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. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Fund Manager:	Mr. Zeeshan Khalil
Bankers to the Fund:	Bank Alfalah Limited Detusche Bank AG
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants First Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
Legal Advisor:	Bawaney & Partners, Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10, Beaumont Road, Civil Lines,Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited.
Rating:	Stability rating **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, 2011.

Financial Performance

Net assets under management as on June 30, 2011 were Rs. 284.29 million. During the period units worth Rs. 314.68 million were redeemed.

AGIMF earned total profit of Rs. 6.93 million for the year ended 30 June 2011 after accounting for net impairment in value of investment classified as 'available for sale' of Rs. 34.34 million. Major sources of revenue were income from term finance certificates of Rs. 9.56 million, income from government securities of Rs. 5.26 million, profit on bank deposits of Rs. 5.20 million, income from sukuk certificates of Rs. 32.31 million. After accounting for expenses of Rs. 7.59 million the net loss from operating activities for the year stands at Rs. 0.67 million.

Income Distribution

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Income Multiplier Fund (AGIMF), in their meeting held on August 25, 2011 has recommended to issue bonus units to unit holders of Growth and Cash Dividend to unit holders of income units for the year ended June 30, 2011 at Rs. 1.5900 per unit (i.e 3.28% of the Ex-NAV of Rs. 48.5182 at the beginning of the year).

Economic Review

Recent economic data coming out of the developed world suggest that economic growth might be losing steam. Now that Governments around the world are faced with growing fiscal deficit issues, another Keynesian stimulus is not an option on the table. Not only has the USA government seen its first ever debt downgrade by the S&P, but also continuing Euro zone debt problems pose an ever increasing probability of unraveling in a disorderly manner. Global markets, as a result, are expected to remain volatile and might experience loss of confidence from time to time. Investors are increasingly looking towards safe havens and major beneficiaries of such uncertain investment climate remain gold, Swiss Franc, and the Japanese Yen. US Fed Reserve might initiate another round of quantitative easing and the European Central Bank is indicating at buying more debt of Euro fringe economies.

Economic picture coming out of the emerging & frontier economies is not all rosy compared to FY10. There have been early signs of a slowdown in manufacturing activity in China and India. Both economies are faced with rising inflation, and consequently, Central banks are raising rates to reduce demand pressures. Foreign portfolio capital flow to these economies, as a result, is expected to slow down for next few months. Pakistan’s economy, a recipient of increased foreign equity inflows in FY10, and in line with the global scenario, has seen inflows reduced significantly in FY11 to $280 million from $526 million Y-o-Y. In fact, recent data depict an outflow of $37 million in the first one and half months (July 1 - August 15) of FY12.

Pakistan's economy continues to struggle against global commodity price hike. The Government is unable to pass-on the higher commodity prices and is forced to offer massive subsidies on power tariffs and domestic gas. Subsidy on the power tariff alone amounts to PKR 20 billion a month.

Pakistan remains reliant on foreign-pledged inflows to finance its persistently high budget deficit, 7.6% in FY08, 5.2% in FY09, and 6.3% of GDP in FY10. Meanwhile, inflation continues to remain in double digits for the fourth straight year.

Despite these problems, there have been a few positives this year. Higher cotton prices and a 26% rise in remittances in FY11 has swung the external account to a surplus of $542 million compared to a deficit of $3,900 million in FY10. Foreign exchange reserves, as a result, have also risen to $18.2 billion from $16.7 billion at the fiscal year end. Citing a comfortable external position and a contained inflation outlook (11% to 12%) for FY12, State Bank of Pakistan (SBP) in its July monetary policy has reversed its tight monetary stance. It has lowered the policy rate by 50 bps to 13.5%. SBP, previously, had increased the policy rate in multiple 50 bps notches from 12.5% in July 2010 to 14% in November 2010.

Given the severity of problems facing Pakistan-political instability, geo-political conflict, an expensive war against terrorism and rising poverty, the recovery is anticipated to be relatively weak. The IMF program is currently put on hold till September 2011 and is contingent upon successful implementation of the reforms. We believe that chances for the resumption of the program appear slim. SBP has indicated fiscal deficit for FY11 may cross 6.2% of GDP, thereby missing the agreed target by a wide margin. Overall, GDP growth rate after recording 4.1% in FY10 is expected to slow down to 2.6% in FY11.

Money Market Review

Overall activity in the debt market was largely concentrated in government securities. T-Bill and PIB yields witnessed an upward trend in FY11 in the wake of tight monetary policy by SBP to rein in increasing inflation and discipline widening fiscal deficit. The cut off yields on 3, 6 & 12 Months T-Bill during the year increased by 138.15 bps, 143.28 bps, and 148.86 bps respectively to 13.4851%, 13.7357% and 13.9074%, while the cut-off yield on 10-year PIBs increased by 141 bps to 14.0873% in FY 11. The government also raised a sizeable amount of PKR 181.354 billion in Ijara Sukuk against a target of PKR 170 billion at par with 6 Month T-bill cut off yield.

Asset allocation as on June 30, 2011

Cash / Bank Deposits	4.73%
TFCs / Sukuks	75.93%
T-Bills	8.61%
Others	10.73%
TOTAL	**100.00%**

Future Outlook

Despite the monetary loosening by SBP in its July 2011 Monetary Policy Statement along with some respite in commodity prices, we believe that the benefits cannot be easily reaped out in the absence of structural improvements in the overall fiscal system ranging from curtailment in government's non development expenses, increasing the tax net, resolution of circular debt, alternates to the dried out foreign aid inflows / suspended IMF program and containment of fiscal and external deficits.

As such, the Money Market is expected to remain volatile with bulk of the liquidity remaining concentrated in the risk free government securities, thus crowding out the private sector credit.

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 along with security of principal.

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.

- Profile of members of Investment committee 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, 2012.

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

25 August, 2011
Karachi

Abdul Aziz Anis
Chief Executive

REPORT OF THE FUND MANAGER

Investment objective

Alfalah GHP Income Multiplier Fund (AGIMF) is an open end Aggressive Fixed Income Fund. 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 appreciated by 1.97% p.a. in FY11. The performance of the fund remained subdued during the period due to heavy provisioning and impairment losses in the prices of corporate papers. The major reasons for the continued problems with the fixed income investment portfolio during this period were the high level of interest rates, coupled with a weak economy and deteriorating law and order situation.

