 to 22 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED 30 JUNE 2012

	30 June 2012	30 June 2011
	(Rupees in '000)	
Net assets at the beginning of the year	**284,292**	588,956
Issue of 105,494 units (2011: Nil units)	**4,419**	-
Redemption of 342,130 units (2011: 6,392,725 units)	**(16,008)**	(314,679)
	(11,589)	(314,679)
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:		
- amount representing accrued income and realised capital gains - transferred to the Income Statement	**(201)**	(10,585)
- amount representing unrealised capital (gains) / losses - transferred directly to the Distribution Statement	**(35)**	5,628
	(236)	(4,957)
Final bonus distribution of 5,038 bonus units declared for the year ended 30 June 2011	**246**	-
Net unrealised (diminution) / appreciation during the year in fair value of investments classified as 'available for sale'	**(68)**	10,682
Capital loss on sale of investments	**(3,130)**	(11,203)
Unrealised (diminution) in the value of investments -'at fair value through profit or loss'	**(59)**	44
Other net (loss) / income for the year	**(6,655)**	21,077
Element of loss / income and capital (losses)/ gains included in prices of units sold less those in units redeemed-amount representing unrealized capital gains	**35**	(5,628)
Final distribution for the year ended 30 June 2011 as on 26 August 2011		
- Cash distribution: Rs. 1.59 per unit	**(8,715)**	-
- Issue of 5,038 bonus units	**(246)**	-
Net (loss) / income for the year less distribution	**(18,770)**	4,290
Net assets at the end of the year	**253,875**	284,292
	(Rupees)	
Net asset value per unit at the beginning of the year	**49.4753**	48.5182
Net asset value per unit at the end of the year	**46.0373**	49.4753

The annexed notes from 1 to 22 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive | **Director**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	30 June 2012	30 June 2011
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year	**(9,844)**	9,918
Adjustments for:		
Unrealised diminution / (appreciation) in the value of investments -'at fair value through profit or loss'	**59**	(44)
Impairment in the value of investments classified as 'available for sale'	**83,834**	57,179
Reversal of impairment in the value of investment classified as 'avaliable for sale'	**(36,734)**	(22,836)
Income from sukuk certificates	**(13,016)**	(32,311)
Profit on deposit accounts with banks	**(1,301)**	(5,197)
Amortisation of preliminary expenses and floatation costs	**558**	584
Income from term finance certificate - net of amortization of premium /discount	**(23,781)**	(9,562)
Income from term deposit receipts	**-**	(72)
Income from clean placements	**-**	(31)
Provision for workers' welfare fund	**-**	203
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	**(201)**	(10,585)
	(426)	(12,754)
(Increase) / decrease in assets		
Investments	**(15,099)**	248,355
Deposits & prepayments	**1,000**	301
	(14,099)	248,656
Increase / (decrease) in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	**27**	(359)
Payable to Central Depository Company of Pakistan Limited - Trustee	**-**	(53)
Payable to Securities and Exchange Commission of Pakistan -Annual fee	**(76)**	37
Accrued expenses and other liabilities	**94**	89
	45	(286)
Profit received on investments	**46,874**	26,644
Net cash from operating activities	**32,394**	262,260
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	**4,419**	-
Payment against redemption of units	**(16,008)**	(314,679)
Cash dividend paid	**(8,715)**	-
Net cash (used in) financing activities	**(20,304)**	(314,679)
Net (decrease) / increase in cash and cash equivalents during the year	**12,090**	(52,419)
Cash and cash equivalents at beginning of the year	**13,679**	66,098
Cash and cash equivalents at end of the year	**25,769**	13,679

The annexed notes from 1 to 22 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive | **Director**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Multiplier 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 08 March 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 ("NBFC Rules"), on 14 February 2007.

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 Income Multiplier 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 an aggressive fixed income scheme and can invest in debt and money market securities as authorized in the Funds' Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Negative) to the Management Company in its rating report dated 17 May 2012 and BBB(f) Stability Rating to the fund in its rating report dated 29 June 2012.

The "Title" to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These 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.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments which are accounted for as stated in note 3.1.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund.

2.4 Use of estimates and judgment

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

a) Classification and valuation of financial instruments (notes 3.1 and 5)
b) Impairment and Provisions(notes 3.2 and 3.7)
c) Taxation (note 3.11)

2.5 Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

The Fund has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 7 – Financial Instruments: Disclosures (Amendment)
IAS 24 – Related Party Disclosures (Revised)
IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 7 – Financial Instruments: Disclosures - Clarification of disclosures
IAS 1 – Presentation of Financial Statements - Clarification of statement of changes in equity
IAS 34 – Interim Financial Reporting - Significant events and transactions
IFRIC 13 – Customer Loyalty Programmes - Fair value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below:

3.1 Financial instruments

The Fund classifies its financial instruments and derivatives in the following categories:

a) Financial asset at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or derivatives.

Upon initial recognition, attributable transaction cost is recognised in Income Statement when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in Income Statement.

b) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'.

c) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as fair value through profit or loss or available-for-sale. This includes receivable against sale of investments and other receivables and are carried at amortised cost using the effective yield method, less impairment losses, if any.

d) Financial liabilities

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective yield method.

Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its part of the contractor the contract is a derivative contract.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a 'financial instrument not at 'fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Transaction costs on financial instrument at fair value through profit or loss are expensed out immediately.

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or 'loss' and 'available-for-sale' are measured at fair value. Gains or losses arising from changes in the fair value of the financial assets 'at fair value through profit or loss' are recognised in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in Statement of Comprehensive Income until derecognised or impaired, then the accumulated fair value adjustments recognised in Statement of Comprehensive Income are included in the Income Statement.