The fund faced heavy redemption pressure during the period due to which it became impossible to ensure the compliance with the various requirements for the "Fixed Income Fund" category as laid out in the NBFC Rules. Consequently, the category of the fund was changed to "Aggressive Fixed Income Fund" during the year, which also resulted in a revision in the fund's benchmark from 3 Month KIBOR to 12 month KIBOR.

Despite the dearth of liquidity in the long term corporate debt market, your fund made all efforts to find buyers for it's TFCs/ Sukuk, and where such sales were made, the funds generated by offloading the corporate papers were invested in a diversified portfolio of high quality debt securities and liquid money market instruments and placements in order to seek stable returns and capital preservation.

Benchmark relevant to the fund

The benchmark for this Fund is 12M KIBOR.

Comparison of the funds' performance with benchmark

FY'11 Return	Benchmark	Relative Performance
1.97%	13.89%	-11.92%

Investment Strategy

During the period, AGIMF faced continuous redemption pressure which reduced the net assets to PKR 284.29 Million on June 30, 2011 from PKR 588.96 Million on June 30, 2010. AGIMF adopted a cautious approach and reduced its exposure in TFCs from PKR 349.82 Million to PKR 219.37 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 paper.

Asset allocation (June 30, 2011)

TFC's / Sukuk	75.93%
Cash / Bank deposits	4.73%
Treasury bills	8.61%
Others	10.73%
TOTAL	**100.00%**

Significant changes in the state of affairs of Fund.

The benchmark of Alfalah GHP Income Multiplier has changed from 3 month KIBOR to 12 month KIBOR

Fund's Performance

On Size

As on June 30, 11	As on June, 30, 10	% Change
284,292	588,956	-51.73%

On Price ^

As on June 30, 11	As on June, 30, 10	% Change **
49.4753	48.5182	1.97%

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

Investment avenues

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 review 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 11.50% 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 14.00%, the repo rate moved within the band of 11.00% to 14.00%.

- **Bond Market (PIB & Treasury Bills)**
  During the period, government had set a target to raise PKR 3,350 billion in Treasury bills against the maturity of PKR 3,181 billion. Against the target, PKR 3,539 billion was actually raised. The cut off yields on 3, 6 & 12 Months T-Bill during the year increased by 138.15 bps, 143.28 bps, and 148.86 bps respectively to 13.4851%, 13.7357% and 13.9074%, while the cut-off yield on 10-year PIBs increased by 141 bps to 14.0873% in FY 11. The government also raised a sizeable amount of PKR 181.354 billion in Ijara Sukook against a target of PKR 170 billion at par with 6 Month T-bill cut off yield.

- **Corporate Paper**
  In FY 2011 the primary market of corporate papers was remained dormant. The secondary market for corporate papers showed very high volatility and majority trading was witnessed in Banks, telecommunication & Fertilizer sector.

Disclosure of Other Remunerations

NIL

Performance Table

Key financial data is disclosed in annexure to the financial statements

Disclaimer

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
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Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

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

The Alfalah GHP Income Multiplier Fund (the Fund), an open-end fund was established under a trust deed dated March 8, 2007, executed between Alfalah GHP Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the year ended June 30, 2011 in accordance with the provisions of the following:

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

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

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

We would like to draw unit holders attention towards the following matters:

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

   The Management Company while complying the same has reclassified these sukuk certificates as performing, however, has not accrued the mark-up till October 12, 2010 for MLCFL and June 19, 2010 for KCCL. Going forward, the Management Company started accruing the mark-up completely from June 20, 2010 for KCCL and October 13, 2010 for MLCFL. The Management Company has informed us that the same has been done on prudence basis, considering the underlying risk of realisability of the deferred mark-up which will be received in future periods.

2. The fund is in non-compliance of NBFC Regulation 55(5) relating to exposure limits which states that not more than 10% of net assets shall be invested in a single entity. The Management Company had requested the SECP to grant additional period to regularize the excess exposure in securities of Agritech Limited, MLCFL and KCCL in terms of the prescribed limits as stated in the above mentioned Regulation stating the reason that it was due to decline in fund size. However, SECP had granted the said approval for Agritech Limited only upto December 31, 2010 and declined to approve the excess exposure in MLCFL and KCCL.

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

Karachi: October 13, 2011

CENTRAL DEPOSITORY COMPANY

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2011

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of Listing Regulations of Karachi Stock Exchange 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 Company has applied the principles contained in the Code in the following manner

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present all directors except Chief Executive Officer of the Management Company are non executive directors two of which are independent non-executive directors.

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

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A Casual vacancy occurred in the Board on 19th February 2011, which is not filled to date.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been approved by the directors. The Company has the policy to provide the statement of Ethics and Business Practices to all the employees on their appointment.

6. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been 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 CEO has 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 yet to arrange an orientation course for its directors to apprise them of their duties and responsibilities. The directors are however conversant with the requirements of the Code and other regulations.

10. There was no new appointment of CFO and Company Secretary made during the year their remuneration and term and conditions of employment were approved by the board in the erliaer 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 Company were duly endorsed by the CEO and CFO before approval of the Board.

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

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee. It comprises of three non-executive directors of the management company as its members including chairman of the audit committee.

16. During the year, audit committee meetings were held for approval of accounts. The terms of reference of the audit committee have been framed and approved by the Board of the Management Company and advised to the committee for compliance.

17. The Management Company has outsourced its internal audit function to Ford Rhodes Sidat Hyder & Co., Chartered Accountants.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company 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 Institute of Chartered Accountants of Pakistan.

19. 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.

20. We confirm that all other material principles contained in the Code have been complied with.

21. The related party transaction have been placed before the audit committee and approved by the Board of directors to comply with the requirements of listing regulations 35 of the Karachi Stock Exchange (Guarantee) Limited.

Chief Executive

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
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Review Report to the Unit Holders of Alfalah GHP Income Multiplier Fund ("the Fund") on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of the Alfalah GHP Investment Management Limited ("Management Company") of the Fund to comply with the Listing Regulations of the Karachi Stock Exchange, where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance 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 of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, sub-Regulation (xiii a) of Listing Regulation No. 35 notified by The Karachi Stock Exchange (Guarantee) Limited requires the Management Company to place before the board of directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transaction 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 procedures 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 of Compliance does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance for the year ended 30 June 2011.

Date: 25 AUG 2011

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

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Independent Auditors' Report to the Unit Holders

We have audited the accompanying financial statements of **Alfalah GHP Income Multiplier Fund** ("the Fund"), which comprise of the statement of assets and liabilities as at 30 June 2011, and the related income statement, statement of comprehensive income, distribution statement, cash flow statement, statement of movement in Unit Holders' Fund for the year then ended 30 June 2011 and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the approved accounting standards as applicable in Pakistan, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2011, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

KPMG Taseer Hadi & Co.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Date: 25 AUG 2011

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2011

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
Assets			
Bank balances	4	**13,679**	66,098
Investments	5	**244,242**	516,214
Income and profit receivable	6	**26,856**	6,327
Deposits and prepayments	7	**3,600**	3,901
Preliminary expenses and floatation costs	8	**558**	1,142
Total assets		**288,935**	593,682
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	**277**	636
Payable to Central Depository Company of Pakistan Limited - Trustee	10	**49**	102
Payable to Securities and Exchange Commission of Pakistan - Annual fee	11	**271**	234
Accrued expenses and other liabilities	12	**4,046**	3,754
Total liabilities		**4,643**	4,726
Contingencies and commitments	13	**-**	-
Net assets		**284,292**	588,956
Unit holders' fund (as per statement attached)		**284,292**	588,956
		(Number of units)	
Number of units in issue	15	**5,746,146**	12,138,871
		(Rupees)	
Net asset value per unit		**49.4753**	48.5182

The annexed notes 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 2011

	Note	Year ended 30 June 2011	Six month ended * 30 June 2010
		(Rupees in '000)	
Income			
Income from term finance certificates - net of amortisation of premium / discount		**9,562**	12,487
Income from government securities - net of amortisation of discount		**5,255**	6,396
Income from sukuk certificates		**32,311**	5,464
Profit on deposit accounts with banks		**5,197**	6,365
Capital loss on sale of investments		**(11,203)**	(6,124)
Income from term deposit receipts		**72**	-
Income from letter of placements		**31**	-
Impairment in the value of investments classified as 'available for sale'		**(57,179)**	(28,477)
Reversal of impairment in the value of investments classified as 'available for sale'		**22,836**	789
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	5.6	**44**	(56)
Other income		**-**	31
Total income		**6,926**	(3,125)
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	9	**4,520**	3,900
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	**735**	624
Annual fee - Securities and Exchange Commission of Pakistan	11	**271**	234
Transaction cost		**24**	39
Bank and settlement charges		**22**	162
Fees and subscriptions		**291**	155
Auditors' remuneration	16	**564**	431
Legal charges		**222**	56
Amortisation of preliminary expenses and floatation costs	8	**584**	290
Printing and related cost		**157**	93
Workers' welfare fund	14	**203**	3,120
Total expenses		**7,593**	9,104
Net loss from operating activities		**(667)**	(12,229)
Net element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased		**10,585**	(6)
Net income / (loss) for the year / period		**9,918**	(12,235)

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

* The fund has changed its accounting year from 31 December to 30 June (refer note 1.1)

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Year ended 30 June 2011	Six month ended * 30 June 2010
		(Rupees in '000)	
Net income / (loss) for the year / period		**9,918**	(12,235)
Other comprehensive income:			
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	5.3	**10,682**	(2,086)
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units repurchased - amount representing unrealised capital (losses) / gains		**(5,628)**	104
Other comprehensive income / (loss) for the year / period		**5,054**	(1,982)
Total comprehensive income / (loss) for the year / period		**14,972**	(14,217)

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

* The Fund has changed its accounting year from 31 December to 30 June (refer note 1.1)

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six month ended * 30 June 2010
	(Rupees in '000)	
Undistributed income brought forward:		
- Realised	**(7,118)**	120,946
- Unrealised	**(56)**	(87,073)
	(7,174)	33,873
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units repurchased - amount representing unrealised capital (losses) / gains	**(5,628)**	104
Net income / (loss) for the year / period	**9,918**	(12,235)
Final bonus distribution for the year ended 30 June 2010: Nil (31 December 2009: 570,501 units)	**-**	(28,916)
	4,290	(41,047)
Undistributed (loss) / income carried forward:		
- Realised	**(2,928)**	(7,118)
- Unrealised	**44**	(56)
	(2,884)	(7,174)

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

* The Fund has changed its accounting year from 31 December to 30 June (refer note 1.1)

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six month ended * 30 June 2010
	(Rupees in '000)	
Net assets at the beginning of the year / period	**588,956**	634,358
Issue of units Nil (30 June 2010: 310,989 units)	-	16,500
Redemption of 6,392,725 units (30 June 2010: 926,877 units)	**(314,679)**	(47,587)
	(314,679)	(31,087)
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units repurchased:		
- amount representing accrued (income) / loss and realised capital (gains) / losses transferred to the Income Statement	**(10,585)**	6
- amount representing unrealised capital losses / (gains) transferred directly to the Distribution Statement	**5,628**	(104)
	(4,957)	(98)
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	**10,682**	(2,086)
Final bonus distribution for the year ended 30 June 2010: Nil (31 December 2009: 570,501 units)	**-**	28,916
Capital loss on sale of investments	**(11,203)**	(6,124)
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	**44**	(56)
Other net income / (loss) for the year / period	**21,077**	(6,055)
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units repurchased	**(5,628)**	104
Final bonus distribution for the year ended 30 June 2010: Nil (31 December 2009: 570,501 units)	**-**	(28,916)
Net income / (loss) for the year / period less distributions	**4,290**	(41,047)
Net assets at the end of the year / period	**284,292**	588,956
	(Rupees)	
Net asset value per unit at the beginning of the year / period	**48.5182**	52.0637
Net asset value per unit at the end of the year / period	**49.4753**	48.5182

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

* The Fund has changed its accounting year from 31 December to 30 June (refer note 1.1)