Fair value measurement principles

Basis of valuation of Term Finance Certificates / Sukuk Certificates

Investment in term finance certificates and sukuk certificates have been valued on the basis of year end rates quoted by the Mutual Fund Association of Pakistan.

Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the Securities and Exchange Commission of Pakistan and the Fund's provisioning criteria. These are elaborated in note 3.2 to these financial statements.

Basis of valuation of Government Securities

Fair value of the investments in Federal Government securities comprising Treasury Bills is determined by reference to the quotations obtained from the PKRV rate sheet on the Reuters page.

3.2 Impairment

Financial assets not carried at fair value through profit or loss are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of asset exceeds its recoverable amount. Impairment losses are recognised in Income Statement.

Impairment of debt securities held by the Fund is determined on the basis of repayment passed due from its contractual maturity. Such provisions are made as per criteria specified in Circular 01 of 2009 and Circular 03 of 2010. Accelerated provisions are made if circumstances warrant, as per the provisioning policy approved by the Board of the Management Company as per Circular 13 of 2009.

However, the decrease in impairment loss on debt securities classified as available for sale is recognised in Income Statement. The reversal of impairment of debt security reclassified as performing by MUFAP in term of circular No. 1/2009 read in conjunctions No.3/2010 is made to the extent of increased price difference between amount recorded in books prior to reclassification as performing and price announced by MUFAP on reclassification.

In case of investments classified as available for sale a significant or prolong decline in the fair value of security below its cost is considered an indicator that the securities are impaired. If such indication exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on financial asset previously recognised is removed from unit holders' fund and recognised in income statement. Decrease in impairment loss on available for sale securities is recognised in unit holders' fund and for debt securities classified as 'available for sale' is recognised in income statement.

3.3 Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with International Accounting Standard 39: Financial Instruments; Recognition and Measurement.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.4 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributor's receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.6 Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records the net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and repurchased during an accounting period in the Income Statement while the portion of the element of income / (loss) and capital gains / (losses) that relates to unrealised gains / (losses) relating to available for sale investments held by the Fund is recorded in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders.

3.7 Provisions

A provision is recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from 15 June 2007 as per Trust Deed of the Fund.

3.9 Net asset value per unit

The net asset value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue.

3.10 Earning per unit

Earnings per unit (EPU) for the year ended June 30, 2012 has not been disclosed in these financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

3.11 Taxation

Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from tax to any income derived by a Mutual Fund, if not less than ninety percent of its accounting income of a year as reduced by capital gains whether realize or unrealized is distributed among the unit holders.

3.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.13 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.

- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit and loss' are included in the Income Statement in the period in which they arise.

- Income on TFCs, sukuk certificates, term deposit receipts, government securities, bank deposits and placements is recognised on a time proportionate basis using effective yield method.

- Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased is included in the Income Statement on the date of issue and redemption of units.

3.14 Expenses

All expenses including management fee and trustee fee are recognised in the income statement on an accrual basis.

3.15 Cash and cash equivalents

Cash and cash equivalent comprises deposits maintained with banks. Cash and cash equivalent are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.16 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

3.17 Standards, interpretations and amendments to approved accountinng standards that are not eyet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	Effective date (accounting periods beginning on or after)
IFRS 7 – Financial Instruments : Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	01 January 2013
IAS 1 – Presentation of Financial Statements – Presentation of items of comprehensive income	01 July 2012
IAS 12 – Income Taxes (Amendment) - Recovery of Underlying Assets	01 January 2012
IAS 19 – Employee Benefits –(Amendment)	01 January 2013
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	01 January 2014
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine	01 January 2013

The Fund expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Fund's financial statements in the period of initial application

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	IASB effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2015
IFRS 10 – Consolidated Financial Statements	01 January 2013
IFRS 11 – Joint Arrangements	01 January 2013
IFRS 12 – Disclosure of Interests in Other Entities	01 January 2013
IFRS 13 – Fair Value Measurement	01 January 2013

4 BANK BALANCES

	Note	**30 June 2012**	30 June 2011
		(Rupees in '000)	
Deposit accounts	*4.1*	**25,769**	13,679

4.1 These balances in saving deposit accounts bear profit rates ranging from 5% to 11.00% per annum (30 June 2011: 5% to 10.5% per annum). This includes Rs. 1.153 million (30 June 2011: 13.645 million) with a related party that carry markup ranging from 9.5% to 10.5% per annum.

5. INVESTMENTS

	Note	30 June 2012	30 June 2011
		(Rupees in '000)	
- At fair value through profit or loss			
Market treasury bills	*5.1*	**123,784**	24,873
- Available for sale			
Investment in term finance certificates	*5.3*	**18,855**	91,729
Investment in sukuk certificates	*5.4*	**69,475**	127,640
		88,330	219,369
		212,114	244,242