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive | **Director**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six month ended * 30 June 2010
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year / period	**9,918**	(12,235)
Adjustments for:		
Net element of (income) / loss and capital (gain) / losses included in prices of units sold less those in units repurchased	**(10,585)**	6
Impairment in the value of investments classified as 'available for sale'	**57,179**	28,477
Reversal of impairment in the value of investments classified as 'available for sale'	**(22,836)**	(789)
Unrealised (appreciation) / diminution in the value of investment 'at fair value through 'profit or loss'	**(44)**	56
Profit on deposit accounts with banks	**(5,197)**	(6,365)
Income from term finance certificates - net of amortisation of premium / discount	**(9,562)**	(12,487)
Income from sukuk certificates	**(32,311)**	(5,464)
Income from term deposit receipts	**(72)**	-
Income from letter of placements	**(31)**	-
Workers' welfare fund	**203**	3,120
Amortisation of preliminary expenses and floatation costs	**584**	290
	(12,754)	(5,391)
(Increase) / decrease in assets		
Investments	**248,355**	(111,898)
Deposits and prepayments	**301**	(23)
	248,656	(111,921)
Increase / (decrease) in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	**(359)**	(56)
Payable to Central Depository Company of Pakistan Limited - Trustee	**(53)**	(9)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	**37**	(404)
Accrued expenses and other liabilities	**89**	(3)
	(286)	(472)
Profit received on term finance certificates	**12,334**	17,087
Profit received on sukuk certificates	**7,985**	5,464
Profit received on deposit accounts with banks	**6,222**	6,709
Profit received on term deposit receipts	**72**	-
Profit received from letter of placements	**31**	-
Net cash from / (used in) operating activities	**262,260**	(88,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	**-**	16,500
Payment against redemption of units	**(314,679)**	(47,587)
Net cash used in financing activities	**(314,679)**	(31,087)
Net decrease in cash and cash equivalents during the year / period	**(52,419)**	(119,611)
Cash and cash equivalents at the beginning of the year / period	**66,098**	185,709
Cash and cash equivalents at the end of the year / period	**13,679**	66,098

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

* The Fund has changed its accounting year from 31 December to 30 June (refer note 1.1)

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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 Funds Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Positive) to the Management Company in its rating report dated 22 February 2011 and BBB+(f) Stability Rating to the fund in its rating report dated 27 December 2010.

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.

1.1 Change of accounting year

In 2010, the management company had changed the accounting year of the Fund from 31 December to 30 June to bring accounting year of the Fund in line with the accounting year of other funds in the industry. Securities and Exchange Commission of Pakistan had approved the change of accounting year through letter no NBFC-II/AGIML/461/2010 dated 01 June 2010. As a result, the comparative figures in the financial statements cover a period of six months to 30 June 2010, whilst the current figures are for the year ended 30 June 2011.

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 stated at their fair values.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgment

The preparation of 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 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below:

- IAS 24 Related Party Disclosures (revised 2009) – (effective for annual periods beginning on or after 1 January 2011). The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Fund's financial statements.

- Improvements to IFRSs 2010 – IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2011). These amendments add an explicit statement that qualitative disclosure should be made in the contact of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments. In addition, the IASB amended and removed existing disclosure requirements.

- Improvements to IFRSs 2010 – IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2011) These amendments clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income also is required to be presented, but may be presented either in the statement of changes in equity or in the notes.

A part from above certain other standards, amendments to published standards and interpretations of accounting standards became effective for accounting periods beginning on or after 1 January 2011, however, they do not affect the Fund's 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 investment 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 contract or 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 / TFC Sukuk Certificates.

- Investment in term finance certificates and sukuk certificates have been valued on the basis of period 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 recognized 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 reclasified as performing by. MUFAP in terms of circularNo,1/2009 read in conjunction 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 and 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 equity 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 distributors 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 commencementof 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, 2011 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.

3.11Taxation

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.

- Dividend income is recognised when the right to receive the dividend is established.

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.

4 BANK BALANCES

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
Deposit accounts	4.1	**13,679**	66,098

4.1 These balances in saving deposit accounts bear profit rates ranging from 5% to 10.50% per annum (30 June 2010: 5% to 12.25% per annum)

5. INVESTMENTS

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
- Available for sale			
Investment in term finance certificates	5.1	**91,729**	213,905
Investment in sukuk certificates	5.2	**127,640**	112,853
		219,369	326,758
- At fair value through profit or loss			
Market treasury bills	5.5	**24,873**	189,456
		244,242	516,214

5.1 Investment in term finance certificates - 'available for sale'

Name of the investee company	Note	Maturity	Profit / mark-up percentage	As at 01 Jul 2010	Purchases during the year	Sales during the year	Redemption during the year	As at 30 June 2011	Cost as at 30 June 2011	Market value as at 30 June 2011	Unrealised diminution in the value of investments	Credit rating	Investments as a % of net assets	Market value as a % 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	a	January 2014	6M KIBOR + 2%	1,992	-	-	-	1,992	4,978	4,911	(67)	A+	1.73	2.01	1.21
Trust Investment Bank Limited	b	July 2013	6M KIBOR + 1.85%	8,000	-	-	-	8,000	24,990	23,852	(1,138)	BBB	8.39	9.77	6.67
Pakistan Mobile Communication Limited		October 2013	6M KIBOR + 1.65%	12,000	-	12,000	-	-	-	-	-	A+	-	-	-
Unlisted term finance certificates															
Security Leasing Corporation Limited	c	March 2014	6.00%	2,000	-	-	-	2,000	2,578	1,813	(765)	CCC	0.64	0.74	2.00
Agritech Limited (formerly Pak American Fertilizers Limited)	d	November 2014	6M KIBOR + 1.75%	19,000	-	-	-	19,000	94,924	37,970	(56,954)	D	13.36	15.55	6.33
Al-Zamin Leasing Modaraba	e	November 2013	6M KIBOR + 1.90%	10,000	-	-	-	10,000	38,924	19,462	(19,462)	D	6.85	7.97	7.14
Trakker (Private) Limited	f	September 2011	6M KIBOR + 2.85%	200	-	-	-	200	2,500	2,473	(27)	A	0.87	1.01	10.00
SME Leasing Limited	g	July 2011	3M KIBOR + 1.50%	3,000	-	-	-	3,000	1,250	1,248	(2)	BBB+	0.44	0.51	1.50
Total									**170,144**	**91,729**	**(78,415)**				

a) 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".