5.1 Treasury Bills

Issue date	Tenor	Face Value: As at 01 July 2011	Face Value: Purchases during the period	Face Value: Sales during the period	Face Value: Matured during the period	Face Value: As at 30 June 2012	Quantity as at 30 June 2012	Cost as at 30 June 2012	Fair Value as at 30 June 2012	Fair value as a percentage of: Net assets	Fair value as a percentage of: Total investment
		---------- Number of shares ----------						.....(Rupees in '000).......			
21-Apr-11	3 Months	25,000	-	-	25,000	-	-	-	-	-	-
14-Jul-11	3 Months	-	40,000	10,000	30,000	-	-	-	-	-	-
10-Feb-11	6 Months	-	60,000	5,000	55,000	-	-	-	-	-	-
11-Aug-11	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
6-Oct-11	6 Months	-	7,000	-	7,000	-	-	-	-	-	-
21-Apr-11	6 Months	-	10,000	-	10,000	-	-	-	-	-	-
20-Oct-11	6 Months	-	40,000	-	40,000	-	-	-	-	-	-
3-Nov-11	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
20-Oct-11	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
12-Jan-12	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
26-Jan-12	3 Months	-	25,000	-	25,000	-	-	-	-	-	-
8-Sep-11	6 Months	-	20,000	-	20,000	-	-	-	-	-	-
8-Mar-12	6 Months	-	25,000	-	-	25,000	1	24,486	24,457	10	12
3-May-12	3 Months	-	28,000	-	-	28,000	1	27,778	27,764	11	13
5-Apr-12	3 Months	-	39,000	25,000	14,000	-	-	-	-	-	-
19-Apr-12	3 Months	-	65,000	65,000	-	-	-	-	-	-	-
19-Apr-12	3 Months	-	65,000	-	-	65,000	1	64,771	64,746	26	31
28-Jun-12	3 Months	-	7,000	-	-	7,000	1	6,820	6,817	3	3
								123,855	123,784		

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

	30 June 2012	30 June 2011
	(Rupees in '000)	
Market value of investments	**123,784**	24,873
Less: Carrying value of investments	**(123,855)**	(24,885)
	(71)	(12)
Net unrealised (appreciation) in the value of investment at the beginning of the year	**12**	56
Realised on disposal during the year	**-**	-
	12	56
Net unrealised (diminution) in the value of investment for the year	**(59)**	44

5.3 Investment in term finance certificate - 'available for sale'

Name of the investee company	Note	Maturity	Profit / mark-up percentage	As at 01 Jul 2011	Purchases during the period	Sales / Mature during the period	Redemption during the period	As at 30 June 2012	Cost as at 30 June 2012	Market value as at 30 June 2012	(Impairment) in the value of investments	Appreciation / (Diminution) in the value of investments	Market value as a percentage of: Net assets	Market value as a percentage of: Total investments	Outstanding principal value as a % of issued debt capital
				--------- Number of certificates ---------					--------(Rupees in '000)--------						
Listed term finance certificates															
Financial Receivable Securitization Limited (Class A)	5.3.1	January 2014	6M KIBOR + 2%	1,992	-	-	-	1,992	3,319	3,324	-	5	1.31	1.57	1.42
Trust Investment Bank Limited	5.3.2	July 2013	6M KIBOR + 1.85%	8,000	-	-	-	8,000	14,994	14,150	(844)	-	5.57	6.67	6.67
Unlisted term finance certificates															
Security Leasing Corporation Limited	5.3.3	March 2014	6%	2,000	-	-	-	2,000	1,964	1,381	-	(583)	0.54	0.65	2.00
Agritech Ltd (Formarly Pak American Fertilizer Limited)	5.3.4	November 2017	6M KIBOR + 1.75%	19,000	-	1,050	-	17,950	89,666	-	(89,675)	-	-	-	5.98
Agritech Ltd-IV (Formerly Pak American Fertilizer Limited)	5.3.5	January 2015	Zero Coupon	-	4,094	-	-	4,094	20,470	-	(20,470)	-	-	-	2.27
Invest Capital Investment Bank Ltd formerly (Al-Zamin Leasing Modaraba)	5.3.6	November 2013	6M KIBOR + 1.90%	10,000	-	-	-	10,000	38,924	-	(39,253)	-	-	-	7.14
Trakker (Private) Limited		September 2011	6M KIBOR + 2.85%	200	-	200	-	-	-	-	-	-	-	-	-
SME Leasing Limited		July 2011	3M KIBOR + 1.50%	3,000	-	3,000	-	-	-	-	-	-	-	-	-
									169,337	18,855	(150,242)	(578)			

5.3.1 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 2% per annum, receivable semi-annually in arrears with a floor of 8% and cap of 16%. These term finance certificates are secured against hypothecation charge on the future receivables under "agreement to sell and purchase receivables".

5.3.2 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.85% per annum, receivable semi-annually in arrears with a floor of 6% and cap of 10%. These term finance certificates are secured against first charge on specified leased assets and associated lease receivables with a 40% margin. During the year, the Fund has received the redemption of principal amounting to Rs. 9.9 million which has resulted in the reversal of impairment loss of Rs 0.68 million during the year.

5.3.3 Security Leasing (SLCL) has rescheduled its repayments through second supplemental Trust deed executed on May 18 2011. As per the supplemental deed, SLCL obtained the waiver from the obligation to pay the mark-up on the outstanding amount. While the principle will be repay in 36 equal installments starting from April 29, 2011 to March 29, 2014. In February 2011 , Security Leasing (SLCL) has rescheduled its monthly repayment from Rs. 78,125/- to Rs. 16,927/- without any alteration in supplemental trust Deed subsequently MUFAP marked as Non Performing as on 03-April-2012.

5.3.4 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.75% per annum, receivable semi-annually in arrears. These term finance certificates are secured against first pari passu charge over all present and future fixed assets with a 25% margin. Agritech Limited (formerly Pak American Fertilizer Limited) defaulted on its payment of principal and markup due on 29 May 2010. In prior year, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from 29 November 2014 to 29 November 2017. Consequently, the security was classified as non-performing by MUFAP on 14 June 2010 and accrual on the same was suspended. Accordingly, the security has been fully provided (including Rs. 32.72 million provided in the current period net off reversals) in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

5.3.5 This represent additional TFC's of Agritech Ltd (formerly Pak American Fertilizer Limited) received by the fund through restructuring agrement reached between lender and Agretech Ltd. under such agrement outstanding markup due on 29 May 2011 amounting to Rs. 20.47 million was settled in the form of zero coupon TFC's valuing 20.47 millions. These investment have been recorded as 100% impaired (Rs. 20.47 millions in the current period since these have been received in lieu of suspended overdue markup to be recognized to income upon realization.

5.3.6 These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 1.90% per annum, receivable monthly in arrears with a floor of 6% and cap of 10%. These term finance certificates are secured against first pari passu charge on leased assets and associated lease receivables of the modaraba with 25% margin. Invest Capital Investment Bank Limited (formerly Al-Zamin Leasing Modaraba) defaulted on its payment of principal and markup due on 12 August 2010. Consequently, the security was classified as non-performing by MUFAP on 26 August 2010 and accrual on the same was suspended. Accordingly, the security has been fully provided (including Rs. 19.46 million provided in the current period) in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

5.4 Investment in sukuk certificate - 'available for sale'

Name of the investee company	Note	Maturity	Profit / mark-up percentage	As at 01 Jul 2011	Purchases during the period	Sales / Mature during the period	Redemption during the period	As at 30 June 2012	Cost as at 30 June 2012	Market value as at 30 June 2012	(Impairment) in the value of investments	Appreciation / (Diminution) in the value of investments	Market value as a percentage of: Net assets	Market value as a percentage of: Total investments	Outstanding principal value as a % of issued debt capital
				---------- Number of certificates ----------					--------(Rupees in '000)--------						
Maple Leaf Cement Factory Limited	5.4.1	December 2018	3M KIBOR +1%	15,000	-	-	-	15,000	74,840	41,162	(33,714)	-	16.21	19.41	1.88
Maple Leaf Cement Factory Limited -II	5.4.2	March 2013	3M KIBOR +1%	562	-	-	-	562	2,810	-	(2,810)	-	-	-	0.94
Kohat Cement Company Limited	5.4.3	September 2016	3M KIBOR +1.50%	25,000	-	-	-	25,000	37,750	28,313	(9,437)	-	11.15	13.35	5.00
									115,400	69,475	(45,961)	-			
									284,737	88,330	(196,204)	(578)			

5.4.1 This represents investment in sukuk certificates of Maple Leaf Cement Factory Limited (MLCF), secured against first pari passu charge over all present and future fixed assets with a 25% margin. Maple Leaf Cement Factory (MLCF) defaulted on the installment due on 03 September 2011 as per the restructured agreement. Consequently, the security was classified as non-performing by MUFAP on 19 September 2011 and accrual amounting to Rs. 9.235 million on the same was reversed. Accordingly, provision has been made (including Rs. 5.77 million provided in current period) in accordance with the requirements of SECP's circular No. 1 of 2009 and the Board's approved provisioning policy.

5.4.2 This represents additional sukuks of MLCF received by the Fund through restructuring agreement reached between lenders and MLCF. Under such agreement outstanding mark up due on 03 December 2009 amounting to Rs. 5.806 million was settled partially in cash and partially in the form of sukuks certificates valuing Rs. 2.810 million. These investments have been recorded as 100% impaired (Rs. Nil in current period) since these have been received in lieu of suspended overdue mark up to be recognised to income upon realisation.During the period the security was classified by MUFAP as non-performing due to non payment of markup due on 31 December 2011. Further more the issuer has requested to extend the payment of suspended overdue markup amounting to Rs. 2.81 million due on March 2012 to further one year i.e. March 2013 in 9 equal monthly installments with first installment due on 31 July, 2012.

5.4.3 This represents investment in sukuk certificates of Kohat Cement Company Limited (KCCL), secured against first pari passu hypothecation charge over all present and future fixed assets of the Company equivalent to the facility amount with a 25% margin and mortgage over all present and future immovable properties of KCCL with a 25% margin over the facility amount. During the period, the Sukuk issued by Kohat Cement Company Limited has been regular on its payments as per the restructuring agreement which resulted in reversal of provision by Rs. 30.65 million. Furthermore, during the period the issuer has again restructured the agreement accordingly the maturity date of the sukuk has been reduced to June 2016 from September 2016 by exercising Call option for early payment of outstanding principal amount representing 37% of principal amount due.

5.5 Details of Non-Compliant Investments with the investment criteria as specified by the Securities and Exchange Commission of Pakistan (SECP)

Circular no. 16 dated 07 July 2010 issued by the SECP requires details of investments not compliant with the investment criteria specified by the category assigned to open-end collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in these financial statements of the Fund. Details of such non-compliant investments are given below:

Clause 55(5) of the NBFC Regulations 2008 requires that not more than 10% of Net Assets shall be invested in a single entity. Clause 55(9) of the NBFC Regulations 2008 requires that not more than 25% of the net assets shall be invested in a single sector. However, as at June 30, 2012, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

5.6

Type of investment	Name of Non-compliant investment	Value of investment before provision	Total Provision held, (if any)	Value of investment after provision	Fair value as a percentage of Net assets	Fair value as a percentage of Gross assets	Sector wise percentage of net assets	Credit rating
Investment in construction and material sector								
Sukuk Certificate	Maple Leaf Cement Factory Limited	74,841	(33,679)	41,162	16.21	15.92		D
Sukuk Certificate	Maple Leaf Cement Factory Limited II	2,810	(2,810)	-	-	-	27.37	D
Sukuk Certificate	Kohat Cement Company Limited	37,750	(9,437)	28,313	11.15	10.95		Non rated

At the time of purchase / investment, the Sukuks were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in NBFC Regulations or NBFC Rules. However, subsequenly they were defaulted or downgraded to non investment grade or become non-compliant with investment restrictions parameters laid down in NBFC Regulations or NBFC Rules and with the requirements of Constitutive Documents.