b) 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 1.8 million during the year.

c) These term finance certificates carry fixed mark-up rate of 6.00% per annum, receivable monthly in arrears. These term finance certificates are secured against first charge on specific leased assets with related rentals receivables with 25% margin. During the period, 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 instalments starting from April 29 2011 to March 29 2014.

d) 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 Fertilizers Limited) defaulted its principal and mark-up payment due on 29 May 2010. Accordingly, its TFCs has been classified as non performing by MUFAP. In line with the requirements of circular 01 of 2009 issued by the SECP, the Fund has not accrued any mark up during the period. Furthermore, the Fund has recognized provision of Rs. 28.47 million in the Income statement during the year.

e) 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. Due to financial difficulties faced by AZLM, the company defaulted in the payment of instalment comprising of profit and principal amounting to Rs. 1.5 million due on 12 October 2010. In line with the requirements of circular 01 of 2009 issued by the SECP, accrual of mark up has been suspended as well as mark-up income amounting to Rs. 0.459 million has been reversed. Furthermore, the Fund has recognised a provision of Rs. 19.791 million in the income statement during the year. Accordingly, these term finance certificates were classified as non performing debt security by MUFAP on 27 Aug 2010, due to delayed payments of principal and mark-up.

f) These term finance certificates carry fixed mark-up rate equal to 6 months Karachi Interbank Offered Rate "ask side" plus 2.85% per annum, receivable semi-annually in arrears with no floor or cap. These term finance certificates are secured against first pari passu charge on leased assets and associated lease receivables of the modaraba with 25% margin.

g) These term finance certificates carry fixed mark-up rate equal to 3 months Karachi Interbank Offered Rate "ask side" plus 1.5% per annum, receivable quarterly in arrears with no floor or cap. These term finance certificates are secured against exclusive charge by way of hypothecation over specific leased assets and associated lease rental receivables covering the issue amount with a 25% margin.

5.2 Investment in sukuk certificates - 'available for sale'

Name of the investee company	Note	Maturity	Profit / mark-up percentage	As at 01 Jul 2010	Purchases/ Adjustment during the year	Sales during the year	Redemption during the year	As at 30 June 2011	Cost as at 30 June 2011	Market value as at 30 June 2011	Unrealised diminution in the value of investments	Credit rating	Investments as a % of net assets	Market value as a % of total investments	Outstanding principal value as a % of issued debt capital
				---------- Number of certificates ----------					--------(Rupees in '000)--------						
Maple Leaf Cement Factory Limited	5.2.1	December 2018	3M KIBOR +1%	15,000	-	-	-	15,000	74,904	46,976	(27,928)	BB+	16.52	19.23	1.88
Maple Leaf Cement Factory Limited -II	5.2.2	March 2012	3M KIBOR +1%	-	562	-	-	562	2,810	-	(2,810)		-	-	0.94
Kohat Cement Company Limited	5.2.3	December 2015	6M KIBOR +1.80%	25,000	-	-	-	25,000	120,750	80,664	(40,086)	Non-rated	28.37	33.03	5.00
									198,464	127,640	(70,824)				
Total investment - available for sale									368,608	219,369	(149,239)				

5.2.1 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. MLCFL had to pay the instalment comprising of profit on the said sukuk certificates on 3 December 2009 which it was unable to pay due to the financial difficulties being faced by it. Considering this it was classified as non-performing debt security by MUFAP.
Subsequently, MLCFL entered into a financial restructuring agreement with the sukuk investors in February 2010. The revised terms agreed between the issuer and the investors were as follows:- Payment of principal amount shall be made on a quarterly basis in arrears commencing from 3 March 2010 with final redemption on 3 December 2018.

Payment of mark up shall be as follow:
- mark-up for the period from December 2009 to March 2011 equal to 0.5% of the mark-up amount due on their respective due dates in quarterly instalments. Remaining 99.5% mark up for the above period to be paid by the borrower during March 2012 to December 2017 in 24 equal quarterly instalments.
- mark-up for the period due from March 2011 to December 2018 to be collected on their respective quarterly due dates except that the mark up for the June 2011 quarter shall be payable along with the September 2011 quarter.

On 13 October 2010, these sukuk certificates were classified as performing by MUFAP on payment of two instalments as per the restructured terms. In line with SECP directives, the Fund has recognized the present value of mark-up for the period from 13 October to 3 March 2011 amounting to Rs. 3.288 million and mark-up for the period from 4 March 2011 to 30 June 2011 amounting to Rs. 3.592 million as income on 30 June 2011. Furthermore, during the year market price of MLCF I (as quoted by MUFAP) has further decreased, accordingly the management has recognized provision for impairment to profit and loss account amounting to Rs. 5.44 million, considering the credit risk on these sukuk certificates.

5.2.2 This represent additional Sukuk of MLCF received by the fund through restructuring agreement reached between lenders and MLCF. Under such agreement outstanding markup due on December 3,2009 amounting to Rs. 5.81 million was settled partially in cash and partially in the form of Sukuk certificates valuing Rs 2.81 million. These investment have not been recorded as 100% impaired since these have been received in lieu of suspended over markup to be recognized to income upon realization.

5.2.3 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.

The first payment of principal was defaulted by the Company which was due on 20th December 2008. Following its default, the loan agreement was restructured allowing it a grace period of one year for the payment of principal. As per the revised schedule, The Company was to pay Rs. 8.5 million of principal on 20th December 2009. However, the Company again defaulted on the payment of principal alongwith the interest accrued. The repayment agreement has been rescheduled on 15th February 2010 and the principal repayment will start from 20th September 2012 with final redemption on 20th December 2015. Further, quarterly payment of mark-up shall start from March 2010 to December 2015.

The Fund has received two mark-up instalments after the revised schedule amounting to Rs. 1.25 million each on due date in March 2010 and June 2010 respectively. As per circular No. 3 dated 20 January 2010 issued by the Securities and Exchange Commission a restructured debt security will be classified as performing upon receipt of next two instalments. Accordingly KCCL's sukuk certificates were classified as performing by MUFAP on 20 June 2010 upon payment of the coupons due in March 2010 and June 2010.