	30 June 2012	30 June 2011
5.7 Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'	**(Rupees in '000)**	
Market value of investments	**88,330**	219,369
Less: Carrying value of investments	**(284,737)**	(368,608)
	(196,407)	(149,239)
Impairment charged during the year	**83,834**	57,179
Reversal of impairment during the year	**(31,489)**	(22,836)
	(144,062)	(114,896)
Net unrealized diminution in the value of investments at the beginning of the year	**149,239**	125,578
Realized on disposals during the year	**(5,245)**	-
Net unrealized (diminution)/\appreciation in the value of investments at the end of the year	**(68)**	10,682

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

	30 June 2012	30 June 2011
Opening Balance	**149,104**	114,761
Charged for the year	**83,834**	57,179
Reversal during the year	**(31,489)**	(22,836)
Realized on disposals during the year	**(5,245)**	-
Closing balance	**196,204**	149,104

	30 June 2012	30 June 2011
6. INCOME AND PROFIT RECEIVABLE	**---- Rupees in '000 ----**	
Receivable from term finance certificates	**1,229**	2,412
Receivable from sukuk certificates	**16,693**	24,326
Profit receivable on deposit accounts with banks	**158**	118
	18,080	26,856
7. DEPOSITS AND PREPAYMENTS		
Deposit with Central Depository Company of Pakistan Limited	**100**	100
Deposit with National Clearing Company of Pakistan Limited	**2,500**	3,500
	2,600	3,600
8. PRELIMINARY EXPENSES AND FLOATATION COSTS		
Preliminary expenses and floatation costs	**558**	1,142
Amortisation during the year	**(558)**	(584)
	-	558

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from 15 June 2007 as per the Trust Deed of the Fund. On 15 June 2012 the fund has completed five year in operation.

9. 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 first five years 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 two percent of such assets of the Fund. On 15 June 2012 the fund completed five year in operation however the Management Company has charged its remuneration at the rate of 1.25% per annum for the current year.

9.1 SALES TAX ON MANAGEMENT FEE

During the current year, an amount of Rs. 0.52 million (30 June 2011: Rs. Nil) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		30 June 2012	30 June 2011
		---- Rupees in '000 ----	
Trustee fee	10.1	**49**	49

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is payable to the trustee according to the following tariff structure:

Average net asset value	Tariff per annum
Up to Rs. 1,000 million	Rs 0.6 million or 0.17% p.a of NAV whichever is higher.
On amount exceeding Rs. 1,000 million and below Rs. 5,000 million	Rs. 1.7 million plus 0.085% p.a of net assets exceeding Rs. 1,000 million.
Over Rs. 5,000 million	Rs. 5.1 million plus 0.07% p.a of net assets exceeding Rs. 5,000 million.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - ANNUAL FEE

Under the provisions of NBFC Regulations, 2008, an open end income scheme is required to pay an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the Fund.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2012	30 June 2011
	---- Rupees in '000 ----	
Auditors' remuneration	**335**	447
Withholding tax payable	**6**	-
Provision for Workers' Welfare Fund	**3,322**	3,322
Other payable	**477**	277
	4,140	4,046

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 June 2012.

14. 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 15 July 2010 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 (FBR) 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 formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. 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 and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During 2011, the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. Further, during the year, based on such decision of Honourable High Court, the Commissioner of Inland Revenue (Appeals - II) have declared the WWF demand raised by tax authorities against certain mutual funds managed by Asset Management Companies as illegal and without jurisdiction. The management company believes that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh. Further, based on the opinion from legal counsel of Mutual Funds Association of Pakistan (MUFAP), there are good chances for the Constitutional Petition to be decided in favour of the mutual funds and accordingly mutual funds need not to make a provision regarding WWF in their financial statements.

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. 3.322 million up to 30 June 2012.

15. CLASSES OF UNITS IN ISSUE

15.1 The Fund may issue following classes of units:

Class		Description
A (Restricted / Core)	15.1.1	Units that shall be charged with no sales load.
A	15.1.2	Units that shall be charged with no sales load.
B	15.1.3	Units that shall be issued with or without sales load.

15.1.1 These units were issued to Core Investors. These units cannot be redeemed for a period of two years from the date of closure of Initial Period of Offer, as per offering document. At the year ended 30 June 2012 the units outstanding in the class are 5,000,000 as income units.

15.1.2 These units were offered and issued during the Private Placement and Initial Period of Offer.

15.1.3 These units were offered and issued after the Initial Period of Offer. At the year ended 30 June 2012 the units outstanding in the class are 33,313 as growth units and 481,236 as income units.

16. AUDITORS' REMUNERATION

	Year ended 30 June 2012	Year ended 30 June 2011
	---- Rupees in '000 ----	
Audit fee	**275**	275
Review, other certifications and services	**200**	240
Out of pocket expenses	**6**	49
	481	564

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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 , Bank Alfalah Limited being sub custodian, and other associated companies and connected persons. The transactions with connected persons are in the normal course of business, at contractual rates and term determined in accordance with market rates.