In line with SECP directives the Fund accordingly recorded mark-up income (including the mark-up income which was earlier suspended) for the period from 20 June 2010 to 30 June 2011 amounting to Rs. 22.093 million. Further, the management has made the reversal of provision during the year amounting to Rs. 20.289 million against the investment due to appreciation in the price quoted by MUFAP up till 30 June 2011.

The nominal value of sukuk certificates is Rs. 5,000 each.

5.2.4 Detail of non-compliant investments with the investment criteria prescribed in circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan.

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Aggressive Fixed Income Scheme' and the same has been approved by the SECP.

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. Investment parameters contained in clause 2.2 of offering document of the fund requires that Debt investment in private sector entities and in secured private sector instrument shall not exceed 70% of net assets respectively. However, as at June 30, 2011, the Fund is in non-compliance with the above-mentioned requirements in respect of the following:

Type of investment	Name of Non-compliant investment		Value of investment before provision	Provision held if any	Value of investment after provision	Fair value as a % of net assets	Fair value as a % of gross assets	Sector wise % of net assets
Investment in Debt Securities	**Investment in chemical sector**							
	Agritech Limited (formerly Pak American Fertilizers Limited)	5.2.5	94,924	(56,954)	37,970	13.36%	13.14%	13.36%
	Investment in construction and material sector							
	Maple Leaf Cement Factory Limited		46,976	-	46,976	16.52%	16.26%	44.89%
	Maple Leaf Cement Factory Limited II		2,810	(2,810)	-	0.00%	0.00%	
	Kohat Cement Company Limited		120,750	(40,086)	80,664	28.37%	27.92%	
	Total investment in Debt securities		368,608		219,369	77.16%		
	Total investment in private entities		368,608		219,369	77.16%		
	Total investment in secured private debt instrument		368,608		219,369	77.16%		

5.2.5 At the time of purchase of investments, the TFCs and 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, subsequently they were defaulted or downgraded to non investment grade or become non-compliant with investment restrictions parameters laid down in NBFC Regulations 2008 and the requirements of Constitutive Documents.

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

	30 June 2011	30 June 2010
	(Rupees in '000)	
Fair value of investments classified as 'available for sale'	**219,369**	326,758
Less: Cost of investments classified as ' available for sale'	**(368,608)**	(452,336)
Net unrealised diminution in the value of investments	**(149,239)**	(125,578)
Impairment charged to income statement	**57,179**	28,477
Reversal of impairment during the year / period	**(22,836)**	(789)
	(114,896)	(97,890)
Net unrealised diminution in the value of investments at the beginning of the year / period	**125,578**	95,804
Net unrealised appreciation / (diminution) in the value of investments at the end of the year / period	**10,682**	(2,086)

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

	2011	2010
Balance at the beginning of the year / period	**114,761**	87,073
Charge for the year / period	**57,179**	28,477
Reversal during the year / period	**(22,836)**	(789)
	34,343	27,688
Balance at the end of the year / period	**149,104**	114,761

5.5 Investment in market treasury bills - 'at fair value through profit or loss'

Issue date	Tenor	As at 01 July 2010	Purchases during the year	Sales during the year	Matured during the year	As at 30 June 2011	Cost as at 30 June 2011	Market value as at 30 June 2011	Unrealise diminution in the value of investments	Investment as a percentage of net assets	Market value as a percentage of total investments
		---------- Number of shares	----------			----------		.....(Rupees in '000).......			
7-May-09	1 Year	-	50,000	-	50,000	-	-	-	-	-	-
23-Apr-09	1 Year	-	100,000	-	100,000	-	-	-	-	-	-
11-Mar-10	1 Year	-	150,000	50,000	100,000	-	-	-	-	-	-
4-Jun-09	1 Year	-	50,000		50,000	-	-	-	-	-	-
18-Jun-09	6 Months	-	75,000		75,000	-	-	-	-	-	-
17-Dec-09	6 Months	-	50,000		50,000	-	-	-	-	-	-
25-Mar-10	1 Year	-	50,000	-	50,000	-	-	-	-	-	-
22-Apr-10	3 months	100,000	-	25,000	75,000	-	-	-	-	-	-
8-Apr-10	3 months	90,000	-	-	90,000	-	-	-	-	-	-
6-May-10	3 months	-	27,000	-	27,000	-	-	-	-	-	-
30-Jul-09	1 year	-	50,000	-	50,000	-	-	-	-	-	-
13-Aug-09	1 year	-	50,000	-	50,000	-	-	-	-	-	-
27-Aug-09	1 year	-	50,000	-	50,000	-	-	-	-	-	-
9-Sep-10	3 months	-	50,000	5,000	45,000	-	-	-	-	-	-
7-Oct-10	3 months	-	50,000	-	50,000	-	-	-	-	-	-
2-Dec-10	3 months	-	45,000	15,000	30,000	-	-	-	-	-	-
18-Dec-10	3 months	-	25,000	-	25,000	-	-	-	-	-	-
16-Nov-10	3 months	-	40,000	-	40,000	-	-	-	-	-	-
27-Jan-11	3 months	-	25,000	-	25,000	-	-	-	-	-	-
10-Feb-11	3 months	-	40,000	35,000	5,000	-	-	-	-	-	-
24-Feb-11	3 months	-	30,000	30,000	-	-	-	-	-	-	-
4-Nov-10	3 months	-	45,000	45,000	-	-	-	-	-	-	-
21-Apr-11	3 months	-	25,000	-	-	25,000	24,885	24,873	(12)	8.75	10.18
Total investment - 'at fair value through profit or loss'							**24,885**	**24,873**	**(12)**		
Grand total							**393,493**	**244,242**			

5.6 Net unrealised apreciation/diminution in the value of investments - 'at fair value through profit or loss'

	30 June 2011	30 June 2010
	(Rupees in '000)	
Fair value of investments classified as 'at fair value through profit or loss'	**24,873**	189,456
Cost of marketable securities classified as ' at fair value through profit' or loss'	**(24,885)**	(189,512)
Net unrealised diminution in the value of investments at the end of the year / period	**(12)**	(56)
Net unrealised diminution in the value of investments at the beginning of the year / period	**56**	-
Net unrealised appreciation / (diminution) in the value of investments at the end of the year / period	**44**	(56)

6. INCOME AND PROFIT RECEIVABLE

	30 June 2011	30 June 2010
	---- Rupees in '000 ----	
Receivable from term finance certificates	**2,412**	5,184
Receivable from sukuk certificates	**24,326**	-
Profit receivable on deposit accounts with banks	**118**	1,143
	26,856	6,327

7. DEPOSITS AND PREPAYMENTS

Deposit with Central Depository Company of Pakistan Limited	**100**	200
Deposit with National Clearing Company of Pakistan Limited	**3,500**	3,625
Prepayments	**-**	76
	3,600	3,901

8. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	**1,142**	1,432
Amortisation during the year / period	**(584)**	(290)
	558	1,142

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.