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

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

17.1 Transactions and balances with connected persons / related parties:

	30 June 2012		30 June 2011	
Units redeemed during the year by:	**Units in '000**	**Rupees in '000**	Units in '000	Rupees in '000
Bank Alfalah Limited	**-**	**-**	**6,306**	**310,586**

	30 June 2012	30 June 2011
Units held by:	(Units in '000)	
Bank Alfalah Limited	**5,481**	5,481

Alfalah GHP Investment Management Limited - Management Company	(Rupees in '000)	
Balance at the beginning of the year	**277**	636
Remuneration for the year	**3,249**	4,520
Sales tax for the year	**520**	-
	4,046	5,156
Amount paid during the year	**(3,742)**	(4,879)
Balance at the end of the year	**304**	277
Central Depository Company of Pakistan Limited - Trustee		
Balance at the beginning of the year	**49**	102
Remuneration for the year	**600**	735
Central Depository charges for the year	**6**	40
	655	877
Amount paid during the year	**(606)**	(828)
Balance at the end of the year	**49**	49

	30 June 2012	30 June 2011
	(Rupees in '000)	
Deposit with Central Depository Company of Pakistan Limited	**100**	100
Bank Alfalah Limited		
Balance in deposit account at the end of the year	**1,153**	13,645
Profit receivable on deposit accounts at the end of the year	**85**	118
Bank charges	**37**	21
Profit on deposit accounts	**1,093**	5,196

18. FINANCIAL RISK MANAGEMENT

The Fund objective in managing risk is creation and protection of unit holder(s) value. Risk is inherent in Fund's activities therefore the Fund's risk management policies are established to manage risk on integrated basis to identify and analyze all risks faced by the Fund and to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The fund has exposure to markets risk (which includes interest rate risk, currency risk and other price risk), credit risk, liquidity risk and operational risk arising from the financial instruments it holds. The Fund Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

18.1 Market risk

Market risk is the risk that changes in market prices, such as interest rate or equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of Market risk management is to manage and control market risk exposures within the investment parameters as defined in funds constitutive and investment policy documents, while optimizing the return. The Fund is categorized as an aggressive fixed income scheme and can invest in debt and money market securities as authorized in Fund Offering Documents. The Management Company manages risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

18.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The majority of Fund interest rate risk exposure arises on Funds investment on debt securities (Sukuks). Cash and cash equivalents are not subject to fair value interest rate risks.

The Fund manages interest rate risk by keeping a major portion of funds into short terms investments in the rising interest rate environment. Interest rate risk in debt securities are mitigated by investing mostly in instrument carrying floating rate coupons which are linked to market interest rates, and are re-priced on quarterly / semi-annual basis. As at 30 June 2012, the investment in T-Bills, TFC's and Sukuk certificates exposed to interest rate risks is detailed in note 5.1, 5.3 and 5.4 respectively.

A summary of the funds interest rate gap position, categorized by maturity date, is as follows:

	30 June 2012					
	Effective rate of mark-up/ return %	Exposed to yield / interest rate risk			Not exposed to Yield/ Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		------------------------- (Rupees in '000)	---------------------------			
On-balance sheet financial instruments						
Financial assets						
Bank balances	5 -11%	25,769	-	-	-	**25,769**
Investments	6 months KIBOR +1.65 to 6 months KIBOR + 2.85, 3 months	123,784	86,949	-	1,381	**212,114**
Income and profit receivable		-	-	-	18,080	**18,080**
Deposits and prepayments		-	-	-	2,600	**2,600**
		149,553	86,949	-	22,061	**258,563**
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	304	**304**
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	49	**49**
Payable to Securities and Exchange Commission of Pakistan -Annual fee		-	-	-	195	**195**
Accrued expenses and other liabilities		-	-	-	819	**819**
		-	-	-	1,367	**1,367**
On-balance sheet gap		**149,553**	**86,949**	**-**	**20,694**	**257,196**

	30 June 2011					
	Effective rate of mark-up/ return %	Exposed to yield / interest rate risk			Not exposed to Yield/ Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5 -10.50	13,679	-	-	-	13,679
Investments	6 months KIBOR +1.65 to 6 months KIBOR + 2.85, 3 months	26,121	216,308	-	1,813	244,242
Income and profit receivable		-	-	-	26,856	26,856
Deposits and prepayments		-	-	-	3,600	3,600
		39,800	216,308	-	32,269	288,377
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	277	277
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	49	49
Payable to Securities and Exchange Commission of Pakistan -Annual fee		-	-	-	271	271
Accrued expenses and other liabilities		-	-	-	724	724
		-	-	-	1,321	1,321
On-balance sheet gap		39,800	216,308	-	30,948	287,056

The above table shows Fund's yield / interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual repricing or maturity risk.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based interest bearing TFC's & Sukuk certificates exposing the Fund to cash flow interest rate risk. Fund's exposure in TFC's & sukuk certificates amount to Rs. 88.330 million as at 30 June 2012 (2011 : Rs 219.369 million). The Management have determined that a fluctuation in KIBOR interest rate of 100 basis points at June 30, 2012, with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs. 0.25 million (2011: Rs. 2.35 million).

The composition of the Fund' s investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2012 is not necessarily indicative of future movements in interest rates.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund holds treasury bills which are classified as 'at fair value through profit and loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates on 30 June 2012, the income for the period and net assets would be lower by Rs. 0.100 million (2011: Rs. 0.248 million).

18.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

18.1.3 Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factor specific to an individual investment, its issuer or factors affecting all instrument traded in the market.

The fund is not subject to the other price risk as all investments of the fund are in corporate debt securities (TFC/Sukuk) both listed and unlisted which are fixed income instrument.

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The credit risk of the Fund principally arises from its investment in debt securities. The Fund is also exposed to counterparty, credit risk on cash and cash equivalents, deposits and other receivable balances.