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. The Management Company has charged its remuneration at the rate of 1.25% per annum for the current period.

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

		30 June 2011	30 June 2010
		---- Rupees in '000 ----	
Trustee fee	10.1	**49**	102

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	Rs. 2 million plus 0.1% p.a of NAV exceeding Rs. 1,000 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 2011	30 June 2010
	---- Rupees in '000 ----	
Auditors' remuneration	**447**	372
Withholding tax payable	-	53
Payable on redemption of units	-	51
Provision for Workers' Welfare Fund	**3,322**	3,120
Other payable	**277**	158
	4,046	3,754

13. CONTINGENCIES AND COMMITMENTS

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

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

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

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 3.322 million up to 30 June 2011

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.

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.

16. AUDITORS' REMUNERATION

	Year ended 30 June 2011	Six months ended 30 June 2010
	---- Rupees in '000 ----	
Audit fee	**275**	250
Review, other certifications and services	**240**	150
Out of pocket expenses	**49**	31
	564	431

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 period / 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 2011		30 June 2010	
	Units in '000	**Rupees in '000**	Units in '000	Rupees in '000
Units sold to:				
Alfalah GHP Investment Management Limited	**-**	**-**	**292**	**15,500**
Bonus units distributed to:				
Bank Alfalah Limited	**-**	**-**	**526**	**26,677**
Alfalah GHP Investment Management Limited	**-**	**-**	**14**	**692**
Units redeemed during the period / year by:				
Alfalah GHP Investment Management Limited	**-**	**-**	**306**	**15,397**
Bank Alfalah Limited	**6,306**	**310,586**	-	-

	30 June 2011	30 June 2010
	(Units in '000)	
Units held by:		
Bank Alfalah Limited	**5,481**	11,787
	(Rupees in '000)	
Alfalah GHP Investment Management Limited - Management Company		
Balance at the beginning of the year / period	**636**	692
Remuneration for the year / period	**4,520**	3,900
	5,156	4,592
Amount paid during the year / period	**(4,879)**	(3,956)
Balance at the end of the year / period	**277**	636
Central Depository Company of Pakistan Limited - Trustee		
Balance at the beginning of the year / period	**102**	111
Remuneration for the year / period	**735**	624
Central Depository charges for the year / period	**40**	36
	877	771
Amount paid during the year / period	**(828)**	(669)
Balance at the end of the year / period	**49**	102

	30 June 2011	30 June 2010
	(Rupees in '000)	
Deposit with Central Depository Company of Pakistan Limited	**100**	200
Bank Alfalah Limited		
Balance in deposit account at the end of the year / period	**13,645**	66,065
Profit receivable on deposit accounts at the end of the year / period	**118**	1,143
Bank charges	**21**	29
Profit on deposit accounts	**5,196**	6,364

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 2011, the investment in TFC's and Sukuk certificates exposed to interest rate risks is detailed in note 5.1 and 5.2.

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

	Effective rate of mark-up/ return %	30 June 2011 Exposed to yield / interest rate risk				Total
		Upto three months	More than three months and upto one year	More than one year	Not exposed to Yield/ Interest rate risk	
		------------------------- (Rupees in '000)			---------------------------	
On-balance sheet financial instruments						
Financial assets						
Bank balances	5 -10.5	13,679	-	-	-	**13,679**
Investments	6 months KIBOR +1.65 to 6 months KIBOR + 2.85, 3 months KIBOR + 1.5	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**
Accrued expenses and other liabilities		-	-	-	724	**724**
		-	-	-	1,050	**1,050**
On-balance sheet gap		**39,800**	**216,308**	-	**31,219**	**287,327**

	Effective rate of mark-up/ return %	30 June 2010 Exposed to yield / interest rate risk				Total
		Upto three months	More than three months and upto one year	More than one year	Not exposed to Yield/ Interest rate risk	
		------------------------- (Rupees in '000)			---------------------------	
Financial assets						
Bank balances	5 -12.25	66,098	-	-	-	66,098
Investments	6 months KIBOR +1.65 to 6 months KIBOR + 2.85, 3 months KIBOR + 1.5	195,546	318,031	-	2,637	516,214
Income and profit receivable		-	-	-	6,327	6,327
Deposits and prepayments		-	-	-	3,825	3,825
		261,644	318,031	-	12,789	592,464
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	636	636
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	102	102
Accrued expenses and other liabilities		-	-	-	634	634
		-	-	-	1,372	1,372
On-balance sheet gap		261,644	318,031	-	11,417	591,092

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. 219.369 million as at 30 June 2011. The Management have determined that a fluctuation in KIBOR interest rate of 100 basis points at June 30, 2011, 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. 2.35 million (2010: Rs. 1.19 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 2011 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 2011, the income for the year and net assets would be lower /higher by Rs. 0.248 million (2010: Rs.1.89 million).

The composition of the Fund's investment portfolio, change in interest rates are expected to change over time. Accordingly, the sensitivity

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 investment 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 (2010: 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 2010 is the carrying amount of the financial assets as set out below:

Financial assets	30 June 2011	30 June 2010
	---- Rupees in '000 ----	
Bank balances	**13,679**	66,098
Investments	**219,369**	326,758
Income and profit receivable	**26,856**	6,327
Deposits	**3,600**	3,825
	263,504	403,008

Interest in Government securities amounting to Rs. 24.873 million (30 June 2010: 189.456) is not exposed to credit risk.

Secured	**219,369**	297,923
Unsecured	**44,135**	105,085
	263,504	403,008
Not past due	**206,072**	336,561
Past due*	**57,432**	66,447
	263,504	403,008

* None of the above financial assets were considered to be past due or impaired except for exposures as provided in note 5.1 and 5.2. The Management Company follows Circular 1 of 2009 containing criteria for provisioning of non-performing debt securities issued by SECP 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 2011 is given below:

	30 June 2011	30 June 2010
	---- Rupees in '000 ----	
Construction and material	**127,640**	112,853
Fertilizer	**37,970**	66,447
Investment Banks / Companies / Securities	**28,763**	38,039
Leasing Companies	**22,523**	50,082
Technology and Communication	**-**	51,900
Miscellaneous	**2,473**	7,437
	219,369	326,758

The analysis below summarises the credit quality of the Fund's investment in term finance certificates and sukuk certificates as at the reporting date.

Term Finance Certificates / Sukuk Certificates by credit rating category	30 June 2011	30 June 2010
A, A-, A+	**3.36%**	30.63%
BBB, BBB-, BB+, BB	**32.86%**	51.36%
CCC	**0.83%**	0.75%
D/Non rated / Non performing	**62.95%**	17.26%
	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 2011.

AA	**13,645**	66,065
A+	**16**	15
A-	**18**	18
	13,679	66,098

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 period. 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 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**

	…..………As at 30 June 2010 …………..		
	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	636	636	-
Payable to Central Depository Company of Pakistan Limited - Trustee	102	102	-
Accrued expenses and other liabilities	634	-	634
	1,372	738	634

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.

The Fund is not exposed to externally impose minimum capital maintenance requirements.

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:

	Total	Level 1	Level 2	Level 3
	------------------- (Rupees in '000) -------------------			
Financial assets classified as 'available for sale'				
Debt securities	-	219,369	-	219,369
Financial assets 'at fair value through profit or loss'				
Market treasury bills	-	24,873	-	24,873

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. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in its meeting held on 25th August 2011 (30 June 2010: 21 Oct 2010) has proposed a final distribution of Rs. 1.5900 per unit for the year ended 30 June 2011 (30 June 2010: Nil). These financial statements do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending 30 June 2012.

22. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on 25 August, 2011 by the Board of Directors of the Management Company.

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 2011	30 June 2010	31 December 2009
	---(Rupees in '000)---		
Net Assets	**284,292**	588,956	634,358
	(Announcement date of distribution)		
Interim	**N/A**	18-Mar-10	30-June-09
Final	**N/A**	N/A	N/A
	(Percentage)		
Total return of the fund	**1.97%**	-4.89%	15.31%
Annual dividend distribution	**Nil**	5% Bonus Units	4% Cash Dividend
Capital growth	**1.97%**	-9.89%	11.31%
Average annual return			
Half year	**N/A**	-4.89%	N/A
First year	**1.97%**	6.95%	15.31%
Second year	**2.35%**	2.31%	5.33%
Third year	**1.48%**	N/A	N/A

	30 June 2011	30 June 2010	31 December 2009
Net assets value	**49.4753**	48.5182	52.0637
Highest offer price	**53.0108**	53.0994	53.2735
Lowest offer price	**47.1599**	49.9737	48.9213
Year end offer price	**50.9595**	49.9737	52.0637
Highest repurchase price	**51.4668**	53.0994	53.2735
Lowest repurchase price	**45.7863**	48.5182	48.9213
Year end repurchase price	**49.4753**	48.5182	52.0637
Interim distribution	**Nil**	2.3689	1.8721
Final distribution	**Nil**	Nil	Nil
Total distribution	**Nil**	2.3689	1.8721
Return Since Inception - Annualised	**3.53%**	5.54%	5.87%
		(Days)	
Weighted average portfolio duration	**3.89 Years**	59	64

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	Number of unit holder	Units held	Investment amount	Percentage of totat investment
	As at 30 June 2011			
			(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**

Category	Number of unit holder	Units held	Investment amount	Percentage of totat investment
	As at 30 June 2010			
			(Rupees in '000)	%
Individual	18	174,661	8,474	1.44
Associated companies	1	11,787,450	571,906	97.10
Insurance companies	-	-	-	-
Bank / financial institutions	1	109,625	5,319	0.90
Retirement Funds	2	58,128	2,820	0.49
Public companies	-	-	-	-
Others	5	9,007	437	0.07
	27	12,138,871	588,956	100.00

1.4 SIZE OF UNIT HOLDING

Size of Unit Holding	Number of Unit Holders	Total Units	Invested Amount	%
1 - 1000	7	1,069	53	0.0%
1001 - 5000	3	8,250	408	0.1%
5001 - 10000	2	12,060	597	0.2%
10001 - 50000	3	80,366	3,976	1.4%
50001 - 100000	1	53,541	2,649	0.9%
100001 - 500000	1	109,625	5,424	1.9%
500001 - 5500000	1	5,481,236	271,186	95.4%
Total	**18**	**5,746,146**	**284,292**	**100.0%**

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	June 2011
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%

Name of Broker	June 2010
First Capital Securities Corporation Limited	54.94%
BMA Capital Management Limited	14.10%
JS Global Capital Limited	8.03%
Global Securities Pakistan Limited	5.49%
KASB Securities Limited	5.29%
Invest Capital Investment Bank Limited	4.69%
Elixir Securities Pakistan (Private) Limited	3.95%
Invisor Securities (Private) Limited	1.92%
IGI Finex Securities Limite	1.59%

1.6 INVESTMENT COMMITTEE

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

	Designation	Qualification	Experience in years
Mr. Abdul Aziz Anis	Chief Executive Officer	CFA / MBA (Finance)	15+
Mr. Omer Bashir Mirza	CFO & Company Secretary	ACA	9+
Mr. Zeeshan Khalil	Fund Manager	CMA	6+
Mr. Ather. H. Medina	Fund Manager	MBA / CFA Level II	16+

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 36th, 37th, 38th, 39th, 40th, 41st Board Meetings were held on 31 Aug 2010, 21 Oct 2010, 30 Dec 2010, 6 Jan 2011, 25 Feb 2011 and 22 April 2011 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. Hani Theodor Karl	6	-	6	6
Mr. Sarfraz Ali Sheikh	6	-	6	6
Mr. Shahab Bin Shahid	6	-	6	6
Mr. Omar Mohammad Khan *	6	-	4	4

*Mr. Omar Mohammad Khan has resigned in February 2011.