Credit risk on debt securities is mitigated by investing primarily investment grade securities both listed and unlisted. The Fund's Cash and cash equivalents are held mainly with Bank Alfalah Limited, which is rated AA by PACRA (2011: AA by PACRA).

Management Company has policies of reviewing the credit worthiness of its counterparties by analysis sector performance, financial ratios, making issuing entity assessment, assessment of collateral / security structure and credit ratings.

The maximum exposure to credit risk before any credit enhancements at 30 June 2012 is the carrying amount of the financial assets as set out below:

	30 June 2012	30 June 2011
Financial assets	**---- Rupees in '000 ----**	
Bank balances	**25,769**	13,679
Investments	**88,330**	219,369
Income and profit receivable	**18,080**	26,856
Deposits	**2,600**	3,600
	134,779	263,504

Investment in Government securities amounting to Rs. 123.784 million (30 June 2011: Rs. 24.873 million) is not exposed to credit risk.

Secured	**88,330**	219,369
Unsecured	**46,449**	44,135
	134,779	263,504

None of the above financial assets were considered to be past due or impaired in 2012 and 2011 except for exposures as provided in note 5.3 and 5.4. The Management Company follows Circular 1 of 2009 containing criteria for provisioning of non-performing debt securities issued by SECP and AGIMF's provision policy for the purpose of making provision against non-performing debt securities.

Sector wise analysis of maximum exposure to credit risk for investments in debt securities as at 30 June 2012 is given below:

	30 June 2012	30 June 2011
	---- Rupees in '000 ----	
Construction and material	**69,475**	127,640
Fertilizer	**-**	37,970
Investment Banks / Companies / Securities	**17,474**	28,763
Leasing Companies	**1,381**	22,523
Miscellaneous	**-**	2,473
	88,330	219,369

The analysis below summarises the credit quality of the Fund's investment in term finance certificates and sukuk certificates as at 30 June 2012 and 30 June 2011.

Term Finance Certificates / Sukuk Certificates by credit rating category	**30 June 2012**	30 June 2011
A, A-, A+	**3.76%**	3.36%
BBB, BBB-, BB+, BB	**62.60%**	32.86%
CCC	**1.56%**	0.83%
Non rated / Non performing	**32.05%**	62.95%
	100%	100%

Concentration of credit Risk

Concentration of credit risk exists when changes in economic or industry factors similarly affects groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

All deposits with Banks are highly rated and risk of default is considered minimal.

The analysis below summarizes the credit quality of the Fund's investment in Bank balance, Term Finance Certificates and Sukuk certificates as at 30 June 2012.

AA	**25,752**	13,645
A+	**17**	16
A-	**-**	18
	25,769	13,679

18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund is exposed to daily cash redemptions, if any. The Management Company manages the liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of the Fund's assets in highly liquid financial assets.

The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption. No such borrowings have arisen during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of total assets at the time of borrowing with repayment within 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	…..……….As at 30 June 2012 …………..		
	Carrying value	**Upto one month**	**More than one month upto three months**
	---------------- (Rupees in '000)	**---------------**	
Liabilities			
Payable to Alfalah GHP Investment Management Limited -Management Company	**304**	**304**	**-**
Payable to Central Depository Company of Pakistan Limited - Trustee	**49**	**49**	**-**
Accrued expenses and other liabilities	**4,140**	**-**	**4,140**
	4,493	**353**	**4,140**

	…..……….As at 30 June 2011 …………..		
	Carrying value	Upto one month	More than one month upto three months
	---------------- (Rupees in '000)	---------------	
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	277	277	-
Payable to Central Depository Company of Pakistan Limited - Trustee	49	49	-
Accrued expenses and other liabilities	724	-	724
	1,050	326	724

18.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Fund's activities.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas ;

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

18.5 Capital Risk Management

Alfalah GHP Income Multiplier Fund (AGIMF) is open end collective investment scheme. The capital of the open end schemes is represented by net assets attributable to unit holders. The Capital risk in case of open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Funds' ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the capital structure, the fund policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the fund yield and movement of NAV and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

In accordance with the NBFC Regulations, the Fund is required to maintain minimum net assets of one hundred million rupees at all times during the life of the scheme.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund's accounting policy on fair value measurements of its investments is discussed in note 3.1 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

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

	Level 1	Level 2	Level 3	Total
Financial assets classified as 'available for sale'	-------------------	(Rupees in '000)	-------------------	
Term Finance Certificates	-	17,474	1,381	18,855
Sukuk	-	28,313	41,162	69,475
	-	45,787	42,543	88,330
Financial assets 'at fair value through profit or loss'				
Market treasury bills	-	123,784	-	123,784

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the fund as required under Schedule V of Non Banking Finance Companies and Notified Entities Regulations, 2008 has been disclosed in Annexure I to the financial statements.

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on 16 October 2012 by the Board of Directors of the Management Company.

22 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive | **Director**

SUPPLEMENTARY NON FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J) OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

1.1 PERFORMANCE TABLE

	30 June 2012	30 June 2011	30 June 2010
	---------------(Rupees in '000)--------------		
Net Assets	**253,875**	284,292	588,956
	(Announcement date of distribution)		
Interim	**N/A**	N/A	18-Mar-10
Final	**N/A**	26-Aug-11	N/A
	(Percentage)		
Total return of the fund	**-3.90%**	1.97%	-4.89%
Annual dividend distribution	**Nil**	See Note Nil	5% Bonus Units
Capital growth	**-3.90%**	1.97%	-9.89%
Average annual return			
Half year	**N/A**	N/A	-4.89%
First year	**-3.90%**	1.97%	6.95%
Second year	**-0.97%**	2.35%	2.31%
Third year	**0.27%**	1.48%	N/A

	30 June 2012	30 June 2011	30 June 2010
		(Rupees per Units)	
Net assets value	**46.0373**	49.4753	48.5182
Highest offer price	**51.9071**	53.0108	53.0994
Lowest offer price	**42.0173**	47.1599	49.9737
Year end offer price	**47.4184**	50.9595	49.9737
Highest repurchase price	**50.3953**	51.4668	53.0994
Lowest repurchase price	**40.7935**	45.7863	48.5182
Year end repurchase price	**46.0373**	49.4753	48.5182
Interim distribution	**Nil**	Nil	2.3689
Final distribution	**Nil**	Nil	Nil
Total distribution	**Nil**	Nil	2.3689
Return Since Inception - Simple Annualised	**2.09%**	3.72%	5.86%
Return Since Inception - (CAGR)	**2.00%**	3.53%	5.54%
		(Days)	
Weighted average portfolio duration	**1.64 Years**	3.89 Years	59

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

1.2 RATING

Credit rating of the Management Company is 'AM3'.
The stability rating of the fund is BBB +(f)

1.3 PATTERN OF UNIT HOLDING

Category	**As at 30 June 2012**			
	Number of unit holder	**Units held**	**Investment amount**	**Percentage of totat investment**
			(Rupees in '000)	**%**
Individual	**7**	**13,810**	**636**	**0.25**
Associated companies	**1**	**5,481,236**	**252,341**	**99.39**
Insurance companies	**-**	**-**	**-**	**-**
Bank / financial institutions	**-**	**-**	**-**	**-**
Retirement Funds	**1**	**12,005**	**553**	**0.22**
Public companies	**-**	**-**	**-**	**-**
Others	**4**	**7,497**	**345**	**0.14**
	13	**5,514,548**	**253,875**	**100.00**

Category	As at 30 June 2011			
	Number of unit holder	Units held	Investment amount	Percentage of totat investment
			(Rupees in '000)	%
Individual	10	89,897	4,448	1.56
Associated companies	1	5,481,236	271,186	95.39
Insurance companies	-	-	-	-
Bank / financial institutions	1	109,625	5,424	1.91
Retirement Funds	2	58,128	2,876	1.02
Public companies	-	-	-	-
Others	4	7,260	359	0.13
	18	5,746,146	284,292	100.00

1.4 SIZE OF UNIT HOLDING

Size of Unit Holding	**Number of Unit Holders**	**Total Units**	**Invested Amount**	**%**
			(Rupees in '000)	
1 - 1000	6	877	40	0.02%
1001 - 5000	3	7,977	4	0.00%
5001 - 10000	2	12,454	573	0.22%
10001 - 50000	1	12,004	553	0.21%
500001 - 5500000	1	5,481,236	252,705	99.53%
Total	**13**	**5,514,548**	**253,875**	**100%**

1.5 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

List of the top ten brokers by percentage of the commission paid during the period are as follows:

Name of Broker	2012 (Percentage)
Pearl Securities Limited	52.68%
Invest Capital Market Ltd	27.60%
First Capital Securities Corporation Limited	11.19%
JS Global Capital Limited	8.54%

Name of Broker	2011 (Percentage)
Invisor Securities (Private) Limited	56.45%
BMA Capital Management Limited	16.30%
JS Global Capital Limited	14.91%
IGI Finex Securities Limited	5.93%
KASB Securities Limited	3.07%
First Capital Securities Corporation Limited	1.96%
Askari Bank Limited	1.38%

1.6 INVESTMENT COMMITTEE

Details of members of the investment committee of the Fund are as follows:

	Designation	Qualification	Experience in years
Abdul Aziz Anis	Chief Executive Officer	CFA / MBA (Finance)	16 +
Omer Bashir Mirza	CFO & Company Secretary	ACA	10 +
Zeeshan Khalil	Fund Manager	ACMA	7 +
Mr. Ather.H.Medina	Fund Manager	MBA / CFA Level II	17 +

1.6.1 Mr. Zeeshan Khalil is the Fund Manager of Alfalah GHP Income Multiplier Fund. Other Fund being managed by the Fund Manager are as follows:

- Alfalah GHP Cash Fund

1.7 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 42nd , 43rd, 44th, 45th, 46th, 47th Board Meetings were held on 07 July 2011, 25 Aug 2011, 31 Oct 2011, 16 Feb 2012, 27 Apr 2012 and 27 June 2012 respectively.

Name of Director	Number of Meetings			
	Held	Attended	Leave granted	Meeting not attended
Mr. Abdul Aziz Anis	6	6	-	-
Mr. Shakil Sadiq	6	6	-	-
Mr. Shahid Hosain Kazi	6	6	-	-
Mr. Shahab Bin Shahid	6	6	-	-
Mr. Hani Theodor Karl *	2	-	2	2
Mr. Hanspeter Beier**	3	-	3	3
Mr. Sarfraz Ali Sheikh ***	5	-	2	5

* Mr. Hani Theodor Karl (Nominee Director - GHP Arbitrim AG) has resigned from the Board with effect from October 10, 2011

**Mr. Hanspeter Beier appointed by Board as nominee Director of M/s GHP Arbitrium AG, SECP approval of Mr. Hanspeter Beier received on 28 August 2012.

*** Mr. Sarfraz Ali Sheikh been disqualied by the Board in compliance of section 188(b) of Companies Ordinance 1984.